THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

FURTHER, THIS ANNOUNCEMENT IS MADE FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR SOLICITATION TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE SHARES IN FIREANGEL SAFETY TECHNOLOGY GROUP PLC IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. THE SECURITIES DISCUSSED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT. NO PUBLIC OFFERING OF THE SECURITIES DISCUSSED HEREIN IS BEING MADE IN THE UNITED STATES.

AMONGST OTHER THINGS, THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CITY CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION BY ANY PARTY TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE. THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE FOR FIREANGEL SAFETY TECHNOLOGY GROUP PLC, NOR AS TO THE TERMS ON WHICH ANY OFFER MAY BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

6 June 2023

FireAngel Safety Technology Group plc
('FireAngel', the 'Group' or the 'Company')

Open Offer of up to 120,711,091 New Ordinary Shares and up to 60,355,545 Warrants to subscribe for Ordinary Shares

and

Placing and Subscription of up to 120,711,091 New Ordinary Shares and up to 60,355,545 Warrants to subscribe for Ordinary Shares

in each case at 5.05 pence per New Ordinary Share

Strategic Review

FireAngel (AIM: FA.), one of Europe's leading developers and suppliers of home safety products, announces that it is proposing to raise up to approximately £6.1 million (before expenses) by way of an Open Offer of up to:

- 120,711,091 New Ordinary Shares at an issue price of 5.05 pence per New Ordinary Share (the "**Issue Price**"); and
- 60,355,545 Warrants,

on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date.

In addition, the Company announces that it has conditionally raised up to approximately £6.1 million (before expenses) from certain existing Shareholders, new investors and the Subscriber by means of a Placing and Subscription of up to:

- 120,711,091 New Ordinary Shares at the Issue Price; and
- 60,355,545 Warrants, on the basis of one Warrant for every two New Ordinary Shares subscribed for pursuant to the Placing and Subscription,

in each case subject to clawback under the Open Offer.

It should be noted that New Ordinary Shares and Warrants will only be issued pursuant to the Placing and the Subscription if and to the extent that the Open Offer is not validly subscribed in full by holders of Existing Ordinary Shares and the Placing, Subscription and Open Offer (the "**Fundraising**") will together result in a maximum of 120,711,091 New Ordinary Shares and 60,355,545 Warrants being issued. Further information on the issue of the Warrants is set out below. The Open Offer is not conditional on completion of the Placing or the Subscription (although the Placing and the Subscription are inter-conditional).

Strategic Review

The Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company.

As the Company is subject to the City Code on Takeovers and Mergers (the "**City Code**") and one of the options that is being considered by the Board is a potential sale of the Group, the Company is considered to be in an "offer period" as defined in the City Code, and the dealing disclosure requirements as set out below will apply.

The Group is not in receipt of any approach, nor in discussions with any potential offeror, at the date of this announcement.

The Company has separately announced today certain directorate changes and its audited final results for the year ended 31 December 2022.

Highlights

- Fundraising of approximately up to £6.1 million (before expenses) by way of an Open Offer of up to 120,711,091 New Ordinary Shares at an issue price of 5.05 pence per New Ordinary Share; and 60,355,545 Warrants, on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date. Holders of Warrants may exercise the Warrants during an Exercise Window at an exercise price of 3 pence per Warrant. Warrants which are not exercised before the Final Exercise Date shall lapse.
- In addition, the Company announces that it has conditionally raised up to approximately £6.1 million (before expenses) by means of a Placing and Subscription with certain existing Shareholders, new investors and the Subscriber of 120,711,091 New Ordinary Shares at the Issue Price, and 60,355,545 Warrants, in each case subject to clawback under the Open Offer.
- Each of Zoe Fox, the Chief Finance Officer, Simon Herrick and Jon Kempster, each a Non-Executive Director, is subscribing £10,000 in the Placing for 198,020 Placing Shares and 99,010 Warrants, on the basis of one Warrant for every two Placing Shares (in each case subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer). Andrew Blazye, the proposed Non-Executive Chair, and Neil Radley, the proposed Chief Executive, are subscribing £0.4 million in the Placing for 7,920,780 Placing Shares and 3,960,390 Warrants and £0.1 million in the Placing for 1,980,180 Placing Shares and 990,090

Warrants respectively (again, in each case subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer). In addition, Graham Whitworth, a Non-Executive Director, intends to apply for Open Offer Shares and Warrants under the Open Offer to the value of £10,000.

- The Subscriber, who has been a supplier to the Group since 2017, is a high-tech manufacturer who focuses on developing and manufacturing various types of sensor alarms, IOT, security industry application solutions and smart home solutions. Manufacturing is based in Ningbo, China with a building area of 56,000 square metres and a yearly production capacity of over 36 million devices exporting to around 70 countries. The Subscriber also has a large research and development department, including over 150 engineers across four centres, and international sales centres in China and the Netherlands. The Subscriber is subscribing, in aggregate, up to £2.8 million in the Fundraising (the "**Subscription**") through a combination of: (a) converting £2.1 million of trade debts owed to it by the Company into Subscription Shares at the Issue Price; and (b) £0.7 million in cash at the Issue Price, for a total of up to 55,322,431 Subscription Shares and up to 27,661,215 Subscription Warrants (subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer).

- The net proceeds of the Fundraising will be used:
    - to reduce net debt to £2.8 million (excluding lease liabilities); and
    - for working capital purposes.

- The Issue Price represents a discount of approximately 25.2 per cent. to the Closing Price of 6.75 pence on 5 June 2023, being the last Business Day prior to this announcement.

The Placing is being arranged by Shore Capital Stockbrokers Limited acting as sole broker to the Company.

The highlights above and the summary announcement below should be read in conjunction with the full text of the announcement below comprising extracts from the Board's letter and Risk Factors from the Circular (as defined below), the Expected Timetable of Principal Events, Fundraising Statistics and Definitions.

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 in due course on the Company's website, www.fireangeltech.com.

It should be noted that New Ordinary Shares will only be issued pursuant to the Placing and the Subscription if and to the extent that the Open Offer is not subscribed in full by Qualifying Shareholders and the Fundraising will result in a maximum of 120,711,091 New Ordinary Shares being issued. The Open Offer is not conditional on completion of the Placing (although the Placing and the Subscription are inter-conditional).

The Fundraising is not being underwritten and is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 28 June 2023 (or such later time and/or date, being not later than 12 July 2023, 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 28 June 2023.

Shareholder approval to grant authority to the Directors to allot the New Ordinary Shares was obtained at the 2022 AGM. However, a resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and, as a consequence, **there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be issued.**

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.

The person responsible for arranging the release of this announcement on behalf of the Company is Zoe Fox, Chief Finance Officer.

For further information, please contact:

FireAngel Safety Technology Group plc	024 7771 7700
Zoe Fox, Chief Finance Officer	
Shore Capital (Nominated adviser and sole broker) Tom Griffiths/David Coaten/Tom Knibbs	020 7408 4050
Houston (Financial PR) Kate Hoare/ Ben Robinson/ Kelsey Traynor	0204 529 0549

Notes to Editors

About FireAngel Safety Technology Group plc

FireAngel's mission is to protect and save lives by making innovative home safety products which are simple and accessible. FireAngel is one of the market leaders in the European home safety products market.

FireAngel's principal products are connected 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

IMPORTANT INFORMATION

Shore Capital is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**") and is acting exclusively as Nominated Adviser and Broker and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than the

Company for providing the protections afforded to its clients nor for providing advice in relation to the subject matter of this announcement.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

This announcement (including any information incorporated by reference in this announcement), oral statements made regarding the contents of this announcement, and other information published by the Group contain statements about the Group that are or may be deemed to be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, may be forward looking statements.

These forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers should not rely on such forward-looking statements, which speak only as of the date of this announcement. The Group disclaims any obligation or responsibility to update publicly or review any forward-looking or other statements contained in this announcement, except as required by applicable law.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted bylaw and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Information to Distributors

UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the New Ordinary Shares and the Warrants have been subject to a product approval process, which has determined that the New Ordinary Shares and the Warrants are: (a) compatible with an end target market of (i) retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA), (ii) investors who meet the criteria of professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA) and (iii) eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (b) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**UK Target Market Assessment**").

Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the New Ordinary Shares (and any Ordinary Shares issued on exercise of the Warrants) may decline and investors could lose all or part of their investment; the New Ordinary Shares, the Warrants and any Ordinary Shares issued on exercise of the Warrants offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares (and any Ordinary Shares issued on exercise of the Warrants) 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 UK 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 UK Target Market Assessment, Shore Capital Stockbrokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS; 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 the New Ordinary Shares, the Warrants and any Ordinary Shares issued on exercise of the Warrants. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares, the Warrants and any Ordinary Shares issued on exercise of the Warrants and determining appropriate distribution channels.

