

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident of the United Kingdom or, if not, another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some (but not all) of your Ordinary Shares, please retain these documents and consult the stockbroker or other agent through whom the sale or transfer was effected.

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of Merit Group plc which is set out in Part I of this Circular and which contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.



Merit Group plc

(Registered in England and Wales with company number 04267888)

Authority to allot shares and dis-apply pre-emption rights and Notice of General Meeting

Notice of a General Meeting of the Company to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 12.30 p.m. on 30 September 2021 is set out at the end of this Circular.

A summary of the action to be taken by Shareholders is set out on page 8 of this Circular and in the accompanying notice of the General Meeting.

You will not have received a Form of Proxy for the General Meeting. Instead you are encouraged to vote online at www.signalshares.com. Further details of how to vote are explained in Note 3 of the Notes to the Notice of General Meeting. To be valid, all proxy appointments must be completed and returned as soon as possible and so as to be received by the Company's Registrars, Link Group, no later than 12.30 p.m. on 28 September 2021.

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in connection with the matters addressed by this Circular and is not acting for, and will not be responsible to, any person other than the Company for providing the protections afforded to customers of Canaccord or for advising any other person on the arrangements described in this Circular.

The distribution of this Circular in certain jurisdictions may be restricted by law. Accordingly, this Circular must not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside of the UK into whose possession this document comes should inform themselves about and observe any such restrictions.

This document includes forward looking statements (that is, statements other than statements of historical facts), including (without limitation) those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, and any statement preceded or followed by, or including, words such as "target", "believe", "expect", "aim", "intend", "will", "may", "anticipate", "would" or "could", or negatives of such words. Such forward looking statements involve known and unknown risks, uncertainties and other factors beyond the Company's control, that could cause the actual results, performance or achievements of the Company to be materially different to future results, performance or achievements expressed or implied by such statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. They speak only as at the date of this document. The Company expressly disclaims any obligation to disseminate any update or revision to any forward looking statement in this document to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, unless required to do so by applicable law or the AIM Rules.

Certain terms used in this Circular, including certain capitalised terms and certain technical and other terms, are defined on page 5 of this Circular.

Copies of this document will be available free of charge from the Company's registered office during normal business hours on each day (excluding Saturday, Sunday and public holidays) from the date hereof until the date of the General Meeting. Copies will also be available from the Company's website at www.meritgroupplc.com.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Dispatch of this document	7 September 2021
Latest time and date for receipt of Proxy Appointment or CREST Proxy Instruction	12.30 p.m. on 28 September 2021
General Meeting	12.30 p.m. on 30 September 2021
Admission of the New Shares to trading on AIM	8.00 a.m. on 1 October 2021

ALLOTMENT STATISTICS

Allotment Price	62.4 pence
Number of Ordinary Shares in issue at the date of this document	20,788,375
Number of Deferred Consideration Shares	1,675,749
Number of Anti Dilution Shares	1,492,000
Number of Ordinary Shares in issue immediately following Admission, including the Deferred Consideration Shares and the Anti Dilution Shares	23,956,124
Percentage of the Enlarged Share Capital represented by the Deferred Consideration Shares	7.0 per cent.
Percentage of the Enlarged Share Capital represented by the Anti Dilution Shares	6.2 per cent.
Approximate market capitalisation of the Company at Admission at the Allotment Price	£14.9 million

Notes:

- (a) Unless otherwise specified, references in this document to time are to British Summer Time.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Acquisition”	the acquisition by the Company from the Sellers of the entire issued share capital of the Target on 18 July 2019
“Act”	the Companies Act 2006 (as amended)
“Admission”	means the admission of the Allotment Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“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 Price”	62.4 pence per new Ordinary Share
“Allotment Shares”	the Deferred Consideration Shares and the Anti Dilution Shares
“Anti Dilution Shares”	the Ordinary Shares to be allotted to the Anti Dilution Shareholders conditional on the passing of the Resolutions
“Anti Dilution Shareholders”	the Significant Shareholder and Sasqua
“Articles”	the existing articles of association of the Company as at the date of this document
“Board” or “Directors”	the directors of the Company whose names are set out on page 7 of this document
“Company”	Merit Group plc (company number 04267888)
“CREST”	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Manual”	the document of that name issued by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the Regulations)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Deferred Consideration Shares”	the Ordinary Shares to be allotted pursuant to the Acquisition
“Enlarged Share Capital”	the 23,956,124 Ordinary Shares in issue on Admission, including the Allotment Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the 20,788,375 Ordinary Shares in issue on the date of this document
“FSMA”	the Financial Services and Markets Act 2000

