

Regulatory Story

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LightwaveRF PLC - LWRF Placing, Subscription, Open Offer & Rule 9 Waiver
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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR IMMEDIATE RELEASE

28 February 2019

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

**Proposed Placing and Subscription to raise a minimum of £2.5 million,
Open Offer to raise £0.5 million
and
Proposed waiver of Rule 9 of the Takeover Code**

LightwaveRF (AIM: LWRF), the leading smart homes solutions provider, announces firm and conditional placings and subscriptions and an open offer.

Transaction Highlights

- Firm Placing and Firm Subscription using the Company's existing share authorities to raise approximately £0.9 million through the issue of 10,720,000 new Ordinary Shares, in aggregate, to new and existing investors at 8.5 pence per share
- Conditional Placing to raise a minimum of £0.6 million through the issue of a minimum of 7,097,280 New Ordinary Shares, in aggregate, to new and existing investors at 8.5 pence per share subject to Shareholder approval
- Conditional Subscription to raise approximately £1.0 million through the issue of 11,594,500 new Ordinary Shares, in aggregate, to investors at 8.5 pence per share subject to Shareholder approval
- The Firm Placing and Conditional Placing are being conducted by way of an accelerated bookbuild to raise gross proceeds of a minimum of £0.97 million, with the bookbuild to commence immediately following this announcement
- New Ordinary Shares to be issued at 8.5 pence per share which represents a discount of approximately 5.6 per cent. to the Closing Price of 9.0 pence on 27 February 2019
- Proposal to raise a further £0.5 million by way of a conditional Open Offer of 5,964,387 Open Offer Shares at 8.5 pence per share subject to Shareholder approval.

The above transaction highlights and the summary announcement below should be read in conjunction with the full text of the announcement set out below and the appendix at the end

of this announcement (the "**Appendix**").

A circular, containing details of the Transactions, is expected to be posted to Shareholders on or around 1 March 2019, and will be available on the Company's website, along with a Form of Proxy to vote at a General Meeting expected to be convened for 19 March 2019 and an Application Form for the Open Offer (the "**Circular**"). Capitalised terms in this announcement are defined as set out at the end of this announcement.

LightwaveRF announces that it proposes to raise, in aggregate, approximately £0.9 million before expenses, by way of a placing of 4,373,322 new Ordinary Shares (the "**Firm Placing Shares**") and a subscription of 6,346,678 new Ordinary Shares (the "**Firm Subscription Shares**") at 8.5 pence per share (the "**Issue Price**").

In addition, the Company announces that it also proposes to raise, in aggregate, a minimum of £0.6 million, before expenses, by way of a conditional placing of a minimum of 7,097,280 new Ordinary Shares (the "**Conditional Placing Shares**") and a conditional subscription to raise approximately £1.0 million by the issue of 11,594,500 new Ordinary Shares (the "**Conditional Subscription Shares**") at the Issue Price. The issue of both the Conditional Placing Shares and the Conditional Subscription Shares is subject to the passing of the Resolutions at the General Meeting.

The Company also announces that it proposes to raise a further £0.5 million by way of a conditional open offer of 5,964,387 Open Offer Shares at 8.5 pence per share to qualifying shareholders at the Issue Price (the "**Open Offer**"), subject to Shareholder approval. Committed Capital intends to subscribe for its Basic Entitlement under the Open Offer in full and to apply for all of the remaining Open Offer Shares using the Excess Application Facility, being, in aggregate, 5,964,387 Open Offer Shares. To the extent that applications are received in respect of more than 5,964,387 Open Offer Shares in aggregate, excess applications will be scaled back accordingly. Applications for Excess Shares will be allocated in such manner as the Directors may determine, in their absolute discretion.

The Issue Price represents a discount of approximately 5.6 per cent. to the Closing Price of 9.0 pence on 27 February 2019, the last trading day prior to this announcement.

The net proceeds of the Fundraising will be used to continue to scale the business, expand sales and marketing, execute on obligations in Europe and provide working capital.

LightwaveRF has entered into a placing agreement (the "**Placing Agreement**") with Stockdale Securities Limited ("**Stockdale**") which is acting as broker in relation to the Placing. Pursuant to the Placing Agreement, Stockdale has agreed, in accordance with its terms, to use reasonable endeavours to place the Placing Shares with certain new and existing institutional and other investors. The Placing is not underwritten. Further details of the Placing Agreement can be found in the terms and conditions of the Placing contained in the Appendix to this announcement (which forms part of this announcement).

The Firm Placing and Conditional Placing are subject to the terms and conditions set out below. Stockdale will commence a bookbuilding process in respect of the Placing (the "**Bookbuild**"), which will start with immediate effect following the release of this Announcement. The Firm Placing Shares and the Conditional Placing Shares will, when issued, be credited as fully paid and will rank pari passu with the Existing Ordinary Shares including the right to receive all future dividends and distributions declared, made or paid by reference to a record date falling after their issue. The issue of the Conditional Placing Shares is pursuant to the authorities to be granted at the General Meeting which is expected to be held on 19 March 2019.

The Company will apply for the Firm Placing Shares and the Conditional Placing Shares to be admitted to trading on AIM. It is expected that settlement of the Firm Placing Shares will take place and that trading will commence at 8:00 a.m. on 6 March 2019 and that settlement of the Conditional Placing Shares will take place and that trading will commence at 8:00 a.m. on 20 March 2019 (other than the Deferred Settlement Shares).

As part of the Placing, Placing Shares will be issued to certain Placees seeking relief under the Enterprise Investment Scheme and to companies that are approved as Venture Capital Trusts. The Company has received advance assurance from HMRC that HMRC would be able to authorise the Company to issue compliance certificates under section 204(1) of the Income Tax Act 2007 in respect of the Firm Placing Shares, the Firm Subscription Shares and the New Ordinary Shares. The Company has not received any advance assurance from HMRC as regards whether the Firm Placing Shares, the Firm Subscription Shares and the New Ordinary Shares will be capable of being a "qualifying holding" for the purposes of investment by VCTs. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits. Neither the Company, the Directors nor any of the Company's advisers give any warranty, undertaking or other assurance that any tax reliefs will continue to be available and not withdrawn at a later date. The actual availability of EIS relief and qualifying status for VCT purposes would be contingent upon certain conditions being met by both the Company and the relevant investors.

Shareholders and proposed investors must take their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances and rely on it.

The timing of the closing of the Bookbuild and allocations shall be at the discretion of LightwaveRF and Stockdale. However, the Bookbuild is expected to close no later than 4.30 p.m. on 1 March 2019. Members of the public are not eligible to participate in the Placing.

A further announcement will be made following the close of the Bookbuild.

By choosing to participate in the Firm Placing and Conditional Placing and by making a verbal offer to acquire Ordinary Shares to be issued under the Firm Placing and Conditional Placing, investors will be deemed to have read and understood this announcement (including the Appendix) in its entirety and to be making such offer on the terms and subject to the conditions in this announcement, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Concert Party

The Concert Party has agreed to subscribe for, in aggregate, 5,846,868 new Ordinary Shares under the Firm Subscription and 10,917,840 new Ordinary Shares under the Conditional Subscription. The Concert party, via Committed Capital Financial Services Limited, intends to subscribe for its Basic Entitlement under the Open Offer in full and to apply for all of the remaining Open Offer Shares using the Excess Application Facility, being, in aggregate, 5,964,387 Open Offer Shares. To the extent that applications are received in respect of more than 5,964,387 Open Offer Shares in aggregate, excess applications will be scaled back accordingly. Applications for Excess Shares will be allocated in such manner as the Directors may determine, in their absolute discretion. Consequently, on completion of the Fundraising, the Concert Party will hold up to 40,747,207 Ordinary Shares, representing approximately 38.10 per cent. of the Enlarged Share Capital.

Immediately following Admission, it is likely that the Concert Party will hold, in aggregate, up to 38.10 per cent. of the Enlarged Share Capital following the Subscription and the Placing and assuming Committed Capital takes up all of its Basic Entitlements under the Open Offer and all of the remaining Open Offer Shares using the Excess Application Facility. In this instance, the Concert Party's acquisition of new Ordinary Shares would, without a waiver of the obligations under Rule 9 of the Takeover Code, oblige the Concert Party to make a general offer for the Company under Rule 9 of the Takeover Code.

The Concert Party is made up of Committed Capital Financial Services Limited, Committed Capital Limited, Steven Harris, Timothy Steel, Mark Blandford, Judy Welch and Else Thomson.

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit the Firm Subscription, the Conditional Subscription and the take up in full by Committed Capital of its Basic Entitlements under the Open Offer and all of the remaining Open Offer Shares using the Excess Application Facility without triggering an obligation on the part of any member of the Concert Party (individually or collectively) to make a general offer for the Company.

Application for admission

Application will be made for admission of the Firm Placing Shares and the Firm Subscription Shares to trading on AIM and dealings in the Firm Placing Shares and the Firm Subscription Shares are expected to commence at 8.00 a.m. on 6 March 2019. The Firm Placing Shares and the Firm Subscription Shares, when issued, will rank *pari passu* with the Existing Ordinary Shares.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR"), encompassing information relating to the Placing, the Subscription and the Open Offer as described above, and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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About LightwaveRF

LightwaveRF 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 LightwaveRF as "the best UK HomeKit solution for smart lighting".

