

25 March 2024

Dear Shareholder,

On behalf of the Board of Sovereign Cloud Holdings Limited ACN 622 728 189 (**Company** or **SOV**), I am pleased to invite you to attend this general meeting of the Company (**Meeting**). Details of which are provided below.

Date	Wednesday, 24 April 2024
Time	10:00am AEST
Location	Pitcher Partners, Level 38, 345 Queen St, Brisbane City QLD 4000

The Company will not be sending hard copies of this Notice of Meeting to Shareholders unless Shareholders have already notified the Company that they wish to receive documents such as this Notice of Meeting in hard copy. If you have elected to receive notices by email, a communication will be sent to your nominated email address. The Notice of Meeting can be viewed and downloaded from www.aucloud.com.au. Alternatively, a complete copy of the Meeting documents have been posted to the Company's ASX market announcements page.

It may not be possible to respond to all questions raised during the Meeting. Shareholders are therefore encouraged to submit questions in advance of the Meeting by submitting them by email to the Company Secretary, Michelle Crouch (mcrouch@aucloud.com.au), on or before Friday 19 April 2024.

All resolutions considered at the Meeting will be decided on by poll.

Subject to the exclusions noted in the Explanatory Statement, the Board of the Company unanimously recommend that Shareholders vote in favour of all resolutions.

Thank you for your continued support.

Yours sincerely
Sovereign Cloud Holdings Limited



Cathie Reid
Chair

SOVEREIGN CLOUD HOLDINGS LIMITED

ACN 622 728 189

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Sovereign Cloud Holdings Limited ACN 622 728 189 (**Company** or **SOV**) will be held as detailed below, for the purpose of transacting the business referred to within this Notice of Meeting.

Date	Wednesday, 24 April 2024
Time	10:00am AEST
Location	Pitcher Partners, Level 38, 345 Queen St, Brisbane City QLD 4000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Voting on all resolutions will be decided by poll.

AGENDA

RESOLUTION 1: APPROVAL OF ISSUE OF CONSIDERATION SHARES – ARADO ACQUISITION

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in the Company up to a value of \$3,500,000 with an issue price per share calculated in accordance with the formula in the Explanatory Statement to be issued as part consideration for the Arado Acquisition, on the terms and conditions set out in the Explanatory Statement.”

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 2: APPROVAL OF ISSUE OF CONSIDERATION SHARES – VENN IT ACQUISITION

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in the Company up to a value of \$2,850,000 with an issue price per share calculated in accordance with the formula in the Explanatory Statement to be issued as part consideration for the Venn IT Acquisition, on the terms and conditions set out in the Explanatory Statement.”

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 3: APPROVAL OF ISSUE OF CONSIDERATION SHARES – PCG ACQUISITION

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of fully paid ordinary shares in the Company up to a value of \$2,500,000 with an issue price per share calculated in accordance with the formula in the Explanatory Statement to be issued as part

consideration for the PCG Acquisition, on the terms and conditions set out in the Explanatory Statement.”

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 4: APPROVAL OF LONG TERM INCENTIVE PLAN

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

*“That, in accordance with Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the Shareholders approve the Company’s new Long Term Incentive Plan (the **Plan**), and the subsequent grant of securities under the Plan, on the terms and conditions set out in the Explanatory Statement.”*

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 5: APPROVAL OF ISSUE OF OPTIONS TO PETER MALONEY UNDER LONG TERM INCENTIVE PLAN

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval be given for the issue of up to 37,000,000 Options (and the issue of Shares on the vesting and exercise of the Options), to Peter Maloney, or his nominee, in accordance with the Company’s new Long Term Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”

Note: This resolution is subject to voting exclusions which are set out below.

RESOLUTION 6: CONSOLIDATION OF CAPITAL

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

*“That pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 10 Shares be consolidated to 1 Share effective from 1 June 2024 (**Consolidation**), and where the Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up or down (as the case may be) to the nearest whole Share.”*

RESOLUTION 7: APPROVAL TO AMEND THE CONSTITUTION

To consider, and if thought fit, to pass the following resolution as a special resolution:

“That pursuant to section 136(2) of the Corporations Act and for all other purposes, with immediate effect, that rule 16.6 of the Company’s constitution be amended and restated as set out at Appendix 4, and that the Company’s constitution (as amended for rule 16.6) be approved and adopted as the constitution of the Company and all previous constitutions of the Company are repealed and no longer have force or effect.”

Dated: 25 March 2024

By order of the Board

Michelle Crouch
Company Secretary

VOTING EXCLUSIONS

Voting Exclusions in accordance with the Listing Rules

Resolution 1, 2 and 3: In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 1, 2 or 3, by or on behalf of, a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue of Consideration Shares in respect of the Arado Acquisition, the Venn IT Acquisition or the PCG Acquisition, as applicable (except a benefit solely by reason of being a holder of ordinary shares in the Company), or an associate of that person (or those persons).

Resolution 4: In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4, by or on behalf of, a person who is eligible to participate in the Company's new Long Term Incentive Plan, or an associate of that person (or those persons).

Resolution 5: In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5, by or on behalf of, a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company's new Long Term Incentive Plan as applicable, or an associate of that person (or those persons).

However, the above voting exclusion statements under the Listing Rules will not apply to a vote cast in favour of Resolution 1, 2, 3, 4 or 5 by:

- (a) a person as 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) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder 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 holder 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 holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Exclusions in accordance with the Corporations Act

Resolution 4 and 5: In accordance with section 250BD of the Corporations Act, each member of the key management personnel of the Company, together with their closely related parties, is precluded from voting on Resolution 4 and 5. However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chair and the appointment does not specify the Chair is to vote but expressly authorises the Chair to exercise the proxy even if Resolution 4 and 5 is connected with the remuneration of a member of the key management personnel.

IMPORTANT NOTES FOR SHAREHOLDERS

These notes form part of the Notice of Meeting.

Time and Place of Meeting

Notice is given that a General Meeting of members will be held on Wednesday, 24 April 2024, at 10:00 a.m. AEST, at Pitcher Partners, Level 38, 345 Queen St, Brisbane City QLD 4000.

Shareholders are also invited to submit questions to the Company prior to the Meeting, in relation to the business of the Meeting. The Company requests that Shareholders lodge any questions electronically by email to the Company Secretary, Michelle Crouch (mcrouch@aucloud.com.au), on or before 19 April 2024.

Voting by proxy

If you cannot attend the Meeting, we encourage you to submit a completed Proxy Form ahead of the Meeting. The completed Proxy Form must be delivered to the Company's share registry by 10:00am AEST on 22 April 2024, in any of the following ways:

- (i) sending it by mail to Sovereign Cloud Holdings Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South, New South Wales 1235, Australia;
- (ii) online at www.linkmarketservices.com.au; or
- (iii) Fax +61 2 9287 0309.

