

Investor Presentation

First-Half FY23



**Close the Loop
GROUP**

Create - Recover - Reuse

Presenters



Joe Foster
Chief Executive Officer



Marc Lichtenstein
Chief Financial Officer

Agenda

01 Overview

02 Financials

03 The Global Market

04 Strategy & Growth

05 Innovations

06 Awards & Affiliations

Disclaimer

The following disclaimer applies to this presentation. You should read this disclaimer carefully before reading or making any other use of this presentation or any information contained in this presentation. By accepting this presentation, you represent and warrant that you are entitled to receive this presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This presentation has been prepared by Close the Loop Limited ACN 095 718 317 ("Close the Loop Group", "Close the Loop" or the "Company") and does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of Close the Loop or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of Close the Loop or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law (or any other law), and has not been lodged with the Australian Securities and Investments Commission (or any other regulatory body in Australia or abroad). This presentation contains summary information about Close the Loop and its related bodies corporate and their activities, which is current as at the date of this presentation. The information included in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor should consider when making an investment decision.

Each recipient of this presentation should make its own enquiries and investigations regarding all information in this presentation including but not limited to the assumptions, uncertainties and contingencies which may affect the future operations of Close the Loop and the impact that different future outcomes may have on Close the Loop. This presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, make their own assessment of the information and seek legal, financial, accounting and taxation advice appropriate to their jurisdiction in relation to the information and any action taken on the basis of the information.

The information included in this presentation has been provided to you solely for your information and background and is subject to updating, completion, revision and amendment and such information may change materially. Unless required by applicable law or regulation, no person (including Close the Loop) is under any obligation to update or keep current the information contained in this presentation and any opinions expressed in relation thereto are subject to change without notice. No representation or warranty, express or implied, is made as to the fairness, currency, accuracy, reasonableness or completeness of the information contained herein.

None of Close the Loop's advisers, directors, officers, employees or agents have authorised, permitted or caused the issue, despatch or provision of this presentation nor, except to the extent referred to in this presentation, made or purported to make any statement in this presentation. Neither Close the Loop nor any other person accepts any liability and Close the Loop, its related bodies corporate and advisers their respective directors, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities and responsibility for any loss howsoever arising, directly or indirectly, from this presentation or its contents.

This presentation includes forward-looking statements that reflect Close the Loop's intentions, beliefs or current expectations concerning, among other things, Close the Loop's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Close the Loop operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors, many of which are beyond the control of Close the Loop. Close the Loop cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition, liquidity, performance, prospects, growth or opportunities and the development of the industry in which Close the Loop operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, Close the Loop does not guarantee any particular rate of return or the performance of Close the Loop nor does it guarantee the repayment or maintenance of capital or any particular tax treatment. Investors should note that past performance may not be indicative of results or developments in future periods and cannot be relied upon as an indicator of (and provides no guidance as to) Close the Loop's future performance. Close the Loop, its related bodies corporate and each of their respective directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this presentation or any change in Close the Loop's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

All dollar values are in Australian dollars, unless otherwise stated. Certain market and industry data used in connection with this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Close the Loop nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications. No representation or warranty, express or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy.

This presentation and any materials distributed in connection with this presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The distribution of this presentation (including an electronic copy) in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe any such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This presentation may not be distributed or released in the United States. Securities in Close the Loop have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in Close the Loop may not be offered or sold, directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of a person in the United States unless they have been registered under the U.S. Securities Act (which Close the Loop has no obligation to do so or procure) or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.



Close the Loop GROUP

Create - Recover - Reuse

Close the Loop Group is an ASX listed (ASX:CLG) global circular economy business with revolutionary end-to-end abilities to recover, reuse and create recycled, commercially viable, sustainable solutions.

Revenue
↑ **44%**
pcp
\$58.6m

EBITDA
↑ **28%**
pcp
\$9.5m

UNPBT
↑ **32%**
pcp
\$6.6m

Cash
\$13.1m

OPERATIONAL GROWTH

260k+
Global collection points

250+
Enterprise customers in over 20 countries

British Columbia, Canada
Palo Alto, US
Cincinnati, US
Kentucky, US
Dallas, US
Lexington, US
Washington, US
Norwalk, US
Framingham, US
Kingston, Jamaica
Santiago, Chile

