Close the Loop Ltd

ABN: 91 095 718 317

Annual Report
2026

APPENDIX 4E

1.1 Company details

Name of entity:	Close the Loop Limited
ABN:	91 095 718 317
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

1.2 Results for announcement to the market

				$'000
Revenues from ordinary activities	Up/~~Down~~	6%	to	125,619
Profit/(Loss) from ordinary activities after tax attributable to the members of Close the Loop Limited	Up/~~Down~~	100%	to	31
Net Profit/(Loss) for the year attributable to the members of Close the Loop Limited	~~Up~~/Down	375%	to	(105,328)

Dividends

Close the Loop Limited has not paid any dividends in the year ended 30 June 2026 nor does it propose to pay any dividends.

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

Comments

Revenue and net profit have decreased compared to the previous financial year due to discontinued operations and the costs associated therewith. ISP Tek Services was disposed of on 19 May 2026 and all the intangible assets associated with this business combination were written off in the current financial year. Alliance Paper and O F Flexo were also disposed of in the current financial year.

The loss from ordinary activities from continuing operations in the current financial year were due to the impact of one-off restructuring costs in the resource recovery division. The restructure was completed prior to 30 June 2026. The EBITDA for the year ended 30 June 2026 from continuing operations is $12.4 million which is 33% lower than the previous corresponding period's underlying EBITDA.

During the year the company breached its banking covenants but complied with the amended banking covenants at 30 June 2026. The covenant waiver and revised bank covenants were formally agreed with the bank prior to 30 June 2026 and in accordance with the accounting standards the bank debt can be split between current and non-current debt at 30 June 2026. However, since the company is expected to refinance the bank debt by 31 December 2026, the bank debt is classified as current at 30 June 2026. The company continues to have the ongoing support of its bankers, with the debt facilities expiring in 2029.

Please refer to the Review of Operations section of the Directors' Report in the Annual Report of Close the Loop Limited for an explanation of the results.

This Appendix 4E should be read in conjunction with the Annual Report of Close the Loop Limited for the year ended 30 June 2026. Refer to ASX announcement on the 24 August 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 information provided in this report contains all the information required by ASX Listing Rule 4.3A.

1.3 Net tangible assets

	30 June 2026	30 June 2025
Net tangible assets per ordinary security	0.56 cents	(0.61) cents

Net tangible assets per ordinary security are impacted by the goodwill on consolidation accruing as a result of the acquisitions made in prior financial years.

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 current reporting period ended 30 June 2026 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, whilst the shares in its wholly owned New Zealand subsidiary Alliance Paper NZ Limited were transferred on 1 November 2025. All the shares in the wholly owned subsidiary ISP Tek Services LLC were sold with effect from 19 May 2026.

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 Details of returns to shareholders

Close the Loop Limited did not make any distributions to shareholders nor were there any share buy backs during the year ended 30 June 2026.

1.8 Audit

The financial statements were subject to an audit by the auditors and the unmodified audit report is attached as part of the Annual 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 Annual Report for the period ended 30 June 2026.

1.9 Attachments

The Annual Report of Close the Loop Limited for the year ended 30 June 2026 is attached.

1.10 Signed

Signed: ___________________________ Date: 24 August 2026
Grant Carman
Director

Annual Report
30 June 2026

Close the Loop Ltd

ABN: 91 095 718 317

1.10.1 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 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	Principal place of business
43-47 Cleeland Road Oakleigh South VIC 3167 Australia	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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 August 2026.

Corporate Governance Framework

The Board is committed to ensuring the sustained, long-term growth, performance and success of the Company, as well as representing and serving the best interests of all Company stakeholders, including security holders, customers and employees.

Close the Loop Limited maintains the highest standards of corporate governance in accordance with the ASX Corporate Governance Principles and Recommendations (4th edition).

The Australian Stock Exchange Principles for listed entities are intended to promote investor confidence and assist companies in meeting stakeholder's expectations. A copy of Close the Loop's corporate governance statement that is current as at 30 June 2026, that meets the requirements of the Australian Stock Exchange Listing Rules, can be found on its website at www.closetheloop.com.au/investor-center/corporate-governance

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 year ended 30 June 2026.

Directors

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

Name, and independence status	Appointment/ Resignation Date	Qualifications, experience, special responsibilities, and other directorships
Grant Carman Independent Non-Executive Director	appointed 30 November 2021	Grant was appointed a director of Close the Loop in November 2021 and became the chairman of Close the Loop in November 2024. Grant has more than 30 years' experience in corporate finance. Previous roles have included CFO for ORIX Australia, GM Finance & Shared Services NAB, CEO of National Australia Corporate Advisory, Director of Acquisitions at Ferrier Hodgson CA, and Group Financial Controller at Faulding. Grant is currently a Non-Executive Director of RPM Automotive Group Limited (ASX:RPM). He holds a B.Ec (Comm) and an MBA from The University of Adelaide and he is a Fellow of Chartered Accountants Australia & New Zealand (FCA). Grant was the chair of the Board's Audit and Risk Committee until 16 December 2024 when he relinquished this role and became a committee member. Grant is a member of the Board's Nomination and Remuneration Committee where he became chair on 16 December 2024.
Sammy Saloum Non-Executive Director	appointed 23 November 2023	Sammy was the chief executive of ISP Tek Services, a leading refurbisher and distributor of consumer electronics based in Texas that the Company acquired full ownership of in April 2023. For over 25 years, Sammy Saloum has been a leader in omnichannel retail, merchandising, marketing, financial services and reverse logistics. Sammy has developed a global network in all aspects of retail, managing billions of dollars of profitable growth. As CEO of ISP Tek Services, Sammy supported some of the world's largest consumer electronics businesses through leading circularity, reuse and re-manufacture services in the US. Prior to his involvement with ISP Tek Services, Sammy served in senior level executive positions with key brick and mortar retailers including RadioShack, CSK Auto and CompUSA Inc. Sammy is a member of the Board's Nomination and Remuneration Committee. Sammy was appointed as a member of the Audit Committee on 16 December 2024 and became chair on 3 December 2025.
Kesh Nair Executive Director, Chief Executive Officer (Australia and South Africa)	appointed 16 July 2025	Kesh Nair has been an integral part of the Close the Loop family for over 18 years, beginning his career journey as IT Systems Manager and most recently serving as General Manager of Close the Loop Recycling and Close the Loop Renewed Solutions in Australia. Kesh has led numerous strategic initiatives, including new product development, public relations, and the oversight of sales and marketing teams. Kesh has been instrumental in expanding our ITAD capabilities and cultivating key partnerships across Southeast Asia. Kesh is respected for his diligence, principled leadership, and steadfast commitment to excellence. Kesh holds a Bachelor of Information Systems and MBA from Swinburne University. Kesh became a member of the Board's Nomination and Remuneration Committee on 3 December 2025.

Name, and independence status	Appointment/ Resignation Date	Qualifications, experience, special responsibilities, and other directorships
Lawrence Jaffe Executive Director Chief Commercial Officer	appointed 30 November 2021 resigned 16 July 2025	Lawrence was CEO and Managing Director of RPM Australasia until 2015 and stepped down when the company sold off its largest divisions. He remained on as Non-Executive Chairman until the company listed on ASX and is now Chairman of that group. In 2016, Lawrence brought together the founders of the O F Packaging Group, becoming CFO and Executive Chairman. Lawrence holds a Bachelor of Commerce and Graduate Diploma of Accounting from Rhodes University. Lawrence was a member of the Board's Audit and Risk Committee until 16 December 2024. Lawrence is currently Chairman of RPM Automotive Group Limited (ASX: RPM). Lawrence resigned as a director on 16 July 2025 when he ceased to be the interim Chief Executive Officer of the company a position he held from 21 November 2024 to the date of his resignation as a director.
John Chambers Independent Non-Executive Director	appointed 21 November 2024 resigned 20 November 2025	John Chambers brings extensive product and technology knowledge to the company, having previously held senior executive roles at Telstra and AGL. In addition to his corporate expertise, he was previously the Chairman of Moorup Technologies, where he continued to drive innovation in the renewing of mobile technology. John is also a council member at Swinburne University of Technology, chairing their Technology and Innovation committee. With a career that spans both the corporate and startup ecosystems, John has developed a unique blend of skills in technology, sustainability, and innovation, making him a highly respected leader in these sectors. John has a Bachelor of Economics, from Macquarie University (Sydney). John was appointed as the chair of the Board's Audit and Risk Committee and a member of the Nomination and Remuneration Committee on 16 December 2024, positions he held until his resignation on 20 November 2025. John was appointed as a director on 21 November 2024 and resigned on 20 November 2025.
Brendan Yee Executive Director	appointed 5 December 2025	Brendan was appointed a director of Close the Loop in December 2025. Brendan is an experienced packaging industry professional who brings extensive packaging experience to the Close the Loop Board. As one of the founders of O F Packaging, his in-depth specialist understanding of the sector is helpful in assisting the Board in the development of a key segment of the Company. Brendan holds a Bachelor of Chemical Engineering (honours) and a Bachelor of Commerce from Monash University. Brendan became a member of the Board's Audit and Risk Committee when he became a director on 5 December 2025.
Joe Foster Non-Executive Director	appointed 1 September 2025 resigned 20 November 2025	Joe has more than 40 years' experience in the flexible packaging industry, with experience in engineering, production, technical, sales and marketing. Joe was the original founder of the packaging business which originated in South Africa back in 1998 and has successfully run his own business in South Africa, Ireland, UK and Australia over the past 27 years, supplying products across Europe, Africa, America and Australia. Joe is a fellow of the Australian Institute of Packaging and a co-founder of the O F Packaging Group. Joe resigned as an executive director and CEO and moved into the role of Global Chief Operations Officer in November 2024. On 1 September 2025 Joe transitioned into becoming a non-executive director, until his retirement on 20 November 2025.

Name, and independence status	Appointment/ Resignation Date	Qualifications, experience, special responsibilities, and other directorships
Marc Lichtenstein Company Secretary, and Chief Financial Officer	appointed 8 August 2017	Marc joined Close the Loop in 2017 as CFO and was a Director of Close the Loop from October 2021 to November 2024. Marc has been the Company Secretary of Close the Loop since 8 August 2017. For more than 25 years, Marc has led and worked in several senior roles in a range of listed and private companies across a wide range of industries. He has extensive experience in leading businesses through significant periods of change including IPOs, significant capital raises, exponential periods of growth, major acquisitions and divestments. Marc is a Fellow of Chartered Accountants Australia & New Zealand (FCA), qualified as a Chartered Secretary (FCIS) and Fellow of the Australian Institute of Company Directors (FAICD). Marc also holds a Bachelor of Business, with distinction, degree from RMIT University.

Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board Meetings		Audit Committee Meetings		Nomination and Remuneration Committee Meetings	
	Attended	Held	Attended	Held	Attended	Held
Grant Carman	13	14	3	3	1	1
Sammy Saloum	13	14	3	3	-	1
Kesh Nair	13	13				
Brendan Yee	8	8	1	1		
Joe Foster	3	3				
Lawrence Jaffe	1	1				
John Chambers	5	5	2	2	1	1

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, 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 creating a better future by improving, sustainability, reduction in waste and advancing 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 year.

Other than the discontinued operations, there were no other significant changes in the nature of the activities of the Group during the year.

Operating and financial review

Overview of the Group

With locations across Australasia, Europe, South Africa, and the United States, Close the Loop create innovative products and packaging that includes recyclable and made-from recycled content, as well as collect, sort, reclaim and reuse resources that would otherwise go to landfill. From recovering a wide range of electronic products, print consumables, 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 focused on the future, sustainability and the circular economy.

Well positioned within the circular economy, Close the Loop consists of the merging of two secondary business groups. The merger of the O F Pack Group with Close the Loop Limited on 30 November 2021 and ASX listing, allows for end-to-end solutions across packaging and consumables to a variety of markets, with advanced innovation in product development, as well as end of life take-back and recovery systems for complex commodities to greatly reduce waste to landfill.

During the year the company breached its banking covenants but complied with the amended banking covenants at 30 June 2026. The covenant waiver and revised bank covenants were formally agreed with the bank prior to 30 June 2026 and in accordance with the accounting standards the bank debt could be split between current and non-current debt at 30 June 2026. However, in light of the fact that the company intends to refinance the debt by 31 December 2026, the debt is classified as current at 30 June 2026. In the prior year all the bank debt was classified as current debt as the company had breached banking covenants at 30 June 2025. The company continues to have the ongoing support of its bankers, with the debt facilities expiring in 2029.

Shareholder Returns

	2026	2025*	2024	2023	2022
Profit / (Loss) attributable to the owners of the company	$31,000	($16,473,000)	$11,415,000	$12,238,000	$4,606,000
Basic EPS	0.01 cents	(3.14 cents)	2.08 cents	3.23 cents	2.39 cents
Dividends paid	-	-	-	-	$1,023,000
Dividends per share	-	-	-	-	$5,115
Change in share price	(6%)	(91%)	(31%)	21%	103%
Return on capital employed	17.1%	(8.7%)	16.9%	14.0%	3.1%

* 2025 has not been restated for the entities disposed of in FY26 and classified as discontinued operations at 30 June 2026

Net profit amounts and earnings per share have been calculated in accordance with Australian Accounting Standards. Dividends were paid by O F Packaging Pty Ltd prior to the acquisition of O F Packaging Pty Ltd by Close the Loop Limited on 30 November 2021.

Returns to shareholders increased through capital growth in 2026, 2024 and 2023, however the losses in 2025 and have caused the return on capital employed to decrease in that reporting period. Dividends for 2022 were fully franked and it is expected that dividends in future years will continue to be fully franked.

The return on capital employed in 2022 had been impacted by the profit attributed to owners of the company as this includes the performance of the combined group for a seven-month period rather than the full 12 month period in 2022 and includes the initial public offer costs. The return on capital employed for the full 2026 year is 17.1%. The positive return on capital for the 2026 financial year of 17.1% is significantly greater than the prior year's negative return on capital and in line with 2023 and 2024 due to the earnings before interest and tax being positive for the consolidated group from the continuing operations.

Investments and Divestments for future performance

The Close the Loop Renewed Solutions (formerly known as ISP Tek Services) acquisition in 2023 provided the Company with significant consumer and commercial electronics remanufacturing and technological capabilities, a considerable US market sales and trading presence, and extensive distribution networks. It added reuse capabilities to the Company's portfolio and strengthened its service offering to original equipment manufacturers (OEMs), supporting sustainability and circular economy initiatives. During the financial year the Company identified the rapid changes that were impacting this business and the markets in which it operates. A decision was made to exit this market segment in North America. The share sale of the ISP Tek Services business was completed on 19 May 2026. The Mexicali facility was sold as part of the ISP Tek Services sale.

The sale of the ISP business marks an important milestone in the Company's ongoing transformation and demonstrates the meaningful progress achieved in strengthening and repositioning the business. It reflects a disciplined and proactive approach to reshaping the portfolio while ensuring the Company remains focused on its highest-performing and most strategic operations.

The packaging division has 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 businesses considered to be non-core in the Australian packaging segment that have performed poorly in FY25 and FY26 and have impacted the overall result for the Australian business, have been divested in FY26.

The Company has continued its restructuring program throughout FY26, executing the asset sale of Alliance Paper (the thermal paper business) on the 27th of October 2025.

The share sale of O F Flexo Pty Ltd, a Melbourne based flexible packaging manufacturing business, via a management buyout was completed with an effective date of 31 July 2025, and completion in November 2025.

At 30 June 2026 Close the Loop was in a strong position to pursue future organic and inorganic growth opportunities with a cash balance of $16.7 million.

Review of financial condition

Details of the financial condition of the company and its capital structure and treasury policy are included in the financial statements for the year ending 30 June 2026. The Company is in advanced discussions with potential financiers and lenders to refinance the Company's residual debt facilities which is expected to result in significant interest rate savings in future periods.

Review of principal business (Close the Loop Limited)

The profit for the consolidated group from continuing operations after providing for income tax amounted to $31,000 (2025 loss of $10,841,000). Once the impact of the amortisation associated with the business combinations from continuing operations are taken into account the net profit after tax adding back amortisation ("NPATA") increases to $1,441,000 (30 June 2025: loss of $5,387,000)

The profit before interest, tax, depreciation, and amortisation ("EBITDA") from continuing operations attributable to the members of the parent entity for the year ended 30 June 2026 is $12,432,000 (30 June 2025: $7,918,000). This is a 57% year on year increase.

Close the Loop's performance was impacted by several one-off events that have impacted the FY26 financial performance of the Company. In FY26 the company undertook a detailed review of operations and businesses that resulted in a business reorganisation. The one-off events include the costs associated with the restructure of Close the Loop Plastics Recycling in the USA, sale of the ISP Tek Services, Alliance Paper and O F Flexo businesses and several asset write-offs.

The core businesses in the packaging division had solid revenue and profit growth for the period. We are seeing strong demands for recyclable ready packaging and recycled content which are products that are readily available through the various divisions.

The large increase in loss attributable to the members of Close the Loop in the current financial year is a result of the discontinued operations, being the sale of ISP Tek Services, Alliance Paper and O F Flexo, asset write-offs and the restructuring in the resource recovery division. The intangibles associated with the 2023 purchase of ISP Tek Services that were required to be written off at the time of the business disposal are the main driver for the significant loss incurred in the year ended 30 June 2026.

Review of Operating Segments

North America

The acquisition of ISP Tek Services (rebranded Close the Loop Renewed Solutions) in April 2023 had successfully positioned the Company as a fast growing and highly profitable provider of IT-refurbishment services in North America and provided the opportunity to expand in new geographies and service areas. The growth and profitability of the ISP business faltered in 2025 and the Board made the strategic decision to divest the ISP business in FY26.

The sale of the shares in ISP Tek Services LLC ("ISP"), based in Dallas, Texas, was completed on 19 May 2026 for a total consideration of US$10.0 million. The transaction was structured as US$9 million payable at settlement, on 19 May 2026, for the shares of the company, together with a seller note of US$1 million. The seller note will be paid in four equal quarterly instalments by the ISP purchaser, Ivy Technology Holdings, LLC, with the first instalment paid at settlement.

The sale represented another significant milestone in the Company's strategic transformation and reflects management's disciplined approach to reshaping the business around its strongest operations and areas of proven capability. While the Company acknowledges that certain businesses were not able to be adequately operated and managed within the existing structure, the lessons learned through this process have enabled a clearer and more focused strategy moving forward.

This sale transaction allows the Company to sharpen its operational focus on its core Packaging and Resource Recovery divisions, the sectors where the business has consistently demonstrated strong performance, operational expertise, and competitive advantage. With strong foundations already established across these divisions, the Company believes it is now better positioned than at any time in the recent past to drive sustainable growth, improve profitability, and deliver long-term value for shareholders.

The proceeds from the transaction, combined with some of its existing cash reserves, were used to repay approximately US$16 million of outstanding debt, materially strengthening the Company's balance sheet and reducing ongoing financing costs.

The Company's print consumable business in North America performed well during the reporting period. This is a mature business that produces strong operating profits and free cash flow every year. An investment into new take back programmes in prior periods has added volume and revenue to the business, leveraging the same equipment and cost base. Time studies undertaken by our in-house engineering team have improved labour efficiency throughput in FY26 with a 30% labour efficiency gain realised during the FY26 reporting period. Additionally, investment into value added services has resulted in growing operational efficiencies and deeper, more imbedded supply chain relationships with the OEMs.

