

BOOKTOPIA GROUP LIMITED

ACN 612 421 388

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting (the **Meeting**) of Shareholders of Booktopia Group Limited ACN 612 421 388 (the **Company**) will be held in person as follows:

Date: Wednesday, 16 August 2023
Time: 2.00pm (Sydney time)
Place: Booktopia Office
Level 6, 1A Homebush Bay Drive
Rhodes NSW 2138

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the Meeting and forms part of this Notice of Meeting.

The business of the Meeting is to consider 4 Resolutions for which Shareholder approval is sought. Details of each of these items are set out below.

RESOLUTIONS FOR APPROVAL

1. Resolution 1: Ratification of Shares and Options issued under Tranche 1 of the Placement

To consider and, if in favour, to pass the following ordinary Resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of:

(a) 13,735,930 Shares at \$0.12 per Share; and

(b) 6,867,965 attaching unquoted Options with an exercise price of \$0.23 and expiring two years from the date of issue,

under Tranche 1 of the Placement to Professional Investors and Sophisticated Investors on Friday, 7 July 2023 under ASX Listing Rule 7.1, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Voting Exclusion Statement for Resolution 1

The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of any person who participated in the issue of the Shares and Options under Tranche 1 of the Placement or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way;
- (b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the Chair to vote on Resolution 1 as the Chair decides; or

- (c) by a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 1; and
 - (ii) the Shareholder votes on Resolution 1 in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

2. Resolution 2: Approval of the issue of Shares and Options under Tranche 2 of the Placement

To consider and, if in favour, to pass the following ordinary Resolution:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue:

- (a) 63,776,535 Shares at \$0.12 per Share; and*
 - (b) 31,888,267 attaching unquoted Options with an exercise price of \$0.23 and expiring two years from the date of issue,*
- under Tranche 2 of the Placement to Professional Investors and Sophisticated Investors, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”*

Voting Exclusion Statement for Resolution 2

The Company will disregard any votes cast in favour of this Resolution 2 by or on behalf of:

- (a) any person who is expected to participate in the issue of the Shares and Options under Tranche 2 of the Placement; and
- (b) any person who will obtain a material benefit as a result of the issue of the Shares and Options under Tranche 2 of the Placement (except a benefit solely by reason of being a Shareholder),

or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the proxy or attorney to vote on Resolution 2 in that way;
- (b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions given to the Chair to vote on Resolution 2 as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 2; and
 - (ii) the Shareholder votes on Resolution 2 in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

3. Resolution 3: Approval of the issue of Shares and Options to Antony Nash

To consider and, if in favour, to pass the following ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.11.1 and for all other purposes, approval is given for the Company to issue:

(a) 6,666,667 Shares at \$0.12 per Share; and

(b) 3,333,333 attaching unquoted Options with an exercise price of \$0.23 and expiring two years from the date of issue,

to Tony Nash Enterprises Pty Ltd ACN 144 690 095 as trustee of the A L Nash Family Trust on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Voting Exclusion Statement for Resolution 3

The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of:

(a) Tony Nash Enterprises; or

(b) any other person who will obtain a material benefit as a result of the issue of the Shares and Options (except a benefit solely by reason of being a Shareholder),

or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

(a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way;

(b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the Chair to vote on Resolution 3 as the Chair decides; or

(c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and

(ii) the Shareholder votes on Resolution 3 in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

4. Resolution 4: Approval of the issue of Shares and Options to Steven Traurig

To consider and, if in favour, to pass the following ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.11.1 and for all other purposes, approval is given for the Company to issue:

(a) 6,666,667 Shares at \$0.12 per Share; and

(b) 3,333,333 attaching unquoted Options with an exercise price of \$0.23 and expiring two years from the date of issue,

to Roxygal Pty Ltd ACN 612 474 638 as trustee for the Benten Trust on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.

Voting Exclusion Statement for Resolution 4

The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of:

- (a) Roxygal; or
 - (b) any other person who will obtain a material benefit as a result of the issue of the Shares and Options (except a benefit solely by reason of being a Shareholder),
- or an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way;
- (b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the Chair to vote on Resolution 4 as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
 - (ii) the Shareholder votes on Resolution 4 in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

EXPLANATORY MEMORANDUM

An Explanatory Memorandum in respect of the Resolutions set out above accompanies this Notice of Meeting. Expressions, terms or abbreviations defined in the Explanatory Memorandum have the same meaning when used in this Notice of Meeting.

Dated Monday, 17 July 2023

By Order of the Board



Alistair Clarkson

Company Secretary

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the *Corporation Regulations 2001* (Cth), the Board has determined that persons who are registered as Shareholders as at 2.00pm (Sydney time) on Monday, 14 August 2023 will be entitled to attend and vote at the Meeting.

Appointment of proxy

Eligible Shareholders are encouraged to attend the Meeting. If unable to attend, Shareholders may appoint a proxy to attend and vote for them.

A proxy need not be a Shareholder. A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. Fractions of votes will be disregarded. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

A proxy form and reply-paid envelope have been included for Shareholders with this Notice of Meeting. Proxy voting instructions are provided on the proxy form.

Shareholders who wish to direct a proxy how to vote on a Resolution must place a mark (i.e. a cross 'X') in the appropriate box on the proxy form.

To be effective, proxy forms must be completed and received by the Company's Share Registry, Link Market Services Limited, no later than 2.00pm (Sydney time) on Monday, 14 August 2023.

Proxy forms must be received before that time by one of the following methods:

Online (preferred method):	www.linkmarketservices.com.au
By post:	Booktopia Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By facsimile:	(02) 9287 0303 (within Australia) +61 2 9287 0303 (from outside Australia)
By delivery in person:	Link Market Services Limited* Parramatta Square, Level 22, Tower 6 10 Darcy Street, Parramatta NSW 2150 (*during business hours Monday to Friday (9:00am to 5:00pm) and subject to public health orders and restrictions)

To be valid, a proxy form must be received by the Company in the manner and within the deadline stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Power of Attorney

If a Shareholder has appointed an attorney to attend and vote at the meeting, or if a proxy form is signed by an attorney, the power of attorney under which the proxy form is signed (or a certified copy of it) must be received by the Company or the Share Registry (in the manner set out above) by no later than 2.00pm (Sydney time) on Monday, 14 August 2023.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative

must comply with the requirements under section 250D of the Corporations Act. The representative should provide the Share Registry with a properly executed letter or other document confirming its authority to act as the company's representative prior to the Meeting.

A "Certificate of Appointment of Corporate Representative" form may be obtained from the Share Registry or online at www.linkmarketservices.com.au.

VOTING AT THE MEETING

Voting on each of the proposed resolutions at the Meeting will be conducted by a poll.

A proxy may decide whether to vote on any motion except where required by law or the Company's constitution (as amended from time to time) to abstain in their capacity as proxy. If a proxy is directed to vote on an agenda item, he or she may vote only in accordance with the direction. If a proxy is not directed how to vote on an agenda item, he or she may vote as the proxy thinks fit.

If a Shareholder appoints the Chair of the Meeting as that Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Shareholder expressly authorises the Chair to vote, and the Chair will vote, as proxy for that Shareholder, in favour of that item. If the Shareholder wishes to appoint the Chair as proxy with a direction to vote for, against or abstain from voting on an item, the Shareholder should specify this on the proxy form.

To vote in person, you will need to attend the Meeting on the date and at the place set out above.

SHAREHOLDER QUESTIONS

Shareholders will be given a reasonable opportunity during the Meeting to ask questions or make comments in relation to the business of the Meeting. Please note that only Shareholders or their appointed proxies may ask questions in person during the Meeting.

Shareholders who are unable to attend the Meeting or who may prefer to submit questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au, select 'Voting' then click 'Ask a Question', or alternatively email the Company Secretary on alistairc@booktopia.com.au.

Please submit any questions by 2:00pm (Sydney time) on Wednesday, 9 August 2023 by one of the methods above. Questions will be collated and, during the Meeting, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the Meeting to address all topics raised. Please note that individual responses will not be sent to Shareholders.

CONDUCT OF MEETING

The Company is committed to ensuring that the Meeting is conducted in a manner which provides those Shareholders (or their proxy holders) who attend the Meeting with the opportunity to participate in the business of the Meeting in an orderly fashion and to ask questions about and comment on matters relevant to the business of the Meeting or about the Company generally. The Company will not allow conduct at the Meeting which is discourteous to those who are present at the Meeting, or which in any way disrupts or interferes with the proper conduct of the Meeting. The Chair of the Meeting will exercise his powers as the Chair to ensure that the Meeting is conducted in an orderly and timely fashion, in the interests of all attending Shareholders.

