

9 April 2018

LightwaveRF plc

(AIM: LWRF)

Trading Update

LightwaveRF plc ("LightwaveRF" or the "Company"), the leading smart home solutions provider, announces a trading update for the six months ended 31 March 2018.

The Company anticipates that first half revenue will be broadly in line with the prior year (2017: £1.2m) and gross margin will have increased to over 40% (2017: 39.4%).

As announced last month, the Company made a fundamental change to its distribution strategy, moving away from two exclusive partners, which management decided was curtailing sales growth, to pursue a range of non-exclusive relationships. This shift in strategy has already seen revenues more directly reflect actual sell through volumes with an increase in regular smaller orders rather than large distributor stocking orders. Although first half revenue has been held back by this significant restructuring, the Company anticipates much stronger revenue growth in the future.

The completion of the last stage of the £5.25m fundraising in December 2017 marked the start of the process to significantly scale the business. As anticipated, the accelerated investment in R&D, marketing and sales will have significantly increased administrative expenses over the same period last year. As a result, the Company expects losses before tax for the six months ended 31 March 2018 to be markedly higher than those reported in the first half last year (2017: loss of £0.33m).

The Company will provide a further update when it issues its interim results for the six months ended 31 March 2018, which it expects to release in May 2018.

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

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About LightwaveRF

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

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

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

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

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