

**Future Lifestyle Fashions Limited, India's integrated branded fashion company
to acquire up to 29.9% of Koovs**

Transformational deal for Koovs

Koovs plc ("Koovs", or the "Company") AIM: KOOV, the leading e-commerce fashion business, is delighted to announce that it has reached a conditional agreement with Future Lifestyle Fashions Limited (FLFL), part of Future Group to subscribe for up to a 29.9 per cent stake in Koovs subject to regulatory and procedural approvals.

Future Group is among India's leading consumer goods companies with brands and retail networks in fashion, food and home ware segments. It owns over 60 brands, operates close to 2,000 retail stores spanning over 22 million square feet and attracts footfalls of over 500 million annually. Future Group also has one of India's most unique digital payment platforms, Future Pay, which has an active user base of over 6.5 million and is growing rapidly. Future Group sells about 300 million garments per annum in volume making it one of the top 10 fashion apparel companies in the world.

Future Lifestyle Fashions Limited owns and markets about 30 fashion brands through exclusive brand outlets, department stores and multi brand outlets, as well as company-operated chains such as Central and Brand Factory. FLFL collectively operates more than 400 stores spread over 6 million square feet of retail space and is a unique player in the fashion industry due to its integrated "design to distribution" model and presence across all key segments within the fashion industry. With support from a large retail channel, FLFL also leverages its strong portfolio of own brands that contribute to approximately 40% of total sales, thereby creating a distinctive, integrated fashion play. Led by Lee Cooper, the top six 'power brands' contribute approximately 60% of FLFL's revenue from own brands. FLFL has also successfully invested in fashion brands like BIBA and AND in the past and currently holds investment in various fashion brands like Clarks, Turtle, Mineral, Celio etc.,

Lord Alli, Chairman of Koovs, said: "This marks a giant step forward in the Koovs' journey to win the e-fashion market in India. FLFL with its leadership position as an integrated branded fashion player and the Koovs brand and technology platform are an unbeatable combination. This investment will bring enormous benefits to our customers and partners as well as significant value for all shareholders."

Kishore Biyani, Group CEO, Future Group, said: "In FLFL we have successfully created, grown and invested in leading Indian fashion brands and are excited to partner with *Koovs* to continue building on FLFL's ambition. This investment would complement the existing value chain for FLFL as an integrated branded fashion player. FLFL's strong retail presence backed by owned brands coupled with Koovs online strategy will help reach more customers and create value for all stakeholders"

Subject to the satisfaction of certain conditions, under existing shareholder authority Koovs will issue Future Lifestyle Fashions Limited with 57,876,600 new ordinary shares at a price of 10p per share, representing 24.8 per cent of the current issued share capital (the "FLFL Placing") raising £5,787,660 of cash ("**Subscription Sum**").

The Subscription is conditional upon, *inter alia*, admission of the Subscription Shares to trading on the AIM market of the London Stock Exchange plc becoming effective on or before 8.00 a.m. London time on 19 July 2018 or such later time or date as may be agreed between the Company and FLFL ("**Admission**"). Application for Admission will be made following receipt of the Subscription Sum. The Company will release a further announcement in due course.

Metta Capital acted as advisors for this transaction.

In addition, Koovs today also announces the formal opening of a bookbuild to raise up to £10m of equity at a price of [15p] per share (the “Equity Raise”). Lord Alli has committed to invest £1.5m in the Equity Raise and FLFL has agreed to make additional investments to take its ownership up to 29.9%. Further details regarding the additional FLFL investments and the Equity Raise are set out in the Appendix below.

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FURTHER INFORMATION AND NOTES TO EDITORS

FLFL additional investments and Equity Raise

On 18th June 2018 Koovs announced that positive discussions were underway with existing and potential new shareholders regarding an equity raise.

A target raise of £10m at a price of 15 pence per share has been set for the Equity Raise. Assuming the full £10m is raised, FLFL will make additional investments through direct/indirect mode (in addition to the 57.8 million shares subscribed under the Subscription) to take its ownership interest up to 29.9%.

Lord Alli has committed to acquire £1.5m of new ordinary shares under the Equity Raise

It is intended that the Equity Raise will remain open for orders to be submitted until 3 pm on 12 July and an announcement on the result of the Equity Raise will be made shortly thereafter. Koovs may at its sole discretion alter this timetable. Whitman Howard will act as bookrunners to the Equity Raise.

Participation in the Equity Raise is being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the Financial Conduct Authority in relation to the Equity Raise.

The Equity Raise is subject to shareholder approval and a circular convening a General Meeting of Koovs will be despatched to shareholders shortly after the closing of the books on the Equity Raise.