



Close the Loop GROUP
Create - Recover - Reuse



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Close the Loop completes acquisition of ISP Tek Services and Captive Trade Corporation

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Highlights:

- Close the Loop completes acquisition of ISP Tek Services LLC and Captive Trade Corporation
- The acquisition is for a total consideration of up to US\$66M (A\$99.7M)
- Completion of equity placement and new debt facility in place
- Integration of ISP Tek Services and Captive Trade Corporation with existing Close the Loop USA facilities well under way

Close the Loop Limited (**Close the Loop** or the **Company**) (**ASX: CLG**) announces that on 28 April 2023, the Company has completed the acquisition of 100% of ISP Tek Services LLC and Captive Trade Corporation, US-based electronics refurbisher and trading platform businesses based in Southlake, Texas, USA. Further to the announcement on 17 March 2023, this completes the acquisition of ISP Tek Services LLC and Captive Trade Corporation for a total consideration of up to US\$66M (A\$99.7M).

The acquisition provides Close the Loop with significant consumer and commercial electronics remanufacturing and technological capabilities, a considerable US market sales and trading presence, and extensive distribution networks. It will also add reuse capabilities to the Company's portfolio and further strengthen its service offering to original equipment manufacturers (OEMs), supporting sustainability and circular economy initiatives.

"We have already commenced the integration of the new businesses by creating a new facility next to our existing facilities in Hebron, Kentucky to support the ISP Tek Services and Captive Trade Corporation business expansion. This is an exciting start to our new journey in North America which reinforces our previously disclosed strategy to expand our life cycle management capabilities and service offerings", said Joe Foster, CEO of Close the Loop.

The acquisition was funded using debt and an equity placement, in-line with the Company's capital management strategy. Close the Loop completed a A\$45m placement of new fully paid ordinary shares (New Shares) to sophisticated and institutional investors, to help fund the ISP Tek Services and Captive Trade Corporation acquisitions.

The Placement was undertaken in two tranches, with 80 million New Shares under the first tranche of the Placement issued on 23 March 2023. The issue of a further 56.36 million New Shares under the second tranche was subject to shareholder approval, which was put to an Extraordinary General Meeting on 21 April 2023. As announced on the ASX, that same day, the resolution passed. The New Shares under the second tranche were issued on 27 April 2023.

Close the Loop partnered with Pricoa Private Capital, the private capital arm of PGIM, to establish a US\$40.0 million senior secured term loan, a US\$7.5 million revolving credit facility and a US\$5.0 million delayed draw term loan facility to support the acquisition and future growth ambitions of the Group. The debt facility was partly drawn down on 26 April 2023.

"As part of the purchase of ISP Tek Services and Captive Trade Corporation 40,560,560 ordinary shares have been issued to the owners on 28 April 2023. As Sammy and Dania Saloum are now significant shareholders in Close the Loop, we look forward to our continued journey together and growing our global business," said Joe Foster.

This announcement has been authorised for release by the Board of Close the Loop Limited.

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About Close the Loop

With locations across Australia, Europe and the United States, Close the Loop creates 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 print consumables, eyewear, cosmetics, and phone cases, through to the reusing of toner and post-consumer soft plastics for an asphalt additive, the Company 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 - Close the Loop and O F Pack. The combining of these two entities 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.

Further information: www.ctlgroup.com.au, www.closetheloop.com.au and www.ofpack.com.au