



**Close the Loop
GROUP**

Create Recover Reuse

FY22 Results Presentation

August 2022



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Introduction & FY22 Result Highlights





Close the Loop Overview

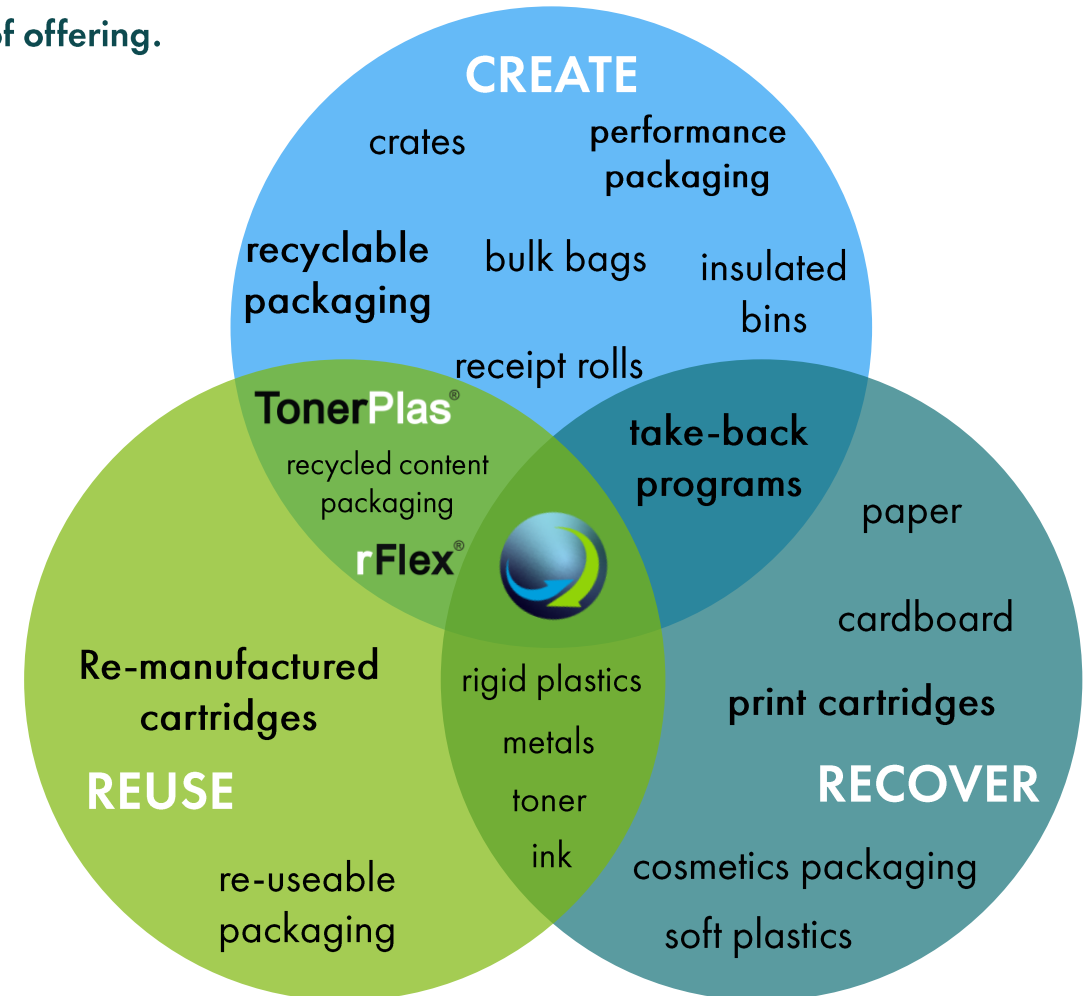


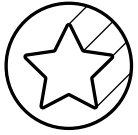
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Circular Integration

Close the Loop Group leverages each division to create new cross-selling opportunities that centre on the circular economy and sustainability.

We're the only ASX-listed company to provide this type of offering.





