

10 March 2022

LightwaveRF Ltd

Investor Update

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

Company Update

During a difficult period of trading, the Company has focused on creating the conditions for success for the next stage of growth. We summarise the main aspects of this below:

Lightwave's financial profile has improved. Costs have been streamlined further, with overhead costs reduced by an anticipated 64% between 2019 and 2021. Over the same period, gross margins have improved from 32% in 2019 to an anticipated 56% in 2021 and continue to improve.

Marketing strategy has been streamlined and clarified. Lightwave now has three primary routes to market, comprising high margin direct sales (70% of total sales), Amazon (20%) and via Lightwave Pro installers and wholesalers (20%). Marketing analytics have been clarified and improved, boding well for the predictability of the next stage of growth.

Lightwave Plus is ready for roll-out. The Company has created, and beta tested a new, high potential recurring income model. This is a membership scheme that provides enhanced support, extended warranty, configuration protection and access to advanced functionality. In the Board's view, smart home as a service is the future of the industry and Lightwave Plus is planned to drive growth in this area for the Company over the next few years.

Training of Lightwave Pro installers has accelerated. Training for electricians in the installation and maintenance of Lightwave products has been virtualised such that CPD rated courses can now be completed online. In addition to technical skills, our electricians act as brand ambassadors with customers. To date we have trained 237 electrical installers, increasing by more than 20 per month.

Product offering is being updated. We are delighted that reviews of existing products by customers and tech commentators continue to be excellent. During the pandemic, Lightwave has also upgraded the bulk of its products. In addition to releasing a new operating system and hub, the company has developed various products including motion sensors, wireless light switches, and plug in sockets. A raft of new products are in development.

Building upon this solid foundation, the Directors believe that the company is poised for a period of rapid growth and will be fundraising to execute this plan in Q2 2022.

Upon completion of the fundraise, we expect to put a share trading facility in place.

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 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 at near 5 stars.

For further information and to sign up to our newsletter, please visit www.lightwaverf.com/corporate/