The Close the Loop Plastics Recycling business has had a disappointing result in the current reporting period. The investment into new plant and equipment has taken longer than initially anticipated to come online. During FY26 management has undertaken a review and restructure of the Close the Loop Plastics Recycling business. The restructure included consolidating operations from three to the one profitable site. Underperforming long-term toll and service contracts were terminated or exited to ensure that all ongoing work undertaken by the plastic recycling business is profitable. The plastics recycling plant now has ample additional capacity and is expected to be cash flow positive and profitable in the next financial year.

Previously, North America represented 50% of the Company’s revenue and the majority of its earnings but after the disposal of ISP Tek Services and restructure of Close the Loop Plastic Recycling, this will reduce to approximately 25% of the Company’s revenue. This business segment is expected to continue to make a strong earnings contribution to the Group.

Australasia

Revenue in Australasia is up 6% compared to the previous corresponding period and EBITDA is up to $3,468,000. The Australasia operating segment consists predominantly of Australian-based businesses. However, it also includes smaller businesses operations across New Zealand and Asia Pacific that are managed from Australia. It represents 46% of the Company’s revenue, which is consistent with the prior year.

The Company’s core packaging businesses continue to demonstrate solid operational execution. Revenue and EBITDA performance were ahead of the prior corresponding period, due to improving core operations and the elimination of losses recognised from non-core businesses activities.

The packaging division is well positioned to continue to deliver growing operational performance in FY27.

There is an expectation that as a result of the business restructure all Australian businesses that were unprofitable businesses in 2026 will return to profitability in the 2027 financial year. Management expects continued planned profitable growth in future periods in the core Australian packaging business.

The asset sale of Alliance Paper (the thermal paper business) on the 27th of October 2025 and the share sale of O F Flexo Pty Ltd, a Melbourne based flexible packaging manufacturing business, via a management buyout was completed with an effective date of 31 July 2025, and completion in November 2025 were completed in FY26 as part of management’s ongoing review of non-core and/or unprofitable operations restructure. This decision reflects the Company’s focus on optimising its portfolio and concentrating resources on higher-value, scalable business units.

During the year, the Company continues to accept post-consumer soft plastic from across Australia and supply TonerPlas material manufactured in its Victorian facility to meet ongoing national demand. Despite the small effect on profitability, the reuse of soft plastic waste is a critical initiative for the Company and the community.

During FY26 the Company expanded its renewed solutions and ITAD services into Asia and New Zealand. Operations were established in Singapore, Malaysia, Indonesia which are currently being managed by the Australian management team.

South Africa

The South African packaging operations have grown revenue by 38% while EBITDA is up by 42%. The South African businesses now represent 19% of the Company’s revenue and 42% of the Company’s EBITDA. The South African business has delivered another great result, particularly considering the challenging macroeconomic environment. During the year the South African team has continued to target work with much larger, multinational organisations and has been successful in winning work with several of these customers. This bodes well for the coming year as the business continues to build sustainable long-term relationships with their large tier-1 customers.

Europe

The European business represents 10% of the Company’s revenue and 9% of the Company’s EBITDA. The ongoing benefits of the investment made in Europe into the multi-vendor take back programme called “Circular Planet” and the regulatory tailwinds are reflected in the financial performance of the current reporting period.

Although the full-year result remained negative, the significant improvement in monthly performance from March 2026 onwards demonstrates a clear positive trend in the underlying business. This improvement was particularly driven by higher recycling volumes and the improved profitability of a major original equipment manufacture's (OEM) sorting project.

Close the Loop's Circular Planet initiative is a strategic and coordinated industry response to assist the OEMs achieve their sustainability and product circularity goals, while complying with EU legislation aimed at reducing electronic waste. The program has continued to gain traction during FY26. The Company plans to deploy its Circular Planet program in several additional European and Scandinavian regions in the future.

Review of prospects for future financial years

The Consolidated Entity is exposed to environmental (including climate change), social and governance ('ESG') risks which may affect the Consolidated Entity's ability to achieve the financial performance or outcomes disclosed herein. The risks along with managements planned responses are outlined below.

The Company is confident in the future outlook of the business and believes the streamlined operating platform post the sale of ISP Tek Services and corporate restructure will enable the Company to grow from strength to strength as it executes on the significant opportunities available within its core markets.

Environmental Risks (including climate change)

The Consolidated Entity must comply with a range of environmental performance and reporting requirements which are conditions of its resource recovery and packaging activities. There is a risk that the Consolidated Entity may not be able to achieve the financial performance, or outcomes disclosed herein if it fails to comply with those environmental performance and reporting requirements or if the requirements change in the future and the Consolidated Entity is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. There is also a risk that future business partners and customers may seek to have the Consolidated Entity comply with additional environmental performance and reporting requirements which the Consolidated Entity may not be able to comply with or must incur material unplanned expenditure in order to be compliant. The Consolidated Entity seeks to manage and minimise this risk through its existing risk management framework and through detailed environmental management plans and systems.

Social Risks

The Consolidated Entity is exposed to social risks as a result of the many stakeholders who are involved in its operations including but not limited to employees, contractors, local community members residing in areas where the Consolidated Entity operates, governments and government agencies (local, state and federal) as well as customers and suppliers. The Consolidated Entity is subject to reputational damage as well as potential claims for damages as a result of any harm or loss sustained by any stakeholder as a result of the operations of the Consolidated Entity and its representatives. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it incurs reputational damage or claims for damages. The Consolidated Entity seeks to manage and minimise this risk through its existing risk management framework, including Board approved policies on stakeholder management and through established stakeholder consultation processes.

Governance Risks

The Consolidated Entity must comply with a range of governance requirements which are conditions of its listing on the ASX and of its resource recovery and packaging activities. There is a risk that the Consolidated Entity may not be able to achieve the financial performance or outcomes disclosed herein if it fails to comply with those governance requirements or if the requirements change in the future and the Consolidated Entity is no longer able to comply with the requirements or must incur material unplanned expenditure in order to remain compliant. The Consolidated Entity seeks to manage and minimise this risk through its existing risk management framework including Board-approved governance policies which are subject to regular review.

Significant Changes in the State of Affairs

During the financial year ended 30 June 2026 the company exited its thermal paper business, a Melbourne based flexible packaging manufacturing business, and its ITAD business via the sale of the shares in the ISP Tek Services based in North America. There were no other significant changes in the state of affairs of the consolidated group during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year by Close the Loop Limited.

On 26 May 2026 a dividend of R1,250,000 (A$109,604) (2025: R1,250,000) was declared and paid by Foster International Packaging (Pty) Ltd to its black empowerment minority shareholder.

Events Subsequent to reporting date

On 9 July 2026, the Company held a meeting of shareholders to approve the cancellation of the Existing Convertible Notes, issue the Subscription Shares to, and enter into a Loan Deed with, Sammy Saloum, who is a related party, as he is a director of the Company, and Dania Saloum. On 10 July 2026 60,350,976 fully paid ordinary shares were issued as the Subscription Shares as cancellation for one of the two notes in full and part payment for the second note. In addition to the share issue and as full settlement for the balance of the second note, a lump sum amount of US$2,500,000 is due and payable to Sammy Saloum and Dania Saloum, which is expected to be paid when the Company completes its debt refinance in 2026. The balance of the second note is due and payable in the form of an interest free loan of $1,750,000 to be paid over a 5-year term. The first quarterly instalment repayment of the interest free loan will be due and payable on the first anniversary of the settlement of the initial lump sum payment of US$2,500,000.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year 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, in future financial years.

Likely developments

The Group will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year. This will require further investment in areas such as recycling capability and sale of goods and services, which have performed well over recent years and offer sound opportunities for future development.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group's operations are subject to significant environmental regulation under both Commonwealth and State legislation in relation to its recycling and packaging activities.

The operations of the consolidated group are subject to certain environmental regulations under the Commonwealth and State legislation in Australia, the European Union legislation, South African legislation and the States of Kentucky and Ohio in the United States of America.

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was substantially achieved across all operations with no instances of non-compliance in relation to licence requirements noted. Based on the results of enquiries made, the Board is not aware of any significant breaches during the period covered by this report.

Directors' interests

The relevant interest of each director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report are as follows:

	Ordinary Fully Paid	Options	Performance Rights
Grant Carman	1,250,000	-	-
Brendan Yee	50,902,430	-	250,000
Kesh Nair	952,325	-	1,750,000
Sammy Saloum	105,467,592	-	-

Share options

Unissued shares under options

All options were granted in previous financial years. No options have been granted since the end of the previous financial year.

At the date of this report unissued shares of the Group under option are:

Grant Date	Expiry Date	Exercise Price	Number of shares
18 January 2024	18 January 2027	0.38	500,000
18 January 2024	18 January 2027	0.90	500,000

All unissued shares are ordinary shares of the Company.

All options expire on the earlier of their expiry date or the exercise of the options. 1,000,000 options were issued for services rendered, in relation to the acquisition of ISP Tek Services and Captive Trade Corp. The individual was entitled to options or a cash incentive if the transaction successfully completed. Options have been issued in lieu of a cash incentive payment.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

No options were issued to Directors and executives as remuneration during the year. During the financial year, no options expired without being exercised.

No other options over issued shares or interests in a controlled entity were granted during or since the end of the financial year and there were no options in controlled entities outstanding at the date of this report.

Shares issued on exercise of options

There were no ordinary shares of Close the Loop Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Indemnification and insurance of officers and auditors

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Non-audit services

The Group's auditor appointment of Nexia Melbourne Audit Pty Ltd was ratified at the company's Annual General Meeting held on 16 November 2022. Nexia and the lead audit partner, Ben Bester, was the auditor of the Group for the first time for the year ended 30 June 2022. In accordance with the Corporations Act 2001 and Nexia Australia partner rotation requirements, the next rotation of the lead partner of Close the Loop Limited is planned to occur after the completion of the 30 June 2026 financial year audit.

During the year Nexia Melbourne Pty Ltd, a company associated with the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements performed by Nexia Melbourne Audit Pty Ltd.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, Nexia Melbourne Audit Pty Ltd, and its component audit firms for audit and non-audit services provided during the year are set out below.

	2026 $
Services other than audit and review of financial statements:	
Regulatory assurance services	
Government Grant Audit	-
Other assurance services	
Due diligence services	-
Other services	
Business services undertaken by Nexia Melbourne Pty Ltd	5,875
Tax Compliance Services	66,000
Overseas component audit firms - tax services	892
Overseas component audit firms - other accounting services	-
Audit and review of financial statements by overseas auditors	371,904
Audit and review of financial statements – Nexia Melbourne Audit Pty Ltd	183,580
Total paid	628,251

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Lead 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.

Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2026/183, 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.

Remuneration report – audited

The Directors present the Remuneration Report (the Report) for the Company for the year ended 30 June 2026. This Report forms part of the Directors' Report and has been audited in accordance with Section 300A of the Corporations Act 2001. The information provided in this report has been audited as required by section 308(3C) of the Corporations Act 2001.

This Remuneration Report (Report) sets out Close the Loop's Executive remuneration framework, as well as the remuneration arrangements for the Key Management Personnel (KMP) of Close the Loop for the year ended 30 June 2026. References to Executives in this Report are to Executive KMP who report to the Chief Executive Officer. (CEO)

Key Developments in FY26

The remuneration report of a listed company is subject to a non-binding vote of adoption by shareholders at the Company's Annual General Meeting (AGM). At the most recent AGM of the Company, which was held on 20 November 2025, 25 percent or more of the votes cast were in favour of the adoption of the remuneration report. The Company avoided a "second strike" as shareholders had voted against the remuneration report at the 2024 AGM. The Company made several changes as a result of the negative vote at the 2024 AGM. Since the negative vote became known to the Company, the composition of the Company's Board of Directors has been refreshed with 5 directors resigning and 3 new directors being appointed to the Board. The Board renewal process is continuing and is expected to be completed in the 2027 financial year. There has also been a restructure of the KMP across the Group. The Board of Directors proposes to undertake a detailed remuneration review in the 2027 financial year to benchmark the Company's remuneration strategy and governance.

There were no acquisitions made in the financial year ended 30 June 2026. (FY26)

As part of the restructure of the business in FY26 to exit non-core and or underperforming business units there were 3 business disposals made during FY26. The Company has completed the asset sale of Alliance Paper (the thermal paper business) on 27 October 2025 and the share sale of O F Flexo Pty Ltd, a Melbourne based flexible packaging manufacturing business, via a management buyout which was completed with an effective date of 31 July 2025.

The ISP Tek Services acquisition in 2023 provided the Company with significant consumer and commercial electronics remanufacturing and technological capabilities, a considerable US market sales and trading presence, and extensive distribution networks. It added reuse capabilities to the Company's portfolio and strengthened its service offering to original equipment manufacturers (OEMs), supporting sustainability and circular economy initiatives.

During the financial year the Company identified the rapid changes that were impacting the Close the Loop Renewed Solutions (formerly known as ISP Tek Services) business and the markets in which it operates. A decision was made to exit this market segment in North America. The share sale of the ISP Tek Services business was completed on 19 May 2026. The Mexicali facility was sold as part of the ISP Tek Services sale.

Review of remuneration structure - audited

Remuneration strategy and governance

The Board is responsible for ensuring that Close the Loop's remuneration strategy and framework support the Group's performance and that executives and Non-Executive Directors are rewarded fairly and responsibly with regard to legal and corporate governance requirements. The responsibilities of the Nomination and Remuneration Committee are that it oversees remuneration matters and, where appropriate, makes recommendations on any changes to remuneration structure. The Committee is comprised of Grant Carman, Kesh Nair and Sammy Saloum, the majority of which are Non-Executive Directors. On 20 November 2025 John Chambers resigned as a director and as a Nomination and Remuneration Committee member and was replaced as a committee member by Kesh Nair on 3 December 2025.

Close the Loop's Key Management Personnel are assessed each year and comprise the Executive Directors of the Company and select senior executives who have the authority and responsibility for planning, directing and controlling the Company's activities directly or indirectly. As a result of the most recent review, this involved rebalancing executive remuneration by changing the mix of long-term incentive plans (LTIP), base salary, and short-term incentive (STI) components for both the CEO and executives. These changes capture Close the Loop's continued evolution from its unlisted private origins to a global circularly integrated sustainability company, where competitive remuneration is an important factor in attracting and retaining executive talent.

Principles of compensation - audited

Compensation packages include a mix of fixed and variable compensation, and short and long-term performance-based incentives.

As a global end-to-end solutions providing company, Close the Loop is dependent on highly-skilled, specialist team members to execute our strategy. Our ability to attract, retain, reward, and motivate our people is fundamental to our long-term success. The remuneration strategy is aligned with the Company's purpose, vision and shareholders' interests.

The objective of determining remuneration levels is to:

- Set competitive remuneration packages to attract, retain and motivate high quality directors and executives who will generate value for shareholders and ensure they are consistent with the Company's strategic goals and human resources objectives; and
- Establish remuneration strategies that are fair and reasonable having regard to the performance of the Company and the relevant director or executive.

Our executive remuneration framework has been carefully and purposefully developed to enable this by offering:

- Fixed remuneration competitive with the market;
- Short-term incentives based on challenging individual and Company-wide targets; and
- An equity plan that is aligned with Close the Loop's strategy, ensuring a focus on execution and long-term value creation.

The Board reviews and makes recommendations on the Company's remuneration policies, procedures and practices. It also defines the individual packages offered to Executive Directors and KMP's for recommendation to the Board. During the current and previous financial years, matters of remuneration and nomination were determined at a board level by the Nomination and Remuneration Committee.

During the year to 30 June 2026, a comprehensive review of the Company's remuneration strategy was carried out to ensure alignment with its strategy and appropriate levels of remuneration relative to its industry peers, and this was completed in conjunction with the most recent corporate activity and growth of the Company.

As part of this review, advisors were not engaged to review the remuneration structure of the Company, or incentive practises. Third-party software was used for market research for KMPs and employees. The Board did not receive a report that included provision of remuneration recommendations, as defined in the Corporations Act.

In accordance with Corporate Governance best practice (Recommendation 8.2), the structure of Non-Executive Director and executive remuneration is separate and distinct as follows:

Executive KMPs

The table below represents the target remuneration mix for group executives in the current year. The short-term incentive is provided at target levels, and the long-term incentive amount is provided based on the value granted in the current year.

		At Risk	
	Fixed remuneration	Short-term incentive	Long-term incentive
CEO	51%	36%	13%
CFO, CCO	50%	25%	25%
Other executives	50%	25%	25%

Fixed Compensation

The fixed remuneration component which consists of the base salary and retirement benefits (superannuation), is reviewed annually based on individual skills, experience, accountabilities, performance, leadership and behaviours.

Performance linked compensation

Short-term incentives

An at-risk component of remuneration is set as a percentage of base salary which is calculated based on achievement against a range of Company-wide performance measures (financial and non-financial) and individual objectives. The STI rewards the delivery of key strategic and financial objectives and is aligned to Close the Loop's goals for growth and operational discipline.

Short-term incentives are an at risk component of remuneration that is structured to reward progress towards and alignment with Close the Loop's strategic and financial objectives and create value for customers, employees and shareholders in the financial period. STI payments are set as a percentage of base salary and are based on level of responsibility.

STI is calculated based on achievement against a range of organisational performance measures (financial and non-financial). The STI performance metrics have been chosen as they focus the CEO, CFO and CCO on growing global revenue and creating valued customer experiences while at the same time maintaining operational discipline. STI payments comprise 100% cash.

Element	Details
Purpose	Focus participants on delivery of business objectives over a one-year period
Target opportunity (% base salary)	CEO 70%, CFO 50%, CCO 50%
Maximum opportunity (% base salary)	100% satisfaction of the STI performance metrics results in the following STI opportunity as a % of base salary: CEO 70%, CFO 50%, CCO 50% Outperformance is possible
Performance period	Performance is measured from 1 July 2025 to 30 June 2026 (FY26).

Element	Details
Conditions	The award of any 2026 STI will be subject to the following performance gateways, that is, no 2026 STI award will be paid unless: the Group's EBITDA for FY26 meets or exceeds the forecast total revenue and other income and EBITDA from continuing operations.
Financial objectives (50%)	The percentage of the Group Performance Component of the 2026 STI Award that will be paid out will be determined by reference to Group revenue and EBITDA generated during the Performance Period. In order for any of the 2026 Group Performance Component to be paid out, a threshold level of performance must be achieved which is the achievement of the revenue and EBITDA targets for FY26.
Non-financial objectives (50%)	Non-financial metrics are based on: Business growth; and Individual key performance indicators (KPIs) – Goals aligned to Company strategic objectives.
Target setting	The targets set at the beginning of each financial year are reviewed and approved by the Board and are aligned to Close the Loop's longer-term strategic objectives.
Evaluation of performance	Performance against financial and non-financial objectives are determined at the end of the financial period after review of executive performance by the CEO and CFO. All STI calculations are subsequently then presented to the Board for final approval.
Pay vehicle	100% of STI awarded is paid in cash.
Forfeiture and termination	Unless the Board determines otherwise, if the executive ceases employment, all STI awards not yet paid are forfeited.