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

Voting Eligibility

The Board have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm AEST on Monday, 22 April 2024.

Notice to Persons outside Australia

This Explanatory Statement has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

The distribution of this Explanatory Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Explanatory Statement should inform themselves of, and observe, any such restrictions.

Voting requirements

In accordance with section 250JA of the Corporations Act, the Resolutions to be considered at the Meeting as set out in this Notice of Meeting will be decided on a poll (and not a show of hands).

Each of Resolution 1 to 6 to be put to Shareholders at the Meeting must be passed by way of an ordinary resolution, which requires the Resolution be approved by a majority of votes cast by Shareholders entitled to vote on the Resolution. Resolution 7 must be passed by way of a special resolution, which requires at least 75% of votes cast in favour of the Resolution by Shareholders entitled to vote on the Resolution.

PROXY AND VOTING INSTRUCTIONS

Voting by proxy

1. To vote by proxy, please complete the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.
2. In accordance with section 249L of the Corporations Act, members are advised that:
 - (a) each member of the Company entitled to attend and vote at the Meeting has a right to appoint a proxy;
 - (b) the proxy need not be a member of the Company; and
 - (c) a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
3. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - (a) the full name of the body corporate appointed as proxy; and
 - (b) the full name or title of the individual representative of the body corporate to attend the Meeting.
4. Proxy appointments in favour of the Chair, the secretary or any Director that do not contain a direction on how to vote will be voted by the Chair in favour of each of the Resolutions proposed in this Notice of Meeting (except as expressly set out in this Notice of Meeting).
5. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
6. A Proxy Form is attached. If required, it should be completed, signed (and if the appointment is signed by the appointer's attorney, accompanied by the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned in accordance with the instructions on the Proxy Form.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held on Wednesday 24 April 2024, at 10:00 a.m. AEST.

This Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of this Notice of Meeting.

RESOLUTION 1, 2 AND 3 - APPROVAL OF ISSUE OF CONSIDERATION SHARES IN RESPECT OF THE ARADO ACQUISITION, VENN IT ACQUISITION AND PCG ACQUISITION

Background on Acquisitions

As announced on 18 March 2024, the Company is a party to and has entered into, binding acquisition agreements in respect of:

- (a) the acquisition of the cloud and managed services business of Canopy Tools Group Pty Ltd ACN 634 236 909 (**Canopy Tools**) from Canopy Tools and its related entities; CT4 Pty Ltd ACN 136 951 052 as in its capacity as trustee and NewBase Computer Services Pty Ltd ACN 010 702 717 (each a **Arado Seller**), by the Company's wholly owned subsidiary, Sovereign Cloud Australia Pty Ltd ACN 611 181 830 (the **Buyer**), (**Arado Acquisition**) in accordance with the terms of a business and asset sale deed;
- (b) the acquisition of 100% of the issued share capital of Venn IT Solutions Pty Ltd ACN 604 036 900 (**Venn IT**) by the Buyer from each of Geoffrey Hughes, Robert Cargill, James Thomas, Trent Muller and Kate Switala, or their nominee shareholding entity that holds shares in the capital of Venn IT (each a **Venn IT Seller**), (**Venn IT Acquisition**), in accordance with the terms of a share purchase deed; and
- (c) the acquisition of 100% of the issued share capital of PCG Cyber Pty Ltd ACN 634 409 671 (**PCG**) by the Buyer from the shareholder of PCG, being an entity controlled by Dragoika Milin (the **PCG Seller**), (**PCG Acquisition**), in accordance with the terms of a share purchase deed,

together, the Arado Acquisition, Venn IT Acquisition and the PCG Acquisition, the **Acquisitions** and the **Arado Seller**, the **Venn IT Seller** and the **PCG Seller**, the **Sellers**.

Consideration payable for the Acquisitions

The purchase price payable by the Buyer under the terms of the Acquisition Agreements is a combination of cash and ordinary shares in the Company (**Consideration Shares**). Part of the proceeds raised in respect of the Company's recently announced accelerated renounceable entitlement offer (the **Equity Raising**), will be used to fund the cash consideration payable by the Buyer to the Sellers under the Acquisitions.

Below is a breakdown of the consideration payable by the Buyer to the Sellers under the Acquisition Agreements, with further details of these payments set out in the table at Appendix 1:

1. **Arado Acquisition:**

- (a) Total consideration value of \$7,000,000, comprised of:
 - (i) \$3,325,000 cash on completion;

- (ii) \$3,500,000 worth of Consideration Shares, with an issue price per share being the lower of A\$0.03 cents, being the price at which shares were offered under the recently announced entitlement offer (the **Equity Raising Price**) or the 14-day VWAP of the Company's shares prior to Completion (**Arado Consideration Shares**). Based on the Equity Raising Price, 116,666,667 Arado Consideration Shares would be issued to Canopy Tools (the Arado Seller nominated to receive the Arado Consideration Shares); and
- (iii) Deferred consideration of \$175,000 payable in cash.

2. **Venn IT Acquisition:**

- (a) Total consideration value of \$6,000,000, comprised of:
 - (i) \$3,075,000 cash on completion;
 - (ii) \$2,850,000 worth of Consideration Shares, with an issue price per share being the lower of the Equity Raising Price or the 14-day VWAP of the Company's shares prior to Completion (**Venn Consideration Shares**). Based on the Equity Raising Price, 95,000,000 Venn Consideration Shares would be issued to the Venn IT Sellers;
 - (iii) deferred consideration of \$75,000 payable in cash into an escrow account and payable to the Venn IT Sellers 180 days after completion; and
 - (iv) earn out payments of up to \$2,000,000, subject to the achievement of net revenue targets for the financial years ending 30 June 2025 and 30 June 2026.

3. **PCG Acquisition:**

- (a) Total consideration value of \$15,000,000, comprised of:
 - (i) \$11,875,000 cash on completion;
 - (ii) \$2,500,000 worth of Consideration Shares, with an issue price per share being the lower of the Equity Raising Price or the 14-day VWAP of the Company's shares prior to Completion (**PCG Consideration Shares**). Based on the Equity Raising Price, 83,333,333 PCG Consideration Shares would be issued to the PCG Seller; and
 - (iii) deferred consideration of \$625,000 payable in cash into an escrow account and payable to the PCG Seller 180 days after completion.

Acquisitions subject to satisfaction of conditions

Completion of each Acquisition is subject to the satisfaction of various conditions set out in the Acquisition Agreements, including the Company obtaining the shareholder approvals being sought at this Meeting and the Company receiving binding commitments for a minimum amount of A\$25 million under the Equity Raising, together with other standard transaction conditions.

Completion of each Acquisition will occur on the last business day of the month after each of the conditions to the applicable Acquisition have been satisfied, which is expected to be 30 April 2024, unless otherwise agreed in writing by the parties.