EU Product Governance Requirements

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 and the Warrants are: (i) compatible with an end target market of retail clients 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 "**EU Target Market Assessment**").

Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the New Ordinary Shares (and any Ordinary Shares issued on exercise of the Warrants) may decline and investors could lose all or part of their investment; the New Ordinary Shares, the Warrants and any Ordinary Shares issued on exercise of the Warrants offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares (and any Ordinary Shares issued on exercise of the Warrants) 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 EU 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 EU Target Market Assessment, Shore Capital Stockbrokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU 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 the New Ordinary Shares, the Warrants and any Ordinary Shares issued on exercise of the Warrants. Each distributor is responsible for undertaking its own target market assessment in respect of the New

Ordinary Shares, the Warrants and any Ordinary Shares issued on exercise of the Warrants and determining appropriate distribution channels.

APPENDIX I - EXTRACTS FROM THE CIRCULAR

LETTER FROM THE BOARD

1. Introduction

The Company announces that it was proposing to raise up to approximately £6.1 million (before expenses) by way of an Open Offer of up to (a) 120,711,091 New Ordinary Shares at an issue price of 5.05 pence per New Ordinary Share (the "Issue Price") and (b) 60,355,545 Warrants, on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date. Holders of Warrants may exercise the Warrants during an Exercise Window at an exercise price of 3 pence (£0.03) per warrant. Warrants which are not exercised before the Final Exercise Date shall lapse. Further details on the Warrants is set out in paragraph 10 below and will be set out in Part 5 of the Circular.

In addition, the Company announces that it had conditionally raised up to approximately £6.1 million[1] (before expenses) from certain existing Shareholders, new investors and the Subscriber by means of a Placing and Subscription of up to (a) 120,711,091 New Ordinary Shares at the Issue Price and (b) 60,355,545 Warrants, on the basis of one Warrant for every two New Ordinary Shares subscribed for pursuant to the Placing and Subscription, in each case subject to clawback under the Open Offer.

It should be noted that New Ordinary Shares and Warrants will only be issued pursuant to the Placing and the Subscription if and to the extent that the Open Offer is not validly subscribed in full by holders of Existing Ordinary Shares and will result in a maximum of 120,711,091 New Ordinary Shares and 60,355,545 Warrants being issued pursuant to the Open Offer, the Placing and the Subscription (the "**Fundraising**"). Furthermore, the Open Offer is not conditional on completion of the Placing or the Subscription (although the Placing and the Subscription are inter-conditional).

The Issue Price represents a discount of approximately 25.2 per cent. to the Closing Price of 6.75 pence on 5 June 2023, being the Latest Practicable Date. The Fundraising is conditional on, *inter alia*, Admission becoming effective by no later than 8.00 a.m. on 28 June 2023 (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 at or around 8.00 a.m. on 28 June 2023.

Shareholder approval to grant authority to the Directors to allot the New Ordinary Shares was obtained at the 2022 AGM. However, a resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, **there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be issued.**

The Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company. Further details of the strategic review are set out in paragraph 4 below.

Earlier today, the Company announced that John Conoley had resigned as a director of the Company and that Andrew Blazye and Neil Radley were proposed to be appointed to the Board as Non-Executive

[1] Of this amount, £2.1 will comprise the release of the Company from its obligations and liabilities to pay the Outstanding Amount under or pursuant to the Supply Agreement.

Chair and Chief Executive respectively with effect from 7 June 2023. Further details on the Proposed Directors are set out in paragraph 16 below.

The purpose of the Circular will be to set out the background to, and reasons for, and provide further information on, the Fundraising and to explain why the Board considers the Fundraising to be in the best interests of the Company and Shareholders as a whole.

2. Background to, and reasons for, the Fundraising

As will be separately announced today in its audited final results for the year ended 31 December 2022 ("**FY22**"), the Group delivered strong revenue growth of 32 per cent. in FY22, despite being significantly constrained by supply chain issues and macro-economic challenges and the delivery of management's improvement plans led to the Group's highest revenue and adjusted gross profit performance since FY17.

The Directors believe that there is continuing demand for the Group's safety products, driven by societal and regulatory changes across several of the Group's markets, including fire and carbon monoxide alarm legislation, along with wider social housing reform and environmental legislation, particularly in the UK later this year. There are forthcoming regulatory tailwinds, particularly in Germany and France, which are expected to support further growth in 2024 onwards. In addition, the Company continues to deliver significant self-help measures, which are expected to further improve its performance in 2023 and beyond.

Whilst these market tailwinds helped to drive strong revenue growth in FY22, the Directors believe the Group's ability to meet the growing demand was significantly constrained by the widely reported supply chain challenges and component shortages. When combined with the impact of significant currency fluctuation, inflation and Purchase Price Variance ("**PPV**"), the Group had to maintain an intense operational focus to manage the impact of these dynamics. Therefore, whilst the reported results for FY22 inevitably reflect these challenges, the steps which have been taken to drive improvements to manage the impact of price rises, improve value engineering to reduce costs on selected products, introduce additional entry level products and renegotiate terms on certain contracts, have all been critical in helping to deliver revenue and adjusted margin growth. The Board considers that the Group's underlying performance in FY22 better demonstrates the strong progress made over the course of the year.

The Group has continued to make further headway against a number of its strategic initiatives. A significant highlight is the progress made with the Group's long-term partnership with Techem Energy Services GmbH ("**Techem**"), the German energy efficiency service provider, to develop a new generation smoke alarm ("**NGSA**"). The Board believes this partnership presents a transformational opportunity for FireAngel with significant earnings potential. Significantly, on 18 April 2023, the Company announced the signing of two delivery and production agreements with its long-term manufacturing partner and Techem, marking yet another important milestone for the Company as it continues to progress its transformational partnership with Techem. Further details on the progress made on each of the Company's strategic objectives are set out below.

Margin improvement

The Group's key objectives are to increase margin and build Shareholder value year-on-year. The Directors believe that the Group's success in achieving these objectives will be driven, principally, by leveraging its differentiated products and relationships in customer markets. The three key focuses to achieve this are:

i) moving to higher value activities;

ii) commercialising investment in the Group's Connected technology; and

iii) implementing other gross margin improvements across the value chain.

Despite the many macroeconomic and geopolitical challenges experienced in FY22, further progress has been made against these objectives and the Company is hopeful of seeing gross profit improvement from 2023 onwards coming from certain identified self-help initiatives and core business growth, as well as the contribution from the higher value Techem activities.

i) Moving to higher value activities

FY22 saw the Group progress its exclusive long-term partnership with Techem to develop a NGSA primarily for the German market which, as set out above, has continued this year.

Techem has selected the FireAngel CO sensor to be part of the product specification, which will be manufactured at the Group's factory in Mississauga, Canada. The Group will invest in improving capacity and efficiency in this facility in 2023 and 2024, which the Directors expect to support the realisation of the Group's significantly increased medium-term financial opportunity through its partnership with Techem.

Product development activities progressed in line with the planned milestones and the development phase of the project is now 45 per cent. complete, on a planned man-days basis. In addition, the electronics development of the agreement is now 91 per cent. complete and on schedule. The focus has now turned to manufacturing related milestones.

As set out above, on 18 April 2023, the Company announced that it had signed two delivery and production agreements with its long-term manufacturing partner and Techem regarding the NGSA. The arrangements have seen the Group enter into:

(i) a Delivery Contract ("**DC**") which sees the Company and Techem procure the long-term manufacturing partner to produce the NGSA, as per an agreed FireAngel design specification, at volume; and
(ii) a separate Production Framework and Supply Agreement ("**PFSA**") pursuant to the terms of which FireAngel will become the contracting party for its long-term manufacturing partner and take responsibility for overseeing the production of the NGSA, its certification and delivery into market. Techem will manage marketing, sales and customer relationships.

The Directors believe that these agreements will be highly cash generative for the Group in due course. Techem's procurement of specialist production and test equipment has already commenced to ensure the earliest possible build-up of manufacturing volume.

Pursuant to the terms of the DC, initial shipments of the NGSA are expected to commence in 2024. Volumes are expected to build during the first half of 2025. The planned maximum annual throughput is anticipated to be up to 1.8 million products. Actual production volume will be determined by standard manufacturing considerations and specific demand at any one time. The Group expects to earn an aggregate of up to approximately US$7.50 per alarm (comprising fees, royalties and the purchase price for the Company's own CO sensor). This is a significant improvement on the previously announced approximately €5 per product and has been agreed as part of the PFSA.

