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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014

23 March 2020

**FireAngel Safety Technology Group plc  
(‘FireAngel’, the ‘Company’ or the ‘Group’)**

**Open Offer of up to 50,623,576 New Ordinary Shares  
and  
Placing of New Ordinary Shares  
at 12 pence per New Ordinary Share**

FireAngel (AIM: FA.), one of Europe’s leading developers and suppliers of home safety products, announces a proposed open offer and placing to raise approximately £6.1 million to strengthen the Company's balance sheet and to deploy and support its connected homes technology.

**Highlights**

- Open Offer to raise approximately £6.1 million, on the basis of 2 Open Offer Shares for every 3 Existing Ordinary Shares held on the Record Date, at an issue price of 12 pence per New Ordinary Share
- Approximately £6.1 million (before expenses) conditionally raised by means of a Placing with certain existing Shareholders and other investors of up to 50,623,576 New Ordinary Shares at an issue price of 12 pence per New Ordinary Share, subject to clawback under the Open Offer
- The Issue Price of 12 pence represents a premium of 20 per cent. to the Closing Price on 20 March 2020 being the last Business Day prior to this announcement
- Net proceeds to be used to:-
  - strengthen the Company's balance sheet;
  - execute self-help plans;
  - deploy and support the Company's connected homes technology; and
  - fund part of the legacy battery warranty issue.

The above Fundraising highlights and the summary announcement below should be read in conjunction with the full text of the announcement below.

A circular (and, in the case of Qualifying Non-CREST Shareholders, an Application Form) in connection with the Open Offer and containing details of the Fundraising, is expected to be posted to Shareholders later today (the “Circular”). Capitalised terms in this announcement are defined as set out at the end of this announcement. The Circular will be available on the Company’s website, [www.fireangeltech.com](http://www.fireangeltech.com).

The Company announces that it is proposing to undertake an Open Offer to raise up to approximately £6.1 million, on the basis of 2 Open Offer Shares for every 3 Existing Ordinary Shares held on the Record Date, at an issue price of 12 pence per New Ordinary Share.

In addition, the Company announces that it has conditionally raised approximately £6.1 million (before expenses) by means of a Placing with certain existing Shareholders and other investors of up to 50,623,576 New Ordinary Shares at an issue price of 12 pence per New Ordinary Share, subject to clawback under the Open Offer. It should be noted that New Ordinary Shares will only be issued pursuant to the Placing if and to the extent that the Open Offer is not subscribed in full by holders of Existing Ordinary Shares and will result in a maximum of 50,623,576 New Ordinary Shares being issued pursuant to the Fundraising. Furthermore, the Open Offer is not conditional on completion of the Placing.

The Issue Price of 12 pence represents a premium of 20 per cent. to the Closing Price on 20 March 2020, being the last Business Day prior to this announcement. The Fundraising is not being underwritten and is conditional on, *inter alia*, Admission becoming effective by no later than 8.00 a.m. on 9 April 2020 (or such other time and/or date, being no later than 28 April 2020, as the Company and Shore Capital may agree). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 9 April 2020.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares 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 the Ordinary Shares following Admission.

**John Conoley, Chairman of FireAngel, commented:**

“I am pleased to announce that we have raised £6.1 million for the next stage of the Company’s development and wish to thank those investors, both existing and new, for their support. I do believe that FireAngel has reached the start line of beginning to realise a return on the significant investment that has been made in our connected homes technology.”

For further information, please contact:

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John Conoley, Executive Chairman	
Mike Stilwell, Group Finance Director	

<b>Shore Capital (Nominated adviser and broker)</b>	020 7408 4050
Tom Griffiths/David Coaten	

**Notes to Editors**

**About FireAngel Safety Technology Group plc**

FireAngel's mission is to protect and save lives by making innovative, leading-edge technology home safety

products which are simple and accessible.

FireAngel's principal products are smoke alarms, CO alarms, heat alarms and accessories. The Company has an extensive portfolio of patented intellectual property in Europe, the US and other selected territories. Products are sold under FireAngel's leading brands of FireAngel, FireAngel Pro, FireAngel Specification and AngelEye.

For further product information, please visit: [www.fireangeltech.com](http://www.fireangeltech.com).