For further information and "Newsletter sign up", please visit: www.LightwaveRF.com/corporate/

IMPORTANT INFORMATION

Stockdale, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as broker to the Company in relation to the Placing and is not acting for any other persons in relation to the Placing. Stockdale is acting exclusively for the Company and for no one else in relation to the matters described in this announcement and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stockdale, or for providing advice in relation to the contents of this announcement or any matter referred to in it.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Stockdale or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by any such forward-looking statement. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information

contained in this announcement is subject to change without notice and neither Stockdale nor, except as required by applicable law, the Company assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

EXTRACT FROM CIRCULAR

The following is an extract from the Company's circular containing details of the Transactions, which is expected to be posted to Shareholders on 1 March 2019 along with a Form of Proxy to vote at a General Meeting expected to be convened for 19 March 2019 and an Application Form for the Open Offer (the "Circular"). The following information is subject to change. Capitalised terms in this announcement are defined as set out at the end of this announcement.

1. "Introduction

On 28 February 2019, the Company announced that it had raised, in aggregate, approximately £0.9 million before expenses by way of a firm placing of 4,373,322 new Ordinary Shares and a firm subscription of 6,346,678 new Ordinary Shares, both at 8.5 pence per share.

In addition, the Company announced that it had conditionally raised, in aggregate, a minimum of £1.58 million before expenses by way of a conditional placing of a minimum of 7,097,280 new Ordinary Shares and a conditional subscription of 11,594,500 new Ordinary Shares, both at 8.5 pence per share.

The issue of the Conditional Placing Shares and the Conditional Subscription Shares is subject to the passing of the Resolutions at the General Meeting.

The Company also announced that it proposed to raise up to a further £0.5 million by way of an Open Offer to Qualifying Shareholders at 8.5 pence per share, subject to Shareholder approval, details of which are set out in this Document.

Committed Capital subscribed for 5,846,868 Ordinary Shares under the Firm Subscription and has also agreed to subscribe for 10,917,840 Ordinary Shares under the Conditional Subscription. It also intends to take up its Basic Entitlement under the Open Offer in full and to apply for all of the remaining Open Offer Shares using the Excess Application Facility. To the extent that applications are received in respect of more than 5,964,387 Open Offer Shares, in aggregate, excess applications will be scaled back accordingly. Applications for Excess Shares will be allocated in such manner as the Directors may determine in their absolute discretion.

Consequently, on completion of the Fundraising:

- (a) the Concert Party (which includes Committed Capital) will hold, in aggregate, up to 40,747,207 Ordinary Shares, representing approximately 38.10 per cent. of the Enlarged Share Capital (assuming that Committed Capital subscribes for all of the Open Offer Shares). Details of the Concert Party are set out in paragraph 6 of this Part I; and
- (b) CCFSL will hold, in aggregate, up to 34,662,181 Ordinary Shares, representing approximately 32.41 per cent. of the Enlarged Share Capital (assuming that CCFSL subscribes for 10,917,840 of the Conditional Subscription Shares and all of the Open Offer Shares).

Under Rule 9 of the Takeover Code, on completion of the Fundraising, the Concert Party and CCFSL would each normally be obliged to make a general offer to all Shareholders (other than the Concert Party or CCFSL (as the case may be)) to acquire all the Ordinary Shares not owned by the Concert Party or CCFSL (as the case may be). The Panel has agreed to waive these obligations subject to the approval (on a poll) of the Independent Shareholders of Resolution 1 to be proposed at the General Meeting. The Fundraising is therefore also subject to the approval of those resolutions by the Independent Shareholders. Your attention is drawn to paragraph 6 of this Part I which contains further information on the Takeover Code and the waiver of Rule 9 of the Takeover Code.

The Conditional Placing, the Conditional Subscription and the Open Offer are conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting that will grant the Directors the authority to allot the Conditional Placing Shares, the Conditional Subscription Shares and the Open Offer Shares and the power to disapply statutory pre-emption rights in

respect of the Conditional Placing Shares, the Conditional Subscription Shares and the Open Offer Shares. The Resolutions are set out in the Notice of General Meeting at the end of this Document.

The purpose of this Document is to set out the background to and reasons for the Fundraising, to give details of each of the Conditional Placing, the Conditional Subscription and the Open Offer and to recommend that you vote in favour of each of the Resolutions required to be passed to implement them. The Fundraising is conditional upon, amongst other things, the passing of the Resolutions and is expected to complete on 20 March 2019, being the expected date of admission to trading on AIM of the New Ordinary Shares.

2. The Firm Placing and the Firm Subscription

On 28 February 2019, the Company announced details of the Firm Placing and the Firm Subscription of, in aggregate, 10,720,000 new Ordinary Shares with and by new and existing investors to raise approximately £0.9 million (before expenses). The Firm Placing and the Firm Subscription were within the Directors' existing authorities and therefore were not conditional upon the Resolutions being passed.

3,293,268 of the 5,846,868 Ordinary Shares subscribed by Committed Capital as part of the Firm Subscription have been issued, conditional upon their admission to trading on AIM (which is expected to become effective at 8.00 a.m. on 6 March 2019), in satisfaction of the Company's obligations under the Advance Subscription Agreement, further details of which are set out at paragraph 4.1(d) of Part VI of this Document.

Admission to trading on AIM of the Firm Placing Shares and the Firm Subscription Shares is expected to become effective and dealings are expected to commence therein at 8.00 a.m. on 6 March 2019.

3. Background to and reasons for the Fundraising

Since the Company's fundraising in 2017, the Company has made considerable progress on a number of fronts. However, for the reasons set out in the Company's audited final results for the year ended 30 September 2018, which were announced on 11 December 2018, revenue for the year ended 30 September 2018 was marginally below that reported in the previous year. Additionally, following its launch in the UK of the Apple HomeKit range, the Company accelerated the development of its European device range. As a consequence, these factors have together had a material impact on the level of the Company's monthly rate of cash burn.

Since the Company's appointment of Jason Elliott as Chief Executive in July 2018, its monthly revenue run rate has increased markedly with revenue in the first quarter of the year ending 30 September 2019 almost equalling that generated in the first half of the year ended 30 September 2018. The Board anticipates that this improved momentum will continue.

European compatible Apple HomeKit devices have recently been released in Apple stores in Belgium, France, Germany, Holland, Sweden, Austria, Denmark, Italy, Switzerland and Spain. Further devices for Europe are in the final development stage. In addition, the Company has recently announced a partnership with Resideo, formerly part of the Honeywell group.

Following a number of excellent product endorsements, the Company is seeking to raise funds by way of the Fundraising to develop further its marketing and sales capabilities to build on the substantial progress now being made. Further investment in product development of the Apple HomeKit compatible Smart Series range will also be made.

4. Details of the Conditional Placing and the Conditional Subscription

The Conditional Placing

The Company has conditionally raised a minimum of £0.6 million before expenses by the conditional placing of a minimum of 7,097,280 Ordinary Shares at the Issue Price to Placees.

The Conditional Placing is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions;
- (b) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms; and
- (c) Admission becoming effective by no later than 8.00 a.m. on 20 March 2019 or such later time and/or date (being no later than 8.00 a.m. on 29 March 2019) as Stockdale and the Company may agree.

If any of the conditions is not satisfied, the Conditional Placing Shares will not be issued.

The Conditional Placing Shares are not subject to clawback. The Conditional Placing is not being underwritten. The Conditional Placing Shares will be issued free of all liens, charges and encumbrances and 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.

Application will be made to the London Stock Exchange for the admission of the Conditional Placing Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 20 March 2019 (or such later date, being not later than 8.00 a.m. on 29 March 2019, as the Company and Stockdale may agree) at which time it is also expected that the Conditional Placing Shares will be enabled for settlement in CREST.

The Conditional Subscription

The Company has conditionally raised approximately £1.0 million before expenses by the conditional subscription of 11,594,500 Ordinary Shares at the Issue Price.

The Conditional Subscription is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions; and
- (b) Admission becoming effective by no later than 8.00 a.m. on 20 March 2019, or such later time and/or date (being no later than 8.00 a.m. on 29 March 2019) as Stockdale and the Company may agree.

Committed Capital has agreed to subscribe for 10,917,840 Ordinary Shares under the Conditional Subscription.

If any of the conditions is not satisfied, the Conditional Subscription Shares will not be issued.

The Conditional Subscription Shares are not subject to clawback. The Conditional Subscription is not being underwritten. The Conditional Subscription Shares will be issued free of all liens, charges and encumbrances and 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.

Application will be made to the London Stock Exchange for the admission of the Conditional Subscription Shares to trading on AIM. It is expected that Admission (other than in respect of the Deferred Settlement Shares) will occur and that dealings will commence at 8.00 a.m. on 20 March 2019 (or such later date, being not later than 8.00 a.m. on 29 March 2019, as the Company and Stockdale may agree) at which time it is also expected that the Conditional Subscription Shares will be enabled for settlement in CREST.

The Company has agreed that settlement be deferred in respect of 10,917,840 new Ordinary Shares, forming part of the Conditional Subscription. Settlement of the Deferred Settlement Shares is expected by 6 April 2019 but in any event no later than 29 April 2019. As a result, these shares will be allotted no later than 29 April 2019 and dealings in these shares are expected to commence no later than 8.00 a.m. on 30 April 2019.

5. Details of the Open Offer

The Company is proposing to raise approximately £0.5 million (before expenses) pursuant to the Open Offer. The Open Offer Shares will be issued at the Issue Price.

The Open Offer is being made on a pre-emptive basis, allowing all Shareholders on the register as at 6.00 p.m. on 28 February 2019 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 12 Qualifying

Shares

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

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.

Other than in the case of Committed Capital (but only to the extent permitted by the Rule 9 Waiver), applications for Basic Entitlements will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

Qualifying Shareholders who do not take up any of their Basic Entitlements will experience a dilution to their interests of approximately 33 per cent. following completion of the Fundraising (assuming full subscription under the Open Offer).

