

7 May 2021

*Definitions used in this announcement are set out at the end of the announcement.*

***LightwaveRF plc (“Lightwave” or “Company”)***

***Proposed equity subscription (“Subscription”)***

Further to the announcement dated 18 March 2021, Lightwave, the leading smart home solutions provider, is pleased to announce that the Committed Capital Concert Party, as described below, has agreed to subscribe for up to 10,000,000 New Shares at a minimum price of 5p per Share, with the maximum percentage the Concert Party would own being 49.40%. It is expected that the New Shares will be subscribed for by the Concert Party over the next 12 months.

Members of the Concert Party have indicated that they may subscribe for the full amount of New Shares as set out above, but have not committed to subscribing for all of the New Shares.

In addition to the issue of New Shares to the Concert Party, the Company intends to consider a further equity fundraising exercise to be offered to all shareholders of the Company. Depending upon the structure of any further equity fundraising to all shareholders, the Concert Party may take part, however any purchase of shares by the Concert Party would not cause the Concert Party’s shareholding to be in excess of 49.40%. Any further equity fundraising would be on the same terms for all shareholders at that time.

With respect to the previously announced fundraising the Company has issued a total of 18,276,438 ordinary shares at a price of 5p per share to the Concert Party, raising £913,821.90. In addition, as previously announced the Company has closed a Future Fund Convertible Loan agreement (“FFCL”). As part of this agreement, the Concert Party and some of the Directors invested £370,000 and £30,000 respectively which can be redeemed or converted into ordinary shares of the Company in certain circumstances within a three-year term. This was matched by the Future Fund, meaning that a total of £800,000 was made available to the Company as additional funding under the FFCL at the end of December 2020.

Full details of the shareholdings of the Concert Party are set out below.

As previously announced the dealing facility put in place with JP Jenkins was suspended until the previous subscription was completed. The previous fundraising has now completed, however the dealing facility has been removed from JP Jenkins due to various reasons. The Directors are looking into the options available for the Company to provide a trading facility for its shareholders. This is ongoing but the Company expects to be able to update shareholders on this matter with the announcement of the Company’s results for the period ended 31 December 2020.

#### **The Code**

The proposed issue of the New Shares gives rise to certain considerations under the Code, which is issued and administered by the Panel. The Code applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a company with a registered office in the United Kingdom and whose securities are admitted, or have been admitted at any time during the 10 years prior to the relevant date, to trading on either a regulated market or a multilateral trading facility in the United Kingdom. The Company’s Shares were, until 24 February 2020, admitted to trading on AIM and its shareholders are, therefore, entitled to the protections afforded by the Code.

#### **Rule 9 of the Code**

Under Rule 9 of the Code, where any person acquires (whether by a series of transactions over a period of time or not) an interest in shares which (taken together with any interest in shares already held by that person and any interest in shares held or acquired by persons acting in concert with him or her) carry 30% or more of the voting rights of a company which is subject to the Code, that person

is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company, to acquire the balance of their interests in the company.

Rule 9 of the Code also provides that, among other things, where any person who, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30% but not more than 50% of the voting rights of a company which is subject to the Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares that increases the percentage of shares carrying voting rights in which he or she is interested, then such person is normally required to make a general offer, to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company, to acquire the balance of their interests in the company.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him or her.

### The Concert Party and effect of the Subscription

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate an offer for a company. The Concert Party comprises CCFSL, Committed Capital Limited, Steve Harris (a director of the Company), Timothy Steel, Else Thomson, Mark Blandford, Judy Welch and Margaret Elizabeth Barham (the "Concert Party") and details of their current interest in the Ordinary Shares, in the share capital as enlarged by the Subscription immediately following the final subscription of New Shares and as enlarged by the conversion under the FFCL immediately following full conversion are set out below.

