

Light Science Technologies Holdings plc

("LSTH", the "Company" or the "Group")

Acquisition of Tomtech

Earnings enhancing and complementary addition, further strengthening the Group's product range and market reach

Light Science Technologies Holdings plc (AIM: LST), the controlled environment agriculture ("CEA") technology and contract electronics manufacturing ("CEM") group, announces the Group earnings enhancing acquisition of Tomtech (UK) Limited ("Tomtech"), a UK leader in the design, manufacture and installation of monitoring and control systems for commercial greenhouses and polytunnels, for a total cash staged consideration of £500,000 (the "Acquisition").

The initial cash outlay, payable immediately, is £75,000, with the remaining payments being staged and deferred over the next 30 months. As at 31 December 2022, Tomtech's balance sheet included cash in excess of £140,000 and is currently c.£284,000.

Highlights

- Addition of new CEA revenue streams to the Group
- Well-established business which has been operating for over 35 years (initially as a sole trader, before incorporating as a limited company in 2011)
- Complementary product range with Artificial Intelligence ("AI") opportunities
- Growing revenues with a proportion of recurring sales on maintenance contracts
- Strong commercial and operational synergies with the Group's existing offering
- Loyal CEA customer base across the UK and Ireland
- Immediately Group earnings enhancing in the current reporting period

Rationale

Since launching its first products into the CEA market over 35 years ago, Tomtech has established itself as a UK leader in the design, manufacture and installation of monitoring and control systems for commercial greenhouses and polytunnels, helping growers optimise and automate their cultivating environments, resulting in superior crop growth.

Tomtech's product range incorporates control systems and software, irrigation, lighting, sensors and venting. Its systems can be used across multiple crops in glasshouses and other horticultural environments. Additional long-term recurring revenues are generated via maintenance, servicing, and software contracts.

Tomtech's business closely complements LSTH's existing CEA offering and will sit within the Group's CEA division post-acquisition, further strengthening its standing within the CEA market place.

Tomtech currently has over 160 live customers - including commercial growers in agriculture, horticulture and floriculture segments as well as universities and public authorities. It has traded profitably for the last four years. For the year ended 31 December 2022, Tomtech reported unaudited profits before tax of c.£79,000 on sales of c.£680,000, of which c.£49,000 was recurring revenue. As at 31 December 2022, Tomtech had net assets of c.£145,000, including c.£141,000 in cash.

Increased Opportunity

The addition of Tomtech's product range will further enhance the Group's market reach and cross selling capabilities, creating a more holistic offering. By utilising the Group's digital platforms, the enlarged business

will be able to take advantage of growing demand for AI in control systems - supporting precision farming with increased digitisation as growers target more control over crops to sustain and improve yields and profitability.

Rising popularity of the Internet of Things ("IoT") devices and AI solutions is expected to drive demand with the combined technologies of the enlarged Group, providing a comprehensive product range and set of solutions for growers. The enlarged technology platform and integrated offering will enable the Group to tailor services for existing and new clients. Over 450 clients have been serviced by Tomtech since the business was incorporated, providing a significant springboard for the Group to target new business opportunities both domestically and globally.

Terms of the Acquisition

LSTH has entered into a share purchase agreement with Susan Elizabeth Thompson, under which, the Company has agreed to acquire the entire issued share capital of Tomtech for consideration of £75,000 in cash immediately and a further £425,000 in cash of deferred consideration, which is payable in stages - with equal payments of £75,000 being paid after 6, 12, 18 and 24 months and a final payment of £125,000 being paid after 30 months of completion of the Acquisition.

The consideration will also include an adjustment (the "Completion Adjustment"), to reflect Tomtech's final cash balance on completion, once agreed. If it is below £150,000, the seller shall refund to the Company such amount below that figure, while if it is above £185,000, the Company shall pay to the seller additional consideration equal to such amount above that figure, subject to agreed deductions, totalling c.£25,000. The Completion Adjustment is expected to be a maximum of £75,000, payable by the Company to the seller, post-acquisition.

