

**THIS DOCUMENT IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank, solicitor, accountant or other appropriate independent professional adviser. If you have sold or otherwise transferred all of your shares in Formation Group PLC ("Company"), please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

.....

Formation Group PLC
Registered in England and Wales with Company No. 4145632
Ground Floor, Oakwood House
414-422 Hackney Road
London E2 7SY

1 February 2019

To ordinary shareholders

Dear Shareholder

Annual General Meeting 2019

I am pleased to send you details of our 2019 annual general meeting ("AGM"), which will be held at the offices of Formation Group PLC, Ground Floor, Oakwood House, 414 - 422 Hackney Road, London E2 7SY on 28 February 2019 at 11:00am. I hope that you will be able to attend.

The formal notice of the AGM, which is set out on pages 5 to 7 of this document ("Notice"), sets out the business to be considered at the AGM. The purpose of this letter is to provide you with further details about those items of business.

This year, shareholders will be asked to approve 10 resolutions.

Resolutions 1 to 7 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent of the votes cast must be in favour of the resolution.

Resolutions 8 to 10 are proposed as a special resolution. This means that, for this resolution to be passed, at least 75% per cent of the votes cast must be in favour of the resolution.



Resolution 1: Annual report and accounts

The directors must present the Company's annual accounts, strategic report and directors' and auditors' reports to shareholders at a general meeting. Those to be presented at the AGM are in respect of the year ended 31 August 2018, and are called the Annual Report 2018. The Annual Report 2018 is available on the Company's website (www.formationgroupplc.com). A copy of the Annual Report 2018 accompanies this document.

Resolutions 2 and 3: Reappointment of directors

Resolution 2 proposes the reappointment of David Kennedy as director.

Resolution 3 proposes the reappointment of Batt O'Keeffe as director.

This is in accordance with the Company's articles of association, which require that one third of the directors (or the number nearest to but not exceeding one third) retire by rotation at each AGM, with each director also being subject to reappointment at intervals of not more than three years. The directors who are retiring by rotation are those who have been directors for the longest period of time since they were last appointed or reappointed by shareholders.

Resolutions 4 and 5: Reappointment and remuneration of auditors

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. Therefore, resolution 4 proposes the re-appointment of Grunberg & Co. Limited as auditors (to hold office until the next such meeting), and, in accordance with normal practice, resolution 5 authorises the directors to determine the auditors' remuneration.

Resolution 6: Authority to allot shares

Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 6 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £10,000,000.

If given, this authority will expire at the conclusion of the Company's next AGM or on 27 May 2020 (whichever is earlier). It is the directors' intention to renew the allotment authority each year.

As at the date of this document, no shares are held by the Company in treasury.

In line with the Company's strategy for 2018, the Company does propose to undertake further issues of shares in order to grow the business and seek further outside investment into the Company in order to facilitate this.

Resolution 7: Authority to allot shares - rights issue

In addition to resolution 6, if passed, resolution 7 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) in connection with a rights issue up to an aggregate nominal amount of £10,000,000.



Resolution 8: Disapplication of pre-emption rights

Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Act) for cash, then under the Act they must first offer such shares or securities to shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disapplied by shareholders.

Resolution 8, which will be proposed as a special resolution and, if passed, will enable the directors to allot equity securities for cash without having to comply with statutory pre-emption rights, but this power will be limited to allotment as detailed in the resolution.

This disapplication authority is required as the Company requires a flexible approach to the issue of shares. This reflects the Company's desire to grow and expand its investor base as it seeks further investment over the coming year.

If given, this power will expire at the conclusion of the Company's next AGM or on 27 May 2020 (whichever is the earlier). It is the directors' intention to renew this power each year.

Resolution 9: Purchase by the Company of its own shares

Resolution 9, which will be proposed as a special resolution, renews a similar authority given at last year's AGM. If passed, it will allow the Company to purchase, in the market, up to either (i) 4,410,302, (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 1 February 2019, being the last practicable date before the publication of this document). The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM or on 27 May 2020 (whichever is the earlier). It is the directors' intention to renew this authority each year.

The directors have no current intention to exercise the authority sought under resolution 8 to make market purchases, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base.

If passed, the directors will only exercise this authority if they believe that to do so would result in an increase in earnings per share and would be in the best interests of the Company and of its shareholders generally.

The Company is permitted to hold shares it has purchased in treasury, as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy options exercised under the Company's share schemes. While held in treasury, the shares are not entitled to receive any dividend or dividend equivalent (apart from any issue of bonus shares) and have no voting rights.

Resolution 10: Increased the Company's authorised share capital

Resolution 10, which will be proposed as a special resolution, which will allow the Company to issue further shares in the future.

After reviewing the financial position of the Company, the Directors believe that in order to meet the capital requirements for the continuing growth of the Company, it is the Company's intention to issue and allot further securities beyond the current maximum authorised share capital as prescribed in the Company's articles of association.



