

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

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 20 February 2020. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.**

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

---

# **GRC International Group plc**

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 11036180)*

## **Proposed Placing of 28,846,154 Placing Shares at a price of 13 pence per Placing Share, variation of terms of a deferred payment due to former shareholders of DQM Group Holdings Limited and Notice of General Meeting**

---

**Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 10 to 13 of this document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.**

Grant Thornton UK LLP ("Grant Thornton"), which, in the United Kingdom, is authorised and regulated by the Financial Conduct Authority, is acting as nominated adviser to the Company for the purposes of the AIM Rules in connection with the Proposals and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Grant Thornton or for advising any other person in respect of the Proposals or any transaction, matter or arrangement referred to in this document. Grant Thornton's responsibilities as the Company's nominated

adviser are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Dowgate Capital Limited (“Dowgate Capital”), which, in the United Kingdom, is authorised and regulated by the FCA, is acting as broker to the Company in connection with the Placing and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Dowgate Capital or for advising any other person in respect of the Placing or any transaction, matter or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Grant Thornton UK LLP and/or Dowgate Capital Limited by the FSMA or the regulatory regime established thereunder, Grant Thornton UK LLP and Dowgate Capital Limited do not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Proposals. Grant Thornton UK LLP and Dowgate Capital Limited accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

**Notice of a General Meeting of GRC International Group plc, to be held at the offices of Grant Thornton UK LLP at 30 Finsbury Square, London, EC2A 1AG at 11.00 a.m. on 18 February 2020, is set out at the end of this document. Shareholders are requested to complete, sign and return the accompanying Form of Proxy for use in connection with the General Meeting as soon as possible and, in any event, so as to reach the Company’s registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, by not later than 11.00 a.m. on 14 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.**

**Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Equiniti (ID: RA19) by no later than 11.00 a.m. on 14 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.**

A copy of this document is available at the Company’s website <https://www.grci.group/investors>.

## IMPORTANT NOTICE

### Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

### Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the New Ordinary Shares are being offered in reliance on Regulation S under the US Securities Act. The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Placing Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

### **Presentation of financial information**

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

### **Presentation of market, economic and industry data**

Where information contained in this document originates from a third-party source, it is identified where it appears in this document together with the name of its source. Such third-party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **No incorporation of website information**

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

### **Interpretation**

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

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

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

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

## CONTENTS

	<i>Page</i>
<b>DIRECTORS, SECRETARY AND ADVISERS</b>	6
<b>PLACING STATISTICS</b>	7
<b>EXPECTED TIMETABLE OF PRINCIPAL EVENTS</b>	7
<b>DEFINITIONS</b>	8
<b>LETTER FROM THE CHAIRMAN OF GRC INTERNATIONAL GROUP PLC</b>	10
<b>NOTICE OF GENERAL MEETING</b>	14

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Andrew Brode ( <i>Chairman</i> ) Alan Calder ( <i>Chief Executive Officer</i> ) Steve Watkins ( <i>Executive Director</i> ) Christopher Hartshorne ( <i>Finance Director</i> ) Neil Acworth ( <i>Group Chief Information Officer</i> ) Richard Piper ( <i>Independent Non-Executive Director</i> )  All of whose business address is at the Company's registered and head office
<b>Registered and Head Office</b>	Unit 3 Clive Court Bartholomews Walk Cambridgeshire Business Park Ely Cambridgeshire CB7 4EA
<b>Company website</b>	<a href="http://www.grci.group">www.grci.group</a>
<b>Company Secretary</b>	Christopher Hartshorne
<b>Nominated Adviser</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
<b>Broker</b>	Dowgate Capital Limited 15 Fetter Lane London EC4A 1BW
<b>Legal advisers to the Company</b>	Mills & Reeve LLP Botanic House 100 Hills Road Cambridge CB2 1PH
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