### **IMPORTANT INFORMATION**

Shore Capital and Corporate Limited ("Shore Capital & Corporate"), which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company in connection with the matters described in this announcement and is not acting for any other persons in relation to the Fundraising and Admission. Shore Capital & Corporate is acting exclusively for the Company and for no one else in relation to the contents of this announcement and persons receiving this announcement should note that Shore Capital & Corporate will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital & Corporate or for advising any other person on the arrangements described in this announcement. The responsibilities of Shore Capital & Corporate as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this announcement and/or the Application Form, or otherwise.

Shore Capital Stockbrokers Limited ("Shore Capital Stockbrokers" and together with Shore Capital & Corporate, "Shore Capital"), which is authorised and regulated in the UK by the FCA, is acting as broker to the Company in connection with the matters described in this announcement and is not acting for any other persons in relation to the Fundraising and Admission. Shore Capital Stockbrokers is acting exclusively for the Company and for no one else in relation to the contents of this announcement and persons receiving this announcement should note that Shore Capital Stockbrokers will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital Stockbrokers or for advising any other person on the arrangements described in this announcement. The responsibilities of Shore Capital Stockbrokers as the Company's broker under the AIM Rules for Companies are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this announcement and/or the Application Form, or otherwise.

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 Shore Capital 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.

A circular (and, in the case of Qualifying Non-CREST Shareholders, an Application Form) in connection with the Open Offer and containing details of the Fundraising, is expected to be posted to Shareholders later today (the “Circular”). Capitalised terms in this announcement are defined as set out at the end of this announcement. The Circular will be available on the Company’s website, [www.fireangeltech.com](http://www.fireangeltech.com).

### *Information to Distributors*

Solely for the purposes of the product governance requirements contained within: (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 disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (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 in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (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 who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraising. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Shore Capital 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 (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

**Open Offer of up to 50,623,576 New Ordinary Shares  
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at 12 pence per New Ordinary Share**

## **1. Introduction**

The Company announces that it is proposing to undertake an Open Offer to raise approximately £6.1 million, on the basis of 2 Open Offer Shares for every 3 Existing Ordinary Shares held on the Record Date, at an issue price of 12 pence per New Ordinary Share. In addition, the Company announces

that it has conditionally raised approximately £6.1 million (before expenses) by means of a Placing with certain existing Shareholders and new investors of up to 50,623,576 New Ordinary Shares at an issue price of 12 pence per New Ordinary Share, subject to clawback under the Open Offer. It should be noted that New Ordinary Shares will only be issued pursuant to the Placing if and to the extent that the Open Offer is not subscribed in full by holders of Existing Ordinary Shares and will result in a maximum of 50,623,576 New Ordinary Shares being issued pursuant to the Fundraising. Furthermore, the Open Offer is not conditional on completion of the Placing.

The Issue Price of 12 pence represents a premium of 20 per cent. to the Closing Price on 20 March 2020, being the last Business Day prior to this announcement. The Fundraising is conditional on, *inter alia*, Admission becoming effective by no later than 8.00 a.m. on 9 April 2020 (or such other time and/or date as the Company and Shore Capital may agree). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 9 April 2020.

This announcement sets out the reasons for, and provides further information on, the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole. Further information on the Fundraising will be set out in the Circular.

## **2. Background to, and reasons for, the Fundraising**

The Company's investment in connected technology over the last few years is now being evidenced by the launch of a range of connected products with unique functionality and efficiency. The Directors estimate that typical connected product spend is approximately £205 per property. There are 4.6 million social properties in the UK, giving a market size in the UK Trade business of almost £1.0 billion product value over five years. The recurring revenue opportunity builds to approximately £55 million per annum if installed in all UK social housing properties. The Directors also believe that the available margins in UK Trade are potentially double those in the Company's "traditional" market.

