

Dear Barry

Thank you for your questions which we have answered below.

- 1) There is no requirement for the business to hold an AGM as it is a private company. The company will look to hold an AGM in the next 18 months if the need arises to seek approval from shareholders for a specific resolution. There is no longer a requirement as a private company to approve accounts, appoint auditors or re-elect directors on a rotation basis. The Company expects to complete an external audit upon achievement of £5m annual turnover.
- 2) The company has issued the following shares since 7 October 2022:
 - Conversion of the Future Fund loan – 24,204,564 @ 0.001 pence nominal = £24,204.56 @ nominal
 - Issued Ordinary shares 14,747,012 shares @ 5 pence nominal = £737,350.60 @ nominal
 - A Ordinary shares issued 16,878,527 @ 0.001 pence nominal = £16,878.53 @ nominal
 - Total share issued @ nominal £778,433.69 @ nominal.

We had powers from the 7 October 2022 to issue shares to a nominal value of £3 million.

- 3) The business requires these powers to ensure it can deal with any funding needs that arise in the next 12 months. The board believe and continue to believe as set out in the circular 22 September 2022, that if the business has sufficient marketing capital, the business can scale faster than is currently in the plan.
- 4) The board believes that the terms of the convertible are fair and reasonable, particularly given prevailing market conditions at the point of issue. Please note that the company plans to repay these convertible loans and therefore they will not be converted into equity. In the event that they do convert, the concert party will remain below the % holding of the company agreed by the rule 9 waiver.
- 5) The Company will aim to provide more timely investor updates in future. It is not a requirement to email correspondence to shareholders. Please look at the website on a regular basis.
- 6) We will look to improve the representation in the next update.
- 7) The company has very limited resources and are focussed on delivery of a profitable company. We will look to improve information presentation in future.
- 8) Thank you for your comment, we have made strides but a pound is still a pound and while we are working so hard to create financial stability we have not yet reached the place where we can spend funds unnecessarily. In terms of becoming an attractive proposition for incoming investment, the board believes that its relentless focus on profitability and cash is justified, and now that we have organically achieved the 'modest' 20% organic growth in the last 12 months, we are very well positioned to secure funding for future marketing based growth.

- 9) We disagree with your comments, the board are totally committed to creating a financially stable company for all stakeholders. Spending funds we do not have on things we have no legal requirement to do is a decision we feel is justified to get the company to a cash profitable position. We have met with you and other shareholders to explain where the company is at many times. We are quite happy to communicate with you and any shareholder by email or in person when required. We will review the recitation of the QCA code from the website as it is inappropriate for the company position.
- 10) The board continue to actively review this commitment alongside fundraising requirements. The match bargain facility requires substantial funding and until the company can be sure of its financial stability, it is unable to put this facility in place as it is not in all stakeholder interests.
- 11) The NED's have not been paid at all for over 2 years and the other executives have not received their contracted salaries for over three years while the company has worked to reach financial stability. These salaries were as you will recall, contractually signed off and confirmed by you as the previous Chairman. We believe the substantial deferment of salary by the executives shows the commitment to the Stakeholders of Lightwave. Obviously this is unsustainable and all the directors require the company to meet its financial commitments as we move forward. Until the company can pay its commitments sustainably, costs that can be avoided such as audit / consolidation fees and matched bargain facility fees will be put aside.