Further information

Further information about the Acquisitions including the impact of the Acquisitions on control of the Company is set out in the Retail Entitlement Offer Booklet released to ASX on 25 March 2024.

Listing Rule approval to issue the Consideration Shares

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can 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 Consideration Shares does not fit within any of the exceptions and would exceed the Company's 15% placement capacity available in accordance with Listing Rule 7.1 at the date each Acquisition Agreement was entered into.

Accordingly, each of Resolution 1, 2 and 3 seek shareholder approval to the issue of Consideration Shares under and for the purposes of Listing Rule 7.1.

RESOLUTION 1 - APPROVAL OF ISSUE OF CONSIDERATION SHARES IN RESPECT OF THE ARADO ACQUISITION

In respect of Resolution 1 and in accordance with Listing Rule 7.3, the following information is provided:

- (a) \$3,500,000 worth of Arado Consideration Shares will be issued as part consideration for the Arado Acquisition. The issue price for the Arado Consideration Shares will be the lower of the Equity Raising Price or the 14-day VWAP of the Company's shares prior to Completion (**Issue Price**). As such, the number of Arado Consideration Shares to be issued to the sellers on Completion, will be calculated using the below formula:

$$\$3,500,000 / \text{Issue Price}$$

Based on an issue price of A\$0.03 cents, which is the Equity Raising Price, the sellers would be issued with 116,666,667 fully paid ordinary shares in the capital of the Company. The number of Arado Consideration Shares may change if the 14-day VWAP of the Company's shares prior to Completion is lower than A\$0.03 cents, in which case the 14-day VWAP will be the issue price of the Arado Consideration Shares and the number of Arado Consideration Shares will change based on the formula above;

- (b) The Arado Consideration Shares will be voluntarily escrowed by the Company for a period of 12 months from the date of completion of the Arado Acquisition;
- (c) The Arado Consideration Shares will be issued to Canopy Tools (the Arado Seller nominated to receive the Arado Consideration Shares);
- (d) The Arado Consideration Shares are being issued as part consideration for the Arado Acquisition, noting that the balance of the consideration payable for the Arado Acquisition will be paid in cash from the proceeds raised under the Equity Raising;
- (e) The Arado Consideration Shares will rank equally with other existing fully paid ordinary shares in the Company from the date of issue;

- (f) The Arado Consideration Shares are being issued in accordance with the terms of a business and asset sale deed, the material terms of which are summarised at Appendix 1;
- (g) Subject to completion of the Arado Acquisition and the Company obtaining shareholder approval of this Resolution 1 at the Meeting, the Company will issue the Arado Consideration Shares to Canopy Tools (the Arado Seller nominated to receive the Arado Consideration Shares) on the date of completion of the Arado Acquisition which is expected to be on or around 30 April 2024, but in any event will be no later than 3 months after the date of this Meeting; and
- (h) a voting exclusion statement applies to Resolution 1 and is set out earlier in this Notice of Meeting.

If Resolution 1 is passed, the issue of Arado Consideration Shares will proceed on the completion date of the Arado Acquisition and will not impact the Company's placement capacity going forward.

If Resolution 1 is not passed, the issue of Arado Consideration Shares will not proceed and the Buyer will not be able to satisfy the conditions to completion under the terms of the business and asset sale deed summarised at Appendix 1 and the Buyer will be unable to issue the Arado Consideration Shares.

The Board unanimously recommends Shareholders vote in favour of Resolution 1.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 1.

RESOLUTION 2 - APPROVAL OF ISSUE OF CONSIDERATION SHARES IN RESPECT OF THE VENN IT ACQUISITION

In respect of Resolution 2 and in accordance with Listing Rule 7.3, the following information is provided:

- (a) \$2,850,000 worth of Venn Consideration Shares will be issued as part consideration for the Venn IT Acquisition. The issue price for the Venn Consideration Shares will be the lower of the Equity Raising Price or the 14-day VWAP of the Company's shares prior to Completion (**Issue Price**). As such, the number of Venn Consideration Shares to be issued to the sellers will be calculated using the below formula:

$$\text{\$2,850,000} / \text{Issue Price}$$

Based on an issue price of A\$0.03 cents, which is the Equity Raising Price, the sellers would be issued with 95,000,000 fully paid ordinary shares in the capital of the Company. The number of Venn Consideration Shares may change if the 14-day VWAP of the Company's shares prior to Completion is lower than A\$0.03 cents, in which case the 14-day VWAP will be the issue price of the Venn Consideration Shares and the number of Venn Consideration Shares will change based on the formula above;

- (b) The Venn Consideration Shares will be voluntarily escrowed by the Company for a period of 24 months from the completion date of the Venn IT Acquisition;
- (c) The Venn Consideration Shares will be issued to the Venn IT Sellers;
- (d) The Venn Consideration Shares are being issued as part consideration for the Venn IT Acquisition, noting that the balance of the consideration of the Venn IT Acquisition will be paid as cash from the proceeds raised under the Equity Raising;

- (e) The Venn Consideration Shares will rank equally with other existing fully paid ordinary shares from the date of issue;
- (f) The Venn Consideration Shares are being issued in accordance with the terms of a share purchase deed, the material terms of which are summarised at Appendix 1;
- (g) Subject to completion of the Venn IT Acquisition and the Company obtaining shareholder approval of this Resolution 2 at this Meeting, the Company will issue the Venn Consideration Shares to the Venn IT Sellers on the date of completion of the Venn IT Acquisition which is expected to be on or around 30 April 2024, but in any event will be no later than 3 months after the date of this Meeting; and
- (h) a voting exclusion statement applies to Resolution 2 and is set out earlier in this Notice of Meeting.

If Resolution 2 is passed, the issue of Venn Consideration Shares will proceed on the completion date of the Venn IT Acquisition and will not impact the Company's placement capacity going forward.

If Resolution 2 is not passed, the issue of Venn Consideration Shares will not proceed and the Buyer will not be able to satisfy the conditions to completion under the terms of the share purchase deed summarised at Appendix 1 and the Buyer will be unable to issue the Venn IT Consideration Shares.