Strategy Driving Outcomes

PROSPECTUS TARGETS	Achieved
<ul style="list-style-type: none">Inorganic growth to grow in the niche packaging and recycling space	✓
<ul style="list-style-type: none">Targeting, acquiring and integrating complementary businesses that are earnings accretive to create additional synergies across the broader business	✓
<ul style="list-style-type: none">International market expansion with new and existing customers, using Close the Loop infrastructure in the United States and Europe to further scope the O F Pack offering	✓
<ul style="list-style-type: none">Increased sales through cross selling opportunities and various circular economy products, including resource recovery, cosmetics, e-waste, batteries, take back programs	✓
<ul style="list-style-type: none">Additional resources to drive new take back programs for recycling and recovery and further investment in resource recovery equipment	✓
<ul style="list-style-type: none">Further automation in United States to drive significant operational efficiencies	✓

GROWTH



Strategy Driving Results

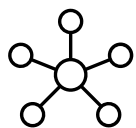


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\$89.2M REVENUE +20.7% above forecast	\$14.3M EBITDA +16.3% above forecast
\$7.0M NPBT +17.2% above forecast	\$10.3M CASH

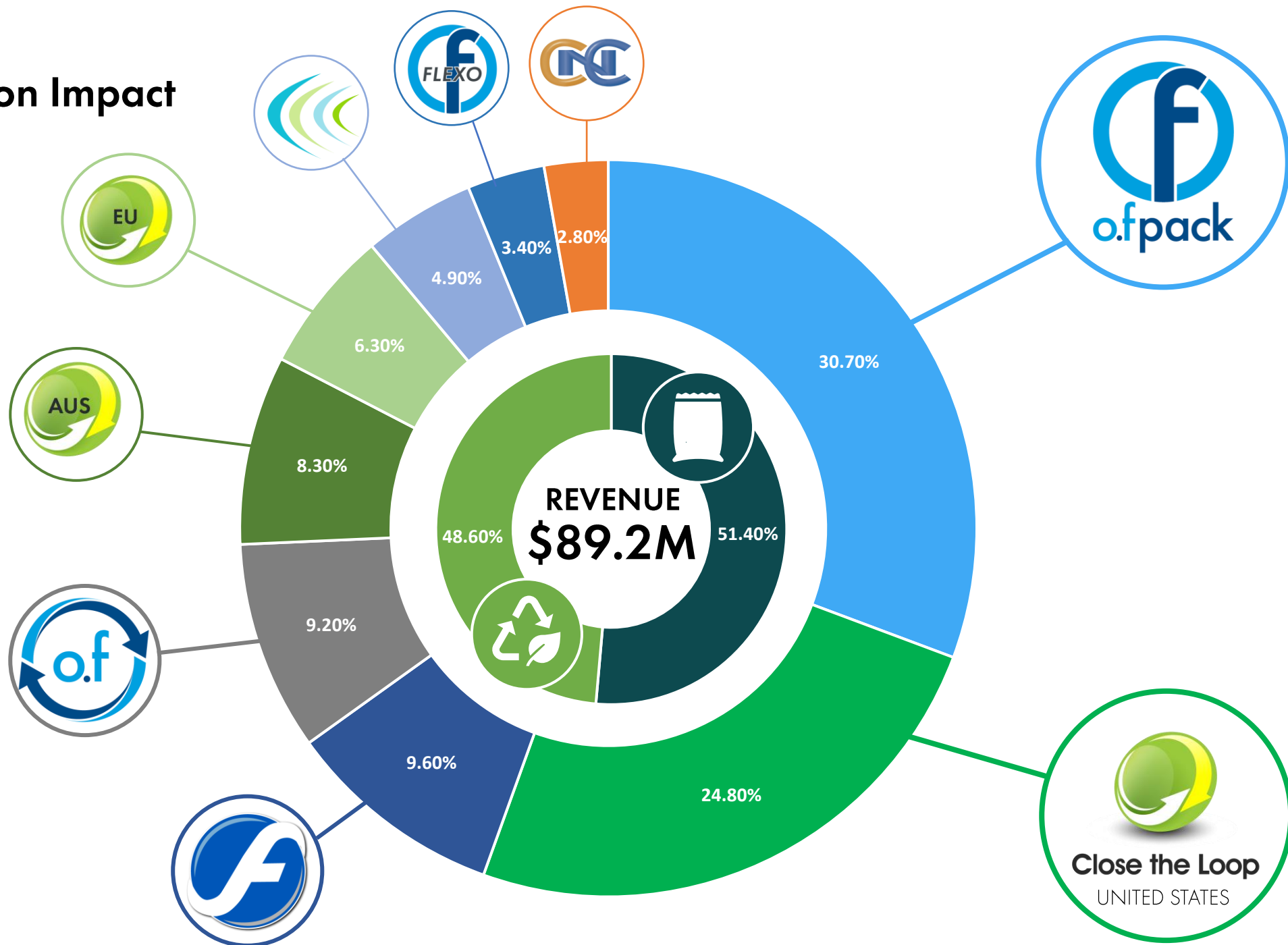
- Strong organic revenue growth occurred across all divisions contributing to significant earnings uplift
- Acquisitions of Oceanic Agencies, Crasti & Co. and post-year end, Alliance, delivers on Prospectus strategy and adds to sales and profitability levels
- Continue to win international awards for our sustainable packaging offerings
- Expansion of South African sustainable packaging operations