BOOKTOPIA GROUP LIMITED

ACN 612 421 388

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Shareholders to consider the Resolutions set out in the Notice of Meeting. It forms part of and should be read in conjunction with the Notice of Meeting.

The Board recommends that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The Board also recommends Shareholders review the Company's ASX Announcements on Monday, 3 July 2023 and Monday, 10 July 2023 in respect of the Placement, including the accompanying Investor Presentation, before making any decisions in relation to the Resolutions. Copies of these documents are also available on the Company's website at www.booktopia.com.au.

1 **Background**

1.1 **Placement**

As announced by the Company on Monday, 3 July 2023, and in a subsequent announcement on Monday, 10 July 2023, the Company has received commitments from Professional Investors and Sophisticated Investors in a placement of 54,166,667 Shares and 27,083,333 attaching unquoted Options to raise approximately \$9.3 million, before costs, comprising two tranches:

- (a) an initial tranche of:
 - (i) 13,735,930 Shares at \$0.12 per Share; and
 - (ii) 6,867,965 attaching unquoted Options, each with an exercise price of \$0.23 and expiring two years from the date of issue,to raise \$1.65 million, issued on Friday, 7 July 2023 to Professional Investors and Sophisticated Investors within the Company's 15% placement capacity under ASX Listing Rule 7.1 (**Tranche 1**); and
 - (b) a second tranche of:
 - (i) 63,776,535 Shares at \$0.12 per Share; and
 - (ii) 31,888,267 attaching unquoted Options, each with an exercise price of \$0.23 and expiring two years from the date of issue,to raise a further \$7.65 million, with the issue to Professional Investors and Sophisticated Investors being subject to and conditional upon Shareholder approval under ASX Listing Rule 7.1 which is sought under Resolution 2 (**Tranche 2**),
- (together, Tranche 1 and Tranche 2 form the **Placement**).

None of the Directors intend to participate in the Placement.

1.2 **AFSG Loan**

As announced by the Company on 1 February 2023, the Company previously entered into a \$5 million unsecured loan agreement with AFSG Asset Management (**AFSG Loan**). The funds advanced to the Company from AFSG Asset Management were provided to AFSG Asset Management from entities controlled by Antony Nash and Steven Taurig, who are both Directors of the Company.

As announced by the Company on Monday, 3 July, it has entered into a binding non-conditional term sheet to amend and restate the AFSG Loan by way of a deed of amendment and restatement (**AFSG Amendment Deed**) on the following material terms:

- (a) an extension of the AFSG Loan for a further 36 months, commencing on the date of execution of the AFSG Amendment Deed, with the AFSG Loan to remain unsecured;
- (b) the Company agrees to issue:
 - (i) 6,666,667 Shares at \$0.12 per Share and 3,333,333 attaching Options with an exercise price of \$0.23 and expiring two years from the date of issue to Tony Nash Enterprises; and
 - (ii) 6,666,667 Shares at \$0.12 per Share and 3,333,333 attaching Options with an exercise price of \$0.23 and expiring two years from the date of issue to Roxygal,
 in satisfaction of an aggregate amount of \$1.6 million of the \$5 million (plus costs capitalised on the loan) owing by the Company to AFSG Asset Management under the amended AFSG Loan, with this issue of Shares and Options being subject to and conditional upon Shareholder approval under ASX Listing Rule 10.11, which is sought under Resolutions 3 and 4;
- (c) if the Shareholder approvals under ASX Listing Rule 10.11 sought under Resolutions 3 and 4 are not obtained, the \$5 million (plus costs capitalised on the AFSG Loan) will remain outstanding for the extended 36-month term and incur additional interest at 10% per annum, which is to be capitalised and repaid with the outstanding principal amount at the end of the term;
- (d) an extension fee of 2.5% (plus GST) is payable by the Company to AFSG Asset Management within 3 days after the Meeting, which the Company may elect to capitalise on the principal amount;
- (e) if the principal amount is not repaid within 24 months following commencement of the extension period, an additional 5% per annum will be capitalised on the principal amount owing and must be repaid as a lump sum at the end of the term; and
- (f) under the terms of the original AFSG Loan, which have not been amended by the AFSG Amendment Deed, if the Company fails to pay amounts due under the AFSG Loan, a default interest rate of 18% per annum, accruing daily, is payable on all outstanding amounts of the AFSG Loan.

The table below provides information on the relevant interests of Tony Nash Enterprises and Roxygal.