The Board unanimously recommends Shareholders vote in favour of Resolution 2.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 - APPROVAL OF ISSUE OF CONSIDERATION SHARES IN RESPECT OF THE PCG ACQUISITION

In respect of Resolution 3 and in accordance with Listing Rule 7.3, the following information is provided:

- (a) \$2,500,000 worth of Consideration Shares will be issued as part consideration for the PCG Acquisition (**PCG Consideration Shares**). The issue price for the PCG Consideration Shares will be the lower of the Equity Raising Price or the 14-day VWAP of the Company's shares prior to Completion (**Issue Price**). As such, the number of PCG Consideration Shares to be issued to the sellers will be calculated using the below formula:

$$\text{\$2,500,000} / \text{Issue Price}$$

Based on an issue price of A\$0.03 cents, which is the Equity Raising Price, the sellers would be issued with 83,333,333 fully paid ordinary shares in the capital of the Company. The number of PCG Consideration Shares may change if the 14-day VWAP of the Company's shares prior to Completion is lower than A\$0.03 cents, in which case the 14-day VWAP will be the issue price of the PCG Consideration Shares and the number of PCG Consideration Shares will change based on the formula above;

- (b) The PCG Consideration Shares will be issued to the PCG Seller and will be voluntarily escrowed by the Company for a period of 6 months from the completion date of the PCG Acquisition;
- (c) The PCG Consideration Shares are being issued as part consideration for the PCG Acquisition, noting that the balance of the consideration payable for the PCG Acquisition will be paid in cash from the proceeds raised under the Equity Raising;

- (d) The PCG Consideration Shares will rank equally with other existing fully paid ordinary shares from the date of issue;
- (e) The PCG Consideration Shares are being issued in accordance with the terms of a share purchase deed, the material terms of which are summarised at Appendix 1;
- (f) Subject to completion of the PCG Acquisition and the Company obtaining shareholder approval of this Resolution 3 at this Meeting, the Company will issue the PCG Consideration Shares to the seller on the date of completion of the PCG Acquisition which is expected to be on or around 30 April 2024, but in any event will be no later than 3 months after the date of this Meeting; and
- (g) a voting exclusion statement applies to Resolution 3 and is set out earlier in this Notice of Meeting.

If Resolution 3 is passed, the issue of PCG Consideration Shares will proceed on the completion date of the PCG Acquisition and will not impact the Company's placement capacity going forward.

If Resolution 3 is not passed, the issue of PCG Consideration Shares will not proceed and the Buyer will not be able to satisfy the conditions to completion under the terms of the share purchase deed summarised at Appendix 1 and the Buyer will be unable to issue the PCG Consideration Shares.

The Board unanimously recommends Shareholders vote in favour of Resolution 3.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 3.

RESOLUTION 4 – APPROVAL OF LONG TERM INCENTIVE PLAN

Background

Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13(b) to approve the Company's new Long Term Incentive Plan (the **Plan**) to enable equity incentives including Performance Rights, Options, Shares and loan funded shares (**Share Awards**) to be issued under the Plan to eligible Directors, employees and contractors (**Incentive Securities**) to be exempt from Listing Rule 7.1 for a period of 3 years from the date on which Resolution 4 is passed.

A summary of the Plan to be adopted pursuant to Resolution 4 is set out at Appendix 2.

The Plan is a more flexible and broad based plan than the Company's current Employee Share Option Plan which is intended to assist the Company to attract and retain key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the Plan will:

- (a) enable the Company to incentivise and retain existing key management personnel and other eligible employees and contractors needed to achieve the Company's business objectives;
- (b) link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company; and
- (c) align the financial interest of participants of the Plan with those of Shareholders.

Listing Rules

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as an option or performance right), if the number

of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 13(b), is one of the exceptions to Listing Rule 7.1. The effect of Shareholder approval of the Plan under Listing Rule 7.2, Exception 13(b) is that any issues of securities under the Plan are treated as having been made with the approval of Shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 13(b) lasts for a period of 3 years.

Technical Information required by Listing Rule 7.2, Exception 13(b)

In accordance with the requirements of Listing Rule 7.2, Exception 13(b), the following information is provided:

- (a) a summary of the material terms of the Plan is set out in Appendix 2 and forms part of the Notice;
- (b) the Plan is a new plan and as such, no securities have been issued under the Plan, noting the Company will issue future performance securities under the Plan (rather than its historical incentive plan).
- (c) The Company has issued securities in accordance with a historical long term incentive plan, summarised as follows:

Security	Number	Percentage of total Securities on issue at date of this Notice of Meeting
Options	6,413,327	1.85%

- (d) the maximum number of Incentive Securities proposed to be issued under the Plan following Shareholder approval is 10% of all Securities on issue after completion of the Equity Raising and the Acquisitions, being a maximum of 171,679,598 Securities (stated pre consolidation); and
- (e) a voting exclusion statement applies to Resolution 4 and is set out earlier in this Notice of Meeting.

Share buy-back

The Board considers that it may be appropriate to buy-back Shares, Share Awards, loan funded shares or other securities received by a participant under the Plan in accordance with the terms of that incentive, for example where the award of Share Awards has been forfeited as a result of a vesting condition or performance hurdle not been achieved or for the purpose of repayment of loan funded shares where payment has not been received by the Company in accordance with the terms of the Plan.

Section 259A(d) of the Corporations Act allows a company to buy-back its own Shares issued under an employee share scheme if the employee share scheme has been approved by the Company's shareholders.

As such the Company is also seeking Shareholder approval under this Resolution 4 for the purposes of section 259A(d) so that the Company may buy-back Shares issued under the Plan in accordance with the terms of the Plan and the applicable Incentive Securities.

Financial assistance

The Plan provides that the Company may provide financial assistance in the form of an interest free limited recourse loan to participants to fund the acquisition price of Incentive Securities under the Plan.

Under section 260C(4) of the Corporations Act, a company may financially assist a person to acquire its shares if the financial assistance is given under an employee share scheme that is approved by shareholders at a general meeting.

As such, the Company is also seeking Shareholder approval under this Resolution 4 for the purpose of section 260C(4) of the Corporations Act.

The Board unanimously recommends Shareholders vote in favour of Resolution 4.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 4.

RESOLUTION 5– APPROVAL OF ISSUE OF OPTIONS TO PETER MALONEY

Resolution 5 seeks Shareholder approval of the proposed grant of Options to Peter Maloney, Chief Executive Officer and Managing Director under the Company's new Plan. The Company has agreed, subject to obtaining shareholder approval of Resolution 5, to grant up to 37,000,000 Options to Peter Maloney (**Issue**).

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive plan unless it obtains the prior approval of its shareholders:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director of the company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the company or a person referred to in paragraph (a) or (b) above is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The Issue falls within Listing Rule 10.14.1, and as Peter Maloney is a Director of the Company, the Issue therefore requires shareholder approval under Listing Rule 10.14.

Resolution 5 seeks shareholder approval for the Issue under and for the purposes of Listing Rule 10.14.

If Shareholders approve Resolution 5, the Company will be able to proceed with the issue of Options to Peter Maloney on the terms and conditions as set out in this Notice. Further to this, approval of Resolution 5 will result in the grant of up to 37,000,000 Options to Peter Maloney falling within exception 14 in Listing Rule 7.2. Therefore, the issue of Options to Peter Maloney will not be included in the Company's 15% placement calculation for the purposes of Listing Rule 7.1. The issue of Shares in the Company on the vesting and exercise of the Options will also be excluded from Listing Rule 7.1.

