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The Company and the Directors, whose names are set out on page 6, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority.

Falanx Cyber Security Limited

(Incorporated and registered in the British Virgin Islands with registered number 1730012)

Proposed disposal of the issued share capital of Falanx Cyber Defence Limited and its subsidiary Falanx Cyber Technologies Limited and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of Falanx Cyber Security Limited (the “Company”) set out in this document in which the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting. The action to be taken in respect of the General Meeting is set out in the letter from the Chairman of the Company.

A notice convening a General Meeting of the Company to be held at the offices of Blake Morgan LLP, Apex Plaza, Forbury Road, Reading RG1 1AX at 9.30 a.m. on 27 November 2023 is set out at the end of this document.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has not been any change in the affairs of the Company since the date of this document or that the information is correct as of any subsequent time.

No representation, responsibility or warranty, expressed or implied, is made by Falanx Cyber Security Limited or any of its respective directors, officers, employees or agents as to any of the contents of this document in connection with the Disposal or any other matter referred to in this document.

Copies of this document and the Form of Proxy will be available on the Company’s website <https://falanxcyber.com/aim-rule-26/>.

This document is dated 9 November 2023.

IMPORTANT INFORMATION

Cautionary note regarding forward-looking statements

This document may contain statements about the Company that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, “would”, “could”, “continue”, “potential” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of the Company. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of the Company at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

No incorporation of website information

The contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All references to legislation in this document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

Shareholders should not construe the contents of this document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2023</i>
Announcement of the proposed Disposal	9 November
Publication and posting of this document and Form of Proxy	9 November
Latest time for receipt of Form of Proxy	23 November
General Meeting	27 November

Notes:

- i. References to times in this document are to London time (unless otherwise stated).*
- ii. If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement by RNS.*
- iii. The timing of the events in the above timetable and in the rest of this document is indicative only.*

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context requires otherwise or unless it is otherwise specifically provided:

“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Announcement”	the announcement of the Disposal made by the Company on 9 November 2023
“Articles”	the memorandum and articles of association of the Company
“Change of Name”	the proposed change of name of the Company to Cloudified Holdings Limited further details of which are set out in paragraph 10 of the Letter of the Chairman
“Company” or “Fal anx”	Falanx Cyber Security Services Limited a limited company incorporated in the British Virgin Islands with registered number 1730012 and with its registered office at PO Box 173, Maples Corporate Services (BVI) Limited, Kingston Chambers Road Town, Tortola, British Virgin Islands
“Completion”	completion of the Disposal on the terms set out in the Disposal Agreement
“Consideration”	the gross consideration, before the repayment of debt and other adjustments, payable by the Purchaser to the Company for the Disposal amounting to £4.2 million
“Continuing Directors”	Alex Hambro and Ian Selby
“Cyber Division”	the businesses of FCD and FCT
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof
“Disposal”	the proposed sale of the entire issued share capital of Falanx Cyber Defence Limited and its subsidiary Falanx Cyber Technologies Limited in accordance with the terms of the Disposal Agreement
“Disposal Agreement”	the agreement dated 8 November 2023 made between the Company and the Purchaser, relating to the sale and purchase of the entire issued share capital of Falanx Cyber Defence Limited
“Falanx Cyber Defence”	Falanx Cyber Defence Limited, a limited company number incorporated in England and Wales with registered number 08224292 and with its registered office at The Blade, Abbey Square, Reading, England, RG1 3BE
“Falanx Cyber Technologies”	Falanx Cyber Technologies Limited, a limited company number incorporated in England and Wales with registered number 10590204 and with its registered office at The Blade, Abbey Square, Reading, England, RG1 3BE
“FCD and FCT”	Falanx Cyber Defence and Falanx Cyber Technologies