The development agreement, which was entered into with Techem on 7 April 2021, was predicated on an initial forecast of approximately 7 million units of the NGSA being sold. This opportunity has now increased to up to US$53 million on the same unit forecast. Previously this partnership offered the Company an opportunity for income of approximately US$38 million. Whilst this forecast may in future vary up or down and will depend, among other things, on the precise delivery date, Techem and FireAngel will co-operate to assess and maximise the overall opportunity. The Company and Techem have previously agreed on a minimum royalty fee of €3.0 million which is payable to FireAngel after delivery commences or over a maximum period of 30 months. There is no ordinary right of termination under the development agreement for either party and Techem is paying the Company for the research and development phases as well as further payments for reaching certain per-agreed milestones in the process. In addition, the Company expect to be able to recharge up to approximately £0.5 million of additional development fees to Techem to cover the transition to manufacturing.

The Techem partnership is an opportunity which the Board expects in due course to be highly cash generative for the Group and to generate significant long term strategic value for Shareholders.

Furthermore, during 2022, as part of its strategic priority to move to higher value activities, the Group continued to progress its partnership with its long-term manufacturing partner to source new entry and mid-level products, increasing revenue and driving margin expansion. The project which concluded in Q1 2022 has, since then, generated over 1 million units of sales with the production of the products being margin enhancing for the Group as planned. A further range of opening price point products is now expected to be launched in Q4 2023 and is expected to generate £2.0 million of revenue for the Group annually from 2024.

On 31 March 2023, the Company announced that it had signed a three-year contract with British Gas Services Limited ("**BGSL**") to supply a range of FireAngel branded products through various BGSL supply, service and cover packages such as British Gas Services and solutions and HomeCare. The contract, which is valued at an estimated £6.0 million over its three-year term, will build on FireAngel's existing ten-year relationship with BGSL. The previous relationship was based on a limited range of products and the contract was extended annually. The new contract includes the supply of a wider range of innovative smoke, heat and carbon monoxide battery and mains powered alarms, as well as FireAngel's Connected products for residential use.

Finally, on 12 May 2023, the Company announced that it had been commissioned by a government agency to supply smoke and heat alarms for a large, connected alarm project for low income families in the Middle East. The contract, which is valued at an estimated £1.5 million, will be delivered during the course of 2023 and includes the supply of over 60,000 Connected smoke and heat alarms, which will be installed in over 5,000 properties.

ii) Commercialising investment in the Group's Connected technology

Commercialising the Group's significant investment in its Connected Homes technology means selling more connected alarms, while learning what part data generation could play in adding a new layer to the Group's future activities and revenue streams. As evolving policy and legislation becomes more defined, the Directors believe that FireAngel's Connected technology is increasingly well positioned to meet the growing demand for fire safety technology across its markets. However, the Directors note that due to component sourcing challenges throughout much of FY22, the supply of products has been a major constraint on the growth of the Group's Connected proposition. Fortunately, these issues are abating and, as visibility of component supply improves and production returns to normal levels, the Group plans to re-energise its strategic Connected vision during 2023. The key spearhead in the Group's IoT offering is the planned launch of the Home Environment Gateway, which also enables temperature and humidity monitoring, which is expected to be in Q4 2023. The Board believes that continued market and societal development supports the expected success of this initiative.

iii) Implementing other gross margin improvements across the value chain

In 2022, the Group worked on and began to execute a number of self-help initiatives, such as the delivery of new low to mid-level products with its long-term manufacturing partner, initial price rises, phasing out of expensive PET packaging, and other small scale operational improvements. These initiatives generated approximately £6.0 million of margin improvements by the end of FY22, which helped reduce some of the impact caused by the macroeconomic events of 2022.

However, in mid-2022, the Company also began work on further self-help measures in the face of the many continuing macroeconomic issues previously mentioned. Many of these are already significantly advanced, or complete, including further market price adjustments, cost engineering of selected products and packaging. Through these initiatives, the Board expects to deliver an estimated £4.0 million of further margin improvement in the year ending 31 December 2023 ("**FY23**") before any impact of inflation or exceptional currency movements, with approximately £4.0 million of additional margin on an annualised basis following the end of FY23.

The Board notes that many of the challenging macroeconomic issues have improved. Component shortages are now starting to stabilise. Longer lead times on supply chain forecasting and commitments have not yet improved, although the Directors believe this could improve as the years go by. Shipping times from Asia remain slightly elongated. Lost sales momentum due to the supply constraint issues, particularly in the UK trade market, is expected to be re-established during the course of 2023. The Group continues to be vigilant in maintaining its hedging policies, currency having had a major negative effect on the Group particularly in late 2022.

Continued progress despite macroeconomic challenges

The Group achieved adjusted[2] gross margin of 24.2 per cent. in the year ended 31 December 2021 ("**FY21**") and 23.5 per cent. in FY22. However, the Board notes that the underlying improvement in FY22's gross margin is masked by the macroeconomic pressures faced and referred to above. Furthermore, the Directors note that after further adjusting for adverse currency movement on cost of goods (at 2021's average FX rate) (£4.2 million excluding hedging gains or losses) and inflation at 8 per cent. on cost of goods sold, FY22's adjusted gross margins would have been approximately 33.4 per cent. In addition, the Directors estimate that lost revenue in FY22 (estimated at between £5.0 million and £10.0 million) from supply chain shortages would have added a further £1.5 million to £3.0 million of gross profit in that year.

The Directors believe that the Net Proceeds will help to strengthen the Group's balance sheet and accelerate the Group's growth in both sales and margin and thereby enhance Shareholder value. The Board is committed to enhancing shareholder value and while it believes that the partnership with Techem will contribute significantly to achieving this, it accepts that the Company will be faced with multiple routes to realising value for all Shareholders. The Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company.

3. Current trading and outlook

On 25 April 2023, the Company released the following announcement entitled Trading Update:

"*Further to its announcement of 24 January 2023, FireAngel (AIM: FA.), a leading developer and supplier of home safety products, provides the following trading update.*

[2] Adjusted gross profit is stated before non-underlying items, PPV and mark to market ("MTM") profit or loss on forward contracts

Trading in the year to date is in line with the Board's expectations with two particular exceptions which will not be recovered this year, although the effect of those exceptions is partly mitigated by lower than expected costs. The well publicised global supply chain issues of 2022 affected the Company by causing lower production than planned, leading to restricted or intermittent supply to its end customers. This especially affected products destined for the UK Trade market and involved the Company's higher function higher margin products. This has led to a loss of momentum which the Board is working hard to restore, but it might take the rest of 2023 to achieve.

*Two significant contracts, one in the Company's UK Utilities Division and one in the International Division, were originally expected to contribute strongly to Q1 2023. However, only one of them (a three year contract with British Gas Services Limited which was announced on 31 March 2023) has been secured to date, which will commence deliveries during Q2 2023, leading to slightly lower revenues than forecast for the year ending 31 December 2023 ("**FY2023**"). The Board now expects the Group's EBITDA for FY2023 to be materially below market expectations. The other significant contract is expected to be signed shortly.*

The previously mentioned loss of momentum in UK Trade, caused mainly by a prolonged lack of shipments of stock due to macroeconomic conditions in 2022, is expected to ease across FY2023. The Company's previously announced self-help measures, including price increases, have filtered through into new orders in Q1 2023 and will translate into revenues from Q2 2023 onwards. The Board remains confident that the Group will deliver an improved performance in FY2023."

The Board confirms that details of the "other significant contract" referred to above were announced on 12 May 2023 and there has been no change in the Company's expectations for FY23 since the above announcement was released on 25 April 2023.

4. Strategic Review

The Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company.

As the Company is subject to the City Code on Takeovers and Mergers (the "**City Code**") and one of the options that is being considered by the Board is a potential sale of the Group, the Company is considered to be in an "offer period" as defined in the City Code, and the dealing disclosure requirements as set out at paragraph 13 below will apply.

The Group is not in receipt of any approach, nor in discussions with any potential offeror, at the date of this announcement. Further information on the City Code is set out in paragraph 13 below.

5. Audited final results for FY22

The Company will also announce today its audited final results for FY22.

In FY22, the Group delivered impressive revenue growth, of 32 per cent, to £57.5 million (2021: £43.5 million). The adjusted gross profit[3] was £13.5 million (2021: £10.5 million), which represented an adjusted gross margin[4] of 23.5 per cent. (2021: 24.2 per cent.).

