

18 March 2021

# LightwaveRF plc

## Investor Update

LightwaveRF plc ("LightwaveRF", "Lightwave" or the "Company"), the leading smart home solutions provider, is pleased to provide an update to investors.

### Trading update

In December 2020, the final trading month of our restated financial year, we updated investors on the progress of our recent fundraising activities and outline performance. We are pleased to confirm that during the final quarter of the extended year, trading levels surpassed those of the same period in the pre-Covid prior year, giving a small profit at the EBITDA level. This solid performance has carried on into this financial year from January 2021 and although too early for firm predictions, market conditions and activity levels in particular within the trade sector are returning to normal.

### Financial Update

The Company has made substantial progress in the drive towards profitability, demonstrated in the draft results for the last quarter (Q5) of 2020.

	Year end Sept £m	Year end Sept £m	Quarter 5* £m	Period ended Dec £m
<b>Year to</b>	<b>2019 (Actual)</b>	<b>2020 (Estimate)</b>	<b>Q5 (Estimate)</b>	<b>2020 (Estimate)</b>
Revenue	£4.09	£2.26	£1.24	£3.50
Cost of Sales	(£2.78)	(£1.57)	(£0.63)	(£2.20)
<b>Gross Profit</b>	£1.31	£0.69	£0.61	£1.30
Gross Margin	32%	31%	49%	37%
Overhead Costs	(£4.04)	(£2.51)	(£0.60)	(£3.11)
<b>EBITDA</b>	(£2.73)	(£1.82)	£0.01	(£1.81)
<b>Depreciation</b>	(£0.87)	(£0.72)	(£0.17)	(£0.89)
Finance Costs	(£0.01)			
<b>Profit/Loss Before Tax</b>	(£3.61)	(£2.54)	(£0.16)	(£2.70)

\* Year end extended to December 2020 therefore giving a 15 month period

Work to improve gross margins has started to produce the desired results as demonstrated in Q5 of the extended financial year. With further improvements expected during 2021, and with overheads at less than half of the 2019 level, EBITDA profitability is in sight.

### Fundraising

With respect to the recent funding round aiming to raise £927,000 under existing authorities, the Company has issued a total of 14,989,321 ordinary shares at a price of 5p per share. The £749,466 raised has been subscribed for by the Committed Capital Concert Party\* ("Concert Party") ("Subscription") with further indicated demand.

In addition to the Subscription, 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.

The Subscription and the possible future issue of ordinary shares under the FFCL to the Concert Party fall under the existing waiver of the requirement of a Whitewash Resolution granted by the Panel on Takeovers and Mergers ("Waiver") as set out in the Company's announcement dated 20 March 2020.

In addition to the above, there is further headroom of 3,457,205 ordinary shares at a price of 5p per share that can be issued to the Concert Party under the Waiver. Should all of the ordinary shares set out in this update be issued to the Concert Party, the maximum shareholding of the Concert Party would be 45.95% of the issued share capital at that time. The target date of 31 March 2021 for completion of any further fundraising under this element has been extended to 30 April 2021.

The Directors would like to thank you for your continued support for the Company and are encouraged by recent trading and the additional funding will assist with further progress of the business. They would also like to thank our employees for all of their dedication and commitment in a year with the challenges that COVID-19 has presented.

\*Details of the Concert Party are set out in the Company's announcement of 20 March 2020 which can be found at <https://lightwaverf.com/blogs/updates>

## **About LightwaveRF**

Lightwave is Europe's leading supplier of installed home automation technology.

Lightwave products offer convenient automation, control and monitoring of lighting, heating and power via its app, Apple HomePod, Amazon Alexa or Google Assistant. Lightwave is also integrated with Samsung SmartThings and EVO protocols from Honeywell Home by Resideo.

With market leading quality and wireless range, the modular system enables users to begin with a small number of devices and grow over time to easily control an entire property.

Devices are retrofittable using existing standard wiring and are easy to install. Lightwave also recommends a network of approved, qualified electricians who have been trained by the Company.

In markets across Europe, Lightwave products can be purchased from the Company directly or from approved stockists, including Apple, Amazon, ScrewFix and wholesalers, including Rexel and CEF.

Lightwave technology can also be specified as a pre-installed option in newly built properties from Berkeley Homes in partnership with E.ON Home, Urban Splash and Trivselhus.

Leading tech industry publication 9to5 Mac described Lightwave as "the best UK HomeKit solution for smart lighting" and Trustpilot rates Lightwave '4

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