The Open Offer is not being underwritten.

The Open Offer is conditional, *inter alia*, upon:

(a) the passing of the Resolutions at the General Meeting (or any adjournment thereof); and
(b) Admission becoming effective by 8.00 a.m. on 20 March 2019 (or such later time or date not being later than 8.00 a.m. on 29 March 2019 as Stockdale and the Company may agree).

If any of the conditions is not satisfied, the Open Offer Shares will not be issued.

The New Ordinary 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.

Committed Capital intends to subscribe for its Basic Entitlement under the Open Offer in full and to apply for all of the remaining Open Offer Shares using the Excess Application Facility, being, in aggregate, 5,964,387 Open Offer Shares. To the extent that applications are received in respect of more than 5,964,387 Open Offer Shares in aggregate, excess applications will be scaled back accordingly. Applications for Excess Shares will be allocated in such manner as the Directors may determine, in their absolute discretion.

Excess Applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date.

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 5,964,387 Open Offer Shares in aggregate. To the extent that applications are received in respect of more than 5,964,387 Open Offer Shares in aggregate, excess applications will be scaled back accordingly.

However, other than in the case of Committed Capital (but only to the extent permitted by the Rule 9 Waiver), excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

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.

Settlement and dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 20 March 2019. Further information in respect of settlement and dealings in the New Ordinary Shares is set out in paragraph 8 of Part III of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part III of this Document.

CREST instructions

Application has been made for the Basic Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Basic Entitlements will be admitted to CREST on 4 March 2019.

The Excess CREST Open Offer Entitlements will also be admitted to CREST on 4 March 2019. Applications through the CREST system may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying CREST Holder, no Application Form is enclosed with this Circular but you will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement and if appropriate your Excess Entitlement. You should refer to the procedure for application set out in paragraph 3 of Part III of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 18 March 2019.

Application Form

If you are a Qualifying non-CREST Holder, an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to you) is enclosed with this Circular. If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 3 of Part III of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD **so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 18 March 2019.**

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 18 March 2019. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Basic Entitlement or have your Basic Entitlement credited to your stock account in CREST. **If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

6. Dispensation from Rule 9 of the Takeover Code

The Takeover Code applies to the Company and governs, *inter alia*, transactions which may result in a change of control of a company to which the Takeover Code applies.

Rule 9 of the Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested, or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Concert Party

Description

Persons acting in concert include persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company.

Accordingly, the Concert Party is made up of Committed Capital Limited, Committed Capital Financial Services Limited, Steve Harris, Timothy Steel, Else Thomson, Mark Blandford and Judy Welch, all of whom are presumed to be acting in concert under the Takeover Code.

Full details of, and information on, the members of the Concert Party who are presumed to be acting in concert for the purposes of the Takeover Code are set out below.

Committed Capital Limited is a private limited company registered in England and Wales with registered number 04479415 and whose registered office address is at 148-150 Buckingham Palace Road, London, England SW1W 9TR. It is the overall parent company of the Committed Capital group of companies and acts as the main operating company for that group. Committed Capital Limited is an Appointed Representative for FCA purposes, and undertakes any retail or alternative investment fund manager (AIFM) qualifying investment undertaken by its investors into investee companies. Such investments are held in investee companies using MNL Nominees Limited. In addition, Committed Capital Limited carries on non-regulated consulting advice, for example in relation to assisting investee companies to apply for EIS advance assurance, and reviewing EIS regulation compliance, general business advice and research and development ("R&D") tax credit assistance.

Committed Capital Limited's trading is in line with its current year forecasts; being the principal operating company it continues to review costs and ensure that they are competitive across the group. The retail fund management operations continue to grow gradually. Management expects that the approach of the end of the tax year will lead to an acceleration in investee company funding by retail investors and their independent financial advisers. As this fund develops and grows, Committed Capital's revenue is likely to show increased growth. Consulting revenues are also growing strongly as legislation around EIS compliance and R&D tax credits continues to become more stringent.

Committed Capital Financial Services Limited is a private limited company registered in England and Wales with registered number 03810820 and whose registered office address is at 148-150 Buckingham Palace Road, London, England, SW1W 9TR. Committed Capital Financial Services Limited is the main regulated entity for the Committed Capital group of companies and is authorised by the FCA. Its main business is corporate finance and advisory work as well as fund management of professional investor funds. Investments made by such investors are held through Mainspring Nominees (8) Limited.

During the current year to date, Committed Capital Financial Services Limited's business has developed strongly, and the management continues to expect significant growth of funds under management, and hence revenues. The business is likely to increase headcount in the next 12 months, to meet resource requirements and increased business. As a group, Committed Capital expects total funds under management to approximately double during the current financial year and it has a good pipeline of further investments and new investee companies to meet investment demand.

Committed Capital Limited has an interest in 238,912 Ordinary Shares, representing 0.33 per cent. of the Existing Ordinary Shares, which are legally held by MNL Nominees Limited, a Committed Capital nominee company.

Committed Capital Financial Services Limited has a beneficial interest in 14,478,422 Ordinary Shares, representing 20.23 per cent. of the Existing Ordinary Shares, which are legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company.

Steve Harris is a director of Committed Capital Limited, Committed Capital Financial Services Limited and the Company. He is interested in 65,760,000 ordinary shares in the capital of Committed Capital Limited, which represents 44.67 per cent. of its issued share capital.

Timothy Steel is a director of Committed Capital Limited. He is interested in 11,721,102 ordinary shares in the capital of Committed Capital Limited, which represents 7.96 per cent. of its issued share capital.

Else Thomson is a director of Committed Capital Limited and Committed Capital Financial Services Limited. She is interested in 12,500 Ordinary Shares, representing approximately 0.02 per cent. of the Existing Ordinary Shares, which are legally held in her own name.

Mark Blandford is a member of Committed Capital's Advisory Board. He is interested in 12,837,096 ordinary shares in the capital of Committed Capital Limited, which represents 8.72 per cent. of its issued share capital. Mark Blandford also has a beneficial interest in 2,134,434 Ordinary Shares, representing 2.98 per cent. of the Existing Ordinary Shares, which are legally held by Committed Capital. Mark Blandford also has a beneficial interest in a further 1,000,000 Ordinary Shares, which are legally held by Rockridge Investments S A, a company wholly owned by Mark Blandford.

Judy Welch is a senior consultant to Committed Capital. Together with her family, she is interested in 21,920,211 ordinary shares in the capital of Committed Capital Limited, which represents 14.89 per cent. of its issued share capital. Judy Welch and her family also have a beneficial interest in 153,844 Ordinary Shares representing 0.21 per cent. of the Existing Ordinary Shares, which are legally held by Committed Capital.

Under the Takeover Code, the directors of a company are presumed to be acting in concert with the company of which they are a director. The Takeover Panel has also confirmed that it considers Mark Blandford and Judy Welch to be acting in concert with Committed Capital on the basis of their respective shareholdings and roles in Committed Capital. Accordingly, for the purposes of the Takeover Code, Committed Capital is presumed to be acting in concert with the above individuals, who together form the Concert Party.

The Concert Party will not be restricted from making an offer for the Company.

Maximum Controlling Position

Immediately following Admission, the Concert Party will hold, in aggregate, up to 40,747,207 Ordinary Shares, representing approximately 38.10 per cent. of the Enlarged Share Capital assuming Committed Capital subscribes for all of the Open Offer Shares. The Concert Party's acquisition of New Ordinary Shares would, without a waiver of the obligations under Rule 9 of the Takeover Code, oblige the Concert Party to make a general offer for the Company under Rule 9 of the Takeover Code.

The following table sets out the Concert Party's shareholdings in the Company (i) as at the date of this Document, (ii) following the Firm Placing and Firm Subscription and (iii) on Admission.

Concert Party Member	Total No. of Existing Ordinary Shares	Percentage of Issued Share Capital	Max No. of Ordinary Shares following Firm Placing and Firm Subscription [^]	Percentage of Enlarged Share Capital following Firm Placing and Firm Subscription [^]	Max No. of Ordinary Shares following Admission [^]	Percentage of Enlarged Share Capital following Admission [^]
Committed Capital Limited*	238,912	0.33%	1,193,893	1.45%	1,193,893	1.12%
Committed Capital Financial Services Limited**	14,478,422	20.23%	18,368,194	22.32%	34,662,181	32.41%
Steve Harris	-	0.00%	-	0.00%	-	0.00%
Timothy Steel	-	0.00%	-	0.00%	-	0.00%
Mark Blandford***	3,134,434	4.38%	3,986,222	4.84%	4,574,462	4.28%
Judy Welch****	153,844	0.21%	284,563	0.35%	284,563	0.27%
Else Thomson	12,500	0.02%	32,108	0.04%	32,108	0.03%
Total	18,018,112	25.17%	23,864,980	29.00%	40,747,207	38.10%

[^]Assumes Committed Capital subscribes for all of the Open Offer Shares.

* Legally held by MNL Nominees Limited, a Committed Capital nominee company.

**Legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company.

*** Of which 1,000,000 Existing Ordinary Shares are legally held by Rockridge Investments S A, a company wholly owned by Mark Blandford, and 2,134,434 Existing Ordinary Shares are legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company.

**** These Existing Ordinary Shares are legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company, in equal proportions on behalf of Judy Welch's four children.

CCFSL

Immediately following Admission, CCFSL will hold, in aggregate, 34,662,181 Ordinary Shares, representing approximately 32.41 per cent. of the Enlarged Share Capital assuming CCFSL subscribes for 3,889,772 Firm Subscription Shares, 10,329,600 Conditional Subscription Shares and all of the Open Offer Shares. CCFSL's acquisition of New Ordinary Shares would, without a waiver of the obligations under Rule 9 of the Takeover Code, oblige CCFSL to make a general offer for the Company under Rule 9 of the Takeover Code.