As previously outlined, the Group's ability to meet demand was significantly constrained by the widely reported supply chain challenges and component shortages faced and the reported results for FY22 inevitably reflect these difficulties. Despite the significant increase in the Company's revenue, the gross profit was only in line with 2021 predominantly due to a combination of inflation, high PPV on

[3] Adjusted gross profit is stated before non-underlying items, PPV and mark to market ("MTM") profit or loss on forward contracts

[4] Adjusted gross margin is adjusted gross profit as a percentage of revenue

components due to global shortages and unfavourable currency movements between the US dollars and Pounds Sterling. The majority of goods and services purchased by the Group are in US dollars, with approximately 60 per cent. of the cost of goods for the remainder of the year hedged at a blended exchange rate of £1:US$1.16 with the Company currently budgeting for a £1:US$1.24 rate on the balance of the cost of goods. The Company's hedging policy takes a quarterly layered approach extending out 12 months.

The Group had net debt[5] (before lease obligations) of £4.8 million at 31 December 2022 (2021: net cash (before lease obligations) £0.1 million). During FY22, the Group announced that it had signed an agreement with its bank, HSBC UK Bank plc, for a standby letter of credit facility which is supported by UK Export Finance, up to a combined sum of £3.5 million, for an initial term of 12 months (the "**Facility**"). The Facility supports the variability of working capital arrangements with certain of the Group's suppliers, which is driven by longer lead times on components and the Group's expected growth. The Board believes that the Facility is a prudent measure which will help offset the unpredictability in the Group's supply chain and input prices. In addition, the Group has recently agreed with its bank the reset of certain covenants under the terms of its wider finance agreements.

The Group utilised £0.6 million of its battery warranty provision (2021: £1.2 million) and the Board expects to utilise a further £0.5 million in FY23 and then continue to reduce to minimal levels by 2026.

6. Information on the Fundraising

The Company is proposing to raise up to approximately £6.1 million (before expenses) by way of an Open Offer, on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date.

The Company has conditionally raised up to approximately £6.1 million[6] (before expenses) by means of the Placing and Subscription with certain existing Shareholders, new investors and the Subscriber of up to 120,711,091 New Ordinary Shares at the Issue Price and up to 60,355,545 Warrants, subject in each case to clawback under the Open Offer. It is anticipated that any scaling back under the Placing and the Subscription to satisfy clawback by Qualifying Shareholders under the Open Offer will be applied *pro rata* to the respective number of Placing Shares (in aggregate) and Subscription Shares (in aggregate), with the corresponding number of Warrants being scaled back accordingly too. However, the Company (in consultation with Shore Capital) reserves the absolute right to scale back any one or more Placee and the Subscriber on such basis as it sees fit.

The New Ordinary Shares will represent, in aggregate, approximately 40 per cent. of the Enlarged Share Capital.

The Issue Price represents a discount of approximately 25.2 per cent. to the Closing Price of 6.75 pence on the Latest Practicable Date.

The Fundraising is not being underwritten and is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 28 June 2023 (or such later time and/or date, being not later than 12 July 2023, 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.

---

[5] Net debt is calculated as the net value of cash and cash equivalents, invoice discounting facilities and loans and borrowing

[6] Of this amount, £2.1 will comprise the release of the Company from its obligations and liabilities to pay the Outstanding Amount under or pursuant to the Supply Agreement.

Holders of Warrants may exercise the Warrants in the period beginning on the first anniversary of the date of issue of the Warrants and ending on the third anniversary of such date (the “**Final Exercise Date**”) such that no Warrants shall be capable of exercise in the first year following their issue. Warrants shall only be permitted to be exercised during a 42-day window following each of: (i) the first anniversary of the date of issue of the Warrants; and (ii) publication of the Company’s audited final results and unaudited interim results, at an exercise price of three pence (£0.03) per Warrant (each being an “**Exercise Window**”).

Shareholder approval to grant authority to the Directors to allot the New Ordinary Shares was obtained at the 2022 AGM. However, a resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, **there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be issued, although Placees have given certain commitments to vote in favour of the Warrant Resolution at the 2023 AGM.**

Application will be made to the London Stock Exchange for the New Ordinary Shares (but not the Warrants) 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 28 June 2023.

7. Use of Net Proceeds

The Net Proceeds, which are expected to be approximately £5.35 million, will be used:

- to reduce the Group’s net debt to £2.8 million (excluding lease liabilities); and
- for working capital purposes.

8. Related Party Transactions

Client funds of Downing LLP (together, "**Downing LLP**") have agreed to subscribe for 16,831,680 Placing Shares (in each case subject to clawback under the Open Offer). As at the Latest Practicable Date, so far as the Company is aware, Downing LLP holds 28,479,704 Existing Ordinary Shares representing approximately 15.7 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.

Discretionary clients of Canaccord Genuity Group Inc. (“**Canaccord Genuity**“) have agreed to subscribe for 13,861,380 Placing Shares (in each case subject to clawback under the Open Offer). As at the Latest Practicable Date, so far as the Company is aware, Canaccord Genuity holds 20,862,500 Existing Ordinary Shares representing approximately 11.5 per cent. of the Existing Ordinary Shares. As such, Canaccord Genuity 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 Canaccord Genuity's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

Each of Zoe Fox, the Chief Finance Officer, Simon Herrick and Jon Kempster, each a Non-Executive Director, is subscribing £10,000 in the Placing for 198,020 Placing Shares and 99,010 Warrants, on the basis of one Warrant for every two New Ordinary Shares subscribed for by them pursuant to the Placing (in each case subject to clawback under the Open Offer). In addition, Andrew Blazye, the proposed Non-Executive Chair, and Neil Radley, the proposed Chief Executive, are subscribing £0.4 million in the Placing for 7,920,780 Placing Shares and 3,960,390 Warrants and £0.1 million in the Placing for 1,980,180 Placing Shares and 990,090 Warrants respectively (again, in each case subject to clawback under the Open Offer). In addition, Graham Whitworth, a Non-Executive Director, intends to apply for Open Offer Shares and Warrants under the Open Offer to the value of £10,000.

9. 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, and Warrants *pro rata* to their existing shareholdings, on the following basis:

2 Open Offer Shares and 1 Warrant **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 and Warrants. 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 and Warrants 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.

Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders

Application has been made for the Open Offer Entitlements in respect 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 7 June 2023 and Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Non-CREST Shareholders will receive an Application Form with the Circular which will set out their entitlement to Open Offer Shares and Warrants as shown by the number of Open Offer

Entitlements allocated to them.

If valid applications are made for less than all of the Open Offer Shares and Warrants available, then the lower number of Open Offer Shares and Warrants will be issued and any outstanding Open Offer Entitlements will immediately lapse.

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 Part 3 of the Circular and, for Qualifying Non-CREST Shareholders, on the accompanying Application Form. 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 22 June 2023**. 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 28 June 2023 (or such later time and date as the Company and Shore Capital may agree, being not later than 12 July 2023), the Open Offer will not become unconditional and application monies will be returned to applicants, without interest and at their risk, as soon as practicable thereafter.

10. Warrants

A resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be allotted or issued.

Subject to the Warrant Resolution being passed at the 2023 AGM:

- the Company will issue the Warrants to Qualifying Shareholders under the Open Offer on the basis of one Warrant for every two New Ordinary Shares successfully subscribed for under the Open Offer, and to Placees and the Subscriber on the basis of one Warrant for every two New Ordinary Shares successfully subscribed for under the Placing and the Subscription (as the case may be), provided that any fractional entitlements shall be ignored;

- the Company may issue Warrants over up to 60,355,545 Ordinary Shares under the Fundraising;

- holders of Warrants may exercise the Warrants during each of the following:

    - the 42 day window following the first anniversary of the date of issue of the Warrants; and

    - the 42 day window following publication of the Company's audited final results and unaudited interim results,

  (an "**Exercise Window**") at an exercise price of three pence (£0.03) per Warrant. Warrants which are not exercised before the Final Exercise Date shall lapse;

- no exercise of Warrants shall be permitted where such exercise would result in any person or persons holding New Ordinary Shares and/or an interest therein (taken together with shares in which it or any person acting in concert with that person is interested) carrying, in aggregate, 29.99 per cent. or more of the voting rights in the Company;

- the Company expects to despatch definitive certificates in respect of the Warrants within 10 days of their allotment; and

- upon exercise of the Warrants, the resulting Ordinary Shares will be subject to the Articles, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

The Warrants will not be listed or admitted to trading on any stock exchange and are not transferable. Warrants will be allotted and issued in certificated form only (even if you hold your Existing Ordinary Shares in uncertificated form)

Further details of the Warrants will be set out in Part 5 of the Circular.

