

Richoux Group plc

Subscription to raise approximately £4.0 million

The Company today announces that it has raised approximately £4.0 million by way of a subscription (the “**Subscription**”) of 25,277,488 new Ordinary Shares (the “**Subscription Shares**”) at a price of 16 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 124,879,072 Ordinary Shares in issue and a market capitalisation of approximately £20.0 million at the Subscription Price. The Subscription Shares represent 20.2 per cent. of the issued ordinary share capital of the Company immediately following Admission. The Subscription Price is at a discount of 16 per cent. to the closing mid-market price per Ordinary Share on 12 June 2017, being the last dealing day prior to the announcement of the Subscription. Application has been 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 16 June 2016.

The Subscription Shares are being allotted using the Directors' authority to allot Ordinary Shares for cash on a non-pre-emptive basis, as granted at the Company's AGM on 9 June 2017. 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

Simon Morgan, Jonathan Kaye, 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
Simon Morgan	Non-Executive Chairman	0	0.0%	125,000	125,000	0.1%
Jonathan Kaye	Chief Executive Officer	1,979,395	2.0%	3,125,000	5,104,395	4.1%
Salvatore Diliberto*	Non-Executive Director	20,963,066	21.1%	5,273,375	26,236,441	21.0%

The Hon. Robert Rayne	Non-Executive Director	16,313,843	16.4%	4,103,838	20,417,681	16.4%
Phillip Kaye	Substantial shareholder	22,533,279	22.7%	3,121,025	25,654,304	20.5%
Michinoko Limited	Substantial shareholder	16,762,690	16.9%	4,216,750	20,979,440	16.8%

*Of Salvatore Diliberto's 5,273,375 Subscription Shares, 2,636,687 shares are being subscribed for by his wife, Irene Diliberto.

Mehdi Gashi, 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	Ordinary Shares Number	% of voting rights
Phillip Kaye	22,533,279	22.7%	3,121,025	25,654,304	20.5%	25,654,304	17.3%
Samantha Sanson	1,123,706	1.1%	0	1,123,706	0.9%	1,123,706	0.8%
Jonathan Kaye	1,979,395	2.0%	3,125,000	5,104,395	4.1%	28,131,798	19.0%
Sam Kaye	901,637	0.9%	1,250,000	2,151,637	1.7%	2,151,637	1.5%
Adam Kaye	741,636	0.7%	1,250,000	1,991,636	1.6%	1,991,636	1.3%
Total Concert Party	27,279,653	27.4%	8,746,025	36,025,678	28.8%	59,053,081	39.9%

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

This announcement contains inside information.

13 June 2017

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