

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

Trading and Strategic Review Update

FireAngel (AIM:FA), a leading developer and supplier of home safety products, provides an update on trading in the year ended 31 December 2023 (the *'Year'*) and on its strategic review. The figures used in this announcement remain subject to audit.

Trading Overview

The Group expects to report sales for the Year of approximately £41.0 million, down 28.8 per cent. on the preceding year (2022: £57.5 million).

As anticipated, the measures taken by the Board to manage the trading challenges and significant inflationary pressures experienced, have come at the expense of a significant reduction in sales volume year on year.

Whilst the recent restructuring of its sales team will ensure that the Company is well positioned to build momentum in 2024, the changes have inevitably had some impact in the short term, particularly in UK Trade performance. International sales also remained comparatively depressed in H2 2023 as new legislation in Benelux in 2022, which had led to a surge in customer demand in the region for products during 2022, was not carried into 2023 as customers looked to reduce inventory intake.

Balance Sheet

Taking into account the net proceeds of £5.3 million received from the fundraising in June 2023, as at 31 December 2023, the Group had £3.1 million of net debt excluding IFRS16 lease liabilities (31 December 2022: £4.8 million) which comprised cash balances of £1.7 million, invoice discounting facility of £2.6 million and a CBILs loan of £2.2 million.

Strategic Review Update

Throughout H2 2023, the Group remained focused on the progress of the ongoing strategic review to return it to profitability as quickly as possible. This has included exploring all options available to realise value for shareholders.

Further good progress has been made by the new management team on refocusing the Company to recover sales performance and increase cash generation. The Board has been pleased with the significant improvement achieved to date in both operational and sales processes.

As previously announced, as a result mainly of poor historical sales forecasting and associated procurement, the Group had built up significant excess inventory. Good progress was made in H2 2023 in reducing the inventory to appropriate levels which resulted in a significant fall in inventory from £10.0 million at 30 June 2023 to £5.5 million as at 31 December 2023 (31 December 2022: £8.1 million).

As part of the ongoing strategic review, a review of all supplier relationships has also been a key area of focus, which has included the renegotiation of supplier contracts to better reflect the current volume demand and management of stock. As previously announced, this also included the termination of the manufacturing contract with a key supplier and both parties continue to work together to ensure a smooth exit.

Over the course of H2 2023, the Group continued to make further progress on the development and delivery of a series of key investment initiatives, which it expects to underpin the longer-term recovery in Group sales and profitability. The Company's partnership with Techem Energy Services GmbH ("**Techem**") continued to progress well during the year. The Group has completed six (of ten) contractual milestones on schedule. Initial shipments of the next generation smoke alarm being developed for Techem are expected to commence in late 2024 and be significantly cash generative for the Group thereafter.

The Group has also invested over £2.8 million to date into its new Home Environment Gateway product. The Board believes the solution will significantly enhance the Company's position in the UK Trade market by allowing inter-connected capability within and between connected premises. In addition, it extends functionality into the

damp and mould detection market with full monitoring capability. Good progress continues to be made and launch is expected to be in Q2 2024.

Update on the recommended cash offer for FireAngel by Intelligent Safety Electronics Pte. Ltd ("ISE")

On 27 October 2023, the boards of ISE and FireAngel announced that they had reached agreement on the terms and conditions of a recommended cash offer to acquire the issued and to be issued share capital of FireAngel not already owned or controlled by ISE (the "Offer"). ISE is a company incorporated in Singapore and is wholly-owned by Siterwell Electronics Co., Ltd ("Siterwell"), a leading manufacturer of intelligent security protection for life and property which utilises an advanced smart security ecosystem technology. ISE currently holds approximately 17.46 per cent. of FireAngel's issued share capital.

The Offer is conditional upon, among other things, satisfaction of a condition relating to a material official authorisation or regulatory clearance, in this instance being the National Security and Investment Act 2021 (the "Act"). As announced on 21 December 2023, the Secretary of State has written to ISE and FireAngel to inform them that it has considered the notification made by ISE under the Act in relation to the Offer and has chosen to issue a call-in notice.

In accordance with section 23 of the Act, the Secretary of State has 30 working days to carry out its assessment; if it is not possible to complete the assessment within this time, the Secretary of State may extend the assessment period by a further 45 working days. These timelines are subject to extension where an "Information Notice" or "Attendance Notice" is issued by the Secretary of State. Any extensions beyond this point would be by agreement with ISE.

As such, the Offer timetable remains suspended and, in accordance with Rule 31.4(b) of the City Code on Takeovers and Mergers, will resume on the date on which the last condition relating to a relevant official authorisation or regulatory clearance is satisfied or waived, which date will then become the 28th day prior to Day 60 of the revised Offer timetable. A further announcement will be made in due course.

On 25 January 2024, the Group announced it had drawn down, and received from ISE, £1.0 million, which it proposes to use for general working capital purposes. The availability of the Facility was subject to the Offer not being completed by 31 December 2023 or having been withdrawn, lapsed or terminated and it continuing to be recommended by the directors of FireAngel and usual events of default not continuing. The draw down is in accordance with the terms of the facility as detailed in the announcement of the 27 October 2023.

ENDS

For further information please contact:

FireAngel Safety Technology Group plc 024 7771 7700
Neil Radley, Chief Executive Officer
Zoe Fox, Chief Finance Officer

Shore Capital (Nominated Adviser and Broker) 020 7408 4050
Tom Griffiths / David Coaten / Tom Knibbs

PwC (Financial Adviser) 020 7583 5000
Iain Reilly / Jon Raggett / Marcela Salgado Escalante

Houston (Financial PR) 0204 529 0549
Kate Hoare / Kelsey Traynor / Ben Robinson

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