The following table sets out CCFSL's shareholdings in the Company (i) as at the date of this Document, (ii) following the Firm Placing and Firm Subscription and (iii) on Admission.

Concert Party Member	Total No. of Existing Ordinary Shares	Percentage of Issued Share Capital	Max No. of Ordinary Shares following Firm Placing and Firm Subscription	Percentage of Enlarged Share Capital following Firm Placing and Firm Subscription	Max No. of Ordinary Shares following Admission [^]	Percentage of Enlarged Share Capital following Admission [^]
Committed Capital Financial Services Limited*	14,478,422	20.23%	18,368,194	22.32%	34,662,181	32.41%
Total	14,478,422	20.23%	18,368,194	22.32%	34,662,181	32.41%

[^]Assumes CCFSL subscribes for 3,889,772 Firm Subscription Shares, 10,329,600 Conditional Subscription Shares and all of the Open Offer Shares.

*Legally held by Mainspring Nominees (8) Limited, a Committed Capital nominee company.

CCFSL will not be restricted from making an offer for the Company.

Waiver of Rule 9 of the Takeover Code

Concert Party

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to permit members of the Concert Party to subscribe for, in aggregate, 10,917,840 Conditional Subscription Shares under the Conditional Subscription and to permit Committed Capital (as a member of the Concert Party) to subscribe for all of the Open Offer Shares under the Open Offer, being 5,964,387 Open Offer Shares, without triggering an obligation on the part of the Concert Party to make a general offer for the Company. The Panel has agreed, subject to Resolution 1 at the General Meeting being passed on a poll of Independent Shareholders, to waive the requirement for the Concert Party to make a general offer to all Shareholders where such an obligation would arise as a result of members of the Concert Party subscribing for New Ordinary Shares under the Conditional Subscription and as a result of Committed Capital subscribing for its Basic Entitlement under the Open Offer in full and applying for all of the remaining Open Offer Shares using the Excess Application Facility.

In the event that the waiver by the Panel is approved by Independent Shareholders passing Resolution 1 at the General Meeting, the Concert Party may hold between 30 per cent. and 50 per cent. of the Enlarged Share Capital following completion of the Transactions. Under Rule 9.1 of the Takeover Code, any further acquisition of Ordinary Shares carrying voting rights by the Concert Party in excess of what has been permitted by the Rule 9 Waiver will trigger a mandatory offer for the Company.

In addition, the Concert Party will not be restricted from making an offer for the Company unless the Concert Party either makes a statement that it does not intend to make an offer or enters into an agreement with the Company not to make an offer. No such statement has been made or agreement entered into as at the date of this Document.

CCFSL

The Company has applied to the Panel for a waiver of Rule 9 of the Takeover Code in order to CCFSL to subscribe for, in aggregate, 10,329,600 Conditional Subscription Shares under the Conditional Subscription and for all of the Open Offer Shares under the Open Offer, being 5,964,387 Open Offer Shares, without triggering an obligation on the part of CCFSL to make a general offer for the Company. The Panel has agreed, subject to Resolution 1 at the General Meeting being passed on a poll of Independent Shareholders, to waive the requirement for CCFSL to make a general offer to all Shareholders where such an obligation would arise as a result of CCFSL subscribing for New Ordinary Shares under the Conditional Subscription and for its Basic Entitlement under the Open Offer in full and applying for all of the remaining Open Offer Shares using the Excess Application Facility.

In the event that the waiver by the Panel is approved by Independent Shareholders passing Resolution 1 at the General Meeting, CCFSL may hold between 30 per cent. and 50 per cent. of the Enlarged Share Capital following completion of the Transactions. Under Rule 9.1 of the Takeover Code, any further acquisition of Ordinary Shares carrying voting rights by CCFSL in excess of what has been permitted by the Rule 9 Waiver will trigger a mandatory offer for the Company.

In addition, CCFSL will not be restricted from making an offer for the Company unless CCFSL either makes a statement that it does not intend to make an offer or enters into an agreement with the Company not to make an offer. No such statement has been made or agreement entered into as at the date of this Document.

Intentions of the Concert Party and CCFSL

Following completion of the Transactions, the Company's business will be continued in the same manner as it is at present. The Concert Party and CCFSL have each confirmed that they have no intention to change the Company's current plans with respect to: (i) the Company's future business (including the Company's intentions for its research and development functions), (ii) the continued employment of the employees and management of the Company, including any material change in conditions of employment or in the balance of the skills and functions of the employees and management; (iii) its strategic plans for the Company, or their likely repercussions on employment or the locations of the Company's places of business, including on the location of the Company's headquarters and headquarters functions; (iv) employer contributions into any pension scheme(s), the accrual of benefits for existing members, or the admission of new members; (v) the redeployment of the fixed assets of the Company; or (vi) maintenance of the Company's trading facility for the Ordinary Shares.

Following completion of the Transactions, Committed Capital's business will be continued in the same manner as it is at present. Committed Capital has confirmed that it has no intention to change its current plans with respect to: (i) the continued employment of its employees and management, including any material change in conditions of employment or in the balance of the skills and functions of such employees and management; and/or (ii) its strategic plans for

itself, or their likely repercussions on employment or the locations of Committed Capital's places of business, including on the location of its headquarters and headquarters functions.

Following completion of the Transactions, CCFSL's business will be continued in the same manner as it is at present. CCFSL has confirmed that it has no intention to change its current plans with respect to: (i) the continued employment of its employees and management, including any material change in conditions of employment or in the balance of the skills and functions of such employees and management; and/or (ii) its strategic plans for itself, or their likely repercussions on employment or the locations of CCFSL's places of business, including on the location of its headquarters and headquarters functions.

Relationship agreement

Given the increase in Committed Capital's shareholding, the Company and Committed Capital have entered into a relationship agreement to regulate the relationship between the Company and Committed Capital following Admission. Further details of the relationship agreement are set out at paragraph 4.1(c) of Part VI of this Document.

7. Use of net proceeds

The net proceeds of the Fundraising are expected to be approximately £2.8 million. It is proposed that such proceeds will be used to continue to scale the Group's business, expand sales and marketing, execute on obligations in Europe and provide working capital.

8. Placing Agreement

Under a placing agreement entered into between the Company and Stockdale, Stockdale has conditionally agreed to act as placing agent to the Company and to use reasonable endeavours to procure Places to subscribe for the Firm Placing Shares and the Conditional Placing Shares at the Issue Price.

The Placing Agreement sets out the conditions relating to the Firm Placing and the Conditional Placing.

The Conditional Placing is conditional upon (amongst other things) the satisfaction of the following conditions:

- (a) Admission taking place no later than 8.00 a.m. on 20 March 2019 (or such later time and/or date as the Company and Stockdale may agree being no later than 29 March 2019);
- (b) there being no breach of warranty in the Placing Agreement prior to Admission;
- (c) the performance by the Company of its obligations under the Placing Agreement and/or other terms of or conditions to the Conditional Placing prior to Admission; and
- (d) the passing of the Resolutions at the General Meeting.

The Placing Agreement contains certain customary warranties from the Company in favour of Stockdale in relation to, *inter alia*, the accuracy of the information contained in this Document and certain other matters relating to the Group and its business. In addition, the Company has given certain undertakings to Stockdale and has agreed to indemnify Stockdale in relation to certain customary liabilities they may incur in respect of the Transactions. Stockdale has the right to terminate the Placing Agreement in certain circumstances prior to Admission including, *inter alia*: (i) for certain force majeure events or other events involving certain material adverse changes or prospective material adverse changes relating to the Group; or (ii) in the event of a breach of the warranties or other obligations of the Company set out in the Placing Agreement.

Under the Placing Agreement the Company has agreed to pay certain fees and commissions to Stockdale and certain other costs and expenses in connection with the Transactions and Admission.

9. Related Party Transactions

Committed Capital has agreed to subscribe for 4,844,753 Firm Subscription Shares and 10,329,600 Conditional Subscription Shares. It also intends to subscribe for its Basic Entitlement under the Open Offer in full and to apply for all of the remaining Open Offer Shares using the Excess Application Facility. As at the date of this Document, Committed Capital holds 14,717,334 Existing Ordinary Shares representing approximately 20.56 per cent. of the Existing Ordinary Shares. As such, Committed Capital is a substantial shareholder of the Company and its participation in the Firm Subscription and the Conditional Subscription and its subscription for its Basic Entitlement under the Open Offer and all of the remaining Open Offer Shares using the Excess Application Facility are related party transactions pursuant to AIM Rule 13 of the AIM Rules.

The Directors (other than Steve Harris, a Non-Executive Director of the Company, who is also the Chief Executive Officer of Committed Capital) consider, having consulted with the Company's nominated adviser, Stockdale, that the terms of Committed Capital's participation in the Firm Subscription, Conditional Subscription and its subscription for its Basic Entitlement

and its subscription for all of the remaining Open Offer Shares under the Excess Application Facility under the Open Offer are fair and reasonable insofar as the Shareholders are concerned.

Immediately following Admission (and assuming the Resolutions are passed), Committed Capital will hold 35,856,074 Ordinary Shares, representing approximately 33.53 per cent. of the Enlarged Share Capital.

10. Current trading

On 4 January 2019, the Company announced a trading update for the three months ended 31 December 2018, being the first quarter of its financial year ending 30 September 2019, the contents of which are set out below:

"LightwaveRF plc ("LightwaveRF", "Lightwave" or the "Company"), the leading smart home solutions provider, announces the following trading update for the three months ended 31 December 2018, being the first quarter of its financial year ending 30 September 2019 ("Q1 2019").

