

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. They contain details of the Resolutions to be voted on at the General Meeting of the Company to be held at 10.00 a.m. on 29 December 2020. If you are in any doubt about the Disposal, the contents of this document or the action you should take, you are recommended to seek your own independent financial, tax and legal advice immediately from 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 resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document and the accompanying Form of Proxy at once 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. No documents should, however, be forwarded to, distributed or transmitted (in whole or in part) into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your registered holding of Ordinary Shares, you should retain this document and the accompanying Form of Proxy.



Nakama Group plc

(Incorporated and registered in England and Wales under the Companies Acts 1948 to 1981 with registered number 1700310)

Proposed disposal of the Trading Businesses Change of name to Ridgecrest plc

and

Notice of General Meeting

This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company, set out on pages 5 to 10 of this document, which contains the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of the General Meeting of the Company, to be held at 10.00 a.m. on 29 December 2020, is set out at the end of this document. The accompanying Form of Proxy, for use in connection with the General Meeting by Shareholders holding Ordinary Shares in certificated form, should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Link Group, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by not later than 10.00 a.m. on 27 December 2020. If you hold your Ordinary Shares in CREST and wish to appoint a proxy through the CREST electronic proxy appointment service, you may do so 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 10.00 a.m. on 27 December 2020. **Due to the ongoing COVID-19 pandemic and the related legal and other requirements, the General Meeting will be held as a closed meeting with a minimum number of Directors and/or employee Shareholders present, such that the legal requirement to hold a quorate meeting will be satisfied, and no other Shareholders will be permitted to access, attend or participate in person. Shareholders are accordingly strongly urged to appoint the Chairman of the General Meeting (rather than their own choice of person) as their proxy as this is the only way to ensure their vote is counted. The Company is taking these precautionary measures to safeguard Shareholders' and its employees' health and to enable the General Meeting to comply with current law. The Board will review these arrangements and any additional and/or alternative measures in advance of the General Meeting and will update Shareholders, as necessary, via a regulatory information service. Shareholders may submit questions relating to the business to be dealt with at the General Meeting by emailing rthesiger@nakamaglobal.com at least 48 hours prior to the meeting. The Company will endeavour to publish these questions and the Company's responses on its website (www.nakamagroupplc.com) as soon as practicable after the meeting.**

This document is not a prospectus and does not constitute or form any part of an offer or invitation to purchase or subscribe for, sell, dispose of or issue any securities or a solicitation of an offer or invitation to purchase or subscribe for, sell, dispose of or issue any securities. This document is being sent to Shareholders solely in connection with the General Meeting. The distribution of this document into jurisdictions other than the United Kingdom may be restricted by applicable law or regulations and persons in such jurisdictions into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe those restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical fact, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group’s control that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. Whilst the Directors consider these statements to be reasonable based upon information currently available, they may prove to be incorrect. However, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Certain terms used in this document are defined in that section of this document which appears under the heading “Definitions”.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	9 December 2020
Posting to Shareholders of this document	10 December 2020
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 27 December 2020
Latest time and date for receipt of CREST Proxy Instructions	10.00 a.m. on 27 December 2020
General Meeting	10.00 a.m. on 29 December 2020
Expected completion of the Disposal	4 January 2021

Notes:

- (1) *References to times in this document are to London time (unless otherwise stated).*
- (2) *The dates set out in the timetable above are based on current expectations and may be subject to change.*
- (3) *If any of the above times and/or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement to a regulatory information service.*

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended);
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers together with all accompanying guidance notes (as each are published by the London Stock Exchange from time to time);
“Allenby Capital”	Allenby Capital Limited, the Company’s nominated adviser and broker;
“APA”	the conditional asset purchase agreement dated 9 December 2020 entered into between Sanderson Recruitment and Nakama UK in respect of the Business Disposal;
“Australian Subsidiaries”	Nakama Melbourne and Nakama Sydney;
“Board” or “Directors”	the directors of the Company as at the date of this document, whose names are set out on page 5 of this document, or any duly authorised committee thereof;
“Business Disposal”	the proposed sale and purchase, subject (<i>inter alia</i>) to the passing of Resolution 1 at the General Meeting, of the Nakama UK Business pursuant to the terms of the APA;
“certificated” or in “certificated form”	a share or security which is not in uncertificated form (that is, not in CREST);
“Company” or “Nakama”	Nakama Group plc, a public limited company incorporated in England & Wales under registered number 1700310;
“Completion”	completion of the Disposal in accordance with the terms of the SPA and the APA on or about 4 January 2021;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended from time to time);
“CREST Proxy Instruction”	has the meaning given to that expression in the Notice of General Meeting;
“Disposal”	together, the Business Disposal and the Share Disposal;
“Disposal Agreements”	together, the SPA and the APA;
“Existing Ordinary Shares”	the 117,791,441 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM and comprising the entire issued ordinary share capital of the Company;
“Form of Proxy” or “Proxy Form”	the form of proxy enclosed with this document for use by Shareholders holding Ordinary Shares in certificated form in connection with the General Meeting;