11. 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 paragraphs 6 and/or 7 of 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 and Warrants. The notice in the London Gazette (that will be referred to in paragraph 7 of Part 3 of 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 and Warrants by any person located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction.

The New Ordinary Shares, the Open Offer Entitlements and the Warrants 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, the Open Offer Entitlements and the Warrants 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.

12. Dilution resulting from the Fundraising

Following the issue of New Ordinary Shares, 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 40.0 per cent. of their interests in the Company calculated on the basis of the maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising.

Assuming all of the 60,355,545 Warrants are issued, Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 50.0 per cent. of their interests in the Company calculated on the basis of the maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising, the maximum number of Warrants are issued and all of those Warrants are exercised in full prior to the Final Exercise Date.

13. 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.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

14. The Placing and the Subscription

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 its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price and Warrants (on the basis of one Warrant for every two Placing Shares subscribed). The Placing Shares and Warrants have been placed with Placees, in each case 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 28 June 2023 (or such later time and/or date as the Company and Shore Capital may agree being no later than 12 July 2023);

(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; and

(d) the Subscription Letter remaining in full force and effect, not having lapsed or been terminated or amended in accordance with its terms prior to Admission; (ii) no condition to which the Subscription Letter is subject having become incapable of satisfaction and not having been waived prior to Admission; and (iii) no event having arisen prior to Admission which gives a party thereto a right to terminate the Subscription Letter.

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; (ii) in the event of a breach of the warranties or other obligations of the Company set out in the Placing Agreement; or in the event of a breach of the Subscription Letter.

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.

Subscription Letter

Under a subscription letter entered into between the Company and the Subscriber, the Subscriber has conditionally agreed to subscribe for the Subscription Shares at the Issue Price and Warrants (on the basis of one Warrant for every two Subscription Shares subscribed), in each case subject to clawback under the Open Offer.

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

(a) Admission taking place no later than 8.00 a.m. on 28 June 2023 (or such later time and/or date as the Company and Shore Capital may agree being no later than 12 July 2023); and

(b) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms.

As at the date of the Subscription Letter, an amount of £2.1 million (the "**Outstanding Amount**") is owed by the Company to the Subscriber under the terms of a long term purchasing or supply agreement (the "**Supply Agreement**").

In consideration of the issue by the Company of the Subscription Shares and Warrants, in each case subject to clawback by Qualifying Shareholders under the Open Offer, the Subscriber has agreed to release the Company from all its obligations and liabilities to pay it the Outstanding Amount under or pursuant to the Supply Agreement. To the extent that the number of Subscription Shares to be issued to the Subscriber pursuant to the terms of the Subscription are scaled back (to satisfy valid applications by Qualifying Shareholders under the Open Offer), and the amount of the subscription monies required to be paid by the Subscriber is therefore reduced accordingly, it has been agreed between the Company and the Subscriber that the amount of the Outstanding Amount to be released would be reduced on a pound for pound (£:£) basis to reflect such reduction. In the event that the number of Subscription Shares to be issued to the Subscriber pursuant to the terms of the Subscription are such that the amount of the subscription monies required to be paid by the Subscriber shall exceed the amount of the Outstanding Amount, the Subscriber shall subscribe for such Subscription Shares in cash.

Clawback under the Open Offer

It is anticipated that any scaling back under the Placing and the Subscription to satisfy clawback by Qualifying Shareholders under the Open Offer will be applied *pro rata* to the respective number of Placing Shares (in aggregate) and Subscription Shares (in aggregate) with the corresponding number of Warrants being scaled back accordingly too. However, the Company (in consultation with Shore Capital) reserves the absolute right to scale back any one or more Placee and the Subscriber on such basis as it sees fit.

15. Information on the Subscriber

The Subscriber, who has been a supplier to the Group since 2017, is a high-tech manufacturer who focuses on developing and manufacturing various types of sensor alarms, IOT, security industry application solutions and smart home solutions. Manufacturing is based in Ningbo, China with a building area of 56,000 square meters and a yearly production capacity of over 36 million devices exporting to around 70 countries. The Subscriber also has a large research and development department, including over 150 engineers across four centres, and international sales centres in China and the Netherlands.

16. Directorate changes

As set out above, earlier today, the Company announced that John Conoley had resigned as a director of the Company and that Andrew Blazye and Neil Radley were proposed to be appointed to the Board as Non-Executive Chair and Chief Executive respectively with effect from 7 June 2023.

Andrew Blazye brings a wealth of experience. He is currently the Executive Chair of Aryza Group Limited, the provider of insolvency and loan management software products to the financial services sectors in the UK, Europe, Canada and Australia. Previously, amongst other roles, Andrew was the Executive Chair of Universe Group plc, an AIM quoted provider of transaction products and services to the retail industry, which was sold in January 2022 to Inform Information Systems Limited for £33.1 million which represented a premium of 129 per cent, to the Universe share price on the business day preceding the announcement of the sale. For more than 12 years, Andrew was a member of the global executive team at FLEETCOR, a US Fortune 500 speciality payments business. As European CEO, he set up the FLEETCOR business in Europe.

Neil Radley has over 20 years' experience in the retail and technology sectors. He was previously the CEO of Universe Group plc, an AIM quoted provider of transaction products and services to the retail industry, which was sold in January 2022 to Inform Information Systems Limited for £33.1 million which represented a premium of 129 per cent, to the Universe share price on the business day preceding the announcement of the sale. Previously, he was Chair and CEO of Jaja Finance Limited, a fintech company providing digital and physical credit cards and other financing services, guiding them through the creation and launch of the UK business. Neil has previously held several senior roles at Barclays Bank in their Barclaycard division and qualified as an accountant with PwC.

In addition to entering into a service agreement with the Company, it has been agreed that Neil Radley shall be eligible to participate in the FireAngel Safety Technology Group 2015 Long-Term Incentive Plan and, on commencement of his employment, will be granted an award with a value of £345,000, being 150 per cent. of his agreed annual salary, with the number of Ordinary Shares to be comprised in such award to be based on the price of an Ordinary Share at close of business today.

17. Additional information

Your attention is drawn to the risk factors set out below (and which will also be set out in Part 2 of the Circular). Shareholders are advised to read the whole of the Circular and not rely solely on the summary information presented in this letter.

Details of the actions to be taken if you wish to apply for Open Offer Shares and Warrants will be provided in paragraph 4 of Part 3 of the Circular.

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors and Shareholders should carefully consider the risks set out below before making a decision to invest in the Company. The investment to be offered in the Circular may not be suitable for all of its recipients. Potential investors and Shareholders are accordingly advised to consult a professional adviser authorised under FSMA, if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser, who specialises in advising on the acquisition of shares and other securities, before making any investment decision. A prospective investor and Shareholders should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

This section headed "Risk Factors" contains what the Directors believe to be the principal risk factors associated with an investment in the Company. However, the risks listed do not purport to be an exhaustive summary of the risks affecting the Group and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

Given the rapidly changing global situation, it is impossible to predict, with any certainty, the continuing impact on the Company's business. As such, the Circular should be considered against this backdrop and Shareholders should understand that there is a high level of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Fundraising.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.

The Circular will contain forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which will be described below and elsewhere in the Circular. Prospective investors and Shareholders should carefully consider the other information in the Circular.

There can be no certainty that the Company will be able to successfully implement its strategy. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Company.

Forward-looking statements

The Circular will include "forward-looking statements" which include all statements other than statements of historical facts including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "plan", "project", "believes", "estimates", "aims", "intends", "can", "may", "expects", "forecasts", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from its future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those implied by any forward-looking statements include factors in this section (and also in Part 2 and elsewhere in the Circular). These forward-looking statements speak only as at the date of this announcement. Save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or FSMA), the Company, Shore Capital and their respective directors, officers, employees, agents, members and partners expressly disclaim any obligation or undertaking to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). As a result of these factors, the events described in the forward-looking statements in this announcement may not occur. Prospective investors and Shareholders should be aware that these statements are estimates, reflecting only the judgement of the Company's management and prospective investors and Shareholders should not rely on any forward-looking statements.