Entity	Current relevant interest (%) after completion of Tranche 1	Relevant interest (%) after completion of Tranche 2	Relevant interest (%) after the issue of Shares and Options (%)	Relevant interest (%) after the exercise of all Options
Tony Nash Enterprises	13.3%	9.4%	11.8%	11.0%
Roxygal	13.7%	9.6%	12.0%	11.2%

This table assumes that:

- (a) all Options issued to Tony Nash Enterprises, Roxygal and the participants of Tranche 1 and Tranche 2 of the Placement will be exercised; and
- (b) there will be no further issues of Shares and Options in, or any other change in the capital of, the Company during the time between the date of this Notice of Meeting and the exercise of all Options.

Unified Capital Partners Pty Limited and Morgans Corporate Limited are acting as the joint lead managers (**Joint Lead Managers**) and bookrunners for the Placement.

The proceeds from the Placement will be used:

- (a) to assist in funding the completion of the Next Gen CFC;
- (b) for general working capital; and
- (c) to pay the costs associated with the Placement.

2 Resolution 1 – Ratification of Shares and Options issued under Tranche 1 of the Placement

2.1 *Background to Resolution 1*

Information regarding Tranche 1 of the Placement is set out in Section 1.1 of this Explanatory Memorandum.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 13,735,930 Shares and 6,867,965 attaching unquoted Options under Tranche 1 of the Placement, such issue being made under ASX Listing Rule 7.1.

2.2 *ASX Listing Rules 7.1 and 7.4 and purpose of Resolution 1*

In summary, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue or agree to issue, without the approval of its shareholders, over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Shares and Options under Tranche 1 of the Placement does not fit within any of the exceptions to ASX Listing Rule 7.1 and, as it has not yet been approved by Shareholders, this issue effectively uses up the Company's 15% placement capacity under ASX Listing Rule 7.1. This reduces the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the date on which the Shares and Options were issued under Tranche 1.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made.

If Resolution 1 is passed, the issue of the Shares and Options under Tranche 1 of the Placement will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 1 is not passed, the issue of the Shares and Options under Tranche 1 of the Placement will be included in the calculation of the Company's 15% limit under ASX Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the issue date of the Shares and Options.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future, without the costs and delay of convening a general meeting of the Company to obtain Shareholder approval.

To this end, Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of Shares and Options under Tranche 1 of the Placement.

2.3 *Information required by ASX Listing Rule 7.5*

For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders in relation to Resolution 1:

The number and class of securities the Company issued	13,735,930 Shares and 6,867,965 attaching unquoted Options.
The price or other consideration the Company has received for the issue	<p>The issue price for the Shares was \$0.12 per Share. The total cash consideration received for the Shares issued under Tranche 1 was \$1.65 million.</p> <p>The Options were issued for nil cash consideration as they were issued as free attaching unquoted Options to the Shares. The Options may be exercised at any time within 2 years of the issue date at an exercise price of \$0.23 per Option. If all of the Options issued under Tranche 1 of the Placement are exercised within the two-year exercise period, the total cash consideration the Company will receive for the Options issued under Tranche 1 is \$1.58 million.</p>
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	<p>The Shares issued under Tranche 1 of the Placement rank equally with all other fully paid ordinary shares on issue in the Company.</p> <p>The Options issued under Tranche 1 of the Placement were issued on the material terms and conditions set out in Annexure A.</p>
The date on which the securities were issued	Friday, 7 July 2023
The names of the persons to whom the Company issued the securities or the basis upon which those persons were identified or selected	<p>The Shares and Options were issued to Professional Investors and Sophisticated Investors determined by the Company in agreement with the Joint Lead Managers, including both existing shareholders and new investors.</p> <p>One of the substantial holders of the Company, Thorney Technologies Ltd, participated in Tranche 1 of the Placement and, as a result, increased its relevant interest in the Company from 6.8% to 9.9%.</p> <p>Another substantial holder of the Company, NBT Pty Ltd, participated in Tranche 1 of the Placement and, as a result, maintained its relevant interest in the Company at 9.775%.</p> <p>Except for Thorney Technologies Ltd and NBT Pty Ltd, no other substantial holder of the Company participated in Tranche 1 of the Placement.</p> <p>None of the participants of the Placement that are being issued more than 1% of the Company's current issued capital are:</p> <ul style="list-style-type: none"> • a Related Party; • a member of key management personnel of the Company; • an adviser of the Company; or • an associate of any of the above.
The purpose of the issue, including the use or intended use of the funds raised by the issue	<p>The proceeds raised from Tranche 1 of the Placement will be used:</p> <ul style="list-style-type: none"> • to assist in funding the completion of the Next Gen CFC; and • for general working capital; and • to pay the costs associated with the Placement.