“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 29 December 2020 (or any adjournment thereof), notice of which is set out at the end of this document;
“Group”	the Company together with its trading subsidiaries (as defined in the Act) as at the date of this document;
“Highams”	the Company’s subsidiary, Highams Recruitment Limited, a private limited company incorporated in England & Wales under registered number 04080096 and comprising one of the Trading Businesses;
“IR35”	the United Kingdom’s anti-avoidance tax legislation designed to tax ‘disguised’ employment at a rate similar to employment;
“London Stock Exchange”	London Stock Exchange plc;
“Nakama HK”	the Company’s subsidiary, Nakama Hong Kong Limited, a private limited company incorporated in Hong Kong under registered number 1560827 and comprising one of the Trading Businesses;
“Nakama Melbourne”	the Company’s non-trading subsidiary, Nakama Melbourne Pty Ltd (in liquidation), a private limited company incorporated in Australia under registered number 142 930 194;
“Nakama Singapore”	the Company’s subsidiary, Nakama Singapore Pte. Ltd., a private limited company incorporated in Singapore under registered number 201209691K and comprising one of the Trading Businesses;
“Nakama Sydney”	the Company’s non-trading subsidiary, Nakama Sydney Pty Ltd (in liquidation), a private limited company incorporated in Australia under registered number 146 000 035;
“Nakama UK”	the Company’s subsidiary, Nakama Limited, a private limited company incorporated in England & Wales under registered number 07009965, and the owner and operator of the Nakama UK Business;
“Nakama UK Business”	the business and assets of Nakama UK;
“Notice of General Meeting” or “Notice”	the notice convening the General Meeting, which is set out at the end of this document;
“Ordinary Shares”	the ordinary shares of 0.01 pence each in the capital of the Company;
“Register”	the register of members of the Company;
“regulatory information service”	a regulatory information service approved by the Financial Conduct Authority and which is on the list of regulatory information service providers maintained by it;
“Resolutions”	the ordinary resolution (being Resolution 1) and the special resolution each to be proposed at the General Meeting and set out in the Notice;
“Sanderson”	collectively, Sanderson Group, Sanderson Recruitment and Sanderson Solutions;
“Sanderson Recruitment”	Sanderson Recruitment plc, an unlisted public limited company incorporated in England & Wales under registered number 02919156, being a subsidiary of Sanderson Group;

“Sanderson Group”	Sanderson Solutions Group plc, an unlisted public limited company incorporated in England & Wales under registered number 01617971;
“Sanderson Solutions”	Sanderson Solutions International Limited, a private limited company incorporated in England & Wales under registered number 04480016, also being a subsidiary of Sanderson Group;
“Share Disposal”	the proposed sale and purchase, subject (<i>inter alia</i>) to the passing of Resolution 1 at the General Meeting, of the Trading Subsidiaries pursuant to the terms of the SPA;
“Shareholders”	holders of Ordinary Shares from time to time and the term “Shareholder” shall be construed accordingly;
“SPA”	the conditional share purchase agreement dated 9 December 2020 entered into between Sanderson Group, Sanderson Solutions, the Company and Nakama UK in respect of the Share Disposal;
“Trading Businesses”	the Group’s four trading businesses, comprising Highams, the Nakama UK Business, Nakama HK and Nakama Singapore;
“Trading Subsidiaries”	together, each of Highams, Nakama HK and Nakama Singapore;
“uncertificated” or “in uncertificated form”	Existing Ordinary Shares recorded on the Register as being held in uncertificated form in CREST, title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland; and
“£”	pounds sterling, the lawful currency of the United Kingdom.