The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares may not be suitable for all recipients of the Circular, which should only be made by those with the necessary expertise to fully evaluate such an investment. The Directors believe the following risks should be considered carefully by investors before acquiring Ordinary Shares. Accordingly, prospective investors are advised to consult an independent adviser authorised under FSMA or, if they are a person outside the UK, a person otherwise similarly qualified in their jurisdiction who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to him or her. If any of the risks to be described in the Circular actually occurs, the Group may not be able to conduct its business as currently planned and its financial condition (including level of indebtedness), operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

Risks factors relating to the Company

Exchange rate risk

The Group operates internationally giving rise to exposure from changes in foreign currency exchange rates. The majority of the components used in the manufacture of the Group's products are priced in US dollars. The Group also receives a significant proportion of its revenues in Euros from sales in the EMEA region. Unprecedented levels of uncertainty in global economic markets and, in particular, around the UK's future trading relationship with the rest of the world, has led to a prolonged weakening in the value of Sterling against the US dollar. The Group manages this risk through the matching of foreign currency receipts and payments, where possible, and also through a policy of hedging using forward exchange contracts to guarantee the future exchange rate at which chosen volumes of currency are exchanged. However, if such levels of uncertainty continue and the value of Sterling against the US dollar remains depressed, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Cyber and Information Security

The Group's use of IT exposes it to cyber and information security attacks, which can lead to data breaches and loss of confidential information. This could hinder competitiveness and risks reputational damage and subsequent financial loss for the Group. The Group takes steps in relation to cyber and security attacks, including increased investment in technology and training programmes to highlight cyber security dangers and alertness to potential cyber security attacks. Furthermore, it has Antivirus software with both malware and spyware protection included and has introduced two-factor authentication within the Group.

The continued regulatory focus on this area increases the risk over time, and tenders from potential customers have started to focus on the Group's cyber and information security practices. The Group's desire to refocus on Connected Homes during 2023 may increase its need for compliance. To the extent that the Group is not able to comply with these requirements, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Tool and production equipment replacement

The failure and/or wearing of tools and other production equipment is a risk in any production environment. The Group is aware that key tools which it owns on the production lines at the Company's manufacturing partner's facility in Poland are ageing and increased failures at peak production periods could impact production, especially if multiple failures coincide.

The Company has conducted an assessment of wear and tear and has developed a schedule of tool duplication and replacement across the next 18 months. The costs are expected to be within normal budgeting expectations. However, to the extent that failures occur before completion of the duplication and replacement schedule, or the costs of such replacement exceed management budgets, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Product prices from the Group's primary suppliers may not be able to be reduced

The relationship with the Group's primary smoke alarm and connected products manufacturer is now well established. Whilst progress has been made in increasing production yield and volumes, there remain challenges in levels of utilisation and efficiency in the manufacturing process which is impacting product costing in the short term. Whilst the Group's supply chain and technical teams are working with its primary manufacturing partner to ensure that efficiency is improved to reduce the future costs of production, and whilst all new products are designed to be manufactured in the most efficient way, if such challenges remain in the longer term, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Competitor risk

Several home safety product companies are considered to be direct competitors of the Group. These companies vary in the relative strength of their product offering. Over the past year, and with high inflation and weakening in the value of Sterling against the US dollar, the Group has found it necessary to increase its prices, thereby closing the price differentiation the Group had with its competitors. This therefore provides more opportunities for cheaper 'non branded' competitors to supply their products more cheaply which may affect adversely the Group's sales volumes.

The Group monitors competitors' offerings and regularly reviews competitor products and pricing. The Directors are of the opinion that the Group's continued investment in new products and technology provides a barrier to new entrants to the market, and high certification costs act as a significant barrier to entry. Whilst the Group continues to commit significant resources to research and development and to monitor competitor pricing closely, were cheaper competitors able to overcome these barriers, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Staff recruitment and retention risk

As with most businesses, particularly those operating in a technical field, the Group is dependent on engaging employees with key managerial, engineering and technical skills. The contribution of the Group's dedicated staff and management team has been, and continues to be, critical to the Group's success. Should the Group be unable to attract new employees, or retain existing employees, this could have a material adverse effect on the Group's ability to grow or maintain its business.

The Group's development and prospects are somewhat dependent upon the continued services and performance of its directors, senior management and other key personnel. The loss of the services of any of the directors, senior management or key personnel or a substantial number of talented employees, could cause disruption which could have a material adverse effect on the Group's business, financial condition and results of operations until suitable replacements are found.

Continued inflation on costs

With continued uncertainty in the global markets and the highest inflation rates seen in decades, there is a risk that this will continue to increase across all of the Group's input costs. The Group has the ability to adjust selling prices in 2023 should further unexpected inflation begin to affect margins. However, the Company is also considering competitor pricing and the possible effect on volumes should customer prices be increased. The Group continuously reviews contracts and looks for alternative cheaper suppliers where possible. The Group's energy contracts are locked in until the end of 2023 and it will undertake a review of these contracts later this year. In addition, freight costs have been partially locked in until 2024. However, if these challenges continue to persist in the longer term, they may have, individually or collectively, a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Risk of recession

Global retraction and decline across the territories in which it trades is impacting the Group's sales and profits. The Directors are of the opinion that a proportion of the Group's business is resilient to recession, such as consumer demand driven by legislative requirements, but any recession may drive trade customers to purchase cheaper products. The opportunity for cost savings afforded by the Group's connected solution is expected to become more attractive as non-safety critical budgets tighten, as evidenced by recent UK customer enquiries which the Group has received. In addition, many social housing authorities will have already ringfenced fire safety budgets for the fiscal year which they will be able to utilise in order to replace existing smoke and CO alarms that ***continue*** to reach end of life and require replacement. However, if such recessionary challenges remain, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Working capital and liquidity risk

The Group has been regularly loss making and, among other issues, the exchange rate environment contributed to further pressure on margins in FY22. Towards the end of FY22, the easing of the material component shortages and unfulfilled demand from its customers meant that the Group ordered stocks in order to meet a sales forecast with increased supplies of finished products. The ability to generate sufficient cash in this period of transformation has been challenging due to the Group's poor financial performance while it has maintained regular communication with its suppliers to ensure that it can pay them to agreed terms wherever possible.

The requirement to pay suppliers earlier than anticipated could put short term pressure on the Group's cash flows, lead to the deferral of investment decisions and, in the worst case, have a material adverse effect on the Group's financial condition. The Group maintains regular communications with its suppliers around the size and timing of payment runs and routinely provides updates on its performance as part of scheduled account management meetings. It continues to benefit from a supportive relationship with its bank, with most recently the addition of a £3.5 million stand by letter of credit facility which is helping to address liquidity concerns with suppliers. The Group also funds its working capital in part through an invoice discount facility with the bank, and this availability fluctuates up and down as revenues present themselves. However, were circumstances to change, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Techem project

As with all projects of this scale, despite the parties' best intentions, there remains a risk that the project is delayed, or that initial forecasts for the rollout of the NGSA to Techem's end customers are not achieved. In addition, the motivation and partnership of the parties, as well as the size of the financial opportunity for each of the parties involved should provide sufficient incentive for them to proceed without delay. However, if any such delays were to materialise or the parties' initial forecasts are not realised, or if the procurement of long lead time components and specialist production equipment does not commence within the timeframe envisaged (thereby leading to further potential delay to the project), these may, individually or collectively, have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Inability to multi-source production
Due to the high complexity and certification requirements of the Group's products, it is not practical to multi-source production across a number of suppliers. This weakens the Group's negotiating position with its existing suppliers and increases the concentration risk associated with a sole source of supply. Although the Group is addressing this in the future through modularity of product design, there is a heightened risk in the short term of supply disruption and higher prices with single-source supplier relationships.

Product warranty risk
Despite best efforts to produce products with zero defects, from time to time the Group will experience product warranty issues. For instance, products are designed to 'fail safe' so that if they are not working, they are designed to alert the user that they require attention. Whilst the Group seeks to ensure that products manufactured by its suppliers comply with the relevant product specifications which are approved by various test houses and regulatory bodies, product liability claims are inherent in the development and manufacture of the Group's products and future products. The Group maintains product recall insurance to mitigate the costs of a domestic or international recall.

In addition to maintaining insurance coverage, the Group may be able to make a claim for breach of warranty against its supplier in the event of a claim being made against the Group where a product is not compliant. Where it becomes clear that there are issues with batches of a certain product, the Group makes specific provision to cover 100 per cent. of the estimated warranty costs of providing free of charge replacements. Product returns in each market are managed by the Group's in-house technical support team which records all product warranty by the manufacture date.