- Revenue increased by 156% to £1.15 million (Q1 2018: £0.45 million) of which:
 - Telesales revenue increased by 46% to £229,000 (Q1 2018: £156,600); and
 - E-commerce revenue increased by 506% to £291,000 (Q1 2018: £48,000)
- Record E-commerce Black Friday week performance, which ran from 19 to 26 November 2018, with sales of £130,000 (2017: £5,000)

Following the improvements made last year to its sales and marketing strategies, the Company increased its revenue run rate by 50% in the final quarter of the financial year ended 30 September 2018, compared to the average over the previous three quarters. This momentum continued into Q1 2019, with revenue increasing by 156% to £1.15 million compared to the corresponding quarter last financial year, which reflects the strength and breadth of the Company's product offerings and growing brand loyalty.

Jason Elliott, Chief Executive of Lightwave, commented:

"Having delivered a number of process improvements over the past six months to drive revenue growth, the Company is encouraged by what it has achieved in Q1 2019, almost equalling the £1.17 million generated during H1 2018.

"Lightwave's retailer and distributor relationships and requisite marketing initiatives are now substantially expanded. I am confident that we can maintain this momentum by focusing on the channels and products, such as our lighting range, that are performing well."

11. EIS and VCT Status

The Company has received advance assurance from HMRC that HMRC would be able to authorise the Company to issue compliance certificates under section 204(1) of the Income Tax Act 2007 in respect of the Firm Placing Shares, the Firm Subscription Shares, the Conditional Placing Shares and the Conditional Subscription Shares. The Company has not received any advance assurance from HMRC as regards whether the Firm Placing Shares, the Firm Subscription Shares, the Conditional Placing Shares and the Conditional Subscription Shares will be capable of being a "qualifying holding" for the purposes of investment by VCTs. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits. Neither the Company, the Directors nor any of the Company's advisers give any warranty, undertaking or other assurance that any tax reliefs will continue to be available and not withdrawn at a later date. The actual availability of EIS relief and qualifying status for VCT purposes would be contingent upon certain conditions being met by both the Company and the relevant investors.

Shareholders and proposed investors must take their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances and rely on it.

12. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of LightwaveRF, Innovation Birmingham Campus, Faraday Wharf, Holt Street, Birmingham B7 4BB at 11.00 a.m. on 19 March 2019 at which the following resolutions will be proposed as ordinary or special resolutions as indicated below:

- (a) to approve the Rule 9 Waiver (ordinary resolution);
- (b) to authorise the Directors to allot the New Ordinary Shares for the purposes of the Conditional Placing, the Conditional Subscription and the Open Offer (ordinary resolution); and
- (c) to waive the statutory pre-emption rights in respect of the allotment of equity securities pursuant to the Conditional Placing, the Conditional Subscription and the Open Offer (special resolution).

Resolution 1 seeks Independent Shareholders' approval, as explained in paragraph 6 above, of a waiver of the obligations that could arise for the Concert Party (individually or collectively) to make a general offer for the entire issued share capital of the Company that it does not already own as a result of:

- (i) any member of the Concert Party participating in the Conditional Subscription;
- (ii) Committed Capital subscribing for its Basic Entitlement under the Open Offer in full; and
- (iii) Committed Capital applying for all of the remaining Open Offer Shares using the Excess Application Facility.

This resolution will need to be approved by way of a poll of Independent Shareholders.

Resolution 2 authorises the Directors to allot the Conditional Placing Shares, the Conditional Subscription Shares and the Open Offer Shares in accordance with section 551 of the Act. The authority granted by the resolution will expire on 30 June 2019.

Resolution 3 will give the Directors power, pursuant to the authority to allot granted by Resolution 2, to allot the Conditional Placing Shares, the Conditional Subscription Shares and the Open Offer Shares for cash otherwise than on a pre-emptive basis to the Company's Shareholders. The authority granted by the resolution will expire on 30 June 2019.

13. Action to be taken in respect of the General Meeting

Shareholders will find accompanying this Document 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, Steelpark Road, Halesowen, West Midlands B62 8HD as soon as possible and in any event not later 11.00 a.m. on 15 March 2019. 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 wish.

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

None of the Directors currently intends to subscribe for his Basic Entitlement under the Open Offer.

Committed Capital has indicated its intention to subscribe for its Basic Entitlement under the Open Offer in full and to apply for all of the remaining Open Offer Shares using the Excess Application Facility, being, in aggregate, 5,964,387 Open Offer Shares.

15. Additional information

Your attention is drawn to the risk factors set out in Part II of this Document as well as the financial information on the Company and Committed Capital in Parts IV and V of this Document and the additional information set out in Part VI of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

Details of the actions to be taken if you wish to subscribe for Open Offer Shares are provided in paragraph 3 of Part III of this Document.

16. Recommendation

The Independent Directors, who have been so advised by Stockdale, believe that the Conditional Placing, the Conditional Subscription, the Open Offer and the Rule 9 Waiver are in the best interests of the Company and its Independent Shareholders as a whole. Accordingly, the Independent 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, in aggregate, 3,685,423 Ordinary Shares, representing approximately 5.15 per cent. of the Existing Ordinary Shares.

Yours faithfully

Barry Gamble
Chairman "

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2019

Record Date for entitlements under the Open Offer p.m. on 28 February	6.00
Posting of the Circular 1 March	
Ex-entitlement date for the Open Offer 8.00 a.m. on 1 March	
Basic Entitlements credited to stock accounts in 4 March CREST of Qualifying CREST Holders	
Recommended latest time and date for requesting withdrawal of 4.30 p.m. on 11 March Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	
Recommended latest time and date for depositing Basic Entitlements and/or 3.00 p.m. on 12 March Excess Entitlements into CREST	
Latest time and date for splitting Application Forms 3.00 p.m. on 14 March (to satisfy <i>bona fide</i> market claims only)	
Latest time and date for receipt of Forms of Proxy 11.00 a.m. on 15 March	
Latest time and date for receipt of completed Application Forms a.m. on 18 March and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00
Announcement of result of Open Offer 19 March	
General Meeting a.m. on 19 March	11.00
Announcement of result of General Meeting 19 March	
Admission and commencement of dealings of the a.m. on 20 March New Ordinary Shares	8.00
New Ordinary Shares credited to CREST stock accounts a.m. on 20 March	8.00
Despatch of definitive share certificates for New Ordinary Shares	within 10 Business Days of Admission

Notes:

- (i) References to times in this announcement are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (iii) The timing of the events in the above timetable and in the rest of this announcement is indicative only.
- (iv) In order to subscribe for Open Offer Shares, Qualifying Shareholders will need to follow the procedure set out in Part III of the Circular and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of their Application Form. Calls to the Neville Registrars' help lines are charged at your provider's standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

KEY STATISTICS

Closing Price per Existing Ordinary Share on 27 February 2019
9 pence

Number of Qualifying Shares
71,572,647

Basic Entitlement under the Open Offer
Offer Share for every 1 Open
12 Qualifying Shares

Issue Price
8.5 pence

Number of Open Offer Shares to be offered for subscription by
5,964,387
Qualifying Shareholders

Expected proceeds of the Open Offer (before expenses)*
approximately £0.5 million

Expected proceeds of the Fundraising (before expenses)*
approximately £3.0 million

Enlarged Share Capital immediately following Admission*
106,948,814

Percentage of Enlarged Share Capital represented by the Open Offer Shares*
5.6 per cent.

Estimated net proceeds of the Fundraising*
approximately £2.8 million

ISIN of the Basic Entitlement
GB00BJJQ2F06

ISIN of the Excess CREST Open Offer Entitlement
GB00BJJQ2G13

Notes:

* On the assumption that the Open Offer is fully subscribed.

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise or unless it is otherwise specifically provided:

"Admission" or "Second Admission"	admission of the New Ordinary Shares (other than the Deferred Settlement Shares) to trading on AIM in accordance with the AIM Rules
"Advance Subscription Agreement"	the advance subscription agreement entered into between the Company, Mainspring Nominees (8) Limited and MNL Nominees Limited dated 25 January 2019 (as varied by a deed of variation between the same parties dated 27 February 2019)
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange
"Application Form"	the application form relating to the Open Offer which will accompany the Circular (where relevant)
"Basic Entitlement"	the number of Open Offer Shares for which Qualifying Holders are entitled to subscribe at the Issue Price <i>pro rata</i> to their holding of Qualifying Shares pursuant to the Open Offer

