

14 October 2016

LightwaveRF plc

(AIM: LWRF)

Additional financing and trading update

LightwaveRF plc (“LightwaveRF” or the “Company”) is the Internet of Things (“IoT”) provider of the LightwaveRF platform and connected devices enabling domestic and commercial users to remotely monitor and control light, heat, power and security by smartphone, tablet or PC. The Company is pleased to announce that it has entered into an agreement with its principal shareholder, Committed Capital Financial Services Limited (“Committed Capital”) for a loan of £150,000.

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

The loan is secured against anticipated R&D tax credits and carries a coupon of 1.25% per month. Repayment is at the earlier of 12 months from the first drawdown or receipt of the tax refund in relation to the year ended 30 September 2016. There is also an arrangement fee of £6,000. The loan is expected to be repaid within six months.

As Committed Capital holds more than 10 per cent. of the issued share capital of the Company, this loan transaction is considered a related party transaction in accordance with Rule 13 of the AIM Rules for Companies. The independent directors, being all Directors other than Steve Harris, having consulted with WH Ireland Limited, the Company’s nominated adviser, consider that the terms of the loan are fair and reasonable insofar as the Company’s shareholders are concerned.

This new short term funding will allow a quicker conclusion to the development of a new and further enhanced LightwaveRF link. This will further reinforce the open platform approach and allow the full integration with another leading device manufacturer for which work was originally announced early in 2015. This is in addition to that already announced with the Nest and IFTTT IoT platforms.

The out-turn for the second half of the year ended 30 September is expected to be in line with the first half results. As previously announced the Company has been establishing a new distribution base moving from one to three UK distributors. This is a significant change in the Company’s distribution capability and reach. This has caused some disruption to order flow during the second half but all three distributors are now placing repeat orders and reporting much improved market traction.

ERA Home Security Ltd, part of Tyman plc, the Company’s new retail distribution partner, has added Screwfix to the retailers that now carry the LightwaveRF offering.

The Company is also pleased to report the recent addition of a fourth distributor, Icon Heating, a specialist distributor of high efficiency boilers and heating control systems. This partnership has led to the LightwaveRF product range now becoming available at around 200 Graham The Plumbers’ Merchant branches.

The current order book now stands at around £800,000. The Company is now well placed with both its technology and distribution channels to make further progress in the new financial year.

For further information:

LightwaveRF plc

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