“Form of Proxy”	the form of proxy for use in connection with the General Meeting, copies of which are available on the Company’s website: https://falanxcyber.com/aim-rule-26/
“Group”	the Company and its subsidiaries and subsidiary undertakings at the date of this document
“General Meeting”	the general meeting of the Company convened for 9.30 a.m. on 27 November 2023
“Notice”	the notice of the General Meeting of Shareholders set out at the end of this document
“Ordinary Shares”	ordinary shares of nil par value in the capital of the Company
“Purchaser”	Thetis Bidco
“Resolutions”	the resolutions to be proposed to the Company’s Shareholders at the General Meeting
“Shareholders”	the holders of Ordinary Shares
“Thetis Bidco”	Thetis Bidco Limited, a limited company number incorporated in England and Wales with registered number 13152295 and with its registered office at Ropemaker Place, 28 Ropemaker Street, London, United Kingdom, EC2Y 9HD
“WH Ireland”	WH Ireland Limited, nominated adviser and broker to the Company
“£”, “pounds sterling”, “pence” or “p”	are references to the lawful currency of the United Kingdom

PART I LETTER FROM THE CHAIRMAN

Falanx Cyber Security Limited

(Incorporated and registered in the British Virgin Islands with registered number 1730012)

Directors:

*Alex Hambro, Non-Executive Chairman
Mike Read, Chief Executive Officer
Ian Selby, Chief Financial Officer
Rick Flood, Executive Director
William Kilmer, Non- Executive Director
Emma Shaw, Non- Executive Director*

Registered Office:

*PO Box 173
Maples Corporate Services (BVI) Limited
Kingston Chambers Road Town
Tortola
British Virgin Islands*

9 November 2023

1. Introduction

Further to its announcement of 20 September 2023, the Company has today announced that it has entered into a conditional agreement to dispose of its cyber security businesses. This will be achieved by the sale of its wholly owned operating subsidiary, Falanx Cyber Defence Limited (“FCD”) and its wholly owned operating subsidiary Falanx Cyber Technologies Limited (“FCT”) (together the “Cyber Division”), to Thetis Bidco Limited for an enterprise value of £4.2 million payable, subject to working capital, net debt and intercompany balance adjustments, in cash.

In view of the size and the fundamental nature of the Cyber Division (being the only trading subsidiaries of the Company), it is a requirement of the AIM Rules that the Disposal be approved by Shareholders at a general meeting of the Company. The Disposal is therefore conditional on the passing of Resolution 1 to be proposed at the General Meeting.

In light of the Disposal, the Directors are also proposing to change the name of the Company and to make various amendments to the Articles, details of which are set out in paragraphs 10 and 11, respectively.

The purpose of this document is to provide Shareholders with further details of the Disposal, the Change of Name and the proposed amendments to the Articles. Moreover, the document sets out the Directors reasons for considering that the proposals are in the best interests of Shareholders as a whole and recommend you vote in favour of the Resolutions, which are required to be passed in order for them to be implemented. The notice of the General Meeting is set out at the end of this document.

The Company has received irrevocable undertakings to vote, or procure a vote, in favour of Resolutions from the Directors in respect of, in aggregate, 279,644 Ordinary Shares representing approximately 5.3 per cent. of the Company’s existing issued ordinary share capital.

In addition, the Company has received letters of intent from certain institutional which together hold, or are able to control voting in respect of Ordinary Shares, to vote, or procure a vote, in favour of the Resolutions in respect of, in aggregate, 983,650 Ordinary Shares, representing approximately 18.7% per cent. of the Company’s existing issued ordinary share capital.

2. Information on Thetis Bidco

Thetis Bidco is a private company limited by shares, incorporated on 22 January 2021. It is a wholly-owned indirect subsidiary of Thetis Topco Limited, which itself is a subsidiary of Macquarie Capital Principal Finance, a division of Macquarie Group Limited. The other shareholders of Thetis Topco Limited include Wavenet management. Thetis Bidco is also a non-trading holding company of the Wavenet Group, including Wavenet Limited and Adept Technology Group Limited. The directors of Thetis Bidco are William (Bill) Dawson, Venetia Cooper, Philip Grannum, and Stewart Motler.

Formed in 2000 and acquired by Macquarie Capital Principal Finance, a division of Macquarie Group Limited in 2021, Wavenet is a multi-award-winning provider of telecoms and technology solutions to over 20,000 business and enterprise customers across the UK. Wavenet is a Microsoft Solutions Partner, HPE Gold Partner, Extreme Networks Diamond Partner and holds Platinum Partner status with Mitel and Avaya. Mitel have awarded the business the Mitel Public Sector 2022 Partner Award. Wavenet has multiple office locations across the United Kingdom and employs c.900 people.

3. Information on the Company and the Cyber Division

The Company has been solely focused on cyber security service provision following the disposal of its Assynt Strategic Intelligence Division ("Assynt") in October 2021. The Cyber Division offers a full-service cyber security portfolio covering both offensive and defensive services, providing security assessments, training, social engineering, penetration testing and managed detection and response services to a wide range of customers in the UK and overseas. The Cyber Division has a fully functional security operations centre ("SOC") in Reading, UK. The Company invested in the growth of the Cyber Division due to the attractive potential growth opportunities offered by in Cyber Security market.

The SOC service has a business model where revenues are generated by annual contracts with monthly payments for the monitoring of clients' security and this generates monthly recurring revenue ("MRR"). The SOC has a relatively high fixed costs, which include technology platform, people, infrastructure and premises, but given a sufficient critical mass it has high operational leverage with the vast majority of incremental MRR flowing to profit and cash flow. The development of MRR has been a key strategy to create value as it leads to higher quality revenues and consequent valuations. In order to grow this, the Cyber Division made significant investments in FY22 and FY23 in sales expansion and incremental services to deliver against this opportunity. The business had reworked its SOC offering away from legacy technology in 2021 to use the Elastic technology platform for the basis of its service delivery and it was believed this solution would help better fit clients' needs.

4. Results of year ended 31 March 2023 and current trading

On 29 June 2023, the Company provided an update for the year ended 31 March 2023 ("FY23"). It was announced that total revenues for FY23 are expected to be c.£3.8m (2022: c.£3.5m) representing organic growth of c.9 per cent. year on year. The Group also announced that it had experienced steady growth on penetration testing revenues of 5 per cent. and strong growth in SOC monitoring revenues which grew by c.21 per cent. compared to FY22. Total SOC order values (New Logo, Renewals, Uplifts & extensions) were up by 58 per cent. on FY22, reflecting the continual achievement of service excellence (with a strong Net Promoter Score of over 80 per cent.). This resulted in a growing volume of SOC clients through high annual renewal levels as well as growth in the estate coverage of individual clients.

Trading for the six months to 30 September 2023 is set out below. Revenues have grown by c.3 per cent. compared to the previous year although business won has increased by some 16%. MRR revenues have shown some growth, but this is at a much lower rate than the Divisions had targeted. Adjusted EBITDA losses have been halved due to cost cutting and the receipt of a historic R&D tax credit of c.£0.3m.

	6 Months to 30 September 2023 Unaudited	6 Months to 30 September 2022 Unaudited	Year to 31 March 23 Unaudited	Year to 31 March 2022 Audited
Revenue £'m	1.84	1.78	3.79	3.54
Gross margin %	38	36	36	41
Adjusted EBITDA £'m	(0.58)	(1.18)	(1.64)	(1.27)
Cash outflow £'m (*)	(0.63)	(1.49)	(2.46)	(2.48)
Net (debt)/ cash £'m	(1.65)	(0.55)	(1.26)	1.00

As a result of focussing on the proposed Disposal, the Company has not yet completed the audit of, or therefore published, its results for the year ended 31 March 2023 ("FY23 Accounts"). Consequently, as a result of the Company having not yet published its FY23 Accounts by 30 September 2023 (as required by AIM Rule 19), its shares were suspended with effect from 7.30 a.m. on 2 October 2023. The Directors

do not expect the FY23 Accounts to be published until and unless a reverse takeover transaction is undertaken. Trading in the Company's shares will remain suspended until the FY23 Accounts have been published.

