

2nd May 2018

PhotonStar LED Group Plc

PhotonStar announces successful £450,000 fund raise following the close of the Accelerated Bookbuild.

PhotonStar LED Group Plc (AIM: PSL, "PhotonStar" or "the Group"), the British designer and manufacturer of intelligent lighting and building control solutions, is pleased to announce that further to the announcement made earlier today entitled "Release of Halcyon V2 and Accelerated Bookbuild ", the Bookbuild has now closed.

The Group has raised a total of £450,000 (before expenses) by way of an issue of 150,000,000 new Ordinary Shares (the "New Share Placing") at the Placing Price of 0.3p (the "New Placing Shares") to new and existing investors. The New Share Placing utilises the majority of the Group's existing authority to issue Ordinary Shares.

Key highlights:

£450,000 million (before expenses) raised for the Group via a placing of New Placing Shares:

- New and existing investors have participated in this New Share Placing; and
- Photonstar has raised these additional funds via the Bookbuild in order to:
 - further strengthen the Company's balance sheet; and
 - support the Group as it continues the market development of Halcyon V2.

Related Party Transaction

Walker Crips plc ("Walker Crips"), on behalf of its clients, is subscribing for 42,666,667 New Placing Shares (the "Walker Crips Subscription"). Following Admission Walker Crips will, on behalf of its clients, have an interest in 98,305,007 Ordinary Shares, representing 13.4% of the Group's issued share capital as enlarged by the New Share Placing.

Walker Crips is currently a substantial shareholder in the Group and therefore a related party. As such the Walker Crips Subscription constitutes a related party transactions pursuant to AIM Rule 13.

PhotonStar's Directors, having consulted with the Group's nominated adviser, consider the Directors Participation and the Walker Crips Subscription to be fair and reasonable insofar as the Group's shareholders are concerned.

Broker Warrants

In connection with the New Share Placing, the PhotonStar has also agreed to grant Peterhouse Capital Limited warrants over 15,000,000 Ordinary Shares (the "Broker Warrants"). Each Broker Warrant entitles the holder to subscribe for one Ordinary Share at an exercise price of 0.3p pence per Ordinary Share and will be exercisable at any time for a period of one year from the date of grant.

Admission and Total Voting Rights

The 150,000,000 New Placing Shares will rank *pari passu* with the Group's existing Ordinary Shares. Application will be made for the New 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 2018.

Following Admission, the Group will have a total of 733,554,467 Ordinary Shares in issue with each Ordinary Share carrying the right of one vote. The above figure may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or change to their interest in, the Group under the FCA's Disclosure and Transparency Rules.

Unless otherwise indicated, all defined terms in this announcement shall have the same meaning as described in the "Release of Halcyon V2 and Accelerated Bookbuild" announcement which was made earlier today.

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 & building control solutions. The Group's proprietary technology Halcyon™ is a scalable, secure wireless IoT 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.