If passed, the resolution will increase the authorised share capital of the Company from 160,000,000 ordinary shares of £0.05 each to 250,000,000 ordinary shares of £0.05 each by the creation of 90,000,000 new ordinary shares of £0.05 each in the capital of the Company, such ordinary shares shall rank pari passu with the existing ordinary shares of £0.05 each in the capital of the Company subject to the rights and restrictions of the articles of association of the Company.

Recommendation

The directors consider that all the resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. The directors will be voting in favour of them, and unanimously recommend that you do so as well.

Action to be taken

If you would like to vote on the resolutions set out in the Notice but cannot come to the AGM, please appoint a proxy or proxies:

- by completing the Proxy Form sent to you with this document, and returning it to our registrars;
- (if you are a CREST member) using the CREST electronic proxy appointment service.

Your proxy appointment must be received by 11:00am on 26 February 2019. Further details relating to voting by proxy are set out in the notes to the Notice on pages 8 to 10 of this document and in the Proxy Form.

Yours sincerely



William O'Dea
Chairman



Notice of Annual General Meeting

Notice is given that the 2019 annual general meeting of Formation Group PLC (“Company”) will be held at the offices of Formation Group PLC, Ground Floor, Oakwood House, 414 – 422 Hackney Road, London E2 7SY on 28 February 2019 at 11.00am for the following purposes:

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

1. To receive the Company’s annual accounts, strategic report and directors’ and auditors’ reports for the year ended 31 August 2018.
2. To re-appoint David Kennedy, who retires by rotation, as a director of the Company.
3. To re-appoint Batt O’Keeffe who retires by rotation, as a Director of the Company.
4. To re-appoint Grunberg & Co. Limited as auditors of the Company.
5. To authorise the directors to determine the remuneration of the auditors.
6. That, pursuant to section 551 of the Companies Act 2006 (“Act”), the directors be and are generally and unconditionally authorised to allot Relevant Securities up to an aggregate nominal amount of £10,000,000 provided that (unless previously revoked, varied or renewed), this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 27 May 2020 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, “Relevant Securities” means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right. This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

7. That, pursuant to section 551 of the Companies Act 2006, the directors be and are generally and unconditionally authorised to allot equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £10,000,000 in connection with an offer by way of a rights issue:
 - 7.1 To holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - 7.2 To holders of other equity securities in the capital of the Company, as required by the rights of those securities, or subject to such rights, as the directors otherwise consider necessary,



but subject to such exclusion or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that (unless revoked or varied or renewed) these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, or on 27 May 2020 (whichever is earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

This authority, and that in resolution 6, is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

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

8. That, subject to the passing of resolutions 6 and pursuant to section 570 of the Companies Act 2006 ("Act"), the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 6 as if section 561(1) of the Act did not apply to any such allotment,

8.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):

8.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

8.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

8.2 Otherwise than pursuant to Paragraph 8.1 up to an aggregate nominal amount of £551,288.

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 27 May 2020 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired. This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

9. That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.05 each in the capital of the Company ("Shares"), provided that:



- 9.1 the maximum aggregate number of Shares which may be purchased is £44,103.02;
- 9.2 the minimum price (excluding expenses) which may be paid for a Share is £0.05;
- 9.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent of the average of the middle market quotations for a Share as derived from the NEX Exchange Growth Market for the five business days immediately preceding the day on which the purchase is made,

and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 27 May 2020 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

10. To increase the Company's authorised share capital to 250,000,000 ordinary shares of £0.05 each in the capital of the Company by amending article 2.1 of the Company's articles of association to the following:

- 10.1 The authorised share capital of the Company at the date of adoption of these Articles is £12,500,000 divided into 250,000,000 Ordinary Shares of £0.05 each.

By order of the board

Noel O'Carroll

Secretary

1 February 2019
Registered office
Formation Group Plc
Ground Floor, Oakwood House
414-422 Hackney Road
London E2 7SY

Registered in England and Wales No. 4145632



Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.30 pm on 26 February 2019 (or, if the meeting is adjourned, 6.30 pm on the date which is two days before the date of 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. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 to 4 below and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0371 384 2617 (or + 44 121 415 7047 if calling from overseas) or the proxy form may be photocopied. Lines open 8.30 am to 5.30 pm, Monday to Friday (excludes Bank Holidays in England and Wales). State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 11.00 am on 26 February 2019 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

4. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using 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.



In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual which can be found at www.euroclear.com. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti Limited (ID RA 19) no later than 11.00 am on 26 February 2019 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned 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 Equiniti Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 or her 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.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Total voting rights

6. As at 1 February 2019 (being the last practicable date before the publication date of this notice), the Company's issued share capital consists of 44,103,023 ordinary shares of £0.05 each, carrying one vote each.

The Company does not hold any ordinary shares in treasury.

Documents available for inspection

7. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.



7.1 Copies of the service contracts of the executive directors.

7.2 Copies of the letters of appointment of the non executive directors.

Communications with the Company

8. Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so by calling our shareholder helpline on 0371 384 2617 (or +44 121 415 7047 if calling from overseas). Lines open 8.30 am to 5.30 pm, Monday to Friday (excludes Bank Holidays in England and Wales).

No other methods of communication will be accepted.

