

23 December 2020

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

Following our update in October which reflected good progress through the COVID-19 lockdown with sales growth, costs and margin improvement, we are pleased to confirm that this trend has continued through October and November trading. In November, Company trading surpassed previous records with solid Black Friday and Cyber Monday sales.

Financial Year end

In order to enable greater overall business focus during these key trading months, the Board has decided to change the Company Year End from 30 September 2020 to 31 December 2020. This change means our audit will move to March 2021 and our year end results will be filed by the end of July 2021.

Fundraising

With respect to the recent funding round aiming to raise £927,000 under existing authorities, the Company has issued a total of 9,274,526 ordinary shares at a price of 5p per share. The £463,726 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 expects to shortly close a Future Fund Convertible Loan agreement ("FFCL"). As part of this agreement, the Concert Party and some of the Directors will invest £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 will be matched by the Future Fund, meaning that a total of £800,000 will be available to the Company as additional funding under the FFCL.

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 9,172,000 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 has been set for completion of any further fundraising under this element.

In terms of share trading, the Company announced following the cancellation of admission from AIM in February that a Match Bargain facility had been put in place with JP Jenkins. As announced on 6 March 2020, this was suspended in view of the proposed equity subscription mentioned above, until the subscription is completed.

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 '

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