

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

28 October 2024

Cloudified Holdings Limited

("Cloudified" or the "Company")

**Subscription &
Notice of General Meeting**

Cloudified, an AIM quoted cash shell is pleased to announce that it has conditionally raised £500,000 (before expenses), through a subscription for 9,615,385 new Ordinary Shares at an issue price of 5.20 pence per new Ordinary Share. The Company intends to use the net proceeds of the Subscription, together with the Company's existing cash resources to pursue the Acquisition which will constitute a reverse takeover, pursuant to Rule 14 of the AIM Rules ("RTO").

The Company, in conjunction with Salonica Capital has identified an acquisition target in the media and entertainment sector, and indicative relative valuations between the acquisition target and the Company have been agreed. However, no formal transaction process will commence until the completion of the Subscription and, as in any transaction process, there can be no absolute certainty that it will be successfully completed.

Salonica GP has conditionally agreed to subscribe for the Subscription Shares pursuant to the Subscription Letter, to support the execution of a possible RTO introduced by Salonica Capital. Salonica GP is the general partner of Salonica Play and Salonica Capital is the investment adviser to Salonica GP.

Pursuant to the terms of the Subscription, Salonica GP is entitled to appoint two directors to the board of the Company and has nominated the Proposed Directors. Subject to completion of the Subscription, the Company intends to appoint Othman Shoukat Majid and Richard Collett, further details are set out below.

The Subscription Shares will represent approximately 64.6 per cent. of the Enlarged Share Capital. The Issue Price of 5.20 pence represents a 131 per cent. premium to the closing mid-market price of 2.25 pence per Ordinary Share on 12 June 2024, being the latest practicable business day prior to the suspension of trading in the Company's Ordinary Shares ("Suspension").

Following completion of the Subscription, Salonica GP and its connected parties will hold 9,615,385 Ordinary Shares representing approximately 64.6 per cent. of the Enlarged Share Capital. Cloudified, as a company registered in the British Virgin Islands, is not subject to the Takeover Code. The Company's Articles nevertheless contain certain provisions similar to those of the Takeover Code, including a provision that any parties acquiring greater than 30 per cent. of the Company's issued share capital should make an offer to all shareholders, unless waived by Independent Shareholders by way of a resolution of Independent Shareholders. All existing Shareholders are considered to be Independent Shareholders for this purpose. As a result, the Subscription is subject to the passing of Resolution 1 of the Shareholders on a poll at a General Meeting of Shareholders to be convened and held on 13 November 2024.

In addition, the Company will require a disapplication of the pre-emption rights contained within the Articles to allot the Subscription Shares. Accordingly, the Subscription is conditional, inter alia, upon Shareholders approving Resolution 2 at the General Meeting. Subject to the passing of the Resolutions, the allotment is expected to occur on or around 14 November 2024 (or such later time and/or date as maybe agreed, being not later than 30 November 2024). Assuming the Resolutions are passed by Shareholders at the General Meeting, the Subscription Shares will rank pari passu in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after the Allotment. Admission of the Subscription Shares to trading on AIM is expected to occur on the earlier of the lifting of the Suspension or when the Company is re-admitted following completion of a reverse takeover.

The Subscription is conditional upon, inter alia, Shareholders approving the Resolutions 1 and 2 at the General Meeting, compliance by the Company and Salonica GP in all material respects with their respective obligations under the Subscription Letter and Allotment.

The Company is seeking an additional limited and routine authority to issue Ordinary Shares on a non pre-emptive basis, over approximately 20 per cent. of the Enlarged Issued Share Capital, by way of Resolution 3.

Ian Selby, Director of Cloudified, commented: "We have spent several months reviewing suitable candidates for a transaction, and I am delighted to be working with Salonica on an exciting opportunity. Its initial investment is at a 131% premium to the current share price, and should the Acquisition proceed as envisaged, the total uplift will be approximately 536%. I am looking forward to Othman and Richard joining the board shortly and working with them on their exciting plan to bring a growth opportunity to the AIM market by way of an RTO in early 2025"

Othman Shokat Majid (Salonica and Proposed Director) said: "We have identified an acquisition target which operates in the international events, broadcast and technology sectors, and the team involved includes high profile industry figures. Our focus is now on completing the necessary workstreams for the RTO. We believe that this Acquisition will generate significant shareholder value over the medium to long term and I look forward to joining the board in November 2024."