All of the Tomtech employees will continue to be employed by the Group following the Acquisition and appropriate incentivisation arrangements are intended to be put in place.

Simon Deacon, Chief Executive Officer of LSTH, commented *"We are delighted to have completed our first acquisition since joining AIM. Tomtech has an excellent team and reputation with its clients and we believe their range of products and technology know-how will further enhance our industry reach and standing. Bringing Tomtech's 35 years of experience into the Group's CEA division enables us to provide an important turnkey solution to our customers, providing the technology they need to control the cost of growing, increasing yields and growing all year round. Acquiring Tomtech enhances our ability as a group to take our products worldwide, offering a full range of products, which sets us apart from our competitors in this very important time for the CEA market where we are seeing extreme weather patterns worldwide affecting our food security.*

"Bringing Tomtech into the Group will further strengthen our position. The team's added understanding of the requirements of growers in all areas of the Industry from glasshouses and polytunnels to hybrid growing environments in vertical growing, will be a big asset to the enlarged Group. We are looking forward to working with the team to strengthen our CEA division not just in revenue terms, but also the additional support to grow our partnerships around the world and to broaden our reach."

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

2022/2023, comprising part of an announcement by virtue of the European Union (Financially, 1st 2020, 2021/2022).

About Light Science Technologies Holdings plc (www.lightsciencetechnologiesholdings.com)

Light Science Technologies Holdings plc is the holding company of the Group's controlled environment agriculture ("CEA") division, Light Science Technologies Ltd ("Light Science Technologies"), and its contract electronics manufacturing ("CEM") division, UK Circuits and Electronics Solutions Limited ("UK Circuits").

Controlled Environment Agriculture

Light Science Technologies was founded in 2019 and is the Company's grow lights and sensor technology business, providing bespoke recipes and technologies tailored to customers' needs - with key targets including indoor, vertical, glasshouses, polytunnels and medicinal farming markets. The all-in-one CEA solution will include analysing customers' crop growing requirements to provide bespoke, low-energy and sustainable equipment.

Market drivers include food and water shortages in many parts of the world; growing global population; UK and other government policy encouraging sustainable and efficient growth methods; increased scrutiny of the effect of food production on climate change and the continuing transition away from processed foods.

sensorGROW

sensorGROW was launched in June 2022 and its technology will enable farmers to monitor the following key air zone growing factors in real-time: carbon dioxide levels, humidity, light, oxygen - and in the future: air speed, plant disease, soil, temperature and water pH levels. By monitoring these key growing factors, farmers can save money through better management of resources: water, nutrients, fertilisers and energy - while increasing yields and producing healthier crops.

nurturGROW

nurturGROW is a sustainable grow lighting product range, offering an innovative, high-performance and cost-effective solution for indoor farming, covering greenhouses, vertical farming, polytunnels and medicinal plants.

Created with four core component parts, the nurturGROW range is made of high quality, durable materials to give growers the ideal balance between strength and optimal performance, minimising the amount of materials needed to drastically cut down on waste and reduce carbon footprint.

Tomtech

Tomtech was established in 1986 as a sole trader and incorporated as Tomtech (UK) Limited in 2011. Since then, it has become a UK leader in control systems for commercial greenhouses and polytunnels. Since launching its first product over 35 years ago, it has been at the forefront of the sector, providing innovative and effective products and solutions.

It now provides comprehensive solutions to customers helping them create, monitor and maintain an optimised cultivating environment within glasshouses and other horticultural spaces. Its sensors monitor temperature, humidity, light, carbon dioxide, pH, nutrients and more - whilst its intelligent systems help control irrigation, fertigation, dosing, ventilation, light and more.

Its highly adaptive systems are used throughout the UK and Ireland to optimise growing conditions for multiple types of crops grown within commercial greenhouses and other horticultural environments.

Contract Electronics Manufacturing

UK Circuits is the Company's CEM focussed division, profit making with strong revenues. The Group designs, procures, and manufactures high-quality CEM products, specialising in Printed Circuit Boards, which are used in a range of sectors including audio, automotive, electronics, gas detection, lighting, pest control, telecommunications and, more recently, the CEA market.

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