LETTER FROM THE CHAIRMAN OF NAKAMA GROUP PLC

(Incorporated and registered in England and Wales under the Companies Acts 1948 to 1981, with registered number 1700310)

Directors:

Timothy Sheffield (*Chairman*)
Robert Thesiger (*Chief Executive Officer*)
Michael Clelland (*Non-Executive Director*)

Registered office:

Bourne House
475 Godstone Road
Whyteleafe
Surrey
CR3 0BL

To Shareholders and, for information purposes only, the holders of options over Ordinary Shares

Dear Shareholder,

9 December 2020

**Proposed disposal of the Trading Businesses,
change of name to Ridgecrest plc
and
Notice of General Meeting**

Introduction

The Company has announced that it has agreed terms to dispose of its four operating businesses, being Highams, the Nakama UK Business, Nakama HK and Nakama Singapore, to Sanderson, a privately owned recruitment business.

The Disposal is conditional, *inter alia*, upon Shareholders passing Resolution 1 at the General Meeting. The Resolutions are contained in the Notice of General Meeting which is set out at the end of this document.

Pursuant to the Disposal, the Company is required to change its name and the Board is proposing to change the Company's name to Ridgecrest plc.

The purpose of this letter is to provide you with further information regarding the Disposal, to set out why the Directors consider the Disposal to be in the best interests of the Company and Shareholders as a whole and why they are unanimously recommending that you vote in favour of the Resolutions at the forthcoming General Meeting.

Background to and reasons for the Disposal

The Group is an AIM-quoted recruitment consultancy working across the UK and Asia providing recruitment and related services for the web, interactive, digital media, IT and business change sectors.

As Shareholders will be aware, the Group was formed by the acquisition of Nakama UK and its subsidiaries in 2011 by Highams Systems Services Group plc, which was subsequently renamed Nakama. The merger was intended to provide the Group with increased scale and a broadening of its sector and geographical reach and was also expected to deliver cost savings, risk diversity and cross-selling opportunities across the two client bases.

The Group has faced a number of challenges in recent years and, despite efforts made by the Directors to achieve an internal restructuring and the reduction of costs, the Company's cash position has remained constrained.

The ongoing COVID-19 pandemic, along with the proposed but later revised changes to the IR35 regime, have had a significant impact on the Group's trading activities during 2020. Whilst the Trading Businesses have continued to trade and take on assignments, business volumes have reduced, and market conditions have continued to be difficult.

The Board has made every reasonable effort to secure the future of the Company and has utilised a number of Government initiatives in the UK (including the Coronavirus Job Retention Scheme), Hong Kong and Singapore to preserve the Group's cash resources. However, a second wave of the COVID-19 pandemic and new national lockdowns in the UK and other geographies has, the Directors believe, exacerbated the uncertainty felt by many businesses when making decisions about recruitment

assignments and this has led to increased working capital pressures on the Group. In recent weeks, the Group's cash position has continued to deteriorate and, as stated in previous announcements, the Board does not believe the Group can continue to trade satisfactorily without an injection of new capital.

In order to address the Group's cash constraints, the Board made a number of applications for UK Government backed loans, each of which was unfortunately rejected owing to the Company's historic losses which meant it was not eligible to receive such finance. The Board also explored options for an equity fundraise but positive discussions held initially with a number of parties had to be terminated when the Company's largest shareholder made clear to the Board they would not support a fundraise and would vote against the Shareholder resolutions needed to allow the Company to issue any new shares.

In light of the Company's inability to raise debt or equity finance, the Board decided to seek a buyer for the Trading Businesses and held discussions with a number of potential buyers. Following these discussions, the Board has conditionally agreed to sell the Trading Businesses to Sanderson on the terms set out in this document.

The Board believes that, without additional funding and a material improvement in market conditions, it will not be possible to grow the Trading Businesses further or to maintain the Group as a going concern. **Should the sale of the Trading Businesses not proceed, the Directors believe they will be forced to take steps to protect the interests of the Group's creditors.**

As previously announced by the Company, the directors at the time took the decision in 2018 to cease trading in Australia entirely. The Group previously had a number of significant intercompany balances with the Australian Subsidiaries (both debits and credits) but these were written off in the Company's accounts for the year ended 31 March 2019. Whilst both Nakama Sydney and Nakama Melbourne are in liquidation, neither process has yet been concluded. The liquidator of the Australian Subsidiaries is in periodic correspondence with the Company about settling the intercompany balances and has also previously indicated to creditors the availability of a potential insolvent trading claim against the Company itself. The Board believes that any amounts due from the Group to the Australian Subsidiaries should be netted off against amounts previously owed by them to the Group. To date, the liquidator has (through correspondence to the creditors of the Australian Subsidiaries) indicated his intention to resolve the matter in the first half of 2021. The Board believes that, whilst the amount that could be claimed by the liquidator of the Australian Subsidiaries is significant, the Group's potential liability (if any) is likely to be relatively immaterial.