If Shareholders do not approve Resolution 5, the proposed issue of Options to Peter Maloney will not proceed. However, to ensure the Company can attract and retain the right talent and align its key executives with its Shareholders, the Board considers it is important for the Company to offer incentives to its directors and executives that are in line with market practice. The Board would need to consider alternative remuneration arrangements for Peter Maloney.

Technical information for the purposes of the Listing Rules

In accordance with the requirements of Listing Rule 10.15, the following information is provided with respect to Resolution 5:

- (a) Peter Maloney is a Director of the Company and as such falls within the category of person in Listing Rule 10.14.1. Accordingly, shareholder approval for Peter Maloney to acquire equity securities under the Company's new Long Term Incentive Plan for the purpose of Listing Rule 10.14 is required;
- (b) The Company intends (subject to Shareholder approval of this Resolution 5 being obtained) to issue Peter Maloney with up to 37,000,000 Options under the Plan;
- (c) Peter Maloney's current remuneration package for FY2024 comprises:
 - (i) a fixed base salary of \$400,000 (including superannuation);
 - (ii) a variable short term incentive of up to 50% of the fixed base salary, payable in cash; and
 - (iii) a variable long term incentive of up to 1,500,000 worth of options,noting that further information regarding the remuneration of Peter Maloney is set out in the Company's remuneration report which forms part of the Company's 2023 Annual Report;
- (d) 1,500,000 options have been previously issued to Peter Maloney under the Company's existing long term incentive plan (which is superseded by the Plan), which were issued for nil consideration with an exercise price of \$nil, and can only be exercised if the 15-day VWAP of Shares is at least \$1.00 as at close of trading on ASX on the date that is 15 trading days after the date of release on ASX by the Company of its Appendix 4D for the half year ended 31 December 2025 (HY2026 Results);
- (e) **Key terms of the Options:** the Options are not quoted on the ASX and carry no voting or dividend rights. The key terms of the Options are set out in Appendix 3. Shares issued on vesting and exercise of the Options will rank equally with other fully paid ordinary shares in the Company on issue;
- (f) **Reasons for issuing Options:** the Options are considered by the Board to be appropriate equity securities under the Company's new Plan as the vesting of those Options is based on performance hurdles that are linked directly to the financial performance of the Company, which must be satisfied before Shares are issued;
- (g) **Value attributed to Options:** the value of the Options is A\$0.0255 cents, determined based on the Binomial Option Pricing Model and information available as at the date of this Notice of Meeting;
- (h) The Options will be issued to Peter Maloney following completion of the Acquisitions, and in any event no later than 3 years after the date of this Meeting;
- (i) The issue price for the Options is nil and as such, the Company will raise no funds as a result of issuing the Options. If all the Options were exercised by Peter Maloney, the Company would receive \$approximately \$1.1 million in funds;
- (j) No loan will be provided in respect of the issue of securities to Peter Maloney;
- (k) A summary of the material terms of the Company's new Long Term Incentive Plan is set out at Appendix 2; and
- (l) The Company notes that:

- I. Details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- II. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the Resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.

The Board unanimously recommends Shareholders vote in favour of Resolution 5.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 5.

RESOLUTION 6 – CONSOLIDATION OF CAPITAL

Resolution 6 seeks Shareholder approval to consolidate the total number of existing Securities on issue on a 10 for 1 basis (**Consolidation Ratio**), (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward, as the Company will have more than a billion shares on issue following the Equity Raising and completion of the Acquisitions.

The Board intends to implement the Consolidation in accordance with the indicative timetable set out below. The Company expects the Consolidation to occur subsequent to completion of all Acquisitions and the issue of Shares under the Equity Raising.

Effect of Resolution 6 on Capital Structure

If Resolution 6 is approved, the number of existing Shares on issue will be reduced (subject to rounding).

The indicative capital structure after the Consolidation is based on the Equity Raising that has not yet been finalised as at the date of this Notice of Meeting, so the indicative capital structures below are set out based on a minimum and maximum raise under the entitlement offer.¹²

Equity Raising at minimum offer (\$26.6m)

Security	As at the date of this Notice of Meeting	Post-Equity Raising, completion of Acquisitions and issue of other options	Post-Consolidation number Securities
Shares	339,400,672	1,522,427,400	152,242,740
Options	6,413,327	76,163,327	7,616,333
Total	345,813,999	1,598,590,727	159,859,073

Equity Raising at maximum offer (\$30.0m)

¹ The Company intends to complete a one-off grant of Options representing up to approximately 5% of the expanded share capital to senior management of the Company shortly following completion of the Acquisitions. These tables are prepared on the assumption these options have been issued following completion of the Acquisitions and that 750,000 options have been issued to certain employees on completion of the PCG Acquisition.

² The numbers set out in these tables are subject to rounding.

Security	As at the date of this Notice of Meeting	Post-Equity Raising, completion of Acquisitions and issue of other options	Post-Consolidation number Securities
Shares	339,400,672	1,635,632,655	163,563,266
Options	6,413,327	81,163,327	8,116,333
Total	345,813,999	1,716,795,982	171,679,598

Effect of Resolution 6 on Shareholders

As at the date of this Notice, the Company has 339,400,672 Shares and 6,413,327 Options on issue.

The Consolidation proposed by Resolution 6 will have the effect of reducing the number of Shares on issue (subject to rounding). Individual holdings will be reduced in accordance with the Consolidation Ratio which is expected to take place on or around 1 June 2024 (**Consolidation Date**).

As the Consolidation applies equally to all Shareholders of the Company (subject only to the rounding of fractions), it will have no material effect on the percentage interest of each Shareholder in the Company. Further, the aggregate value of each Shareholder's proportional interest in the Company will not materially change solely as a result of the Consolidation as the only anticipated change, which will be a result of rounding, will be immaterial.

Theoretically, the market price of each Share following the Consolidation should increase by 10 times its current value. Practically, the actual effect on the market price of each Share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each Share following Consolidation being higher or lower than the theoretical post-Consolidation price.

Effect of Resolution 6 on existing Option Holders

As at the date of this Notice, the Company has 6,413,327 options on issue (**Existing Options**) and subject to Shareholder approval of Resolution 5 and the expected issue of Options to certain employees following completion of the Acquisitions, the Company will have on issue up to 74,000,000 Options (assuming the maximum Equity Raising), together with the Existing Options, **Consolidating Securities**. In accordance with Listing Rule 7.22, and the terms of issue of the Consolidating Securities currently on issue, the Consolidation will involve a corresponding adjustment to Consolidating Securities, having the effect that the number of Consolidating Securities will reduce in proportion to the ordinary share capital and the exercise price will increase in inverse proportion to the Consolidation Ratio. The impact of the Consolidation on the terms of the Consolidating Securities on issue is set out in the below tables³⁴.