In October 2019, FireAngel launched its Specification and Pro ranges of smoke, heat and CO alarms, featuring Smart RF technology which enables all devices to connect wirelessly, significantly removing the time-consuming requirement for wiring, channelling or trunking. These are the only alarms with proven low carbon footprints producing on average 95 per cent. less carbon dioxide compared with other leading mains-powered alarms. These ranges allow their connectivity to be upgraded to communicate information outside the property by installing a FireAngel Connect Gateway. This has advantages to landlords in fulfilling their duty of care in accessing vital information, including alarm status, history, replacement dates and network health. The system features "FireAngel Predict™", patented technology to identify and highlight dangerous patterns of behaviour that increase fire risk. A network including a FireAngel Connect Gateway can provide real-time fire and CO safety notifications via remote monitoring of the alarms for more accurate risk management.

In January 2020, the Group's retail range was completed with the launch of the FireAngel Pro Connected B2C platform, initially through selected retail channels. The FireAngel Pro Connected gateway connects directly to the FireAngel Pro Connected range of domestic safety products and utilises the unique features provided by FireAngel Predict™.

In February 2020, the Group announced that FireAngel Predict™, the Group's predictive algorithm management information platform, had been granted a patent by the European Patent Office following successful patent awards in both the US and Australia. This gives FireAngel the exclusive right to exploit this technology in Europe and protects the key operating system required to deliver the functionality behind FireAngel Predict™. The technology pinpoints properties where there is a higher risk of a fire which provides stakeholders within the housing sector a unique insight into the

safety of the occupants and their property portfolio. This is delivered seamlessly through online notifications, thereby protecting lives and homes and providing a compelling proposition to help fulfil the stakeholders' duty of care.

As previously announced, trials of FireAngel's connected home products, including FireAngel Predict™, have been ongoing and have been well received, and market response is building well. Two major trials are nearing completion and three more are scheduled to begin in April 2020; five of these are in commercial discussions. As a result, the Group is now engaged in a number of commercial discussions for the short, medium and long term with recurring revenue opportunities, some of which are expected to be material to the Group's future prospects and results. Prior to commencing active marketing, the total identified funnel of opportunities is worth approximately £100 million, of which £34 million is already in the pipeline. The Board expects to have several rollouts commencing in H2 2020, each of which is expected to last for 3 to 5 years, with a significantly increasing recurring revenue element. The business is very scalable against volume longer term, but the late 2020 challenge will be managing growth and customer expectations. It is pleasing to see the Group's connected home products performing well in the field and the first responses to FireAngel Predict™ have been positive and extremely informative for both customers and FireAngel.

The Group is now an independent, technology-led business with the key objectives of monetising the investment made in connected technology and to complete the transition of the business to become a provider of safety-critical connected home solutions.

In the short term, the Company will seek to improve gross margin, which it is hoped will be achieved through reorganisation and upskilling to focus on other costs of sale, for example items such as warranty and product rework, and also in improving its speed of reaction. In addition, a significant short and medium-term opportunity for margin progression is expected to be realised through better focus on marketing and sales in the UK Trade market and more assertively exploiting digital channels. The Group is repositioning existing products, reviewing pricing product by product and, at the same time, continuing to introduce newer product lines.

The strategic decision to invest heavily in connected technology is proving to be correct. The Directors believe that FireAngel is uniquely positioned to satisfy the emerging demand and benefit from the recurring revenue streams associated with services offered by this technology. The benefits are now beginning to come through in successful real-world trials, the financial benefits of which are expected to be realised in the short, medium and long term. The business must reassess its delivery of technical solutions to adequately meet the size and complexity of these new opportunities.

The Group is close to signing a contract for a large connected rollout using FireAngel Pro Connect and FireAngel Predict™. This represents an important endorsement of the Group's strategy and unique offering. The Directors believe that no company in the Group's marketplace is better positioned to support providers of social housing in their pursuit of higher levels of proactive fire risk management. The Group has a number of ongoing trials and commercial discussions with certain other larger social housing providers and the Directors are optimistic of further business wins, and of generating recurring revenue streams, from our growing pipeline of opportunities.

The Board considers that it is now appropriate to raise approximately £6.1 million by way of the Fundraising to take advantage of the opportunities available to the Group by monetising the investment made historically in connected technology and transition to a technology-led connected homes solutions provider. In particular, as the Company is presented with increasingly larger

commercial opportunities, the Board believes that a strengthened balance sheet will enhance the Company's prospects of converting opportunities into signed contracts. Further details of the use of proceeds of the Fundraising are set out in section 5 below.