2.4 Voting exclusion statement

A voting exclusion statement with respect to Resolution 1 is included in the Notice of Meeting.

2.5 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

3 Resolution 2 – Approval of issue of Shares and Options under Tranche 2 of the Placement

3.1 Background to Resolution 2

Information regarding Tranche 2 of the Placement is set out in Section 1.1 of this Explanatory Memorandum.

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 63,776,535 Shares and 31,888,267 attaching unquoted Options under Tranche 2 of the Placement.

3.2 ASX Listing Rule 7.1 and purpose of Resolution 2

The general effect of ASX Listing Rule 7.1 is described in Section 2.2 of this Explanatory Memorandum.

The agreement to issue the Shares and Options under Tranche 2 of the Placement does not fall within any of the exceptions to ASX Listing Rule 7.1 set out in ASX Listing Rule 7.2 and exceeds the 15% limit in ASX Listing Rule 7.1. Therefore, the issue of the Shares and Options under Tranche 2 of the Placement requires the approval of Shareholders for the purposes of ASX Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Shares and Options under Tranche 2 of the Placement. In addition, the issue of Shares under Tranche 2 of the Placement will be excluded from the calculation of the number of equity securities that the Company can issue in the future without Shareholder approval under ASX Listing Rule 7.1 (see section 2.2 of this Explanatory Memorandum for a summary of the operation of ASX Listing Rule 7.1.)

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Shares and Options under Tranche 2 of the Placement and the Company will receive \$7.65 million less cash in connection with the Placement. This will adversely impact the Company's ability to implement the funds in accordance with their proposed use under the Placement.

3.3 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

The number and class of securities the Company will issue	63,776,535 Shares and 31,888,267 attaching unquoted Options.
The price or other consideration the Company will receive for the issue	The issue price for the Shares is \$0.12 per Share. The Options will be issued for nil cash consideration as they will be issued as free attaching unquoted Options to the Shares. The Options may be exercised at any time within 2 years of the issue date at an exercise price of \$0.23 per Option. If all of the Options issued under Tranche 2 of the Placement are exercised within the two-year exercise period, the total cash consideration the Company will receive for the Options issued under Tranche 2 is \$7.33 million.
If the securities are not fully paid ordinary securities, a summary	The Shares to be issued under Tranche 2 of the Placement will rank equally with all other fully paid ordinary shares on issue in the Company.

of the material terms of the securities	The Options to be issued under Tranche 2 of the Placement will be issued on the material terms and conditions set out in Annexure A.
The date on or by which the securities will be issued	If the Shareholders approve Resolution 2, the Company expects to issue the Shares and Options under Tranche 2 of the Placement on or around Monday, 21 August 2023, but in any event by no later than 3 months after the date of the Meeting.
The names of the persons to whom the Company will issue the securities or the basis upon which those persons were or will be identified or selected	<p>The Shares and Options will be issued to Professional Investors and Sophisticated Investors determined by the Company in agreement with the Joint Lead Managers, including both existing shareholders and new investors.</p> <p>Following Tranche 2 of the Placement, the substantial holders of the Company:</p> <ul style="list-style-type: none"> • Thorney Technologies Ltd, will increase its relevant interest in the Company from 9.9% to 12.32%; and • NBT Pty Ltd, will decrease its relevant interest in the Company from 9.775% to 9.7%. <p>Except for Thorney Technologies Ltd and NBT Pty Ltd, no other substantial holder of the Company will participate in Tranche 2 of the Placement.</p> <p>In addition, following Tranche 2 of the Placement, Dynamic Supplies Investments Pty Ltd will become a substantial holder of the Company by increasing its interest in the Company from 3.31% to 10.96%.</p> <p>None of the participants of the Placement that are being issued more than 1% of the Company's current issued capital are:</p> <ul style="list-style-type: none"> • a Related Party; • a member of key management personnel of the Company; • an adviser of the Company; or • an associate of any of the above.
The purpose of the issue, including the intended use of the funds raised by the issue	<p>The proceeds raised from Tranche 2 of the Placement will be used:</p> <ul style="list-style-type: none"> • to assist in funding the completion of the Next Gen CFC; • for general working capital; and • to pay the costs associated with the Placement.