Equity Raising at minimum offer (\$26.6m)

Security	Pre-Consolidation number of Consolidating Securities	Pre-Consolidation exercise price (per Share)	Post-Consolidation number of Consolidating Securities	Post-Consolidation exercise price (per Share)
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³ The Company intends to complete a one-off grant of Options representing up to approximately 5% of the expanded share capital to senior management of the Company shortly following completion of the Acquisitions. These tables are prepared on the assumption these options have been issued following completion of the Acquisitions and that 750,000 options have been issued to certain employees on completion of the PCG Acquisition.

⁴ The numbers set out in these tables are subject to rounding.

Existing Options	6,413,327	<ul style="list-style-type: none"> 818,300 options at \$0.6 5,595,025 options at \$0.3 per share 	641,332	<ul style="list-style-type: none"> 81,830 options at \$6.0 559,502 options at \$3.0
Options	69,750,000	\$0.03 per share	6,975,000	\$0.30 per share

Equity Raising at maximum offer (\$30.0m)

Security	Pre-Consolidation number of Consolidating Securities	Pre-Consolidation exercise price (per Share)	Post-Consolidation number of Consolidating Securities	Post-Consolidation exercise price (per Share)
Existing Options	6,413,327	<ul style="list-style-type: none"> 818,300 options at \$0.6 5,595,025 options at \$0.3 per share 	641,332	<ul style="list-style-type: none"> 81,830 options at \$6.0 559,502 options at \$3.0
Options	74,750,000	\$0.03 per share	7,475,000	\$0.30 per share

Legal Requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number.

As noted above, the Listing Rules also require that the terms of Consolidating Securities provide for them to be consolidated in the same ratio as the ordinary capital and the exercise price of the Consolidating Securities be amended in inverse proportion to that ratio, for example, every 10 options exercisable at \$1.00 each are consolidated into 1 option exercisable at \$10.00 for 1 fully paid ordinary share.

Fractional Entitlements

Not all securityholders of the Company will hold a number of Shares or Consolidating Securities (as the case may be) that can be evenly divided by the Consolidation Ratio. Where a fractional entitlement occurs, the Company will round that fraction up or down (as the case may be) to the nearest whole Security.

Taxation

It is not considered that any taxation implications will exist for securityholders that will arise directly from the Consolidation. However, securityholders of the Company are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual or collective taxation implications arising from the Consolidation.

Holding Statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to Securityholders. It is the responsibility of each and every affected

Securityholder to check the number of Securities held prior to disposal or exercise (as the case may be).

Indicative Timetable

If Resolution 6 is passed, the Consolidation is proposed to take effect in accordance with the indicative timetable set out below.

Date	Action
24 April 2024	General Meeting
1 June 2024	Effective Date of Consolidation
3 June 2024	Last day for trading in pre-consolidated Securities
4 June 2024	Trading in post-Consolidation Securities commences on a deferred settlement basis
5 June 2024	Record date for Consolidation
6 June 2024	Expected date for register to be updated and holdings statement to be despatched for post-Consolidation Securities
13 June 2024	Normal settlement trading in post-Consolidated Securities commences.

The Board unanimously recommends Shareholders vote in favour of Resolution 6.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 6.

RESOLUTION 7 – APPROVAL TO AMEND CONSTITUTION

General

Under section 136(2) of the Corporations Act, a company may modify its constitution or a provision of its constitution by special resolution. Accordingly, the Company seeks Shareholder approval to amend its Constitution by special resolution.

Background

The Company's current constitution contemplates general meetings being held at a physical location, or at two physical meeting places in circumstances where there is insufficient room for members to be seated in the main meeting room.

The Company wishes to amend its constitution to permit hybrid meetings in all circumstances and to permit the holding of wholly virtual general meetings. The Board is of the view that the proposed amendments will provide the Company greater flexibility and accessibility in the conduct of its general meetings, and will ensure that Shareholders can continue to exercise their rights to participate in and vote at meetings where wholly virtual meetings are beneficial and in the interests of Shareholders.

Proposed Amendment

The proposed amendments to the constitution to implement the changes described above are set out at Appendix 4.

The Board unanimously recommends Shareholders vote in favour of Resolution 7.

The Chair of the meeting intends to vote undirected proxies in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars.

AEST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

Acquisitions means each of the Arado Acquisition, the Venn IT Acquisition and the PCG Acquisition.

Acquisition Agreement means each of the business and asset sale deed in respect of the Arado Acquisition, the share purchase deed in respect of the Venn IT Acquisition and the share purchase deed in respect of the PCG Acquisition, and together, the **Acquisition Agreements**.

Amended Constitution means the amended constitution of the Company set out as Appendix 4.

Arado Acquisition means the acquisition of the cloud and managed services business of Canopy Tools Group Pty Ltd ACN 634 236 909 and two wholly owned subsidiaries of Canopy; CT4 Pty Ltd and NewBase Computer Services Pty Ltd by the Buyer in accordance with the terms of a business and asset sale deed.

Arado Seller means Canopy Tools Group Pty Ltd ACN 634 236 909, CT4 Pty Ltd ACN 136 951 052 as trustee for the Broadway Mall Trust and NewBase Computer Services Pty Ltd ACN 010 702 717.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.

Buyer means Sovereign Cloud Australia Pty Ltd ACN 611 181 830.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting (or, where the context requires, a particular part of the Meeting).

Company means Sovereign Cloud Holdings Limited ACN 622 728 189.

Completion means in relation to each Acquisition, the completion of the Acquisition in accordance with the terms of the application Acquisition Agreement.

Consideration Shares means the Arado Consideration Shares, the Venn IT Consideration Shares and the PCG Consideration Shares.

Constitution means the constitution of the Company announced to the ASX on 11 December 2020.

Corporations Act means the *Corporations Act 2001* (Cth).

Equity Raising means the accelerated renounceable entitlement offer undertaken by the Company and announced on 18 March 2024.

Equity Raising Price means the offer price for the Equity Raising, being A\$0.03 cents.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of the ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Options means an option to acquire a Share in the capital of the Company.

PCG Acquisition means the acquisition of 100% of the issued share capital of PCG by the Buyer from the shareholder of PCG.

PCG Seller means the shareholder of PCG, being an entity controlled by Dragoika Milin.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution set out in the Notice.

Securities means all of the securities in the capital of the Company, being both Shares and Options and otherwise.

Securityholder means a holder of Securities.

Sellers means each of the Arado Seller, the Venn IT Seller and the PCG Seller.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Venn IT Acquisition means the acquisition of 100% of the issued share capital of Venn IT by the Buyer from each shareholder of Venn IT, in accordance with the terms of a share purchase deed.

Venn IT Seller means each of Geoffrey Hughes, Robert Cargill, James Thomas, Trent Muller and Kate Switala, or their nominee shareholding entity that holds shares in the capital of Venn IT.

VWAP means the volume weighted average price of the Shares on ASX for the prescribed period as defined in the Listing Rules.