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Background and reasons for the Subscription

On 12 December 2023, the Company completed the disposal of Falanx Cyber Defence Limited and Falanx Cyber Technologies Limited (the "**Disposal**") which was approved at the general meeting held on 27 November 2023. As a result the Company became a cash shell pursuant to Rule 15 of the AIM Rules on 13 December 2023. The Company's remaining subsidiaries have been closed or are in the process of being closed.

On 13 June 2024, the Company was suspended as it was not in a position to make an acquisition or acquisitions which constituted a reverse takeover under Rule 14 of the AIM Rules, within six months of becoming an AIM Rule 15 cash shell, in accordance with Rule 15 of the AIM Rules.

Since the Disposal, the Company's strategy has been to identify another company or business to acquire in exchange for the issue of Ordinary Shares in a single transaction (a "**reverse takeover**" or "**RTO**") or, if no suitable acquisition could be identified on a timely basis, to appoint a liquidator and enter a members voluntary liquidation ("**MVL**") and return any remaining cash to Shareholders. In considering the Company's future strategy, the Directors have sought to identify opportunities offering the potential to deliver value accretion to Shareholders over the medium to long-term in the form of capital and/or dividends.

Prior to the introduction to the Acquisition, the Directors have considered numerous opportunities across multiple sectors which did not meet the criteria. Alongside this, Directors also carried out the necessary preparatory work to rapidly execute an MVL, if it became clear it was the optimum means of preserving value for Shareholders. The Directors anticipate that in a MVL process the distribution to Shareholders would be approximately 2.25p per share after taking into account closure costs and liquidators fees.

The Directors therefore believe that the Subscription on its own at an issue price of 5.20 pence per Subscription Share followed by a 7:4 bonus issue of Ordinary Shares should the Acquisition complete (as described below), should deliver an effective value of 14.30 pence per Ordinary Share, creating a better outcome for Shareholders than an MVL. This excludes the potential for the Company to create further value from the Acquisition over the medium to long term.

To support the execution of the Acquisition, Salonica GP has conditionally agreed to subscribe for 9,615,385 Ordinary Shares at an Issue Price of 5.20 pence per Ordinary Share, raising £500,000 (before expenses). The net proceeds of the Subscription, expected to be approximately £410,000 together with the Company's cash balance of £286,255 as at 28 October 2024, is expected to fund the non-contingent costs associated with the execution of the Acquisition and, if appropriate, re-admission to trading on AIM.

The Company, in conjunction with Salonica Capital, has identified an acquisition target in the media and entertainment sector and indicative relative valuations between the acquisition target and the Company have been agreed. If the Acquisition completes, it has been agreed that Shareholders will each receive by way of a bonus issue a further 7 Ordinary Shares for every 4 Ordinary Shares they hold. This would result in an equity value of approximately 14.30 pence per Ordinary Share, delivering an uplift of 536 per cent. on the closing mid-market price of 2.25 pence per Ordinary Share on 12 June 2024.

The Company and Salonica GP intend to complete the Acquisition as soon as possible. However, it is unlikely that the Acquisition will be finalised by 13 December 2024, being the date by which the Company needs to have completed a RTO in accordance with Rule 41 of the AIM Rules. If the Company has not completed a RTO by that date, its admission to trading on AIM is expected to be cancelled on 14 December 2024. Should the Acquisition be successfully completed, the Company can expect to be readmitted to AIM in early 2025. Assuming Shareholders adopt the Resolutions, the audit for the year ended 31 March 2024 will commence and the annual report and the interim results for the six months to 30 September 2024 will be published on or before the completion of the Acquisition.

The Subscription

The Company has entered into a Subscription Letter with Salonica GP, in relation to the Subscription to purchase 9,615,385 Subscription Shares at the Issue Price. The Subscription Letter contains customary conditions. The

5,000,000 Subscription Shares will be issued at the issue price. The Subscription Letter contains customary conditions. The Subscription Shares are expected to be allotted on or around 14 November 2024.

The Subscription is conditional upon, *inter alia*, Shareholders approving the Resolutions 1 and 2 at the General Meeting, and compliance by the Company and Salonica GP in all material respects with their respective obligations under the Subscription Letter and Allotment.