3.4 Voting exclusion statement

A voting exclusion statement with respect to Resolution 2 is included in the Notice of Meeting.

3.5 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4 Resolution 3 – Approval of the issue of Shares and Options to Antony Nash

4.1 Background to Resolution 3

Information regarding the issue of Shares and Options to Tony Nash Enterprises is set out in Section 1.2 of this Explanatory Memorandum.

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 6,666,667 Shares and 3,333,333 attaching unquoted Options to Tony Nash Enterprises.

4.2 ASX Listing Rule 10.11 and purpose of Resolution 3

ASX Listing Rule 10.11 provides that, unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to:

- (a) a Related Party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an Associate of a person listed in ASX Listing Rules 10.11.1 to 10.11.13 (being those persons described in (a) – (c) above); or
- (e) a person whose relationship with the entity or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 (being those persons described in (a) – (d) above) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it has obtained approval of its shareholders.

The issue of Shares and Options to Tony Nash Enterprises falls within ASX Listing Rule 10.11.1 as the entity is controlled by Antony Nash, a Director, which constitutes a Related Party of the Company, and the issue does not fall within one of the exceptions in ASX Listing Rule 10.12.

The Company therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

If Resolution 3 is passed, the Shares and Options offered to Tony Nash Enterprises will be issued and these Shares and Options will be excluded from the calculation of the number of equity securities that the Company can issue in the future without Shareholder approval under ASX Listing Rule 7.1 (by virtue of ASX Listing Rule 7.2, exception 14).

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of Shares and Options to Tony Nash Enterprises.

If both Resolutions 3 and 4 are not passed, the full \$5 million (plus costs capitalised on the AFSG Loan) will remain outstanding for the extended 36-month term of the AFSG Loan and incur additional interest at 10% per annum, which is to be capitalised and repaid with the outstanding principal amount at the end of the term.

4.3 Chapter 2E of the Corporations Act

The Directors (with Antony Nash abstaining) have considered that Shareholder approval pursuant to Chapter 2E of the Corporations Act (in relation to related party benefits) is not required in respect of Resolution 3 because the Shares and Options offered to Tony Nash Enterprises will be granted on arm's length terms and therefore falls within the exception contained in section 210 of the Corporations Act. This is because the Shares and Options offered to Tony Nash Enterprises will be issued on the same terms as those Shares and Options issued to non-Related Party participants under the Placement.

4.4 Information required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 3:

The name of the person	Tony Nash Enterprises Pty Ltd ACN 144 690 095 as trustee of the A L Nash Family Trust
Which category in ASX Listing Rules 10.11.1 10.11.5 the person falls within and why	Tony Nash Enterprises is controlled by Antony Nash, a Director, and the entity is therefore a Related Party of the Company falling within ASX Listing Rule 10.11.1.
The number and class of securities that the Company will issue	6,666,667 Shares and 3,333,333 attaching unquoted Options.
The price or other consideration the Company will receive for the securities	The Shares will be issued at \$0.12 per Share. The Options will be issued as free attaching unquoted Options to the Shares. The issue of Shares and Options to Tony Nash Enterprises will result in a deemed repayment of \$800,000 owing by the Company under the amended AFSG Loan.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The Shares issued to Tony Nash Enterprises will rank equally with all other fully paid ordinary shares on issue in the Company. The Options to Tony Nash Enterprises will be issued on the material terms and conditions set out in Annexure A.
The date on or by which the securities will be issued	If the Shareholders approve Resolution 3, the Company expects to issue the Shares and Options to Tony Nash Enterprises on or around Monday, 21 August 2023, but in any event by no later than 1 month after the date of the Meeting.
The purpose of the issue, including the intended use of the funds raised by the issue	The issue of Shares and Options to Tony Nash Enterprises will result in a deemed repayment of \$800,000 owing by the Company under the amended AFSG Loan.
Summary of the material terms of the agreement under which the Shares and Options are issued	The material terms of the amended AFSG Loan are set out in Section 1.2 of this Explanatory Memorandum.

4.5 Voting exclusion statement

A voting exclusion statement with respect to Resolution 3 is included in the Notice of Meeting.

4.6 Board recommendation

The Directors, with Antony Nash abstaining, unanimously recommend that Shareholders vote in favour of Resolution 3.

