

Richoux Group plc

Subscription of 6,771,972 Ordinary Shares at a price of 25 pence per share

The Company today announces that it has raised approximately £1.69 million by way of a subscription (the “**Subscription**”) of 6,771,972 new Ordinary Shares (the “**Subscription Shares**”) at a price of 25 pence per Ordinary Share (the “**Subscription Price**”). The Subscription is conditional upon admission of the Subscription Shares to trading on the AIM market of the London Stock Exchange (“**Admission**”).

The proceeds of the Subscription will be used for general working capital purposes.

Details of the Subscription

Following Admission, the Company will have 99,341,584 Ordinary Shares in issue and a market capitalisation of approximately £24.8 million at the Subscription Price. The Subscription Shares represent 6.8 per cent. of the issued ordinary share capital of the Company immediately following Admission. The Subscription Price is at a discount of 3.8 per cent. to the closing mid-market price per Ordinary Share on 16 December 2016, being the last dealing day prior to the announcement of the Subscription. Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM and it is expected that Admission will occur on 22 December 2016.

The Subscription Shares are being allotted using the Directors' existing authority to allot Ordinary Shares for cash on a non-pre-emptive basis, as granted at the Company's most recent AGM. The Subscription is neither a rights issue nor an open offer and the Subscription Shares will not be offered generally to Shareholders on a pre-emptive basis. The Directors believe that the considerable extra cost and delay involved in a rights issue or open offer would not be in the best interests of the Company in the circumstances, and accordingly, the Board considers that it is in the best interests of the Company and Shareholders as a whole for the funds to be raised through the Subscription. The Subscription has not been underwritten.

Related party transactions

Jonathan Kaye, Mehdi Gashi, Salvatore Diliberto, The Hon. Robert Rayne, Phillip Kaye and Michinoko Limited (the “**Related Parties**”) will each subscribe for Subscription Shares pursuant to the Subscription (“**Related Party Subscriptions**”). Each of the Related Parties is a “related party” of the Company (as defined by the London Stock Exchange's AIM Rules for Companies (the “**AIM Rules**”) by virtue of either being a Director or an existing substantial shareholder in the Company. The Related Party Subscriptions are, accordingly treated as “related party transactions” under the AIM Rules.

The number of Subscription Shares placed with Related Parties and their resultant shareholdings following the Subscription is set out below:

Name	Role	Existing Shareholding	% of Existing Issued Share Capital	Subscription Shares subscribed for	Shareholding as at Admission	% of issued share capital as at Admission
Jonathan Kaye	Chief Executive Officer	625,000	0.7%	1,354,395	1,979,395	2.0%

Mehdi Gashi	Executive Director	0	0.0%	400,000	400,000	0.4%
Salvatore Diliberto	Non-Executive Director	19,908,672	21.5%	1,054,394	20,963,066	21.1%
The Hon. Robert Rayne	Non-Executive Director	15,259,449	16.5%	1,054,394	16,313,843	16.4%
Phillip Kaye	Substantial shareholder	22,081,814	23.8%	451,465	22,533,279	22.7%
Michinoko Limited	Substantial shareholder	15,708,296	17.0%	1,054,394	16,761,690	16.9%

Philip Shotter, being the independent Director not participating in the Subscription (the "**Independent Director**"), considers, having consulted with Cenkos Securities plc, the Company's Nominated Adviser for the purposes of the AIM Rules, that the terms of the Related Party Subscriptions with the Related Parties are fair and reasonable insofar as the Shareholders are concerned.

Concert Party

Due to the close family link, Jonathan Kaye and members of his extended family being Phillip Kaye, Samantha Sanson, Sam Kaye and Adam Kaye are considered a concert party (collectively, the "**Concert Party**") for the purposes of Rule 9 of The City Code on Takeovers and Mergers.

Shareholders will be aware that on 15 November 2016 a General Meeting of the Company was held whereby a whitewash resolution concerning the waiver of obligations for the Concert Party under Rule 9 of the City Code was passed by means of a poll of Independent Shareholders (the "**Waiver**"). On the basis that the maximum number of new Ordinary Shares were issued to the Concert Party at that time, the Concert Party would have a maximum controlling position of approximately 41.3 per cent. in the enlarged share capital of the Company (assuming Jonathan Kaye acquires in full the 23,027,403 Ordinary Shares granted under his share incentive arrangements).

Following the Subscription, the Concert Party's Shareholding upon Admission and their Shareholding following Admission and assuming Jonathan Kaye acquires in full the 23,027,403 Ordinary Shares granted under his Share Incentive are exercised in full will be as follows:

Registered Holder	The Concert Party's existing beneficial interest in the Company		Subscription Shares subscribed for	The Concert Party's beneficial interest in the Company as at Admission		The Concert Party's beneficial interest in the Company as at Admission and assuming Jonathan Kaye acquires in full the 23,027,403 Ordinary Shares granted under his Share Incentive	
	Ordinary Shares Number	% of voting rights		Ordinary Shares Number	% of voting rights	Number	% of voting rights
Phillip Kaye	22,081,814	23.9 %	451,465	22,533,279	22.7%	22,533,279	18.4%
Samantha Sanson	1,123,706	1.2%	0	1,123,706	1.1%	1,123,706	0.9%
Jonathan Kaye	625,000	0.7%	1,354,395	1,979,395	2.0%	25,006,798	20.4%
Sam Kaye	450,172	0.5%	451,465	901,637	0.9%	901,637	0.7%
Adam Kaye	290,171	0.3%	451,465	741,636	0.7%	741,636	0.6%
Total Concert Party	24,570,863	26.7%	2,708,790	27,279,653	27.4%	50,307,056	41.1%

In the event that Admission of the Subscription Shares in full does not occur, the Subscription will not proceed.

This announcement contains inside information.

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