Following completion of the Subscription, Salonica GP and its connected parties will hold 9,615,385 Ordinary Shares representing approximately 64.6 per cent. of the Enlarged Share Capital. As a result Salonica GP has entered into the Relationship Agreement with the Company and Zeus.

Information on the Salonica Group

Salonica GP is the general partner responsible for the management of Salonica Play. Salonica Play is the investment entity that, through its general partner, has conditionally agreed to participate in the Subscription. Salonica GP also acts as the general partner for Salonica Maroon, a limited partnership registered in Jersey which holds investment interests in Creams Café, the UK's market-leading dessert chain with approximately 100 locations, Allegro Foodservice, a prominent UK food manufacturer and distributor, Aaron Wallace, a men's afro-haircare and skincare brand, and Wahed Invest, a consumer fintech company.

Salonica Capital, an FCA authorised and regulated entity, is an independent corporate finance firm providing financial advisory as well as both buy and sell side M&A advisory services. Salonica Capital has been appointed as the investment adviser to Salonica GP.

Information on the Proposed Directors

Othman Shoukat Majid, aged 37

Othman is a seasoned corporate financier and private equity professional with extensive experience in M&A and strategic advisory, specialising in the consumer, sports, entertainment, and leisure sectors. Before joining Salonica in 2016, Othman spent nearly a decade at KPMG in London, where he advised clients on high-profile mergers and acquisitions as part of the deal advisory team. Starting his career at KPMG in 2007, he qualified as a Chartered Accountant. Othman holds a BSc from Bayes Business School and a Master of Studies (MSt) from the University of Cambridge.

Othman will not be considered an independent director on appointment.

Richard Collett aged 48 -Proposed Director

Richard brings a wealth of financial expertise and experience from various sectors, including corporate finance, operational management, and compliance. Richard is currently Chief Financial Officer, and Director, at main market listed World Chess Plc. His career includes roles as COO at Ellwood Atfield Ltd, Head of Finance at Ten Group, where he oversaw finance, legal, and compliance matters, and as Client Finance Director at FD Solutions, providing financial advisory services to SMEs. Richard is a member of the Chartered Institute of Management Accountants and holds a Bachelor of Arts in Economics from the University of Leeds, along with a Graduate Diploma in Law from City University, London.

Richard will be considered an independent director on appointment.

Information on the Acquisition

Salonica Capital has introduced the Company to the Acquisition. The Acquisition would be of a newly incorporated company which is being established with a management team to acquire the global distribution rights of certain media assets from an established international media company. Consideration for the Acquisition is expected to be settled via the issue of new Ordinary Shares in the capital of the Company. A fundraising may be undertaken immediately prior to readmission to accelerate the development and growth of the Company. As referenced previously, should the Acquisition complete as envisaged, Shareholders will each receive a further seven new Ordinary Shares by way of bonus issue for every four Ordinary Shares they hold.

General Meeting

The Circular convening the General Meeting is today being posted to Shareholders and will be shortly available on the Company's website: <https://cloudified-holdings.com/aim-rule-26>.

Set out in the Circular 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 9.00 a.m. on 13 November 2024. The Notice of General Meeting sets out the proposed Resolutions to approve the Subscription upon which Shareholders will be asked to vote.

Resolution 1 - is a resolution to disapply certain takeover provisions in the Articles necessary to implement the Subscription.

Resolution 2 - is a resolution to disapply certain pre-emption rights in the Articles necessary to implement the Subscription.

Resolution 3 - is a routine resolution to disapply certain pre-emption rights in the Articles to issue a limited number of Ordinary Shares

To become effective the Resolutions require passing by a simple majority at a meeting of such Shareholders. In accordance with the Company's Articles, Resolution 1 shall be taken on a poll of Independent Shareholders. All existing Shareholders are considered to be Independent Shareholders for the purpose of Resolution 1.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

		2024
Announcement of the Subscription		28 October
Publication of the Circular and Form of Proxy		28 October
Latest time for receipt of Form of Proxy		9.00 a.m. on 11 November
General Meeting		9.00 a.m. on 13 November
Completion of Subscription		on or around 14 November

Notes:

- i. References to times in this announcement 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 to an RIS.
- iii. The timing of the events in the above timetable and in the rest of this announcement is indicative only.