5. Background and reasons for recommending the Disposal

As set out in paragraph 4 above, the Group expects to report a loss for both the year ended 31 March 2023 ("FY23") and for the six months to 30 September 2023. During those periods, the Group has been cash consumptive. While the Group has grown revenue in FY23, and as outlined above, the rate of growth has not been as strong as the Directors had expected. As a result the Directors do not believe the Group can become profitable and cash generative without a significant further injection of capital in the form of equity and/or debt to enable the SOC business to grow and compete more effectively in its marketplace.

The Group's existing debt with Growth Lending 2021 Limited is fully secured on the Group's assets, and therefore the Directors do not believe there is a realistic prospect of securing additional debt on reasonable terms. In addition, given the current depressed state of the equity markets, particularly for micro-cap companies such as Falanx, the Directors believe, having consulted with its advisers and certain major shareholders, that securing the necessary equity funds would be very difficult and, if possible at all, would most likely only be achievable at a very significant discount to the Company's market price and would therefore be very dilutive for any shareholder who did not participate. Furthermore, an investment may only help extend the runway and the changes in the marketplace above may still mean that the Company does not grow enough on a stand-alone basis to achieve profitable growth or to become self-sustaining. Consequently, the Directors consider that the interests of Shareholders and other stakeholders will be best served by the Company proceeding with the Disposal.

The Directors believe that, given the financial position of the Company, and the wider continuing economic uncertainty, the interests of the Cyber Division and its stakeholders will be best served as part of a larger group outside the public arena and without the considerable cost, management time and the legal and regulatory burden associated with maintaining the Company's AIM quotation.

Having undertaken a comprehensive sales process led by external advisors, the Directors have agreed the terms of the sale of the Group's Cyber Division, to Thetis Bidco for an enterprise value of £4.2 million payable in cash upon Completion.

Following the Disposal, the Company will continue to be quoted on AIM as a Rule 15 cash shell (subject to the restrictions noted under paragraph 9 'Future Strategy') which may provide opportunities to create and deliver enhanced shareholder returns.

Shareholders should note that if the Disposal is not approved at the General Meeting, the future of the Company will become very uncertain and without an immediate injection of new equity or unsecured debt the Company may be unable to continue to trade.

6. Principal terms of and conditions of the Disposal Agreement and the Transitional Services Agreement ("TSA")

Subject to the terms of the conditional Disposal Agreement, entered into by the Company (as seller) and Thetis Bidco (as buyer) on 8 November 2023, the Company is proposing to sell to Thetis Bidco the entire issued share capital of FCD and (indirectly) FCT for an enterprise value of £4.2m (subject to a working capital, net debt and intercompany balances adjustment, which will reduce the actual consideration received by the Company as demonstrated in paragraph 7 ('Use of consideration proceeds') below).

The Disposal Agreement:

- is conditional upon shareholder approval (by way of passing Resolution 1 to be proposed at the General Meeting) with completion expected to occur within approximately 14 days from the passing of Resolution 1.

- contains the usual buyer protections for this type of transaction, such as warranties (including tax warranties and a tax covenant) with such warranties being insured by warranty and indemnity insurance with the Company's liability (subject to certain limitations) being capped at £1.
- contains other customary and commercially negotiated terms agreed between the parties in relation to the Disposal.

Should Resolution 1 not be passed at the General Meeting, the Disposal Agreement will terminate and the Company will be liable to pay £250,000 to Thetis Bidco as liquidated damages to cover, inter alia, some of its deal costs.

The Company will also enter into a transitional services agreement ("TSA") with Thetis Bidco under which it shall provide limited back office services to Thetis Bidco for a period of up to 4 months from completion of the Disposal. The Company expects to receive aggregate fees of approximately £25,000 under the TSA.

The lease of the Company's premises (being situated at the Blade, Abbey Square, Reading, RG1 3BD) is, conditional on Completion of the Disposal, also to be assigned to Wavenet Limited (a member of Thetis Bidco's corporate group).

7. Use of consideration proceeds

The Company will use the proceeds of the deal to settle liabilities and effectively close the operational side of the remaining business (as shown in the table below, which apart from the enterprise value are estimates).

	£'m	
Enterprise value	4.20	
Debt repayment, net debt & working cap	c(2.60)	<i>Debt repayment, creditor backlog, adjustments for cash/debt like items, various net working capital items</i>
Deal fees and other costs	c(0.54)	
Parent company close down	c(0.71)	<i>Principally redundancies</i>
Expected remaining Cash	c0.35	

8. Board changes

On completion of the Disposal, Mike Read, Rick Flood, William Kilmer and Emma Shaw will all resign as Directors of the Company. Their employment contracts will be terminated with settlement agreements, and each of them will be paid out. The Continuing Directors will continue as directors to focus on the Company's future strategy on reduced remuneration.

9. Future strategy

If the Disposal is approved by Shareholders and completes in accordance with its terms, the Company will move forward as a cash shell in accordance with Rule 15 of the AIM Rules and retain cash balances of approximately £0.35m as outlined above.

The Continuing Directors intend to seek to acquire another company or business in exchange for the issue of Ordinary Shares in a single transaction (a "**reverse takeover**" or "**RTO**"), which will only be able to go forward with Shareholder approval. In considering the Company's future strategy, the Continuing Directors will seek to identify opportunities offering the potential to deliver value creation and returns to Shareholders over the medium to long-term in the form of capital and/or dividends. The Company has identified possible opportunities in technology (financial technology) and other sectors. There is no certainty that these opportunities will lead to a transaction.

The Company will be required to make an acquisition, or acquisitions, which constitute a reverse takeover under AIM Rule 14 on or before the date falling six months from the completion of the Disposal

or be re-admitted to trading on AIM as an investing company under AIM Rule 8. Failing that, the Company's Ordinary Shares will be suspended from trading on AIM pursuant to AIM Rule 40. If the Company's shares remain suspended for six months, admission of the Company's shares will be cancelled.

Pursuant to Rule 14 of the AIM Rules, a reverse takeover transaction would require the publication of an Admission Document in respect of the proposed enlarged entity and would be conditional upon the consent of Shareholders being given at a general meeting.

Market conditions may have a negative impact on the Company's ability to make an acquisition or acquisitions, which would constitute a reverse takeover under AIM Rule 14. There is no guarantee that the Company will be successful in meeting the AIM Rule 14 deadline as described above.

If no suitable acquisitions can be identified on a timely basis, the Continuing Directors will consider appointing a liquidator and entering a members' voluntary liquidation to return any remaining cash to Shareholders. The Directors are seeking Shareholders' approval to amend the Articles to allow such an appointment to be made by the Continuing Directors without recourse to further approval from Shareholders to ensure any such process could be implemented as cost effectively and quickly as possible.

10. Change of Name

To reflect the new direction of the Company, the Board is proposing to change the name of the Company. Under the Company's Articles of Association, a change of name requires the passing of a resolution of Shareholders. Therefore, a resolution will be put to the General Meeting to approve the Company's change of name to: "Cloudified Holdings Limited".

If Resolution 2 is approved, the change of name will be effective once the BVI Registrar of Corporate Affairs has issued a certificate of change of name (the "Effective Date"). This is expected to occur in early December 2023. It is further noted that, in accordance with section 23(2) of the BVI Business Companies Act (As Revised), the Articles are deemed to be amended to state the Change of Name with effect from the Effective Date. The tradeable instrument display mnemonic ("TIDM") of the Company is expected to change to "CHL" and is expected to become effective in early December 2023.