"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
"Canada"	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof
"CCFSL"	Committed Capital Financial Services Limited
"certificated" or "certificated form"	recorded on a company's share register as being held in certificated form (i.e. not in CREST)
"City Code" or "Takeover Code"	the City Code on Takeovers and Mergers, as amended from time to time
"Closing Price"	the closing middle market quotation of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
"Committed Capital"	Committed Capital Limited, and where the context requires any or all of the other members of the Committed Capital Limited group of companies
"Company" or "LightwaveRF"	LightwaveRF plc (registered number 06690180)
"Concert Party"	together Committed Capital Limited, Committed Capital Financial Services Limited, Steve Harris, Timothy Steel, Else Thomson, Mark Blandford and Judy Welch
"Conditional Placing"	the conditional placing by the Company of the Conditional Placing Shares with certain institutional and other investors pursuant to the Placing Agreement as announced on 28 February 2019
"Conditional Placing Shares"	a minimum of 7,097,280 Ordinary Shares the subject of the Conditional Placing
"Conditional Subscription"	the conditional subscription by Committed Capital for the Conditional Subscription Shares
"Conditional Subscription Shares"	11,594,500 Ordinary Shares the subject of the Conditional Subscription
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"Deferred Settlement Shares"	10,917,840 New Ordinary Shares forming part of the Conditional Subscription
"Directors" or "Board"	the directors of the Company
"Document" or "Circular"	the circular, containing details of the Transactions, which is expected to be posted to Shareholders on or around 1 March 2019 and which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
"EIS"	the Enterprise Investment Scheme and related reliefs as detailed in Part 5 of the Income Tax Act 2007 and in sections 150A to 150D and Schedule 5B and 5BA of the Taxation of Chargeable Gains Act 1992 (amended)
"enabled for settlement"	in relation to Basic Entitlements and Excess Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions
"Enlarged Share Capital"	the issued share capital of LightwaveRF immediately following Admission (on the assumption that the Open Offer is fully subscribed)
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Excess Application Facility"	to the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy excess applications, subject to a maximum of 5,964,387 Open Offer Shares in aggregate
"Excess CREST Open Offer Entitlements"	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer

"Excess Entitlements"	Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back or disallowance in accordance with the provisions of the Circular the entitlement for Qualifying Shareholders to apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility
"Excess Shares"	the Open Offer Shares applied for under the Excess Application Facility
"Existing Ordinary Shares"	the 71,572,647 Ordinary Shares in issue at the date of this announcement
"FCA"	the Financial Conduct Authority of the UK
"Firm Placing"	the firm placing by the Company of the Firm Placing Shares with certain institutional and other investors pursuant to the Placing Agreement as announced on 28 February 2019
"Firm Placing Shares"	4,373,322 new Ordinary Shares issued pursuant to the Firm Placing
"Firm Subscription"	the firm subscription by certain institutional and other investors of the Firm Subscription Shares as announced on 28 February 2019
"Firm Subscription Shares"	6,346,678 new Ordinary Shares issued pursuant to the Firm Subscription
"First Admission"	admission of the Firm Placing Shares and the Firm Subscription Shares to trading on AIM in accordance with the AIM Rules
"Form of Proxy"	the form of proxy which will accompany the Circular for use at the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fundraising"	together the Conditional Placing, the Conditional Subscription and the Open Offer
"General Meeting"	the general meeting of the Company as described in this announcement, notice of which will be set out at the end of the Circular
"Group"	the Company and its subsidiaries
"HMRC"	Her Majesty's Revenue and Customs
"Independent Directors"	the Directors, other than Steve Harris
"Independent Shareholders"	the Shareholders who are independent of the Concert Party
"Investment Company Act"	the US Investment Company Act of 1940
"ISIN"	International Securities Identification Number
"Issue Price"	8.5 pence per New Ordinary Share
"Japan"	Japan, its cities, prefectures, territories and possessions
"London Stock Exchange"	London Stock Exchange plc
"Neville Registrars"	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD
"New Ordinary Shares"	the Conditional Placing Shares, the Conditional Subscription Shares and the Open Offer Shares
"Notice of General Meeting"	the notice of General Meeting which will be set out at the end of the Circular
"Open Offer"	the proposed conditional issue and allotment at 8.5 pence per share of the Open Offer Shares to Qualifying Shareholders
"Open Offer Shares"	the maximum of 5,964,387 Ordinary Shares to be issued and allotted to Qualifying Shareholders pursuant to the Open Offer
"Ordinary Shares"	ordinary shares of 5 pence each in the capital of the Company
"Overseas Shareholders"	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
"Panel" or "Takeover Panel"	the Panel on Takeovers and Mergers
"Placees"	subscribers for the Conditional Placing Shares
"Placing Agreement"	the placing agreement entered into between the Company and Stockdale dated 28 February 2019
"Placing Shares"	the Firm Placing Shares and the Conditional Placing Shares

"Prospectus Rules"	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
"Qualifying Holders" or "Qualifying Shareholders"	Shareholders whose names appear on the register of members of LightwaveRF on the Record Date as holders of Qualifying Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in the Circular
"Qualifying non-CREST Holders"	Qualifying Holders holding Existing Ordinary Shares in certificated form
"Qualifying Shares"	the Ordinary Shares that qualify for the Open Offer
"Record Date"	6.00 p.m. on 28 February 2019
"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"RIS"	a regulatory information service as defined by the AIM Rules
"Rule 9 Waiver"	the waiver by the Panel of the obligations which would otherwise arise on the part of any member of Concert Party (individually or collectively) under Rule 9 of the Takeover Code on completion of the Transactions
"Securities Act"	the US Securities Act of 1933, as amended
"Shareholders"	holders of Ordinary Shares
"Stockdale"	Stockdale Securities Limited
"Transactions"	together the Conditional Placing, the Conditional Subscription, the Open Offer and the Rule 9 Waiver
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "uncertificated form"	recorded on the relevant register or other record of the share or other security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST
"USE"	unmatched stock event
"VCT"	a Venture Capital Trust under Part 6 of the Income Tax Act 2007

APPENDIX - TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, DOES NOT CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT AND THIS APPENDIX DO NOT CONSTITUTE OR CONTAIN ANY INVITATION, SOLICITATION, RECOMMENDATION, OFFER OR ADVICE TO ANY PERSON TO SUBSCRIBE FOR, OR OTHERWISE ACQUIRE OR DISPOSE OF, ANY SECURITIES OF THE COMPANY IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT, INCLUDING THE APPENDIX AND THE INFORMATION CONTAINED THEREIN (TOGETHER, THE "**ANNOUNCEMENT**"), IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, CANADA, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA, JAPAN, THE REPUBLIC OF IRELAND OR NEW ZEALAND OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("**EEA**") WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("**QUALIFIED INVESTORS**"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE (I) PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"); (II) PERSONS FALLING

WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

INFORMATION TO DISTRIBUTORS

FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS OF EACH OF (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED ("**MIFID II**"); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE "**MIFID II PRODUCT GOVERNANCE REQUIREMENTS**") AND FOR NO OTHER PURPOSES, STOCKDALE SECURITIES LIMITED ("**STOCKDALE**") HAS CARRIED OUT AN ASSESSMENT OF THE ORDINARY SHARES AND HAS DETERMINED THEM TO BE: (I) COMPATIBLE WITH AN END TARGET MARKET OF RETAIL INVESTORS AND INVESTORS WHO MEET THE CRITERIA OF PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES, EACH AS DEFINED UNDER THE FCA'S CONDUCT OF BUSINESS SOURCEBOOK; AND (II) ELIGIBLE FOR DISTRIBUTION THROUGH ALL DISTRIBUTION CHANNELS AS ARE PERMITTED BY MIFID II (THE "**TARGET MARKET ASSESSMENT**").

ALL DISTRIBUTORS SHOULD NOTE THAT: THE PRICE OF ORDINARY SHARES MAY DECLINE AND INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENT; THE ORDINARY SHARES OFFER NO CERTAINTY OF INCOME AND NO CAPITAL PROTECTION; AND AN INVESTMENT IN THE ORDINARY SHARES IS COMPATIBLE ONLY WITH INVESTORS WHO: (I) DO NOT NEED A CERTAIN AND PROTECTED INCOME OR CAPITAL PROTECTION; AND (II) (EITHER ALONE OR IN CONJUNCTION WITH AN APPROPRIATE FINANCIAL OR OTHER ADVISER) ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF SUCH AN INVESTMENT AND HAVE SUFFICIENT RESOURCES TO BE ABLE TO BEAR ANY LOSSES THAT MAY RESULT THEREFROM. THE TARGET MARKET ASSESSMENT IS ADDITIONAL TO THE RESTRICTIONS CONTAINED WITHIN THE TERMS OF THE PLACING. IN ALL CIRCUMSTANCES, STOCKDALE WILL ONLY PROCURE INVESTORS WHO MEET THE CRITERIA OF PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II OR OTHERWISE; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN OR PURCHASE, OR TO TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO, THE ORDINARY SHARES.

EACH DISTRIBUTOR IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE ORDINARY SHARES AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE DISTRIBUTION OF THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

No action has been taken by the Company, Stockdale or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this announcement or any other offering or publicity material relating to the Placing Shares in any jurisdiction where action for that purpose is required.

This announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this announcement is being directed solely at persons in circumstances in which section 21(1) of FSMA does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or New Zealand, or in any other jurisdiction. Accordingly, the Placing Shares may not (unless an exemption under relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

This announcement should be read in its entirety. In particular, you should read and understand the information provided in this "Important Information" section of this announcement.

Each person who is invited to and who chooses to participate in the Placing (a "Placee") will be deemed to have read and understood this announcement in its entirety, to be participating, making an offer and subscribing for Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:
 - 2.1. it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive;
 - 2.2. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
 - 2.2.1. the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of Stockdale has been given to the offer or resale; or
 - 2.2.2. where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make,

and does make, the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this announcement;

4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and

5. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 3 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in, and in accordance with, Regulation S under the Securities Act.

No prospectus

No prospectus or other offering document has been or will be submitted to be approved by the FCA or any other regulatory body in any Relevant Member State in relation to the Placing or the Placing Shares.

Each Placee, by participating in the Placing, agrees that the content of this announcement is exclusively the responsibility of the Company and confirms that it has not relied on any information, representation, warranty or statement made by or on behalf of Stockdale, the Company or any other person and none of Stockdale, the Company or any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Details of the Placing Agreement and the Placing Shares

Stockdale has entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, Stockdale, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price.

The Placing shall consist of a Firm Placing and a Conditional Placing, with such subscription commitments in each instance being conditional upon the conditions (summarised below) being satisfied by the Company or otherwise waived by Stockdale.