Further details of the Disposal

The Company intends to dispose of its four operating businesses (including their respective management and employees), being Highams, the Nakama UK Business, Nakama HK and Nakama Singapore, to Sanderson. Further details of each business are set out below.

Highams

Established in 1983, Highams specialises in delivering niche recruitment services across business and technology transformation programmes within the insurance, wealth management and life & pensions industries.

For the year ended 31 March 2020, Highams recorded an unaudited profit before tax of £273,785 on revenues of £6,355,566. The unaudited total assets of Highams as at 30 September 2020 were £760,193, with net liabilities being £1,055,776.

The Nakama UK Business

Nakama UK provides permanent, temporary and contract recruitment services to large multinational corporations, creative agencies, start-ups and SMEs in need of digital talent. Nakama UK is co-located with the Highams office in order to maintain cost efficiencies and promote cross-selling opportunities.

For the year ended 31 March 2020, Nakama UK recorded an unaudited loss before tax of £131,878 on revenues of £1,737,325. The unaudited total assets of Nakama UK as at 30 September 2020 were £206,342, with net liabilities being £1,019,068.

Nakama HK

Nakama HK is the Group's principal presence in the Asia-Pacific region and serves the digital technology markets across a broad range of clients from corporates to digital marketing agencies.

For the year ended 31 March 2020, Nakama HK recorded an unaudited loss before tax of £20,449 on revenues of £1,351,254. The unaudited total assets of Nakama HK as at 30 September 2020 were £572,083, with net assets being £4,770.

Nakama Singapore

The Singapore branch of Nakama, alongside the Hong Kong business, serves the Asia-Pacific digital technology markets.

For the year ended 31 March 2020, Nakama Singapore recorded an unaudited loss before tax of £181,618 on revenues of £275,184. The unaudited total assets of Nakama Singapore as at 30 September 2020 were £23,289, with net liabilities being £519,925.

Information on Sanderson

Founded in 1982, Sanderson is an established recruitment group and has its headquarters in Bristol, England, as well as offices in other parts of the UK and in the Asia-Pacific region. Its business comprises recruitment, solutions, executive search and projects divisions. These divisions operate across a number of sectors including financial services, government and defence, information technology, professional advisory, retail and consumer, utilities and energy and not for profit organisations.

Terms of the Disposal

Pursuant to the SPA, completion of which is conditional, *inter alia*, on the passing by Shareholders of Resolution 1 and there not having occurred any material adverse change in the business, operations, assets, liabilities, financial or trading condition or operating results of the Trading Subsidiaries (being any event or circumstance which gives rise to an additional cost or potential additional cost to them of more than £75,000), the Company and Nakama UK will sell, and Sanderson Group and Sanderson Solutions will buy, the entire issued share capital of each of Highams, Nakama HK and Nakama Singapore for a cash consideration of £440,000, of which £390,000 will be payable on Completion and the remaining £50,000 of which will be paid following the preparation (on or before the date falling 25 business days after Completion) and subsequent agreement or determination of completion accounts in respect of the Trading Subsidiaries.

The consideration payable under the SPA may be increased or decreased to the extent that, and by the amount (if any) by which, the net assets or liabilities of the Trading Subsidiaries as at Completion (after the write-down to zero of all intercompany balances with the Company and Nakama UK) are less or greater than their net liabilities as at 31 July 2020.

On Completion, Sanderson Recruitment and Nakama UK will also complete the APA which provides for the sale and purchase of the Nakama UK Business for a total cash consideration of £75,465.

It is anticipated that, subject to the passing of Resolution 1, the Disposal will complete on 4 January 2021. Should that Resolution not be passed on or before 31 December 2020, the Disposal Agreements will terminate unless a further longstop date can be agreed between the parties and, without prejudice to any accrued rights or obligations, be of no further effect. The Company and Nakama UK have undertaken to ensure that, pending Completion, the Trading Businesses will be carried on in the normal course. The terms of the Disposal Agreements also provide for the giving by the Company and Nakama UK, subject to various customary limitations, of certain specific and time-limited warranties in respect of the Trading Businesses.