Malus and clawback

If the Board becomes aware of a material misstatement in the Company's financial statements, or a KMP has committed an act of fraud, negligence or gross misconduct, engaged in an act which has brought a Group Company into disrepute, breached their duties or obligations to the Group, failed to comply with any restrictive covenant or that some other event has occurred which, as a result, means the 2026 STI Award should be reduced or extinguished, or should not vest, then the Board may clawback or adjust any such award at its discretion to ensure that key management personnel do not derive any unfair benefit.

Close the Loop's performance and short-term incentive outcomes

Close the Loop did achieve some of the expected revenue and profit growth in FY26 from continuing operations. In FY26, total revenue, EBITDA and NPATA from continuing operations increased compared to FY25. There was no top-line growth due to the corporate restructure however there was close management of expenses and considered capital allocation. There was no major security breach in FY26. The Board has resolved that based on the improved financial performance in FY26 short-term incentives will be paid to KMP. KMP who achieved their FY26 financial objectives and KPIs will have their short-term incentives deferred and the STIs may be paid at the discretion of the Board, once the financial performance of the Consolidated Entity improves in the 2027 financial year.

Long-term incentives (LTI)

An at-risk component is set as a percentage of base salary and granted annually subject to approval at the Annual General Meeting to participating executives, which entitles the executive to Close the Loop shares on vesting of the performance rights. Performance rights are subject to a three-year vesting period and vest based on satisfaction of the vesting conditions. Vesting is subject to continued employment, which provides an additional time-based retention incentive. The LTI rewards delivery against longer-term strategy and shareholder value creation. The creation and approval of the LTI was established at the Company's first Annual General Meeting post its Australian Stock Exchange listing which was held in November 2022. The performance rights plan was extended for a further three-year term at the Company's 2025 Annual General Meeting.

The FY26 LTI has been adopted to align employees' interests directly with shareholders by linking employee remuneration to the Company's share price performance over the medium to longer term. The LTI comprises grants of performance rights to KMP and senior executives, pursuant to the Company's Performance Rights Plan Rules which were approved by shareholders on 20 November 2025.

The Board believes that the Performance Rights Plan will:

(a) encourage participants to focus on creating value for Shareholders;

(b) link reward with the achievement of long-term performance in the Company;

(c) encourage participants to remain with the Company by providing them with the opportunity to hold a financial stake in the Company; and

(d) assist in the Company attracting and retaining high calibre KMP and employees.

Performance rights are granted at the discretion of the Board to KMP and employees by way of issue at nil cost both at the time of grant and vesting. Performance rights are granted on an annual basis, with the at-risk value of the annual grant over the vesting period, typically three years, representing a percentage of the employee's total fixed remuneration and priced based on the Company's share price at the time of grant. Vesting is contingent on the Company meeting or exceeding defined performance hurdles over the performance period. The performance hurdles involve an assessment of the Company's total shareholder returns in absolute terms based on the movement in the share price.

The performance criteria for the tranches of new performance rights that were granted to KMP during the 2026 financial year are detailed below:

<table>
<tr><th>Element</th><th>Details</th></tr>
<tr><td>Purpose</td><td>Rewards delivery against longer-term strategy and sustained shareholder value creation. Provides alignment between shareholder, customer, and executive outcomes and time-based retention through multi-year exercisable timeframe.</td></tr>
<tr><td>Grant Date</td><td>18 December 2025</td></tr>
<tr><td>Exercise Price</td><td>Nil (i.e. no amount is payable to exercise a Performance Right to acquire a Share in the Company once the Vesting Conditions are satisfied)</td></tr>
<tr><td>Price payable to acquire Performance Rights</td><td>Nil</td></tr>
<tr><td>Expiry Date</td><td>Performance Rights will vest 3 years after the grant date. Any vested but unexercised Performance Rights will lapse on the 5th anniversary of the grant date.</td></tr>
<tr><td>Forfeiture and termination</td><td>If an employee's employment is terminated or they resign prior to the Vesting date, all unvested Performance Rights will lapse and they will have 30 days to exercise any vested Performance Rights.</td></tr>
<tr><td>Vesting Conditions</td><td>The Performance Rights granted will vest in the manner set out in the tables below, provided the following conditions are met:
<table>
<tr><th>No. of Performance Rights</th><th>Performance Condition</th><th>Service Condition</th></tr>
<tr><td>Performance Rights, being 40% of the total Performance Rights granted to the KMP or employee.
(Tranche A Performance Rights)</td><td>Not Applicable</td><td rowspan="2">The KMP or employee is continuously employed or continue to provide services to the Company from the Grant Date up to the date the Board makes a determination that the Vesting Conditions are met.</td></tr>
<tr><td>Performance Rights, being 20% of the total Performance Rights granted to the KMP or employee.
(Tranche B Performance Rights)</td><td>The volume weighted average market price (VWAP) of the Shares being equal to or more than $0.20 for 20 consecutive trading days.</td></tr>
</table>
</td></tr>
</table>

Element	Details		
	Performance Rights, being 20% of the total Performance Rights granted to the KMP or employee. (Tranche C Performance Rights)	The VWAP of the Shares being equal to or more than $0.25 for 20 consecutive trading days.	
	Performance Rights, being 20% of the total Performance Rights granted to the KMP or employee. (Tranche D Performance Rights)	The VWAP of the Shares being equal to or more than $0.30 for 20 consecutive trading days.	

If the above Vesting Conditions are not satisfied, or if the Board determines that they cannot be satisfied, the relevant KMP or employee will forfeit Performance Rights (unless the Board exercises its discretion to permit those Performance Rights to vest in accordance with the terms of the Performance Rights Plan Rules).

No Performance Rights have been issued to any of the KMP or employees prior to 20 December 2022.

No Performance Rights were issued in the 2025 financial year as it was the view of the Board that no Performance Rights could be issued whilst there was a potential private equity takeover offer that was being considered.

Future LTI plan not yet granted

Annual Executive Director KMP LTI grants are subject to approval at the Annual General Meeting which is expected to occur in November 2026. Shareholder approval will be required for the number of performance rights issued and vesting conditions. The performance rights granted will be subject to the satisfaction of vesting conditions relating to the Company's total shareholder return (TSR) and continued employment with the Company.

TSR measures the growth in the price of the Company's shares as a percentage factoring in dividends notionally being reinvested in shares. The vesting conditions for the FY27 Performance Rights will be similar to those of the FY26 grant.

The second grant under this scheme was approved at the 23 November 2023 AGM. The third grant under this scheme was not granted at the FY24 AGM and granted at the FY25 AGM. The initial Performance Rights scheme has expired and a new Performance Rights Plan with the same terms and conditions as the original plan was consider and approved by shareholders at the FY25 AGM.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee have regard to the following indices in respect of the current financial year and the previous financial years.

	2026 $'000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
Total Revenue**	$191,957	$196,934	$212,962	$135,934	$70,132
Underlying EBITDA - continuing operations	$12,432	$18,401	$44,857	$24,302	$9,500
EBITDA growth	(32%)	(59%)	85%	156%	50%
Underlying NPATA – continuing operations	$1,441	$7,849	$25,895	$13,851	$5,606
NPATA growth	(82%)	(70%)	87%	147%	27%
Profit / (Loss) attributable to owners of the company	($105,328)	($21,941)	$11,166	$12,238	$4,606
Dividends paid*	-	-	-	-	$1,023
Change in share price	(0.2 cents)	(30.8 cents)	(15 cents)	8.5 cents	20.5 cents
Share price at 30 June	3.0 cents	3.2 cents	34 cents	49 cents	40.5 cents
Return on capital employed	17.1%	(8.7%)	16.9%	14.0%	3.1%

* Dividends were paid by O F Packaging Pty Ltd prior to the acquisition of O F Packaging by Close the Loop Limited.
** Total revenue consists of revenue from continuing and discontinuing operations.

Revenue and profit are some of the financial performance targets considered in setting the Short-Term Incentive. Revenue and profit amounts have been calculated in accordance with Australian Accounting Standards.

Key management personnel

The Report details the remuneration arrangements for the Company's Key Management Personnel (KMP):

- Executive KMP
- Non-Executive Directors

Close the Loop's KMP comprise all Directors and those executives who have specific authority and responsibility for planning, directing and controlling the activities of the Group. In this report, the term "Executive KMP" refers to KMP excluding Non-Executive Directors.

	Country of Residence	Position	Period position was held during the year
Executive Directors			
Lawrence Jaffe	Australia	Interim Chief Executive Officer (CEO) / Chief Commercial Officer (CCO)	Interim CEO until resigned on 16 July 2025, on which date became CCO
Kesh Nair	Australia	Chief Executive Officer (CEO) – Australia and South Africa	Appointed 16 July 2025
Brendan Yee	Australia	Managing Director Packaging Division	Appointed 5 December 2025
Non-Executive Directors			
Grant Carman	Australia	Chairman, Independent Non-Executive Director	Full Year
Sammy Saloum	USA	Non-Executive Director	Full Year
John Chambers	Australia	Independent Non-Executive Director	Retired as a director on 20 November 2025
Joe Foster	Australia	Non-Executive Director	Appointed 1 September 2025, retired on 20 November 2025
Executive KMP			
Marc Lichtenstein	Australia	Chief Financial Officer (CFO) / Chief Risk Officer (CRO) & Company Secretary	CFO to 1 September 2025, CRO from 1 September to 19 December 2025, CFO 19 December 2025 onwards
Matthew Zimmer	USA	Chief Executive Officer (CEO) – North America	Appointed 7 July 2025, resigned 19 May 2026
Joe Foster	Australia	Global Chief Operations Officer (COO)	Resigned 1 September 2025.
Chris Dimitriadis	Australia	Chief Financial Officer (CFO)	Appointed 1 September 2025, resigned 29 September 2025

On 16 July 2025 Lawrence Jaffe resigned as Interim CEO and an Executive Director. Lawrence became CCO on that date which is a role he held prior to becoming Interim CEO. Kesh Nair was appointed as CEO – Australia and South Africa and an Executive Director on this date. On 1 September 2025 Joe Foster stepped down from his role as Global Chief Operation's Officer to become a Non-Executive Director. Both Joe Foster and John Chambers resigned as directors at the Company's Annual General Meeting on 20 November 2025.

Marc Lichtenstein was the CFO until 1 September 2025. On that date Chris Dimitriadis became CFO and Marc stepped into the role of CRO until Chris completed his notice period and employment with the

Company on 19 December 2025. Marc became CFO once Chris' employment ceased on 19 December 2025. Marc Lichtenstein was the Company Secretary throughout the reporting period. Matthew Zimmer joined the Group as CEO – North America on 7 July 2025 and resigned on 19 May 2026 as he remained the CEO of ISP Tek Services post the Close the Loop divestment of this business.

On 21 November 2024 Joe Foster and Marc Lichtenstein resigned as Executive Directors and became Executive KMP. Greg Toll also resigned a director and Chairman on this date and Grant Carman became the Interim Chairman. Grant Carman was a Non-Executive Director prior to 21 November 2024. Lawrence Jaffe replaced Joe Foster as the Interim CEO on 21 November 2024, with Joe Foster moving into the role of Global Chief Operation's Officer on this date.

Service contracts

The following is a summary of the current major provisions of the agreement relating to remuneration of the Executive Directors and Executive KMP.

Kesh Nair – Chief Executive Officer – Australia and South Africa

Employment Conditions

Commencement date:	16 July 2025
Remuneration and other benefits:	Base remuneration of $300,000 per annum plus superannuation
Incentives:	Target STI of 70% of base salary, awarded as cash, subject to achievement of target.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	3 months by either party

Marc Lichtenstein – Chief Financial Officer and Company Secretary

Employment Conditions

Commencement date:	30 November 2021
Remuneration and other benefits:	Base remuneration of $300,000 per annum plus superannuation
Incentives:	Target STI of 50% of base salary, awarded as cash, subject to achievement of target.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	6 months by either party

Lawrence Jaffe – Chief Commercial Officer

Employment Conditions

Commencement date:	30 November 2021
Resignation date	Resigned as a director on 16 July 2025
Remuneration and other benefits:	Base remuneration of $280,000 per annum plus superannuation.
Incentives:	Target STI of 50% of base salary, awarded as cash, subject to achievement of target.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	6 months by either party

Brendan Yee – Managing Director Packaging Division

Employment Conditions

Commencement date:	5 December 2025
Remuneration and other benefits:	Base remuneration of $322,722 per annum plus superannuation
Incentives:	Target STI of 50% of base salary, awarded as cash, subject to achievement of target.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	3 months by either party

Joe Foster – Global Chief Operations Officer

Employment Conditions

Commencement date:	30 November 2021
Resignation date	1 September 2025
Remuneration and other benefits:	Base remuneration of $416,000 per annum plus superannuation
Incentives:	Target STI of 50% of base salary, awarded as cash, subject to achievement of target.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	6 months by either party

Chris Dimitriadis – Chief Financial Officer

Employment Conditions

Commencement date:	1 September 2025
Resignation date	Resigned 29 September 2025, ceased employment 19 December 2025
Remuneration and other benefits:	Base remuneration of $240,000 per annum plus superannuation
Incentives:	Target STI of 50% of base salary, awarded as cash, subject to achievement of target.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	3 months by either party

Matthew Zimmer – Chief Executive Officer – North America

Employment Conditions

Commencement date:	7 July 2025
Resignation date	19 May 2026
Remuneration and other benefits:	Base remuneration of US$350,000 per annum plus 401K retirement plan and medical insurance.
Incentives:	Target STI of 70% of base salary, awarded as cash, subject to achievement of target and a sign on bonus of US$60,000 paid 6 months form sign on date and at end of calendar year 31 December 2025.
Term:	Ongoing until notice is given by either party
Review:	Annually
Notice period required on termination	90 days by either party

Services from remuneration consultants

During and since the year ended 30 June 2026 the Nomination and Remuneration Committee has not engaged any remuneration consultant to the Board to review the amount and elements of the key management personnel remuneration and provide recommendations in relation thereto.

Non-executive directors

The Board seeks to set Non-Executive Directors' remuneration at a level that provides the Company with the ability to attract and retain Directors of a high calibre whilst incurring a cost that is acceptable to shareholders.

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board recommends the actual payments to Directors and the Board is responsible for ratifying any recommendations, if appropriate. Under the Constitution, the Board may decide the total amount paid by the Company to each Director as remuneration for their services as a Director. However, under the Constitution and the ASX Listing Rules, the total amount of fees paid to all Non-Executive Directors in any financial year must not exceed the aggregate amount of Non-Executive Directors, fees approved by Shareholders at the Company's general meeting. This amount has been fixed by the Company at $300,000 per annum and is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. The base fee for the Chairperson is $90,000 per annum. Base fees for other directors are $40,000 per annum.

The amount of aggregate remuneration and the manner in which it is apportioned amongst Directors is reviewed annually.

Directors' base fees cover all main board activities and membership of committees. Directors will not receive additional fees for being a member of a Board Committee or any committee meetings they attended.

Non-Executive Directors do not receive performance-related compensation and are not provided with retirement benefits apart from statutory superannuation. All Non-Executive Directors' fees are inclusive of statutory superannuation contributions.

Directors' and executive officers' remuneration – audited

The following table of Directors and KMP remuneration has been prepared in accordance with accounting standards and the Corporations Act 2001 requirements, for the period from 1 July 2025 to 30 June 2026. If a Director or KMP meets the definition of a KMP for only part of the current year their remuneration has been disclosed below.

		Short term			Post-employment	Other long term	Share-based payments		
		Salary and fees (B)	STI cash bonus (A)	Non-monetary benefits	Super-annuation benefits	(B)	Performance Rights and Options (C)	Total	Proportion of remuneration performance related
Directors									
Non-executive directors									
Grant Carman (Chairperson) (D)	2026	90,000	-	-	-	-	-	90,000	-
	2025	70,500						70,500	-
Sammy Saloum	2026	40,000	-	-	-	-	-	40,000	-
	2025	40,000	-	-	-	-	-	40,000	-
Greg Toll (Chairperson) (D)	2026	-	-	-	-	-	-	-	-
	2025	42,750	-	-	-	-	-	42,750	-
John Chambers (retired 20 November 2025)	2026	20,000	-	-	-	-	-	20,000	-
	2025	20,000	-	-	-	-	-	20,000	-
Sub-total non-executive directors' remuneration	**2026**	**150,000**	**-**	**-**	**-**	**-**	**-**	**150,000**	
	2025	**173,250**	**-**	**-**			**-**	**173,250**	**-**
Executive directors									
Kesh Nair CEO – Australia and South Africa (appointed 16 July 2025)	2026	296,282	70,000	-	35,554	385	31,521	433,742	16.1%
	2025	-	-	-	-	-	-	-	-%
Lawrence Jaffe CCO (E)	2026	266,000	70,000	-	31,920	-	112,259	480,179	14.6%
	2025	391,894	-	-	33,875	-	103,658	529,427	-%
Brendan Yee - Managing Director Packaging Division (appointed 5 December 2025)	2026	186,732	160,000		22,008	5,846	11,509	386,095	41.4%
	2025	-	-	-	-	-	-	-	-%
Total directors' remuneration	**2026**	**899,014**	**300,000**	**-**	**89,482**	**6,231**	**155,289**	**1,450,016**	**23.1%**
	2025	**565,144**	**-**	**-**	**33,875**	**-**	**103,658**	**702,677**	**-%**

		Short term			Post-employment	Other long term	Share-based payments		
		Salary and fees (B)	STI cash bonus (A)	Non-monetary benefits	Super-annuation benefits	(B)	Performance Rights and Options (C)	Total	Proportion of remuneration performance related
Executives									
Joe Foster CEO (F)	2026	277,333	-	-	22,021	-	23,876	323,230	-%
	2025	416,000	-	-	47,840	8,601	103,658	576,099	-%
Chris Dimitriadis CFO	2026	70,154	-	-	8,418	15,192	-	93,764	-%
	2025	-	-	-	-	-	-	-	-%
Marc Lichtenstein CFO and Company Secretary (F)	2026	310,878	150,000	-	37,280	20,000	112,259	630,417	23.8%
	2025	364,000	76,000	-	41,860	12,327	103,658	597,845	12.7%
Michael Welton CEO North America (G)	2026	-	-	-	-	-	-	-	-%
	2025	480,460	30,633	24,237	8,836	24,742	-	568,908	5.4%
Matthew Zimmer CEO – North America (H)	2026	436,865	89,573	19,103	23,933	-	-	569,474	15.7%
	2025	-	-	-	-	-	-	-	-%
Total executives' remuneration	2026	1,095,230	239,573	19,103	91,652	35,192	136,135	1,616,885	14.8%
	2025	1,260,460	106,633	24,237	98,536	45,670	207,316	1,742,852	6.1%
Total directors' and executive officers' remuneration	2026	1,994,244	539,573	19,103	181,134	41,423	299,644	3,075,121	17.5%
	2025	1,825,604	106,633	24,237	132,411	45,670	310,974	2,445,529	4.4%

A The short-term incentive bonus is for performance during the respective financial year using the criteria set out above. Bonus payments are presented on an accruals basis and do not reflect the actual timing of payments.

B In accordance with AASB 119 Employee Benefits, annual leave is classified as an other long term employee benefit as are long service leave entitlements.

C Amounts relate to the fair value of grants options and performance rights made pursuant to the LTI Plan attributable to the financial year measured in accordance with AASB 2 Share Based Payments. The fair value of performance rights with the share price target condition are calculated using the Black-Scholes option pricing model and binomial option pricing model. The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period.