## PLACING STATISTICS

Number of Existing Ordinary Shares in issue on the date of this document	64,484,172
Placing Price	13 pence
Total number of Placing Shares being issued pursuant to the Placing	28,846,154
Total number of Deferred Consideration Shares and Additional Consideration Shares proposed to be issued	4,567,263
Enlarged Share Capital	97,897,589
New Ordinary Shares as a percentage of the Enlarged Share Capital	34.1 per cent.
Gross proceeds of the Placing	£3.75 million
Estimated net proceeds of the Placing receivable by the Company	£3.50 million

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2020</i>
Publication of this document	31 January
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	11.00 a.m. on 14 February
General Meeting	11.00 a.m. on 18 February
Admission and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 20 February
Expected date for CREST accounts to be credited in respect of the New Ordinary Shares in uncertificated form	20 February
Where applicable, expected date for despatch of definitive share certificates for New Ordinary Shares in certificated form	By 2 March

### Notes:

1. Each of the above times and/or dates is subject to change at the absolute discretion of the Company, Grant Thornton and Dowgate Capital. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

## DEFINITIONS

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

<b>“Acquisition”</b>	the acquisition by the Company of the entire issued share capital of DQM pursuant to the Sale and Purchase Agreement
<b>“Act”</b>	the Companies Act 2006 (as amended)
<b>“Additional Consideration Shares”</b>	such number of Ordinary Shares as have an aggregate value of £426,186 calculated on the basis of the Placing Price
<b>“Admission”</b>	admission to trading on AIM of the New Ordinary Shares becoming effective in accordance with Rule 6 of the AIM Rules
<b>“AIM”</b>	the AIM Market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time
<b>“certificated form” or “in certificated form”</b>	recorded on a company’s share register as being held in certificated form (namely, not in CREST)
<b>“Company” or “GRC”</b>	GRC International Group plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 11036180
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
<b>“Dealing Day”</b>	a day on which the London Stock Exchange is open for business in London
<b>“Deferred Consideration Share Issue”</b>	the issue of the Deferred Consideration Shares as a portion of the deferred consideration payable to the DQM Shareholders pursuant to the Sale and Purchase Agreement
<b>“Deferred Consideration Shares”</b>	1,288,910 Ordinary Shares to be issued and allotted to the DQM Shareholders pursuant to the terms of the Sale and Purchase Agreement at a price of 116.5 pence per share, such shares having an aggregate price of £1,501,580.15
<b>“Directors” or “Board”</b>	the directors of the Company whose names are set out on page 6 of this document, or any duly authorised committee thereof
<b>“Dowgate Capital”</b>	Dowgate Capital Limited, the Company’s broker
<b>“DQM”</b>	DQM Group Holdings Limited, a company incorporated and registered in England and Wales under the Companies Act 2006 with registered number 10852386
<b>“DQM Shareholders”</b>	the three principal shareholders of DQM immediately prior to the Acquisition, being Adrian Gregory, Christine Gregory and Peter Galdies, to whom deferred consideration is payable pursuant to the Sale and Purchase Agreement
<b>“EBITDA”</b>	means earnings before interest, taxes, depreciation and amortisation
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of the Company as enlarged by the issue of the New Ordinary Shares (assuming no further Ordinary



	Shares are issued (whether pursuant to the share option schemes of the Group or otherwise))
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Existing Ordinary Shares”</b>	the 64,484,172 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting which accompanies this document
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting”</b>	the general meeting of the Company to be held at the offices of Grant Thornton, 30 Finsbury Square, London, EC2A 1AG, notice of which is set out at the end of this document
<b>“Grant Thornton” or “Nominated Adviser”</b>	Grant Thornton UK LLP, the Company’s nominated adviser
<b>“Group”</b>	the Company, its subsidiaries and its subsidiary undertakings, as at the date of this document
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Ordinary Shares”</b>	the Placing Shares, the Deferred Consideration Shares and the Additional Consideration Shares
<b>“Notice of General Meeting”</b>	the notice convening the General Meeting which is set out at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of £0.001 each in the capital of the Company
<b>“Placing”</b>	the conditional placing of the Placing Shares by Dowgate Capital, as agent on behalf of the Company, further details of which are set out in this document
<b>“Placing Price”</b>	13 pence per Ordinary Share
<b>“Placing Shares”</b>	the 28,846,154 new Ordinary Shares to be issued pursuant to the Placing
<b>“Proposals”</b>	together, the Placing and Admission
<b>“Prospectus Rules”</b>	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
<b>“Regulatory Information Service”</b>	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website
<b>“Resolutions”</b>	the resolutions set out in the Notice of General Meeting
<b>“Sale and Purchase Agreement”</b>	means the sale and purchase agreement for the entire share capital of DQM dated 11 February 2019 between, inter alios, the Company and Peter Galdies
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

## LETTER FROM THE CHAIRMAN OF GRC INTERNATIONAL GROUP PLC

# GRC International Group plc

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 11036180)*

*Directors:*

Andrew Brode (Chairman)  
Alan Calder (Chief Executive Officer)  
Steve Watkins (Executive Director)  
Christopher Hartshorne (Finance Director)  
Neil Acworth (Group Chief Information Officer)  
Richard Piper (Independent Non-Executive Director)

*Registered office:*

Unit 3 Clive Court  
Bartholomews Walk  
Cambridgeshire Business Park  
Ely  
Cambridgeshire  
CB7 4EA

31 January 2020

Dear Shareholder,

### **Proposed Placing of 28,846,154 Placing Shares at a price of 13 pence per Placing Share and Notice of General Meeting**

#### **1. Introduction**

The Company announced today that it has entered into a deed of variation to the Sale and Purchase Agreement amending the terms on which deferred consideration in respect of the Acquisition is payable to the DQM Shareholders (“**Deferred Consideration**”) (the “**Deed of Variation**”), and has conditionally placed 28,846,154 Placing Shares at 13 pence per share (raising gross proceeds of £3.75 million) to (i) satisfy the proposed revised cash portion of the Deferred Consideration; and (ii) provide additional working capital for the Group.

**The purpose of this document is to explain the background to and reasons for the Placing and the Deed of Variation, why the Directors consider the Placing and the Deed of Variation to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.**

**The contents of this letter are important and I would urge you to read it carefully and to complete, sign and return the enclosed Form of Proxy in accordance with the instructions given on it and in the paragraph below headed “Action to be Taken”, as soon as possible and in any event by no later than 11.00 a.m. on 14 February 2020.**

#### **2. Background to and rationale for the Placing**

On 11 February 2019, the Company entered into the Sale and Purchase Agreement to purchase the entire issued share capital of DQM from the DQM Shareholders. The initial consideration for the Acquisition was £5,886,839 (the “**Initial Consideration**”), comprising a cash payment of £3,532,104 and the issue of 2,021,232 Ordinary Shares worth £2,354,736 calculated on the basis of an issue price per share of 116.5 pence, equal to the average of the middle market quotations for the Ordinary Shares as shown by the AIM Appendix of the Daily Official List of the London Stock Exchange for the 10 business days prior to and including 7 February 2019. The Initial Consideration was satisfied on completion of the Acquisition.

Deferred Consideration was also payable under the Sale and Purchase Agreement to the DQM Shareholders, pursuant to the terms of an earn-out calculated by reference to eight times DQM’s adjusted EBITDA for the financial year ended 28 February 2019, less the amount of the Initial Consideration and certain other adjustments. The Sale and Purchase Agreement required that the Deferred Consideration be satisfied through cash (as to 60 per cent. of the Deferred Consideration) and the issue of Ordinary Shares (as to 40 per cent. of the Deferred Consideration and based on an issue price per Ordinary Share of 116.5 pence) within five business days of the date on which the parties agree the EBITDA in respect of DQM’s earn-out accounts for the financial year ending 28 February 2019 (the “**DQM Audit**”).

In advance of completion of the DQM Audit, the Group explored with the DQM Shareholders whether the payment of the cash component of the Deferred Consideration could be settled in other ways. As announced today, the Company and the DQM Shareholders have entered into the Deed of Variation to confirm, subject to completion of the Placing and the passing of the Resolutions, that the Deferred Consideration to be paid has an aggregate value of £3,553,953 and that the cash component of the Deferred Consideration shall be satisfied by the payment of £1,626,186.85 in cash and the issue of the Additional Consideration Shares (the “**Transaction**”).