The Company and Nakama UK have also undertaken that they will not at any time during the period of 12 months following Completion, *inter alia*, carry on or be concerned, engaged or interested in, or in any way assist, a business which competes with any business carried on by the Trading Businesses as at Completion.

Proposed Board changes

It has been agreed that Robert Thesiger, Chief Executive of Nakama, will join Sanderson, initially on a consultancy basis, pursuant to the Disposal. Robert will however remain as a Non-Executive Director of Nakama following Completion. Michael Clelland will resign as a Non-Executive Director of Nakama upon Completion but Tim Sheffield will remain as Chairman of the Company.

Use of proceeds

The gross proceeds of the Disposal will be used, in part, to satisfy: (i) the Company's professional advisory costs incurred in connection with the Disposal, expected to total approximately £80,000 (plus VAT); (ii) the outstanding VAT liabilities of the Company and Nakama UK; (iii) all amounts owed by Nakama UK to HSBC Invoice Finance (UK) Ltd as at Completion; and (iv) certain amounts owed to Directors in respect of unpaid directors' fees and a bonus which will crystallise on Completion.

The Board anticipates that, following completion of the Disposal and the payment of all associated costs and after taking into account all known outstanding liabilities of the Group, Nakama will have cash resources of approximately £200,000.

Shareholders should note however that the level of these cash resources could potentially be affected by other matters such as the ongoing liquidation of the Australian Subsidiaries, further details of which are set out above.

Principal effects of the Disposal and AIM Rule 15

The Trading Businesses constitute all of the Group's operating businesses and the Disposal will accordingly represent a disposal resulting in a fundamental change of business of the Company in accordance with Rule 15 of the AIM Rules. On Completion, the Company will cease to own, control or conduct all or substantially all of its existing trading business, activities or assets.

In accordance with the AIM Rules, completion of the Disposal is conditional on Shareholders passing Resolution 1 to be proposed at the General Meeting.

Following Completion, the Company will become an AIM Rule 15 cash shell and as such, will either be required to make an acquisition or acquisitions constituting a reverse takeover under AIM Rule 14 on or before the date falling six months from Completion or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of any suspension should the suspension not have been lifted beforehand.

As a cash shell, the Company would have no operating cash flow and would be dependent on the net proceeds of the Disposal and any further funds which could be raised for its working capital requirements.

The Directors will seek to work with external parties as appropriate in order to identify and pursue potential acquisition opportunities. **There can be no certainty however that a suitable acquisition opportunity will be identified or even proceed to completion. Any acquisition which involved the issue by the Company of new Ordinary Shares would be dilutive for Shareholders.**

Audited results for the year ended 31 March 2020 and interim results for the 6 months ended 30 September 2020

As previously announced, the Company has received an extension to the deadline by which it must announce and publish its annual report and audited results for the year ended 31 March 2020. If the Company fails to meet this deadline of 31 December 2020 then trading in the Ordinary Shares will be suspended. The Board anticipates announcing and distributing the audited results for the year ended 31 March 2020 shortly. **Shareholders should note however that the auditor's opinion on the results for the year ended 31 March 2020 is likely to include a "Material uncertainty related to going concern" paragraph as: (i) the Company's cash position is currently constrained; and (ii) the Disposal will not have completed prior to the auditors signing their audit opinion.**

The Company is also required by 31 December 2020 to publish its unaudited results for the six months ended 30 September 2020, unless it decides to avail itself of the one-month extension currently granted to AIM companies due to the COVID-19 pandemic. The Board presently anticipates that it will announce the unaudited results of the Company for the six months ended 30 September 2020 shortly after announcing the audited results for the year ended 31 March 2020.

Change of name

In light of the proposed Disposal and the sale of all of the Group's operating businesses, the Company intends to change its name. The Board is proposing that the Company's name be changed to Ridgecrest plc. The change of name will, subject to approval by Shareholders, be effective upon the issuance by the Registrar of Companies of a Certificate of Change of Name. An appropriate announcement will be made

when trading in the Ordinary Shares on AIM under the name Ridgecrest plc is to become effective. The Company's TIDM (ticker code) will change to RDGC. Shareholders should note that their shareholdings will be unaffected by the change of name. Existing share certificates should be retained by Shareholders holding Ordinary Shares in certificated form as they will remain valid for all purposes and no new share certificates will be issued.