Name	Total number of Shares held at 6 May 2021	% of issued Share capital at 6 May 2021	Number of Shares following the Subscription*	% of enlarged Share capital following the Subscription*	Number of Shares held following the maximum Shares to be issued under the FFCL**	% of issued share capital immediately following the maximum number of shares to be issued under the FFCL**
Concert Party controlled by Committed Capital Limited	65,026,157	45.84	75,026,157	49.40	84,646,157	49.02
<i>Components of which are</i>						
Legally owned by Mainspring Nominees (8) Limited and controlled by Committed Capital Financial Services Ltd (100% subsidiary of Committed Capital Limited)	53,128,272	37.45	63,128,272***	41.57***	72,748,272***	42.13***
Legally owned by MNL Nominees Limited and controlled by Committed Capital Ltd (Overall parent company of the Committed Capital Group)	9,709,452	6.84	9,709,452	6.39	9,709,452	5.62

Legally owned by WCS Nominees Limited and controlled by Committed Capital Limited (Overall parent company of the Committed Capital Group)	134,988	0.10	134,988	0.09	134,988	0.08
<i>Outside the Committed Capital controlled Nominee Companies, and included in the Concert Party</i>						
Legally owned by Rockridge Investments SA, controlled by Mark Blandford (advisor to and 9% shareholder of Committed Capital Limited)	1,000,000	0.70	1,000,000	0.66	1,000,000	0.58
Legally owned by Steven Harris, director of the Committed Capital Group and Director of LightwaveRF plc	53,445	0.04	53,445	0.04	53,445	0.03
Legally owned by Margaret Elizabeth Barham, who has previously purchased shares through Committed Capital Limited in other businesses	1,000,000	0.70	1,000,000	0.66	1,000,000	0.58

\*On the assumption that all of the New Shares are subscribed for by members of the Concert Party and no additional new Shares are issued to any existing shareholder or new investor.

\*\*On the assumption that the maximum number of shares are issued under the terms of the FFCL (as described above and in the Company's announcements of 23 December 2020 and 18 March 2021) should it be converted. Any shares issued to the Concert Party under the FFCL will be issued under the previously approved Waiver announced on 20 March 2020 and will not be part of this Waiver.

\*\*\*Assuming the full amount of the shares to be issued are issued to Mainspring Nominees (8) Limited, although it may be that the split among the Concert Party members varies from this in practice.

#### **Dispensation from a general offer under Rule 9 of the Code**

Under Note 1 on the Notes on the dispensations from Rule 9 of the Code, the Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the Code if, inter alia, the shareholders of the company who are independent of the person who would otherwise be required to make an offer and any person(s) acting in concert with him or her (the "Independent Shareholders") pass an ordinary resolution on a poll at a general meeting (a "Whitewash Resolution") approving such a waiver.

Under Note 5 (c) on the Notes on the dispensations from Rule 9 of the Code, the Panel may also waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code) if Independent Shareholders holding more than 50% of the company's shares capable of being voted on such a resolution confirm

in writing that they would vote in favour of the Whitewash Resolution, were such a resolution to be put to the shareholders of the company at a general meeting.

The Company has obtained such written confirmation from the following Independent Shareholders:

<i>Director and Shareholders</i>	<i>Number of Ordinary Shares</i>	<i>% of current issued share capital</i>	<i>% of Shares capable of being voted on the Whitewash Resolution</i>
M Lord	1,574,205	1.11	2.05
J Shermer	896,666	0.63	1.17
<i>Other Shareholders</i>			
Unicorn Asset Management	22,322,553	15.74	29.05
P Morgan	2,825,000	1.99	3.68
B Kerr	2,565,384	1.81	3.34
S Pycroft	4,336,958	3.06	5.64
K Sattar	5,000,000	3.52	6.51
Total	39,520,766	27.86	51.44

The Panel has accordingly waived the requirement for a Whitewash Resolution.