Alesund, Norway
York, UK
Paris, France
Malle, Belgium

Johannesburg, South Africa
Cape Town, South Africa

Wenzhou, China
Ho Chi Minh City, Vietnam

Perth, AUS
Melbourne, AUS
Sydney, AUS
Brisbane, AUS
Nelson, NZ
Auckland, NZ
Christchurch, NZ



Close the Loop GROUP

Creating a more sustainable future
through advanced development and
innovation in the circular economy,
creating optimal value for
all stakeholders

Income Statement

Proforma	1H23* (\$m)	1H22* (\$m)	Change (\$m)
Revenue	58.6	40.7	44%
Cost of Sales	39.4	25.9	52%
Gross Profit	19.2	14.8	30%
Operating Expenditure	10.2	9.8	4%
Operational Profit	9.0	5.0	80%
Other Income	0.5	2.4	(79%)
EBITDA	9.5	7.4	28%
Depreciation & Amortisation	3.2	1.6	100%
EBIT	6.3	5.8	9%
NPAT**	4	0.7	
Business Combination Amortisation	1	-	-
Underlying NPAT	5	-	

* Based on aggregation financial report

** As per statutory half year accounts

- Revenue increase driven by both organic growth & acquisitions
- EBITDA growth driven by core business
- Depreciation & amortisation increased due to business combination amortisation
- Other income decrease due to pcp Covid support in USA
- EBITDA margin remains consistent

Balance Sheet

	1H23 (\$m)	1H22 (\$m)	Change (%)
Assets			
Cash and cash equivalents	13.2	14.4	(8)
Trade and other receivables	23.9	15.3	56
Inventories	7.2	3.6	100
Other assets	7.2	1.2	500
Total Current Assets	51.5	34.5	49
Property, plant & equipment	8.3	8.0	4
Intangibles	29.6	24.9	19
Right of use assets	12.6	14.0	(10)
Other	1.5	1.6	(6)
Total Non-Current Assets	52.0	48.5	(7)
Liabilities			
Trade and other payables	15.7	7.8	101
Borrowings	6.3	3.5	80
Tax liabilities	0.1	0.4	(75)
Lease liabilities	2.0	2.3	(13)
Other	4.7	3.9	21
Total Current Liabilities	28.8	17.9	61
Non-current borrowings	7.7	3.7	108
Lease liabilities	12.4	13.5	(8)
Other	1.1	0.7	57
Total Non-Current Liabilities	21.2	17.9	18
Net Assets	54.6	47.2	16

- Trade receivables increase due to business growth
- Other assets increase due to equipment deposits & reimbursement of insurance proceeds
- Borrowings funding acquisitions
- Inventory growth due to Crasti & Alliance acquisitions
- Creditors increase due to acquisitions & CtL Operations (AU)