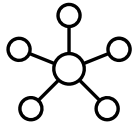
FINANCIALS



Division Impact

- O F Pack
- Close the Loop USA
- Foster Packaging
- O F Resource Recovery
- Close the Loop AUS
- Close the Loop Europe
- Oceanic Agencies
- O F Flexo
- Crasti & Co.





Division Highlights

Division	FY22 Revenue (pro forma)	Commentary
 ofpack	\$27.4m	Surpassed FY22 budget despite supply chain issues and higher raw material costs which were mitigated via management of supply base
 Close the Loop USA	\$22.1m	Strong revenue increase with a solid recovery from COVID-19 losses
 FOSTER Packaging	\$8.6m	Exceeded sales budget - achieved whilst overcoming challenging conditions in the South African market
 of RESOURCE RECOVERY	\$8.2m	33% revenue growth year-on-year due to a consistent supply chain and strong pricing points
 Close the Loop AUS	\$7.4m	Sales revenue recovered in 2H as volumes improved and TonerPlas® sales, battery and cosmetics collection network bolstered
 Close the Loop EUR	\$5.6m	Organic growth rate of almost 12% resulting from new business activities
 OCEANIC AGENCIES ¹	\$4.4m	Another year of continued growth enabled by excellent relationships with suppliers and long-term consistent supply.
 of FLEXP	\$3.0m	Focus on sustainability led to higher exposure to more customers despite economic challenges
 Crasti & Co. ²	\$2.5m	Sales increased due to organic growth from existing customers as well as new business

¹ Oceanic Agencies acquired 1 December 2021, contribution is 7 months. ² Crasti and Co acquired 31 March 2022, contribution is 3 months.

DIVISIONS



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Financials





Income Statement

Proforma	FY21 (\$m)	FY22/Prospectus (\$m)	FY22 (\$m)	Change (\$m)	Growth on pcg (%)
Revenue	67.4	73.9	89.2	15.3	32.3%
Cost of sales	(46.6)	(45.1)	(60.9)	15.8	30.7%
Gross profit	20.8	28.8	28.3	(0.5)	36.1%
Operating expenditure	(12.3)	(16.9)	(15.9)	(1.0)	29.3%
Operating profit	8.5	11.9	12.4	0.5	45.9%
Other Income	4.8	0.5	1.9	1.4	(60.4%)
EBITDA*	13.2	12.4	14.3	1.9	8.3%
Depreciation & Amortisation	(5.1)	(5.2)	(5.6)	0.4	9.8%
EBIT	8.1	7.2	8.7	1.5	7.4%
Oceanic Agencies**	-	0.7	0.7	-	-
Crasti & Co.***	-	0.5	0.5	-	-
Adjusted EBIT	-	8.4	9.9	1.5	-

- EBITDA above guidance and margin consistent with guidance
- Strong year-on-year growth
- \$1m in costs for TonerPlas® production line incident
- Actual IPO costs of \$2.4m excluded in FY22 figures

* Underlying trading performance.

