

3 November 2017

LightwaveRF plc
(**"LightwaveRF"** or the **"Company"**)

Conditional Placing and Subscription, Proposed Open Offer, Notice of General Meeting and Posting of Circular

Further to its announcement on 30 October 2017, LightwaveRF (AIM: LWRF), the leading smart home solutions provider, announces further details of a conditional placing and subscription and an open offer of up to 6,196,796 new ordinary shares of 5 pence each in the Company ("Ordinary Shares") (the "Open Offer") at 16 pence per share.

The Company announces that a circular, setting out the details of the conditional placing and subscription, Open Offer and convening a general meeting of the Company (the "General Meeting") will be posted to Shareholders later today (the "Circular").

Background

On 30 October 2017, the Company announced that it had raised, in aggregate, approximately £2.0 million (before expenses) by way of a firm placing of 5,805,333 new Ordinary Shares and a firm subscription of 6,802,168 new Ordinary Shares at 16 pence per share.

The Company also announced that it proposed to raise up to a further £1.0 million by way of a conditional open offer to qualifying shareholders, subject to shareholder approval. Further details of the Open Offer are set out below.

In addition, the Company announced that it had conditionally raised, in aggregate, approximately £3.0 million (before expenses) by way of a conditional placing of 14,163,417 new Ordinary Shares (the "Conditional Placing Shares") and a conditional subscription of 4,479,082 new Ordinary Shares (the "Conditional Subscription Shares") at a price of 16 pence per new Ordinary Share (the "Issue Price").

The issue of both the Conditional Placing Shares and the Conditional Subscription Shares is subject to the passing of certain resolutions at the General Meeting. In addition, the issue of certain of the Conditional Placing Shares is conditional upon the Company receiving advanced assurance from HMRC that the Company's business will qualify for VCT tax reliefs.

Further information on the Conditional Placing and Conditional Subscription is set out in the Company's announcement of 30 October 2017 and in the Circular.

The Open Offer

The Company is proposing to raise up to £1.0 million (before expenses) pursuant to the Open Offer. The Issue Price of 16 pence per New Ordinary Share represents a discount of 13.5 per cent. against the Closing Price of 18.5 pence on 27 October 2017, the last business day prior to the announcement of the proposed Open Offer.

The Open Offer is being made on a pre-emptive basis, allowing all Shareholders on the register as at 6.00 p.m. on 2 November 2017 the opportunity to participate.

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price pro rata to their holdings of Qualifying Shares as at the Record Date on the following basis:

1 Open Offer Share for every 8 Qualifying Shares

and so on in proportion to any other number of Qualifying Shares then held.

Qualifying Shareholders should note that the Open Offer Shares have not been underwritten.

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 23 November 2017 (or such later date, being not later than 8.00 a.m. on 30 November 2017, as the Company and Stockdale may decide):

- the passing of the necessary resolutions at the General Meeting; and
- Admission becoming effective by 8.00 a.m. on 23 November 2017 (or such later time or date not being later than 8.00 a.m. on 30 November 2017 as the Company and Stockdale may decide).

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 6,196,796 Open Offer Shares in aggregate. To the extent that applications are received in respect of more than 6,196,796 Open Offer Shares in aggregate, excess applications will be scaled back accordingly.

Qualifying Shareholders should note that their applications under the Excess Application Facility will be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that an application for Excess Shares will be met in full or in part or at all. The Directors may determine in their absolute discretion not to accept any particular application under the Excess Application Facility.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Holders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Application will be made to the London Stock Exchange for the admission of the Open Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00

a.m. on 23 November 2017 (or such later date, being not later than 8.00 a.m. on 30 November 2017, as the Company and Stockdale may decide).

Intentions of Directors and Committed Capital in relation to the Open Offer

Barry Gamble, Chairman of the Company, has indicated his intention to subscribe for at least his Basic Entitlement, being 111,520 Open Offer Shares. Each of Andrew Pearson, Chief Executive Officer, and Kevin Edwards, Chief Financial Officer, has indicated his intention to subscribe for his Basic Entitlement, being, in aggregate, 23,676 Open Offer Shares.

Committed Capital has indicated its intention to subscribe for at least its Basic Entitlement, being 1,579,612 Open Offer Shares.

Recommendation

The Directors believe that the Conditional Placing, the Conditional Subscription and the Open Offer are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings amounting to 3,278,247 Existing Ordinary Shares, representing approximately 6.6 per cent. of the Company's issued share capital.