### **3. Unaudited preliminary results for the year ended 31 December 2019**

Earlier today, the Company announced its unaudited preliminary results for the year ended 31 December 2019. The Group's revenue was £45.5 million (2018: £37.6 million).

The Group made an underlying loss before tax of £3.2 million (2018: £2.1 million). Underlying loss before tax in 2019 of £3.2 million is before the impact of the change to straight line amortisation of £0.9 million and before non-underlying items of £6.9 million (2018: underlying loss before tax of £2.1 million before non-underlying items of £3.8 million).

After charging £6.9 million for non-underlying costs (2018 restated: £3.8 million) and incurring £0.9 million in changing to straight line amortisation for intangible development assets, the consolidated loss before tax for the year was £11.0 million (2018 restated: £5.9 million). Underlying EBITDA improved from a loss of £0.9 million in 2018 to a reduced loss of £0.4 million in 2019. Underlying EBITDA in 2019 of (£0.4) million is loss before tax before depreciation and amortisation of £3.4 million, finance costs of £0.3 million and non-underlying items of £6.9 million (2018: underlying EBITDA of (£0.9) million is loss before tax before depreciation and amortisation of £1.1 million, finance costs of £0.1 million and non-underlying items of £3.8 million).

The adjusted gross profit was maintained at £8.7 million but represented a reduced adjusted gross margin of 19.0 per cent. (2018: 23.2 per cent.). Adjusted gross profit is stated before non-underlying items of £4.3 million (2018 restated: non-underlying items of £1.2 million). Adjusted gross margin is adjusted gross profit as a percentage of revenue.

Non-underlying costs totalling £6.9 million were incurred in the year as follows:

Within cost of sales:

- *Provision for warranty costs*

During the year, the FireAngel battery warranty provision, an isolated legacy issue relating to a third-party supplier first identified in April 2016, was increased by £1.4 million as lower rework yields and higher product costs compared to those originally anticipated when the provision was estimated three years ago, were leading to increased costs of supplying replacement products. In addition, a charge of £1.2 million was made to reflect an increase in the terminal volume of units expected to be impacted by the issue based on the level of returns currently being seen.

- *Stock impairment and disposal costs*

£1.7 million has been provided as a result of a thorough review of product lines and future development plans in line with the Group's evolved strategy to become a more technology-led connected home solutions provider.

Within operating expenses:

- Restructuring and certain fundraising costs of £0.7 million;

- Intangible capitalised development assets of £1.8 million have been impaired as a result of a thorough review of product lines and future development costs; and
- Share-based payment charges of £37,000.

In addition to the items above charged through the 2019 income statement in relation to the legacy battery warranty provision, an amount of £1.5 million has been recorded to increase the provision through a prior period adjustment. Towards the end of 2019, continuing ongoing monitoring of warranty returns data identified that the number of units expected to be impacted by the third-party supplied battery impedance issue could be higher than originally anticipated. The need for this prior period adjustment was due to an error in the assumptions made regarding product manufacturing between 2016 and Q1 2018. No further increase in the number of units impacted is expected as the issue relates only to units produced at one of the Company's previous manufacturers in China up to the end of March 2018. Due to the introduction of various product design changes, units produced at the Company's manufacturing partner in Poland since April 2018 should not be affected by these historic issues.

Net debt (before lease obligations) at 31 December 2019 was £4.9 million (2018: £4.4 million). It is expected that the invoice discounting facility of £7.5 million, available to the Company through HSBC, will increase in the second half of 2020 in line with expected increases in debtor balances.

In late 2019, the Group finally began field installations of its connected products. This was encouraging, but not sufficiently so to outweigh what proved to be a very challenging year operationally for the Group. The Group's sales and marketing efforts represented a considerable success with revenue up significantly at 21 per cent. yet the Board was disappointed to report an underlying loss for 2019 and to record substantial non-underlying charges linked to historical issues. Significant management time has once again been spent on resolving legacy problems, time which should have been spent moving forward with the Group's clear strategic aims.

Although revenue saw impressive growth to £45.5 million, the impact on gross margin was held back for four main reasons:

- *Detrimental impact of the value of sterling against the US dollar*

The prolonged weakening of sterling against the US dollar in 2019 significantly increased the sterling cost of components used in the Group's products.