General Meeting

Set out at the end of this document is the Notice convening the General Meeting to be held at 10.00 a.m. on 29 December 2020 at which an ordinary resolution (which cannot be passed unless it receives the support of more than 50% of the total number of votes cast for and against it) will be proposed to approve the sale of the Trading Businesses to Sanderson in accordance with the Disposal Agreements and a special resolution (which cannot be passed unless it receives the support of a majority of at least 75% of the total number of votes cast for and against it) will be proposed to approve the change of name of the Company described above.

If the Resolutions are each passed by the requisite majorities, they will be binding on all Shareholders, irrespective of how (or whether) they voted.

If Shareholders do not pass Resolution 1, the Company will continue to operate the Trading Businesses. However, the Directors believe there are limited opportunities to reduce the Company's cost base any further. In light of continued uncertainty in the global trading environment arising out of the COVID-19 pandemic, the Company would need to raise additional funds from investors. There can be no certainty that such investment could be raised, the terms of any investment or that Shareholders would provide the approvals required to permit the Company to issue new Ordinary Shares. If this investment was not raised, the Board would be obliged to take steps to protect the interests of creditors and the Company may eventually be placed into an insolvent liquidation process out of which Shareholders would be unlikely to see any return on their investment.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Disposal (or any decision by Shareholders not to approve it) on themselves.

Action to be taken

Shareholders will find enclosed with this document a reply-paid Form of Proxy which will enable them to vote at the General Meeting.

Whilst, in normal circumstances, the Board values very highly the opportunity to meet Shareholders in person, due to the ongoing COVID-19 pandemic and the related legal and other requirements, the General Meeting will be held as a closed meeting with a minimum number of Directors and/or employee Shareholders present, such that the legal requirement to hold a quorate meeting will be satisfied, and no other Shareholders will be permitted to access, attend or participate in person.

Shareholders are accordingly strongly urged to appoint the Chairman of the General Meeting (rather than their own choice of person) as their proxy as this is the only way to ensure their vote is counted.

The Company is taking these precautionary measures to safeguard Shareholders' and its employees' health and to enable the General Meeting to comply with current law. The Board will review these arrangements and any additional and/or alternative measures in advance of the General Meeting and will update Shareholders, as necessary, via a regulatory information service.

Shareholders may submit questions relating to the business to be dealt with at the General Meeting by emailing rthesiger@nakamaglobal.com at least 48 hours prior to the meeting. The Company will endeavour to publish these questions and the Company's responses on its website (www.nakamagroupplc.com) as soon as practicable after the meeting.

Shareholders who hold their Ordinary Shares in certificated form are requested to complete and sign the Form of Proxy and return it to the Company's registrars, Link Group, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, so as to arrive no later than 10.00 a.m. on 27 December 2020. Unless your Form of Proxy is received by this date and time, it will be invalid.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee may submit a Form of Proxy.

Shareholders who hold their Ordinary Shares in CREST and wish to appoint the Chairman of the General Meeting as their proxy through the CREST electronic proxy appointment service may do so 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 10.00 a.m. on 27 December 2020.

If you are in any doubt about the Disposal or the contents of this document or the action you should take, you are recommended to seek your own independent financial, tax and legal advice immediately from 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 resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

Recommendation

The Board considers that the Disposal and the proposed change of name of the Company are each in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

Yours faithfully

Tim Sheffield
Chairman

RISK FACTORS

In evaluating whether to vote in favour of the Resolutions to be proposed at the General Meeting, Shareholders should carefully consider all of the information in this document including the risk factors below. The Board have identified these risks as material risks, but additional risks and uncertainties not presently known to the Directors, or that they consider immaterial, may also adversely affect the Company. If any or a combination of the following risks materialise, the Company's business, financial condition and/or performance could be materially adversely affected. In any such case, the market price of the Ordinary Shares could decline.

The following risk factors do not purport to be exhaustive and are not set out in any order of priority. The Company's future performance might be affected by changes in market, policy and economic conditions and in legal, regulatory and tax requirements.

The Disposal is conditional and may not proceed

Completion is conditional, *inter alia*, upon the passing of Resolution 1. In the event this condition is not satisfied by the requisite time (or such later time as the parties may agree), the Disposal Agreements will each automatically terminate and the Disposal will not proceed.