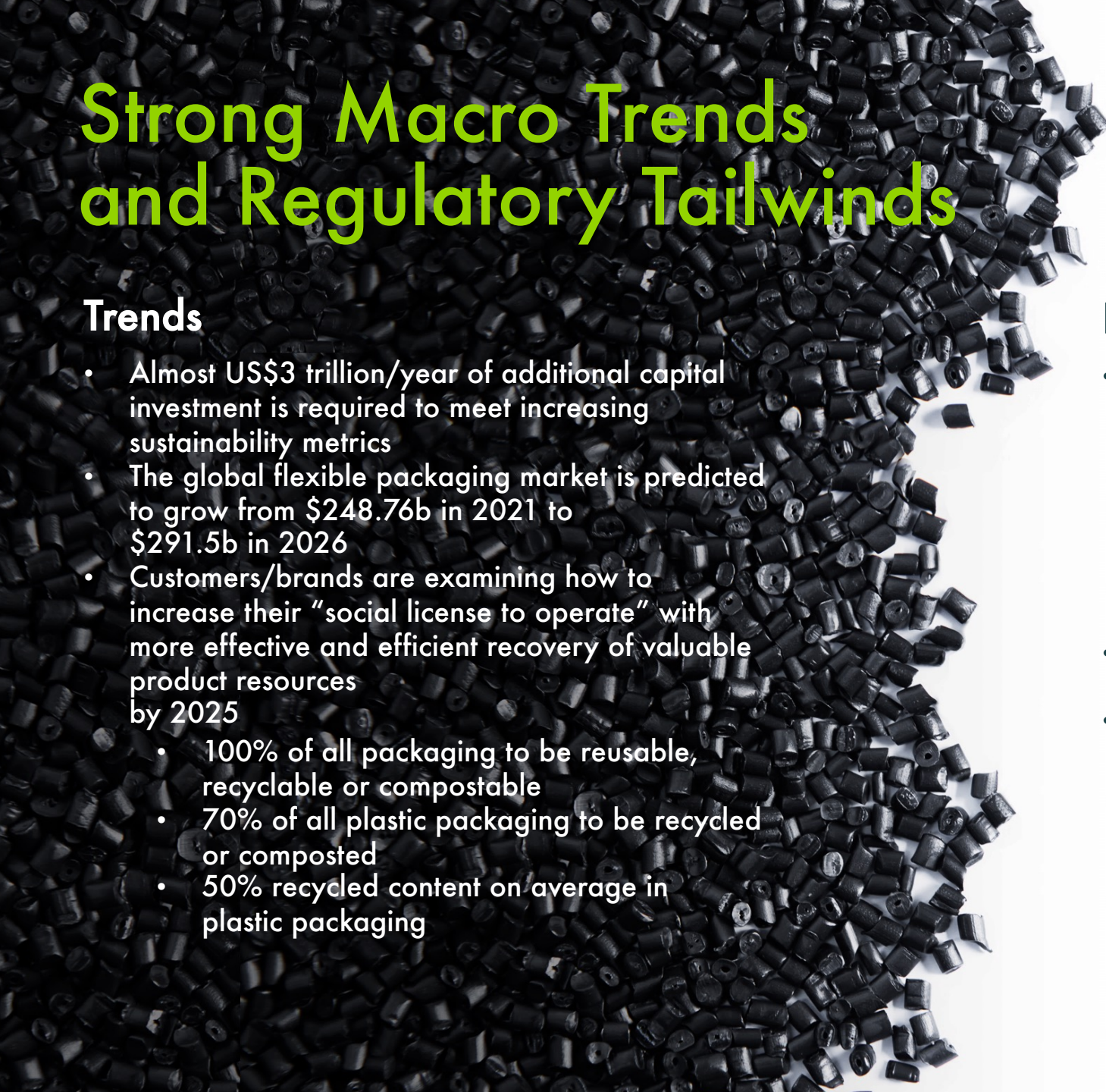
Cashflow Statement

	1H23 (\$m)	1H22 (\$m)	Change (%)
Cash flows from operating activities			
Receipts from customers	64.7	21.4	202
Payments to suppliers and employees	(58.0)	(20.8)	179
Interest paid	(0.7)	(0.4)	75
Income taxes paid	0.1	(1.4)	(107)
Other receipts	0.1	-	-
Net cash provided by/(used in) operating activities	6.0	(1.2)	(600)
Cash flows from investing activities			
Payment for intangible asset	(0.1)	-	-
Purchase of property, plant and equipment	(2.2)	(0.6)	267
Purchase of subsidiary net of cash acquired	(2.6)	(0.5)	420
Net cash provided by/(used in) investing activities	(4.9)	(1.1)	345
Cash flows from financing activities			
Proceeds from share issue net of issue costs	-	11.4	(100)
Proceeds from borrowings	6.0	1.0	500
Payment of lease liability	(1.7)	(0.3)	467
Repayment of borrowings	(2.1)	-	-
Dividends paid	-	(1.0)	(100)
Net cash provided by/(used in) financing activities	2.2	11.1	(80)
Net increase/(decrease) in cash and cash equivalents held	3.3	8.8	(63)
Cash and cash equivalents at beginning of year	9.7	5.6	73
Cash and cash equivalents at end of financial year	13.0	14.4	(10)

- Group produces strong positive cash from operations
- Bank debt funding acquisition of Alliance & Crasti
- Alliance acquisition settled and paid during period
- Replaced Commbank debt for NAB debt
- Capital raise in PCP as part ASX listing
- 1H22 reverse acquisition accounting