- *Higher costs and delayed product availability at the Group's smoke and connected devices manufacturing partner*

During 2018, a new manufacturing partner in Poland commenced production of FireAngel's smoke and connected devices products and a new Far East based supplier commenced supply of alternatives to the BRK/First Alert products.

Delays in reaching production capacity and efficiency at the Polish manufacturer impacted both the availability of products and the product cost in 2018. Although progress was made during 2019 in moving forward with both yield and efficiency, the Group continues to see higher costs due, in particular, to wage inflation in Poland and delays in the availability of certain higher-margin products.

- *Change in sales mix towards lower margin UK Retail*

Revenue from the lower-margin UK Retail sector increased by 36 per cent. to £11.3 million in 2019 and represented 25 per cent. of the Group's turnover compared to 22 per cent. in the previous year. This change in margin mix detrimentally impacted the Group's overall gross margin compared with 2018.

- *Impact of sales growth on the Company's processes*

Sales growth in 2019 of 21 per cent. put stress on the Company's processes from production through to customer fulfilment. This had the effect of repeatedly shaving small amounts of both revenue and margin from the year's results. In addition, the Company had to incur more costly air freight charges to meet the growth in demand for certain of its products.

#### **4. Current trading and outlook**

The Group has made a solid start to the year with sales up 15 per cent. and gross profit up 39 per cent. on the first two months of 2019. The Directors believe there is a rapidly increasing market interest in the Group's unique solutions, which bodes well for 2020 and beyond.

While coronavirus has had an impact on the supply chain and/or those factories in China which manufacture certain of the Group's products, those factories are working close to full capacity again. The Directors consider, however, with what they know presently, that coronavirus is likely to reduce the Group's revenue in the year ending 31 December 2020 by up to £4.0 million, which currently is expected to be largely restricted to the second quarter. The Directors are nevertheless confident that some of this reduced revenue is likely to be recovered and not lost permanently, and should fall into the second half of the year when the Group's margin is expected to be higher than in the first half. The Board expects that the Group's results for the year ending 31 December 2020 will be in line with market expectations.

#### **5. Information on the Fundraising**

The Company announces that it is proposing to undertake an Open Offer to raise approximately £6.1 million, on the basis of 2 Open Offer Shares for every 3 Existing Ordinary Shares held on the Record Date, at an issue price of 12 pence per New Ordinary Share. In addition, the Company announces that it has conditionally raised approximately £6.1 million (before expenses) by means of a Placing with certain existing Shareholders and new investors of up to 50,623,576 New Ordinary Shares at an issue price of 12 pence per New Ordinary Share, subject to clawback under the Open Offer. The New Ordinary Shares will represent, in aggregate, 40 per cent. of the Enlarged Share Capital, at an issue price of 12 pence per New Ordinary Share.

The Issue Price of 12 pence per New Ordinary Share represents a premium of 20 per cent. to the Closing Price of 10 pence on 20 March 2020, being the last Business Day prior to the announcement of the Fundraising.

The Fundraising is not being underwritten and is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 9 April 2020 (or such later time and/or date, being not later than 28 April 2020, as the Company and Shore Capital may agree).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Fundraising will not proceed and any Open Offer Entitlements admitted to CREST as part of the Open Offer will thereafter be disabled.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares 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 the Ordinary Shares following Admission. It is expected that such Admission will become effective and that dealings on AIM will commence at 8.00 a.m. on 9 April 2020.

## **6. Use of net proceeds**

The net proceeds of the Fundraising are expected to be approximately £5.84 million. It is proposed that such proceeds will be used to:

- strengthen the Company's balance sheet;
- execute self-help plans;
- deploy and support the Company's connected homes technology; and
- fund part of the legacy battery warranty issue.

## **7. Related Party Transaction**

Client funds of Downing LLP (together, "**Downing LLP**") have agreed to subscribe for 19,166,666 Placing Shares. As at the date of this announcement, Downing LLP holds 13,260,356 Existing Ordinary Shares representing approximately 17.5 per cent. of the Existing Ordinary Shares. As such, Downing LLP is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's nominated adviser, Shore Capital & Corporate, that the terms of Downing LLP's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

In addition, BGF Investment Management Limited ("**BGF**"), a significant shareholder of the Company, has agreed to subscribe for 12,500,000 Placing Shares.

