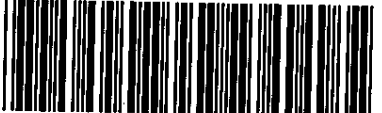


Annual Report



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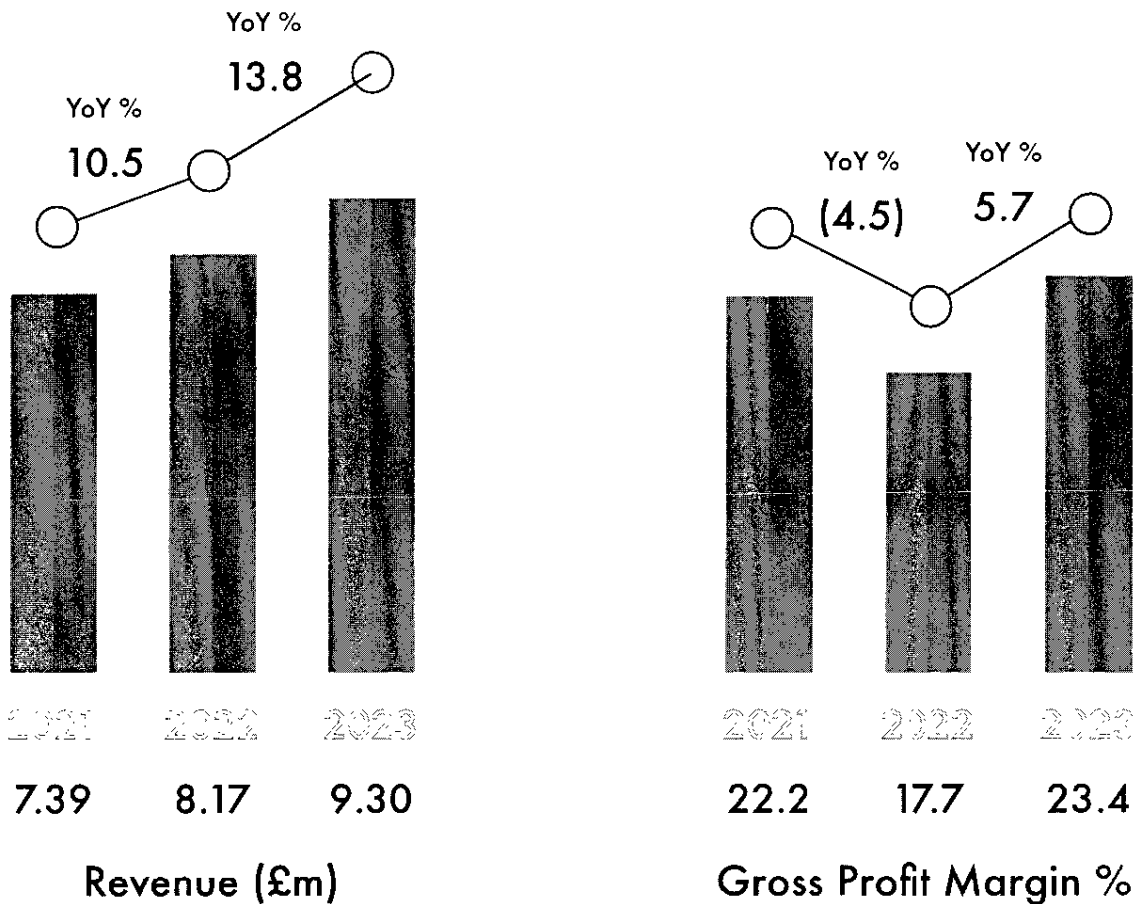
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Highlights



- ✓ Sales growth of 13.0% for Contract Electronics Manufacturing division (Group overall 13.8%), resulting in record turnover
- ✓ Group Gross Profit Margin grew to 23.4%
- ✓ Successful earnings enhancing acquisition of Tomtech integrated into the Controlled Environment Agriculture division
- ✓ New platform for growth in the Passive Fire Protection division, following the Injecta Fire Barrier trade and assets acquisition
- ✓ Completed a successful £1.45m (net proceeds) fundraise in the year
- ✓ Delivered positive net cash flow from operating activities, in line with the Board's strategy to turn into cash generation through FY24/25
- ✓ Stock-take loss of only 0.045%, demonstrating improved efficiency and accuracy of our MRP system
- ✓ Product development grants awarded worth £210k in FY23 and £188k commencing March 2024
- ✓ Refreshed Board post year end to support future growth plans

How Light Science Technologies Holdings plc operates

Group

The Company was incorporated in England and Wales on 13 January 2020 and is the holding company of the Group's contract electronics manufacturing ("CEM") division, UK Circuits and Electronics Solutions Limited ("UK Circuits"); its controlled environment agriculture ("CEA") division, Light Science Technologies Ltd ("Light Science Technologies") and Tomtech (UK) Limited ("Tomtech"); and its passive fire protection ("PFP") division, LSTH IFB Limited ("Injecta Fire Barrier").

CEM DIVISION

UK Circuits was founded in 1997 and has UK manufacturing facilities based in Manchester. This enables the Group to design, manufacture and test high-quality CEM products used in a broad range of sectors and counts a blue chip company as one of its key customers.

The CEM focused division of the Group, UK Circuits, designs, procures and manufactures high-quality CEM products, specialising in Printed Circuit Boards ("PCB"), for over 70 recurring customers, which are used in a range of sectors, including, audio, automotive, electronics, gas detection, lighting, pest control, and more recently moving into the CEA market. The UK Circuits team works alongside customers with new and existing product designs to provide design and engineering support, including simulation, 3D modelling, and prototyping.

UK Circuits' procurement offerings range from assembly of free issue components to full turnkey solutions, leveraging its 25 years' experience, its dedicated supply chain team and relationships with reputable suppliers.



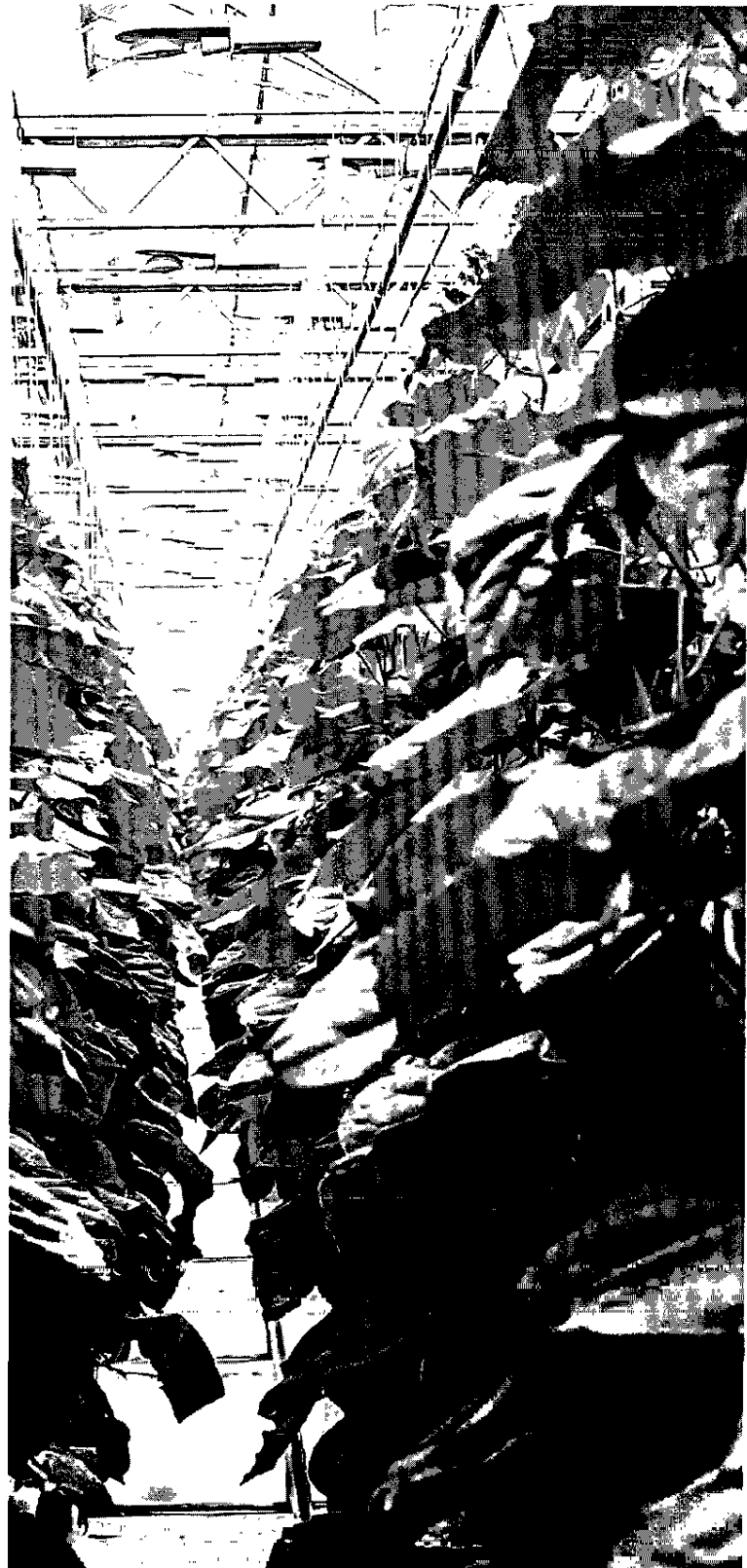
CEA DIVISION

Light Science Technologies was founded in September 2019 and facilitates the Company's CEA operations. The Group's operational facilities in Derby enables the Group to design, develop, test and supply innovative CEA products and services.

Tomtech was founded in 1986 and subsequently incorporated in 2011, complementing Light Science Technologies within the Company's CEA operations, following its acquisition in 2023. Tomtech is based in Spalding and designs, manufactures and installs monitoring and control systems for commercial greenhouses and polytunnels across the UK and Ireland.

The Group's CEA division offers integrated, cost-saving, and sustainable CEA AgTech solutions to horticulture, medicinal plants and floriculture growers, with a focus on glasshouses, polytunnels, and vertical farms, and is expected to be a major growth area for the Group going forwards.

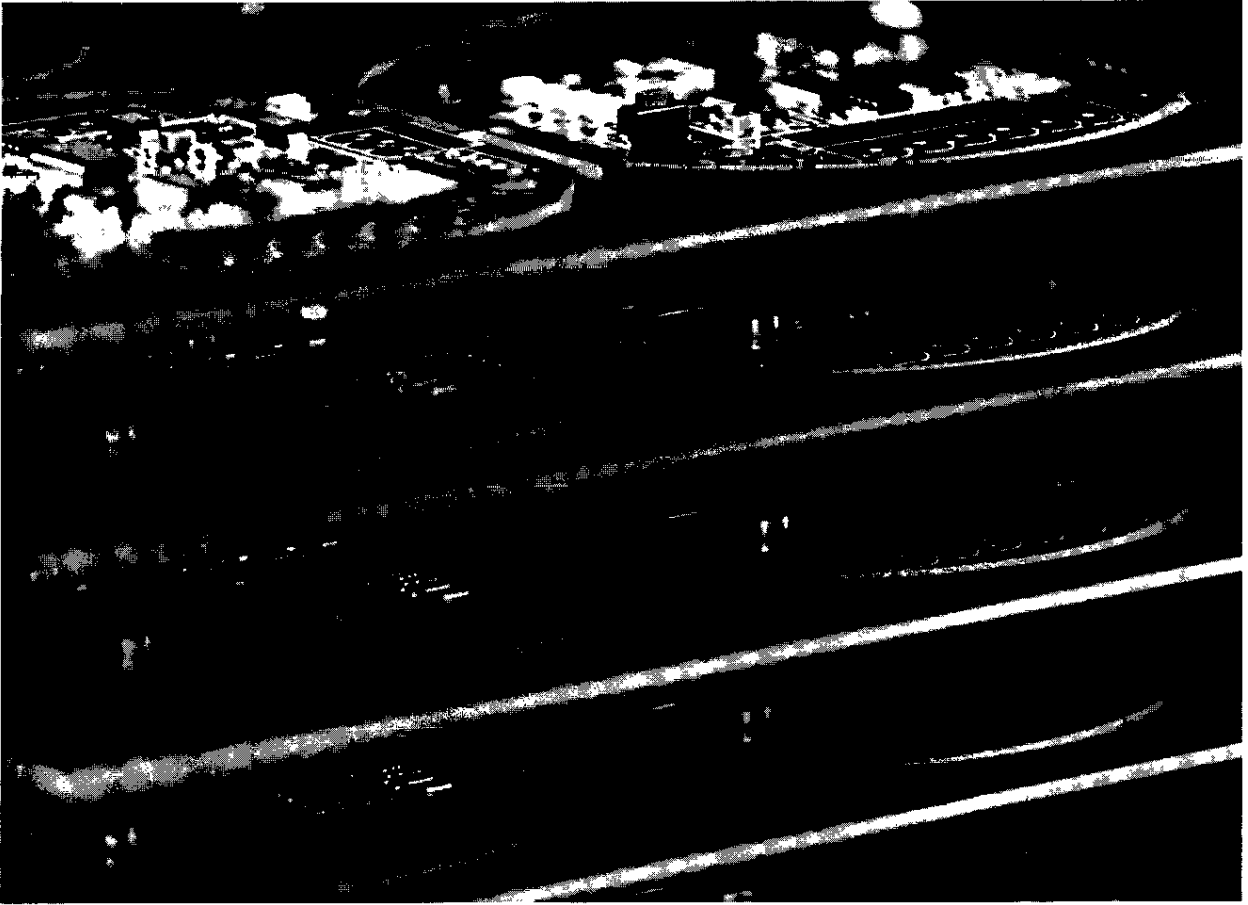
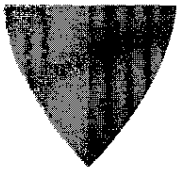
The core components of the Group's CEA solutions make extended season growing a reality for growers by creating the right recipe for their environment.





PFP DIVISION

Injecta Fire Barrier was founded in 2023 as a vehicle to acquire the trade and assets of an existing passive fire protection business providing installation services of an innovative product called Injectaclad. The ground-breaking Injectaclad fire-resistant graphite barrier 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. There is large market potential for retrospective fire barrier installation, and it is expected to be a major growth area for the Group.



Our key strengths

SUSTAINABILITY FOCUSED PRODUCTS AND SOLUTIONS

The Group's award-winning energy efficient nuturGROW modular luminaire and sensorGROW product ranges offers economic, sustainable and high-quality solutions for agricultural purposes. These are innovative, patent pending, cost-effective and environmentally friendly products.

In the PFP division, the Injectaclad solution is a more sustainable solution to traditional cladding remedial alternatives, reducing waste materials, environmental impact and disruption for stakeholders.

PLATFORM BUSINESS IS LONG ESTABLISHED, GROWING AND DIVERSIFIED

The CEM division services customers in a wide variety of sectors and is a long established, profitable and growing business.

EARLY MOVER ADVANTAGE

The CEA division operates in a fast-growing market with an estimated CAGR of 12%¹ as the smart agriculture industry adopts more sustainable growing methods through CEA. Our technology solutions work across all environments from high tech vertical farming to advanced glasshouses and outdoor applications such as polytunnels.

The PFP division is also an early mover in cladding remedial works, driven by UK Government legislation and the Fire Safety Act 2021.

¹ Smart Agriculture Market Size & Share, Growth Report 2032 (gminsights.com)



SCALABLE MODEL ALLOWS EASY ACCESS TO NEW MARKETS

The Group's extensive investment in research, product development and marketing over the past four years combined with a mix of in-house manufacturing and commodity outsourcing, enables it to be agile in its approach and effectively scale into new markets. In addition to organic growth opportunities the Group may also consider strategic bolt-on acquisitions to expand.

STRONG AGTECH IP ASSET PROTECTION

The establishment of a strong IP strategy is of paramount importance to the Group. Light Science Technologies operates a picket fence IP strategy where its patent pending core technologies, nurturGROW luminaires and sensorGROW intelligent plant sensor, will be surrounded by further incremental patentable innovations. The Company holds four registered trademarks in the EU and is in the process of extending the global territories of these.

Chairman's statement

I am pleased to present the Light Science Technologies Holdings plc Annual Report for the year ended 30 November 2023. I am also delighted to have joined the Board as Non-Executive Chairman, together with Richard Mills who became an independent Non-Executive Director, post period end.

This year has been marked by significant achievements and strategic developments for the Company. I am delighted to report a commendable sales growth of 13.0% (FY22: 9.2%) for our Contract Electronics Manufacturing ("CEM") division, contributing to the Group's overall revenue growth of 13.8% and resulting in a record turnover. Our Group gross profit margin has grown to a robust 23.4% (FY22: 17.7%), reflecting the improved efficiency and competitiveness of our operations in a still challenging supply chain and inflationary environment during 2023.

Throughout the year, we continued to execute our growth strategy, culminating in the successful earnings enhancing acquisitions of Tomtech, which was integrated into our Controlled Environment Agriculture ("CEA") division, and the assets and trade of Injecta Fire Barrier, which now forms our Passive Fire Protection ("PFP") division. These acquisitions strategically expanded our portfolio and market presence, positioning us for sustained growth and success in the years to come.

Our business model integrates both organic growth and strategic bolt-on acquisitions, providing a balanced approach to expansion. We operate three distinct but complementary divisions, each contributing to the financial stability and potential of the Company. Our immediate objective is to attain positive cash flow in the near term.

Additionally, we have successfully undertaken proactive measures to enhance our financial resilience and facilitate sustainable and scalable cash generation in the near to mid-term. These

efforts, which included a successful fundraise of £1.45 million net proceeds and recently, negotiating a credit-backed agreement with our incumbent debt provider, Close Brothers, to restructure our Group debt facilities – helping fund further product development and IP protection - and cost reduction initiatives, underscore our commitment to delivering long-term value to our shareholders.

The momentum achieved during the year sets us up well for the current year, which has seen forward orders and stock levels in the CEM division reverting towards pre-pandemic levels. This division has recently received a new order worth £130,000 in the sports entertainment market segment, with potential for significant follow-on revenues. In March 2024, our CEA division was awarded a product development grant worth £188,251, while our PFP division has continued work on its first project order, worth approximately £600,000.

Our short term strategy has focused on lowering our cost base and driving revenue growth. We believe that the combination of steps taken during the year and the growth dynamics of our target markets present us with a compelling opportunity to further grow our footprint as we provide solutions to a range of potential end customers ensuring that the Company is well placed to grow revenues, margins and cash flow.

Graham Cooley

Graham Cooley
Non-Executive Chairman



7 May 2024

Chief executive's report

This was a very encouraging year of progress for operational achievements within our Company – with a focus on setting the foundations for the business to move towards becoming cashflow positive in the near-term, creating a springboard for sustainable long term growth.

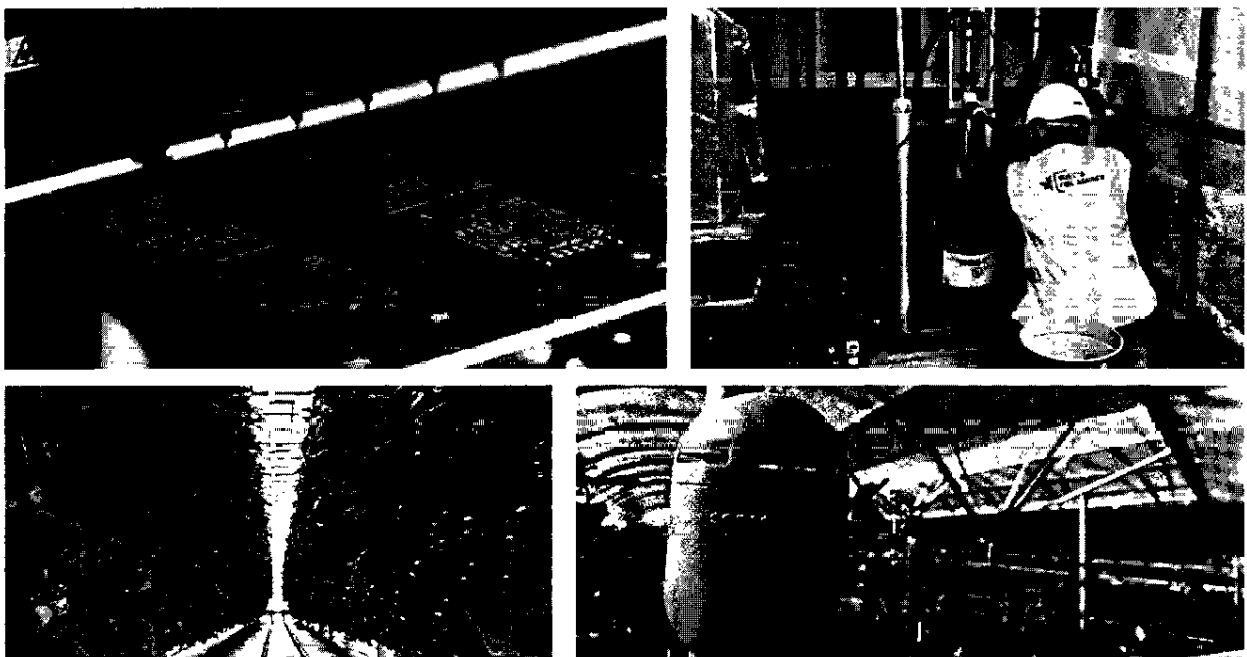
The combination of growing revenues and margins and a lower cost base meant that losses for the year were significantly reduced, positioning the Company to further strengthen its balance sheet with the aim of creating an operationally self-funded business.

| STRONG ORGANIC AND ACQUISITIVE GROWTH

I am proud to report robust sales growth of 13.0% from our CEM division, contributing significantly to the Group's overall revenue growth of 13.8%. This achievement is a testament to the dedication and hard work of our operations team, who have consistently delivered high-quality products and services to our customers. Having invested in new plant and equipment, as well as our continued investment in staff training, further margin improvement is expected within this division.

While the CEM division contributed the majority of revenues during the year, the Company took a number of steps to broaden growth opportunities, which are expected to see a rebalancing of divisional contributions as the Company further develops its operations.

Throughout the year, the focus was on optimising our operational processes to drive efficiency and enhance customer satisfaction. These efforts were significantly bolstered by the strategic acquisitions of Tomtech and the assets and trade of Injecta Fire Barrier, which have both expanded our capabilities and strengthened our market position, importantly adding near-term revenues and further enhancing the Company's growth opportunities.



Tomtech is increasingly providing commercial and operational synergies within our CEA division – introducing new revenue streams and cross-selling opportunities, while the Injecta Fire Barrier trade and assets provide a whole new platform for growth within our PFP division. Given the timing of these acquisitions, which were completed in September 2023 and November 2023 respectively, the benefits are yet to materially feed through to the bottom line, with results for H1 2024 expected to reflect the initial benefit of our rebalanced portfolio.

In addition, we have implemented rigorous cost reduction initiatives and successfully completed a fundraise. Recently we negotiated a credit-backed agreement with our incumbent debt provider, Close Brothers, to restructure our Group debt facilities, to further bolster our financial position and support future growth initiatives. These actions demonstrate our commitment to operational excellence and long-term value creation for our shareholders.

SIGNIFICANT CEA GROWTH OPPORTUNITIES

It's worth noting the substantial global growth in the controlled environment agriculture and vertical farming markets, which present significant opportunities for our Company. As the agriculture industry increasingly adopts sustainable growing methods, our technology solutions are well-positioned to meet the evolving needs of these market segments.

We have established a number of core product lines and our broadened technology base means that we are well placed to take advantage of growing requirements for digitisation. Equally, we are positioned to benefit from cross selling opportunities offered by the Tomtech acquisition while the global market provides a strong backdrop for us to develop international partnership agreements – an area Richard Mills is focused on helping the Company exploit.

The combination of Light Science Technologies' expertise and modern technology and Tomtech's product range positions the Company at the forefront of the next generation of smart farming products, which can optimise inputs of seeds, fertilisers chemicals, water and more, to meet the individual needs of farmers' growing environments and enabling them to maximise crop yields, which gives them better financial control and improves sustainability.

As such, we believe that the Company is strongly positioned at the forefront of growing demand for innovative solutions that tackle energy, labour, food security and global cultivation challenges.

PORTFOLIO APPROACH

Furthermore, we remain excited by the potential for growth across all parts of the business. The CEA opportunity is underpinned by growing public and governmental recognition of the need to re-think the way we approach sustainable food production and the importance of locally supplied produce.

We are delighted by the strong margin improvement within the CEM division, where expanded capacity and increased automation are helping gain further traction, while more generally, reduced supply chain constraints are underpinning an improved backdrop.

Meanwhile, the creation of our PFP division positions the Company strongly within a high demand sector with significant levels of committed government funding. Importantly, this is a near-term cash generative and scalable operation, which is well placed to take advantage of the growing fire safety retrofit market in the UK. The PFP quoted pipeline of sales opportunities currently stands over £9 million and we remain optimistic about securing new contracts, with our reach stretching the length and breadth of mainland UK.

The Fire Safety Act 2021 and Building Safety Act 2022 (which came into force on 1 October 2023) will lead, in the Board's view, to Government pressuring developers, building owners, housing associations etc. to undertake remediation works.

BOARD CHANGES

I am delighted to note the strengthening of our Board post-year end with the addition of Graham Cooley as Non-Executive Chairman and Richard Mills as an Independent Non-Executive Director – both highly experienced individuals who bring diverse expertise and perspectives to our leadership team. Their contributions will be invaluable as we navigate the evolving landscape of our industry. At the same time, I would like to thank Myles Halley and Robert Naylor for their valued contributions to the Company, including their oversight of admission to trading on AIM, both of whom have stepped down from the Board.



Financial review

INCOME STATEMENT

The CEM division saw revenue growth of 13.0% from £8.04 million to £9.09 million, with an improved gross margin facilitated by an easing of supply chain constraints and an enhanced ability to pass on inflationary increases to the end customer. Gross margin increased to 22.6% from 16.7%, and the Board continues to take various actions aimed at maintaining and improving margin generation, against the risk of persisting inflationary pressures.

The CEA division saw revenue growth of 73.5% from £0.13 million to £0.22 million, following the acquisition and integration of Tomtech into the division in September 2023, in the backdrop of the continued challenging macro trends experienced during the year, leading a number of potential customers to continue delaying projects.

The cost reduction programme saw a 29% decrease in administrative expenses from £4.26 million to £3.03 million, helping to reduce the Group's loss before tax by 58.2% from £2.72 million to £1.14 million, ahead of internal management expectations. This was achieved despite exceptional non-recurring administrative expenses of £0.26 million from acquisition costs and product-specific impairment charges, due to a change in scope resulting from the impact of the energy crisis, on projected payback of the advanceGROW product in development.

BALANCE SHEET

The Group continued to invest in developing the CEA division's core product offering, leading to additions in the year of £592,000 in intangible development assets. As development of the sensorGROW and advanceGROW products were partly covered by UKRI grants, a further £140,000 of grant income has been deferred within the year in relation to these intangible assets, shown separately within other payables.

Additionally, there was further investment in the CEM division's plant and machinery, to drive efficiency and improve gross margins, totalling c.£110,000 in the year with a further £39,000 committed at year end.

As supply chain shortages started to ease towards the year end and with the improved visibility and control facilitated by our MRP system, inventory levels reduced to £1.40 million from £1.58 million in 2022. Inventory is predominantly allocated to specific customer orders and the year-end stock-take loss amounted to 0.045%, showing excellent efficiency and accuracy of our MRP system.

Cash and cash equivalents increased to £0.98 million (2022: £0.59 million) at the year end, such increase derived from the net proceeds of the fundraise undertaken in April 2023; cash acquired as part of the Tomtech acquisition; and a positive contribution from net cash flow from operating activities. Net debt decreased to £1.38 million (2022: £2.35 million).

ACQUISITIONS

The Company completed two earnings-enhancing acquisitions, Tomtech (UK) Limited, with excellent synergies with the Group's CEA division; and the trade and assets of Injecta Fire Barrier, to form a new Passive Fire Protection division for the Group.

Total consideration for Tomtech amounts to £0.52 million payable over 30 months (£0.37 million of which remains payable), with the business already contributing £0.11 million to the Group's profit by the year end date.

Contingent consideration for the Injecta Fire Barrier business is up to £1.75 million, fair valued at £1.0 million. The business was purchased close to the year-end so there was insufficient time to mobilise and generate revenue or profit for the Group, but it is expected to deliver near-term cash generation.

| DEBT REFINANCING

After the year end, the Company negotiated and recently received a credit-backed offer (legal documentation to be completed imminently), from its CEM division's incumbent debt provider, Close Brothers, to convert the existing facilities into Group-wide facilities, and to draw £850,000 in the form of a new term loan, to provide growth and working capital wherever it may be required in the Group. This allows the Group to exploit potential opportunities presented to its divisions. Completion of the refinancing is expected during May 2024.

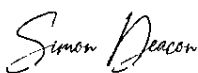
| OUTLOOK

Looking forward, I am optimistic about the future prospects of Light Science Technologies Holdings plc. Our Company's key strengths, including our sustainable products, established platform business, early mover advantage, scalability, and strong IP protection, position us for continued success and growth in the dynamic markets we serve.

We have established a portfolio of businesses that have a market potential worth of over \$100 billion: in the CEA sector, the cumulative smart agriculture sales growth for the nine years from 2023 to 2032 is expected to be \$55 billion with a 12% CAGR^{*}; in the PFP sector, the market is potentially worth £50 billion^{**}. We have a quoted pipeline of sales opportunities within the CEA division worth nearly £40 million and over £9 million in the PFP division.

Our focus in each of our divisions is to grow revenue, margins and global opportunities. This will be achieved via organic growth as well as strategic acquisitions, at the same time as creating a network of global distributors within our CEA division, expanding our reach but keeping costs under control, focusing on fastest growing countries first which have more pressured food security issues.

I would like to express my gratitude to our shareholders, employees, customers, and partners for their continued support and dedication. Together, we will continue to drive innovation, excellence, and value creation across all facets of our business.



Simon Deacon
Chief Executive Officer



7 May 2024

^{*} Smart Agriculture Market Size & Share, Growth Report 2032 (gminsights.com)

^{**} Estimators price cladding replacement at 10 times government budget (theconstructionindex.co.uk)

s172 Statement

The Board of Directors, both individually and collectively, have acted in good faith, in a way they consider would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 of the Companies Act 2006).

The Board considers its stakeholders to be the individuals and organisations that are affected by the Group's operations and with whom the Company seeks to proactively engage on a regular basis. The Company strives to maintain productive, mutually beneficial relationships with each stakeholder group by treating all stakeholders with fairness and respect, and by providing timely and effective responses and information. Engaging our stakeholders in decision-making, including consideration of our long-term strategic objectives.

SHAREHOLDERS

The Board endeavours to engage in clear and consistent dialogue with both existing and potential Shareholders to understand their needs and expectations, and to ensure that the Company's strategy, business model and progress are clearly understood. In this regard the Board undertook investor meetings during the year, and engaged through various PR channels. The Company encourages communication with shareholders as detailed in the Corporate Governance section on page 28.

EMPLOYEES

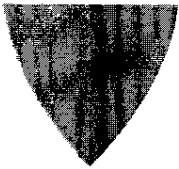
The Board recognises that a talented, dynamic and committed workforce is essential to the Group's success and growth. We recognise that a diverse range of experiences and perspectives adds value and seek to strengthen this through appropriate employee engagement and training. We pride ourselves on a safe and friendly working environment, and continually seek employee feedback through formal review processes. Through this review process the Board saw the need to implement a culture initiative, through establishing a culture committee and a series of senior and middle management training days, with the aim of improving communication throughout the organisation, and improve staff wellbeing and benefits.

Additionally, the Board acknowledges the impact of the cost of living crisis on the Company's employees and during the financial year gave appropriate pay reviews consistent with the Group's pay banding and April National Living wage increases.

Employees of new subsidiaries have promptly been engaged with the wider Group and the process to integrate them into the workforce in a mutually beneficial way has commenced.

CUSTOMERS

The Group seeks to foster long-term client relationships, building on long-standing relationships within the CEM division in an open and collaborative way, and seeking close relationships with growers working with them to mitigate their energy and input costs, whilst maintaining or improving yields, using our innovative technology solutions and insights. Customer engagement, either through tender feedback or customer surveys and product trials and beta testing, have helped to direct the Group's operations and product development activities to best meet their needs.



SUPPLIERS

The Group relies on a diverse supply chain to support ongoing operations and fulfilment of its customers' forward order requirement. It continues to develop existing supply chain relationships and seek new ones.

ENVIRONMENT AND COMMUNITY

The Board is cognisant of the effects of climate change, and the need within the agricultural sector to grow more sustainably by reducing energy, waste, and food miles amongst other factors. By utilising sustainability focused products and the latest science-backed innovations, the Group strives to have a net benefit to the environment.

Similarly, in the Passive Fire Protection sector, the solution offered is considerably more environmentally friendly than the available alternatives, minimising waste materials and the consequent environmental impact. Additionally, the communities that occupy or work in affected buildings, during the installation process, benefit from significantly reduced disruption.

SIGNIFICANT DECISIONS

During the year, the Company raised net proceeds of £1.45m in order to continue development and commercialisation of their innovative products and solutions. The Directors believe this aligns with the best interests of their stakeholders, by allowing the Group to pursue its ambitious growth plans and delivering shareholder value over the long-term, whilst enabling our employees and supply chain to continue efficiently servicing our customers throughout the Group. However, the Directors were cognisant of the difficult economic backdrop during the year and accordingly embarked on a programme of cost mitigations, successfully reducing administrative expenses by 29%, to ensure the best use of invested funds.

The Company also made two acquisitions during the year, the first being in the Controlled Environment Agriculture sector, with excellent synergies to the Group's existing division, and with an established and well-respected name in the industry. The second, was a new division for the Group, which is expected to generate strong margins and positive cashflows in the near-term. Operating in the Passive Fire Protection sector, the acquired trade had a proven track record and strong pipeline of opportunities. The Directors believe these acquisitions to be in the best interests of stakeholders, providing a broader and stronger Group with additional, diversified income streams and a pathway to the Group becoming profitable and cash generative over the near-term. Further benefits are a better service to customers from an expanded CEA offering, and environmental and social benefits from scaling the PFP business.

Principal risks and uncertainties

Risks and Uncertainty	Impact	Mitigation
Inflation / cost-of-living crisis	An inflationary economic environment and any economic downturn either globally or locally may have an adverse effect on the demand for the Group's services, and therefore the ability to generate a profit. If economic conditions remain uncertain, it may have an adverse impact on the Group's operations and business results.	<p>The Group operates in three separate sectors, Controlled Environment Agriculture, Contracts Electronic Manufacture and Passive Fire Protection, and intends to offer its CEA services globally via distributors.</p> <p>This will help mitigate some of the effects as different sectors and geographies are impacted in different ways.</p> <p>Whilst increases in energy prices saw some CEA industry participants stop growing crops or delay projects, now energy prices have settled somewhat industry participants are resuming projects.</p>
Geo-political	Geo-political uncertainty globally, especially with a significant number of global elections in the next 12 months, can have an impact on the Group's operations and business results, due to interconnected global supply chains and the effects on commodity pricing, especially oil, copper, nickel and other key raw materials for technology products.	<p>The Board monitors global geo-political news flow and considers the effects on the Group's business. The Group also maintains a diversified supply chain, and utilises main distributors, to mitigate against short-term variability in commodity pricing.</p> <p>Geo-political uncertainties can lead to delays in projects and affect the availability of finance, although it also enforces a desire to onshoring manufacturing and food production to improve self-sufficiency.</p>



**Risks and
Uncertainty**

People

Impact

The knowledge, skills and experience of the Group's key personnel are crucial to the success of the Group's business. Recruitment and retention of suitably qualified employees is vital, as well as developing other personnel. Making sure that employee packages remain appropriate as the market changes and that staff are supported through the cost of living crisis.

Mitigation

Reviewing and benchmarking employee benefit packages to ensure they remain competitive and are effective in retaining and recruiting staff.

Providing the existing team with appropriate training and development opportunities is a key priority for the business.

Recruitment is undertaken by experienced staff to ensure the correct calibre of individual is identified.

**Early stage
of operations
within the CEA
and PFP
division**

Within both the CEA and PFP division, future growth and prospects will depend on the Group's ability to be and remain competitive, and to manage the growth, improving operational and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls.

There can be no certainty the CEA divisions' products and services will perform as expected, or be developed in the envisaged timescales.

Nor can there be certainty that the PFP divisions' installation services will benefit from regulatory and commercial pressures to be developed in the envisaged timescales.

The Board and other key management personnel have broad experience in business and relevant technical fields, so as to effectively guide strategic and operational improvements as the divisions grows.

Having the established CEM division within the group diversifies the risk from such early stage operations and mitigates some of the effects from delays in the market and product development timescales.

Having different divisions operating in distinct sectors diversifies the risk from either or early stage operation experiencing delays in market and/or product development timescales.



**Risks and
Uncertainty**

**Customer
concentration
within the CEM
division**

Impact

In the financial year ended 30 November 2023, a major customer in the pest control industry made up 58.3% of the Group's turnover (up from 54.3% in 2022).

This customer is expected to remain a key customer of the Group going forward and accordingly, the loss of, or a significant reduction in orders from, or the failure to be paid on a timely basis by them, as well as other core customers would likely significantly reduce its turnover and have a material adverse impact on the Group.

Mitigation

In 2022, the CEM division signed a supply contract with this major customer, solidifying the relationship and giving some level of comfort over continuity of orders and payment terms.

Additionally, the Board continue to monitor the concentration and are focusing resource on opening new markets through additional certifications for the CEM division so as to win new business and diversify the risks.

**Global
companies and
competition**

Many of the customers and competitors are major international companies. The Group's success depends upon its ability to develop and maintain a competitive position in the product categories and technologies on which it focuses. This involves, amongst other things, keeping pace with rapidly changing technologies and customer expectations, to avoid its existing products becoming obsolete and the Group's competitive position being harmed. Many of the Group's competitors have greater capabilities and resources. Competition is intense and expected to increase as new products enter the market.

The Board continually monitors the activities of its competitors and reviews its strategic position in relation to them and other market participants, to ensure it stays relevant.

The Group requests feedback on its tenders and considers the needs and demands of customers to ensure its product offerings remain relevant; to identify areas of innovation focus; and to benchmark the Company's products against competitors, in terms of price and functionality.

**Intellectual
property**

The Group has various trademark and patent applications over its products and brand. However, there is no guarantee these will exclude competitors or provide competitive advantages, or that they will not be the subject of claims in relation to the infringement of these rights.

The Group utilises the services of an intellectual property attorney that specialises in the Agricultural market (of which the CEA is a subset) and utilises an IP strategy that aims to mitigate risks of ineffective applications or claims against the Group.



**Risks and
Uncertainty**

**Future claim
within the PFP
division**

Impact

A significant claim due to product failure or poor installation, could result in lengthy and costly legal proceedings and penalties or recompense to the end customer or main contractor. It could also have a detrimental impact on the reputation of the Group.

Mitigation

In the pre-contract discussions, the PFP division makes very clear that the division disclaims any responsibility for the design or certification of the product as being a suitable solution for the end customer, that is the responsibility of the end customer in association with their fire engineer or building control. The division also ensures that appropriate technical advice is received from Injectaclad that an appropriate fire safety test has been conducted for the particular application.

Additionally, the division ensures it employs appropriately qualified personnel who have passed Injectaclad's training requirements and then records every part of the installation with specialist software that photographs and geotags each aspect as an enduring record that the installation was performed competently and to specification, which is shared with the main contractor and fire engineers with submission of invoices and as requested.

Finally, the Group ensures appropriate training and understanding of those charged with governance and to hold appropriate insurances.



**Risks and
Uncertainty**

**Business
continuity risks**

Impact

The Group is highly dependent on the effective operation of its IT systems and infrastructure, any major system failure or cyber security breach, could have a material adverse effect on the Group's ability to fulfil its obligations and harm customer relationships, and lead to liability under data protection laws.

The Group's existing debt facilities include certain profitability covenants by way of a minimum multiple of the UK Circuits subsidiary key financial metrics. Should these be breached, Close Brothers reserves the right to terminate the debt facilities.

The Company may need to seek additional sources of financing to implement its growth strategy. There can be no assurance the Company will be able to raise those funds.

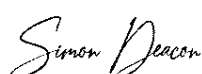
Mitigation

The Group utilises cloud-based IT systems from reputable vendors and retains the services of IT specialists to monitor and maintain the systems and infrastructure, including appropriate backups and segregation of data following the advice of such specialists and seeks to continually improve its systems.

The Group maintains a strong working relationship with Close Brothers and the Board monitors actual and forecast covenant positions regularly.

The Board monitors cashflow forecast requirements regularly.

The strategic report was approved by the board and signed on its behalf.



Simon Deacon
Chief Executive Officer

7 May 2024

Board of directors

The Board comprises three executive directors and two non-executive directors, including the Chairman. One of the two non-executive directors is classified as independent by the Board. Graham Cooley, who in view of his shareholding of 7.5% prior to appointment is not considered independent.

All Directors have access to the Company's solicitors and may obtain independent professional advice in the furtherance of their duties, at the expense of the Company.

The Board is mindful of the need to keep skills and experience up to date which is achieved through, amongst other areas, continuing professional development and on the job experience.

Directors are expected to attend all meetings of the Board, and the Committees on which they sit, and to devote sufficient time to the Company's affairs to enable them to fulfil their duties as Directors. In the case of the non-executive directors, this is considered to equate to not less than 24 days per annum. The following table therefore shows attendance during the year:

	Board	Audit	Remuneration	Nomination
Myles Halley (resigned 6 March 2024)	12/12	3/3	1/1	1/1
Simon Deacon	12/12			2/2
Andrew Hemsall	11/12			
James Snooks	12/12			
Robert Naylor (resigned 6 March 2024)	12/12	3/3	3/3	1/1
Lisa Clement (resigned 30 May 2023)	8/8	1/1	2/2	1/1
Rory James-Duff (resigned 30 May 2023)	8/8		2/2	1/1



DR GRAHAM COOLEY

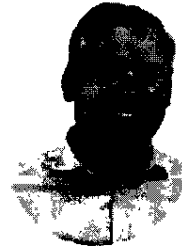
Non-Executive Chairman (appointed 6 March 2024)

Graham has over 35 years' experience at the forefront of new technology introduction in the power, energy storage and hydrogen sectors. He was previously Business Development Manager at National Power plc, the UK's largest power generator and CEO of ITM Power plc, the first hydrogen related company quoted on the AIM Market of the London Stock Exchange, a founding member of the UK Government's Hydrogen Advisory Council and a Board Member of RenewableUK.



SIMON LINCOLN DEACON
Chief Executive Officer

Simon Deacon, the Company's Chief Executive Officer, has over 25 years' experience in expediting business growth, having founded or acquired and grown companies operating in the lighting and electronic sectors, such as UK Circuits and Light Science Technologies. Simon also co-founded a retail consultancy, Design Conformity Ltd, focused on safety and sustainability, which has been adopted by numerous global retailers and brands.



ANDREW MARK HEMPSALL
Chief Operating Officer

Andrew Hempsall is a highly experienced industry executive, with significant operational leadership experience. Andrew has worked in many commercial roles, driving company operations, particularly in the manufacturing sector. He has gained experience in leading teams through roles as Operations Director and General Manager – the latter of which was with PE owned, Arken POP International Limited. Andrew holds an MBA from the University of Nottingham.



