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Light Science Technologies Holdings plc
("LSTH", "Light Science", the "Company" or the "Group")

Trading Update

Light Science Technologies Holdings plc (AIM: LST), comprising three divisions: controlled environment agriculture ("CEA"); contract electronics manufacturing ("CEM") and passive fire protection ("PFP"), is pleased to provide a trading update for the six months ended 31 May 2024 (the "Period").

Financial Highlights

Revenue for the Period is expected to be c.£5.2m (H1 2023: £4.4m), up by approximately 19.3% year-on-year, with consistent growth through all divisions of the business.

Year-on-year Group gross margins are expected to grow significantly to c.26.5% (H1 2023: 20.9%), up by approximately 27.0%. This represents a gross margin growth of approximately 13.5% from the full prior year of 23.4% (FY 2023).

Trading is expected to be reported as EBITDA positive during the Period (H1 2023: £494,000 EBITDA loss)*, with comparative Group net losses for the Period more than halved to c.£334,000 (H1 2023: loss of £809,000), resulting from the increasingly strong-margin sales mix.

Furthermore, the Group's working capital position is benefiting from increased gross profit generation, coupled with a continuing drive for overhead cost control throughout the Group. In May 2024, the Group completed an enhancement of its debt facilities with Close Brothers, its long standing lender, extending to group-wide financing, underpinned by an additional £850,000 facility, resulting in an increase to the Group's financial resilience.

As expected, the relative performances of the CEA and PFP divisions were strong (albeit from relatively low comparative bases) following the respective acquisitions of Tomtech and Injecta Fire Barrier's trade and assets in the second half of the previous financial year.

Operational Highlights

Focus during the Period was on continuing the solid momentum achieved during FY 2023, with new orders secured across all three divisions and the Group's commercial development and pipeline progressing strongly. The Group's total quoted sales pipeline currently amounts to over £47m, with a committed orderbook currently worth nearly £5m, per the summary below.

	Point in time	CEM	CEA	PFP	Total
Expected Recognised Revenue (approximately) (£)	For the Period	4,525,000	375,000	300,000	5,200,000
Committed Forward Order Book (approximately) (£)	Today	3,600,000	160,000	935,000	4,695,000

LSTH has positioned itself for further growth, recently restructuring its Board and adding further industry, commercial and operational expertise - with the appointment of a new Business Development Manager for the CEM division and the post-Period addition of a Managing Director for the PFP division.

CEM Division

Key contracts won during the period included a new client in the sports entertainment segment, initially valued at £130,000, with significant potential for follow-on revenue in this new sector. Sales for the Period are expected to total c.£4.5m - an increase of c.4% compared to H1 2023 (c.£4.3m), with a committed order book currently valued at c.£3.6m.

CEA Division

Significant strides have been made within the CEA division. The exclusive distribution agreement with AgriLogiq in South Africa further enhanced the Company's global reach, with the Company focusing on low cost and low risk entry into expected high-growth markets with established partners. This strategy is proving fruitful - with the Company already quoting for a

significant sized project in South Africa.

Commercial sales within the division (enhanced by cross-selling opportunities between Light Science Technologies and Tomtech) were supplemented by further grant funding - with the award of a grant worth £188k, funded by the Department for Environment, Food and Rural Affairs (Defra). CEA sales for the Period are expected to total c.£375,000, highlighting the benefits of the Tomtech acquisition and the improving conditions within the sector. The current committed order book is valued at c. £160,000.

In addition, SensorGrow's first outdoor trials took place in open fields in partnership with Dyson Farming as part of the Transformative Reduced Input Potatoes (TRIP) project - providing exposure to the open agriculture sensor market which is expected to be worth over \$3.84 billion by 2028**, while also providing scope for the Company to grow recurring revenues via hardware and software sales.

PFP Division

Following the acquisition of the trade and assets of Injecta Fire Barrier in November 2023, as expected, this division has started generating revenues and is providing good visibility with a strong pipeline.

PFP sales for the Period are expected to total c.£300,000, with this division providing a new strong-margin revenue line for the Company. The division has received orders worth in excess of £1.35m since being established, and with a committed order book currently standing at c. £935,000, this division is well positioned within a growth market. The near-term cash-generative nature of its operations is expected to underpin further balance sheet strength.

Outlook

The CEM division continues to generate steady, solid-margin revenues and is benefiting from recent positioning to handle larger volume projects and take advantage of wider market trends and the move away from Far East manufacturing - with the Company expecting to see increased demand for local manufacturing in the UK.

The CEA landscape is materially improved, despite residual headwinds, and the Board is confident that it remains the most significant long-term growth opportunity for the Group. The focus is currently on growing the international reach of the division, selling into the regions in most immediate need of innovative control systems to combat declining global growing conditions. Negotiations with targeted global partners are currently in progress and the Company expects to complete further regional strategic distribution partnerships in due course.

PFP represents the most immediate route to significant revenue growth, targeting the growing fire safety retrofit market in the UK, which has been estimated to be valued up to a potential of £50 billion***. Since the inclusion of the PFP division into the Group in November, it has secured contracts totaling over £1.35m and has an active quoted sales pipeline in excess of £8.5m with an opportunity for follow on work with its live contracts.