## **8. Details of the Open Offer**

Qualifying Shareholders (other than, subject to certain exemptions, those Shareholders in Restricted Jurisdictions) have the opportunity under the Open Offer to apply for Open Offer Shares at the Issue Price, payable in full on application and free of expenses, *pro rata* to their existing shareholdings, on the following basis:

### **2 Open Offer Shares for every 3 Existing Ordinary Shares**

held by them and registered in their names on the Record Date, rounded down to the nearest whole number of Open Offer Shares. Qualifying Shareholders (other than, subject to certain exemptions, those Shareholders with a registered address in or who are located in and/or resident or are citizens of, in each case, a Restricted Jurisdiction) may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement.

**For the avoidance of doubt, no excess application facility is being made available in connection with the Open Offer.**

**The Open Offer is not a rights issue.**

**Qualifying CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, they will not be tradable and applications in respect of the Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders who do not apply to take up their Open Offer Entitlements will have no rights under the Open Offer or receive any proceeds from it. Qualifying Shareholders should be aware that under 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.**

Application has been made for the Open Offer Entitlements of Qualifying CREST Shareholders (other than, subject to certain exemptions, those Shareholders with a registered address in or who are located and/or resident in or are citizens of, in each case, a Restricted Jurisdiction) to be admitted to CREST. It is expected that such Open Offer Entitlements will be admitted to CREST on 24 March 2020.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, will be contained in the Circular and, for Non-CREST Qualifying Shareholders, on the Application Form accompanying the Circular. To be valid, Application Forms or CREST instructions (duly completed) and payment in full for the Open Offer Shares applied for must be received by the Receiving Agent **by no later than 11.00 a.m. on 8 April 2020**. Application Forms should be returned to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by such time.

If Admission does not occur on or before 8.00 a.m. on 9 April 2020 (or such later time and date as the Company and Shore Capital may agree, being not later than 28 April 2020), the Open Offer will not become unconditional and application monies will be returned to applicants, without interest, as soon as practicable thereafter.

As the Company is in a "closed period" in relation to the publication of its audited financial statements for the year ended 31 December 2019, the Directors have been advised that they are unable to apply for their Open Offer Entitlements.

## **9. Overseas Shareholders**

The attention of Qualifying Shareholders who have a registered address outside the United Kingdom, or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward the Circular or the Application Form to such persons, is drawn to the information which will appear in Part 3 of the Circular.

Persons who have a registered address in or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to acquire or subscribe for any New Ordinary Shares. The notice in the London Gazette referred to in the Circular will state where an Application Form may be inspected or obtained. Any person with a registered address in or who are located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction who obtains a copy of the Circular or an Application Form is required to disregard them, except with the consent of the Company.

The Circular and any accompanying documents will not be made available to Overseas Shareholders with registered addresses in any Restricted Jurisdiction (subject to limited exceptions) and, subject to certain exceptions, may not be treated as an invitation to subscribe for any New Ordinary Shares by any person located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction.

The New Ordinary Shares have not been, and will not be, registered under the applicable securities laws of any Restricted Jurisdiction. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

## **10. Dilution resulting from the Fundraising**

Following the issue of New Ordinary Shares to be allotted pursuant to the Fundraising, Shareholders who take up their Open Offer Entitlements in full will not suffer any dilution to their interests in the Company as a result of the Fundraising.

Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 40 per cent. to their interests in the Company as a result of the Fundraising.

## **11. The City Code**

The City Code applies to quoted public companies which have their registered office in the UK, the Channel Islands or the Isle of Man and, in addition, unquoted public companies which have their registered office in the UK, the Channel Islands, or the Isle of Man and whose central management and control remain in the UK, the Channel Islands or the Isle of Man. Accordingly, the City Code applies to the Company. Under the City Code, if an acquisition of Ordinary Shares or interests therein were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months.

This requirement would also be triggered by any acquisition of New Ordinary Shares and/or interest therein by a person holding (together with its concert parties) Ordinary Shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition was to increase that person's percentage of the total voting rights of the Company.

