

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

29 August 2018

Richoux Group plc
(“Richoux”, the “Company” or the “Group”)

Subscription to raise approximately £1.09 million

Further to the announcement published earlier today, the Company announces that it has raised approximately £1.09 million by way of a subscription (the “**Subscription**”) of 18,168,335 new ordinary shares of 4 pence each (the “**Subscription Shares**”) at a price of 6 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.

Enquiries

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Details of the Subscription

Following Admission, the Company will have 143,147,407 Ordinary Shares in issue and a market capitalisation of approximately £8.6 million at the Subscription Price. The Subscription Shares will represent 12.7 per cent. of the issued ordinary share capital of the Company immediately following Admission. The Subscription Price represents a discount of approximately 14.3 per cent. to the closing mid-market price per ordinary share on 28 August 2018, 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 31 August 2018.

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 25 June 2018. 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 and The Hon. Robert Rayne (the “**Related Parties**”) will each subscribe for Subscription Shares pursuant to the Subscription (“**Related Party Subscriptions**”). Under the AIM Rules for Companies, each of the Related Parties constitutes a related party of Richoux by virtue of each being a director of the Company. The Related Party Subscriptions are therefore deemed to constitute a related party transaction pursuant to rule 13 of 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		Subscription Shares subscribed for	Resultant Shareholding	
		Number	% of voting rights		Number	% of voting rights
Jonathan Kaye	Chief Executive Officer	5,104,395	4.1%	2,083,334*	7,187,729	5.0%
Mehdi Gashi	Executive Director	400,000	0.3%	416,667	816,667	0.6%
Salvatore Diliberto	Non-Executive Director	26,236,441	21.0%	4,166,667**	30,403,108	21.2%
The Hon. Robert Rayne	Non-Executive Director	20,417,681	16.3%	2,916,667	23,334,348	16.3%

* the figure of 2,083,334 includes 1,041,667 ordinary shares of 4p each subscribed for by Kayla Kaye, a person closely associated with Jonathan Kaye, whose shareholding is deemed to form part of Jonathan’s beneficial holding.

** the figure of 4,166,667 includes 2,000,000 ordinary shares of 4p each subscribed for by Irene Diliberto, a person closely associated with Salvatore Diliberto, whose shareholding is deemed to form part of Salvatore’s beneficial holding.

Simon Morgan, Chairman of the Company, is not participating in the Subscription and is therefore deemed to be independent for the purposes of the Related Party Subscriptions. Mr Morgan considers, having consulted with Cenkos Securities plc, the Company’s nominated adviser, that the terms of the Related Party Subscriptions are fair and reasonable insofar as the Company’s 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:

<i>Registered Holder</i>	<i>The Concert Party's existing beneficial interest in the Company</i>		<i>Subscription Shares subscribed for</i>	<i>The Concert Party's beneficial interest in the Company as at Admission</i>		<i>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</i>	
	<i>Ordinary Shares</i>			<i>Ordinary Shares</i>		<i>Ordinary Shares</i>	
	<i>Number</i>	<i>% of voting rights</i>	<i>Number</i>	<i>Number</i>	<i>% of voting rights</i>	<i>Number</i>	<i>% of voting rights</i>
Phillip Kaye	25,654,304	20.5%	4,166,667	29,820,971	20.8%	29,820,971	17.9%
Samantha Sanson	1,123,706	0.9%	-	1,123,706	0.8%	1,123,706	0.7%
Jonathan Kaye	5,104,395	4.1%	2,083,334*	7,187,729	5.0%	30,215,132	18.2%
Sam Kaye	2,151,637	1.7%	-	2,151,637	1.5%	2,151,637	1.3%
Adam Kaye	1,991,636	1.6%	-	1,991,636	1.4%	1,991,636	1.2%
Total Concert Party	36,025,678	28.8%	6,250,001	42,275,679	29.5%	65,303,082	39.3%

* the figure of 2,083,334 includes 1,041,667 ordinary shares of 4p each subscribed for by Kayla Kaye, a person closely associated with Jonathan Kaye, whose shares are deemed to form part of Jonathan's beneficial holding

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

Total Voting Rights

Following admission of the Subscription Shares, the Company's issued ordinary share capital will comprise 143,147,407 ordinary shares, none of which are held in treasury. Therefore, the total number of ordinary shares with voting rights in the Company following admission will be 143,147,407.

The above figure of 143,147,407 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules