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

Trading Update

Strong margin and revenue growth with profitable trading during H2

- Record Group revenues
- Higher margin business mix
- Continued momentum towards cash flow positive trading
- Improved Group cash and debt funding headroom position (H1 2024 end to FY 2024 end)

Light Science Technologies Holdings plc (AIM: LST), comprising three divisions: Controlled Environment Agriculture ("CEA"); Contract Electronics Manufacturing ("CEM"); and Passive Fire Protection ("PFP"), announces a trading update for the 12 months ended 30 November 2024 (the "Period").

Financial Highlights (Unaudited, subject to confirmation through 2024 audit)

Group revenue increased by approximately 29% to c.£12.0m for the Period (2023: £9.3m), underpinned by strong trading across all divisions. Gross margins grew to c.28.0% (2023: 23.4%), with losses for the Period reducing substantially to c. £0.2m (2023: £1.1m loss). Group cash at the end of the Period was an improved c.£1.2m (H1 2024: £1.1m) with additional undrawn funds availability of c.£0.7m (H1 2024: £0.5m) under debt facilities with Close Brothers. Importantly, the business was net profitable during H2 2024, and management is expecting to sustain this momentum in FY 2025.

Increasing levels of order book conversion and, as expected, growing contributions from CEA and PFP ensured positive movement across all of the Company's key trading metrics.

Operational Highlights

Revenues from the CEM division grew by approximately 5% to c.£9.5m with continued strong traction from sports entertainment, highlighting the benefits of the Company's investment in this division. CEM is positioned to benefit from increased automation and positioning to handle larger volume projects, which will help to further drive margin growth.

The CEA division generated revenues of c.£0.8m - up approximately 250% year-on-year, further building on half-year revenues of c.£0.4m - highlighting increased traction and the benefits of the Tomtech acquisition, which is helping drive increased cross selling opportunities. Additionally, distribution agreements are enabling low cost and low risk entry into expected high growth markets globally. As the sector advances, the Company anticipates that its sensor technologies will become relevant across a significantly broader range of markets. Beyond its current applications in Controlled Environment Agriculture (CEA) and broadacre farming, the Company sees potential for its technologies to address critical needs in environmental monitoring, fire protection, water management, and more. This expansion would allow the Company to serve a diverse array of industries, enhancing its reach and impact.

The PFP division contributed c.£1.8m in sales, establishing an entirely new revenue stream for the Group, which has grown rapidly, having generated revenues of c.£0.3m during H1. This division is already seeing strong demand through repeat orders and follow-on contracts from existing customers, which supports higher visibility of future revenue. With growth supported by legislative backing and the recent investment in new machinery, PFP is well-positioned to leverage its momentum and enhance the Group's near-term cash generation.

Outlook

As previously highlighted, the Company is well positioned to generate increasing levels of revenue from the CEA and PFP divisions, building on the strong progress achieved during the Period. This is expected to further enhance Group margins and is part of the previously highlighted rebalancing of the portfolio and sales mix.

With increased visibility across PFP and CEA and a strong and growing quoted pipeline - valued at over £50m, the focus remains on increased levels of conversion, as the Group trends towards profitability.

Importantly, the increased margin and revenue growth opportunity afforded by CEA and PFP will help offset a potential reduction in revenues within the CEM division during the next financial year, given current uncertainty on timing of the Company's largest customer within the pest control market bringing one of its product lines to end of life. As management continues to rebalance the business and cost base, the combination of growth outside of the pest control market within the CEM division with further strong contributions from PFP and CEA and improving margins, is expected to offset the effect of any potential revenue reduction.

As such, management is confident that the business remains well placed to achieve continued growth and its objectives of net profitability and being operationally self-funded.

Strategic Growth through Acquisitions and Organic Expansion

The success of the PFP division, alongside the acquisition of TomTech in the CEA division, demonstrates management's effective strategy of identifying and integrating acquisitions that also foster organic growth. This dual approach enhances

effective strategy of identifying and integrating acquisitions that also foster organic growth. This dual approach enhances the Group's ability to capture opportunities, strengthen market presence, and deliver sustained growth.

Capital Markets Day

The Company will be hosting a Capital Markets Day in Q1 2025. The event will be an opportunity to learn more about LSTH and its product portfolio, recent progress, financials and outlook. The team will also provide commentary on market trends and the broader opportunity, with participation from management as well as clients and collaborators.

The Company will provide further detail in due course.

Simon Deacon, CEO of LSTH, commented: *"Our key focus is on continuing the profitability we have seen in H2 with increasing levels of margin contributions from PFP and CEA; and by realising further efficiency gains across the Group.*

"We are an innovative business, and management has worked hard to stabilise and scale operations within growth markets. We believe that we are positioned to generate increasing levels of recurring revenue and cash and have a portfolio of well-balanced sustainable businesses that are positioned to benefit from broader market trends as we focus on long-term profitable trading. We have a number of exciting opportunities across all three divisions and are confident that the business will provide strong and growing returns."

For additional information please contact:

Light Science Technologies Holdings plc	www.lightsciencetechnologiesholdings.com
Simon Deacon, Chief Executive Officer	via Walbrook PR
Jim Snooks, Chief Financial Officer	
Andrew Hemsall, Chief Operating Officer	
Strand Hanson Limited (Nominated & Financial Adviser)	Tel: +44 (0) 20 7409 3494
Ritchie Balmer / James Harris / Rob Patrick	
Oberon Capital (Broker)	Tel: +44 (0) 203 179 5300
Mike Seabrook / Nick Lovering	
Walbrook PR Ltd (Media & Investor Relations)	Tel: +44 (0)20 7933 8780 or lst@walbrookpr.com
Nick Rome / Joe Walker	

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. Tomtec 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 ground-breaking 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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