D Greg Toll resigned as Chairperson on 21 November 2024 and was replaced by Grant Carman

E Lawrence Jaffe retired as an Executive Director on 16 July 2025 and become a KMP Executive on this date.

F Joe Foster and Marc Lichtenstein retired as Executive Directors on 21 November 2024 and become KMP Executives on this date. Joe Foster became a Non-Executive Director on 1 September 2025 and retired on 20 November 2025.

G Michael Welton commenced employment on 1 January 2024 and thus became part of the KMP on that date. He ceased being a part of the KMP on 26 February 2025 as this is the date that his employment with the Consolidated Entity ended.

H Matthew Zimmer commenced employment on 7 July 2025 and thus became part of the KMP on that date. He ceased being a part of the KMP on 19 May 2026 as this is the date that his employment with the Consolidated Entity ended.

Analysis of bonuses included in remuneration – audited

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to each director of the Company, and other key management personnel are detailed below.

	Short-term incentive bonus		
	Included in remuneration $(A)	% vested in year	% forfeited in year (B)
KMP			
2026			
Kesh Nair	$70,000	33%	67%
Brendan Yee	$160,000	100%	-
Lawrence Jaffe	$70,000	50%	50%
Marc Lichtenstein	$150,000	100%	-
Matthew Zimmer	$89,573	100%	-
Chris Dimitriadis (C)	-	-	100%
Joe Foster (C)	–	–	100%
2025			
Joe Foster	-	-%	100%
Marc Lichtenstein	$76,000	42%	58%
Lawrence Jaffe	-	-%	100%
Michael Welton (D)	-	-%	100%

A Amounts included in remuneration for the financial year represent the amount related to the financial year based on achievement of personal goals and satisfaction of specified performance criteria. The remuneration committee has approved these amounts on 11 August 2026 to be paid by the company when the timing is financially appropriate.

B The amounts forfeited are due to the performance or service criteria not being met in relation to the financial year and the amount of the short-term bonus forfeited in the year ending 30 June.

C Joe Foster, and Chris Dimitriadis were not entitled to a bonus during the period that they were considered to be part of the KMP in FY26.

D Michael Welton ceased employment with the company on 26 February 2025 and thus was not entitled to a bonus during the period that he was considered to be part of the KMP.

Equity Instruments

All options refer to options over ordinary shares of Close the Loop Limited, which are exercisable on a one-for-one basis under the executive share plan (ESP).

Rights and options over equity instruments granted as compensation - audited

Details of rights and options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details of options that vested during the reporting period are as follows:

No options were issued in the financial years ended 30 June 2026 and 2025 as compensation to key management personnel.

No performance rights were issued during the financial year ended 30 June 2025. Performance rights issued in the current financial year were as follows:

Rights granted	Number of rights granted during 2025-26	Grant date	Fair value at grant date $	Expiry date	Vesting condition
Kesh Nair	600,000	18 December 2025	0.035	18 December 2028	Tenure
	300,000	18 December 2025	0.015	18 December 2028	Share price target
	300,000	18 December 2025	0.013	18 December 2028	Share price target
	300,000	18 December 2025	0.011	18 December 2028	Share price target
Lawrence Jaffe	600,000	18 December 2025	0.035	18 December 2028	Tenure
	300,000	18 December 2025	0.015	18 December 2028	Share price target
	300,000	18 December 2025	0.013	18 December 2028	Share price target
	300,000	18 December 2025	0.011	18 December 2028	Share price target
Marc Lichtenstein	600,000	18 December 2025	0.035	18 December 2028	Tenure
	300,000	18 December 2025	0.015	18 December 2028	Share price target
	300,000	18 December 2025	0.013	18 December 2028	Share price target
	300,000	18 December 2025	0.011	18 December 2028	Share price target

All rights and options expire on the earlier of their expiry date or termination of the individual's employment.

The rights vest three years from grant date. In addition to a continuing employment service condition, vesting is conditional on the Group achieving share price targets. Details of the performance criteria are included in the long-term incentives discussion. For rights granted in the current year, the earliest vesting date is 18 December 2028.

Exercise of options granted as compensation – audited

No options were granted as compensation in the financial year ending 30 June 2026 or the previous financial year and no options were converted in either financial year.

Details of equity incentives affecting current and future remuneration – audited

Details of vesting profiles of the rights held by each key management person of the Group are detailed below.

	Instrument		Grant date	% vested in year	% forfeited in year (A)	Financial years in which grant vests	Maximum value yet to vest (B)
Kesh Nair	Rights	1,500,000	18 December 2025	-%	-%	1 July 2028	$26,877
	Rights	250,000	15 December 2023	-%	-%	1 July 2026	$33,816
Lawrence Jaffe	Rights	1,500,000	18 December 2025	-%	-%	1 July 2028	$26,877

	Instrument		Grant date	% vested in year	% forfeited in year (A)	Financial years in which grant vests	Maximum value yet to vest (B)
	Rights	1,500,000	15 December 2023	-%	-%	1 July 2026	$202,894
Marc Lichtenstein	Rights	1,500,000	18 December 2025	-%	-%	1 July 2028	$26,877
	Rights	1,500,000	15 December 2023	-%	-%	1 July 2026	$202,894
Brendan Yee	Rights	250,000	15 December 2023	-%	-%	1 July 2026	$33,816
Joe Foster	Rights	1,500,000	15 December 2023	-%	100%	1 July 2026	$-
Chris Dimitriadis	Rights	250,000	15 December 2023	-%	100%	1 July 2026	$-

A The percentage forfeited in the year represents the reduction from the maximum number of instruments available to vest due to performance criteria not being achieved.

B The maximum value of share rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of share rights yet to vest is nil since the shares will be forfeited if the vesting conditions are not met.

Analysis of movements in equity instruments - audited

The value of rights or options over ordinary shares in the Company granted and exercised by each key management person during the reporting period is detailed below.

	Granted in year $ (A)	Value of rights or options exercised in year $ (B)
Joe Foster	-	$14,000
Lawrence Jaffe	$32,700	$12,800
Marc Lichtenstein	$32,700	$12,800
Kesh Nair	$32,700	$6,400
Brendan Yee	-	$3,200
Chris Dimitriadis	-	-
Matthew Zimmer	-	-

A The value of rights granted in the year is the fair value of the rights calculated at grant date. The total value of the rights granted is included in the table above. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2024 to 1 July 2029).

B The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

Options and rights over equity instruments

The movement during the reporting period, by number of rights and options over ordinary shares in the Company held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2025	Granted as compensation	Exercised	Lapsed (A)	Forfeited	Held at 30 June 2026	Vested during the year	Vested and exercisable at 30 June 2026
Rights								
Joe Foster	2,500,000	-	400,000	600,000	1,500,000	-	1,000,000	-
Lawrence Jaffe	2,500,000	1,500,000	400,000	600,000	-	3,000,000	1,000,000	-
Marc Lichtenstein	2,500,000	1,500,000	400,000	600,000	-	3,000,000	1,000,000	-
Kesh Nair	750,000	1,500,000	200,000	300,000	-	1,750,000	500,000	-
Brendan Yee	500,000	-	100,000	150,000	-	250,000	250,000	-
Chris Dimitriadis	250,000	-	-	-	250,000	-	-	-
Matthew Zimmer	-	-	-	-	-	-	-	-

(A) Rights that lapsed during the year were granted during the financial year ended 30 June 2023.

Key management personnel transactions - audited

Loans to and from key management personnel and their related parties

Details regarding loans outstanding at the end of the reporting period due and payable to key management personnel and their related parties, where the individual's aggregate loan balance exceeded $10,000 in the reporting period, are as follows:

	Balance 1 July 2025 $	Balance 30 June 2026 $	Interest not paid $	Highest balance in period $
Joe Foster	(1,893)	154,214	4,933	154,214

Unsecured loans issued to Joe Foster by the company during the year ended 30 June 2026 amounted to $154,214. During the year ended 30 June 2026, Foster International Packaging (Pty) Ltd incurred costs on behalf of Joe Foster. The KMP loan increased to $154,214 at 30 June 2026 due to historical costs paid by the South African entities on behalf of Joe Foster that were not offset against the final instalment for the purchase The Pouch Shop (Pty) Ltd in October 2024.

	Balance 1 July 2025 $	Balance 30 June 2026 $	Interest not paid $	Highest balance in period $
Joe Foster	168,000	168,000	6,720	168,000
Lawrence Jaffe	360,000	360,000	14,400	360,000
Marc Lichtenstein	360,000	360,000	14,400	360,000

On 1 December 2023 the company provided a 3 year loan to KMP. Principal and interest, at a fixed rate of 4%, is to be paid annually on the anniversary of the drawdown date. At 30 June 2026, the Company has decided to place a hold on the loan obligations and thus no interest or principal was paid on the outstanding loans during the reporting period.

There were no other loans or any other related party transactions which have not been mentioned in this report to KMP or their related parties during the current or previous financial years.

Other transactions with key management personnel

A number of key management personnel (KMP), or their related parties, hold positions in other entities that result in them having control, or joint control, over the financial or operating policies of those entities.

A number of these entities transacted with the Group during the year. The terms and conditions of the transactions with KMP and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

From time to time, directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2025	Held on date became KMP (A)	Held on date ceased to be KMP (B)	Other changes (C)	Held at 30 June 2026
Grant Carman	1,250,000	-		-	1,250,000
Joe Foster	65,024,025	-	(65,424,025)	400,000	N/A
Marc Lichtenstein	6,000,081	-	-	400,000	6,400,081
Lawrence Jaffe	67,368,058	-		(62,228,058)	5,140,000
Sammy Saloum	45,116,616	-	-	-	45,116,616
John Chambers	-	-	-	-	N/A
Kesh Nair	N/A	752,325	-	200,000	952,325
Brendan Yee	N/A	49,802,430	-	1,100,000	50,902,430
Chris Dimitriadis	N/A	-	-	-	N/A
Matthew Zimmer	N/A	-	-	-	N/A
Total	184,758,780	50,554,755	(65,424,025)	(60,128,058)	109,761,452

A *Shareholding on the date that they became a KMP.*

B *Shareholding on the date that they ceased to be a KMP.*

C *Other changes represent shares that were purchased, issued or transferred during the year.*

This Directors' report is made out in accordance with a resolution of the directors:

Signed: ____________________________ Date: 24 August 2026
Grant Carman
Director

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Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Close the Loop Limited and its controlled entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there has been:

a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Benjamin Bester
Director

Dated this 24th August 2026

Advisory. Tax. Audit.

Consolidated statement of profit or loss and other comprehensive income For the year ended 30 June 2026	Note	Consolidated 30 June 2026 $'000	 30 June 2025 $'000
Revenue from continuing operations			
Revenue	8	125,619	118,641
Cost of sales		(79,437)	(81,701)
Gross profit		46,182	36,940
Expenses			
Other income	9A	5	2,993
Selling and distribution expenses		(1,962)	(6,019)
Administration expenses		(8,508)	(3,204)
Employee benefits		(14,012)	(16,302)
Occupancy costs		(6,061)	(3,641)
Depreciation, amortisation and asset impairment	9B	(6,896)	(11,671)
Other expenses		(2,458)	(1,506)
Operating profit / (loss)		6,290	(2,410)
Finance costs	9B	(8,764)	(9,112)
Profit / (loss) before income tax expense from continuing operations		(2,474)	(11,522)
Income tax benefit / (expense)	12	2,505	681
Profit / (loss) after income tax expense from continuing operations		31	(10,841)
Discontinued operation			
Loss from discontinued operation, net of tax	41	(105,112)	(11,100)
Loss after income tax expense for the year		(105,081)	(21,941)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		1,922	1,283
Total comprehensive income for the year		(103,159)	(20,658)
Profit for the year is attributable to:			
Non-controlling interest		247	245
Owners of Close the Loop Limited		(105,328)	(22,186)
		(105,081)	(21,941)
Total comprehensive income for the year is attributable to:			
Continuing operations		(103,406)	(20,903)
Non-controlling interest		247	245
Continuing operations		(103,159)	(20,658)
		Cents	Cents
Earnings per share for profit attributable to the owners of Close the Loop Limited – continuing operations			
Basic earnings per share	10	0.01	(2.04)
Diluted earnings per share	10	0.01	(1.98)
Earnings per share for profit attributable to the owners of Close the Loop Limited			
Basic earnings per share	10	(19.82)	(2.09)
Diluted earnings per share	10	(19.24)	(2.03)

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

Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Assets			
Current assets			
Cash and cash equivalents	13	16,703	32,341
Trade and other receivables	14	23,565	28,804
Inventories	15	6,253	24,105
Other	16	12,470	5,322
Total current assets		58,991	90,572
Non-current assets			
Investments	17	13	208
Property, plant, and equipment	18	14,405	24,790
Right-of-use assets	19	18,646	28,525
Intangibles	20	29,382	124,728
Deferred tax assets	12	9,262	5,630
Other	16	3,436	2,373
Total non-current assets		75,144	186,254
Total assets		134,135	276,826
Liabilities			
Current liabilities			
Trade and other payables	21	14,754	15,906
Borrowings	22	54,011	85,401
Lease liabilities	23	4,511	4,261
Income tax	12	4,989	282
Provisions	24	2,292	2,384
Deferred revenue	25	33	442
Other	26	503	2,533
Total current liabilities		81,093	111,209
Non-current liabilities			
Borrowings	22	791	381
Lease liabilities	23	17,698	26,374
Provisions	24	1,707	74
Deferred tax liabilities	12	466	17,305
Total non-current liabilities		20,662	44,134
Total liabilities		101,755	155,343
Net assets		32,380	121,483
Equity			
Issued capital	27	106,574	105,852
Reserves	28	8,274	1,863
Retained profits		(83,392)	12,981
Non-controlling interest		924	787
Total equity		32,380	121,483

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

	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	-	-	(22,186)	245	(21,941)
Foreign exchange movement	-	1,283	-	-	1,283
Total comprehensive income for the year	-	1,283	(22,186)	245	(20,658)
Transactions with owners in their capacity as owners:					
Movement in provisions	-	690	-	-	690
Dividends paid	-	-	-	(86)	(86)
Balance at 30 June 2025	105,852	1,863	12,981	787	121,483

	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	-	-	(105,328)	247	(105,081)
Foreign exchange movement	-	1,922	-	-	1,922
Total comprehensive income for the year	-	1,922	(105,328)	247	(103,159)
Transactions with owners in their capacity as owners:					
Conversion of performance rights	722	(722)	-	-	-
Share-based payments expensed/(forfeited), net	-	(312)	-	-	(312)
Foreign currency translation on deconsolidation of subsidiaries	-	5,523	-	-	5,523
Retained earnings on deconsolidation of subsidiaries	-	-	8,955	-	8,955
Dividends paid	-	-	-	(110)	(110)
Balance at 30 June 2026	106,574	8,274	(83,392)	924	32,380

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

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Consolidated statement of cash flows For the year ended 30 June 2026	Notes	Consolidated 30 June 2026 $'000	 30 June 2025 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		135,534	204,103
Payments to suppliers and employees (inclusive of GST)		(121,777)	(192,336)
		13,757	11,767
Other revenue		5	1,749
Interest and other finance costs paid		(8,499)	(5,098)
Income taxes paid		(498)	(3,592)
Net cash from operating activities	31	4,765	4,826
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(760)
Payments for property, plant, and equipment		(2,449)	(3,305)
Proceeds from disposal of businesses/assets, net of cash disposed		12,575	-
Net cash from / (used in) investing activities		10,126	(4,065)
Cash flows from financing activities			
Dividends paid		(110)	(86)
Repayment of borrowings		(25,406)	(2,336)
Repayment of lease liabilities		(4,958)	(6,766)
Net cash used in financing activities		(30,474)	(9,188)
Net decrease in cash and cash equivalents		(15,583)	(8,427)
Cash and cash equivalents at the beginning of the financial year		32,341	40,644
Effects of Exchange Rate Changes on Bank		(55)	124
Cash and cash equivalents at the end of the financial year	13	16,703	32,341

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

Note 1. Reporting entity

Close the Loop Limited (the "Company") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The Company's registered office is at 43-47 Cleeland Road, Oakleigh South, Victoria, 3167. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group" or "Close the Loop" and individually "Group companies").

The Group is a for-profit entity and is primarily involved in collection and recycling of electronic equipment, imaging consumables, cosmetics, plastics and any other activity incidental thereto as well as providing premium and innovative flexible and carton packaging, flexographic print packaging, seafood packaging, storage solutions and the supply of thermal paper and associated paper products.

Note 2. Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASBs") and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). They were authorised for issue by the Board of Directors on 21 August 2026.

This report is to be read in conjunction with any public announcements made by Close the Loop Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2026/183* and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Details of the Group's material accounting policies are included in Note 5. Changes to significant accounting policies are described in Note 5.

i. Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 3. Functional and presentation currency

Items included in the Consolidated Financial Statements of each Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated to Australian dollars at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in statement of Consolidated Profit or Loss and other Comprehensive Income in the financial period in which the exchange rates change.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 4. Use of judgements estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

i. Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

ii. Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

iii. Impairment of property, plant and equipment

The consolidated group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in use calculations, which incorporate a number of key estimates and assumptions.

iv. Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

v. Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

vi. Employee benefits provision

As discussed in note 24, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

vii. Unprocessed inventory provision

ClozDloop BV ("CDL") has unprocessed recycling consumables on hand. The Directors have estimated the cost of processing these consumables to be $123,163 (2025: $133,383) for the current year under review. As a reliable estimate can be made of the amount of the obligation and it is a present obligation as a result of a past event, the amount has been recognised as a provision. This provision was recognised as an expense in the accounting records of CDL for year end 30 June 2017 which was prior to the acquisition of a 60% interest in CDL at 1 October 2016. At the date of this report Close the Loop has full ownership of CDL.

viii. Business combinations

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 5. Material accounting policy information

The material accounting policies adopted in these Consolidated Financial Statements are the same as those applied in the Group's Financial Statements as at, and for the year ended 30 June 2025.

i. 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.

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Group does not have any transactions that are affected by the newly effective accounting standard and amendment.

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

ii. Going concern

The Financial Statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2026, the Group's net asset position was $32,380 million (30 June 2025: $121.483 million). The reduction in the Group's net asset position is due to the loss generated in the current financial year. During the current financial year, the Group has reduced its service offering in North American and restructured its operations to drive future financial growth. This has caused the weaker financial position of the Group at 30 June 2026.

There is a deficit in current assets less current liabilities of $22.102 million at 30 June 2026 (30 June 2025: $20.637 million) is due to all the bank debt having to be classified as current at 30 June 2026. The Company has borrowings of $54.01 million at 30 June 2026 (30 June 2025: $85.401 million) that have been classified as current at 30 June 2026. The vast majority of these borrowings will become non-current post year end or settled by way of a share issue to cancel the debt as disclosed in Note 40. The company has sufficient cash to meet all committed liabilities and future expected liabilities for a period of at least 12 months from the date of signing of these financial statements.

iii. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated group only. Supplementary information about the parent entity is disclosed in note 36.

iv. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

v. Inventories

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of equipment and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

vi. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges

Cash flow hedges are used to cover the consolidated group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

vii. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expense in profit or loss during the financial period in which they are incurred.

viii. Foreign currency translation

The financial statements are presented in Australian dollars, which is Close the Loop Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

ix. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

x. Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

xi. Goods and Services Tax ("GST") and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

xii. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Note 6. Principles of Consolidation

i. Subsidiaries included in the financial statements

Subsidiaries are all those entities over which the consolidated group has control. The consolidated group controls an entity when the consolidated group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated group. Losses incurred by the consolidated group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 7. Operating segments

i. 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 review 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.

ii. 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 and products associated therewith as well as refurbishing consumer and enterprise electronic equipment.

iii. 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.

iv. 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.