All Placing Shares will, when issued, be subject to the Articles of Association and be credited as fully paid and will 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 in respect of such Existing Ordinary Shares after the date of issue of the Placing Shares.

Applications for admission to trading

Applications will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that First Admission in respect of the Firm Placing Shares will take place at 8.00 a.m. on 6 March 2019 and that dealings in the Firm Placing Shares on AIM will commence at the same time.

Principal terms of the Placing

1. Stockdale is acting as nominated adviser and broker to the Company, and as agent for and on behalf of the Company. Stockdale is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for the Company and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for providing advice in relation to the matters described in this announcement.

2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by Stockdale to participate. Stockdale and any of its affiliates are entitled to participate in the Placing as principals.

3. The price per Placing Share will be payable by all Placees to Stockdale (as agent of the Company). The Issue Price, number of Placing Shares and type of Placing Shares (whether Firm Placing Shares or Conditional Placing Shares) will be agreed between the Company and Stockdale at the close of the Bookbuild and confirmed to Placees by telephone and/or email along with their final allocation and will be disclosed in the announcement confirming the result of the Placing.

4. Each Placee's allocation is determined by Stockdale in its discretion and has been or will be confirmed orally by Stockdale and a Form of Confirmation will be dispatched as soon as possible thereafter. That oral confirmation will give rise to an irrevocable, legally binding commitment by that

person (who at that point becomes a Placee), in favour of Stockdale and the Company, under which it agrees to acquire the number of Placing Shares allocated to the Placee at the Issue Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Articles of Association. Except with Stockdale's prior written consent, such commitment will not be capable of variation or revocation at the time at which it is submitted.

5. Each Placee's allocation and commitment will be evidenced by a Form of Confirmation issued to each such Placee by Stockdale. The terms and conditions of this Appendix will be deemed incorporated into that Form of Confirmation.

6. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Stockdale (as agent for the Company), to pay to Stockdale (or as Stockdale may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.

7. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Firm Placing Shares to be issued pursuant the Firm Placing will be required to be made at the same time and settlement for all Conditional Placing Shares to be issued pursuant the Conditional Placing will be required to be made at the same time, on the basis explained below under "**Registration and Settlement**".

8. All obligations of Stockdale under the Placing will be subject to fulfilment of the conditions referred to below under "**Conditions of the Placing**" and to the Placing not being terminated on the basis referred to below under "**Termination of the Placing**".

9. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

10. To the fullest extent permissible by law and applicable FCA rules, none of (a) Stockdale, (b) any of its affiliates, agents, directors, officers, consultants, (c) to the extent not contained within (a), any person connected with Stockdale as defined in FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of Stockdale) or (d) any person acting on Stockdale's behalf, shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, none of Stockdale or any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as Stockdale and the Company may agree.

Further details regarding EIS and VCT status

The Company has received advance assurance from HMRC that HMRC would be able to authorise the Company to issue compliance certificates under section 204(1) of the ITA 2007 in respect of the Placing Shares following receipt of a form EIS1 satisfactorily completed. If the Company carries on activities beyond those disclosed to HMRC, then Shareholders may cease to qualify for the tax benefits. The Company has not received any advance assurance from HMRC as regards whether the Placing Shares will be capable of being a "qualifying holding" for the purposes of investment by VCTs. The actual availability of EIS relief and qualifying status for VCT purposes would be contingent upon certain conditions being met by both the Company and the relevant investors.

Investors must take their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances and rely on it.

Registration and Settlement

Settlement of transactions in the Placing Shares will take place inside the CREST system.

Settlement of transactions in the Placing Shares will, unless otherwise agreed, take place on a delivery versus payment basis within CREST.

The Company will procure the delivery of the Placing Shares to CREST accounts operated by Stockdale for the Company and Stockdale will enter their delivery (DEL) instructions into the CREST system. The input to CREST by each Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment at the relevant time.

Interest may be charged in respect of payments not received for value at that time.

The Company reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to any Placee in any form it requires if, in Stockdale's opinion, delivery or settlement is not possible or practicable within CREST or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Company may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a conditional trade confirmation(s) stating the number of Placing Shares (and confirmation as to whether the Placing Shares are Firm Placing Shares or Conditional Placing Shares) to be allocated to it at the Issue Price and the subscription amount payable to be allocated to it and will be required to provide Stockdale with funds sufficient to purchase such securities prior to the Settlement Date (see below).

It is expected that settlement with regard to the Firm Placing Shares will take place on 6 March 2019 in CREST in accordance with the instructions set out in the conditional trade confirmation. Settlement will be through Stockdale against CREST ID: MAMAY (as applicable).

It is expected that settlement with regard to the Conditional Placing Shares will take place on 20 March 2019 in CREST in accordance with the instructions set out in the conditional trade confirmation. Settlement will be through Stockdale against CREST ID: MAMAY (as applicable).

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the applicable registration and settlement procedures, including if applicable, CREST rules and regulations and settlement instructions that it has in place with Stockdale.

If the Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the conditional trade confirmation is copied and delivered immediately to the relevant person within that organisation.

ISIN code for the Placing Shares: GB00BKJ9BV58

SEDOL code for the Placing Shares: BKJ9BV5

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee provided that the Placing Shares are not issued to a person whose business is or includes issuing depositary receipts or the provision of clearance services or to an agent or nominee for any such person.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, UK stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Stockdale will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Stockdale in the event that the Company or Stockdale has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Stockdale accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

Conditions of the Firm Placing

The Firm Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of Stockdale under the Firm Placing are, conditional upon, *inter alia*:

- a) none of the warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before First Admission,

which individually or collectively Stockdale (acting reasonably) considers to be material and adverse in the context of the Placing;

- b) the performance by the Company of its obligations under the Placing Agreement to the extent they fall to be performed prior to First Admission;
- c) the Company issuing and allotting the Firm Placing Shares prior to and, conditional only on First Admission, in accordance with the Placing Agreement; and
- d) First Admission taking place by not later than 8.00 a.m. on 6 March 2019 (or such later date as the Company and Stockdale may agree in writing, in any event being not later than the First Long Stop Date),

(all conditions in connection with the Firm Placing being together, the "Firm Placing Conditions").

Conditions of the Conditional Placing

The obligations of Stockdale under the Conditional Placing and the Open Offer are, conditional upon, *inter alia*:

- a) none of the warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before Second Admission, which individually or collectively Stockdale (acting reasonably) considers to be material and adverse in the context of the Placing;
- b) the performance by the Company of its obligations under the Placing Agreement to the extent they fall to be performed prior to Second Admission (including the Firm Placing Conditions);
- c) the Panel Waiver being granted by the Panel;
- d) the passing without amendment (or with such amendments as Stockdale may agree) of the Resolutions at the Meeting on 19 March 2019 (or such later date as Stockdale may agree);
- e) the Company issuing and allotting the Conditional Placing Shares and the Open Offer Shares as soon as reasonably practicable after the passing of the Resolutions, conditional only on Second Admission, in accordance with the Placing Agreement;
- f) Second Admission taking place by not later than 8.00 a.m. on 20 March 2019 (or such later date as the Company and Stockdale may agree in writing, in any event being not later than the second long-stop date, being 29 March 2019),

(all conditions in connection with the Conditional Placing and Open Offer being together, the "Conditional Placing Conditions").

Termination of the Placing

Stockdale may terminate the Placing Agreement in certain circumstances, details of which are set out below.

If any of the Firm Placing Conditions are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and Stockdale may agree) the Placing Agreement and the rights and obligations in it shall terminate at such time and each Placee yet to be allocated Firm Placing Shares agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

If any of the Conditional Placing Conditions are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and Stockdale may agree) the Placing Agreement and the rights and obligations in it shall terminate at such time and each Placee yet to be allocated Conditional Placing Shares agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described herein and will not be capable of rescission or termination by it.

Certain conditions may be waived in whole or in part by Stockdale, in its absolute discretion and Stockdale may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees' commitments as set out in this announcement.

Neither Stockdale, the Company nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally, and by

participating in the Placing, each Placee agrees that any such decision is within the absolute discretion of Stockdale.

Stockdale may terminate the Placing Agreement (in respect of its obligations yet to be performed), in accordance with its terms, at any time prior to First Admission or Second Admission if, *inter alia*:

1. it comes to the attention of Stockdale that any of the warranties in the Placing Agreement were not true or accurate, or were misleading in any material respect when made or if any of the warranties in the Placing Agreement become untrue, inaccurate or misleading in any material respect; or
2. it comes to the attention of Stockdale that the Company has committed a material breach or material breaches of any of its obligations under the Placing Agreement,

in each case in a respect which Stockdale acting reasonably considers to be material and adverse in the context of the Placing.

Stockdale may also terminate the Placing Agreement (in respect of its obligations yet to be performed), in accordance with its terms, at any time prior to First Admission or Second Admission if there is:

1. any material adverse change in the context of the Placing, whether or not foreseeable at the date of the Placing Agreement, in, or any development involving a prospective material adverse change in or affecting, the condition, financial or otherwise, or the earnings or business affairs or business prospects of the Group, whether or not arising in the ordinary course of business; or
2. any of the following:
 - 2.1 the suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on the London Stock Exchange; or
 - 2.2 the declaration of a banking moratorium in London or any material disruption to commercial banking or securities settlement or clearance services in the UK; or
 - 2.3 any change, or development involving a prospective change, in national or international financial, economic, political, industrial or market conditions or currency exchange rates or exchange controls, or any incident of terrorism or outbreak or escalation of hostilities or any declaration by the UK or the US of a national emergency or war or any other calamity or crisis,

which events described above Stockdale in its reasonable opinion considers to be likely to have an adverse effect on the financial or trading position or the business or prospects of the Group which is material in the context of Group as a whole or which renders the Placing impracticable or inadvisable.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of any Placing Shares not yet settled shall terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and Stockdale that the exercise by the Company or Stockdale of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or Stockdale and that neither the Company nor Stockdale need make any reference to such Placee and that neither Stockdale, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and will not be capable of rescission or termination by it after the issue by Stockdale of a Form of Confirmation confirming each Placee's allocation and commitment in the Placing.

