

## **Strictly Private and Confidential**

FAO: Ordinary A Shareholder of Afon Technology Limited (“Afon” or “Company”)

11<sup>th</sup> June 2020

Dear Shareholder,

I hope that you and your family are well.

I wanted to give you a brief update on the progress of the project during the recent difficult months.

Although all the staff have been working from home, we have tried to minimise the impact of Covid-19 by way of rearranging our work activities to limit the disruption. So far this has worked out in our favour and over the next few weeks we will be looking at easing the team back into the office whilst observing the government guidelines.

Given the understandable disruption to our supply chain caused by the Government demands for ventilators, we had planned to start testing on the first-pass of our boards during this month. As it stands and barring any further external setbacks, we still expect to meet these timelines.

Although Covid-19 has totally disrupted our plans to carry out clinical trials at the NHS site in South Wales, we have had more positive news from Profil, the test facility in Germany, which has been allowed to operate and continue with clinical trials during this period. With this in mind and in preparation for the easing of the lock-down measures, we have submitted documentation to obtain the necessary regulatory approvals in order to carry out a short clinical trial at Profil. We have already received the first stage of the approval from BfArM (the German Regulatory Body) and anticipate receiving the full ethics approval by 24<sup>th</sup> June with a view to starting the trial on 3<sup>rd</sup> July. I intend to be in a position to share with you the results and analysis of the trial in early September.

We are in discussions with three of the global wearable tech companies who have expressed an interest in our technology. You will understand that I cannot name them due to confidentiality agreements in place. Nonetheless I can say that we have received very exciting and complimentary feedback from one of the companies in particular, who have stated that of all the companies and technologies that they have investigated in the rf/microwave sector, we are the best in class. Our development plans and strategy are aligned with their plans. They, together with the other companies are very keen to re-engage with us after the upcoming trial.

With regards to the fundraising, I would like to thank you for your continued support with this project and anticipate closing the full £2m (Tier 2a) raise by the end of June. The current Articles of Association need to be amended to reflect the increase in the A shareholding and changes to the rights attaching to shareholder returns as a consequence of this and any future fundraises. We intend to hold a class meeting of the A shareholders using Zoom or similar, where you will be asked to vote to approve such changes and enable the Company to adopt the new articles. Details of the meeting together with information relating to shareholders appointing a proxy and details of the amendment, will be circulated in the next week.

Finally, I would like to wish you and your loved ones safe keeping during these unchartered times.



**Sabih Chaudhry**  
CEO

**For and on behalf of the board of directors of Afon Technology Ltd.**

Follow us on Twitter and LinkedIn by pressing CTRL + Click on the icon below:

