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Close the Loop Limited (ASX:CLG) ACN 095 718 317

Supplementary Notice of Meeting and Explanatory Statement

Date of Meeting: Friday, 21 April 2023

Time of Meeting: 11.00am (Melbourne time)

Place of Meeting: 43-47 Cleeland Road, Oakleigh South, Victoria 3167

NOTE: THE DATE, TIME AND LOCATION OF THE MEETING HAVE NOT CHANGED

This document supplements the Notice of Meeting and Explanatory Statement issued by CLG on 20 March 2023.

If, after reading this document, you have any questions, please contact CLG for more information or alternatively seek independent professional advice on any aspects of which you are not certain.

Important Notices

General

This Supplementary Notice of Meeting and Explanatory Statement is dated 19 April 2023. It is supplementary to and should be read in conjunction with the Original Notice of Meeting and Explanatory Statement dated 20 March 2023. Both documents relate to the general meeting of Shareholders to be held on 21 April 2023.

Interpretation

Capitalised terms used in this document have the meaning given to them in the Glossary of the Original Notice of Meeting and Explanatory Statement, unless otherwise indicated.

ASIC and ASX

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Supplementary Notice of Meeting and Explanatory Statement.

1 Supplementary Information

This Section provides you with supplementary information to the information included in the Original Notice of Meeting and Explanatory Statement.

1.1 Change to the timing of issue of the Subscription Shares Tranche 2

As noted in the Original Notice of Meeting and Explanatory Statement, under the terms of the Sale & Purchase Agreement that was signed by CLG and other parties on 15 March 2023, the parties agreed to the issue of US\$11,000,000 worth of new Shares to the Vendors of ISP and CTC at an issue price of A\$0.3708 per Share (being a total of 44,616,616 new Shares).

Originally, it was intended to issue the new Shares to the Vendors of ISP and CTC in 2 tranches, with US\$10,000,000 worth of new Shares (being 40,560,560 new Shares) to be issued at completion of the Acquisition (**Subscription Shares Tranche 1**) and US\$1,000,000 worth of new Shares (being 4,056,056 new Shares) to be issued in April/May 2024 (**Subscription Shares Tranche 2**).

As it was proposed to issue the Subscription Shares Tranche 2 more than 3 months after the date of the general meeting of Shareholders called under the Original Notice of Meeting and Explanatory Statement, the issue of the Subscription Shares Tranche 2 at this time was subject to receipt by CLG of a waiver from ASX of the application of ASX Listing Rule 7.3.4.

ASX has decided to not grant the waiver and this has necessitated the bringing forward of the timing of the issue of the Subscription Shares Tranche 2, as outlined in section 1.2 below.

1.2 Subscription Shares Tranche 2 new issue date

The parties to the Sale & Purchase Agreements have agreed to vary and amend the relevant transaction documents to provide for the issue of the 4,056,056 Subscription Shares Tranche 2 to take place on 18 July 2023 (rather than in April/May 2024).

In order to account for the earlier than originally agreed timetable for the issue of the Subscription Shares Tranche 2, the parties have agreed that the Subscription Shares Tranche 2 will be subject to voluntary escrow, as outlined in section 1.3 below.

1.3 Voluntary escrow of Subscription Shares Tranche 2

Under the original Sale & Purchase Agreements, the Subscription Shares Tranche 1 are subject to escrow for a period of 12 months from the date of completion of the Acquisition. This has not changed.

Having regard to the original intended date of issue of the Subscription Shares Tranche 2 in April/May 2024, it was determined by CLG that there would be no benefit to Shareholders to have those Shares subject to voluntary escrow. However, with the issue date of the Subscription Shares Tranche 2 now being brought forward by around 9 months, CLG has determined, and the Vendors of ISP and CTC have agreed, that the Subscription Shares Tranche 2 should be subject to voluntary escrow until the first anniversary of completion of the Acquisition, as is the case with the Subscription Shares Tranche 1.

1.4 No other changes to the terms of the Acquisition

It is important to note that apart from the changes referred to above, there are no other changes to the Acquisition. There are also no changes to the Original Notice of Meeting or the original Proxy Form, which are included in this Supplementary Notice of Meeting and Explanatory Statement for completeness.

Shareholders are reminded to read this Supplementary Notice of Meeting and Explanatory Meeting in conjunction with the Original Notice of Meeting and Explanatory Memorandum.

Notice of meeting

Notice is given that a general meeting of Shareholders will be held at 43-47 Cleeland Road, Oakleigh South, Victoria 3167 at 11.00am (Melbourne time) on Friday, 21 April 2023.

The business to be considered at the Meeting is set out below. Information on the resolutions to which the business relates is contained in the explanatory statement.