#### ***Confirmations and acknowledgements***

The Company has obtained from the Independent Shareholders listed above confirmation that:

1. they are the beneficial owners of 39,520,766 Shares in the issued share capital of the Company, representing 27.86% of the Company's issued share capital carrying voting rights, and they have absolute discretion over the manner in which these Shares are voted. These Shares are held free of all liens, pledges, charges and encumbrances;
2. that (a) save for the fact that following the Subscription they will all be shareholders in the Company, there is no connection between them and any member of the Concert Party, (b) they do not have any interest or potential interest, whether commercial, financial or personal, in the outcome of the Subscription, and (c) they are an Independent Shareholder of the Company as defined below; and
3. that, in connection with the Subscription:
  - (a) they consent to the Panel granting a waiver from the obligation for the Concert Party to make a Rule 9 offer to the shareholders of the Company;
  - (b) subject to Independent Shareholders holding more than 50% of the Shares capable of being voted on a Whitewash Resolution to approve the waiver from the obligation for the Concert Party to make a Rule 9 offer giving confirmations in writing in a similar form to this letter, they consent to the Panel dispensing with the requirement that the waiver from such obligation be conditional on a Whitewash Resolution being approved by Independent Shareholders of the Company at a general meeting; and
  - (c) they would vote in favour of a Whitewash Resolution to waive the obligation for the Concert Party to make a Rule 9 offer were one to be put to the Independent Shareholders at a general meeting.

In giving the confirmations referred to above, they acknowledge:

1. that, if the Panel receives such confirmations from Independent Shareholders holding more than 50% of the Shares capable of being voted on a Whitewash Resolution, the Panel will approve the waiver from the obligation for the Concert Party to make a Rule 9 offer without

the requirement for the waiver having to be approved by Independent Shareholders of the Company at a general meeting;

2. that if no general meeting is held to approve the Whitewash Resolution to waive the obligation for the Concert Party to make a Rule 9 offer:
  - (a) there will not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Whitewash Resolution not being approved by Independent Shareholders of the Company;
  - (b) there will not be an opportunity for other shareholders in the Company to make known their views on the Subscription;
  - (c) there will be no requirement for the Company either (i) to obtain and make known to its shareholders competent independent advice under Rule 3 of the Code on the Subscription and the waiver of the obligation for the Concert Party to make a Rule 9 offer or (ii) to publish a circular to shareholders of the Company in compliance with Appendix 1 of the Code in connection with this matter;
  - (d) that they have had the opportunity to take independent financial advice; and
  - (e) that they will not sell, transfer, pledge, charge, or grant any option or other right over, or create any encumbrance over, or otherwise dispose of my shares in the Company until after the publication of this announcement.

#### **Details of the Concert Party**

Committed Capital Limited is a private limited company registered in England and Wales with registered number 04479415 and whose registered office address is at 148-150 Buckingham Palace Road, London, England SW1W 9TR. It is the overall parent company of the Committed Capital group of companies and acts as the main operating company for that group. Committed Capital Limited is an Appointed Representative for FCA purposes and undertakes any retail or alternative investment fund manager (AIFM) qualifying investment undertaken by its investors into investee companies. Such investments are held in investee companies using MNL Nominees Limited. In addition, Committed Capital Limited carries on non-regulated consulting advice, for example in relation to assisting investee companies to apply for EIS advance assurance, and reviewing EIS regulation compliance, general business advice and research and development (“R&D”) tax credit assistance.

CCFSL is a private limited company registered in England and Wales with registered number 03810820 and whose registered office address is at 148-150 Buckingham Palace Road, London, England, SW1W 9TR. CCFSL is the main regulated entity for the Committed Capital group of companies and is authorised by the FCA. Its main business is corporate finance and advisory work as well as fund management of professional investor funds. Investments made by such investors are held through Mainspring Nominees (8) Limited.

Committed Capital Limited is interested in 9,844,440 Ordinary Shares, representing 6.94% of the Existing Ordinary Shares, 9,709,452 (6.84%) of which are legally held by MNL Nominees Limited, a Committed Capital nominee company and 134,988 (0.10%) of which are legally held by WCS Nominees Limited, a Committed Capital nominee company.

CCFSL is interested in 48,807,478 Ordinary Shares, representing 34.41% of the Existing Ordinary Shares, which are legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company, but excluding the other Concert Party members who are investing through Mainspring Nominees (8) Limited, as disclosed below.