** Oceanic Agencies incorporated from 1 Dec 2021.

*** Crasti & Co incorporated from 31 March 2022.

FINANCIALS



Balance Sheet

Assets & Liabilities	FY21 (\$m)	FY22 (\$m)	Change (%)
Assets			
Cash and cash equivalents	6.9	10.3	49.3%
Trade and other receivables	13.0	21.2	62.3%
Inventories	2.2	5.4	145.5%
Other assets	0.4	3.2	700.0%
Total Current Assets	22.5	40.0	77.8%
Property, plant & equipment	8.5	6.2	(27.1%)
Intangibles	1.2	29.9	2391.7%
Right of use assets	14.8	13.7	(7.4%)
Other	2.6	2.4	(7.7%)
Total Non-Current Assets	27.1	52.2	92.6%
Liabilities			
Trade and other payables	11.1	10.3	(7.2%)
Borrowings	4.5	4.7	4.4%
Tax liabilities	0.9	0.1	(88.9%)
Lease liabilities	2.2	2.4	9.1%
Other	1.7	3.8	123.5%
Total Current Liabilities	20.4	21.3	4.4%
Non-current borrowings	5.2	4.0	(23.1%)
Lease liabilities	14.0	13.2	(5.7%)
Other	0.6	0.5	(16.7%)
Total Non-Current Liabilities	19.8	17.7	(10.6%)
Net Assets	9.4	53.2	466.0%

- Investing in working capital
- Reduction in borrowings
- Capacity to increase borrowings for strategic acquisitions and investment in revenue generating assets
- Growth in intangibles due to business combination



Cashflow Statement



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	FY21 (\$m)	FY22 (\$m)	Change (\$m)
Cash flows from operating activities			
Receipts from customers	74.9	74.7	(0.2)
Payments to suppliers and employees	(62.5)	(76.6)	(14.1)
Interest paid	(1.6)	(0.8)	0.8
Income taxes paid	(1.3)	(1.3)	0.0
Other receipts	2.6	0.8	(1.8)
Net cash provided by/(used in) operating activities	12.1	(3.2)	(15.3)
Cash flows from investing activities			
Payment for intangible asset	(0.1)	-	0.1
Purchase of property, plant and equipment	(0.9)	(0.6)	0.3
Purchase of subsidiary net of cash acquired	0.1	(3.4)	(3.5)
Purchase of financial assets	(0.3)	-	0.3
Net cash provided by/(used in) investing activities	(1.2)	(4.0)	(2.8)
Cash flows from financing activities			
Proceeds from share issue net of issue costs	-	11.4	-
Proceeds from borrowings	-	1.9	-
Payment of lease liability	(2.2)	(0.5)	1.7
Repayment of borrowings	(3.3)	(0.6)	2.7
Dividends paid	(0.5)	(1.0)	(0.5)
Net cash provided by/(used in) financing activities	(6.0)	11.2	17.2
Net increase/(decrease) in cash and cash equivalents held	4.9	4.0	(0.9)
Cash and cash equivalents at beginning of year	2.0	5.6	3.6
Cash and cash equivalents at end of financial year	6.9	9.6	2.7

- Cash used in operating activities reflected in growth of working capital
- Cash balance will increase as Group produces free cash flow
- Capital expenditure for FY23 expected to be circa \$3m across the Group



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Acquisitions





Oceanic Agencies, Crasti & Co., Alliance Paper



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Strengthens our bulk commercial seafood packaging capability, in a growing and highly complementary sector to our existing seafood business offering

Strong sustainability offering fits with Ctl's overall circular strategy

Deal is earnings per share accretive, with significant revenue and cost synergies



Acquisition completed one month earlier than planned

Immediately earnings accretive, adding 16% to our EBITDA on an FY22 annualised basis

Crasti & Co products can be recycled into Close the Loop's high-performance asphalt, TonerPlas®

Targeted takeback program under consideration



SETTLEMENT: AUGUST 30, 2022



Acquisition for total purchase price of \$1 and an investment in working capital of ~\$4.5 million

Leading player in the chemical free thermal paper supply to main retail chains

Strengthens Close the Loop's capability in the paper products and packaging sector with complementary product range

Delivers on acquisition strategy to grow within the niche recyclable and sustainable packaging sectors with significant cost synergies

Aligns with Company's circular economy program

Strengthens Company revenue and profitability levels

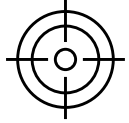


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Strategy & Outlook



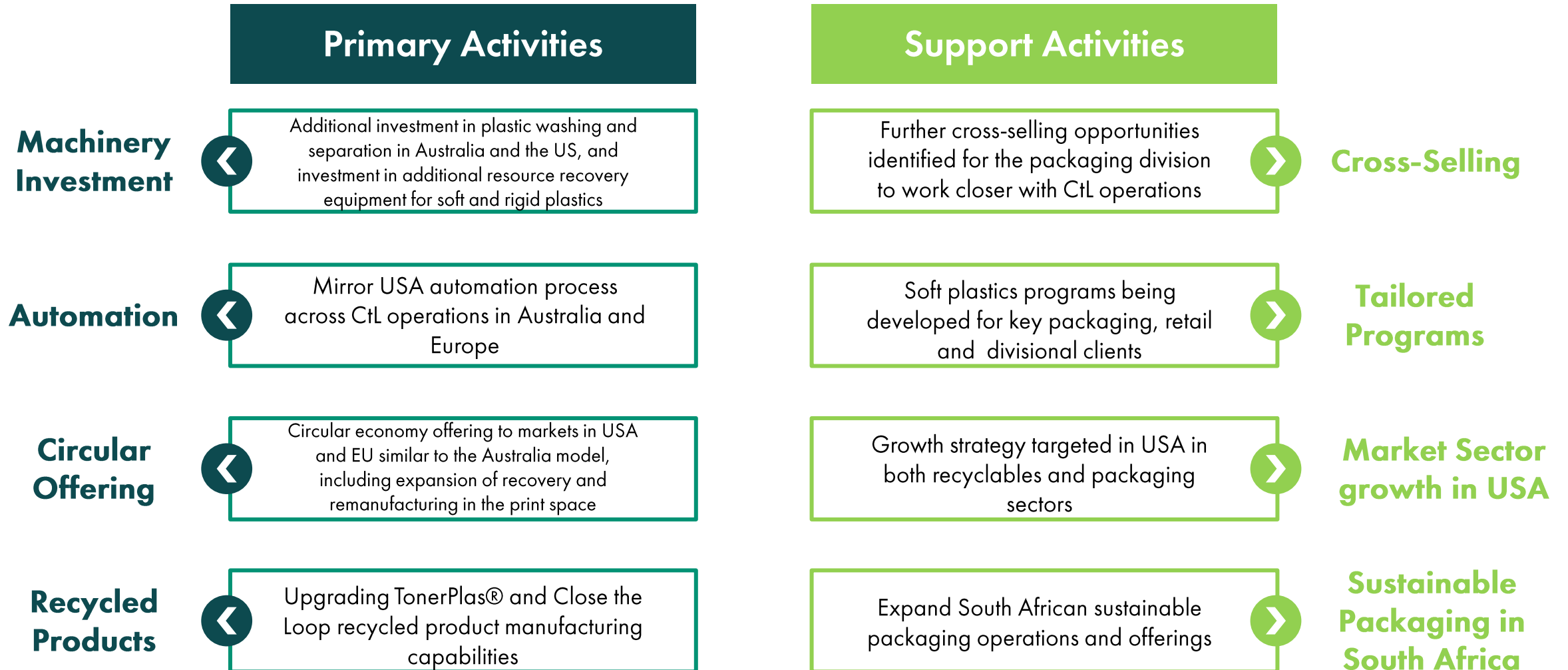


Strategy



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Close the Loop are committed to further global market expansion in FY23, including the following:



Outlook

- Close the Loop accelerated growth momentum following record FY22 results
- Continued strong organic growth enhanced by the acquisition of Alliance Paper, Oceanic Agencies and Crasti & Co.
- Targeting further acquisitions of complementary, earnings accretive businesses to create additional synergies
- Expertise gained through the O F Packaging and Close the Loop division merger bodes well for future acquisitions
- Back-end office integration programs developed for smoother future acquisitions
- Continue to explore Resin8® waste plastics product range for the construction industry





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Thank You

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Appendix

August 2022



Retail Solutions & Sustainable Packaging



Recyclable & Made-From Recycled Content Innovations

O F Packaging is an industry-leader in recyclable and made-from recycled content packaging options, including award-winning kerbside solutions like the Roll 'n' Recycle program.

Local options for both recyclable packaging and made-from recycled content packaging available through O F Flexo and The Pouch Shop.



Paper-based & Compostable Packaging Products

100% certified compostable films for certain applications. We also have paper packaging film- without plastics, metals or PFAS chemicals present, they are recyclable, compostable and renewable.



Seafood Cartons & Polystyrene Alternatives

Oceanic Agencies offer a variety of custom and off-the-shelf carton packaging solutions perfect for the seafood and meat markets. This includes fully recyclable options, and great eco-friendly alternatives to polystyrene.



Close the Loop

In-Store Drop Off & Take-Back Solutions

Close the Loop provide consumer-facing take-back options with in-store drop off and collection, including programs like Cartridges for Planet Ark and the Back to Mac program for cosmetics.



Commercial & Supply Chain Solutions



Crasti and Co

Bulk Bags & Transport Packing Solutions

Our Crasti & Co. division provides a variety of bulk and transport packaging options for commercial applications.



Paperboard & Printer Waste Recovery

O F Resource Recovery accepts commercial quantities of paperboard, cardboard, printer whites and magazine Products for recovery and re-sell to paper recyclers.



Chilled Product Transport Cartons & Bulk Bins

Oceanic Agencies specialise in commercial solutions for the Seafood industry and have storage and transport products to preserve and protect produce.



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Take-Back Programs & Recovery

Close the Loop can tailor take-back programs for hard to recycle products like print consumables, cosmetics and soft plastic waste at a commercial level, in addition to their consumer-facing programs.



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Receipt Rolls & Paper Products

Alliance Paper is a leading supplier of paper-based products and rolls to major Australian retailers. All Alliance paper products are free of PFAS chemicals and renewable, in-line with circular economy ideals.



Create, Recover, Reuse- In House Solutions

One of our key strengths as Close the Loop Group is our investment in local manufacturing and in-house solutions across all aspects of our business.

In addition to the offshore solutions and external supply partnerships we've built up over the years, Close the Loop Group have the ability to manufacture goods at start of life through our own domestic manufacturing plants, as well as process and recycle goods at end of life in-house at our Close the Loop facilities.

This provides a great level of flexibility, versatility, and transparency to our clients.



Locations

AUSTRALIA

- Oakleigh South, Victoria
- Carrum Downs, Victoria
- Laverton, Victoria
- Somerton, Victoria
- Sunshine Coast, Queensland
- Brisbane, Queensland
- Hornsby, New South Wales

UNITED STATES

- Hebron, Kentucky

EUROPE

- Malle, Belgium

SOUTH AFRICA

- Johannesburg, Gauteng Province
- Cape Town, Western Cape Province

ASIA

- Close the Loop Group employs our own QC Officers in both China & Vietnam



CURRENT LOCATIONS



FUTURE LOCATIONS

Circular Economy In Action- Urban Mining

