

26 October 2018

LightwaveRF plc (AIM: LWRF)

Trading Update

LightwaveRF plc ("LightwaveRF", "Lightwave" or "the Company"), the leading smart home solutions provider, is pleased to provide shareholders with the following trading update for the year ended 30 September 2018. Financial information set out below is subject to audit.

Revenue is expected to be a little below last year's (2017: £3.03 million) with underlying margins having been maintained. Full year revenue has been held back by the weak first half sales performance which was not fully addressed until the last quarter of the financial year.

As part of the planned programme to further scale the business, the Company anticipates a substantial increase in administrative expenditure during the year mostly due to a higher level of investment in sales and marketing. A marked increase in research and development expenditure is also expected, principally on the Lightwave range being developed for the European market and being launched through Apple. Although, after a provision for some aged stock, losses for the full year are expected to be somewhat more than double those reported last year (2017: loss £0.84 million), the Company believes that the investment made to date has put Lightwave in a strong position for the future.

Jason Elliott, who joined as the Company's Chief Executive three months ago, has made a number of changes which are already starting to produce results, with the revenue run rate for the last quarter up over 50% on the average for the previous three quarters. Revenue growth in the last quarter benefitted from a combination of recent improvements made to the Company's retail distribution channels and, following a number of process improvements, from much stronger direct sales.

The Company has recently had a number of excellent product endorsements in a range of trade and lifestyle publications. As well as being available online, Lightwave Euro dimmers are also now on sale in selected Apple stores in Belgium, France, Germany, Holland and Sweden. Further additions to the Apple HomeKit approved European range, with the launch of Euro sockets, are expected to be made in early 2019.

Jason Elliott, Chief Executive, commented:

"In my first 100 days at Lightwave, I have led a full review of the business and instigated a number of changes which have already resulted in a marked increase in revenue in the last quarter. It is clear from my review that Lightwave's technology is rated very highly by consumers and industry commentators and is well positioned to exploit growing UK and European demand."

The Company anticipates that its final results for the year ended 30 September 2018 will be released during December 2018.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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About LightwaveRF

LightwaveRF plc ("LightwaveRF", "Lightwave" or "the Company"), is the UK's only fully integrated home automation company.

New customers typically buy a starter pack of Link Plus hub and smart dimmer which has Apple HomeKit compatibility, 2-way communication and built-in energy monitoring. Later adding other easy to install devices from the Lightwave range enables further in-home control, monitoring and automation of lighting, heating and power.

Devices may be operated manually, by smartphone or tablet-based apps and also through Google Assistant and Amazon Alexa voice control.

Leading tech industry publication 9to5 Mac describes Lightwave as "the best UK HomeKit solution for smart lighting".

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