

3<sup>rd</sup> May 2017

# PhotonStar LED Group Plc

## Placing to raise £465,000

PhotonStar LED Group Plc (AIM: PSL, "PhotonStar" or "the Company"), the British designer and manufacturer of intelligent lighting and building control solutions is pleased to announce that it has raised gross proceeds of £465,000 via the placing of 37,200,000 new ordinary shares (the "Placing Shares") with existing investors and Directors of the Company at a price of 1.25p per Placing Share (the "Placing Price") (the "Placing"). The Company recently obtained EIS Advance Assurance and VCT Advance Assurance, as such 22,885,280 Placing Shares will qualify for EIS/VCT relief.

The Placing has been undertaken by the Company's broker Northland Capital Partners Limited and, up to and including the closing price of 2.85p on 2 May 2017, the Placing Price represents a 64.7% premium to the Company's average 30 day closing price since 3 April 2017. In addition, the number of Placing Shares being issued fully utilises the Company's existing authorities for the disapplication of pre-emption rights for a cash placing.

### Use of Proceeds

The net proceeds of the Placing will be used to fund the proposed roll out of the halcyonPRO2 and its halcyon CloudBMS platform as per the announcement of 28 April 2017. The net proceeds will also provide the Company with additional working capital.

### Admission of the Placing Shares

The Placing Shares represent approximately 16.5% of the Company's issued share capital as enlarged by the Placing. The Placing shares will rank *pari passu* with the Company's existing ordinary shares of 1p each ("Ordinary Shares"). Application will be made for the Placing Shares to be admitted to trading on AIM ("Admission") and it is expected that such Admission will become effective on or around 9 May 2017.

### Director's Participation and Related Party Transaction

Certain Directors have agreed to subscribe for Placing Shares in the Placing at the Placing Price as per the table below (the "Directors Participation"):

Director	Number of Ordinary Shares pursuant to Placing	Beneficial shareholding following Placing	Percentage of Ordinary Shares as enlarged by the Placing
James McKenzie*	2,281,815	18,175,278	8.1%
Majd Zoorob	960,000	12,238,569	5.4%

<b>Total</b>	<b>3,241,815</b>	<b>30,413,847</b>	<b>13.5%</b>
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\*Figures include Ordinary Shares held by Mrs F McKenzie, who subscribed for 800,000 Placing Shares at the Placing Price.

In addition, Walker Crips plc ("Walker Crips"), on behalf of its clients, is subscribing for 16,442,185 Placing Shares (the "Walker Crips Subscription"). Following Admission Walker Crips will, on behalf of its clients, have an interest in 38,408,063 Ordinary Shares, representing 17.1% of the Company's issued share capital as enlarged by the Placing.

Walker Crips is currently a substantial shareholder in the Company. As such the Walker Crips Subscription and the Directors Participation are considered to be related party transactions pursuant to AIM Rule 13.

Jonathan Freeman, the Company's Chairman, is considered to be an independent director for purposes of AIM Rule 13. As such, the Company's independent director, having consulted with the Company's nominated adviser, considers the Walker Crips Subscription and the Directors Participation to be fair and reasonable insofar as the Company's shareholders are concerned.

### **Total Voting Rights**

Following Admission, there will be 225,158,220 Ordinary Shares in issue. The figure of 225,158,220 Ordinary Shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Photon Star under the Disclosure and Transparency Rules.

### **2016 Annual Results**

As previously announced, PhotonStar expects to release its full year results for the year ended 31 December 2016 before the end of May 2017.

**Dr James McKenzie**, CEO of PhotonStar, said:

*"We are very grateful for the continuing support that the Company's existing shareholders have shown with regards to this Placing. As detailed in January's Trading Update, the Company experienced challenging trading conditions during the second half of 2016, which continued during the first quarter of 2017. However, following the Company's participation at the IBM InterConnect 2017 Conference in March, management have felt more confident about the Company's prospects for 2017 and beyond. This sentiment was further endorsed by the letter of intent PhotonStar recently received from a key customer regarding the proposed roll out of the halcyonPRO2 and its halcyon CloudBMS platform, which has been well received by the market. A period of hard work lies ahead, but this Placing allows PhotonStar to look forward to securing purchase orders relating to the proposed Halcyon roll out with renewed optimism."*

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

**For further information:**

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**About PhotonStar LED Group Plc**

PhotonStar LED Group Plc is a leading British designer and manufacturer of intelligent lighting and building control solutions. The Group's proprietary technology halcyon™ is a scalable, secure wireless IoT and cloud based platform for retrofit into commercial buildings, for energy reduction, asset monitoring & control, and real time environmental, behavioural and energy insights.

PhotonStar is based in Romsey, Hampshire with a manufacturing facility in Wales.