SUBSCRIPTION STATISTICS

Share price on 12 June 2024 being the last trading day prior to its suspension	2.25p
Issue Price	5.20p
Premium	131 per cent.
Number of Ordinary Shares in issue at the date of this announcement	5,264,212
Number of Subscription Shares	9,615,385
Number of Ordinary Shares in issue following the allotment of the Subscription Shares	14,879,597
Percentage of the Enlarged Share Capital represented by the Subscription Shares	64.6 per cent.
Gross proceeds of the Subscription	£500,000
Estimated Net Proceeds of the Subscription	c.£410,000

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise or unless it is otherwise specifically provided:

"Acquisition"	the proposed acquisition of a target company introduced to the Company by Salonica Group which if undertaken will constitute a reverse takeover, pursuant to Rule 14 of the AIM Rules, although at this stage there is no certainty that this opportunity will lead to a transaction
"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
"Allotment"	the allotment of Subscription Shares by the Registrar
"Articles"	the memorandum and articles of association of the Company
"Circular"	the Circular to Shareholders dated 28 October 2024, regarding the Subscription and containing the Notice
"Company" or "Cloudified"	Cloudified Holdings Limited, a 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
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK and International is the Operator (as defined in the CREST regulations) in accordance with which securities may be held and transferred in an uncertificated form
"Directors" or "Board"	the directors of the Company

"Enlarged Share Capital"	the 14,879,597 Ordinary Shares in issue immediately following the Allotment
"Existing Ordinary Shares"	the 5,264,212 issued Ordinary Shares of the Company as at the date of this announcement
"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://cloudified-holdings.com/aim-rule-26
"Group"	the Company and its subsidiaries and subsidiary undertakings at the date of this announcement
"General Meeting"	the general meeting of the Company convened for 9.00 a.m. on 13 November 2024
"Independent Shareholders"	has the meaning given to it in the Articles
"Issue Price"	5.20 pence per new Ordinary Share
"Long Stop Date"	8.00 a.m. on 30 November 2024
"MVL"	members voluntary liquidation
"Net Proceeds"	the net proceeds of the Subscription
"Notice"	the notice of the General Meeting of Shareholders set out at the end of the Circular
"Ordinary Shares"	ordinary shares of nil par value in the capital of the Company
"Proposed Directors"	Richard Collett and Othman Shoukat Majid
"Registrars" or "Share Registrars"	Computershare Investor Services (BVI) Limited, The Pavilions, Bridgwater Road BS99 6ZY
"Regulatory Information Service"	has the meaning given to it in the AIM Rules
"Relationship Agreement"	the agreement between (1) the Company, (2) Salonica GP and (3) Zeus Capital Limited to manage the corporate governance of the Company
"Resolution of Independent Shareholders"	has the meaning given to it in the Articles
"Resolutions"	the resolutions to be proposed to the Company's Shareholders at the General Meeting
"RTO"	a reverse takeover, pursuant to Rule 14 of the AIM Rules
"Salonica Capital"	Salonica Capital Limited, a company registered in England and Wales (company registration no. 09811258) whose registered office is Level 2 6 Conduit Street, Mayfair, London, United Kingdom, W1S 2XE) which has been appointed as the investment adviser to Salonica GP
"Salonica GP"	Salonica GP Limited, a company registered in Jersey (company registration no. 132630) whose registered office is Third Floor, Gaspe House, 66-72 The Esplanade, St. Helier, JE1 2LH, Jersey) acting in its capacity as general partner of Salonica Play
"Salonica Group"	Salonica GP and Salonica Capital
"Salonica Play"	Salonica Play LP, a limited partnership registered in Jersey with registration number 4587. Its registered office is 3rd Floor Gaspe House 66-72 Esplanade St Helier Jersey JE1 2LH
"Salonica Concert Party"	Salonica Group and its connected parties
"Shareholders"	registered holders of Ordinary Shares
"Subscription"	the proposed direct subscription of the Subscription Shares as described in this announcement
"Subscription Letter"	the subscription letter containing customary conditions entered into between the Company and Salonica GP relating to the Subscription
"Subscription Shares"	the 9,615,385 new Ordinary Shares to be issued by the Company pursuant to the Subscription Letter

"Takeover Code" or "City Code"	the City Code on Takeovers and Mergers
"Zeus"	Zeus Capital Limited, the Company's nominated adviser and broker
"£", "pounds sterling", "pence" or "p"	are references to the lawful currency of the United Kingdom

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