This Notice of Meeting should be read in conjunction with the explanatory statement. This Notice of Meeting and explanatory statement is not investment advice. You should seek your own financial and professional advice before making any decision on how to vote at the Meeting.

Terms used in this Notice of Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary at the end of this document.

1 Business

Resolution 1 – Ratification of the issue of Shares under the Placement Tranche 1

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the issue by the Company under the Placement Tranche 1 to be completed on 23 March 2023 of 80,000,000 Shares at an issue price of \$0.33 per Share to sophisticated and professional investors, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

Resolution 2 – Approval of the issue of Shares and Convertible Notes to the Vendors

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve and agree to the issue of 44,616,616 Shares and 15,000,000 Convertible Notes to the Vendors under the Sale & Purchase Agreements, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

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

To consider and, if thought fit, to pass the following as an ordinary resolution:

"THAT, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve and agree to the issue of 56,363,363 Shares at an issue price of \$0.33 per Share to sophisticated and professional investors, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."

2 Voting exclusion statements

Resolution 1 – Ratification of the issue of Shares under the Placement Tranche 1

CLG will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who has participated in, or obtained a material benefit as a result of, the issue of the Placement Shares Tranche 1 under the Placement Tranche 1 or any associate of that person.

Resolution 2 – Approval of the issue of Shares and Convertible Notes to the Vendors

CLG will disregard any votes cast in favour of Resolution 2 by or on behalf of any Vendor (or any of their associates).

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

CLG will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who has participated in the issue of the Placement Shares Tranche 2 under the Placement Tranche 2 or any associate of that person.

All Resolutions

With respect to each of the voting exclusions above, CLG need not disregard a vote cast in favour of a Resolution by a person excluded if:

- (a) it is cast by a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) it is cast by the Chairman as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (c) it is cast 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 the Resolution; and
 - (ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

3 Majorities required for the Resolutions to be passed

Each Resolution will be passed if more than 50% of the votes cast on that Resolution (either virtually, by proxy, by attorney or by corporate representative) are in favour of that Resolution.

4 Entitlement to vote

CLG has determined, in accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, that the Shareholders entitled to attend and vote at the Meeting shall be those persons who are recorded on the register of members at 7.00pm (Melbourne time) on Wednesday, 19 April 2023. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting

5 All Resolutions by Poll

The Chairman intends to call a poll on each of the Resolutions proposed at the Meeting. Consequently, each Resolution considered at the Meeting will be conducted by poll, rather than a show of hands.

6 Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder entitled to vote at the Meeting has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder;

- (c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportional number is specified, each proxy may exercise half of the Shareholder's votes; and
- (d) a Shareholder may specify the way in which the proxy is to vote on the Resolutions or may allow the proxy to vote at its discretion. If the way in which a proxy is to vote on a Resolution is specified by a Shareholder, the proxy may not vote on that Resolution except as specified by the Shareholder.

7 Voting of proxies

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting.

A member who is entitled to vote at the Meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; or
- (b) one or two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded.

A proxy need not be a member of CLG.

If you require an additional proxy form, CLG will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by CLG, at least 48 hours before the time for holding the Meeting (i.e. by no later than 11.00am (Melbourne time) on Wednesday, 19 April 2023, at:

- (a) By post:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia;
- (b) By mobile:
Scan the QR Code on your Proxy Form and follow the prompts;
- (c) Online:
Shareholders may submit their proxy instructions online to the Company's Share Registry by visiting www.investorvote.com.au/clg;
- (d) By hand:
Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067
Australia;
- (e) By fax:
1800 783 447 within Australia or
+61 3 9473 2555 outside Australia.

Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or CLG's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed

how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of the item on a poll.

8 Voting by corporate representatives

Corporate Shareholders or proxies wishing to vote by corporate representative should obtain an appointment of corporate representative form from the Share Registry and complete and sign the form in accordance with the corporate Shareholder's constitution or by a duly authorised attorney.

The corporate representative form and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be received by before the start or resumption of the meeting at which the representative is to vote, by post in the reply paid envelope provided.

9 How the Chairman will vote undirected proxies

If you return your Proxy Form but do not nominate a proxy, the Chairman will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the meeting then your proxy will revert to the Chairman and he will vote on your behalf as you direct on the Proxy Form.

If a proxy is not directed how to vote on an item of business or Resolution, the proxy (including, if applicable, the Chairman) may vote, or abstain from voting, as they think fit.

If you appoint the Chairman as your proxy (or if the Chairman is appointed by default) and do not direct the Chairman how to vote on a particular Resolution, the Chairman will vote your proxy in favour of that item of business, even if the Chairman has an interest in the outcome of that particular Resolution and votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

By order of the Board



Mr Marc Lichtenstein
Company Secretary

20 March 2023