“General Meeting”	the general meeting of the Company to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 12.30 p.m. on 30 September 2021, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“Link Group”	Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
“London Stock Exchange”	London Stock Exchange plc
“Notice of Meeting”	the notice convening the General Meeting which is set out at the end of this Circular
“Ordinary Shares”	the ordinary shares of 28 pence each nominal value in the capital of the Company
“Regulatory Information Service” or “RIS”	a regulatory information service approved by the London Stock Exchange for the purposes of the AIM Rules
“Resolutions”	the resolutions set out in the Notice of Meeting at the end of this document
“Sasqua”	Sasqua Fields Capital Partners I, LLC
“Sellers”	Cornelius Conlon, Anthony Richard Buttanshaw and Benjamin Tindall being those of the sellers of Meritgroup Limited to the Company entitled to the allotment of the Deferred Consideration Shares
“Shareholders”	holders of Ordinary Shares
“Significant Shareholder”	Lord Ashcroft, KCMG PC
“Target”	Meritgroup Limited (company number 04842380)(now re-named Merit Data & Technology Limited)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
“United States” or “US”	the United States of America, its territories and possessions and any state of the United States and the District of Columbia

PART I

LETTER FROM THE CHAIR

MERIT GROUP PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985
with registered number 04267888)*

Directors:

Mark Smith (*Chairman*)*
David Beck (*Chief Executive Officer*)
Munira Ibrahim (*Managing Director, Dods*)
Cornelius Conlon (*Managing Director, Merit Data & Technology*)
Simon Bullock (*Chief Financial Officer*)
Angela Entwistle*
Diane Lees CBE*
Richard Boon*
Vijay Vaghela*

(Non-Executive)*

Registered Office:

11th Floor
The Shard
32 London Bridge Street
London
SE1 9SG

7 September 2021

Dear Shareholder

**AUTHORITY TO ALLOT SHARES AND DISAPPLY PRE-EMPTION RIGHTS AND
NOTICE OF GENERAL MEETING**

1. Background to and details of the Allotments

On 18 July 2019 the Company completed the acquisition of Meritgroup Limited (company number 04842380)(now re-named Merit Data & Technology Limited).

Pursuant to the Acquisition the Company agreed to settle certain consideration on the second anniversary of the completion of the Acquisition by the allotment of Ordinary Shares. The Company and the Sellers have since the second anniversary of the completion of the Acquisition agreed that 1,675,749 Ordinary Shares fall due to be allotted for these purposes.

The Anti Dilution Shareholders have communicated to the Directors that they do not wish their respective shareholdings in the Company to be diluted by the allotment of the Deferred Consideration Shares. The Significant Shareholder has therefore agreed to subscribe for 1,330,000 Ordinary Shares, at a cost of £829,920 at the Allotment Price, and Sasqua has therefore agreed to subscribe for 162,000 Ordinary Shares, at a cost of £101,088 at the Allotment Price, in order to maintain their respective shareholdings in the Company at their level immediately prior to the date of this circular.

The Directors have also identified investment opportunities within the Group, so believe the Company will benefit from an external investment of approximately £931,000. Proceeds from the Anti Dilution Shares will reduce the net debt of the Group, which as at 31 August 2021 stood at £2.4 million.

Application will be made to London Stock Exchange plc for the Allotment Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions at the General Meeting, Admission will become effective and that dealings will commence in the Allotment Shares on 1 October 2021.

2. Notice of General Meeting

I am writing to you to give notice of a general meeting of the Company to be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 12.30 p.m. on 30 September 2021 formal notice of which is set out at the end of this document.

It was announced today that the Company had conditionally agreed the number of Deferred Consideration Shares to be allotted pursuant to the Acquisition and the consequent number of Anti Dilution Shares to be allotted to the Anti Dilution Shareholders. The allotment of the Deferred Consideration Shares and the Anti Dilution Shares is conditional, amongst other things, on the passing of the Resolutions to be proposed at the General Meeting.

3. Related party transaction

The allotment of Anti Dilution Shares to the Significant Shareholder is classified as a related party transaction under the AIM Rules. Accordingly, the Directors consider, having also consulted with Canaccord in its capacity as the Company's nominated adviser, that the allotment of Anti Dilution Shares to the Significant Shareholder is fair and reasonable insofar as Shareholders are concerned.

4. General Meeting

Your approval is being sought in respect of the Resolutions.

A General Meeting, notice of which is set out at the end of this Circular, has been convened for 12.30 p.m. on 30 September 2021 for this purpose.

The Resolutions to be proposed at the General Meeting are to allot:

1. the Deferred Consideration Shares;
2. the Anti Dilution Shares; and
3. such shares free of the statutory pre-emption rights contained in section 561(1) of the Companies Act.

Resolutions 1, 2 and 3 serve to authorise the Directors to issue the Deferred Consideration Shares and the Anti Dilution Shares.

Resolutions 1 and 2 will be proposed as ordinary resolutions and will therefore require the approval of a majority of Shareholders voting in person or by proxy at the General Meeting.

Resolution 3 will be proposed as a special resolution and will therefore require the approval of not less than 75 per cent. of Shareholders voting in person or by proxy at the General Meeting.