Operating segment information

Consolidated 30 June 2026	Resource Recovery $'000	Packaging $'000	Total $'000
Revenue			
Sales to external customers	55,424	70,195	125,619
Intersegment sales	-	-	-
Total sales revenue	55,424	70,195	125,619
Other revenue	(2,278)	2,283	5
Total segment revenue	53,146	72,478	125,624
Intersegment eliminations			-
Unallocated revenue			-
Total revenue			125,624
EBITDA	(2,792)	15,224	12,432
Depreciation and amortisation	(7,191)	295	(6,896)
Finance costs	(8,767)	3	(8,764)
Profit before income tax expense	(16,257)	13,783	(2,474)
Income tax expenses	5,158	(2,653)	2,505
Profit after income tax expense	(11,099)	11,130	31
Assets			
Segment assets	178,399	56,786	235,185
Intersegment eliminations			(101,050)
Unallocated assets			-
Total assets			134,135

Consolidated 30 June 2026	Resource Recovery $'000	Packaging $'000	Total $'000
Liabilities			
Segment liabilities	177,684	25,121	202,805
Intersegment eliminations			(101,050)
Unallocated liabilities:			-
Total liabilities			101,755

Consolidated 30 June 2025	Resource Recovery $'000	Packaging $'000	Total $'000
Revenue			
Sales to external customers	57,925	60,716	118,641
Intersegment sales	-	-	-
Total sales revenue	57,925	60,716	118,641
Other revenue	1,702	1,291	2,993
Total segment revenue	59,627	62,007	121,634
Intersegment eliminations			-
Unallocated revenue			-
Total revenue			121,634
EBITDA	(1,002)	10,263	9,261
Depreciation and amortisation	(10,817)	(854)	(11,671)
Finance costs	(9,077)	(35)	(9,112)
Profit before income tax expense	(20,896)	9,374	(11,522)
Income tax expenses	3,199	(2,518)	681
Profit after income tax expense from continuing operations	(17,697)	6,856	(10,841)
Profit after income tax expense from discontinuing operations	(3,874)	(7,226)	(11,100)
Loss for the year	(21,571)	(370)	(21,941)
Assets			
Segment assets	220,538	57,735	278,273
Intersegment eliminations			(1,448)
Unallocated assets			-
Total assets			276,825
Liabilities			
Segment liabilities	146,159	10,632	156,791
Intersegment eliminations			(1,448)
Unallocated liabilities:			-
Total liabilities			155,343

Geographical segment information

Consolidated 30 June 2026	Australasia $'000	USA $'000	Europe $'000	South Africa $'000	Total $'000
Revenue					
Sales to external customers	58,039	30,364	12,808	24,408	125,619
Intersegment sales	-	-	-	-	-
Total sales revenue	58,039	30,364	12,808	24,408	125,619
Other revenue	(261)	39	67	160	5
Total segment revenue	57,778	30,403	12,875	24,568	125,624
Intersegment eliminations					-
Unallocated revenue					-
Total revenue					125,624
EBITDA	3,468	2,825	930	5,209	12,432
Depreciation and amortisation	(1,364)	(4,445)	(1,065)	(22)	(6,896)
Finance costs	(1,611)	(6,957)	(199)	3	(8,764)
Profit before income tax expense	2,491	(8,576)	(333)	3,944	(2,474)
Income tax expenses	2,136	1,421	-	(1,052)	2,505
Profit after income tax expense from continuing operations	4,627	(7,155)	(333)	2,892	31
Assets					
Segment assets	170,393	41,812	9,834	13,146	235,185
Intersegment eliminations					(101,050)
Unallocated assets					
Total assets					134,135
Liabilities					
Segment liabilities	66,135	113,909	19,179	3,582	202,805
Intersegment eliminations					(101,050)
Unallocated liabilities					-
Total liabilities					101,755

Consolidated 30 June 2025	Australasia $'000	USA $'000	Europe $'000	South Africa $'000	Total $'000
Revenue					
Sales to external customers	52,161	34,608	14,373	17,499	118,641
Intersegment sales	-	-	-	-	-
Total sales revenue	52,161	34,608	14,373	17,499	118,641
Other revenue	2,589	72	10	322	2,993
Total segment revenue	54,750	34,680	14,383	17,821	121,634
Intersegment eliminations					-
Unallocated revenue					-
Total revenue					121,634
EBITDA	22	4,458	1,118	3,663	9,261
Depreciation and amortisation	(2,969)	(7,740)	(911)	(51)	(11,671)
Finance costs	(1,348)	(7,594)	(161)	(9)	(9,112)
Profit before income tax expense	(4,295)	(10,876)	46	3,603	(11,522)
Income tax expenses	(73)	1,447	(3)	(690)	681
Profit after income tax expense	(4,368)	(9,429)	43	2,913	(10,841)
Assets					
Segment assets	160,831	155,874	11,224	10,268	338,197
Intersegment eliminations					(61,371)
Unallocated assets					-
Total assets					276,826
Liabilities					
Segment liabilities	44,890	147,590	20,758	3,476	216,714
Intersegment eliminations					(61,371)
Unallocated liabilities					-
Total liabilities					155,343

v. Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 8. Revenue

A. Revenue Streams

The Group generates revenue primarily from the sale of packaging materials and collection and recycling services provided to its customers. Other sources of revenue include government grants and interest revenue.

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
From continuing operating activities		
Revenue from contracts with customers		
Sale of goods	85,899	146,682
Collection revenue	39,720	48,462
	125,619	195,144
Less: attributable to discontinued operations	-	(76,503)
	125,619	118,641

B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical segment, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reporting segments					
Consolidated	Resource Recovery		Packaging		Total	
	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000	30 June 2026 $'000	30 June 2025 $'000
Primary geographical markets						
Australasia	12,251	8,944	45,788	54,538	58,039	63,483
USA	30,364	99,789	-	-	30,364	99,789
Europe	12,808	14,373	-	-	12,808	14,373
South Africa	-	-	24,408	17,499	24,408	17,499
	55,423	123,106	70,196	72,037	125,619	195,144
Timing of revenue recognition						
Products transferred at a point in time	15,704	74,644	70,195	72,037	85,899	146,682
Products and services transferred over time	39,720	48,462	-	-	39,720	48,462
Revenue from contracts with customers	55,424	123,106	70,195	72,037	125,619	195,144

C. Revenue recognition policies

The consolidated group recognises revenue as follows:

i. Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

ii. Recycling Revenue

Recycling revenue relates to the company's recycling services. Revenue is recognised when the performance obligation is satisfied, which typically occurs at the time of processing. The company has entered into service agreements with its customers, under which the company accepts plastics, used ink and toner cartridges from these companies and recycles them in environmentally responsible ways. Recycling may consist of:

- Breaking down the materials in the cartridge and re-purposing them (manufacturing plastic from cartridge pieces);
- Processing the cartridges for re-use printer cartridges; and
- Disposing of the cartridges without dumping the waste into landfills.

The type of recycling performed is governed by the company's service agreements with its customers. Each customer's recycling program is specially tailored to meet the customer's needs and is specifically analysed for revenue recognition.

iii. Re-manufactured Cartridge and Bottle Revenue

Re-manufactured cartridge and bottle revenues are those generated through the sale of the re-manufactured cartridges and bottles or cartridge and bottle component materials (plastic, metals, cartridge sales, and toner). Revenue is recognised when the performance obligation is satisfied, which typically occurs at the point in time when control of the product transfers to the customer. The company processes cartridges and bottles in-house so that they can be re-used. These remanufactured cartridges and bottles are sold to companies that re-fill the cartridges and bottles and sell them. Component materials are also sold to companies that use plastic and metals to manufacture their products.

iv. Sale of packaging materials

For sales of packaging and related goods to the customer, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

No element of financing is deemed present as the sales are made with a credit term of 30 to 60 days (dependent on specific customers), which is consistent with market practice.

Historically returns are very minimal and therefore no refund liability will be recognised at the point of sale. The company uses its accumulated experience to estimate the number of returns. It is considered highly probable that there will be no significant returns.

v. Sale of thermal paper

For sales of thermal paper and related goods to the customer, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the manner of use of the paper or distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 to 60 days (dependent on specific customers), which is consistent with market practice.

Historically returns are very minimal and therefore no refund liability will be recognised at the point of sale. The company uses its accumulated experience to estimate the number of returns. It is considered highly probable that there will be no significant returns.

vi. Sale of electronic equipment

For sales of electronic equipment and related goods to the customer, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the manner of use of the electronic equipment or distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. No element of financing is deemed present as the sales are made with a credit term of 30 days (dependent on specific customers), which is consistent with market practice.

Historically returns are very minimal and therefore no refund liability will be recognised at the point of sale. The company uses its accumulated experience to estimate the number of returns. It is considered highly probable that there will be no significant returns.

vii. Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

viii. Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

ix. Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 9. Income and expenses

A. Other income

	Note	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Interest Income		754	1,348
Government grants		428	532
Foreign Exchange Gains / (Losses)		(1,398)	989
Supplier Rebates		221	302
Profit/(Loss) on Disposal of Fixed Assets		-	14
Other Income		-	137
Total other income		5	3,322
Less: attributable to discontinued operations		-	(329)
		5	2,993

B. Other expenses

	Note	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Profit before income tax from continuing operations includes the following expenses:			
Depreciation			
Depreciation on property, plant and equipment		2,273	3,089
Depreciation on right-of-use assets		3,213	4,962
Total depreciation		5,486	8,051
Amortisation			
Impairment loss of goodwill			267
Amortisation of non-current assets		1,410	16,396
Total amortisation		1,410	16,663
Total depreciation and amortisation		6,896	24,714
Less: attributable to discontinued operations		-	(13,043)
Total depreciation and amortisation from continuing operations		6,896	11,671

Finance costs	Consolidated 30 June 2026 $'000	30 June 2025 $'000
Interest and finance charges paid/payable on borrowings	7,560	7,887
Interest and finance charges paid/payable on lease liabilities	1,204	1,647
Finance costs expensed	8,764	9,534
Less: attributable to discontinued operations	-	(422)
Finance costs expensed from continuing operations	8,764	9,112
Net foreign exchange movement		
Net foreign exchange loss / (gain)	1,398	(989)

C. Accounting policy for cost of sales

When inventories are sold, the carrying amount of those inventories will be recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

There was not any write-down of inventories to fair value less costs to sell. There was no amount reversed of any write-down of inventories recognised during the current financial year arising from an increase in net realisable value.

Note 10. Earnings per share

	Consolidated 30 June 2026 $'000	30 June 2025 $'000
Earnings per share for profit from continuing operations		
Profit after income tax – continuing operations	31	(10,841)
Non-controlling interest	(247)	(245)
Profit after income tax attributable to the owners of Close the Loop Limited	(216)	(11,086)
Basic earnings per share (cents)	0.01	(2.04)
Diluted earnings per share (cents)	0.01	(1.98)
Earnings per share for profit / (loss) from discontinuing operations		
Profit / (loss) after income tax	(105,112)	(11,100)
Profit / (Loss) after income tax attributable to the owners of Close the Loop Limited	(105,328)	(22,186)
Basic earnings per share (cents)	(19.82)	(2.09)
Diluted earnings per share (cents)	(19.24)	(2.03)

Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	532,599,729	531,849,866
Adjustments for calculation of diluted earnings per share:		
Options and rights over ordinary shares	16,065,616	14,900,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	548,665,345	546,749,866

Note 11. Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

A. Description of share-based payment arrangements

At 30 June 2026, the Group had the following share-based payment arrangements.

i. Rights and options over equity instruments granted as compensation

Details of rights and options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details of rights and options that vested during the reporting period are as follows:

No options were granted as compensation to any of the key management personnel or were outstanding in the current or previous financial years.

No performance rights were granted or vested in the prior financial year.

On 18 December 2025 rights were granted as compensation to key management personnel (KMP) and senior employees as follows:

Grant date	Expiry Date	Exercise price	Balance at the start of the year	Granted	Vested	Expired / forfeited / Other (A)	Balance at the end of the year
KMP							
18 December 2025	18 December 2030	$0.00	-	4,500,000	-	-	4,500,000
Senior Employees							
18 December 2025	18 December 2030	$0.00	-	2,500,000	-	-	2,500,000

(A) **Performance rights forfeited as they did not meet the vesting conditions prior to the expiry date or due to the employee ceasing employment.**

The rights vest three years from grant date and expire five years from grant date. In addition to a continuing employment service condition, vesting is conditional on the Group achieving share price targets. For rights granted in the current year, the earliest vesting date is 18 December 2028.

On 18 January 2024 options were issued for services rendered in relation to the acquisition of ISP Tek Services and Captive Trade Corp. Details of the options are as follows:

Options	Number of options granted during 2023-24	Grant date	Fair value per option at grant date $	Exercise price per option $	Expiry date	Number of options vested
Tranche 1	500,000	18 January 2024	0.102	0.38	18 January 2027	500,000
Tranche 2	500,000	18 January 2024	0.021	0.90	18 January 2027	500,000

No other options or share based payments were made during the year ending 30 June 2026.

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of the employee share options (see (A)(i)) has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the option equity-settled share-based payment plans were as follows.

	Grant date 18 January 2024	Measurement date 18 January 2024
Fair value	10.2 cents	10.2 cents
Share price	36 cents	36 cents
Exercise price	38 cents	38 cents
Expected volatility (weighted-average)	40%	40%
Expected life (weighted-average)	3 years	3 years
Expected dividends	-	-
Risk-free interest rate (based on government bonds)	3.00%	3.00%

	Grant date 18 January 2024	Measurement date 18 January 2024
Fair value	2.1 cents	2.1 cents
Share price	36 cents	36 cents
Exercise price	90 cents	90 cents
Expected volatility (weighted-average)	40%	40%
Expected life (weighted-average)	3 years	3 years
Expected dividends	-	-
Risk-free interest rate (based on government bonds)	3.00%	3.00%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

The valuation of the performance rights has been split into 4 Tranches. 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 4% 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:

2026

Tranche	Share price at grant date	Volatility	Dividend Yield	Number of Performance Rights	Fair value at grant date
Tranche 1	$0.035	81%	$nil	2,800,000	$0.035
Tranche 2	$0.035	81%	$nil	1,400,000	$0.015
Tranche 3	$0.035	81%	$nil	1,400,000	$0.013
Tranche 4	$0.035	81%	$nil	1,400,000	$0.011

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programs (see (A)(i) and (A)(ii)) were as follows.

	2026		2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 1 July	1,000,000	64 cents	1,000,000	64 cents
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at 30 June	1,000,000	64 cents	1,000,000	64 cents
Exercisable at 30 June	1,000,000	64 cents	1,000,000	64 cents

D. Expense recognised in profit or loss

During the financial year end 30 June 2026 an amount of $384,000 (30 June 2025: $694,000) was expensed as result of the share based payment for the issue of the rights and options.

Note 12. Income taxes

A. Amounts recognised in profit or loss

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current tax expense continuing operations		
Current year tax	321	(4,522)
Deferred tax	599	937
Aggregate income tax expense/(benefit) continuing operations	920	(3,585)
Current tax expense discontinuing operations		
Current year tax	(1,440)	(764)
Deferred tax	(1,985)	445
Aggregate income tax expense/(benefit) discontinuing operations	(3,425)	(319)
Aggregate income tax expense/(benefit)	(2,505)	(3,904)

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax, including discontinued operations	(107,555)	(25,845)
Non-cash on recycling of FX reserves	5,523	
Taxable Loss before income tax, including discontinued operations	(102,032)	(25,845)
Tax at the statutory tax rate of 30% (2025: 30%)	(30,610)	(7,754)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	-	(160)
Non-deductible expenses	21,921	1,582
Timing differences	-	-
	21,921	1,422
Current year tax losses not recognised	69	-
Difference in overseas tax rates	7,135	1,432
Prior year tax adjustment	257	139
USA state and local impact	(295)	(108)
Recognition of prior year deferred tax balances	-	3
Research and development tax benefit	(727)	(133)
Prior year under provision of deferred income tax	(255)	-
Recognition of previously unrecognised tax losses	-	54
Reassessment of prior year deferred tax balances	-	1,041
Income tax expense / (benefit)	(2,505)	(3,904)

B. Deferred tax asset

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment - tax allowance	-	(2,600)
Provisions	239	223
Employee benefits	533	447
Leases	882	499
Accrued expenses	117	211
Business interest deduction carry forward	1,297	1,159
USA uniform capitalisation adjustments	-	-
Intangible assets	1,044	(14,945)
Tax loss carry forward	1,972	2,490
Unrealised foreign exchange	705	(214)
Section 263A USA Tax Law	9	598
S24 Allowance - South Africa	-	(23)
Research and development tax offsets	2,350	473
Other	(352)	6
Deferred tax asset / (liability)	8,796	(11,675)

C. Current tax liability

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current tax liability comprises:		
Income tax liability		
Australian entity	8,035	1,542
Foreign entity	(3,046)	(1,260)
	4,989	282

D. Unrecognised tax losses:

The company has accumulated tax losses which have not been recognised as deferred tax assets. The consolidated balance of the tax losses carried forward as of 30 June 2026 was $20,209,222. (30 June 2025: $14,604,154)

E. Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. The 100% owned Australian companies have formed a tax consolidated group with effect from 30 November 2021 with Close the Loop Limited being the head entity in the tax consolidated group.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 13. Cash and cash equivalents

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current assets		
Bank balances	16,703	17,115
Call deposits	-	15,226
Cash and cash equivalents in the statement of financial position	16,703	32,341
Bank overdrafts repayable on demand and used for cash management purposes	-	-
Cash and cash equivalents in the statement of cash flows	16,703	32,341

A. Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 14. Trade and other receivables

	Note	Consolidated	
		30 June 2026 $'000	30 June 2025 $'000
Current Assets			
Trade receivables		24,200	29,562
Less: Provision for doubtful debts	14A	(401)	(552)
Less: Provision for estimated credit losses	14A	(310)	(224)
		23,489	28,786
Other trade receivables		76	18
		23,565	28,804

A. Allowance for expected credit losses

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Opening balance	776	866
Receivables written off during the year as uncollectable	(533)	(695)
Reversal of receivables previously provided for	-	(233)
Receivables deemed to be uncollectable and specifically provided for in provision for doubtful debts	468	838
Closing balance	711	776

B. Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 15. Inventories

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current		
At cost:		
Raw materials and consumables	352	3,610
Finished goods	6,165	19,979
Goods in transit	109	516
Provision for Obsolete/Damaged Stock	(373)	-
	6,253	24,105

A. Accounting policy for inventories

Inventories represent mainly packaging materials, consumables, electronic equipment, thermal paper, plastics and processed toner. Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase, import duties and other taxes and transport, handling and other costs directly attributable to the acquisition of materials and services.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 16. Other Assets

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current Assets		
Prepayments	1,174	1,829
Income tax refund due	7,898	1,542
Other deposits	638	378
Directors' loans	295	293
Loan receivable	85	85
Other current assets	2,380	1,195
	12,470	5,320

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-Current Assets		
Business sale proceeds	1,531	-
Directors' loans	1,377	1,417
Capitalised costs	261	419
Other deposits	267	537
	3,436	2,373

As at 30 June 2026, a loan advanced to the landlord of an Australian property to remove debris from the adjoining land remains outstanding. The loan is repayable monthly over 10 years.