5 Resolution 4 – Approval of the issue of Shares and Options to Steven Traurig

5.1 Background to Resolution 4

Information regarding the issue of Shares and Options to Roxygal is set out in Section 1.2 of this Explanatory Memorandum.

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 6,666,667 Shares and 3,333,333 attaching unquoted Options to Roxygal.

5.2 ASX Listing Rule 10.11 and purpose of Resolution 4

A summary of ASX Listing Rules 10.11 and 10.12 is set out in Section 4.2 of this Explanatory Memorandum.

The issue of Shares and Options to Roxygal falls within ASX Listing Rule 10.11.1 as the entity is controlled by Steven Traurig, a Director, which constitutes a Related Party of the Company, and the issue does not fall within one of the exceptions in ASX Listing Rule 10.12.

The Company therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

If Resolution 4 is passed, the Shares and Options offered to Roxygal will be issued and these Shares and Options will be excluded from the calculation of the number of equity securities that the Company can issue in the future without Shareholder approval under ASX Listing Rule 7.1 (by virtue of ASX Listing Rule 7.2, exception 14).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of Shares and Options to Roxygal.

If both Resolutions 3 and 4 are not passed, the full \$5 million (plus costs capitalised on the AFSG Loan) will remain outstanding for the extended 36-month term of the AFSG Loan and incur additional interest at 10% per annum, which is to be capitalised and repaid with the outstanding principal amount at the end of the term.

5.3 Chapter 2E of the Corporations Act

The Directors (with Steven Traurig abstaining) have considered that Shareholder approval pursuant to Chapter 2E of the Corporations Act (in relation to related party benefits) is not required in respect of Resolution 4 because the Shares and Options offered to Roxygal will be granted on an arm's length basis and therefore falls within the exception contained in section 210 of the Corporations Act. This is because the Shares and Options offered to Roxygal will be issued on the same terms as those Shares and Options issued to non-Related Party participants under the Placement.

5.4 Information required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 4:

The name of the person	Roxygal Pty Ltd ACN 612 474 638 as trustee for the Benten Trust
Which category in ASX Listing Rules 10.11.1 10.11.5 the person falls within and why	Roxygal is controlled by Steven Traurig, a Director, and the entity is therefore a Related Party of the Company falling within ASX Listing Rule 10.11.1.
The number and class of securities that the Company will issue	6,666,667 Shares and 3,333,333 attaching unquoted Options.
The price or other consideration the Company will receive for the securities	The Shares will be issued at \$0.12 per Share. The Options will be issued as free attaching unquoted Options to the Shares. The issue of Shares and Options to Roxygal will result in a deemed repayment of \$800,000 owing by the Company under the amended AFSG Loan.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The Shares issued to Roxygal will rank equally with all other fully paid ordinary shares on issue in the Company. The Options to Roxygal will be issued on the material terms and conditions set out in Annexure A.
The date on or by which the securities will be issued	If the Shareholders approve Resolution 4, the Company expects to issue the Shares and Options to Roxygal on or around Monday, 21 August 2023, but in any event by no later than 1 month after the date of the Meeting.

The purpose of the issue, including the intended use of the funds raised by the issue	The issue of Shares and Options to Roxygal will result in a deemed repayment of \$800,000 owing by the Company under the amended AFSG Loan.
Summary of the material terms of the agreement under which the Shares and Options are issued	The material terms of the amended AFSG Loan are set out in Section 1.2 of this Explanatory Memorandum.

5.5 *Voting exclusion statement*

A voting exclusion statement with respect to Resolution 4 is included in the Notice of Meeting.

5.6 *Board recommendation*

The Directors, with Steven Taurig abstaining, unanimously recommend that Shareholders vote in favour of Resolution 4.

ENQUIRES

All enquiries in relation to the contents of the Notice of Meeting or this Explanatory Memorandum should be directed to the Company Secretary:

Alistair Clarkson
Company Secretary
Booktopia Group Limited
Email: alistairc@booktopia.com.au