## **12. Placing Agreement**

Under a placing agreement entered into between the Company, Shore Capital & Corporate and Shore Capital Stockbrokers, Shore Capital Stockbrokers has conditionally agreed to act as placing agent to the Company and to use reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing Shares have been placed with Placees subject to clawback under the Open Offer. The Placing Agreement sets out the conditions relating to the Placing.

The 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 9 April 2020 (or such later time and/or date as the Company and Shore Capital may agree being no later than 28 April 2020);
- (b) there being no breach of warranty in the Placing Agreement prior to Admission; and
- (c) the performance by the Company of its obligations under the Placing Agreement and/or other terms of or conditions to the Placing prior to Admission.

The Placing Agreement contains certain customary warranties from the Company in favour of Shore Capital in relation to, *inter alia*, the accuracy of the information contained in the Circular and certain other matters relating to the Group and its business. In addition, the Company has given certain undertakings to Shore Capital and has agreed to indemnify Shore Capital in relation to certain customary liabilities they may incur in respect of the Fundraising. Shore Capital 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 Shore Capital and certain other costs and expenses in connection with the Fundraising and Admission.

#### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	6.00 p.m. on Thursday 19 March 2020
Ex-entitlement date for the Open Offer	8.00 a.m. on Monday 23 March 2020
Posting of the Circular and, to Qualifying Non-CREST Shareholders only, the Application Form <sup>(3)</sup>	Monday 23 March 2020
Publication of Notice of the Open Offer in the London Gazette	Monday 23 March 2020
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders <sup>(3)</sup>	Tuesday 24 March 2020
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST <sup>(3)</sup>	4.30 p.m. on Thursday 2 April 2020
Latest time and date for depositing Open Offer Entitlements into CREST <sup>(3)</sup>	3.00 p.m. on Friday 3 April 2020
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on Monday 6 April 2020
<b>Latest time and date for receipt of completed Application Forms from Qualifying Non-CREST Shareholders and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)<sup>(3)</sup></b>	<b>11.00 a.m. on Wednesday 8 April 2020</b>
Announcement of the result of the Open Offer	Wednesday 8 April 2020
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on Thursday 9 April 2020
CREST Members' accounts expected to be credited in respect of New Ordinary Shares in uncertificated form <sup>(3)</sup>	Thursday 9 April 2020
Expected despatch of definitive share certificates for New Ordinary Shares in certificated form <sup>(3)</sup>	by Wednesday 22 April 2020

#### Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a RIS.
2. All of the times above refer to London time unless otherwise stated.
3. Subject to certain restrictions relating to Qualifying Shareholders with registered addresses in, or who are located and/or resident in or are citizens of, in each case, countries outside the UK (details of which are set out in the Circular).

## ISSUE STATISTICS

Closing Price per Ordinary Share <sup>(1)</sup>	10 pence
Basis of Open Offer	2 Open Offer Shares for every 3 Existing Ordinary Shares <sup>(5)</sup>
Issue Price per New Ordinary Share	12 pence
Premium to Closing Price per Ordinary Share <sup>(1)</sup>	20 per cent.
Number of Ordinary Shares in issue <sup>(2)</sup>	75,935,365
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising <sup>(3)</sup>	50,623,576
Maximum number of Ordinary Shares in issue immediately following Admission <sup>(3)</sup>	126,558,941
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following Admission <sup>(3)</sup>	40 per cent.
Estimated net proceeds of the Fundraising <sup>(4)</sup>	£5.84 million
Ordinary Share ISIN	GB0030508757
SEDOL	3050875
Open Offer Entitlements ISIN	GB00BJP8LQ46

### Notes:

1. Closing Price on 20 March 2020, being the last Business Day prior to this announcement.
2. As at 20 March 2020, being the last Business Day prior to this announcement.
3. Assuming the Placing is fully subscribed and assuming successful applications are received for all available Open Offer Shares.
4. Based on the estimated expenses of the Fundraising and assuming successful applications are received for all available Open Offer Shares, the Placing is fully subscribed and no further New Ordinary Shares are issued as a result of the exercise of any options or awards vesting under any share schemes of the Company.
5. Fractions of Open Offer Shares will not be allotted to Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

## DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

**“Admission”** the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules

<b>“AIM”</b>	AIM, a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange as amended from time to time
<b>“Application Form”</b>	the personalised application form accompanying the Circular on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
<b>“Board” or “Directors”</b>	the directors of the Company
<b>“BRK”</b>	means BRK Brands Inc, BRK Brands Europe Limited, Jarden LLC and Detector Technology Limited
<b>“Business Day”</b>	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
<b>“certificated” or “in certificated form”</b>	a share or other security not held in uncertificated form (that is, not in CREST)
<b>“Circular”</b>	the circular containing details of the Fundraising expected to be posted to Shareholders later today
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Closing Price”</b>	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
<b>“Company” or “FireAngel”</b>	FireAngel Safety Technology Group Plc, a public limited company incorporated in England and Wales with company number 03991353
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>“CREST Member”</b>	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
<b>“Enlarged Share Capital”</b>	the total number of issued Ordinary Shares on completion of the Fundraising following the issue of the New Ordinary Shares, and assuming that all of the New Ordinary Shares are issued
<b>“Estimated Expenses”</b>	the estimated expenses incurred in connection with the Fundraising assuming all New Ordinary Shares are issued
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Existing Ordinary Shares”</b>	the issued share capital of the Company as at the date of this announcement, being 75,935,365 Ordinary Shares
<b>“FCA”</b>	the United Kingdom Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)

<b>“Fundraising”</b>	the Placing and the Open Offer
<b>“Gross Proceeds”</b>	the proceeds from the issue of the New Ordinary Shares prior to the deduction of the Estimated Expenses, being approximately £6.1 million, assuming all New Ordinary Shares are issued
<b>“Group”</b>	the Company and its subsidiaries from time to time
<b>“Issue Price”</b>	12 pence per New Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Ordinary Shares”</b>	the Ordinary Shares to be issued in connection with the Fundraising
<b>“Open Offer”</b>	the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in the Circular and, in the case of Qualifying Non-CREST Shareholders only, the Application Form
<b>“Open Offer Entitlement(s)”</b>	the <i>pro rata</i> entitlement of Qualifying Shareholders to subscribe for 2 Open Offer Shares for every 2 Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer
<b>“Open Offer Shares”</b>	the up to 50,623,576 New Ordinary Shares for which Qualifying Shareholders are being invited to apply, to be issued pursuant to the terms of the Open Offer
<b>“Ordinary Shares”</b>	the ordinary shares of two pence each in the capital of the Company and <b>“Ordinary Share”</b> shall be construed accordingly
<b>“Overseas Shareholders”</b>	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of or are located in countries outside of the United Kingdom
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Placee”</b>	any person that has conditionally agreed to subscribe for Placing Shares
<b>“Placing”</b>	the conditional placing of the Placing Shares by the Company
<b>“Placing Shares”</b>	the New Ordinary Shares which are the subject of the Placing
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at the Record Date
<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date
<b>“Record Date”</b>	6.00 p.m. on 19 March 2020
<b>“Registrars” or “Receiving Agent”</b>	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
<b>“Restricted Jurisdiction”</b>	each and any of the United States, Australia, Canada, Japan, the Republic of South Africa and New Zealand

<b>“RIS” or “Regulatory Information Service”</b>	a Regulatory Information Service within the meaning given in the AIM Rules
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Shore Capital”</b>	Shore Capital & Corporate and/or Shore Capital Stockbrokers, as appropriate
<b>“Shore Capital &amp; Corporate”</b>	Shore Capital and Corporate Limited and, where the context allows, its affiliates, the Company's nominated adviser, which is incorporated as a private limited company in England and Wales with company number 02083043
<b>“Shore Capital Stockbrokers”</b>	Shore Capital Stockbrokers Limited and, where the context allows, its affiliates, the Company's broker, which is incorporated as a private limited company in England and Wales with company number 01850105
<b>“uncertificated” or “in uncertificated form”</b>	a shareholding which is recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America
<b>“£”, “Pounds Sterling”, “sterling”, “Pence” or “pence”</b>	the lawful currency of the United Kingdom