General Meeting

The Circular will contain a notice convening the General Meeting to be held at the offices of LightwaveRF, Innovation Campus Birmingham, Faraday Wharf, Holt Street, Birmingham B7 4BB UK at 11.00 a.m. on 22 November 2017 at which the following resolutions will be proposed as ordinary or special resolutions as indicated below:

- (a) to authorise the Directors to allot Ordinary Shares for the purposes of the Conditional Placing and the Conditional Subscription (special resolution);
- (b) to authorise the Directors to allot Ordinary Shares for the purposes of the Open Offer (special resolution);
- (c) subject to Admission, to generally authorise the Directors to allot relevant securities having an aggregate nominal value of up to £1,166,984 or, if lower, an aggregate nominal value of up to one third of the nominal value of the Enlarged Share Capital (ordinary resolution); and
- (d) to waive statutory pre-emption rights in respect of the allotment of equity securities pursuant to the allotment authority referred to in paragraph (c) above having an aggregate nominal value of up to £571,620 or, if lower, an aggregate nominal value of up to 15 per cent. of the nominal value of the Enlarged Share Capital (special resolution).

Action to be taken by Shareholders in respect of the General Meeting

Shareholders will find accompanying the Circular a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event not later 11.00 a.m. on 20

November 2017. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wishes.

This announcement contains inside information and is disclosed in accordance with the Company's obligations under the Market Abuse Regulation (EU) No 596/2014.

Capitalised terms used but not defined in this announcement have the same meaning as in the Circular to be published by the Company on 3 November 2017 which will be available on its website at www.lightwaverf.com

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About Lightwave

LightwaveRF plc pioneered smart home automation with the introduction of the market's first Internet enabled devices in 2008. Today the Company markets a complete smart home system for lighting, heating, power and security.

LightwaveRF offers a cloud platform and an extensive range of retrofitted LightwaveRF designed and manufactured sockets, dimmers, relays, thermostats, heating, energy, sensing, monitoring and control devices. These devices are operated by conventional manual control, handheld remote, smartphone and tablet based apps. The LightwaveRF system can also be operated using Google Assistant and Amazon Alexa voice control, is Apple HomeKit compatible and provides users with dashboards to manage their smart home.

We are dedicated to making everyone's lives easier and more fulfilled through world leading smart home technology.

For further information and to sign up for investor news alerts please visit:

www.lightwaverf.com/corporate/

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2017

Record Date for the Open Offer	6.00 p.m. on 2 November
Announcement of details of the Open Offer and posting of this Document	3 November
Existing Ordinary Shares marked "ex" by the London Stock Exchange	3 November
Basic Entitlements credited to stock accounts in	6 November

CREST of Qualifying CREST Holders

Recommended latest time for requesting withdrawal of Basic Entitlements from CREST	4.30 p.m. on 14 November
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3.00 p.m. on 15 November
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 16 November
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 20 November
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 20 November
General Meeting	11.00 a.m. on 22 November
Admission and commencement of dealings of the New Ordinary Shares (other than the VCT Placing Shares (if applicable))	8.00 a.m. on 23 November
New Ordinary Shares credited to CREST stock accounts	8.00 a.m. on 23 November
Despatch of definitive share certificates for New Ordinary Shares	week commencing 27 November

OPEN OFFER STATISTICS

Closing Price per Existing Ordinary Share on 27 October 2017	18.5 pence
Closing Price per Existing Ordinary Share on 2 November 2017	16 pence
Number of Qualifying Shares	49,574,364
Basic Entitlement under the Open Offer	1 Open Offer Share for every 8 Qualifying Shares
Issue Price of each New Ordinary Share	16 pence
Discount to market price of 18.5 pence per Existing Ordinary Share ¹	13.5 per cent.
Number of Open Offer Shares to be offered for subscription by Qualifying Shareholders	6,196,796
Expected proceeds of the Open Offer (before expenses) ²	up to £1.0 million
Expected proceeds of the Fundraising (before expenses) ²	c.£4.0 million
Enlarged Share Capital following Admission ²	76,215,827
Percentage of Enlarged Share Capital represented by the Open Offer Shares ²	8.9 per cent.
Estimated net proceeds of the Fundraising ²	up to £3.7 million
ISIN of the Basic Entitlement	GB00BF29VL79

Notes:

1. Based on the Closing Price on 27 October 2017, being the last trading day prior to the Company's announcement on 30 October 2017.
2. Assuming full subscription under the Open Offer.