Representations, warranties and further terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where Stockdale expressly agrees in writing to the contrary):

1. it has read and understood this announcement in its entirety and that its subscription for the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations,

warranties or statements made at any time by any person in connection with First Admission and Second Admission, the Placing, the Company, the Placing Shares or otherwise;

2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Placing;

3. the Existing Ordinary Shares are (and the New Ordinary Shares will be) admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules for Companies, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;

4. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial and trading position of the Company in accepting a participation in the Placing and neither Stockdale, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person; nor has it requested any of Stockdale, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;

5. the content of this announcement is exclusively the responsibility of the Company and the directors and neither Stockdale nor any person acting on behalf of Stockdale or any of its affiliates, agents, directors, officers or employees has or shall have any liability for any information, representation or statement contained in this announcement, the investor presentation or any information previously published by or on behalf of the Company or any member of the Group;

6. neither Stockdale, the Company nor any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the information contained in this announcement or the investor presentation;

7. it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;

8. it has not relied on any investigation that Stockdale, the Company or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;

9. the content of this announcement has been prepared by and is exclusively the responsibility of the Company and the directors and that neither Stockdale, nor any person acting on its behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this announcement or the investor presentation nor will they be liable for any Placée's decision to participate in the Placing based on any information, representation, warranty or statement contained in this announcement or the investor presentation. Nothing in this this Appendix shall exclude any liability of any person for fraudulent misrepresentation;

10. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland, New Zealand or in any country or jurisdiction where any such action for that purpose is required;

11. it and/or each person on whose behalf it is participating:

11.1. is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;

11.2. has fully observed such laws and regulations;

11.3. has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and

11.4. has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placée, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its

obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;

12. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed for will not be, a resident of, or with an address in, or subject to the laws of, Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Canada, Australia, the Republic of South Africa, Japan, the Republic of Ireland or New Zealand and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;

13. the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the re-offer, resale, pledge or transfer of the Placing Shares;

14. the Company is not registered under the Investment Company Act and that the Company has put in place restrictions to ensure that it is not and will not be required to register under the Investment Company Act;

15. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;

16. it is not acquiring the Placing Shares as a result of any "directed selling efforts" as defined in Regulation S under the Securities Act;

17. if the Placing Shares are being acquired for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account;

18. it (and any account for which it is purchasing) is acquiring the Placing Shares for investment purposes only and is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof in violation of the Securities Act or any other securities laws of any state or other jurisdiction of the United States;

19. the Company is not obliged to file any registration statement in respect of any resales of the Placing Shares in the United States with the US Securities and Exchange Commission or with any securities administrator of any state or other jurisdiction of the United States;

20. if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the Placing Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act;

21. it will not distribute, forward, transfer or otherwise transmit this announcement or any part of it, or any other presentational or other materials concerning the Placing, in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

22. neither Stockdale, any of its affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Stockdale and Stockdale has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

23. it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment to Stockdale for the Placing Shares allocated to it in accordance with the terms and conditions of this announcement on the due times and dates set out in this announcement, failing which the relevant Placing Shares may be placed with others on such terms as Stockdale may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with

any interest or penalties due pursuant to the terms set out or referred to in this announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

24. no action has been or will be taken by any of the Company, Stockdale or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;

25. the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. Neither Stockdale nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to pay the Company and Stockdale in respect of the same (including any interest or penalties) on the basis that the Placing Shares will be allotted to a CREST stock account of Stockdale or transferred to a CREST stock account of Stockdale who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

26. it is acting as principal only in respect of the Placing or, if it is acting for any other person: (a) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person; and (b) it is and will remain liable to the Company and Stockdale for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);

27. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

28. it and any person acting on its behalf (if within the United Kingdom) is a person of a kind described in: (a) Article 19(5) (Investment Professionals) and/or Article 49(2) (High net worth companies etc.) of the Order and/or is an authorised person as defined in section 31 of FSMA; and (b) section 86(7) of FSMA ("**Qualified Investor**"), being a person falling within Article 2.1(e) of the Prospectus Directive. For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

29. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges:

29.1. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of FSMA in respect of anything done in, from or otherwise involving the United Kingdom);

29.2. if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive, other than Qualified Investors or in circumstances in which the express prior written consent of Stockdale has been given to the offer or resale;

29.3. it has neither received nor relied on any confidential price sensitive information about the Company in accepting this invitation to participate in the Placing;

29.4. neither Stockdale nor any of its affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this announcement, the investor presentation or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this announcement or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;

29.5. neither Stockdale, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of Stockdale, the Company or their respective affiliates, agents, directors, officers or employees is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties,

acknowledgements, agreements, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of Stockdale's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

29.6. acknowledges and accepts that Stockdale may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for its own account for the purpose of hedging its underwriting exposure or otherwise and, except as required by applicable law or regulation, Stockdale will not make any public disclosure in relation to such transactions;

29.7. Stockdale and its affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by Stockdale and/or any of its affiliates, acting as an investor for its or their own account(s). Neither Stockdale nor the Company intends to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

29.8. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

29.9. it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, FSMA, the EU Market Abuse Regulation No. 596 of 2014 and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;

29.10. in order to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Stockdale (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Stockdale or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Stockdale's absolute discretion (as the case may be) or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the absolute discretion of Stockdale or the Company's registrars, as the case may be. If within a reasonable time after a request for verification of identity Stockdale (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, Stockdale and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

29.11. acknowledges that its commitment to acquire Placing Shares on the terms set out in this announcement and in the Form of Confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Stockdale's conduct of the Placing;

29.12. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;

29.13. it irrevocably appoints any duly authorised officer of Stockdale as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe upon the terms of this announcement;

29.14. the Company, Stockdale and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to Stockdale on its own behalf and on behalf of the Company and are irrevocable;

29.15. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties,

acknowledgements, agreements and undertakings on behalf of each such account;

29.16. time is of the essence as regards its obligations under this Appendix;

29.17. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Stockdale;

29.18. the Placing Shares will be issued subject to these terms and conditions of this Appendix; and

29.19. these terms and conditions and all documents into which they are incorporated by reference or of which they otherwise validly form a part and/or any agreements entered into pursuant to these terms and conditions and/or all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Stockdale in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

30. by participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, Stockdale and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by Stockdale, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this announcement, and further agrees that the provisions of this Appendix shall remain in full force and effect after completion of the Placing. The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company or Stockdale shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and should notify Stockdale accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Stockdale in the event that the Company and/or Stockdale has incurred any such liability to such taxes or duties; and

31. the representations, warranties, acknowledgements and undertakings contained in this this Appendix are given to Stockdale for itself and on behalf of the Company and are irrevocable.

Each Placee and any person acting on behalf of the Placee acknowledges that Stockdale does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Stockdale may (at its absolute discretion) satisfy its obligation to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with Stockdale, any money held in an account with Stockdale on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from Stockdale's money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this announcement are to London time, unless otherwise stated.

All times and dates in this announcement may be subject to amendment.

No statement in this announcement is intended to be a profit forecast, and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not receive the full amount invested upon disposal of the Placing Shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than AIM.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

Pursuant to the General Data Protection Regulation as implemented in the UK by the Data Protection Act 2018 ("GDPR") the Company and/or Stockdale may hold personal data (as defined in the GDPR) relating to past and present shareholders. Personal data may be retained on record for a period exceeding six years after it is no longer used. The Company and/or Stockdale will only process such information for the purposes set out below (collectively, the "Purposes"), being to: (a) process a Placee's personal data to the extent and in such manner as is necessary for the performance of their obligations under the contractual arrangements between them, including as required by or in connection with a Placee's holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on a Placee; (b) communicate with a Placee as necessary in connection with a Placee's affairs and generally in connection with its holding of Ordinary Shares; (c) provide personal data to such third parties as the Company and/or Stockdale may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the GDPR may require, including to third parties outside the EEA; and (d) without limitation, provide such personal data to their respective affiliates for processing, notwithstanding that any such party may be outside the EEA; and (e) process a Placee's personal data for the Company's and/or Stockdale's internal administration.

By becoming registered as a holder of Placing Shares, each Placee acknowledges and agrees that the processing by the Company and/or Stockdale of any personal data relating to it in the manner described above is undertaken: (a) for the purposes of performance of the contractual arrangements between them; and (b) to comply with applicable legal obligations. In providing the Company and/or Stockdale with information, each Placee hereby represents and warrants to each of them that it has notified any data subject of the processing of their personal data (including the details set out above) by the Company and/or Stockdale and their respective affiliates and group companies, in relation to the holding of, and using, their personal data for the Purposes. Any individual whose personal information is held or processed by a data controller has the right: (a) to ask for a copy of their personal information held; (b) to ask for any inaccuracies to be corrected or for their personal information to be erased; (c) object to the ways in which their information is used, and ask for their information to stop being used or otherwise restricted; and (d) to ask for their personal information to be sent to them or to a third party (as permitted by law). A data subject seeking to enforce these rights should contact the relevant data controller. Individuals also have the right to complain to the UK Information Commissioner's Office about how their personal information has been handled.

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