GLOSSARY

AFSG Asset Management	AFSG Asset Management Pty Ltd ACN 620 986 423.
AFSG Amendment Deed	Has the meaning given to that term in Section 1 of the Explanatory Memorandum.
AFSG Loan	Has the meaning given to that term in Section 1 of the Explanatory Memorandum.
ASX	ASX Limited ACN 008 624 691 or, where the context requires, the Australian Securities Exchange operated by ASX Limited
ASX Listing Rules	The official listing rules of ASX, as amended or waived from time to time.
Associate Board	Has the meaning given to that term in ASX Listing Rule 19.12. Board of Directors of the Company and, where applicable, includes a committee of the Directors.
Chair	The chairperson of the Meeting.
Company	Booktopia Group Limited ACN 612 421 388.
Company Secretary Corporations Act	The company secretary of the Company. <i>Corporations Act 2001</i> (Cth).
Directors	The directors of the Company.
Explanatory Memorandum	The explanatory memorandum accompanying this Notice of Meeting.
Investor Presentation	The investor presentation in respect of the Placement, announced to the ASX on Monday, 10 July 2023.
Joint Lead Managers	Has the meaning given to that term in Section 1 of the Explanatory Memorandum.
Meeting	The extraordinary general meeting of Shareholders of the Company convened by this Notice of Meeting.
Next Gen CFC	The customer fulfilment centre located at Building 2, The Junction Industrial Park, 34-38 Cosgrove Road, Enfield, NSW 2136.
Notice of Meeting	This Notice of Extraordinary General Meeting, including the Explanatory Memorandum.
Option	An option to purchase a Share on the terms and conditions set out in the Explanatory Memorandum.
Placement	Has the meaning given to that term in Section 1 of the Explanatory Memorandum.
Professional Investor	Has the meaning given to that term in section 708(11) of the Corporations Act.
Related Party	Has the meaning to that term in the Corporations Act or the ASX Listing Rules (as appropriate).
Resolution	A resolution referred to in the Notice of Meeting.
Roxygal Share	Roxygal Pty Ltd ACN 612 474 638 as trustee for the Benten Trust. A fully paid ordinary share in the capital of the Company.
Share Registry	Link Market Services Limited.
Shareholder	A person who holds Shares in the Company.
Sophisticated Investor	Has the meaning given to that term in section 708(8) of the Corporations Act.
Tony Nash Enterprises	Tony Nash Enterprises Pty Ltd ACN 144 690 095 as trustee of the A L Nash Family Trust.

Tranche 1

Has the meaning given to that term in Section 1 of the Explanatory Memorandum.

Tranche 2

Has the meaning given to that term in Section 1 of the Explanatory Memorandum.

ANNEXURE A: MATERIAL TERMS OF THE OPTIONS

The material terms of the Options are as follows:

(a) Consideration

Each Option is issued for nil consideration.

(b) Entitlement

Each Option entitles the holder to be issued one Share upon exercise of the Option.

(c) No quotation

No application will be made for quotation of any Option.

(d) Exercise Price

The amount payable upon exercise of each Option is \$0.23 (**Exercise Price**).

(e) Expiry Date

Each Option expires at 5.00pm (Sydney time) on the date that is two years after the date of issue (**Expiry Date**). An Option not exercised prior to 5.00pm on the Expiry Date will automatically lapse.

(f) Notice of Exercise

The Options may be exercised at any time prior to 5.00pm on the Expiry Date by notice in writing to the Company (**Notice of Exercise**). The Notice of Exercise must state the number of Options exercised, the number of Shares to be issued, and the identity of the proposed holder of Shares. Payment of the Exercise Price for each Option being exercised must be made in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds.

(h) Shares issued on exercise

Each Share issued upon the exercise of an Option will rank equally in all respects with the then fully paid ordinary shares on issue in the Company.

(i) Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues or pro-rata issues of capital offered to Shareholders during the term of the Options.

(k) Transferability

The Options are non-transferable.

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Booktopia Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Booktopia Group Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **2:00pm (Sydney time) on Wednesday, 16 August 2023 at the Booktopia Office, Level 6, 1A Homebush Bay Drive, Rhodes NSW 2138** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Ratification of Shares and Options issued under Tranche 1 of the Placement

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Approval of the issue of Shares and Options to Antony Nash

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Approval of the issue of Shares and Options under Tranche 2 of the Placement

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Approval of the issue of Shares and Options to Steven Traurig

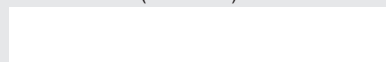
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



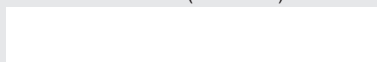
* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

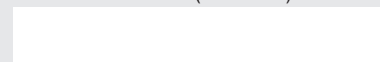
Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BKG PRX2301A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (Sydney time) on Monday, 14 August 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Booktopia Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**