

17 April 2014

FALANX GROUP LIMITED

("Fal anx" or "the Company")

Subscription to raise £2.0 million

Falanx Group Limited, a security and risk management consultancy working with blue chip and government clients worldwide, announces that it has conditionally raised £2,010,000 free of any issue costs and without the assistance of corporate brokers, for the subscription (the "Subscription") of 11,166,667 ordinary shares of no par value in the capital of the Company ("Ordinary Shares") (the "Subscription Shares") at a price of 18 pence per Ordinary Share.

Proceeds of the subscription will be used to support the development and general working capital requirements of Falanx's international Cyber Security proposition.

In addition to the Subscription Shares the Company will issue one warrant for every two Subscription Shares subscribed, exercisable at a price of 30 pence per Ordinary Share at any time up to three years from issue. A further 277,778 Ordinary Shares (the "Consideration Shares") have been issued, conditional only upon Admission, in consideration for services in connection with the Subscription.

Following their issue the Subscription Shares will represent 21.8% of the issued share capital of the Company.

The Subscription is conditional, inter alia, on admission of the Subscription Shares to trading on AIM. The Subscription Shares will

rank pari passu in all respects with the existing issued Ordinary Shares of the Company.

Application has been made for the Subscription Shares to be admitted to trading on AIM ("Admission). Admission and trading in the Subscription Shares are expected to commence on 24th April 2014.

Following Admission, the Company will have 51,149,028 Ordinary Shares in issue in total. The Company holds no Ordinary Shares in Treasury and, the figure of 51,149,028 Ordinary Shares may therefore be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

John Blamire, CEO of Falanx Group Limited, commented:

"These additional funds will allow us to accelerate the creation of a high-quality international cyber security proposition. We are delighted to have the financial support of a highly regarded group of Institutions and professional investors."

17th April 2014

For further information contact:

Falanx Group Limited

John Blamire, Chief Executive

Tel: 020 7856 9457

www.falanxgroup.com

WH Ireland Limited

Nominated Adviser & Joint Broker

Chris Fielding / Nick Field

Tel: 020 7220 1666

Peterhouse Corporate Finance

Joint Broker

Jon Levinson / Lucy Williams

Tel: 020 7469 0930

Lothbury Financial Services Michael Padley / Gary Middleton Tel: 020 3440 7620