Steve Harris is a director of Committed Capital Limited, CCFSL and the Company. He is interested in 65,760,000 ordinary shares in the capital of Committed Capital Limited, which represents 44.67% of its issued share capital. He is interested in 259,500 Ordinary Shares, representing approximately 0.18% of the Existing Ordinary Shares, 53,445 of which are legally held in his own name and 206,055 of which are legally held by Mainspring Nominees (8) Limited.

Timothy Steel is a director of Committed Capital Limited. He is interested in 11,721,102 ordinary shares in the capital of Committed Capital Limited, which represents 7.96% of its issued share capital.

Else Thomson is a director of Committed Capital Limited and CCFSL. She is interested in 60,000 Ordinary Shares, representing approximately 0.04% of the Existing Ordinary Shares, all of which are legally held by Mainspring Nominees (8) Limited.

Mark Blandford is a member of Committed Capital’s Advisory Board. He is interested in 12,837,096 ordinary shares in the capital of Committed Capital Limited, which represents 8.72% of its issued share capital. With respect to the Company, Mark Blandford is interested in 2,410,030 Ordinary Shares, which are legally held by Mainspring Nominees (8) Limited (a Committed Capital nominee company). Mark Blandford’s family is interested in 1,000,000 Ordinary Shares, which are legally held by Rockridge Investments S A (a company owned by a foundation of which Mark Blandford’s family members, including his wife, Patricia Blandford, and two daughters, Sophie Blandford and Lucy Blandford, are beneficiaries) and a further 1,360,146 Ordinary Shares are legally held by Mainspring Nominees (8) Limited as nominee for Valhalla Investments Inc, a company owned by Sophie Blandford and Lucy Blandford. Mark Blandford, together with his family, is therefore interested, in aggregate, in 4,770,176 Ordinary Shares which represent 3.36% of the Existing Ordinary Shares.

Judy Welch is a senior consultant to Committed Capital. Together with her family, she is interested in 21,920,211 ordinary shares in the capital of Committed Capital Limited, which represents 14.89% of its issued share capital. Judy Welch and her family is also interested in 284,563 Ordinary Shares, representing 0.20% of the Existing Ordinary Shares, which are legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company.

Margaret Elizabeth Barham is interested in 1,000,000 Ordinary Shares representing 0.70% of the Existing Ordinary Shares.

Under the Code, the directors of a company are presumed to be acting in concert with the company of which they are a director. The Panel has also confirmed that it considers Mark Blandford and Judy Welch to be acting in concert with Committed Capital, on the basis of their respective shareholdings and roles in Committed Capital. Accordingly, for the purposes of the Code, Committed Capital is presumed to be acting in concert with the above individuals, who together form the Concert Party.

The Concert Party will not be restricted from making an offer for the Company.

## Definitions

“CCFSL”	Committed Capital Financial Services Limited
“Committed Capital”	Committed Capital Limited, and where the context requires any or all of the other members of the Committed Capital Limited group of companies
“Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Company” or “Lightwave”	LightwaveRF plc
“Concert Party” or “Committed Capital Concert Party”	together CCFSL, Committed Capital Limited, Steve Harris (a director of the Company), Timothy Steel, Else Thomson, Mark Blandford, Judy Welch and Margaret Elizabeth Barham
“EIS”	the Enterprise Investment Scheme and related reliefs as detailed in Part 5 of the Income Tax Act 2007 and in sections 150A to 150D and Schedule 5B and 5BA of the Taxation of Chargeable Gains Act 1992 (amended)
“Existing Ordinary Shares”	the 141,859,884 Ordinary Shares currently in issue
“Independent Shareholder”	is a shareholder in the Company that is independent of the person who would otherwise be required to make an offer and any persons(s) acting in concert with him or her

“New Shares	10,000,000 new Ordinary Shares to be allotted to the Concert Party under the Subscription
“Ordinary Shares” or “Shares”	ordinary shares of 5p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Subscription”	the proposed subscription of 10,000,000 New Shares by members of the Concert Party