Warranties and indemnities in the SPA and APA

The Disposal Agreements each contain limited warranties and indemnities (including in relation to tax) given by the Company and Nakama UK in favour of Sanderson. The Company has taken steps to minimise the risk of a liability arising under these provisions however, any liability to make a payment arising from a successful claim brought under the warranties or indemnities could have a material adverse effect on the Group's financial condition.

The Company may not receive the full deferred consideration

Sanderson has required that £50,000 of the consideration payable for its acquisition of the Trading Subsidiaries will only be paid following the preparation and subsequent agreement or determination of completion accounts. The consideration payable under the SPA may therefore be decreased to the extent that their net liabilities as at Completion are greater than their net liabilities as at 31 July 2020.

AIM Rule 15 deadlines

In accordance with AIM Rule 15, the Disposal constitutes a fundamental change of business of the Company. On Completion, the Company will cease to own, control or conduct all, or substantially all, of its existing trading business, activities or assets.

Therefore, following Completion, the Company will become an AIM Rule 15 cash shell and as such, will be required either to make an acquisition or acquisitions constituting a reverse takeover under AIM Rule 14 on or before the date falling six months from Completion or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified beforehand.

Identifying a suitable target

The Company will be dependent upon the ability of its board of directors following completion of the Disposal to identify suitable acquisition targets. There is no guarantee that the Company will be able to acquire an identified opportunity at an appropriate price, or at all, as a consequence of which resources might be expended unnecessarily on investigative work and due diligence.

As at the date hereof, the Directors have not identified any acquisition opportunities which they have resolved to pursue.

Limited current funds

As an AIM Rule 15 cash shell, the Company would have no operating cash flow and would be dependent on its current cash balances to meet its working capital requirements. It may be required to raise additional funds in order to complete a reverse takeover. Shareholders' holdings of Ordinary Shares may be materially diluted in due course by any such equity issues.

Market conditions

Market conditions may have a negative impact on the Company's ability to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14. There is no guarantee that the Company will be successful meeting the AIM Rule 15 deadline as described above.

Costs associated with potential acquisition or acquisitions

The Company would expect to incur certain third party costs associated with the sourcing of suitable acquisition targets. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given target business will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, financial condition and business prospects.

Future financing

The only future sources of financing currently available to the Company are the net proceeds of the Disposal and any potential future issues of additional equity capital or Shareholder loans. The Company's ability to raise further funds will depend on the success of acquired investments. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and Shareholders' holdings of Ordinary Shares may be materially diluted in due course by subsequent equity issues.

Liquidation of the Australian Subsidiaries

As previously announced by the Company, the Board took the decision last year to cease trading in Australia entirely. The Group previously had a number of significant intercompany balances with the Australian Subsidiaries (both debits and credits) but these were written off in the Company's accounts for the year ended 31 March 2019. Whilst both Nakama Sydney and Nakama Melbourne are in liquidation, neither process has yet been concluded. The liquidator of the Australian Subsidiaries is in periodic correspondence with the Company about settling the intercompany balances and has also previously indicated to creditors the availability of a potential insolvent trading claim against the Company itself. The Board believes that any amounts due from the Group to the Australian Subsidiaries should be netted off against amounts previously owed by them to the Group. To date, the liquidator has (through correspondence to the creditors of the Australian Subsidiaries) indicated his intention to resolve the matter in the first half of 2021. The Board believes that, whilst the amount that could be claimed by the liquidator of the Australian Subsidiaries is significant, the Group's potential liability (if any) is likely to be relatively immaterial.

NOTICE OF GENERAL MEETING

Nakama Group plc

(Incorporated and registered in England and Wales under the Companies Acts 1948 to 1981, with registered number 1700310)

Notice is hereby given that a General Meeting of Nakama Group plc (the “**Company**”) will be held at Bourne House, 475 Godstone Road, Whyteleafe, Surrey CR3 0BL at 10.00 a.m. on 29 December 2020 for the purposes of considering and, if thought fit, passing the resolutions set out below, of which the resolution numbered 1 will be proposed as an ordinary resolution and the resolution numbered 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. THAT:

- (a) the sale by:
- (i) the Company to Sanderson Solutions Group plc of the entire issued share capital of Highams Recruitment Limited;
 - (ii) the Company to Sanderson Solutions International Limited (“**Sanderson International**”) of the entire issued share capital of Nakama Singapore Pte. Ltd.; and
 - (iii) the Company and Nakama Limited to Sanderson International of the entire issued share capital of Nakama Hong Kong Limited,

in accordance with the terms of a conditional share purchase agreement entered into between themselves dated 9 December 2020; and

- (b) the sale by Nakama Limited to Sanderson Recruitment plc of the entirety of its business and assets, in accordance with the terms of a conditional asset purchase agreement entered into between themselves also dated 9 December 2020,

each as referred to and described in the circular to shareholders of the Company dated 9 December 2020 of which this notice forms part, be approved with the consequence that the Company shall become a cash shell within the meaning of Rule 15 of the AIM Rules for Companies.

SPECIAL RESOLUTION

- 2. THAT** the name of the Company be changed to Ridgecrest plc.

By Order of the Board

Philip Holt
Company Secretary

Bourne House
475 Godstone Road
Whyteleafe
Surrey CR3 0BL

9 December 2020

Notes:

The following notes explain your general rights as a shareholder and your right to vote at the General Meeting or to appoint someone else to vote on your behalf. Ordinarily, if you wished your proxy to speak on your behalf at the meeting you would need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. However, due to the ongoing COVID-19 pandemic and the related legal and other requirements, the meeting will be held as a closed meeting with a minimum number of directors and/or employee shareholders present, such that the legal requirement to hold a quorate meeting will be satisfied, and no other shareholders will be permitted to access, attend or participate in person or to appoint anyone else to attend on their behalf. Shareholders are accordingly strongly urged to appoint the Chairman of the meeting (rather than their own choice of person) as their proxy as this is the only way to ensure their vote is counted.

Shareholders may submit questions relating to the business to be dealt with at the General Meeting by emailing rthesiger@nakamaglobal.com at least 48 hours prior to the meeting. The Company will endeavour to publish these questions and the Company's responses on its website (www.nakamagroupplc.com) as soon as practicable after the meeting. A form of proxy for appointing a proxy and giving proxy instructions accompanies this notice.

1. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those members entered on the Company's register of members at:
 - close of business on 27 December 2020; or
 - if the meeting is adjourned, at close of business on the day which is two days prior to the time fixed for the adjourned meeting,

shall be entitled to vote at the meeting in respect of the number of shares registered in their name. Changes to entries on the register of members after such time will be disregarded in determining the rights of any person to attend or vote at the meeting.

2. To be valid, any form of proxy and the power of attorney or other authority, if any, under which it is signed or a duly certified or office copy of such power or authority must be completed, signed and lodged with the Company's registrars, Link Group, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be received not less than 48 hours before the time appointed for the meeting or any adjourned meeting. The completion and return of a form of proxy would not ordinarily preclude a member from attending and voting at the meeting in person should it subsequently decide to do so. **However, in light of the COVID-19 pandemic, as noted above, shareholders and their proxies, other than the Chairman of the General Meeting, will not generally be allowed to attend or vote at the meeting.**
3. A vote withheld is not a vote in law which means that any such vote will not be counted in the calculation of the votes for or against a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.
4. CREST members who wish to appoint a proxy 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 (available from www.euroclear.com). 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.
5. 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 ("EUI") specifications and must contain the information required for such instructions, as described in the CREST manual. 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 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. After this time any change of instruction to proxies appointed through CREST should be communicated to the appointee through other means.
6. 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 its 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.
7. 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.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
10. Where you have appointed a proxy using the hard-copy proxy form and would like to change your instructions using another hard-copy proxy form please contact the Company's registrars, Link Group by email at enquiries@linkgroup.co.uk or you may call Link Group on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. If you are outside the United Kingdom, please call +44 371 664 0391. (Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9.00 am – 5.30 pm, Monday to Friday, excluding public holidays in England and Wales.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

11. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Link Group, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 48 hours prior to the meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your proxy appointment will remain valid.
12. As at 6.00 p.m. on 8 December 2020, the Company's issued share capital comprised 117,791,441 ordinary shares of 0.01p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 8 December 2020 was 117,791,441.
13. Except as provided above, members who have general queries about the general meeting should contact the Chief Executive at Nakama Group plc, Bourne House, 475 Godstone Road, Whyteleafe, Surrey CR3 0BL or on +44 (0) 7972 142 894 (no other methods of communication will be accepted). You may not use any electronic address provided either:
 - in this notice of meeting; or
 - any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