Accordingly, and in satisfaction of the Group’s obligation to pay the Deferred Consideration, the DQM Shareholders shall subject to completion of the Placing and the passing of the Resolutions:

- (a) be issued 1,288,910 Ordinary Shares at a price of 116.5 pence per share, having an aggregate price of £1,501,580.15 (such shares being the “**Deferred Consideration Shares**”);
- (b) be issued an additional 3,278,353 Ordinary Shares at the Placing Price, having an aggregate price of £426,186 (such shares being the “**Additional Consideration Shares**”); and
- (c) be paid £1,626,186.85 in cash (the “**Deferred Cash Payment**”).

The Directors believe that this arrangement is favourable to the Company’s cash management and further aligns the DQM Shareholders to the Group’s financial performance.

Should the Resolutions not be passed and/or the Placing not complete prior to 1 March 2020 the terms of the SPA will not be amended by the Deed of Variation.

### **Lock-in Agreements**

The DQM Shareholders have entered into 12 month lock-in agreements which, *inter alia*, places certain restrictions on the sale of their Ordinary Shares with effect from Admission. This agreement will cease to be effective if the Placing does not complete before 5 March 2020.

Pursuant to the agreement, each DQM Shareholder undertakes to the Company and Dowgate Capital (a) for six months following Admission not to dispose of or agree to dispose of any interest in the Additional Consideration Shares or the Deferred Consideration Shares or other Ordinary Shares acquired during that period; and (b) not to dispose of or agree to dispose of any interest in such shares during the period from the six month anniversary of Admission to the twelve month anniversary of Admission without first consulting with Dowgate Capital.

### **Future intentions for DQM**

As announced in the Company’s interim financial results on 18 December 2019, DQM has traded profitably since the Acquisition and its financial performance for the year ended 28 February 2019 was better than the Directors had expected.

Should the Resolutions be passed at the General Meeting, the Group will no longer actively pursue a possible sale of DQM and will continue to work towards fully integrating DQM’s business into the Group to maximise the opportunities available for all businesses within the Group. The Directors will continue to review the performance of DQM in the context of the Group’s ambitions and future plans.

## **3. The Placing**

The Company proposes to raise approximately £3.5 million (net of expenses) through the issue of the Placing Shares at the Placing Price to fund the payment of the cash component of the Deferred Consideration and to provide additional working capital for the Group. The Placing Price represents a discount of 7.1 per cent. to the closing middle market price of 14 pence per Existing Ordinary Share on 29 January 2020, being the latest practicable date prior to the announcement of the Placing. The Placing Shares will represent 29.5 per cent. of the Company’s Enlarged Share Capital immediately following Admission.

### **The terms of the Placing**

Dowgate Capital, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares. Dowgate Capital has conditionally placed the Placing Shares with certain existing and new institutional and other investors at the Placing Price. The Placing has not been underwritten by Dowgate Capital. Completion of the Placing is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 20 February 2020 (or such later time and/or date as the Company and Dowgate Capital may agree, but in any event by no later than 8.00 a.m. on 29 February 2020).

The Company has given customary warranties to Dowgate Capital in the Placing Agreement. In addition, the Company has agreed to indemnify Dowgate Capital in relation to certain liabilities it may incur in respect of the Placing. Dowgate Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given to Dowgate Capital, the failure of the Company to comply in any material respect with any of its obligations under the Placing Agreement or the occurrence of a *force majeure* event in respect of the Company.

The Directors believe that raising new funds by way of the Placing is the most appropriate method of funding the Deferred Consideration and providing the Company with ongoing working capital at the present time. The Board considers that a general offer to existing Shareholders by way of rights or other pre-emptive issue is not appropriate at this stage of the Company's development due to the significant additional costs that would be incurred and the delay that would be caused by the production and approval of a prospectus if required.

### **Settlement and dealings**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the New Ordinary Shares will become effective at 8.00 a.m. on 20 February 2020.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

## **4. Current trading**

The Company continues to trade in line with market expectations. The Directors expect, with Brexit clarity and the improving macro-economic outlook, to continue building on the positive steps taken in H1, and that new client wins and continued cost control will underpin continued progress in profitability.

The Directors are pleased with the growth from cyber security products and services. Investments made since the Company's IPO in new business areas and geographies have started to show increased revenue and, the directors believe, will help GRC deliver long-term growth into FY20.

## **5. Related Party Transactions**

### **Deed of Variation**

Following the Acquisition, two of the three DQM Shareholders remained directors of DQM, a subsidiary of GRC and therefore, entering into the Transaction constitutes a related party transaction under Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's Nominated Adviser, that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned.

### **Director Subscription**

Certain of the Directors, being Mr Andrew Brode, Mr Alan Calder\*, Mr Ric Piper, Mr Steve Watkins and Mr Neil Acworth have subscribed for shares pursuant to the Placing, for an amount of £350,000, £78,441.09, £35,000, £15,000 and £15,000, respectively (the "**Directors' Participation**"). The Directors' Participation constitutes a related party transaction under Rule 13 of the AIM Rules for Companies. Christopher Hartshorne, the director independent of the Directors' Participation considers, having consulted with the Company's Nominated Adviser, that the terms of the Directors' Participation are fair and reasonable insofar as the Company's shareholders are concerned.

## **6. Share Option Exercise by a Director**

Mr Steve Watkins, a Director, has confirmed his intention to exercise vested options he holds over 1,680,000 Ordinary Shares at an exercise price of 0.31429 pence per Ordinary Share. Assuming such options are validly exercised, Mr Watkins will be issued with up to an additional 1,680,000 Ordinary Shares and which would raise up to an additional £5,280 payable to the Company. Shareholders should note that the Enlarged Share Capital does not include these shares but that such shares may, depending on the relevant exercise date, be issued and notified, should such options be validly exercised, prior to completion of the Placing and Admission.

---

\* The 603,393 Ordinary Shares represented by this £78,441.09 participation will be subscribed for by ITG Pension Fund, of which Alan Calder and his wife are sole beneficiaries and are also Trustees.

## 7. The General Meeting

The Directors are seeking the approval of shareholders at the General Meeting to issue and allot the New Ordinary Shares.

Set out at the end of this document is a notice convening the General Meeting to be held on 18 February 2020 at the offices of Grant Thornton UK LLP at 30 Finsbury Square, London, EC2A 1AG, at 11.00 a.m.

At the meeting two resolutions will be proposed:

- (a) Resolution 1 is an ordinary resolution to grant an additional authority and power to the Directors to permit them to allot the New Ordinary Shares as described in this document over and above the Company's existing authorities, which will remain unchanged following the issue of New Ordinary Shares; and
- (b) Resolution 2, which is a special resolution, disapplies pre-emption rights in relation to the shares allotted pursuant to the authority mentioned at a) above.

## 8. Further information

Further copies of this document are available to the public free of charge from the Company's offices at Unit 3 Clive Court, Bartholomews Walk, Cambridgeshire Business Park, Ely, Cambridgeshire, CB7 4EA at any time up until and including the date of the General Meeting, and can also be downloaded from the Company's website at <https://www.grci.group/investors>. Shareholders' attention is drawn to the remainder of this document.

## 9. Action to be taken

**A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 14 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).**

**If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Equiniti (ID: RA19) by no later than 11.00 a.m. on 14 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).**

**The completion and return of a Form of Proxy or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.**

## 10. Recommendation

**The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as the Directors and DQM Shareholders intend to do in respect of their holdings which amount to interests in 46,095,726 Ordinary Shares, representing approximately 71.48 per cent. of the existing issued ordinary share capital of the Company.**