However, if the Group is not able to claim for breach of warranty against its supplier, or have recourse to its product recall insurance, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group. In addition, any product liability claim brought against the Group, with or without merit, could result in an increase in the cost of such insurance or the inability to secure coverage in the future, or in fact be outside the scope of coverage offered by such insurance. There can be no assurance that a product liability or other claim, whether successful or not, would not materially and/or adversely affect the Group's operating results, business, financial condition and prospects of the Group. Defending any such claim may also be costly and may involve a significant commitment of resources and management time.

Changing trends in the marketplace
The introduction of Connected Home products and solutions with individuals and companies seeking to connect and monitor products in the home via the internet could potentially reduce the popularity of the Group's standalone safety product range. The Group is selling its own Connected Home solutions products and is continuing its investment in technology and products which connect to the internet. The Group continues to invest in product technology to reduce the cost of Connected Home solutions and to ensure that they are products of choice for its customers. However, there is a risk that this does not keep ahead of, or even remain in line with, the offering of the Group's competitors.

It is possible that new products and technologies may emerge in future as more viable alternatives to the Group's products. The Group dedicates significant resources to product research and development to keep it and its products at the forefront of technology. Precise demand forecasting is relatively short term in this market and so the Group seeks to stay abreast of emerging market trends to position itself to exploit and commercialise such technologies as they appear. The Group regularly reviews other technologies to ensure that it has the right technology and engineering capability in-house.

However, there can be no guarantee that new products, modifications or services will be successfully developed or, if developed, successfully sold to customers which may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Intellectual property risk

Many of the Group’s products are protected by intellectual property rights and the market can be characterised as having relatively high barriers to entry in this regard. Before introducing new products, the Group carefully checks that it is not infringing the patented technology of third parties. Potentially, third parties could seek to copy or find a workaround to the Group's registered technology.

The Group's principal protection in the market lies in its business model rather than through any specific intellectual property rights. The breadth of the Group's product range and its ability to add new products and leverage its brands across the markets it serves represents a significant barrier to entry to competitors.

Notwithstanding this, any failure to protect or successfully defend the Group’s intellectual property may result in another party copying or otherwise obtaining and using its proprietary technology or other intellectual property without authorisation. There may not be adequate protection for the intellectual property in every country in which the Group’s products are sold and policing unauthorised use of proprietary information is difficult and expensive. The Group cannot guarantee that it will be able to detect and prevent infringement of its intellectual property, but would rigorously defend its intellectual property if it believed it was being infringed.

Any misappropriation of the Group’s intellectual property could have a material adverse impact on the

Group’s business, financial condition, operating results and prospects. Furthermore, the Group may need to take legal action to enforce its intellectual property, protect trade secrets or determine the validity or scope of the proprietary rights of others which may result in substantial costs and the diversion of resources and management attention and there can be no guarantee as to the outcome of any such litigation.

The Group is not aware of any third party that has any claim over the intellectual property of the Group. However, if it was proven that part of the Group’s intellectual property was in fact owned by a third party, this could lead to the removal of certain functionality from the Group’s products or for certain products to be removed from the market altogether. Any legal action resulting from such claims would likely be time-consuming and expensive. In either case, the Group’s business, financial condition, operating results and prospects may be materially and adversely affected.

International trade regulations

The Group’s activities involve the import and export of products. Any changes in the regulations covering such movements might impact the Group’s trading activities. Increasing geographical reach and continual expansion of the Group's customer base, particularly into Continental Europe, exposes it to a potentially wider set of regulatory restrictions. If the Group is unable to comply with, or react quickly enough to, any new regulation introduced, or changes made to existing regulations, it may lose customers, find it more difficult to win new customers or, in the worst case, lose the ability to distribute products into certain jurisdictions resulting in lost sales and profits.

Health and safety risk

As the Group’s product range expands, the risk of non-compliance with health and safety regulations increases. The Group places the greatest importance on maintaining the highest standards of health and safety compliance. Additional processes and actions are being undertaken to ensure this happens.

The Group's procedures comply with the requirements of ISO audits and detailed records are maintained to ensure that products are correctly stored and disposed of. However, to the extent that the Group is found not to be in compliance with such regulations, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Risks factors relating to the Fundraising

Warrants
A resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be allotted or issued.

Dilution
Shareholders may experience dilution in their proportionate ownership and voting interest in the Company as a result of the Fundraising and the exercise of the Warrants. Subject to certain exceptions, Shareholders in Restricted Jurisdictions will not be able to participate in the Open Offer and/or may otherwise need to observe applicable legal requirements or other formalities to enable them to apply for Open Offer Shares and Warrants and to receive and exercise any Warrants.

Valuation of shares
The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Volatility of share price
The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition, operating results or prospects. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Market perception
Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

General investment risks

Investment risk and AIM
The Existing Ordinary Shares are, and the New Ordinary Shares will be, admitted to trading on AIM rather than the Official List. The rules of AIM are less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment in shares on the Official List. AIM has been in existence since June 1995, but its future success and liquidity in the market for the Company's securities cannot be guaranteed. Investors should be aware that the value of the Existing Ordinary Shares and the New Ordinary Shares may be volatile and may go down as well

as up and investors may therefore not recover their original investment. The market price of the Existing Ordinary Shares and the New Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. On any disposal, investors may realise less than the original amount invested.

Legislation and tax
This announcement has been (and the Circular will be) prepared on the basis of current legislation, rules and practice and the advisers' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any changes in legislation, and, in particular, any changes to the basis of taxation, tax relief and rates of tax, may affect the availability of the relief.

Investors should consider carefully whether an investment in the Company is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

This list should not be considered an exhaustive statement of all potential risks and uncertainties.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS[(1), (2)]

	2023
Record Date for entitlements under the Open Offer	6.00 p.m. on 5 June
Release of this announcement	6 June
Ex-entitlement date for the Open Offer	8.00 a.m. on 6 June
Posting of the Circular and, to Qualifying Non-CREST Shareholders only, the Application Form[(3)]	6 June
Publication of notice of the Open Offer in the London Gazette	6 June
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders[(3)]	7 June
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST[(3)]	4.30 p.m. on 16 June
Latest time and date for depositing Open Offer Entitlements into CREST[(3)]	3.00 p.m. on 19 June
Latest time and date for splitting of Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 20 June
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)[(3), (4)]	**11.00 a.m. on** 22 June

Announcement of the result of the Open Offer	23 June
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 28 June
CREST Members' accounts expected to be credited in respect of New Ordinary Shares in uncertificated form(3)	28 June
Expected date of the 2023 AGM	30 June
Expected despatch of definitive share certificates for Warrants in certificated form(3), (5)	by 10 July
Expected despatch of definitive share certificates for New Ordinary Shares in certificated form(3)	by 12 July

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 an RIS.
2. All of the times above refer to London time.
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 Part 3 of the Circular).
4. In order to apply for Open Offer Shares and Warrants under the Open Offer, Qualifying Shareholders will need to follow the procedure to be set out in Part 3 of the Circular and, where relevant, complete the 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 during normal office hours on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131. 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.
5. Subject to, amongst other things, the Warrant Resolution being duly passed at the 2023 AGM.

FUNDRAISING STATISTICS

Closing Price per Ordinary Share(1)	6.75 pence
Issue Price per New Ordinary Share	5.05 pence
Basis of Open Offer	two Open Offer Shares and one Warrant for every three Existing Ordinary Shares(2)
Discount to Closing Price per Ordinary Share(1)	25.2 per cent.
Number of Ordinary Shares in issue(3)	181,066,637

Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising(2), (4)	120,711,091
Maximum number of Warrants to be issued	60,355,545
Maximum gross proceeds of the Fundraising(4)	£6.1 million
Maximum number of Ordinary Shares in issue immediately following Admission(4)	301,777,728
Percentage of Enlarged Share Capital represented by the New Ordinary Shares	40.0 per cent.
Estimated maximum net proceeds of the Fundraising(5)	£5.35 million
Maximum number of Ordinary Shares to be issued on exercise of Warrants(6)	60,355,545
Maximum proceeds receivable by the Company on exercise of Warrants(6)	£1.81 million
Percentage of Enlarged Share Capital represented by the New Ordinary Shares and the Warrants	50.0 per cent.
Ordinary Shares ISIN	GB0030508757
Ordinary Shares SEDOL	3050875
Open Offer Entitlements ISIN	GB00BN7K3M60
Open Offer Entitlements SEDOL	BN7K3M6

Notes:

1. Closing Price on the Latest Practicable Date.
2. Fractions of Open Offer Shares and/or Warrants 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 and/or Warrants (as the case may be).
3. As at the Latest Practicable Date.
4. Based on the number of Ordinary Shares in issue on the Latest Practicable Date and assuming that: (a) all of the New Ordinary Shares are issued; and (b) no other Ordinary Shares are issued following the Latest Practicable Date.
5. Based on the estimated expenses of the Fundraising and assuming all of the New Ordinary Shares are issued (excluding any Ordinary Shares which might be issued on the exercise of the Warrants).
6. Not exercisable prior to one year after the issue of the Warrants.