11. Amendments to the Articles

To enable the Board to initiate winding up proceedings without requiring further Shareholder approval and to remove the requirement for the Company to have an annual general meeting, the Company proposes to amend the Articles.

If Resolution 3 is approved, the amendments to the Articles will be effective once they have been filed with the BVI Registrar of Corporate Affairs. This is expected to occur in early December 2023. The articles are being varied to remove the need for an AGM in the near term, but should the Company enter into an RTO then a general meeting will be called and audited accounts presented.

12. General Meeting

Set out at the end of this document is a notice convening a General Meeting of the Company to be held at the offices of Blake Morgan LLP, Apex Plaza, Forbury Road, Reading RG1 1AX at 9.30 a.m. on 27 November 2023. The Notice of General Meeting sets out the proposed Resolutions to approve the Disposal Agreement, the Change of Name and the amendments to the Articles upon which Shareholders will be asked to vote.

To become effective the Resolutions require passing by a simple majority at a meeting of such Shareholders.

13. Action to be taken

Shareholders will find on the Company's website a Form of Proxy for use in connection with the General Meeting. To be valid, the Form of Proxy should be completed and returned in accordance with the

instructions thereon so as to be received by Computershare Investor Services (BVI) Limited, The Pavilions, Bridgwater Road BS99 6ZY as soon as possible and in any event not later than 48 hours before the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wish.

14. Recommendation

The Directors unanimously recommend Shareholders to vote in favour of the Resolutions, as they irrevocably committed to do in respect of their shareholdings amounting in aggregate to 279,644 Ordinary Shares representing 5.3 per cent. of the Company's total voting rights.

NOTICE OF GENERAL MEETING

Falanx Cyber Security Limited

(the "Company")

(Incorporated and registered in the British Virgin Islands with registered number 1730012)

NOTICE IS HEREBY GIVEN that a General Meeting of Falanx Cyber Security Limited ("the **Company**") will be held at the offices of Blake Morgan LLP, Apex Plaza, Forbury Road, Reading RG1 1AX on 27 November 2023 at 9.30 a.m. to consider, and if thought fit, pass the resolutions of members specified below.

Resolutions of Members

That the following resolutions be considered as resolutions of members:

Resolution 1: Disposal

THAT the disposal of the Company's subsidiary Falanx Cyber Defence Limited (and indirectly Falanx Cyber Technologies Limited) (the "Disposal") on the terms set out in the paragraph headed "Principal terms and conditions of the Disposal Agreement" in the circular to shareholders of the Company dated 9 November 2023 (of which this notice forms part) and related documentation to be entered into in connection with the Disposal, be and are hereby approved with such minor amendments as the Directors may approve, and the Directors or any duly authorised committee of the Directors be hereby authorised to take all steps necessary or desirable to complete the Disposal.

Resolution 2: Change of Name

THAT the name of the Company be changed to Cloudified Holdings Limited.

Resolution 3: Amendment to the Articles

THAT the Articles be amended by deleting Articles 15.1, 15.2, 15.4, 16.1, 16.2, 32.1 and 32.2 in their entirety and replacing them with:

"15.1 The Directors may, but shall not be obliged to, convene a meeting of the Members in every calendar year and, where called, shall designate such meeting as the annual general meeting of the Company (and specifying the meeting as such in the notice convening the meeting), at such time and place (within or outside the British Virgin Islands) as the Directors consider necessary or desirable.

15.2 Subject to the provisions of the Act, the following items must be put before the Members at any annual general meeting:

- (a) *Receiving the annual reports and accounts;*
- (b) *Declaration of a final dividend (if any is recommended);*
- (c) *Retirement and re-election of Directors as set out in Article 20;*
- (d) *Appointment or re-appointment of the Auditors; and*
- (e) *Fixing the Auditors' remuneration.*

15.4 Any annual general meeting of Members shall be convened (and the notice convening the meeting shall designate it as an annual general meeting) by not less than twenty one (21) days' notice specifying at least the place, the day and the hour of the meeting and, subject to the requirements of (to the extent applicable) the AIM Rules and/or the London Stock Exchange, the general nature of the business to be conducted shall be given in the manner hereinafter mentioned to:

- (f) the Members;
- (g) persons entitled to a Share in consequence of the death or bankruptcy of a Member;
- (h) the Directors; and
- (i) Auditors; and

may specify a time by which a person must be entered on the Register of Members in order for such person to have the right to attend or vote at the meeting (subject to the Uncertificated Securities Regulations if the Company is then a participating issuer for the purpose of the Uncertificated Securities Regulations).

16.1 The Directors may convene meetings of the Members (not being an annual general meeting under Article 15.4) at such times and in such manner and places (within or outside the British Virgin Islands) as the Directors consider necessary or desirable, and they shall convene such a meeting upon the written request of Members entitled to exercise at least thirty (30) percent of the voting rights in respect of the matter for which the meeting is requested.

16.2 Any meeting of Members (not being an annual general meeting under Article 15.4) shall be convened by not less than fourteen (14) days' notice specifying at least the place, the day and the hour of the meeting and, subject to the requirements of (to the extent applicable) the AIM Rules and/or the London Stock Exchange, the general nature of the business to be conducted shall be given in the manner hereinafter mentioned to:

- (a) the Directors; and
- (b) Auditors; and

may specify a time by which a person must be entered on the Register of Members in order for such person to have the right to attend or vote at the meeting (subject to the Uncertificated Securities Regulations if the Company is then a participating issuer for the purpose of the Uncertificated Securities Regulations).

33. Winding Up

33.1 The Company may be voluntarily liquidated under Part XII of the Act if it has no liabilities and it is able to pay its debts as they become due. A liquidator may, subject to the terms of the Act, be appointed by a Resolution of Directors or by a Resolutions of Members.

33.2 A voluntary liquidator may be appointed by a Resolution of Directors, without the need for any further approval by the Members, following the completion of the disposal of the Company's subsidiary, Falanx Cyber Defence Limited (the "Disposal"), upon either (i) the passing of a Resolution of Directors determining not to undertake a reverse takeover, the passing of such Resolution of Directors being an event that shall terminate the existence of the Company for the purposes of section 199(2)(b) of the

Act; or (ii) the expiration of 24 months from the date of the Disposal without a reverse takeover having been consummated by the Company, being the expiration of the time specified for the Company's continued existence for the purposes of section 199(2)(a) of the Act.

33.3 *If the Company shall be wound up, the liquidator may divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any such property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator shall think fit, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability."*

Notes:

1. The Company specifies that only those members registered in the register of members of the Company at the close of business two days before the meeting or any adjournment thereof, shall be entitled to attend, speak or vote at the meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the relevant register of securities later than this shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting.
2. Information regarding the meeting can be found at the Company's website www.falanxgroup.com, including information on the number of shares and voting rights.
3. Any member who is entitled to attend and vote at this meeting is entitled to appoint one or more persons as proxies to attend, speak and vote on their behalf at the meeting or any adjournment of it. A proxy need not be a member of the Company. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form.
4. A form of proxy is provided on the Company's website <https://falanxcyber.com/aim-rule-26/>. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holders name and number of shares in relation to which they authorised to act as your proxy. Please also indicate if the proxy is one of multiple instructions being given.
5. All forms must be signed and should be returned together in the same envelope. To be valid, a form of proxy together with any power of attorney or other authority under which it is executed or a copy thereof certified notarially or as the Directors shall accept must be lodged at the Company's registrars – Computershare Investor Services (BVI) Limited, The Pavilions, Bridgwater Road BS99 6ZY, so as to arrive not later than 48 hours before the start of the meeting. Completion of the form of proxy will not affect the right of a member to attend, speak and vote at the meeting.
6. Any corporate entity which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
7. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which their names stand on the register of members of the Company.
8. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information; or (ii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.