Appendix 1 Summary of Acquisition Agreements

Arado Acquisition	
Transaction overview	The Buyer will acquire the business and assets of 'Arado' from the Arado Seller and will assume liabilities for employee entitlements for transferring employees, pursuant to a business and asset sale deed (BSA).
Acquisition consideration	Total purchase price of up to \$7,000,000, comprising: <ul style="list-style-type: none"> (a) \$3,325,000 cash payable on completion; (b) the Arado Consideration Shares; and (c) deferred consideration (payable in cash) of \$175,000, to be paid 180 days after completion, but subject to set-off to satisfy completion adjustments and claims under the BSA.
Conditions precedent to Completion	Completion of the Arado Acquisition is subject to the satisfaction or waiver of customary conditions precedent for a transaction of this nature, including (but not limited to): <ul style="list-style-type: none"> (a) counterparty consent to key customer contracts and the renewal of contract terms; (b) the discharge and release of encumbrances relating to the business and the assets; (c) the Company receiving binding commitments for securities in connection with the Equity Raising (and associated underwriting), not being terminated in accordance with its terms; (d) each key employee having entered into a new employment agreement with the Company; (e) the Company obtaining shareholder approval for the issue of Consideration Shares (the subject of this Notice); and (f) no material adverse change occurring between exchange of the BSA and completion of the Arado Acquisition.
Timetable	Completion of the Arado Acquisition is expected to take place on 30 April 2024 subject to the conditions precedent having been satisfied or waived, or such later time as agreed between the parties.
Completion and pre-Completion conduct	For the period up to Completion, the Arado Sellers must carry on the business in all material respects in the ordinary course. The Arado Sellers are subject to customary restrictions and undertakings in respect of their pre-Completion conduct.
Representations, warranties and indemnities	The Arado Sellers give customary representations, warranties and indemnities relating to the business and the assets, which are subject to customary exclusions, time limits and financial thresholds. Claims by the Company may be set-off against the deferred consideration and the Company has the ability to force the sale of the Arado Consideration Shares to satisfy any claim if not satisfied by the Arado Sellers.
Restraints	Each Arado Seller and their associated persons are subject to customary non-compete and non-solicit restrictions.

Venn IT Acquisition	
Transaction overview	The Buyer will acquire the entire issued share capital of Venn IT from the Venn IT Sellers, pursuant to a share purchase deed (SPD).
Acquisition consideration	Total purchase price of up to \$6,000,000, comprising: <ul style="list-style-type: none"> (a) \$3,075,000 of cash payable on completion; (b) the Venn IT Consideration Shares; (c) deferred consideration (payable in cash) of \$75,000 (180 days deferral) to satisfy completion adjustments and claims under the SPD; and (d) an earn out payment of up to \$2,000,000, subject to the target business reaching a net revenue target for the financial year ending 30 June 2025 and 30 June 2026. The earn-out payments of \$1 million each are required to be made by 31 July 2026 if the net revenue target for FY25 is achieved, and 31 July 2027 if the net revenue target for FY26 is achieved. The full \$2 million earn out can be accelerated to be paid out on 31 July 2026 if a stretch growth target is met in FY25. If the FY25 target is not met but the business exceeds the FY26 target, a pro rata amount of the FY25 payment can be earned reflecting the revenue above the FY26 target.
Conditions precedent to Completion	Completion of the Venn IT Acquisition is subject to the satisfaction or waiver of customary conditions precedent for a transaction of this nature, including (but not limited to): <ul style="list-style-type: none"> (a) landlord consent to the change of control of Venn IT; (b) the discharge and release of historical encumbrances relating to Venn IT; (c) the Company receiving binding commitments for securities in connection with the Equity Raising (and associated underwriting), not being terminated in accordance with its terms; (d) each key employee having entered into a new employment agreement with the Company; (e) the Company obtaining shareholder approval for the issue of consideration shares (the subject of this Notice); and (f) no material adverse change occurring between exchange of the SPD and completion of the Venn IT Acquisition.
Timetable	Completion of the Venn IT Acquisition is expected to take place on 30 April 2024 subject to the conditions precedent having been satisfied or waived, or such later time as agreed between the parties.
Completion and pre-Completion conduct	For the period up to Completion, the sellers must carry on the business in all material respects in the ordinary course. The sellers are subject to customary restrictions and undertakings in respect of their pre-Completion conduct.
Representations and warranties	The sellers give customary representations and warranties relating to the shares of Venn IT and the Venn IT business, which are subject to customary exclusions, time limits and financial thresholds. Resolved claims by the Company may be set-off against the deferred consideration, the earn-out payment (if any) and by way of forcing the sale of Venn Consideration Shares.
Restraint	The Venn IT Sellers and their associated persons are subject to customary non-compete and non-solicit restrictions.

PCG Acquisition	
Transaction overview	The Buyer will acquire the entire issued share capital of PCG from the PCG Seller, pursuant to a share purchase deed (SPD).
Acquisition consideration	Total purchase price of \$15,000,000, comprising: <ul style="list-style-type: none"> (a) \$11,875,000 of cash payable on completion; (b) the PCG Consideration Shares; and (c) deferred consideration (payable in cash) of \$625,000 (180 days deferral) to satisfy completion adjustments and claims under the SPD.
Conditions precedent to Completion	Completion of the PCG Acquisition is subject to the satisfaction or waiver of customary conditions precedent for a transaction of this nature, including (but not limited to): <ul style="list-style-type: none"> (a) landlord consent to the change of control of the tenant (PCG); (b) the discharge and release of historical encumbrances relating to PCG; (c) the Company receiving binding commitments for securities in connection with the Equity Raising (and associated underwriting), not being terminated in accordance with its terms; (d) counterparty consent to key customer contracts and the renewal of contract terms; (e) the seller providing evidence of full and final repayment of a shareholder loan; (f) each key employee having entered into a new employment agreement with the Company, on terms agreed between each key employee and the Company which include entitlements to the issue of Options under the Plan; (g) the Company obtaining shareholder approval for the issue of consideration shares (the subject of this Notice); and (h) no material adverse change occurring between exchange of the SPD and completion of the PCG Acquisition.
Timetable	Completion of the PCG Acquisition is expected to take place on 30 April 2024 subject to the conditions precedent having been satisfied or waived, or such later time as agreed between the parties.
Completion and pre-Completion conduct	For the period up to Completion, the sellers must carry on the business in all material respects in the ordinary course. The seller is subject to customary restrictions and undertakings in respect of their pre-Completion conduct.
Representations and warranties	The seller gives customary representations and warranties relating to the shares of PCG and the PCG business, which are subject to customary exclusions, time limits and financial thresholds. Resolved claims by the Company may be set-off against the deferred consideration and the Company may force the sale of PCG Consideration Shares.
Restraint	The PCG Seller and its associated persons are subject to customary non-compete and non-solicit restrictions.