Cashflow Reconciliation





Strong Macro Trends and Regulatory Tailwinds

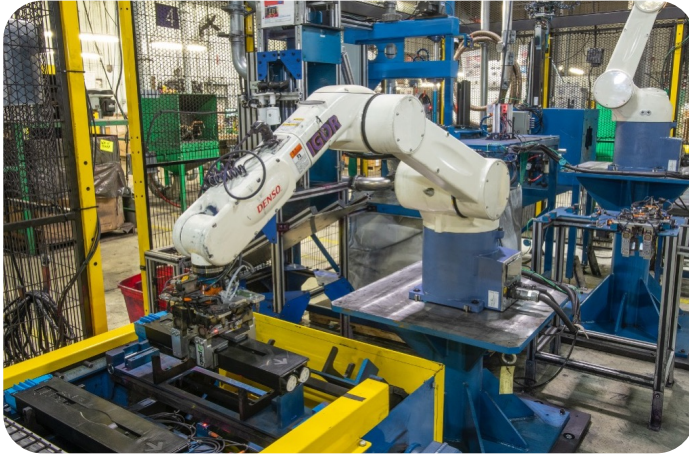
Trends

- Almost US\$3 trillion/year of additional capital investment is required to meet increasing sustainability metrics
- The global flexible packaging market is predicted to grow from \$248.76b in 2021 to \$291.5b in 2026
- Customers/brands are examining how to increase their “social license to operate” with more effective and efficient recovery of valuable product resources by 2025
 - 100% of all packaging to be reusable, recyclable or compostable
 - 70% of all plastic packaging to be recycled or composted
 - 50% recycled content on average in plastic packaging

Legislative Tailwinds

- The Australian Government has been proactive for several years:
 - 2018 promoted the National Waste Management Policy
 - 2020 by legislating the Recycling and Waste Reduction Bill 2020
 - 2021 Plastics Export Waste Ban
 - 2022 Pure Recycled Stream
- EU’s Waste Electrical and Electronic Equipment (WEEE) Directive
- Chinese National Sword ban on importing mixed recycled plastic waste

Technologies Creating Value from Waste



Automation

- Installed in November 2019
- Headcount reduction from 10 to 3
- Services include handle removal, plug removal, toner dump, blow-out and blow-off



Value Added Services

- Remanufacturing: toner bottle cleaning for refilling and waste toner bottle cleaning and pack-out to OEM's customer
- Parts harvest and quality checks: Harvest specific parts and/or components to be shipped back to OEM



Material Processing

- 4 million products recycled globally per month
- Four machines process over 600 tonnes of material per month
- 1 million bottles cleaned per year
- Toner solution used for asphalt-based products and plastic colorant

Strategic Growth

Growth in plastic washing and separation in Australia and EU

Mirror USA automation process across the two OPPs geographies

Additional investment in resource recovery equipment for recycling of soft and rigid plastics

Further cross-selling opportunities identified for the packaging division, recovery and reuse

Targeted growth strategy in USA for both recyclables and packaging sectors

Expand recovery and remanufacturing offerings in the print space across all geographic regions

Soft plastics programs being developed for key packaging, retail and divisional clients

Upgrade TonerPlas and Close the Loop recycled product manufacturing capability

Growth Opportunities

**In-organic
US market
growth
opportunities**

**Organic
growth driven
by cross-selling
and customer
expansion**

**Leverage
infrastructure into
new market
verticals**

**Further
commercialisation
of existing
technologies**

Our Innovations Create Value

Paper Products & Packaging



Bamboo Products for food service (cups, plates etc.)

100% Compostable
100% Bio-based items
PFAS Free

Cosmetics Recycling



Forming stewardship program for the industry through our cosmetics recycling feasibility study in partnership with Myer, Mac/Estee Lauder, and the Australian Federal Government.

Multitank Partnership



Re-useable, carbon-efficient nestable bulk handling bins based in the UK and Europe.

Sustainable solution for multiple food and beverage industries.

Battery Collection Expansion



Expanding battery operations as a service provider for clients.

Using smart technology for battery collection programs.

Recyclable Flexible Packaging Expansion



100% Mono-polymer packaging for easier recycling for soft plastics, including at kerbside.

TonerPlas®



TonerPlas is a patented asphalt additive made from recycled soft plastics and waste toner from printer cartridges to construct roads. It's use improves durability and performance, decreases maintenance, increases lifespan and reduces carbon footprint.

Example Major Project – M80 & Monash Freeway Projects (VIC)

koh^{•••}



Koh, an eco-friendly cleaning product business, wanted a kerbside recyclable spout pouch made from simple PE material. As a new-age brand focused on environmentally conscious cleaning products, it was integral that their packaging also matched their brand ethos. Lightweight packaging also benefits their ecommerce business model.

Greener Solutions



Our Trusted Partners

Collection



Supply



Awards and Affiliations

Awards



Affiliations



Australian Government
Department of Agriculture,
Water and the Environment





Close the Loop GROUP

Create - Recover - Reuse

Contact Us

investors@ctlgroup.com.au