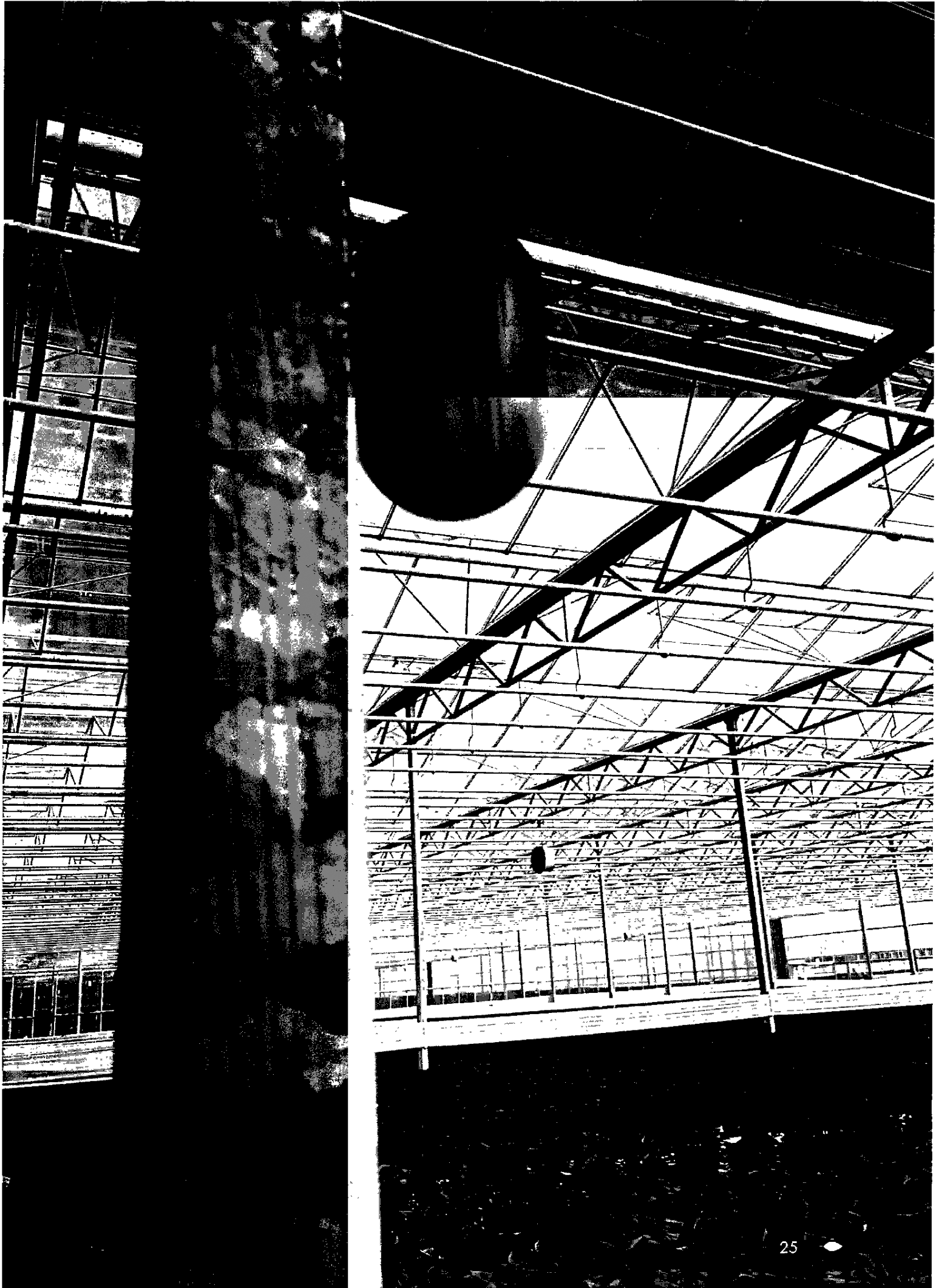
JAMES (JIM) EDWARD SNOOKS
Chief Financial Officer

Jim Snooks has held a number of Finance Director positions including as Group Financial Controller of Breasley Group, Finance Director of Furntec Ltd and Financial Controller of GLW Feeds Ltd, developing a wealth of experience in the finance operations of medium size enterprises. Jim is a CIMA chartered management accountant, CGMA global chartered management accountant and holds a BA (Hons) in European Finance and Accounting.



RICHARD MILLS
Independent Non-Executive Director
(appointed 6 March 2024)

Richard, a CIMA chartered management accountant, is the Managing Director of Haygrove Limited's Growing Systems Division, where he leads its polytunnel and growing systems business, managing over 200 staff. His global CEA experience includes expanding Haygrove into new markets, from conceptualisation, through planning and implementation, rolling new businesses out in China, Germany and India – achieving substantial improvements in revenue growth and profitability. Richard was a Senior Internal Auditor for a Top 20 accountancy practice and an External Auditor at Ernst & Young.



Corporate governance statement

An introduction from our Chairman

In this section of our Report, we have set out our approach to governance and provided further information on how the Board and its committees operate.

The Board is committed to the principles of good corporate governance and believes that an effective corporate governance framework is essential to underpin the success of the Group's business.

The Board is committed to achieving the highest standards of integrity, ethics, professionalism and business practice throughout the Group's operations. Therefore, the Company has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), in line with the AIM Rules for Companies, which requires all AIM-quoted companies to adopt a recognised corporate governance code and to explain how the company complies with and where it departs from the chosen code.



Graham Cooley
Chairman

7 May 2024

BOARD MEMBERS' RESPONSIBILITIES

The Board is responsible for the overall management of the Group. The Board will meet at least 6 times per year and otherwise on an as-required basis, to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals.

The key procedures which the Board intends to establish with a view to providing effective internal financial control include the following:

- › the Company has instituted a monthly management reporting process to enable the Board to monitor the performance of the Company;
- › the Board has adopted and reviewed a comprehensive annual budget for the Company. Monthly results will be examined against the budget and deviations will be closely monitored by the Board; and
- › the Board is responsible for maintaining and identifying major business risks faced by the Company and for determining the appropriate courses of action to manage those risks.

The Company has established an Audit and Risk Committee, a Remuneration Committee, and a Nomination Committee, each with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.



BOARD COMMITTEES

The Board has established an audit and risk committee, a remuneration committee, and a nominations committee with formally delegated duties and responsibilities. For further details on the Audit and Risk Committee and the Remuneration Committee please refer to the respective committee reports on pages 34-39 following this corporate governance statement. Details of the Nominations committee are described below.

NOMINATIONS COMMITTEE

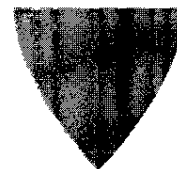
The nominations committee is comprised of Graham Cooley, Richard Mills and Simon Deacon, and is chaired by Graham Cooley. The nominations committee is responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of Board, candidates to fill vacancies on the Board as and when they arise. The nominations committee meets at least twice a year and otherwise as required.

Set out below is a summary of the Company's compliance with, and departures from, the QCA Code.

Code number	Principle	Extent of current compliance	Commentary	Further disclosure
1	Establish a strategy and business model promoting long-term value for shareholders	Fully compliant	An explanation of the Group's business model and strategy, including key challenges and how they will be addressed can be found in the Chairman's Statement and Chief Executive's Report within this Annual Report.	Chairman's Statement, Chief Executive's Report and Key strengths



Code number	Principle	Extent of current compliance	Commentary	Further disclosure
2	Seek to understand and meet shareholder needs and expectations	Fully compliant	<p>The Board endeavours to engage in clear and consistent dialogue with both existing and potential Shareholders to understand their needs and expectations, and to ensure that the Company's strategy, business model and progress are clearly understood.</p> <p>The Board will communicate with Shareholders through various means, further detailed on our website, including this Annual report.</p> <p>The Board views the Company's annual general meeting as an important forum for communication between the Company and its Shareholders and encourages Shareholders to express their views on the Company's business activities and performance, further details can be found in the Notice on page 105.</p> <p>The Chief Financial Officer will be the primary contact for Shareholders and there is a dedicated e-mail address for Shareholder questions and comments shareholders@lightsciencetech.com.</p> <p>The Board believes shareholder engagement at various investor presentations in the year have been successful and looks forward to further engagement in the near future.</p>	<p>Our Website</p> <p>Regulatory Updates</p> <p>Annual General Meeting</p> <p>Investor Presentations</p>



Code number	Principle	Extent of current compliance	Commentary	Further disclosure
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	Fully compliant	<p>The Board recognises the importance of corporate social responsibility as critical to the Group's long-term success and seeks continued engagement with the Company's stakeholders.</p> <p>Given the size and early stage of the CEA division's operations, the Board is very familiar with the Group's operations as well as the industry, this enables the Board to clearly identify key resources and relationships on which the Group relies, this includes employees, customers and suppliers. As a result of feedback from such stakeholders, actions have been taken to improve service levels and integrate into the innovative products in development.</p>	Further explanation of the business model and key stakeholder engagement upon which it relies can be found within the Chairman's Statement and Chief Executive's Report and s172 Statement
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	Fully compliant	<p>The Company recognises that risk is inherent in all its business activities and is an important part of the Board's formulation of strategy.</p> <p>The Board, supported by the audit and risk committee, routinely monitors risks that could materially and adversely affect the Company's ability to achieve its strategic goals, financial condition and results of operations.</p> <p>The Board undertakes risk assessments at least annually to assess the relevant business and financial risks, in order to discover any potential risks the Group is exposed to. The Board has adopted and keeps its Financial Position and Prospects Procedures under review to provide a level of assurance that risk management and internal control systems are effective.</p>	Further details can be found in the Principal Risks section and Audit and Risk Committee report of this Annual Report

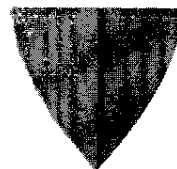
Code number	Principle	Extent of current compliance	Commentary	Further disclosure
5	Maintain the board as a well-functioning, balanced team led by the chair	Partially compliant	<p>The Board comprises five Directors, three Executive and two Non-Executive. Further details of the Board members, those that are independent, and the attendance record can be found above in the Board Members and Committees section.</p> <p>The Board currently has only one independent non-executive director, and therefore is not compliant with the requirement to have two independent non-executive directors. Due to the Company's size and nature, it is considered the Board still maintains an appropriate balance between the executive and non-executive. This will continue to be closely monitored as the Group develops.</p> <p>Each member of the Board is committed to spending sufficient time to enable them to carry out their duties, in the case of the non-executives it is at least 24 days per annum.</p>	Corporate Governance section on Board Members and Committees, including the Committee Reports



Code number	Principle	Extent of current compliance	Commentary	Further disclosure
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	Fully compliant	<p>The Directors come from a range of backgrounds and have a wide variety of experience which results in the Board as a whole being well balanced and has the skills and other attributes necessary to deliver the Company's strategy.</p> <p>The Company Secretary will provide Directors with updates on key developments relating to the Company, the sectors in which the Group operates, and legal and governance matters.</p> <p>The Board have sought external advice from its corporate advisers on matters pertaining to the Company's placing, subscription and retail offer as announced on the 4 and 6 April 2023.</p>	<p>Further details of the Board members can be found above in the Board Members and Committees section</p> <p>Our Website</p>
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	Partially compliant	<p>The Nominations Committee will regularly review the structure, size and composition of the Board and make recommendations, including over the course of time, concerning plans for succession for both executive and non-executive Directors.</p> <p>The Board is not currently compliant with the requirement for formal performance evaluations procedures. However, due to the Company's size and nature, it is not currently considered appropriate, but we will closely consider this situation as the Group develops.</p>	<p>Further details on the work of the Nominations Committee can be found above in the Board Members and Committees section</p>



Code number	Principle	Extent of current compliance	Commentary	Further disclosure
8	Promote a corporate culture that is based on ethical values and behaviours	Fully compliant	<p>The Company is committed to ensuring that the Group operates according to the highest ethical standards and the Board has primary responsibility for achieving this. The Group has also adopted formal policies addressing, <i>inter alia</i>, anti-bribery and corruption, the use of social media and dealing in the Company's shares.</p> <p>The Board strives to lead by example in its dealings with all stakeholders. The Board believes that the Group has a dynamic and ethical culture. The Board regularly monitors the cultural environment and seeks to address any concerns that arise from employee feedback. The Board believes the culture is instilled by training, continuous development and mentoring from senior management, as such it has engaged a specialist consultant in 2023 to further understand and influence the culture of the Group.</p> <p>The Group's culture is consistent with the Company's strategy, business model, and key risks, because it allows the Group to be adaptable in the face of challenges and move quickly to capitalise on new market opportunities as they develop. It also allows a focus on sustainable products, prioritising health and safety and good business practices.</p>	Further details on the Company's culture and corporate and social responsibility can be found in the Chairman's Statement, Chief Executive's Report and s172 Statement



Code number	Principle	Extent of current compliance	Commentary	Further disclosure
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Fully compliant	<p>The Board is responsible for the long-term success of the Company and provides leadership to the Company within a framework of effective controls, checks and balances.</p> <p>There is a clear separation of the roles of Chairman and Chief Executive Officer.</p> <p>The Chairman is responsible for the running of the Board and has ultimate responsibility for corporate governance matters. With guidance from the Company's advisers, the Chairman will assess the appropriateness of the Company's governance structures as the Group continues to develop. The Company is committed to the evolution of its corporate governance in line with best practice. The Board is satisfied with current corporate governance arrangements.</p> <p>The Chief Executive Officer is ultimately responsible for the day-to-day running of the business and implementing the Board's strategy and decisions.</p>	<p>Corporate Governance section on Board Members and Committees, including the Committee Reports</p> <p>Our Website, Matters Reserved for the Board and Committee Terms of Reference</p>
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Fully compliant	<p>The Board recognises that it is accountable to Shareholders for the performance and activities of the Company and to this end is committed to maintaining good communication and having constructive dialogue with its Shareholders in a number of ways, especially the Annual General Meeting, which the Company encourages Shareholders to express their view on the activities and performance, further details are contained in the Notice on page 105.</p>	<p>Our Website</p> <p>Regulatory Updates</p> <p>Annual General Meeting</p> <p>This Annual Report S172 statement</p>



Audit and risk committee report

The Audit and Risk Committee comprises Graham Cooley, with Richard Mills as chair of the Committee. Both members are Non-Executive Directors. The Audit and Risk Committee meets at least three times a year and otherwise as required.

The Audit and Risk Committee's main functions include: -

- › monitoring the integrity of the financial statements of the Company including its annual and interim reports
- › reviewing the effectiveness of internal control systems and risk management systems
- › monitoring the need for an internal audit function
- › overseeing the Company's relationship with the external auditors as a whole, including advising on their appointment and remuneration; agreeing the scope of the audit; and reviewing the findings.

ACTIVITIES DURING 2023

The Audit Committee met three times in the year. The external auditor, RSM UK Audit LLP, attended two of those meetings, to discuss the prior year audit and the current year plan. Meetings of the Committee are scheduled to coincide with key dates in the financial reporting and audit cycle.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee meets to consider the risks faced by the Group and to ensure that appropriate policies are in place to mitigate them. For further details on the Principal Risks and Uncertainties please refer to that section of the Company's Strategic Report on pages 18-22 of this Annual Report. The Group has established a system of risk management and internal control. The Committee is responsible for reviewing these systems that identify, assess, and manage risks, in order to ensure they are effective. The Board encourages a culture of continuous improvement to ensure the internal controls procedures remain appropriate as the Group scales.

EXTERNAL AUDIT

The Company's external auditors are RSM UK Audit LLP, the fee for the audit to 30 November 2023 is £110,500. The Committee monitors and reviews the external auditors' independence, objectivity, effectiveness and qualifications annually. It does so before making recommendations to the Board in respect of their re-appointment, and consideration is given to the level, nature and fees paid in respects of non-audit services in relation to the total audit fee.