Appendix 2 Summary of Long Term Incentive Plan

1. The terms and conditions of the Plan are set out in comprehensive rules. A summary of the rules of the Plan is set out below:
2. The Board may, at its discretion, invite participants to participate in the Plan. Participants may be Directors, senior management, and other employees of the Company or its subsidiaries, and any other person providing services to the Company and its related bodies corporate and is eligible to participate in the Plan as determined by the Board. Participation is voluntary.
3. Types of awards under the Plan include (each an **Award**):
 - a. Options;
 - b. performance rights; and
 - c. Shares including loan funded shares.
4. The Board may determine the type and number of Awards to be issued under the Plan to each participant and other terms of issue of the Awards, including:
 - a. what service-based conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
 - b. the fee payable (if any) to be paid by a participant on the grant of Awards;
 - c. the exercise price of any Option granted to a participant;
 - d. the period during which a vested option can be exercised; and
 - e. any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or performance rights.
5. When any service-based conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares or their options / performance rights will become vested and will be exercisable over Shares (as applicable).
6. Each vested Option and performance right enables the participant to be issued or to be transferred one Share upon exercise, subject to the rules governing the Plan and the terms of any particular offer.
7. Participants holding Options or performance rights are not permitted, to the extent of their holding in Options or performance rights, to participate in a new issue of securities by the Company without first exercising the Options or having the performance rights vest.
8. Adjustments must be made to the number of Shares over which the options or performance rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the Plan and the Listing Rules.
9. The Plan defines the circumstances where a participant may be considered a good leaver or bad leaver. In these circumstances the Board has sole and absolute discretion in determining the manner in which any unvested Awards may be dealt with.
10. In the event of a change of control event, unless the Board in its sole and absolute discretion deems otherwise, Awards granted will vest on a pro rata basis where the Board considers vesting conditions and performance hurdles applicable to those Awards to have been satisfied.
11. The Board may at any time amend the Plan, or the terms and conditions upon which Awards have been issued under the Plan, subject to the requirements of the Constitution, the Listing

Rules and requirement to not materially reduce the rights of any participants (as set out in the Plan).

12. The Board may delegate management and administration of the Plan, together with any of their powers or discretions under the Plan, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.

Appendix 3 Terms of Options

Vesting conditions and performance hurdles

The Options will vest over a period of 3 years subject to the satisfaction of the following vesting conditions:

- a) Peter Maloney remains an Employee (as defined in the Plan rules) up to and including the applicable vesting date; and
- b) satisfaction of certain performance hurdles that are based on specified earnings targets for FY25.

Exercise price for Options

The Options have an exercise price of \$0.03 which is equal to the Equity Raising Price for the Equity Raising.

The Option holder may exercise the Options in accordance with the procedures set out in the Plan.

Additional terms of the Options

- (a) Options do not carry any dividend or voting rights prior to vesting and exercise;
- (b) Each vested Option enables Peter Maloney to exercise that Option and upon exercise to be issued or transferred one Share, subject to the rules governing the Plan;
- (c) The Company's obligations to allocate Shares on exercise of the Options may be satisfied by issuing new Shares or procuring the transfer to Peter Maloney of the number of existing Shares in respect of which Options have vested;
- (d) The Plan contains provisions which give the Board the ability, in certain circumstances, to impose clawback, including the lapse of unvested Options and forfeit of Shares allocated upon vesting of Options (e.g. in the event of fraud, dishonestly or serious breach of duty);
- (e) In the event, in the Board's opinion, there is likely a change of control (as defined in the Plan rules) of the Company, the Options may be subject to accelerated vesting in accordance with the Plan rules;
- (f) In the event there is any corporate action by, or capital reconstruction in relation to the Company (including but not limited to return of capital), adjustments may be made to the number of Options and/or the number of Shares to which Peter Maloney is entitled upon vesting in accordance with the Listing Rules or in a manner that the Board considers appropriate;
- (g) The Options will be subject to any Good Leaver and Bad Leaver provisions under the Plan rules.
- (h) Any unvested Options will automatically lapse on the expiry date of the Options, being 5 years from the date of grant of the Options or the date the executive's employment termination / resignation.

Appendix 4 Amendment to Constitution

16.6 Multiple venues and use of technology

- (a) A meeting may be held both entirely as a virtual meeting using 1 or more technologies where all participants participate remotely, or as a hybrid meeting, where the meeting is held at 1 or more locations linked using 1 or more technologies and where all participants participate remotely but certain participants congregate in one room and enter the meeting using 1 technology, provided that the use of such technology:
 - (i) is secure and appropriate for holding of a meeting;
 - (ii) gives the general body of members a reasonable opportunity to participate in proceedings;
 - (iii) enables the chairman to be aware of proceedings;
 - (iv) requires the members to vote only by way of poll; and
 - (v) enables the company to verify the identity of each participant (or their proxy if applicable).

- (b) Each member using technology to attend the meeting is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present in person at the meeting.

- (c) If, before or during the meeting, any technical difficulty occurs where one or more of the matters set out in rule 16.6(a) is not satisfied, the chairman may adjourn the meeting until the difficulty is remedied.

- (d) Nothing in rule 16.6 or rule 16.10 is to be taken to limit the powers conferred on the chairman by law.

- (e) A document which is required or permitted to be tabled at the meeting is taken to be tabled at the meeting if it is:
 - (i) given in electronic form before the meeting to the persons entitled to attend the meeting (whether physically or remotely); or
 - (ii) made accessible in electronic form during the meeting to the persons attending the meeting (whether physically or remotely).

LODGE YOUR VOTE
 **ONLINE**
www.linkmarketservices.com.au
 **BY MAIL**
 Sovereign Cloud Holdings 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; or

 **ALL ENQUIRIES TO**
 Telephone: 1300 554 474 Overseas: +61 1300 554 474

PROXY FORM

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

APPOINT A PROXY

 the Chair of the Meeting (mark box)
OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

 or failing the person or body corporate named, or if no person or body corporate is named, the Chair 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 General Meeting of the Company to be held at **10:00am (AEST) on Wednesday, 24 April 2024 at Pitcher Partners, Level 38, 345 Queen St, Brisbane City QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 & 5: If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 4 & 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chair 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

	For	Against	Abstain*		For	Against	Abstain*
1 Approval of Issue of Consideration Shares – Arado Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Issue of Options to Peter Maloney Under Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Issue of Consideration Shares – Venn IT Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Issue of Consideration Shares – PCG Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval to Amend the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Long Term Incentive Plan	<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).

STEP 3


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 Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair 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 CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

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:

- (a) 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
- (b) 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 **10:00am (AEST) on Monday, 22 April 2024**, 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

www.linkmarketservices.com.au

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 www.linkmarketservices.com.au 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

Sovereign Cloud Holdings 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 GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**