For further information in relation to all of the Resolutions to be proposed at the General Meeting, please see the Notice of General Meeting at the end of this Circular, which contains the Resolutions.

5. Action to be taken for the General Meeting

- 5.1 Shareholders can submit Proxy Instructions online at www.signalshares.com. Further details of how to vote are explained in Note 3 of the Notes to the Notice of General Meeting and Note 3 of the Notes to the Notice of General Meeting. To be valid, all proxy appointments must be completed and returned as soon as possible and so as to be received by the Company's Registrars, Link Group, no later than 12.30 p.m. on 28 September 2021.
- 5.2 If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction to Link Group as soon as possible and so that it is received by no later than 12.30 p.m. on 28 September 2021.
- 5.3 The submission of a Proxy Instruction via Signal shares or the transmission of a CREST Proxy Instruction will not prevent you from attending and voting at the meeting in person.

6. Recommendation

The Directors also unanimously recommend that Shareholders vote in favour of Resolutions 1, 2 and 3 to be proposed at the General Meeting.

The Directors intend to vote in favour of all of the Resolutions in respect of their own beneficial holdings of Existing Ordinary Shares which amount to 807,000 Existing Ordinary Shares.

Yours faithfully,

Mark Smith
Chairman

MERIT GROUP PLC

*Incorporated and Registered in England and Wales under the Companies Act 1985
with company number: 04267888*

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Merit Group plc (the “**Company**”) will be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT on 30 September 2021 at 12.30 p.m. for the purpose of considering and, if thought fit, passing the following Resolutions, of which resolutions 1 and 2 shall be proposed as ordinary resolutions and resolution 3 shall be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. THAT in addition to all subsisting authorities to the extent unused, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”), to exercise all the powers of the Company to allot the Deferred Consideration Shares (as defined in the circular sent to shareholders on 7 September 2021 (the “Circular”)) provided that this authorisation shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2022. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.
2. THAT subject to the passing of Resolution 1 above and in addition to all subsisting authorities to the extent unused, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”), to exercise all the powers of the Company to allot the Anti Dilution Shares (as defined in the Circular) provided that this authorisation shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2022. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.

SPECIAL RESOLUTION

3. THAT subject to the passing of Resolutions 1 and 2 above and in addition to all subsisting authorities to the extent unused, the Directors are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authorisation conferred by Resolutions 1 and 2 above as if section 561 of the Act did not apply to the allotments, provided that this power is limited to shares in the Company up to an aggregate nominal amount of £886,970 and this power shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2022, and that the Company may, at any time before the expiry of this power, make offers or enter into agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

By order of the Board

Fieldfisher Secretaries Limited
Company Secretary

Registered Office

11th Floor
The Shard
32 London Bridge Street
London
SE1 9SG

7 September 2021

Notes:

- 1 Only those shareholders registered in the Company's register of members at:
 - close of business on 28 September 2021; or
 - if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 Any member entitled to attend, vote and speak at the meeting convened by the above notice is entitled to appoint one or more proxies to attend, speak and vote at the meeting instead of him. A proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share.
- 3 You will not have received a hard copy proxy form in the post. You can instead submit your proxy vote electronically by accessing the shareholder portal at www.signalshares.com, logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code ('IVC') which can be found on your share certificate. Proxy votes should be submitted as early as possible and in any event, no later than 48 hours before the time for the holding of the meeting or any adjournment of it.
- 4 Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) when completing your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given.
- 5 To be effective, the proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars, not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it. By registering on the Signal shares portal at www.signalshares.com, you can manage your shareholding, including:
 - cast your vote
 - change your dividend payment instruction
 - update your address
 - select your communication preference.Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrars, Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. If a paper form of proxy is requested from the registrar, it should be completed and returned to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL to be received not less than 48 hours before the time of the meeting. Completion of a proxy will not preclude members from attending and voting in person at the meeting.
- 6 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the General Meeting is close of business 2 days (excluding any part of a day that is not a working day) prior to the time for holding the meeting, or if the meeting is adjourned close of business 2 days (excluding any part of a day that is not a working day) prior to the time for holding the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
- 7 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Given the current restrictions on attendance in person, Shareholders are encouraged to appoint the chairman of the General Meeting as their proxy rather than a named person who will not as at this date of this document be permitted to attend the physical meeting. Shareholders are further asked to appoint the chairman of the meeting as their proxy electronically where possible.
- 8 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (Link Group, ID RA10) not less than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

- 9 CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
- 10 The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 11 In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- 12 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 13 As at 6 September 2021 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 20,788,375 ordinary shares of nominal value 28p each, carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at that date are 20,788,375.
- 14 You may not use any electronic address (within the meaning of section 333(4) of the 2006 Act) provided in this Notice of Meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- 15 If you need help with voting online, or require a paper proxy form, please contact our Registrar, Link Group by email at enquiries@linkgroup.co.uk, or you may call Link on 0371 664 0391 Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Submission of a Proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.