INTERNAL AUDIT

As would be expected of a group of similar size, scale or complexity, the Group does not have an independent internal audit department. It is considered that the financial record keeping is robust and capable of highlighting significant departures from procedures. Other areas of risk review and management that may otherwise be conducted by an independent internal audit department are covered by the Board and its Committees, as highlighted above. The Board reviews this position annually.

SHARE DEALING, ANTI-BRIBERY AND WHISTLEBLOWING

The Company has adopted a share dealing policy for the Directors and all employees, which is appropriate for a company whose shares are admitted to trading on AIM. The Company takes all reasonable steps to ensure compliance by the Directors and any other applicable employees with the terms of that share dealing policy.

The Group promotes a culture of integrity, honesty, trust and respect and all employees are expected to operate in an ethical manner in all their internal and external dealings. The Group has adopted anti-corruption and anti-bribery policies, setting out a zero-tolerance position on bribery and corruption, and the expectations for how business activities concerning the Group should be conducted. The Group has also adopted a whistleblowing policy, covering the anonymous reporting of any and all breaches or potential breaches concerning business practices, data protection, or any unlawful behaviour. The Committee believes, based on experience to date, that these policies are effective and staff members are aware of them.



Richard Mills
Chair of the Audit and Risk Committee

7 May 2024



Remuneration committee report

The Remuneration Committee comprises Graham Cooley, with Richard Mills as chair of the Committee. All members of the Remuneration Committee are Non-Executive Directors. The Remuneration Committee meets at least twice a year and otherwise as required.

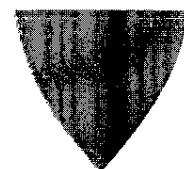
The Remuneration Committee's main functions include: –

- › determining and agreeing with the Board the framework for the remuneration of the executive directors and other designated key management personnel;
- › determining the total individual remuneration package of the executive directors, and other key management personnel including, where appropriate, bonuses, incentive payments and share options or other share awards;
- › approving the design of, and determining targets for, any performance related pay schemes operated by the Company and approving the total annual payments made under such schemes;
- › reviewing the design of and administering all share incentive plans operated by or to be established by the Company including the selection of eligible executives and employees, the timing of any grant, the numbers of shares in respect of which grants are to be made, the exercise price at which options are to be granted and the imposition of any objective condition which must be complied with; and
- › reviewing the ongoing appropriateness and relevance of the Company's remuneration policy.

TERMS OF REMUNERATION

The Company entered into service agreements with the 3 Executive Directors pursuant to which they are employed on a full time basis, terminated on no less than 6 months' notice. They are all eligible to participate in the Company's bonus scheme, yet to be determined at the absolute discretion of the Remuneration Committee, as well as being eligible to be enrolled in the Company's occupational pension scheme and the Company's private medical insurance scheme.

- › Mr Deacon is employed as the Chief Executive Officer and is paid a gross annual salary of £176,000 (2022: £205,333).
- › Mr Hemsall is employed as the Chief Operating Officer and is paid a gross annual salary of £120,000 (2022: £140,000).
- › Mr Snooks is employed as the Chief Financial Officer and is paid a gross annual salary of £120,000 (2022: £140,000).



The Non-Executive Directors are all appointed pursuant to appointment letters.

- › Mr Halley who was appointed as Independent Non-executive Chairman of the Company, and resigned 6 March 2024. Mr Halley was entitled to a fee of £50,000 per annum, having been reduced in the prior year to £40,000 per annum, and was reduced further to £25,000 from May 2023 (2022: £46,667).
- › Mr Naylor who was appointed as Non-executive Director, and resigned 6 March 2024, and was entitled to a fee of £35,000 per annum, having been reduced in the prior year to £28,000 per annum, and was reduced further to £20,000 from May 2023 (2022: £32,667).
- › Ms Clement who was appointed as Independent Non-executive Director, and resigned in May 2023 was entitled to a fee of £40,000 per annum, having been reduced in the prior year to £32,000 per annum (2022: £36,688).
- › Mr James-Duff who was appointed as Independent Non-executive Director, and resigned in May 2023 was entitled to a fee of £35,000 per annum, having been reduced in the prior year to £28,000 per annum (2022: £32,667).
- › Dr Cooley is appointed as Non-executive Chairman of the Company, for an initial term of 3 years. Dr Cooley is entitled to a fee of £60,000 per annum, currently reduced to £30,000, from March 2024.
- › Mr Mills is appointed as Independent Non-executive Director, for an initial term of 3 years. Mr Mills is entitled to a fee of £25,000 per annum from March 2024.

SHARE OPTION PLAN

The Group has established a management share option plan ("MSOP") with effect from 15 October 2021, being the Company's admission to AIM. It is administered by the Remuneration Committee and during the year has granted 2,839,000 enterprise management incentive ("EMI") share options to key management personnel of Group companies, and has 6,800,000 (2022: 8,900,000) EMI options still outstanding from grants in previous years.

The original EMI options were granted with a nil exercise price and not subject to performance conditions. The EMI options may first be exercised on the first anniversary of the date of grant up to the tenth anniversary. The Company has 6,800,000 such options still in issue. There are no cash settlement alternatives for the employees.

The EMI options granted in the year have an exercise price £0.03, and some of these are subject to performance conditions. The EMI options may first be exercised on either the second or third anniversary of the date of grant up to the tenth anniversary. The Company issued 2,839,000 such options in the year. There are no cash settlement alternatives for the employees.

The EMI options granted after the year end have an exercise price £0.05. The EMI options may first be exercised on the second anniversary of the date of grant up to the tenth anniversary. The Company issued 9,990,165 such options after the year end, with provision for accelerated vesting on the occurrence of a takeover or a scheme of arrangement and providing a default “cashless exercise” facility where options are exercised in such circumstances. There are no cash settlement alternatives for the employees.

The Company established an LSTH Employee Benefit Trust (“EBT”), having LSTH Trustee Ltd, a member of the Group, as its corporate trustee. This EBT received 8,900,000 shares in Light Science Technologies Holdings plc prior its admission to AIM, by way of an outright gift from Simon Deacon on the 8 October 2021, in order for the EBT to satisfy the aforementioned EMI options. Therefore a maximum potential issues of 10,729,165 new Ordinary Shares, representing approximately 3.2 per cent of the Company’s current Share Capital, may be required to satisfy all MSOP Share Options currently in circulation, at a future point in time if all those Options are respectively exercised.

Separately to the MSOP and EBT, after the year end a non-tax advantaged share option agreement (“NASOA”) was established and 6,660,110 options granted with an exercise price of £0.05, that may be exercised on the second anniversary of the date of grant up to the tenth anniversary. The Company issued 6,660,110 such options after the year end, with provision for accelerated vesting on the occurrence of a takeover or a scheme of arrangement and providing a default “cashless exercise” facility where options are exercised in such circumstances; other terms are equivalent to the MSOP. There is no cash settlement alternative.

The interests of the Directors under the Group’s share option schemes are set out below:

	Date of Grant	Number of Options	First Exercise Date	Exercise Price (£)	Scheme
Ain Snooks	15/10/21	1,500,000	15/10/22	0.00	MSOP
	06/03/24	3,330,055	06/03/26	0.05	MSOP
Andrew Hampson	15/10/21	1,500,000	15/10/22	0.00	MSOP
	06/03/24	3,330,055	06/03/26	0.05	MSOP
Simon Deacon	06/03/24	3,330,055	06/03/26	0.05	MSOP
Brahm Koley	06/03/24	6,660,110	06/03/26	0.05	NASOA

2023 ANNUAL BONUS

For the period to 30 November 2023, the Executive Directors did not receive, nor were they eligible for any bonus.



DIRECTORS' EMOLUMENTS - AUDITED

£	Salary and Fees	Benefits-in-kind	Pension contributions	2023 Total	2022 Total
Executive					
Simon Deacon	176,000	2,402	1,321	179,723	208,568
Jim Snooks	120,000	1,058	1,321	122,379	142,172
Andrew Hemsall	120,000	-	440	120,440	140,870
Non-Executive					
Myles Halley (resigned 6 March 2024)	31,250	-	-	31,250	46,667
Rob Naylor (resigned 6 March 2024)	23,333	-	-	23,333	32,667
Lisa Clement (resigned 30 May 2023)	18,667	-	-	18,667	36,688
Rory James-Duff (resigned 30 May 2023)	16,334	-	-	16,334	32,667
Total	505,584	3,460	3,082	512,126	640,299

DIRECTORS' INTEREST IN SHARES

The Directors held the following beneficial interests in the shares of Light Science Technologies Holdings plc as at the 30 November 2023:

	Number of Ordinary Shares	Percentage of Ordinary Share Capital
Simon Deacon	95,600,000	28.7
Graham Cooley	23,700,000	7.1
Robert Naylor	2,500,000	0.8
Jim Snooks	1,000,000	0.3
Myles Halley	500,000	0.2
Andrew Hemsall	365,655	0.1
Richard Mills	-	-

Richard Mills

Richard Mills
Chair of the Remuneration Committee

7 May 2024

Directors' report

The Directors present their report and the audited financial statements of the Group for the year ended 30 November 2023.

PRINCIPAL ACTIVITIES

Light Science Technologies Holdings plc is a public limited company incorporated in the United Kingdom, registered number 12398098, which is admitted to trading on the AIM market ("AIM") of the London Stock Exchange. Its principal activity is that of a holding company.

The principal activities of the Group are the development and manufacturing of electronic boards; the development and manufacturing of lighting and technology products for the Controlled Environment Agriculture ("CEA") sector; and the installation of retrospective cavity barriers in wall and floor constructions.

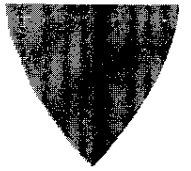
DIRECTORS

The Directors who served during the year and up to the date of this report were as follows:

Myles Halley	Chairman	{resigned 6 March 2024}
Graham Cooley	Chairman	{appointed 6 March 2024}
Simon Deacon	Chief Executive Officer	
James Snooks	Chief Financial Officer	
Andrew Hemsall	Chief Operating Officer	
Robert Naylor	Non-Executive Director	{resigned 6 March 2024}
Richard Mills	Non-Executive Director	{appointed 6 March 2024}
Lisa Clement	Non-Executive Director	{resigned 30 May 2023}
Rory James-Duff	Non-Executive Director	{resigned 30 May 2023}

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 30 November 2023 (2022: £nil).



SIGNIFICANT SHAREHOLDINGS

The Company's significant shareholders, including Directors, as at 30 November 2023, were as follows:

	Number of Ordinary Shares	Percentage of Ordinary Share Capital
Simon Deacon	95,600,000	28.7
Guinness Asset Management	31,488,120	9.5
Intuitive Investments Group plc	28,280,000	8.5
Dr Graham Cooley	23,700,000	7.1
Herald Investment Management	19,000,000	5.7
David Evans	15,700,000	4.7
LSTH Trustee	8,900,000	2.7

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

The Company currently has in place, and had for the year ended 30 November 2023, Directors and Officers liability insurance for the benefit of all Directors of the Company.

POLITICAL DONATIONS

The Company made no political donations in the financial period.

FINANCIAL RISK MANAGEMENT

The financial risk management objectives of the Group, including credit risk and foreign currency risk, are provided in Note 29 to the Consolidated Financial Statements on pages 93-96.

CORPORATE GOVERNANCE

For further details of Corporate Governance, please refer to the Corporate Governance section on pages 23-43.

GOING CONCERN

The Going Concern statement for the Group is provided in Note 2.4 to the Consolidated Financial Statements on page 64.



KEY PERFORMANCE INDICATORS

The Board monitors the performance of the Group in delivering its key strategic and operational objectives for a given period. In particular, the Board monitors revenue, sales pipeline and gross margin against budget. These are set out in the highlights section on page 3 and in the table below:

	2023	2022	2021
Revenue (£m)	9.30	8.17	7.39
Gross Profit Margin %	23.4	17.7	22.2

Due to the early stage of operations in the CEA and PFP divisions, the Board is in the process of developing an appropriate set of key performance indicators (KPIs) against which to benchmark how it performs against the operational and other standards that will be put in place by the Board as the Group grows. The Board recognises the importance of KPIs in driving appropriate behaviour, sustainable practices and business performance. As such the Directors are absolutely committed to ensuring the Group operates to the highest standards by developing, monitoring and continually reviewing which financial and non-financial KPIs are appropriate for the Group's stage of development.

STATEMENT OF DIRECTORS' RESPONSIBILITIES


The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group financial statements for each financial year. The Directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing each of the group and company financial statements, the directors are required to:

- › select suitable accounting policies and then apply them consistently;
- › make judgements and estimates that are reasonable and prudent;
- › state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
- › prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.



The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements and Remuneration Report comply with the Companies Act 2006. They have general responsibility for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Light Science Technologies Holdings Plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

| STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

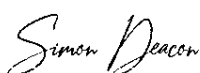
| AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting to be held in May 2024.

| STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 the Company chooses to report on the review of business; research and development activities and likely future developments of the business in the Chairman's Statement, Chief Executive's Report, Strategic Report and Corporate Governance Statement on pages 4-33.

This report was approved by the board and signed on its behalf.



Simon Deacon
Chief Executive Officer

7 May 2024

Independent auditor's report to the members of Light Science Technologies Holdings Plc

OPINION

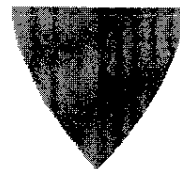
We have audited the financial statements of Light Science Technologies Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2023 which comprise the consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, statements of changes in equity, consolidated cash flow statement, company cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- › the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2023 and of the group's loss for the year then ended;
- › the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- › the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- › the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



SUMMARY OF OUR AUDIT APPROACH

Key audit matters	<ul style="list-style-type: none">› Group Impairment› Parent Company Impairment
Materiality	<ul style="list-style-type: none">› Group Overall materiality: £189,000 (2022: £167,000) Performance materiality: £141,000 (2022: £125,000)› Parent Company Overall materiality: £98,000 (2022: £77,000) Performance materiality: £73,500 (2022: £57,700)
Scope	<ul style="list-style-type: none">› Our audit procedures covered 97% of revenue, 93% of total assets and 95% of loss before tax.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment

Key audit matter description

Due to the loss-making nature of the Controlled Environment Agriculture ("CEA") division, an impairment review is triggered under IAS 36 to support the carrying value of the assets of this division which includes the development costs held on the group balance sheet of £1,058,755 and the investment held by the parent company in Light Science Technologies Limited which contains the trade of the CEA division.

In addition, the recoverability of the intercompany debtor balances are assessed in line with the requirements of IFRS 9.

In performing the impairment review, management judgement, as detailed in note 3.1 to the financial statements, is required in a number of areas including estimating future sales, costs and timing of related cashflows as well as determining an appropriate discount rate.