* EBITDA is not presented within the Company's financial statements but has been calculated by Company management from disclosures within those reports

**[Agriculture Sensor Market Size, Share, Growth And Industry Forecast 2024-2034 \(thebusinessresearchcompany.com\)](https://www.thebusinessresearchcompany.com)

*** [Estimators price cladding replacement at 10 times government budget \(theconstructionindex.co.uk\)](https://www.theconstructionindex.co.uk)

Simon Deacon, Chief Executive Officer at LSTH, commented: *"LSTH entered the period with a strong platform for growth and a realigned cost base having successfully navigated considerable global pressures. I am delighted to say that from that base we have seen significant progress - with strong revenue growth and a healthy committed order book, which is expected to increase in the coming months, currently worth nearly £5m, underpinning our goal of becoming an operationally self-funded, cash backed, group. As such, we are delighted to see a further reduction in losses, with the Company expected to report a positive EBITDA during the Period, for the first time in its history.*

"The addition of Dr Graham Cooley and Richard Mills to our Board has given us an enormous pool of experience from which we can draw and has already had an impact on both our sales pipeline and corporate activity. In conjunction, we've seen improving performances across our divisions. PFP is now adding meaningful revenues, CEM has expanded into new markets, and CEA is strengthening through international partnerships and Tomtech revenues, more of which will also be recognised in H2.

"We aim to continue this trend and build on the strong start we've seen to the second half of our financial year. The Board expects to see continued momentum in PFP and CEM, and further international expansion of the CEA division."

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Notes to Editors:

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

Light Science Technologies Holdings plc operates through three divisions: controlled environment agriculture ("CEA"); contract electronics manufacturing ("CEM"); and passive fire protection ("PFP"). The company is involved in the design, manufacturing, and installation of products and customized solutions spanning various industry sectors, including commercial horticulture, pest control, lighting, audio, gas detection, and fire protection. With a focus on addressing global challenges related to food security, climate change, and fire protection, the Group is committed to developing robust solutions in these rapidly growing market sectors.

LSTH is the holding company for Light Science Technologies Ltd ("Light Science Technologies") and Tomtech (UK) Limited ("Tomtech") in the CEA division; UK Circuits and Electronics Solutions Limited ("UK Circuits") in the CEM division; and LSTH IFB Limited ("LSTH IFB") in the PFP division.

Controlled Environment Agriculture

The Group's tailored solutions encompass control systems, grow lights, sensor technology, venting, and irrigation systems, catering to both UK and global customers. Key markets include indoor, vertical, glasshouses, polytunnels, and medicinal farming. Driving factors comprise global food and water shortages, a growing population, government policies promoting sustainable growth methods, heightened scrutiny of food production's impact on climate change, and a shift away from processed foods. Key markets span the Americas, Australasia, and select locations in the Middle East.

The sensorGROW technology enables real-time monitoring of essential air zone growing factors such as carbon dioxide, air humidity, air pressure, air temperature, and light. In development, it aims to extend monitoring to soil temperature, soil moisture, and soil electroconductivity. This empowers farmers to enhance resource management, saving costs on water, nutrients, fertilizers, and energy, while simultaneously increasing yields and cultivating healthier crops. Learn more here <https://lightsciencetech.com/sensorgrow/>. The nurturGROW sustainable grow lighting product range, applicable to greenhouses, vertical farming, polytunnels, and medicinal plants, addresses a robust market with an anticipated global worth exceeding US\$6.5 billion by 2026. Explore solutions here <https://lightsciencetech.com/solutions/greenhouse/>

Through Tomtech, the Group stands out as a UK leader in control systems for commercial greenhouses and polytunnels. Tomtech enables growers in optimizing and automating cultivation environments, leading to superior crop growth. The product range includes control systems, software, irrigation, lighting, sensors, and venting, applicable across various crops, ultimately improving yields and profitability. Discover more here <https://www.tomtech.co.uk/>

Contract Electronics Manufacturing (<https://www.ukcircuits.co.uk/>)

UK Circuits serves as the Group's profitable and revenue-strong CEM-focused division. It excels in designing, procuring, and manufacturing high-quality CEM products, with a specialization in Printed Circuit Boards. These products find application across diverse sectors such as audio, automotive, electronics, gas detection, lighting, pest control, telecommunications, and, more recently, in the CEA market.

Passive Fire Protection (<https://injectafirebarrier.com/>)

LSTH IFB offers a practical and cost-effective solution to rectify non-compliant public and private buildings, spanning residential, commercial, and industrial sectors, with regard to fire safety regulations-a challenge addressed by a £5.1 billion allocation from the UK government. Serving as the UK's premier independent approved installer, LSTH IFB utilizes the groundbreaking Injectaclad fire-resistant graphite barrier system. This system is retroactively installed within building cavities, reinstating fire-resistant performance and containing the spread of fire and smoke compliant with regulatory requirements. This innovative solution stands out as an appealing alternative to the more costly and disruptive method of removing external facades and installing traditional fire barriers. With a proven track record in the passive fire protection market and a robust sales pipeline, LSTH IFB targets a UK market potentially valued at up to £50 billion*.

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