Note 17. Investments

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-Current Assets		
Investments	13	208
	13	208

Note 18. Property, plant and equipment

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-Current Assets		
Buildings - at cost	333	318
Less: Accumulated depreciation	-	-
	333	318
Leasehold improvements - at cost	3,805	10,121
Less: Accumulated depreciation	(1,217)	(2,237)
	2,588	7,884
Plant and equipment - at cost	34,475	39,431
Less: Accumulated depreciation	(24,583)	(26,902)
	9,892	12,529
Office and Computer Equipment	1,586	1,880
Less: Accumulated depreciation	(1,357)	(1,424)
	229	456
Motor Vehicles	180	653
Less: Accumulated depreciation	(101)	(432)
	79	221
Capital works in progress	1,284	3,382
	14,405	24,790

A. Reconciliation of carrying amount

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

	Buildings $'000	Leasehold Improvements $'000	Plant and equipment $'000	Office and Computer Equipment $'000	Motor Vehicles $'000	Capital works in progress $'000	Total $'000
Balance at 1 July 2024	-	7,639	11,655	280	385	6,458	26,417
Additions	-	628	794	201	109	1,573	3,305
Transfers in/(out)	318	98	1,820	80	(45)	(2,271)	-
Disposals	-	(366)	(395)	(21)	(9)	(2,403)	(3,194)
Effect of movements in exchange rates	-	361	1,049	52	(111)	25	1,379
Depreciation related to discontinued operations	-	(4)	(23)	-	-	-	(27)
Depreciation expense	-	(472)	(2,371)	(136)	(110)	-	(3,089)
Balance at 30 June 2025	318	7,884	12,529	456	221	3,382	24,790

	Buildings $'000	Leasehold Improvements $'000	Plant and equipment $'000	Office and Computer Equipment $'000	Motor Vehicles $'000	Capital works in progress $'000	Total $'000
Balance at 1 July 2025	318	7,884	12,529	456	221	3,382	24,790
Additions		519	2,490	110	31	(1,004)	2,146
Effect of movements in exchange rates	15	(866)	(236)	(33)	(8)	(1,094)	(2,222)
Depreciation related to discontinued operations		(4,451)	(2,648)	(186)	(109)	-	(7,494)
Depreciation expense		(498)	(2,243)	(118)	(56)	-	(2,915)
Balance at 30 June 2026	333	2,588	9,892	229	79	1,284	14,405

B. Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives. The depreciation rates used for each class of depreciable assets are:

Property, plant and equipment:

Office and computer equipment 15% to 33%
Plant and equipment 10% to 25%
Motor vehicles 25%
Leasehold improvements 10%
Others 10% to 25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Capital work in progress represents costs incurred to construct, assemble and/or install an asset. Once completed, the asset will be transferred to its relevant class of property, plant and equipment.

Note 19. Right of use assets

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-Current Assets		
Buildings - right-of-use	26,969	38,452
Less: Accumulated amortisation	(8,618)	(10,416)
	18,351	28,036
Plant and equipment - right-of-use	786	844
Less: Accumulated amortisation	(491)	(355)
	295	489
	18,646	28,525

	Note	Buildings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2024		23,211	589	23,800
Additions		10,420	257	10,677
Disposals		(808)	(240)	(1,048)
Disposals as a result of discontinued operations		(168)	(39)	(207)
Effect of movements in exchange rates		229	36	265
Amortisation expense		(4,848)	(114)	(4,962)
Balance at 30 June 2025		28,036	489	28,525

	Note	Buildings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 2025		28,036	489	28,525
Additions		388	-	388
Remeasurement		593	(42)	551
Disposals as a result of discontinued operations		(6,261)		(6,261)
Effect of movements in exchange rates		(1,313)	(31)	(1,344)
Amortisation expense		(3,092)	(121)	(3,213)
Balance at 30 June 2026		18,351	295	18,646

The consolidated group leases land and buildings for its offices and warehouses under agreements of between 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated group also leases plant and equipment under agreements of between 1 to 5 years.

The consolidated group leases office equipment under agreements of less than one year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

A. Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 20. Intangible assets and goodwill

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Non-Current Assets		
Goodwill	19,769	41,031
Less: Impairment	(253)	(3,683)
	19,516	37,348
Customer Relationships	12,758	104,285
Less: Accumulated amortisation	(7,723)	(26,792)
	5,035	77,493
Patents and trademarks - at cost	1,597	1,511
Less: Accumulated amortisation	(1,115)	(1,059)
	482	452
Brand Names - at cost	5,341	5,362
Less: Accumulated amortisation	(1,294)	(1,116)
	4,047	4,246
Software created – at cost	2,276	10,683
Less: Accumulated amortisation	(1,974)	(5,494)
	302	5,189
	29,382	124,728

A. Reconciliations

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

Consolidated	Goodwill $'000	Customer relationships $'000	Patents and Trademarks $'000	Brand Names $'000	Software created $'000	Total $'000
Balance at 1 July 2024	40,783	89,792	439	4,806	6,992	142,812
Additions	-	-	125	-	231	356
Transfers in/(out)	-	(27)	-	-	27	-
Exchange difference	248	1,293	(6)	6	97	1,638
Impairment	(3,416)	-	-	-	-	(3,416)
Amortisation expense	(267)	(13,565)	(106)	(566)	(2,158)	(16,662)
Balance at 30 June 2025	37,348	77,493	452	4,246	5,189	124,728
Balance at 1 July 2025	37,348	77,493	452	4,246	5,189	124,728
Additions	-	-	-		303	303
Disposal	-	(52,291)	(7)	-	(3,498)	(55,796)
Exchange difference	(609)	(4,830)	117	14	409	(4,899)
Impairment	(17,223)	(6,266)	-	-	(375)	(23,864)
Amortisation expense	-	(9,071)	(80)	(213)	(1,726)	(11,090)
Balance at 30 June 2026	19,516	5,035	482	4,047	302	29,382

B. Impairment considerations

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment is recorded if its recoverable amount is less than its carrying amount. The recoverable amount is the higher of fair value less cost to disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate.

C. Goodwill and goodwill impairment testing

Goodwill represents the excess of purchase consideration over the fair value of net assets acquired in a business combination. Goodwill is carried at cost less accumulated impairment losses and is tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Goodwill is allocated to cash generating units (CGUs), or groups of CGUs, expected to benefit from synergies of the business combination.

The majority of the Company's goodwill at 30 June 2026 relates to the acquisition of Close the Loop Limited, Oceanic Agencies Pty Ltd, Foster International Packaging (Pty) Ltd, Crasti & Company Pty Ltd, In-Plas Recycling, Captive Trade Corporation and ISP Tek Services. These acquisitions were acquired with the intention of delivering benefits of revenue growth and synergy to the group. The lowest level within the group for which information about goodwill is monitored for internal management purposes is the CGUs for each acquisition. The Group has determined that goodwill is tested at a CGU level.

The historical goodwill and intangible assets associated with the ISP Tek Services business of $88.554 million have been impaired at 30 June 2026 as this CGU became a discontinued operation during the reporting period as the business was sold on 19 May 2026 and thus it is necessary to reduce the carrying value of the intangibles to nil at 30 June 2026.

The O F Pack Group had some historical goodwill at 1 July 2021 which relates to the historical business combination that formed O F Pack and the business combination regarding the acquisition of O F Flexo Pty Ltd by O F Packaging Pty Ltd. This historical goodwill has been tested at year end and impairment was necessary at 30 June 2026 as the historical goodwill associated with the O F Flexo business was required to be written down to nil at 30 June 2026 as this business was disposed of with effect from 31 July 2025.

The recoverable amount of the Company CGUs was calculated on the basis of value in use using a discounted cash flow model. Future cash flows were projected for 5 years for each CGU, with key assumptions being CGU earnings which is based on expected future performance indicators of the CGU.

The historical goodwill associated with the O F Resource Recovery business of $3.416 million has been impaired at 30 June 2025 as this CGU became a discontinued operation during the reporting period and thus it is necessary to reduce the carrying value of the intangibles to nil at 30 June 2025.

The testing of the historical goodwill and intangible assets including the customer relationships and brand names associated with the In-Plas Recycling acquisition revealed that the carrying value of the intangible assets of $4.019 million was impaired at 30 June 2025 and written off in full at this date.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The impairment losses on goodwill are included in the Other Expenses Note 9(B).

i. Key assumptions

Key assumptions used in the value in use approach to test for impairment relate to the discount rate and the medium-term and long-term growth rates applied to projected cash flows. A value in use model is sensitive to the following inputs:

ii. Discount rate

The discount rates used in the discounted cash flow model reflect the Group's estimate of the time value of money and risks specific to the Company CGU. Discount rates are based on the Group's weighted average cost of capital (WACC), adjusted for market risk and specific risk factors.

The movement in the discount rates are due to the fair value less cost of disposal methodology being used in prior periods. The fair value less cost of disposal methodology is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As the Group has matured it has become more appropriate to use the value in use methodology in the current financial year which is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The post-tax discount rate for each relevant CGU is as follows:

Cash Generating Unit	Discount Rate 30 June 2026
O F Packaging	8.60%
Oceanic Agencies	8.60%
Crasti & Company	8.60%
Alliance Paper	8.60%
Foster International Packaging	15.00%
The Pouch Shop	15.00%
Close the Loop Limited CGUs:	

Cash Generating Unit

	Discount Rate 30 June 2026
- Australia	8.60%
- USA	9.25%
- Europe	8.60%
In-Plas Recycling	9.25%

iii. Projected cash flows

The projected cash flows are derived from 2026 actual results and 2027 to 2031 financial projections approved by the Board. This reflects the best estimate of the CGU group cash flows at the time of this report. Projected cash flows can differ from future actual cash flows and results of operations.

iv. Long-term growth rate into perpetuity

Long-term growth rate of 2.5% is used into perpetuity, based on the expected long-range growth rate for the industry.

v. Sensitivity range for impairment testing assumptions

As at 30 June 2026, management has identified that, other than the impairments for the discontinued operations, for the carrying amount to exceed the recoverable amount the discount rate would need to increase significantly for each CGU before any impairment was required to be made.

At 30 June 2025, management identified that, other than the impairments for the discontinued operations and the In-Plas Recycling CGU, for the carrying amount to exceed the recoverable amount the discount rate would need to increase significantly for each CGU before any impairment was required to be made.

D. Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

i. Customer Relationships, Patents and trademarks

Patents, trademarks, customer relationships and licences are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Intangible assets are amortised over their estimated useful life which range from 10 to 15 years.

Note 21. Trade and other payables

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Trade payables	13,549	15,187
Sundry payables and accruals	1,205	719
	14,754	15,906

A. Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 22. Borrowings

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Bank loans	29,238	59,802
Notes payable	333	330
Trade finance	39	89
Convertible note	24,382	25,042
Finance lease liabilities	19	138
	54,011	85,401
Non-current liabilities		
Bank loans	791	-
Notes payable	-	355
Finance lease liabilities	-	26
	791	381
	54,802	85,782

i. Line of credit facility

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 was part of the Senior Secured Term Loan facility taken out on the same date. The facility was not used at 30 June 2025 or since its inception and had a maturity date of 26 December 2029. The facility incurred interest at a rate of 35% of the margin of the lender on the unused facility, which was 2.1% at 30 June 2025 if it was undrawn with interest required to be paid quarterly at the end of March, June, September and December. Security over the Revolver was 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.

The company has entered into a corporate credit card facility with a limit of $1 million (2025 $1 million). This facility remained in place throughout the current and prior financial years. At 30 June 2026 $22,000 (2025; $28,000) of this facility was used.

ii. Senior Secured Term Loan

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 30 June 2026 was US$19,807,282 (30 June 2025: US$38,000,000). The principal was reduced by US$750,000 to US$19,057,282 on 1 July 2026. The facility matures on 26 October 2029 and incurs interest at a variable rate of 11.85% at 30 June 2026 (30 June 2025: 10.45%) 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 was required to be repaid in years 1 and 2. Thereafter 1.25% of the principal was required to be repaid each quarter, although this increased 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 was committed as a Delayed Draw Term Loan Facility. The facility was never used and was cancelled during the year ended 30 June 2025 as this facility was no longer considered necessary.

The PGIM Inc. facilities have a variable interest rate based on a variable base rate plus a margin. The facilities contain financial covenants which the Company was not in compliance with throughout the 2025 financial year. The fixed interest cover ratio and leverage threshold were not complied with throughout the 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 did 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 were finalised post the 2025 financial year end and based on the current accounting standards the loan was classified as current at 30 June 2025.

During the current financial year, the obligor coverage, leverage and minimum adjusted EBITDA covenants were breached at the 31 March 2026 reporting date. The company sought and received a waiver for the breach of these covenants which was provided on 8 May 2026. As part of the ISP Tek Services disposal the covenants for the Senior Secured Term Loan have been reset with effect from 30 June 2026. All banking covenants have been complied with as at 30 June 2026. This Senior Secured Term Loan has been classified as current in the 2026 financial year as the company is expected to refinance the facility, repaying the existing debt, within the next 12 months.

iii. Note payable

As part of the In-Plas Recycling acquisition on 28 February 2023, Close the Loop entered into a promissory note which would be paid in the form of four equal annual deferred cash payments of US$250,000, paid on the anniversary date of the settlement of the acquisition. There is no interest payable on the deferred cash settlement amount, which has been guaranteed by Close the Loop Inc. On 28 February 2026 the third of the four payments of US$250,000 was made.

iv. Convertible notes

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 was due and payable by Close the Loop on 28 April 2026. The Notes could be convertible into Close the Loop’s ordinary shares at the discretion of the noteholder 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 in the current and prior financial year based on the maturity date. This note was settled after year end, the details of which are included in the events after the reporting period note 40.

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 accrued 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 become due and payable by Close the Loop on 28 April 2026. The Notes became convertible into Close the Loop’s ordinary shares at the discretion of the company at a set price of A$0.74 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. This note was settled after year end, the details of which are included in the events after the reporting period note 40.

v. Australian group facilities

Close the Loop Ltd and its Australian domiciled subsidiaries have the following facilities with NAB Australia:

	30 June 2026 $’000	30 June 2025 $’000
Commercial Cards	165	275
Bank Guarantees	171	171

The commercial cards facility which has a balance of $165,000 (30 June 2025: $275,000) at 30 June 2026 and the bank guarantees which all relate to Australian property leases were in place throughout the reporting period.

vi. Finance lease liability

Lease liabilities are secured by the underlying leased assets.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Total facilities		
Credit standby arrangement and loan facilities	32,055	72,807
Used at the reporting date		
Credit standby arrangement and loan facilities	30,173	60,740
Unused at the reporting date		
Credit standby arrangement and loan facilities	1,882	12,066

vii. Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 23. Lease Liabilities

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Lease liabilities	4,511	4,261
	4,511	**4,261**
Non-current liabilities		
Lease liabilities	17,698	26,374
	17,698	**26,374**
	22,209	**30,635**

Refer to note 38 for further information on financial instruments.

i. Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 24. Provisions

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Employee benefits	1,939	2,250
Other - unprocessed inventory	123	134
Other provisions	230	-
	2,292	2,384
Non-current liabilities		
Employee benefits	334	74
Other provisions	1,373	-
	1,707	74
	3,999	2,458

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Other - unprocessed inventory		
Carrying amount at the start of the year	134	395
Reversal of provision due to processing inventory	-	(302)
Translation difference	(11)	41
Carrying amount at the end of the year	123	134

i. Accounting policy for provisions

Provisions are recognised when the consolidated group has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

ii. Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the (undiscounted) amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 25. Deferred revenue

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Current liabilities		
Deferred revenue – customer contracts	33	442
	33	442
Non-current liabilities		
Deferred revenue	-	-
	-	-
	33	442

i. Accounting policy for deferred revenue

Government grants are not recognised until there is reasonable assurance that the consolidated group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the consolidated group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the consolidated group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Receipts from customers without any services being provided are recognised as deferred revenue until such time as goods or services are provided to the customer and the company is entitled to the revenue that then is recognised in the profit or loss for the period.

Note 26. Other current liabilities

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Other current liabilities		
Customer deposits	503	242
Other liabilities	-	2,161
Contract liabilities	-	130
	503	2,533

Note 27. Equity – issued capital

	30 June 2026 Shares	30 June 2025 Shares	30 June 2026 $'000	30 June 2025 $'000
Ordinary shares – fully paid	533,749,866	531,849,866	106,574	105,852

A. 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 at the end of the year	30 Jun 2025	531,849,866		105,852

	Date	Shares	Issue price	$'000
Balance at the beginning of the year	1 Jul 2025	531,849,866		105,852
Shares issued upon conversion Close the Loop performance rights	30 Jan 2026	1,700,000	$0.38	646
Shares issued upon conversion Close the Loop performance rights	13 Feb2026	100,000	$0.38	38
Shares issued upon conversion Close the Loop performance rights	16 Jun 2026	100,000	$0.38	38
Balance at the end of the year	30 Jun 2026	533,749,866		106,574

i. Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Every member present at a meeting in person or by proxy shall have one vote.

Shares issued to key management personnel and Directors as part of the employee share plans under borrowing arrangements are disclosed in note 28.

ii. Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 28. Reserves

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Foreign currency reserve	7,822	377
Share-based payments reserve	410	1,444
Other reserves	42	42
	8,274	1,863

i. Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

ii. Other reserve

The other reserve relates to the acquisition of the additional interest in ClozDloop BV.

iii. Share-based payments reserve

Options under contractual arrangement:

Services were rendered, in relation to the acquisition of ISP Tek Services and Captive Trade Corp, that were entitled to options or a cash incentive if the transaction successfully completed. Options have been issued in lieu of a cash incentive payment.

Grant Date	Expiry date	Number of options granted	Exercise price per option
18 January 2024	18 January 2027	500,000	$0.38
18 January 2024	18 January 2027	500,000	$0.90

	30 June 2026 No. of options	30 June 2025 No. of options
A summary of the movements of all company options issued is as follows:		
Options outstanding at the beginning of the year	1,000,000	1,000,000
Options outstanding at the end of the year	1,000,000	1,000,000

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 16 November 2022 and 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.

Set out below are summaries of performance rights granted as at 30 June 2026:

Grant Date	Expiry Date	Exercise Price	Balance at the start of the financial year	Granted	Exercised	Expired/ Forfeited/ other	Balance at the end of the financial year
18 Dec 2025	17 Dec 2030	$0.00	-	7,000,000	-	-	7,000,000
15 Dec 2023	14 Dec 2028	$0.00	8,150,000	-	-	750,000	7,400,000
20 Dec 2022	19 Dec 2027	$0.00	5,750,000	-	1,900,000	3,450,000	400,000

Set out below are summaries of performance rights granted as at 30 June 2025:

Grant Date	Expiry Date	Exercise Price	Balance at the start of the financial year	Granted	Exercised	Expired/ Forfeited/ other	Balance at the end of the financial year
15 Dec 2023	14 Dec 2028	$0.00	8,400,000	-	-	250,000	8,150,000
20 Dec 2022	19 Dec 2027	$0.00	5,750,000	-	-	-	5,750,000

iv. Measurement of fair values

Fair value of options granted to employees and short-term borrowings is deemed to represent the value of employee services received over the vesting periods.

The weighted average fair value of options granted during the year ended 30 June 2024 was $0.062. As at reporting date, no options have been exercised. No options were issued during the years ended 30 June 2026 or 30 June 2025. These values were calculated using the Black Scholes Merton option-pricing model applying the following inputs:

Weighted average expected life of the option	3 years
Expected share price volatility	81%
Risk-free interest rate	4%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

The valuation of the performance rights issued in the current and prior financial years have been split into 4 Tranches. For the performance rights granted during the current and prior financial periods, 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 4% (30 June 2025: 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:

Performance rights granted in the 30 June 2026 financial year:

Tranche	Share price at grant date	Volatility	Dividend Yield	Number of Performance Rights	Fair value at grant date
Tranche 1	$0.035	81%	$nil	2,800,000	$0.035
Tranche 2	$0.035	81%	$nil	1,400,000	$0.015
Tranche 3	$0.035	81%	$nil	1,400,000	$0.013
Tranche 4	$0.035	81%	$nil	1,400,000	$0.011

No performance rights were issued in the financial year ended 30 June 2025.

v. Movements in Reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency translation reserves $'000	Share-based Payments reserves $'000	Other reserve $'000	Total $'000
Balance at 30 June 2024	(883)	754	19	(110)
Foreign operations – foreign currency translation differences	1,260	-	-	1,260
Movement in other reserves	-	-	23	23
Performance rights expensed during the year	-	690	-	690
Balance at 30 June 2025	377	1,444	42	1,863

	Foreign currency translation reserves $'000	Share-based Payments reserves $'000	Other reserve $'000	Total $'000
Balance at 30 June 2025	377	1,444	42	1,863
Foreign operations – foreign currency translation differences	1,922	-	-	1,922
Recycling of FCTR on discontinued operations	5,523	-	-	5,523
Share-based payments transferred to issued capital – performance rights exercised	-	(722)	-	(722)
Performance rights expensed / forfeited net	-	(312)	-	(312)
Balance at 30 June 2026	7,822	410	42	8,274

Note 29. Equity – dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2026 $'000	30 Jun 2025 $'000
Dividend for the year ended 30 June 2026 of nil cents (30 June 2025: nil cents) per ordinary share	-	-

On 26 May 2026 a dividend of R1,250,000 (A$109,604) (2025: R1,250,000) was declared and paid by Foster International Packaging (Pty) Ltd to its minority shareholder.

i. Accumulated profits reserve

The accumulated profits reserve represents profits of entities within the Group transferred to a separate reserve to preserve their profit character. Such profits are available to enable payment of franked dividends in future years. Dividends of $Nil (2025: $Nil) were distributed from the profits reserve during the year.

	30 June 2026 $'000	30 June 2025 $'000
Dividend franking account		
Amount of franking credits available to shareholders of Close the Loop Limited for subsequent financial years	3,760	3,717

The ability to use franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has also assumed the benefit of $3,760,000 (2025: $3,717,000) franking credits.

Note 30. Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt. There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Company's capital risk management is to maintain compliance with the covenants attached to the Company's debts. The company did not comply with all the lending covenants throughout the year ended 30 June 2026 or in the prior financial year. Refer to Note 22.

The Group monitors capital using a ratio of 'net debt' to 'adjusted equity'. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging and cost of hedging reserves.

The Group's policy is to keep the ratio below 2.00. The Group's net debt to adjusted equity ratio at 30 June 2026 was as follows.

		Consolidated	
	Note	30 June 2026 $'000	30 June 2025 $'000
Total borrowings		54,802	85,782
Less: cash and cash equivalents		(16,703)	(32,341)
Net debt		**38,099**	**53,441**
Total equity		32,380	121,483
Net debt to adjusted equity ratio		**1.18 times**	**0.44 times**

Note 31. Reconciliation of cash flows from operating activities

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Cash flows from operating activities		
Profit for the year after income tax expense	(105,081)	(21,941)
Adjustments for:		
Depreciation	5,486	3,117
Amortisation	1,410	25,324
Loss on the disposal of fixed assets	105,112	1,829
Income tax benefit recognised in excess of net income tax paid	(3,003)	-
Effect of exchange rate changes on non-cash balances and reserves	8,489	-
Non-cash finance costs (interest accrued or capitalised, not paid in cash)	265	-
	12,678	8,329
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(2,647)	7,254
Decrease/(increase) in inventories	(2,524)	(4,159)
Decrease/(Increase) in other current assets	(10,309)	91
Decrease/(increase) in other non-current assets	(1,063)	(854)
Increase/(decrease) in trade and other payables	9,497	(4,996)
Increase/(decrease) in provisions and employee benefits	1,572	(1,103)
Increase/(decrease) in deferred revenue	(409)	(784)
Increase/(decrease) in other liabilities	(2,030)	1,048
Net cash from operating activities	**4,765**	**4,826**

Note 32. Commitments

As part of the In-Plas Recycling acquisition, Close the Loop will pay in the form of four equal annual deferred cash payments of US$250,000 each, paid on the anniversary date of the settlement of the acquisition. There is no interest payable on the deferred cash settlement amount, which has been guaranteed by Close the Loop Inc. The third instalment was paid during the financial year ended 30 June 2026 and thus there is one instalment due and payable in future periods.

The company did not have any other commitments as at 30 June 2026 or 30 June 2025.

Note 33. Key management personnel disclosures

	Consolidated	
	30 June 2026	30 June 2025
	$'000	$'000
Short-term employee benefits	1,354	1,391
Post-employment benefits	92	99
Long-term benefits	35	46
Director fees (short-term benefits)	1,450	703
Share-based payments	136	207
	3,075	2,446

Key management personnel disclosures

Key management personnel include those people having authority and responsibility for planning, directing and controlling the activities of the group either directly or indirectly. This includes the Board of Directors, the Chief Executive Officer, the Chief Financial Officer who is the Company Secretary and the Chief Commercial Officer.

Note 34. Contingent liabilities

The Directors are not aware of any other material contingent liabilities as at 30 June 2026 except for the matters noted in note 22 in respect of borrowings and facilities, note 36 parent entity information and the events after the reporting period in note 40 in relation to the settlement of the convertible notes.

Note 35. Related party transactions

The group's main related parties are the Directors of the company and key management personnel.

i. Key management personnel

Disclosures relating to key management personnel are set out in note 33.

ii. Transactions with related parties

Performance Rights

On 20 December 2022 performance rights were granted to certain employees pursuant to a Performance Rights Plan passed at the AGM held in November 2022.

On 15 December 2023 performance rights were granted to certain employees pursuant to a Performance Rights Plan passed at the AGM held in November 2023.

On 18 December 2025 performance rights were granted to certain employees pursuant to a Performance Rights Plan passed at the AGM held in November 2025.

Performance rights granted in December 2022 vested during the current reporting period and were exercised and forfeited by related parties. Details of the performance rights changes are included in note 28.

No rights vested during the year ended 30 June 2025.

iii. Transactions with directors and director related entities

Close the Loop acquired The Pouch Shop on 1 October 2022, a niche provider of ready-to-label packaging and pouches for food products in South Africa, which was majority owned by Joe Foster. The second and final instalment for the purchase of this business was due and payable on 1 October 2024. On this date an amount of R4,000,000 plus 50% of the inventory on hand less 50% trade liabilities at the acquisition date became due and payable. This amount was paid in full and final settlement during the current financial year.

On 1 December 2023 the company provided 3-year loans to directors of the time, Greg Toll, Grant Carman, Lawrence Jaffe, Joe Foster and Marc Lichtenstein. Principal and interest, at a fixed rate of 4%, is to be paid annually on the anniversary of the drawdown date. The principal to be paid on each drawdown date anniversary is 10% of the loan amount. The loans are secured by Close the Loop shares and can be extended for a further 3-year term if the parties so agree. During the years ended 30 June 2025 and 30 June 2026, no principal or interest repayments were made as the company has elected to place a hold on the loan repayment and interest obligations. At 30 June 2026 the total balance outstanding of current director loans was $1,464,000 (2025: $1,464,000).

Sammy Saloum become a director on 23 November 2023. Sammy Saloum was one of the vendors of ISP Tek Services and Captive Trade Corp (ISP). Prior to this date the company entered into convertible notes as part of the acquisition. Details of the terms and conditions of the convertible notes are included in Note 22. As part of the ISP disposal the settlement terms of the convertible notes were renegotiated and approved by shareholders at the general meeting held on 9 July 2026. Details of the convertible note settlement terms are included in note 40.

All related party transactions with PM Cap Pty Ltd for consulting services have been undertaken on an arm's length basis on normal commercial terms that are no more or less favourable than would otherwise have been available to an independent party when transacting with the company in the normal course of business.

iv. Receivable from and payable to related parties

The wholly owned group consists of Close the Loop Ltd ("CtL Ltd") and its controlled entities:

Close the Loop Operations Pty Ltd ("CtL Operations")
Close the Loop Technologies Pty Ltd ("CtL Technologies")
Close the Loop Europe NV ("CtL Europe NV")
Close the Loop (Europe) Limited ("CtL Europe")
Close the Loop Inc ("CtL Inc")
ClozDloop BV ("CDL")
ClozDloop France
ClozDloop s.r.o.
Close the Loop Renewed Solutions (AU) Pty Ltd
Close the Loop Recovery Limited
O F Packaging Pty Ltd
O F Resource Recovery Pty Ltd
O F Resource Recovery Holdings Pty Ltd
Foster International Packaging (Pty) Ltd
Oceanic Agencies Pty Ltd
Crasti & Company Pty Ltd
Close the Loop Polymers Pty Ltd
Close the Loop Paper Pty Ltd
Alliance Paper Pty Ltd
Sustain Paper Pty Ltd
The Pouch Shop Proprietary Limited
Close the Loop Group USA, Inc.
Close the Loop Plastic Recycling, Inc.
Captive Trade Corporation
Close The Loop Germany GmbH
Close the Loop Italy S.r.l.
Close The Loop Netherlands B.V.
Close The Loop Sdn. Bhd.
Close the Loop Renewed Solutions (NZ) Pty Ltd
Close the Loop Renewed Solutions (Singapore) Pte. Ltd.
PT Close the Loop
Close the Loop Packaging (NZ) Pty Limited

Percentage interests in these controlled entities are set out in note 37.

v. Management fees, strategic fees and advice and know how charged to/from controlled entities

Close the Loop Ltd incurs costs managing and overseeing its operations in Australasia, Europe, South Africa and the USA. In addition, it incurs certain costs in relation to management and oversight. These costs are not recovered through levying a management fee. During the years ended 30 June 2026 and 2025 no management fees, strategic fees, advice and know how charges and recharged corporate salaries to group companies were made.

Close the Loop Ltd has received a licence fee from Foster International Packaging Pty Ltd based on 7% of revenue per annum which generated intercompany licence fees of $1,816,000 (2025: $1,129,000). The 7% licence fee is paid after any other head office intercompany management fees are deducted from the gross amount of the licence fee due and payable.

vi. Dividends paid by controlled entities

There were no dividends paid by controlled entities in the current or prior financial year other than the dividends paid to the minority shareholder by Foster International Packaging as disclosed in note 29.

vii. Loans advanced to ClozDloop BV by Close the Loop Inc.

In April of 2017, Close the Loop Inc. issued a line of credit with a related party, ClozDloop BV. The related party can borrow up to $5,805,000 (US$4 million) and interest is due annually in April at a rate of 2.82%. The note may be repaid at any time in whole or in part without a penalty. As a result of ClozDloop BV becoming a 100% owned subsidiary of the Close the Loop Limited during the 2023 financial year, it was agreed that no further interest would be charged on the outstanding loan amount post settlement. As at 30 June 2026, the balance was $6,020,146 (US$4,138,031) which includes principal and interest (30 June 2025: $6,337,925 (US$4,138,031).

Note 36. Parent entity information

	Parent 2026 $'000	Parent 2025 $'000
Result of parent entity		
Profit/(Loss) for the period	(24,324)	(4,542)
Other comprehensive income for the year, net of tax		-
Total comprehensive income/(loss) for the period	(24,324)	(4,542)
Financial position of parent entity at year end		
Total current assets	6,403	25,654
Total non-current assets	104,204	110,577
Total assets	110,607	136,231
Total current liabilities	26,393	26,626
Total non-current liabilities	-	4
Total liabilities	26,393	26,630
Total equity of the parent entity comprising of		
Share capital	106,308	105,852
Reserves	4,352	5,120
Retained earnings	(26,446)	(1,371)
Total equity	84,214	109,601

i. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has provided a letter of support to ClozDloop BV for audit purposes.

ii. Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 or 30 June 2025. The parent entity is a party to a legal dispute with the landlord of its previously used facility in Somerton, Victoria where a fire occurred in June 2022. The judgement of the Supreme Court of Victoria has been handed down in favour of the company with no liability arising from this judgement. The landlord is appealing the decision and in the event that the parent entity is not successful in its legal defence, this could give rise to a potential liability, although the outcome of this matter remains uncertain and thus any potential liability cannot be accurately quantified at this time.

iii. Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 or 30 June 2026, other than the potential payment that could be required to complete the rebuild of the Somerton facility as a result of the fire in 2022.

iv. Material accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated group, as disclosed in note 5, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 37. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 6:

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2026 %	30 June 2025 %
Close the Loop Operations Pty Ltd	Australia	100%	100%
Close the Loop Technologies Pty Ltd	Australia	100%	100%
Close the Loop Europe NV	Belgium	100%	100%
Close the Loop (Europe) Limited	United Kingdom	100%	100%
Close the Loop Inc	United States of America	100%	100%
ClozDloop BV	Belgium	100%	100%
ClozDloop France	France	100%	100%
ClozDloop s.r.o.	Czech Republic	100%	100%
Close the Loop Renewed Solutions (AU) Pty Ltd	Australia	100%	100%
Close the Loop Recovery Limited	Canada	100%	100%
O F Packaging Pty Ltd	Australia	100%	100%
O F Flexo Pty Ltd	Australia (disposed 31 July 2025)	-	100%
O F Resource Recovery Pty Ltd	Australia	100%	100%
O F Resource Recovery Holdings Pty Ltd	Australia	100%	100%
Foster International Packaging (Pty) Ltd	South Africa	84.75%	84.75%
Oceanic Agencies Pty Ltd	Australia	100%	100%
Crasti & Company Pty Ltd	Australia	100%	100%
Close the Loop Polymers Pty Ltd	Australia	100%	100%
Close the Loop Paper Pty Ltd	Australia	100%	100%
Alliance Paper Pty Ltd	Australia	100%	100%
Sustain Paper Pty Ltd	Australia	100%	100%
The Pouch Shop Proprietary Limited	South Africa	100%	100%
Close the Loop Group USA, Inc.	United States of America	100%	100%
Close the Loop Plastic Recycling, Inc.	United States of America	100%	100%
Captive Trade Corporation	United States of America	100%	100%
ISP Tek Services LLC	United States of America (disposed 19 May 2026)	-	100%
Alliance Paper NZ Limited	New Zealand (disposed 1 November 2025)	-	100%
Close The Loop Germany GmbH	Germany (incorporated 29 June 2026)	100%	-

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2026 %	30 June 2025 %
Close the Loop Italy S.r.l.	Italy (incorporated 30 July 2025)	100%	-
Close The Loop Netherlands B.V.	Netherlands (incorporated 29 October 2025)	100%	-
Close The Loop Sdn. Bhd.	Malaysia (incorporated 1 August 2025)	100%	-
Close the Loop Renewed Solutions (NZ) Pty Ltd	New Zealand (incorporated 13 October 2025)	100%	-
Close the Loop Renewed Solutions (Singapore) Pte. Ltd.	Singapore (incorporated 1 July 2025)	100%	-
PT Close the Loop	Indonesia (incorporated 24 October 2025)	99%	-
Close the Loop Packaging (NZ) Pty Limited	New Zealand (incorporated 5 March 2026)	100%	-

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the group's financial statements.

i. Significant restrictions

There are no significant restrictions over the group's ability to access or use assets, and settle liabilities, of the group.

Note 38. Financial instruments – Fair values and risk management

A. Financial risk management objectives

The consolidated group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated group. The consolidated group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated group's operating units. Finance reports to the Board on a monthly basis.

B. Market risk

i. Foreign currency risk

The group is exposed to foreign exchange movements due to subsidiary companies operating in the source currency of the region in which they trade. These foreign currency exposures are not hedged by the group. Future profit and losses from ongoing operations of subsidiary companies which are consolidated to form the group and cash flows generated by these business units will be impacted by foreign currency movements.

ii. Price risk

The consolidated group is not exposed to any significant price risk.

iii. Interest rate risk

The consolidated group's main interest rate risk arises from long-term borrowings and cash and cash equivalents. The group has exposure to floating rate instruments through its long-term borrowings.

iv. Sensitivity analysis

There are no exposures to changes in interest rates that would have a material impact on how profit and equity values are reported at the end of the reporting period. These sensitivities also assume that the movement in a particular variable is independent of other variables.

C. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated group. The consolidated group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated group does not hold any collateral.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, which includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the group, credit terms are generally 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise assessed as being financially sound.

The consolidated group has no significant concentrations of credit risk exposure with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in note 14. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 14.

Credit risk related to balances with banks and other financial institutions is managed by the Board. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

D. Liquidity risk

Vigilant liquidity risk management requires the consolidated group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated group manages liquidity risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions;
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets; and
- the Directors monitor borrowings maturity periods, effect on cash flow and the need to renegotiate borrowings terms.

i. Remaining contractual maturities

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will not be rolled forward.

The following tables detail the consolidated group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2026	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives				
Non-interest bearing				
Trade payables	13,549			13,549
Sundry payables and accruals	1,205			1,205
Interest-bearing - variable				
Other borrowings				
Bank loans	29,238	791	-	30,029
Notes payable	333	-	-	333
Convertible note	24,382	-	-	24,382
Finance lease liability	19	-	-	19
Operating lease liability	4,511	17,698	-	22,209
Trade finance	39	-	-	39
Total non-derivatives	73,276	18,489	-	91,765

Consolidated - 2025	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives				
Non-interest bearing				
Trade payables	15,187	-	-	15,187
Sundry payables and accruals	719	-	-	719
Interest-bearing - variable				
Other borrowings				
Bank loans	59,802	-	-	59,802
Notes payable	330	355	-	685
Convertible note	25,042	-	-	25,042
Finance lease liability	138	26	-	164
Operating lease liability	4,261	18,207	8,167	30,635
Trade finance	89	-	-	89
Total non-derivatives	105,568	18,588	8,167	132,323

ii. Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

E. Fair value of financial instruments

Investments are carried at fair value based on market rates at 30 June 2026.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

F. Fair value measurement

i. Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Due to the short-term nature of trade receivables and payables, the cost is assumed to be fair value.