How the matter was addressed in the audit

To respond to this key audit matter, we have:

- › challenged key assumptions within management's forecasts including assessing whether these are consistent with internal and external evidence, including actual performance in the financial year.
- › tested the mechanical accuracy of management's model and tested the data used in management's calculation by verifying this to supporting documentation;
- › assessed the methodology applied in reviewing the assets for impairment and assessing the recoverability of intercompany balances with reference to the requirements of IAS 36 and IFRS 9 respectively.
- › considered the consistency of the forecasts applied in this calculation with forecast information assessed as part of our work in respect of going concern;
- › considered the sensitivity analysis of reasonable changes in their assumptions to assess the impact this would have on the impairments noted; and
- › evaluated the appropriateness of disclosures made, including in respect of the key source of estimation uncertainty and sensitivity analysis.

Key observations

We challenged management on a number of aspects of the impairment assessments and the impairment recorded by management in the year of £210,000.

Due to the start-up nature of the CEA division, the estimation of the quantum of revenues and the timing of related cashflows is particularly judgmental.

As a result of our challenges, management recorded an additional impairment of £2,133,000 against the parent company investment in Light Science Technologies Limited.

OUR APPLICATION OF MATERIALITY

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£189,000 (2022: £167,000)	£98,000 (2022: £77,000)
Basis for determining overall materiality	2% of revenue	2.5% of total assets (reduced to a suitable level to support the group opinion)
Rationale for benchmark applied	This key performance indicator is focused upon by the investors as a measure of the level of growth achieved by the group	Total assets was chosen as the entity is a non-trading holding company
Performance materiality	£141,000 (2022: £125,000)	£73,500 (2022: £57,700)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £9,450 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £4,900 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The group consists of 5 components, all of which are based in the UK. The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	3	97%	76%	95%
Targeted audit procedures	2	-	17%	-
Total	5	97%	93%	95%

Targeted audit procedures were undertaken on significant balances to ensure suitable levels of coverage to support the group audit opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.4 in the financial statements, which notes that the viability of the group is dependent on growth in revenues especially in the Controlled Environment Agriculture and Passive Fire Protection divisions. Should revenue generation be below expectations then there would be a probable need to raise additional financing. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- › Understanding how the cash flow forecasts for the going concern period had been prepared and the assumptions adopted;
- › Testing of the integrity of the forecast model to ensure it was operating as expected;
- › Challenging the key assumptions within the forecast with agreement to supporting data where possible.
- › Review and consideration of the appropriateness of the sensitivity analysis performed by management and available actions should performance be behind expectations.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- › the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- › the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- › adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- › the parent company financial statements are not in agreement with the accounting records and returns; or
- › certain disclosures of directors' remuneration specified by law are not made; or
- › we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on pages 42 and 43 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

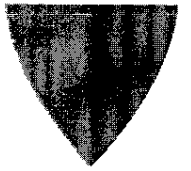
However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- › obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- › inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- › discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors.
Health & safety	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance.



The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	We performed cut-off testing and substantive testing procedures over revenue recognised through the year to ensure appropriately recognised in line with the requirements of IFRS 15. Transactions posted to nominal ledger codes outside of the normal revenue cycle were identified using a data analytic tool and investigated.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

| USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Stephenson

Neil Stephenson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A, 7th Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

7 May 2024

Consolidated statement of comprehensive income

For the year ended 30 November 2023

	Notes	2023 £	2022 £
Revenue	5	9,295,160	8,166,769
Cost of sales		(7,122,419)	(6,723,400)
Gross profit		2,172,741	1,443,369
Administrative expenses		(3,026,483)	(4,263,454)
Non-recurring administrative expenses	8	(255,363)	-
Other operating income	9	249,197	209,786
Operating loss	6	(859,908)	(2,610,299)
Finance costs	10	(279,077)	(112,167)
Loss on ordinary activities before taxation		(1,138,985)	(2,722,466)
Income tax credit	13	213,376	235,147
Loss for the year and total comprehensive income for the year		(925,609)	(2,487,319)
Attributable to:			
The owners of the company		(953,164)	(2,502,748)
Non-controlling interests	28	27,555	15,429
		(925,609)	(2,487,319)
Loss per share			
Basic and diluted (pence)	33	(0.36)	(1.51)

Notes to the financial statements are from pages 63 to 104.

Consolidated balance sheet

Registered Number: 12398098

As at 30 November 2023

	Notes	30 November 2023 £	30 November 2022 £
Assets			
Non-current assets			
Goodwill	14	920,867	-
Intangible assets	15	1,560,130	708,343
Property, plant and equipment	16	854,512	777,919
Right-of-use assets	23	423,881	658,680
		3,759,390	2,144,942
Current assets			
Inventories	18	1,399,597	1,583,349
Trade and other receivables	19	2,154,961	2,569,651
Corporation tax receivable		37,897	177,795
Cash and cash equivalents	20	981,357	590,673
		4,573,812	4,921,468
Total assets		8,333,202	7,066,410
Liabilities			
Current liabilities			
Borrowings	24	(1,779,712)	(2,007,947)
Trade and other payables	21	(1,878,435)	(2,079,134)
Consideration payable	32	(364,580)	-
Lease liabilities	23	(101,240)	(221,773)
		(4,123,967)	(4,308,854)
Non-current liabilities			
Borrowings	24	(180,555)	(397,222)
Trade and other payables	21	(240,017)	(111,707)
Consideration payable	32	(1,017,406)	-
Lease liabilities	23	(303,978)	(313,060)
		(1,741,956)	(822,069)
Total liabilities		(5,865,923)	(5,130,923)
Net assets		2,467,279	1,935,487

Consolidated balance sheet (continued)

	Notes	30 November 2023 £	30 November 2022 £
Capital and reserves attributable to the owners of the company			
Share capital	26	3,330,055	1,741,500
Share premium account	27	5,520,243	5,654,011
Merger reserve	27	(3,478,435)	(3,478,435)
Share based payment reserve	27	546,614	726,000
Warrant reserve	27	159,593	159,593
Retained earnings	27	(3,980,645)	(3,209,481)
		2,097,425	1,593,188
Non-controlling interests	28	369,854	342,299
Total equity		2,467,279	1,935,487

These financial statements were approved by the Board of Directors and authorised for issue on 7 May 2024 and were signed on its behalf by:

Simon Deacon

Simon Deacon
Chief Executive Officer

Notes to the financial statements are from pages 63 to 104.

Company balance sheet

As at 30 November 2023

	Notes	30 November 2023 £	Restated* 30 November 2022 £
Assets			
Non-current assets			
Property, plant and equipment	16	1,196	10,217
Investments in subsidiaries	17	1,659,895	3,269,507
Trade and other receivables	19	3,517,629	3,093,536
		5,178,720	6,373,260
Current assets			
Trade and other receivables	19	38,419	50,577
Cash and cash equivalents	20	564,225	245,660
		602,644	296,237
Total assets		5,781,364	6,669,497
Liabilities			
Current liabilities			
Trade and other payables	21	(234,164)	(260,989)
Consideration payable	32	(124,580)	-
		(358,744)	(260,989)
Non-current liabilities			
Consideration payable	32	(257,406)	-
		(257,406)	-
Total liabilities		(616,150)	(260,989)
Net assets		5,165,214	6,408,508
Capital and reserves attributable to the owners of the company			
Share capital	26	3,330,055	1,741,500
Share premium account	27	5,520,243	5,654,011
Share based payment reserve	27	546,614	726,000
Warrant reserve	27	159,593	159,593
Retained earnings	27	(4,391,291)	(1,872,596)
Total equity		5,165,214	6,408,508

*See note 19 for further detail on the nature of the prior year reclassification.

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes. The loss for the company for the year was £2,700,695 (2022: £1,184,534).

These financial statements were approved by the Board of Directors and authorised for issue on 7 May 2024 and were signed on its behalf by:

Simon Deacon

Simon Deacon
Chief Executive Officer

Notes to the financial statements are from pages 63 to 104.

Statements of changes in equity

For the year ended 30 November 2023

	Share capital	Share premium account	Share based payment reserve
Consolidated	£	£	£
At 30 November 2022	1,741,500	5,654,011	726,000
Transactions with shareholders			
Share based payments	-	-	2,614
Shares issued during the year	1,588,555	(133,768)	-
Share based payments – lapsed options	-	-	(182,000)
Total transactions with shareholders	1,588,555	(133,768)	(179,386)
Comprehensive income			
Loss for the year	-	-	-
Total comprehensive income	-	-	-
At 30 November 2023	3,330,055	5,520,243	546,614
	Share capital	Share premium account	Share based payment reserve
	£	£	£
At 30 November 2021	1,741,500	5,654,011	220,363
Transactions with shareholders			
Share based payments	-	-	505,637
Total transactions with shareholders	-	-	505,637
Comprehensive income			
Loss for the year	-	-	-
Total comprehensive income	-	-	-
At 30 November 2022	1,741,500	5,654,011	726,000



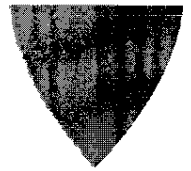
Warrant reserve	Merger reserve	Retained earnings	Non-controlling interests	Total equity
£	£	£	£	£
159,593	(3,478,435)	(3,209,481)	342,299	1,935,487
-	-	-	-	2,614
-	-	-	-	1,454,787
-	-	182,000	-	-
-	-	182,000	-	1,457,401
-	-	(953,164)	27,555	(925,609)
-	-	(953,164)	27,555	(925,609)
159,593	(3,478,435)	(3,980,645)	369,854	2,467,279

Warrant reserve	Merger reserve	Retained earnings	Non-controlling interests	Total equity
£	£	£	£	£
159,593	(3,478,435)	(706,733)	326,870	3,917,169
-	-	-	-	505,637
-	-	-	-	505,637
-	-	(2,502,748)	15,429	(2,487,319)
-	-	(2,502,748)	15,429	(2,487,319)
159,593	(3,478,435)	(3,209,481)	342,299	1,935,487

Statements of changes in equity (continued)

<i>Company</i>	Share capital £	Share premium account £
At 30 November 2022	1,741,500	5,654,011
<i>Transactions with shareholders</i>		
Share based payments	-	-
Shares issued during the year	1,588,555	(133,768)
Share based payments – lapsed options	-	-
Total transactions with shareholders	1,588,555	(133,768)
<i>Comprehensive income</i>		
Loss for the year	-	-
Total comprehensive income for the year	-	-
At 30 November 2023	3,330,055	5,520,243
<i>Company</i>	Share capital £	Share premium account £
At 30 November 2021	1,741,500	5,654,011
<i>Transactions with shareholders</i>		
Share based payments	-	-
Total transactions with shareholders	-	-
<i>Comprehensive income</i>		
Loss for the year	-	-
Total comprehensive income for the year	-	-
At 30 November 2022	1,741,500	5,654,011

Notes to the financial statements are from pages 63 to 104.



Share based payment reserve £	Warrant reserve £	Retained earnings £	Total equity £
726,000	159,593	(1,872,596)	6,408,508
2,614	-	-	2,614
-	-	-	1,454,787
(182,000)	-	182,000	-
(179,386)	-	182,000	1,457,401
-	-	(2,700,695)	(2,700,695)
-	-	(2,700,695)	(2,700,695)
546,614	159,593	(4,391,291)	5,165,214
Share based payment reserve £	Warrant reserve £	Retained earnings £	Total equity £
220,363	159,593	(688,062)	7,087,405
505,637	-	-	505,637
505,637	-	-	505,637
-	-	(1,184,534)	(1,184,534)
-	-	(1,184,534)	(1,184,534)
726,000	159,593	(1,872,596)	6,408,508

Consolidated cash flow statement

For the year ended 30 November 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Loss after tax		(925,609)	(2,487,319)
<i>Adjustments for:</i>			
Depreciation of tangible assets	16	115,371	172,804
Depreciation of right-of-use assets	23	187,318	144,850
Amortisation and impairment of intangible assets	15	245,618	-
Loss on disposal of tangible and right-of-use assets	16,23	30,278	-
Foreign exchange loss	6,10	2,185	21,959
Unwind of discount on consideration	10	7,496	-
Interest payable – loan and leases	10	103,219	90,208
Taxation and RDEC credit	9,13	(266,112)	(205,511)
Share based payment	25	2,614	505,637
<i>Changes in working capital:</i>			
Decrease/(increase) in inventory		207,925	(383,600)
Decrease/(increase) in trade and other receivables		492,087	(808,365)
(Decrease)/increase in trade payables and other payables		(209,934)	40,691
Cash outflow from operations		(7,544)	(2,908,646)
Tax received	13	183,111	155,849
Net cash inflow/ (outflow) from operating activities		175,567	(2,752,797)

Consolidated cash flow statement (continued)

	Notes	2023 €	2022 €
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(18,809)	(127,920)
Proceeds from disposal of property, plant and equipment		27,456	-
Acquisition of subsidiaries, net of cash acquired	30	142,507	-
Purchase of intangible fixed assets	15	(592,405)	(493,645)
Purchase of right-of-use-assets	23	(16,172)	(5,804)
Net cash outflow from investing activities		(457,423)	(627,369)
Cash flows from financing activities			
Capital issued (net of issue costs)	26	1,454,787	-
Repayment of loans	24	(216,667)	(216,667)
Lease payments	23	(234,126)	(248,738)
Interest paid on leases	23	(33,155)	(37,769)
Net drawdown on working capital facilities	24	(228,235)	666,022
Interest paid on loans and borrowings	10	(70,064)	(52,439)
Net cash inflow from financing activities		672,540	110,409
Increase/(decrease) in cash and cash equivalents		390,684	(3,269,757)
Cash and cash equivalents including overdrafts at the start of the year		590,673	3,860,430
Cash and cash equivalents including overdrafts at the end of the year		981,357	590,673

Notes to the financial statements are from pages 63 to 104.

Company cash flow statement

For the year ended 30 November 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Loss for the year		(2,700,695)	(1,184,534)
<i>Adjustments for:</i>			
Depreciation of tangible assets	16	4,947	5,196
Impairment of investments	17	2,133,000	-
Loss on disposal of tangible assets	16	2,581	-
Interest payable		599	901
Unwind of discount on consideration		7,496	-
Dividends received from subsidiaries		(143,448)	-
Share based payment		-	337,637
<i>Changes in working capital:</i>			
Decrease in trade and other receivables		12,158	34,907
Increase in amounts owed by group undertakings		(424,094)	(2,317,822)
Decrease in trade payables and other payables		(26,825)	(35,835)
Net cash (outflow) / inflow from operating activities		(1,134,281)	(3,159,550)
Cash flows from investing activities			
Purchase of property, plant and equipment	16	-	(6,555)
Proceeds from disposal of property, plant and equipment		1,494	-
Dividends received from subsidiaries		143,448	-
Investments in subsidiaries	17,30	(146,284)	-
Net cash outflow from investing activities		(1,342)	(6,555)
Cash flows from financing activities			
Capital issued (net of issue costs)	26	1,454,787	-
Interest paid on loans and borrowings		(599)	(901)
Net cash inflow/(outflow) from financing activities		1,454,188	(901)
Increase/(decrease) in cash and cash equivalents		318,565	(3,167,006)
Cash and cash equivalents including overdrafts at the start of the year		245,660	3,412,666
Cash and cash equivalents including overdrafts at the end of the year		564,225	245,660

Notes to the financial statements are from pages 63 to 104.