DEFINITIONS

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

"2022 AGM"	the Company's 2022 annual general meeting which was held on 21 June 2022
"2023 AGM"	the Company's 2023 annual general meeting which is expected to be held at 11.00am on 30 June 2023, notice of which is expected to be sent to Shareholders later today
"Admission"	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time)
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange (as amended from time to time)
"Application Form"	the personalised application form that will accompany the Circular on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares and Warrants under the Open Offer
"Board" or **"Directors"**	the directors of the Company whose names will be set out on page 7 of the Circular
"Business Day"	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
"certificated" or **"in certificated form"**	a share or other security not held in uncertificated form (that is, not in CREST)
"City Code"	the City Code on Takeovers and Mergers
"Closing Price"	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
"Companies Act" or the **"Act"**	Companies Act 2006 (as amended)
"Company" or **"FireAngel"**	FireAngel Safety Technology Group Plc, a public limited company incorporated in England and Wales with company number 03991353
"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)

“DC”	the Delivery Contract between Techem and the Company
"EEA"	the European Economic Area first established by the agreement signed at Oporto on 2 May 1992
"EEA State"	a state which is a contracting party to the agreement on the EEA signed at Oporto on 2 May 1992, as it has effect for the time being
"EMEA"	Europe, the Middle East and Africa
"Enlarged Share Capital"	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 (but no others, including any Ordinary Shares falling to be allotted on the exercise of Warrants) are issued
"Estimated Expenses"	the estimated expenses incurred in connection with the Fundraising, being £0.75 million, assuming all New Ordinary Shares are issued
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"Euros" or **"€"**	the single European currency unit
"EUWA"	the European Union (Withdrawal) Act 2018
"Exercise Window"	each of the following: (i) the 42 day window following the first anniversary of the date of issue of the Warrants; and (ii) the 42 day window following publication of the Company’s audited final results and unaudited interim results
"Existing Ordinary Shares"	the issued share capital of the Company as at the Latest Practicable Date, being 181,066,637 Ordinary Shares
"FCA"	the United Kingdom Financial Conduct Authority
"Final Exercise Date"	the third anniversary of the date of issue of the Warrants
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fundraising"	the Open Offer, the Placing and the Subscription
"FY17”	the Company’s financial year ended on 31 December 2017
"FY22"	the Company’s financial year ended on 31 December 2022
"FY23"	the Company’s financial year ending on 31 December 2023
"Gross Proceeds"	the proceeds from the issue of the New Ordinary Shares prior to the

	deduction of the Estimated Expenses, being £6.1 million
"Group"	the Company and its subsidiaries from time to time
"IoT"	Internet of things
"Issue Price"	5.05 pence per New Ordinary Share
"Latest Practicable Date"	5 June 2023
"London Stock Exchange"	London Stock Exchange plc
"Net Proceeds"	the estimated net proceeds from the issue of the New Ordinary Shares after the deduction of the Estimated Expenses from the Gross Proceeds
"New Ordinary Shares"	the Ordinary Shares to be issued in connection with the Fundraising (excluding any Ordinary Shares which might be issued on the exercise of the Warrants), being up to 120,711,091 new Ordinary Shares
“NGSA”	New Generation Smoke Alarm
“Official List”	the official list of the FCA
"Open Offer"	the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price and the Warrants on the terms and subject to the conditions to be set out in the Circular and, in the case of Qualifying Non-CREST Shareholders only, the Application Form
"Open Offer Entitlement(s)"	the *pro rata* entitlement of Qualifying Shareholders to subscribe for two Open Offer Shares and one Warrant for every three Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer
"Open Offer Shares"	up to 120,711,091 New Ordinary Shares for which Qualifying Shareholders are being invited to apply, to be issued pursuant to the terms of the Open Offer
"Ordinary Shares"	the ordinary shares of two pence each in the capital of the Company and "**Ordinary Share**" shall be construed accordingly
“Outstanding Amount”	will be as defined within paragraph 14 of Part 1 of the Circular
"Overseas Shareholders"	Shareholders with a registered address in or who are located and/or resident in or are a citizen of, in each case, a Restricted Jurisdiction
"Panel" or **“Takeover Panel”**	the Panel on Takeovers and Mergers
“PFSA”	the Production Framework and Supply Agreement between Techem, the Company’s long standing manufacturing partner, and the Company

"Placee"	any person that has conditionally agreed to subscribe for Placing Shares and Warrants, subject to clawback by Qualifying Shareholders under the Open Offer, pursuant to the Placing
"Placing"	the conditional placing, subject to clawback by Qualifying Shareholders under the Open Offer, of the Placing Shares and Warrants by the Company announced today
"Placing Shares"	up to 65,388,660 New Ordinary Shares which are the subject of the Placing
"PPV"	Purchase Price Variance
"Prospectus Regulation"	in relation to each EEA State, Regulation (EU) 2017/1129 and, in relation to the United Kingdom, Regulation (EU) 2017/1129 (as it forms part of UK domestic law by virtue of the EUWA) (as the context requires)
"Prospectus Regulation Rules"	the prospectus regulation rules published by the FCA under section 73A of FSMA
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at the Record Date
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date
"Record Date"	6.00 p.m. on 5 June 2023
"Registrars" or **"Receiving Agent"**	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
"Restricted Jurisdiction"	each and any of the United States, Australia, Canada, Japan, the Republic of South Africa and New Zealand
"RIS" or **"Regulatory Information Service"**	a Regulatory Information Service within the meaning given in the AIM Rules
"Securities Act"	the US Securities Act of 1933 (as amended)
"Shareholders"	holders of Ordinary Shares
"Shore Capital"	Shore Capital & Corporate and/or Shore Capital Stockbrokers, as appropriate
"Shore Capital & Corporate"	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
"Shore Capital	Shore Capital Stockbrokers Limited and, where the context allows, its

Stockbrokers"	affiliates, acting as the Company's broker, which is incorporated as a private limited company in England and Wales with company number 01850105
“Subscriber”	Ningbo Siterwell Electronic Import & Export Co. Ltd, which has conditionally agreed to subscribe for Subscription Shares and Warrants, subject to clawback by Qualifying Shareholders under the Open Offer, pursuant to the Subscription
“Subscription”	the conditional subscription, subject to clawback by Qualifying Shareholders under the Open Offer, by the Subscriber for the Subscription Shares and Warrants pursuant to the terms of the Subscription Letter announced on 5 June 2023
“Subscription Letter”	the letter agreement dated 5 June 2023 between the Company and the Subscriber relating to the Subscription Shares and Warrants
“Subscription Shares”	up to 55,322,431 New Ordinary Shares which are the subject of the Subscription
“Supply Agreement”	will be as defined within paragraph 14 of Part 1 of the Circular
"Techem”	Techem Energy Services GmbH
"uncertificated" or **"in uncertificated form"**	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
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"United States" or **"US"**	the United States of America
“US dollars” or **“US$”**	the lawful currency of the United States
“Warrant Resolution”	the ordinary resolution in the agreed form of holders of Ordinary Shares to authorise the directors of the Company to allot the Warrants as contemplated by the Fundraising
“Warrant Resolution Condition”	the passing of the Warrant Resolution at the 2023 AGM
"Warrantholder"	a registered holder for the time being of a Warrant or Warrants
“Warrants”	warrants, subject to the Warrant Resolution being duly passed, to subscribe for Ordinary Shares pursuant to the terms and conditions of the Warrant Instrument for which Qualifying Shareholders are being invited to apply, to be issued pursuant to the terms of the Open Offer, and which are also the subject to the Placing and the Subscription (subject to clawback by Qualifying Shareholders under the Open Offer)

"£", **"Pounds Sterling"**, **"sterling"**, **"Pence"** or **"pence"**	the lawful currency of the United Kingdom

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the City Code, the Company confirms that it has 181,066,637 ordinary shares of £0.02 each in the Company in issue. The International Securities Identification Number (ISIN) reference for these securities is GB0030508757. The Group holds no ordinary shares in treasury.

Publication on website

A copy of this announcement will be made available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on the Group's website at www.fireangeltech.com by no later than 12 noon (London time) on the business day following the date of this announcement. Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this announcement.