Yours faithfully

**Andrew Brode**  
*Chairman*

## NOTICE OF GENERAL MEETING

# GRC International Group plc

*(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 11036180)*

**NOTICE IS HEREBY GIVEN THAT** a general meeting of GRC International Group plc (the “**Company**”) will be held at the offices of Grant Thornton UK LLP, 30 Finsbury Square, **London, EC2A 1AG** at 11.00 a.m. on 18 February 2020 to consider and, if thought fit, to pass the following resolutions of which Resolution 1 will be proposed as an ordinary resolution of the Company and Resolution 2 will be proposed as a special resolution of the Company:

### ORDINARY RESOLUTION

1. That, in accordance with section 551 of the Companies Act 2006 (“**Act**”), the directors of the Company (the “**Directors**”), in addition to all previous authorities granted to the Directors, be generally and unconditionally authorised to exercise all the powers of the Company to allot up to 33,413,417 ordinary shares in the Company, and grant rights to subscribe for or convert any securities into shares in the Company, up to an aggregate nominal amount of £33,413.42 (within the meaning of sections 551(3) and (6) of the said Act), in connection with the Placing, the Deferred Consideration Share Issue and the issue and allotment of the Additional Consideration Shares, each as detailed in a circular to shareholders of the Company dated 31 January 2020, provided that, unless previously renewed, varied extended or revoked by the Company in general meeting, this authority shall expire on 31 March 2020, save that the Company may before such expiry make any offer or agreement which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares in the Company, or grant rights to subscribe for or to convert any securities into shares in the Company in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTION

2. THAT, conditional upon the passing of Resolution 1, the directors be and they are empowered pursuant to section 570(1) and 571(1) of the Act, as applicable, to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 1, and/or where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act, as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to: the allotment of new ordinary shares of 0.1 pence each in the capital of the Company in connection with the Placing, the Deferred Consideration Share Issue and the issue and allotment of the Additional Consideration Shares, and unless previously renewed, revoked, varied or extended this power shall expire on 31 March 2020 save that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted under this authority after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Dated: 31 January 2020

*Registered Office:*

Unit 3 Clive Court  
Bartholomews Walk  
Cambridgeshire Business Park  
Ely  
Cambridgeshire  
CB7 4EA

*By order of the Board:*

**Christopher Hartshorne**  
*Company Secretary*

Notes:

1. A member who is entitled to attend, speak and vote at the meeting may appoint a proxy to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend the meeting in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A Form of Proxy accompanies this document. The notes to the Form of Proxy include instructions on how to appoint the chairman of the meeting or another person as a proxy and how to appoint a proxy electronically or by using the CREST proxy appointment service. To be valid the Form of Proxy must reach the Company's registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 11.00 a.m. on 14 February 2020 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company at 6.30 p.m. on 14 February 2020 (or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting. All members registered in the register of members of the Company at the start of the meeting (or any adjourned meeting) who hold ordinary shares are entitled to attend, speak and vote at the meeting (or any adjourned meeting).
3. Please note that communications regarding the matters set out in this Notice of General Meeting will not be accepted in electronic form, other than as specified in the accompanying Form of Proxy.
4. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
5. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in note 1 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
6. **Electronic voting instructions through the CREST voting system**

Shareholders who are CREST members may issue an instruction by using the CREST electronic voting appointment service. Further details are set out below.

  - 6.1 An instruction may be issued through the CREST electronic voting appointment service by using the procedures described in the CREST manual (available from [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) subject to the provisions of the Company's Articles of Association. 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 services provider(s), who will be able to take the appropriate action on their behalf.
  - 6.2 In order for instructions made using the CREST service to be valid, the appropriate CREST message (a CREST Voting Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (EUI) and must contain the information required for such instructions, as described in the CREST Manual.
  - 6.3 To give an instruction through the CREST system, CREST messages must be received by the issuer's agent (ID: RA19) not later than 48 hours before the General Meeting (or any adjournment). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

If a member has exercised the right, pursuant to the Company's articles of association and section 145 of the Companies Act 2006, to nominate another person to exercise the right to attend, speak or vote at the meeting or appoint a proxy for the meeting, then that nominee shall have those rights to the exclusion of the member.