Notes to the financial statements

1 General information

Light Science Technologies Holdings plc was incorporated in England on 13 January 2020 as a private company limited by shares. On 8 July 2021, the Company re-registered as a public limited company. The address of its registered office was changed in the year to The Mill, Canal Street, Derby, DE1 2RJ.

The principal activity of the Group is the development and manufacturing of electronic boards; the development and manufacturing of lighting and technology products for the Controlled Environment Agriculture (“CEA”) sector; and the installation of retrospective cavity barriers in wall and floor constructions.

2 Basis of preparation

| 2.1 STATEMENT OF COMPLIANCE

The group and company financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards (“IFRS”). Both the company and group have reported those parts of the Companies Act 2006 that are relevant to companies preparing accounts under IFRS. On publishing the parent company financial statements here together with the group financial statements, the company is taking advantage of the exemption in s408 of the Companies Act 2006 to not present its individual statements of comprehensive income and related notes that form a part of these approved financial statements.

| 2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and entities controlled either directly or indirectly by the company.

The consolidated financial statements have been prepared in accordance with uniform accounting principles for similar transactions for the companies included in the consolidated accounts and are prepared based on the same accounting period as used for the parent company. All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated when preparing the consolidated financial statements.

On 23 June 2021 there was a group reconstruction by way of share for share exchanges, since the shareholders were the same before and after this transaction, and so were under common control, this group reconstruction has been accounted for using the predecessor method of merger accounting. A merger reserve is thus recognised to reflect the difference between the cost of the investment in subsidiaries and the nominal value of share capital of the subsidiaries.

The non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities.

Subsequently, the results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The business combination is initially measured as the fair value of the identifiable assets purchased and liabilities assumed at the date of acquisition. Any excess of the cost over the fair value is recorded as goodwill.

2.3 BASIS OF MEASUREMENT

The financial statements have been prepared on a going concern basis, under the historical cost convention. No new standards have been adopted in the year which have a material impact on the entity.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting years beginning on or after 1 December 2023 or later years and which the group has decided not to adopt early. The group has considered the impact of these new standards and interpretations in future years on profit, earnings per share and net assets. None of these new standards or interpretations is expected to have a material impact.

2.4 GOING CONCERN

Working capital forecasts have been prepared by management which show that the Group can meet its day-to-day cash flow requirements and operate within all the terms of its borrowing facilities.

The Directors are satisfied that the Group has sufficient financing in place to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of this report and hence have prepared the financial statements on a going concern basis.

The Directors acknowledge that there is uncertainty on the level and timing of revenues especially in the Controlled Environment Agriculture and Passive Fire Protection divisions, and there would be a probable need to raise additional funding, should the Group's expectations for revenue generation not materialise as expected. The Directors note that this material uncertainty may cast significant doubt on the group's and parent company's ability to continue as a going concern.

In response to these matters the Group is continuing to manage cash flows and discretionary spending.

The financial statements do not include any adjustments that would result if the group and parent company were unable to continue as a going concern.

2.5 FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements are presented in pounds sterling, rounded to the nearest £, which is the Group's functional currency.

3 Use of estimates and judgements

The preparation of financial statements requires management to make estimates and judgements that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual amounts could differ from those estimates. Estimates and judgements used in the preparation of the consolidated financial statements are regularly reviewed and revised as necessary. While every effort is made to ensure that such estimates and judgements are reasonable, by their nature they are uncertain and, as such, changes in estimates and judgements may have a material impact on the consolidated financial statements.

The key sources of judgement and estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below:

3.1 IMPAIRMENT OF ASSETS

The Directors review the carrying value of assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset. Cash flow and growth rate assumptions are in relation to periods covered by Board approved plans, of between 3% for established CEM market and up to 60% for CEA market (2022: 6% and 75% respectively). Other key assumptions are the discount rate, where the group uses its corporate weighted average cost of capital, of 13%, and risk-adjusted discount rate of up to 20% for newer products still in development (2022: 10% to 20%); and the period of cashflows, which is annual. There has been a £210,000 provision against an intangible development asset in the consolidated accounts (2022: £nil). In the company accounts a provision of £2,133,000 against the investment in subsidiaries in respects of Light Science Technologies Ltd, and a provision against the intercompany debtor to Light Science Technologies Ltd in the year of £81,683 as a stage 1 performing debtor (2022: £nil and £6,107 respectively). The key sensitivities are to the discount rate and level and timing of ongoing revenue in the CEA market. An increase in the discount rate by 2% (2022: 1%), or a reduction in the level and timing of CEA revenue growth by 10% (2022: 1%) would have resulted in an additional impairment due to there being limited headroom, noting more prudent assumptions have already been used in the current year to the prior year.

The £210,000 impairment is recognised as an administrative expense in relation to the CEA segment, specifically the advanceGROW development asset, which had a carrying value of £336,690. The recoverable amount was estimated based on the value in use, which assumed a 50% revenue growth rate and a 20% discount rate, on this basis the recoverable amount was approximately £126,000, and so a £210,000 impairment was recognised. The reasons for testing the asset for impairment and recognising an impairment are the inflationary environment that persisted in 2022 and 2023, and especially resulting from the energy crisis of 2022. At the outset of this grant-linked development project a target payback period was set of 9 years for the initial prototype reducing to 5 years with subsequent enhancements. However, due to energy prices and other input cost inflation for growers, the payback period of the first working prototype was calculated to be approximately 15 years, as opposed to the original target payback period being achieved when based on 2021 energy costs. This resulted in changing the scope and path of the development project in July 2023, to ensure the target payback period could be achieved, rendering the product as commercially viable. The final trial results are still pending for the revised prototype, following which the payback period can be finalised. The impairment recognised is consistent with the development costs capitalised during months 10 through 20 of the project (the initial 10 months having been expensed) and the recoverable amount is consistent with the final 4 months of capitalised costs.

The £2,133,000 impairment of the investment in Light Science Technologies is recognised as an administrative expense in the Company accounts, it had a carrying value of £2,534,455 and separately intra-group interest-bearing loans repayable from 2027 had been advanced for a total of £2,711,841. The recoverable amount was estimated based on the value in use, which assumed an average 57% revenue growth rate across the differing product ranges, and a 15% discount rate, on this basis the recoverable amount was approximately £3,113,000, and so a £2,133,000 impairment was recognised.

3.2 DEVELOPMENT COSTS

Distinguishing the research and development phases of new products and determining whether the recognition requirements for the capitalisation of development costs are met and their subsequent amortisation period requires judgement.

Management judgement is required to determine the appropriate value and timing of recognising development costs incurred on projects as an asset. Recognition of capitalised development costs is dependent on assumption of generating future economic benefits. Actual outcomes may differ. The value of the development costs capitalised at 30 November 2023 was £1,300,749 (2022: £708,344), and the net book value was £1,058,756 (2022: £708,344).

3.3 BUSINESS COMBINATIONS

The Tomtech (UK) Limited business was acquired on 5 September 2023 for a total consideration of £516,232. Following completion, management carried out a purchase price allocation exercise to assess the fair value measurement of the tangible assets, identifiable intangible assets and goodwill using the acquisition method in accordance with IFRS 3 Business Combinations. This work covered four key areas, the main cash generating unit, customer relationships, software and technology IP and the workforce. Customer relationships were judged to be the main driver for the acquisition as their retention and the possibility of cross-selling the Group's developed CEA products were key and this was used as the primary asset for valuation using a multi period excess earnings model ('MEEM') considering only revenues from existing customers at the valuation date. The acquired software and technology IP upon which the acquiree's control systems were based was a secondary driver as it facilitated the ongoing provision of hardware and associated services to its customers, and there was the possibility of incorporating this into the software and hardware applications already developed by the Group's CEA division to provide a full turnkey solution to the CEA sector. Accordingly, this technology was valued using the relief from royalty method.

The Injecta Fire Barrier business was acquired on 20 November 2023 for a contingent consideration with a fair value of £1,000,000. Following completion, management carried out a purchase price allocation exercise to assess the fair value measurement of the tangible assets, identifiable intangible assets and goodwill using the acquisition method in accordance with IFRS 3 Business Combinations. This work covered four key areas, the main cash generating unit, customer relationships, 3rd party accreditations and certifications and the workforce. Customer relationships were judged to be the main driver for the acquisition as the significant pipeline and order book were considered key and this was used as the primary asset for valuation using a multi period excess earnings model ('MEEM') considering estimated conversion rates on the pipeline and potential recurring nature for large developers and specialist contractors at the valuation date. The 3rd party accreditations and certifications are a secondary driver as it is a pre-requisite for being able to operate efficiently in the passive fire protection sector and can be onerous to obtain as a new market entrant. Due to the difficulty deriving a valuation from an income or market approach, this intangible was valued at an estimated replacement cost.

The fair value of contingent consideration was estimated based on the expected value of the consideration to be payable and discounted back to the present value. The income approach to estimating fair value was used, specifically a scenario-based method utilising a Monte Carlo simulation considering 250 possibilities of payout profiles. The discount rate was estimated based on the risk-free rate at acquisition with reference to market rates; a counterparty credit risk rate with reference to credit spreads on similar duration and seniority of debt; and finally a required metric risk premium estimated to be equivalent to the weighted average cost of capital of the acquiree, given the consideration is contingent on net profit after tax which incorporates all business risks.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented.

4.1 FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

4.2 REVENUE

Revenue comprises revenue recognised by the Group in respect of goods and services supplied during the year, based on the consideration specified in a contract, excluding value added tax and other sales taxes. IFRS 15 establishes a comprehensive model for determining whether, how much, and when revenue is recognised. The Group follows the five-step model according to IFRS 15. The process separates the following steps: Identification of the customer contract, identification of the individual performance obligations, determination of the transaction price, allocation of the transaction price to the individual contractual obligations and the determination of the timing of revenue recognition.

Disaggregation of revenue into the three major operating segments are shown in note 5 Revenue and segmental reporting. The Group has three operating segments, the development and sale of contract electronics boards, by the Contract Electronic Manufacturing (CEM) division; the development and sale of lighting and technology products for the Controlled Environment Agriculture (CEA) sector, and project and maintenance services for the CEA sector; and the installation services of retrospectively installed cavity barriers in wall and floor constructions, by the Passive Fire Protection (PFP) division.

The transaction price reported for all contracts is the price agreed in the contract and there are no material elements of variable consideration, financing or non-cash consideration.

CEM DIVISION

The sale of hardware is accounted for as a single performance obligation. Revenue from contracts with customers is recognised when performance obligations are satisfied and which is at a point in time the goods transfer, either at customer collection or despatch.

Arrangements are in place for certain customers, whereby the customer is also a supplier to the business. The customer supplies a distinct good or service to the business, and as such the purchase of that good or service is accounted for in the same way that it the Group accounts for other purchases from suppliers. The amount of consideration payable to the customer does not exceed the fair value of the distinct good or service that the Group receives from the customer.

CEA DIVISION

The sale of hardware, and project and maintenance services are all accounted for as single performance obligations. Revenue from contracts with customers is recognised when performance obligations are satisfied and which is at a point in time the goods or services transfer, either at customer collection, despatch or project completion. Revenue from maintenance services transfers over time evenly over the number of months supported.

PFP DIVISION

The installation services are a series of distinct services, which are substantially the same and have the same pattern of transfer, so are recognised as a single performance obligation. Revenue for installation services transfers over time as measured by the number of linear meters installed.

4.3 GOVERNMENT GRANTS

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure, and are accrued or deferred when related expenditure has not been incurred in the period.

Grants of a capital nature are recognised in the consolidated balance sheet as deferred grant income and released to match the amortisation of intangible development assets to which they relate.

Support provided under the Coronavirus Business Interruption Loan Scheme (CBILS) by way of the Business Interruption Payment (BIP) grant, is recognised when the requirements are met and recognised in the consolidated statement of comprehensive income within other operating income. The related liability has been initially measured at the discounted present value of future payments within the combined statement of comprehensive income when the relevant requirements are met, such that interest is charged during the duration of the CBILS loan whether or not covered by the BIP grant.

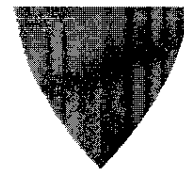
4.4 LEASES

The Group has applied IFRS 16 (leases) using the fully retrospective approach, under which the initial application was recognised financial year commencing 1 December 2016. The Group leases assets under short term leaseholds and plant and machinery.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are measured on a present value basis, discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. Lease liabilities include the net present value of the following lease payments:

- › Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- › Lease payments to be made under reasonably certain extension options.



Right-of-use assets are measured at cost comprising the following:

- › The amount of the initial measurement of lease liability;
- › Adjustments for any payments made at or before the commencement date;
- › Adjustments for any initial direct costs incurred less lease incentives received;
- › Any restoration costs expected.

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. Payments associated with short term leases and leases of low value assets are recognised on a straight line basis as an expense in the consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise of office equipment.

| 4.5 FINANCE COSTS

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

| 4.6 INCOME TAX

Current tax represents the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and taking into account any adjustments in respect of prior years.

Deferred tax is calculated using the balance sheet liability method on temporary differences and provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. Deferred tax is measured at the tax rates that are expected to apply when the temporary differences reverse, based on the tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilised or offset against deferred tax liabilities.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are recognised in other comprehensive income or charged or credited directly to equity in which case the related deferred tax is also recognised in other comprehensive income or charged or credited directly to equity respectively.

Research and development (“R&D”) tax credits are accounted for under the accruals model, unless the receipt of monies cannot be foreseen with reasonable certainty. R&D tax credits are recognised within the statement of comprehensive income, where the receipt can be foreseen with reasonable certainty, in order to match income with related expenditure. The amounts are either recognised within operating costs or as a reduction in the tax charge, dependent upon the nature of the claims made.

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost or deemed cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all property, plant and equipment, other than freehold land, by equal annual instalments over their estimated useful economic lives, on a straight line basis. The rates generally applicable are:

- › Long-term leasehold property - 2% straight line
- › Leasehold improvements - over the period of the lease
- › Plant and machinery - 20% straight line
- › Fixtures and fittings - 20% or 33% straight line

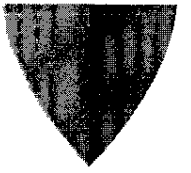
The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

4.8 GOODWILL

Goodwill is the difference between the amount by which the fair value of the cost of a business combination exceeds the fair value of the net assets acquired. Goodwill is not amortised and is stated at cost less any accumulated impairment losses. The goodwill is tested for impairment annually or when events would indicate that it might be impaired.

4.9 INTANGIBLE ASSETS - ACQUIRED

Net assets acquired as part of a business combination includes an assessment of the fair value of separately identifiable acquisition related intangible assets, in addition to other assets and liabilities purchased. These are amortised over their useful lives which are individually assessed. The estimated useful economic life for customer relationships is 10 years for long-established relationships and 5 years for other relationships; for acquired software and technology IP is 10 years; and for 3rd party accreditations and certifications is 2 years. Amortisation is provided on intangible assets so as to write off the cost over their expected useful economic life.