Note 39. Auditors remuneration

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Audit and review services		
Auditors of the Group – Nexia Melbourne Audit Pty Ltd		
Audit and review of financial statements	183	202
	183	202
Other auditors		
Half year review	192	128
Audit and review of financial statements	180	330
	372	458
Other services		
Auditors of the Group – Nexia Melbourne Pty Ltd		
Tax compliance services	66	205
Business services	6	31
	72	236
Other auditors		
Due diligence services	-	-
Taxation advice and tax compliance services	1	1
	1	1
Total Auditors remuneration	628	897

Note 40. Events after the reporting period

On 9 July 2026, the Company held a meeting of shareholders to approve the cancellation of the Existing Convertible Notes, issue the Subscription Shares to, and enter into a Loan Deed with, Sammy Saloum, who is a related party, as he is a director of the Company, and Dania Saloum. On 10 July 2026 60,350,976 fully paid ordinary shares were issued as the Subscription Shares as cancellation for one of the two notes in full and part payment for the second note. In addition to the share issue and as full settlement for the balance of the second note, a lump sum amount of US$2,500,000 is due and payable to Sammy Saloum and Dania Saloum, which is expected to be paid when the Company completes its debt refinance in 2026. The balance of the second note is due and payable in the form of an interest free loan of US$1,750,000 to be paid over a 5-year term. The first quarterly instalment repayment of the interest free loan will be due and payable on the first anniversary of the settlement of the initial lump sum payment of US$2,500,000.

No other matter or circumstance has arisen since 30 June 2026 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 41. Discontinued operation

Disposal of O F Resource Recovery

In November 2024 management committed to a plan to close the O F Resource Recovery paper and cardboard recycling business, as a result of the fire and subsequent theft of property at its Laverton processing facility in Victoria. A decision was made that the return on investment that could be generated from this non-core business unit, based on the investment that was required to resurrect the business was not merited. The potential payback period for the capital investment did not meet the benchmark return on capital metrics for the Group.

The paper and cardboard recycling 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	2026 $'000	2025 $'000
Revenue		-	1,790
Elimination of inter-segment revenue		-	-
External revenue		-	1,790
Expenses		-	(7,577)
Elimination of expenses related to inter-segment sales		-	-
External expenses		-	(7,577)
Results from operating activities		-	(5,787)
Income tax benefit		-	319
Results from operating activities, net of tax			
Profit (loss) from discontinued operations, net of tax		-	(5,468)
Basic earnings (loss) per share	10	-	(0.01)
Diluted earnings (loss) per share	10	-	(0.01)

The loss from the discontinued operation of $nil (2025: loss of $5,468,000) is attributable entirely to the owners of the Company. There were no inter-segment sales made by the discontinued operation in the 2025 financial years.

B. Cash flows from (used in) discontinued operation

	2026 $'000	2025 $'000
Net cash used in operating activities	-	(1,063)
Net cash from/ (used in) investing activities	-	95
Net cash flows for the year	-	(968)

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

	2026 $'000	2025 $'000
Property plant and equipment	-	175
Inventories	-	-
Trade and other receivables	-	-
Cash and cash equivalents	-	3
Other current assets	-	-
Deferred tax liabilities	-	14
Right-of-Use Assets	-	-
Intangibles	-	-
Other assets	-	-
Borrowings	-	-
Lease liabilities	-	-
Provisions	-	-
Trade and other payables	-	(665)
Net Assets and liabilities	-	(473)

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	2026 $'000	2025 $'000
Revenue		2,132	7,006
Elimination of inter-segment revenue		-	-
External revenue		2,132	7,006
Expenses		(3,181)	(8,485)
Elimination of expenses related to inter-segment sales		-	-
External expenses		(3,181)	(8,485)
Results from operating activities		(1,049)	(1,479)
Income tax benefit		176	508
Results from operating activities, net of tax			
Profit / (loss) from discontinued operations, net of tax		(873)	(971)
Basic earnings (loss) per share	10	(0.16)	(0.18)
Diluted earnings (loss) per share	10	(0.16)	(0.18)

The loss from the discontinued operation of $873,000 (2025: loss of $971,000) 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 30 June 2026. At the reporting date the company still had the use of its Crestmead, Queensland facility, although minimal income was being generated through the access to the lease.

Once the lease for this facility is terminated, which occurred on 24 July 2026, the right of use liability will be written off in the 2027 financial year. There were no inter-segment sales made by the discontinued operation in the 2026 or 2025 financial years.

B. Cash flows from (used in) discontinued operation

	2026 $'000	2025 $'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

	2026 $'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	2026 $'000	2025 $'000
Revenue		347	4,316
Elimination of inter-segment revenue		-	-
External revenue		347	4,316
Expenses		(437)	(5,491)
Elimination of expenses related to inter-segment sales		-	-
External expenses		(437)	(5,491)
Results from operating activities		(90)	(1,175)
Income tax benefit		37	390
Results from operating activities, net of tax			
Profit / (loss) from discontinued operations, net of tax		**(53)**	**(785)**

	Note	2026 $'000	2025 $'000
Basic earnings (loss) per share	10	(0.01)	(0.15)
Diluted earnings (loss) per share	10	(0.01)	(0.14)

The loss from the discontinued operation of $53,000 (2025: loss of $785,000) is attributable entirely to the owners of the Company. There were no inter-segment sales made by the discontinued operation in the 2026 or 2025 financial years.

B Cash flows from (used in) discontinued operation

	2026 $'000	2025 $'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	1,352	(654)

C Effect of disposal on the financial position of the Group

	2026 $'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	2,619
Net loss for the year	53
Proceeds on sale of assets	(1,531)
Net loss on sale of assets	1,141

Disposal of ISP Tek Services LLC

As part of a strategic transformation review ISP Tek Services LLC ("ISP") was identified as a business unit that was not able to be adequately operated and managed within the existing corporate structure. On 25 September 2025 the Group received an offer from a private equity portfolio company, Ivy Technology Holdings LLC to acquire the entire ISP business. Thereafter, management committed to a plan to sell the shares of its consumer and commercial electronics remanufacturing business. A decision was made to exit this market segment in North America due to the rapid changes that were impacting this business and the markets in which it operated. The share sale of the ISP Tek Services business was completed on 19 May 2026. The Mexicali facility was also sold as part of the ISP Tek Services share sale.

The ISP Tek Services 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	2026 $'000	2025 $'000
Revenue		63,859	65,181
Elimination of inter-segment revenue		-	-
External revenue		63,859	65,181
Expenses		(94,825)	(74,422)
Elimination of expenses related to inter-segment sales		-	-
External expenses		(94,825)	(74,422)
Results from operating activities		(30,966)	(9,241)
Income tax benefit / (expense)		1,987	2,005
Results from operating activities, net of tax			
Profit / (loss) from discontinued operations, net of tax		**(28,979)**	**(7,236)**
Basic earnings (loss) per share	10	(5.44)	(1.36)
Diluted earnings (loss) per share	10	(5.28)	(1.32)

The loss from the discontinued operation of $28,979,000 (2025: loss of $7,236,000) is attributable entirely to the owners of the Company. There were no inter-segment sales made by the discontinued operation in the 2026 or 2025 financial years.

B Cash flows from (used in) discontinued operation

	2026 $'000	2025 $'000
Net cash from / (used in) operating activities	3,253	(2,281)
Net cash from/ (used in) investing activities	(419)	(1,100)
Net cash from/ (used in) financing activities	(704)	(1,055)
Net cash flows for the year	**2,130**	**(4,436)**

C Effect of disposal on the financial position of the Group

	2026 $'000
Cash and cash equivalents	793
Trade and other receivables	9,988
Inventories	18,325
Property plant and equipment	5,162
Right-of-Use Assets	3,906
Intangibles	55,010
Other current assets	1,078
Trade and other payables	(9,698)
Income tax payable	(3,140)
Lease liabilities	(4,034)
Deferred tax liabilities	(13,422)
Provisions	
Net Assets and liabilities	**63,968**

	2026 $'000
Intercompany loans lost on sale and foreign exchange movements associated therewith	29,493
Net assets and liabilities disposed	93,461
Net loss for the year	28,979
Proceeds on sale of business	(14,828)
Reclassification of foreign currency translation reserve on sale	(8,268)
Net loss on sale of assets	99,344

Consolidated Entity Disclosure Statement

Name of entity*	Type of entity	Trustee, partner or participant in joint venture**	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Close the Loop Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A
Close the Loop Operations Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Close the Loop Technologies Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Close the Loop Europe NV	Body Corporate	N/A	100%	Belgium	Foreign	Belgium
Close the Loop (Europe) Limited	Body Corporate	N/A	100%	United Kingdom	Foreign	United Kingdom
Close the Loop Inc	Body Corporate	N/A	100%	United States of America	Foreign	United States of America
ClozDloop BV	Body Corporate	N/A	100%	Belgium	Foreign	Belgium
ClozDloop France	Body Corporate	N/A	100%	France	Foreign	France
ClozDloop s.r.o.	Body Corporate	N/A	100%	Czech Republic	Foreign	Czech Republic
Close the Loop Renewed Solutions (AU) Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Close the Loop Recovery Limited	Body Corporate	N/A	100%	Canada	Foreign	Canada
O F Packaging Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
O F Resource Recovery Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
O F Resource Recovery Holdings Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Foster International Packaging (Pty) Ltd	Body Corporate	N/A	84.75%	South Africa	Foreign	South Africa
Oceanic Agencies Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Crasti & Company Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A

Name of entity*	Type of entity	Trustee, partner or participant in joint venture**	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
Close the Loop Polymers Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Close the Loop Paper Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Alliance Paper Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Sustain Paper Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
The Pouch Shop Proprietary Limited	Body Corporate	N/A	100%	South Africa	Foreign	South Africa
Close the Loop Group USA, Inc.	Body Corporate	N/A	100%	United States of America	Foreign	United States of America
Close the Loop Plastic Recycling, Inc.	Body Corporate	N/A	100%	United States of America	Foreign	United States of America
Captive Trade Corporation	Body Corporate	N/A	100%	United States of America	Foreign	United States of America
Close the Loop Renewed Solutions (NZ) Pty Ltd	Body Corporate	N/A	100%	New Zealand	Foreign	New Zealand
Close The Loop Germany GmbH	Body Corporate	N/A	100%	Germany	Foreign	Germany
Close the Loop Italy S.r.l.	Body Corporate	N/A	100%	Italy	Foreign	Italy
Close The Loop Netherlands B.V.	Body Corporate	N/A	100%	Netherlands	Foreign	Netherlands
Close The Loop Sdn. Bhd.	Body Corporate	N/A	100%	Malaysia	Foreign	Malaysia
Close the Loop Renewed Solutions (Singapore) Pte. Ltd.	Body Corporate	N/A	100%	Singapore	Foreign	Singapore
PT Close the Loop	Body Corporate	N/A	99%	Indonesia	Foreign	Indonesia
Close the Loop Packaging (NZ) Pty Limited	Body Corporate	N/A	100%	New Zealand	Foreign	New Zealand

* Entities listed here are those that are part of the consolidated entity at the end of the financial year.

**At no time during the financial year was any entity in the consolidated group: a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

DIRECTORS' DECLARATION

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

- The attached consolidated financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, 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 group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2026.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Signed: ________________________ Date: 24 August 2026
Grant Carman
Director

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Independent Auditor's Report to the Members of Close the Loop Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Close the Loop Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 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 in the same terms if given to the directors at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Nexia Australia

Key audit matter	How our audit addressed the key audit matter
Impairment assessment Goodwill ***Refer to note 20.*** The impairment assessment of remaining goodwill is considered to be a key audit matter due to the size of the balance and the range of judgements and assumptions used in the impairment assessment model.	Our procedures included, amongst others: • We ensure that the recoverable amount calculations are based on the latest business plans. • We have assessed the reasonableness of the business plan by comparing the implicit growth rates to the market and assessed that overall, the growth rate is reasonable and obtain an independent expert's assessment. • We performed procedures to ensure that model inputs are consistent with observable market data and did not note material deviations. • We reperformed through sensitivity analyses on the key assumptions to ascertain the extent of change in those assumptions that would be required for the goodwill to be impaired. We discussed the headroom of the sensitivity analysis with management and are of the view that no impairment is necessary.
Discontinued operations ***Refer to note 41.*** On 20 May 2026, Close the Loop announced the sale of its ISP Tek Services business for US$10 million, with US$9 million paid at settlement and the remaining US$1 million to be paid as a seller note in four quarterly instalments. This is a significant and non-routine transaction and regarded as a key audit matter due to the material amounts. The group also dispose of two non-core businesses in Alliance Paper Pty Ltd and OF Flexo Pty Ltd from its Australian operations.	Our procedures included, amongst others: • We have assessed management's conclusion against the recognition and presentation criteria in AASB 5, including whether the operation represents a separate major line of business or geographical area. • We have tested the reasonableness of fair value less costs to sell, including key assumptions, supporting evidence and consistency with sale agreements or market data. • We have verified that any impairment loss required on classification as held for sale has been appropriately calculated, recorded and supported by audit evidence. • We have validated the results of the discontinued operation by agreeing revenue, expenses, tax impacts and related balances to underlying records and management analysis. • We have recalculated any gain or loss on disposal and confirm that the calculation reflects the final proceeds, carrying value

	disposed and directly attributable transaction costs. • We have checked that the profit or loss from discontinued operations is presented separately in the statement of profit or loss, in accordance with AASB 5. • We have confirmed that the financial statement notes include the required disclosures for discontinued operations, including results, cash flows and disposal details where applicable. • We have ensured comparative information has been appropriately re-presented so that discontinued operations are shown consistently across the reporting periods. • We have reviewed subsequent events to determine whether any post year-end developments affect classification, measurement or disclosure of the discontinued operation.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report on in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 32 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Close the Loop Ltd for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Benjamin Bester
Director

Dated on this 24th August 2026

This section contains additional information required by the Australian Securities Exchange Limited listing rules not disclosed elsewhere in this report.

Shareholdings (as at 20 August 2026)

Substantial shareholders

A substantial shareholder is one who has a relevant interest in 5 per cent or more of the total issued shares in the Company. Substantial holders in the Company as detailed in the most recent public filings of Form 604 Notice of Change of Interests of Substantial Holder or Appendix 3Y Change of Director's Interest Notice are set out below. Percentage of total shares issued is based on the total shares on issue as at 20 August 2026 of 594,100,842.

Shareholder	Ordinary shares	Percentage
ASLDH LP\C	105,467,592	17.75%
Foster Packaging Holdings Pty Ltd	62,640,114	10.54%
Omniverse Holdings Pty Ltd	41,064,563	6.91%

Substantial option holders

A substantial option holder is one who has a relevant interest in 20 per cent or more of the equity securities in an unquoted class total issued shares in the Company. Following are the substantial shareholders in the Company based on notifications provided to the Company under the Corporations Act 2001:

Option holder	Options	Percentage
James Tocash	1,000,000	100%

Unquoted equity securities

Options

There are 1,000,000 options on issue that are not quoted securities.

Performance rights

There are 12.65 million performance rights on issue that are not quoted securities.

Voting rights

Ordinary shares

Each Shareholder entitled to vote may vote in person or by proxy, attorney or representative. On a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by that person or in respect of which the person is appointed proxy, attorney or representative, has one vote for each Share held.

Options

There are no voting rights attached to the options or performance rights.

Distribution of equity security holders

The number of shareholders by size of holding of ordinary shares is:

Category	Total holders	Units	Percentage of issued capital
1 – 1,000	36	6,074	0.00%
1,001 – 5,000	533	1,439,971	0.24%
5,001 – 10,000	303	2,565,693	0.43%
10,001 – 100,000	903	35,091,583	5.91%
100,001 and over	378	554,997,521	93.42%
	2,153	594,100,842	100.00%

There are 959 shareholders holding less than a marketable parcel of shares each (that is, less than $500 per parcel of shares) based on the closing price of AUD $0.039 on 20 August 2026 representing a total of 5,016,075 shares. The minimum marketable parcel of shares is 13,889 shares on 20 August 2026.

The number of holders by size of holding of unquoted options over ordinary shares is:

Category	Total holders	Units	Percentage of issued options
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and over	1	1,000,000	100%
	1	1,000,000	100%

The number of holders by size of holding of unquoted performance rights is:

Category	Total holders	Units	Percentage of issued rights
1 – 1,000			
1,001 – 5,000			
5,001 – 10,000			
10,001 – 100,000	-	-	-%
100,001 and over	12	12,650,000	100%
	12	12,650,000	100%

Securities purchased on-market

There were no securities purchased on market.

Securities exchange

The Company is only listed on the Australian Securities Exchange.

On-market buy-back

There is no current, past or planned on-market buy-back activity.

Twenty largest shareholders

	Name	Number of ordinary shares held	Percentage of capital held
1	ASLDH LP \C	105,467,592	17.75%
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	74,676,113	12.57%
3	FOSTER PACKAGING HOLDINGS PTY LTD	62,640,114	10.54%
4	OMNIVERSE HOLDINGS PTY LTD	41,064,563	6.91%
5	CITICORP NOMINEES PTY LIMITED	12,853,308	2.16%
6	DE SIMONE NOMINEES PTY LTD <MICROHELP SUPER FUND A/C>	10,480,215	1.76%
7	MASKI HOLDINGS PTY LTD <SAMBORSKI SUPER FUND A/C>	9,000,000	1.51%
8	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	7,256,597	1.22%
9	SHEFFIELD MANAGEMENT PTY LTD <MARK S HANCOCK S/F A/C>	6,950,000	1.17%
10	REGAN PATRICK FOSTER	6,892,688	1.16%
11	MR CLIVE FINKELSTEIN	6,890,150	1.16%
12	BRENDAN YEE PTY LTD <BRENDAN YEE FAMILY A/C>	6,786,782	1.14%
13	CUPCAKE AND LOICH PTY LTD <Z&F LICHTENSTEIN A/C>	6,400,081	1.08%
14	BNP PARIBAS NOMS PTY LTD	6,304,226	1.06%
15	RYCO NOMINEES PTY LTD <BRITS FAMILY A/C>	5,988,401	1.01%
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,819,035	0.64%
17	ASOK KUMAR INVESTMENT PTY LTD	3,750,000	0.63%
18	DARROW CONSOLIDATED INVESTMENTS PTY LTD <DARROW FAMILY A/C>	3,750,000	0.63%
19	MR LAWRENCE WARREN JAFFE + MRS PAULEY JAFFE <JK SUPERANNUATION FUND A/C>	3,660,000	0.62%
20	GIUSEPPE DE SIMONE	3,235,137	0.54%
	Total Securities of Top 20 Holdings	387,865,002	65.29%
	Total Remaining Holders Balance	206,235,840	34.71%
	Total Securities on Issue	594,100,842	100.00%

Restricted securities

The company has no restricted securities or securities that are subject to voluntary escrow that are on issue:

Other information

Close the Loop Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

CORPORATE DIRECTORY

Directors

Grant Carman (Chairman and Independent Non-Executive Director)
Kesh Nair (Executive Director & CEO Australia and South Africa)
Sammy Saloum (Non-Executive Director)
Brendan Yee (Executive Director)

Company Secretary

Marc Lichtenstein

Principal place of business and registered office

43-47 Cleeland Road
Oakleigh South VIC 3167
Australia
Telephone: 1800 242 473
Facsimile:03 9930 8695
Internet: www.closetheloop.com.au

Location of Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067
Telephone: 1300 850 505
Telephone: +61 3 9415 4000 (international)

Auditors

Nexia Melbourne Audit Pty Ltd
Level 16, 600 Bourke Street
Melbourne Victoria 3000 Australia

Legal Advisors

Thomsons
Level 23, Rialto South Tower, 525 Collins Street
Melbourne Victoria 3000 Australia

Stock Exchange Listing

Close the Loop Limited shares are listed on the Australian Securities Exchange (ASX: CLG).

Website

www.closetheloop.com.au