4.10 RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is expensed in the income statement as incurred. Development expenditure on a project is written off as incurred unless it can be demonstrated that the following conditions for capitalisation, in accordance with IAS38 Intangible Assets, are met:

- › the intention is to complete the development of the intangible asset and use or sell it;
- › the development costs are separately identifiable and can be measured reliably;
- › management are satisfied as to the ultimate technical and commercial viability of the project; so that it will be feasible to complete and be available for use or sale;
- › management are satisfied with the availability of technical, financial and other resources to complete the development and use or sell the intangible asset; and
- › it is probable that the asset will generate future economic benefit.

Any subsequent development costs are capitalised and are amortised, within cost of sales, from the date the product or process is available for use, on a straight-line basis over its estimated useful life. The useful life for the development costs capitalised at the current year-end is up to 5 years.

4.11 IMPAIRMENT OF ASSETS

At each reporting year end date, the Group and Company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. At each consolidated statement of financial position date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.14 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised when the Group becomes party to the contracts that give rise to them and are classified as financial assets and liabilities at fair value through the consolidated statement of comprehensive income. The Group determines the classification of its financial assets and liabilities at initial recognition and re-evaluates this designation at each financial year end.

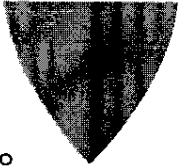
A financial asset or liability is generally de-recognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Financial assets, including trade and other receivables, cash and cash equivalent balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. The Group has applied the simplified approach to measuring expected credit losses on trade receivables, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Cash and cash equivalents comprise cash held at bank which is available on demand.

Financial liabilities, including trade and other payables, lease liabilities, and bank borrowings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

4.15 SHARE BASED PAYMENTS

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of share options, is recognised as an employee benefit expense in the income statement, with a corresponding credit to the share-based payment reserve.



The total expense to be apportioned over the vesting year of the benefit is determined by reference to the fair value of the share options awarded (at the date of grant) and the number of options that are expected to vest. The Group has adopted the Black-Scholes model for the purposes of computing the fair value of options. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and the share premium account when the options are exercised.

Where the company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

| 4.16 DEFINED CONTRIBUTION PENSION SCHEME

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due.

Amounts not paid are shown in accruals as a liability in the statement of financial position.

| 4.17 NON-RECURRING COSTS

The Group presents as non-recurring costs on the face of the statement of comprehensive income those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior years.

| 4.18 EMPLOYEE BENEFIT TRUST

LSTH Trustee Limited, the corporate trustee of an employee benefit trust and subsidiary of the Company was incorporated on 30 July 2021 for the benefit of the Executive Directors and senior management. Where the Group has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the group until the earlier of the date that allocation of the trust funds to employees in respect of past services is declared and the date that the assets of the trust vest in identified individuals.

| 4.19 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are recorded at cost less any impairment provisions in the Balance Sheet. They are tested for impairment when there is objective evidence of impairment. Any impairment losses are recognised in profit or loss in the period they occur.

5 Revenue and segmental reporting

The total revenue of the Group for the period has been derived from its principal activity wholly undertaken in the United Kingdom and Republic of Ireland.

Revenue in respect of the supply of hardware and project services is recognised at a point in time either at the point of customer collection, dispatch or project completion. Revenue in respect of services is recognised over time evenly over the number of months supported or as measured by the number of linear meters installed.

	2023	2022
	£	£
Revenue by products and services:		
Supply of hardware (CEM)	9,085,484	8,038,645
Supply of hardware (CEA)	67,681	62,154
Supply of project services (CEA)	142,321	65,970
Supply of maintenance services (CEA)	12,306	-
Supply of installation services (PFP)	-	-
Intercompany eliminations	(12,632)	-
	9,295,160	8,166,769

During the year to 30 November 2023 one CEM customer represented 58.3% of total revenue (2022: 54.3%).

The Group has three operating segments 'Contract electronics manufacture' relating to the development and manufacturing of electronic boards; 'Controlled environment agriculture' relating to the development, manufacturing and installation of lighting, technology and other products for the Controlled Environment Agriculture (CEA) sector; and 'Passive fire protection' relating to the installation of a retrospective cavity barrier in wall and floor constructions. Corporate refers to the Group's centralised resources used by the segments. The Chief Operating Decision Maker (CODM) has been determined to be the Board. The performance of the three reportable segments is based upon a review of profits and segmental assets/liabilities.

	Contract electronics manufacture	Controlled environment agriculture	Passive fire protection	Corporate and intercompany eliminations	Total
30 November 2023	£	£	£	£	£
Revenue	9,085,484	222,308	-	(12,632)	9,295,160
Depreciation, amortisation and impairment	(176,610)	(366,727)	(23)	(4,947)	(548,307)
Operating profit/(loss)	594,029	(789,724)	(31,112)	(633,101)	(859,908)
Segment assets	4,331,514	2,269,204	1,193,586	538,898	8,333,202
Segment liabilities	(3,539,171)	(672,835)	(1,204,911)	(449,006)	(5,865,923)

30 November 2022	Contract electronics manufacture £	Controlled environment agriculture £	Passive fire protection £	Corporate and intercompany eliminations £	Total £
Revenue	8,038,645	128,124	-	-	8,166,769
Depreciation, amortisation and impairment	(172,357)	(140,101)	-	(5,196)	(317,654)
Operating profit/(loss)	269,381	(1,682,171)	-	(1,197,509)	(2,610,299)
Segment assets	5,287,275	1,472,680	-	306,455	7,066,410
Segment liabilities	(4,550,498)	(319,436)	-	(260,989)	(5,130,923)

Due to the changes in structure following the acquisitions in the year, the reportable segments have been restated for the year ending 30 November 2022.

6 Operating loss

	2023 £	2022 £
Operating loss is stated after charging:		
Depreciation on property, plant and equipment	115,371	172,804
Depreciation on right-of-use assets	187,318	144,850
Amortisation of intangible assets	35,618	-
Loss on sale of fixed assets	24,214	-
Research and development expenses	8,327	135,821
Inventory expensed	5,726,181	5,491,423
Foreign exchange losses (note 10)	2,185	-
Debt factoring expenses (note 10)	-	98,268
Short term low value lease expenses	12,085	7,942
Share based payments	2,614	505,637

In the prior year, foreign exchange losses were classified as a finance cost, and debt factoring expenses as an administrative expense. The classification has been changed for the current year as shown above and in note 10 below. The comparatives have not been restated as the amounts involved are not material.

7 Auditor's remuneration

	2023 £	2022 £
Auditor's remuneration	110,500	95,250

8 Non-recurring administrative expenses

	2023	2022
	£	£
Impairment of intangibles assets (note 3.1)	210,000	-
Acquisition costs	45,363	-
	255,363	-

Acquisition costs cover those professional fees associated with the acquisitions of Tomtech (UK) Limited and Injecta Fire Barrier.

9 Other operating income

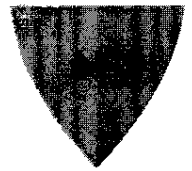
	2023	2022
	£	£
Government grants	187,481	182,236
RDEC tax credit	54,600	22,956
Other non-grant income	7,116	4,594
	249,197	209,786

10 Finance costs

	2023	2022
	£	£
Bank and loan interest payable	70,064	52,439
Foreign exchange losses (note 6)	-	21,959
Debt factoring expenses (note 6)	168,362	-
Interest expenses on lease liabilities	33,155	37,769
Unwind of discount on consideration	7,496	-
	279,077	112,167

11 Staff numbers and costs

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	2,872,001	3,063,287	651,073	898,218
Social security costs	289,890	336,617	76,443	114,100
Pension contributions	45,491	48,672	6,195	7,465
Short-term employee benefits	16,880	10,857	5,551	6,284
Share based payments	2,614	505,637	-	337,637
	3,226,876	3,965,070	739,262	1,363,704



Key management personnel remuneration for the Group comprises:

	Group 2023	Group 2022
	£	£
Emoluments for qualifying services	939,668	1,162,959
Employers' national insurance	113,576	149,889
Pension contributions	8,711	9,576
Short term employee benefits	8,013	7,399
Share based payments	2,256	391,831
	1,072,224	1,721,654

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Directors (whether executive, non-executive and non-statutory) of the Company. Key management personnel are considered to be the executive, non-executive and non-statutory directors.

The average number of employees during the year (including Directors), was as follows:

	Group 2023	Group 2022	Company 2023	Company 2022
Directors	10	13	6	8
Admin	16	16	2	3
Sales	2	5	-	-
Production	48	52	-	-
	76	86	8	11

12 Directors' remuneration

For further details of the Director's Remuneration please refer to the Remuneration Committee report on pages 36-39.

The highest paid director received remuneration of £178,402 (2022: £207,247). The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,321 (2022: £1,321).

During the year retirement benefits were accruing to 3 directors (2022:2) in respect of defined contribution pension schemes.

13 Taxation

The tax credit is made up as follows:

	2023 £	2022 £
Current tax expense		
UK corporation tax for the year	(15,896)	(181,582)
Adjustment in respect of prior year	(53,445)	(53,565)
Total current income tax	(69,341)	(235,147)
Deferred tax (see note 22)		
Origination and reversal of timing difference	(138,949)	-
Adjustment in respect of prior year	(5,086)	-
	(144,035)	-
	(213,376)	(235,147)

RECONCILIATION OF EFFECTIVE TAX RATE

The tax assessed for the year varies from the average standard rate of corporation as explained below:

	2023 £	2022 £
Loss on ordinary activities before taxation	(1,138,985)	(2,722,466)
UK tax credit at average standard rate of 23% (2022: 19%)	(261,967)	(517,269)
Fixed asset differences	3,389	(5,772)
Expenses not deductible for tax	33,313	13,780
Adjustment to corporation tax in respect of prior period	(53,445)	(53,565)
Adjustment for R&D tax credit including SME claims	(88,759)	(376,223)
Surrender of tax losses for R&D tax credit refund	48,370	268,015
Adjustments for deferred tax in respect of change in rates	(5,086)	-
Movement in deferred tax not recognised	110,809	435,887
Tax credit in statement of comprehensive income	(213,376)	(235,147)

Corporation tax increased from 19% to 25% from April 2023. Unrecognised deferred tax balances at 30 November 2023 have been calculated using a rate of 25% (2022: 25%) based on the enacted rates that are expected to apply when these are unwound.

14 Goodwill

	Goodwill £
Cost	
At 1 December 2021 and 30 November 2022	-
Additions (notes 30 and 31)	920,867
At 30 November 2023	920,867

No impairment arose in respect of the goodwill at 30 November 2023 as it is related to acquisitions in the year which are considered to be undertaken in line with market value.

15 Intangible assets

Group	Customer relationships £	Software and technology £	3 rd Party Accreditations and Certification £	Development costs £	Total £
Cost					
At 1 December 2022	-	-	-	708,343	708,343
Additions	410,000	65,000	30,000	592,405	1,097,405
At 30 November 2023	410,000	65,000	30,000	1,300,748	1,805,748
Amortisation					
At 1 December 2022	-	-	-	-	-
Charge for the year	2,000	1,625	-	31,993	35,618
Impairment provision (note 3.1)	-	-	-	210,000	210,000
At 30 November 2023	2,000	1,625	-	241,993	245,618
Net book value					
At 30 November 2023	408,000	63,375	30,000	1,058,755	1,560,130

Group	Customer relationships £	Software and technology £	3 rd Party Accreditations and Certification £	Development costs £	Total £
Cost					
At 1 December 2021	-	-	-	214,698	214,698
Additions	-	-	-	493,645	493,645
At 30 November 2022	-	-	-	708,343	708,343

Group	Customer relationships £	Software and technology £	3 rd Party Accreditations and Certification £	Development costs £	Total £
Amortisation					
At 1 December 2021	-	-	-	-	-
Charge for the year	-	-	-	-	-
At 30 November 2022	-	-	-	-	-
Net book value					
At 30 November 2021	-	-	-	214,698	214,698
At 30 November 2022	-	-	-	708,343	708,343

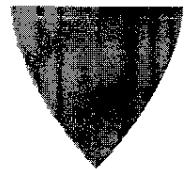
The company holds no intangible fixed assets.

The relevant cash generating units are the separate trading subsidiaries, with the exception of Light Science Technologies, which is further sub-divided into the three product categories, being lighting products (i.e. nurturGROW), sensor products (i.e. sensorGROW), and other technology products (i.e. advanceGROW).

16 Property, plant and equipment

| GROUP

	Long-term leasehold £	Leasehold improvements £	Plant and equipment £	Motor Vehicles £	Computer equipment, fixtures and fittings £	Total £
Cost						
At 1 December 2022	622,000	86,747	1,343,082	-	77,695	2,129,524
Additions	-	2,229	11,282	-	5,298	18,809
Transfers (note 23)	-	-	259,318	-	17,988	277,306
Acquisition of subsidiaries	-	-	51,211	58,834	13,000	123,045
Disposals	-	-	(161,143)	(12,402)	(9,461)	(183,006)
At 30 November 2023	622,000	88,976	1,503,750	46,432	104,520	2,365,678
Depreciation						
At 30 November 2022	77,799	47,506	1,197,814	-	28,486	1,351,605
Provided during the year	12,983	8,093	65,647	1,025	27,623	115,371
Transfers (note 23)	-	-	140,690	-	7,438	148,128
Acquisition of subsidiaries	-	-	3,488	42,148	11,825	57,461
Eliminated on disposal	-	-	(145,860)	(11,982)	(3,557)	(161,399)
At 30 November 2023	90,782	55,599	1,261,779	31,191	71,815	1,511,166
Net book value						
At 30 November 2023	531,218	33,377	241,971	15,241	32,705	854,512



	Long-term leasehold £	Leasehold improvements £	Plant and equipment £	Motor Vehicles £	Computer equipment, fixtures and fittings £	Total £
Cost						
At 1 December 2021	622,000	86,747	274,208	-	44,785	1,027,740
Additions	-	-	92,143	-	35,777	127,920
Transfers (note 23)	-	-	976,731	-	-	976,731
Disposals	-	-	-	-	(2,867)	(2,867)
At 30 November 2022	622,000	86,747	1,343,082	-	77,695	2,129,524
Depreciation						
At 30 November 2021	64,816	39,525	89,884	-	10,712	204,937
Provided during the year	12,983	7,981	131,199	-	20,641	172,804
Transfers (note 23)	-	-	976,731	-	-	976,731
Eliminated on disposal	-	-	-	-	(2,867)	(2,867)
At 30 November 2022	77,799	47,506	1,197,814	-	28,486	1,351,605
Net book value						
At 30 November 2021	557,184	47,222	184,324	-	34,073	822,803
At 30 November 2022	544,201	39,241	145,268	-	49,209	777,919

Long term leasehold property represents property purchased and occupied by the Group on a 2,000 year lease. The property is held as security against interest-bearing loans. Depreciation is charged to administrative expenses in the consolidated statement of comprehensive income.

Transfers relates to the conclusion of asset lease agreements for certain plant and machinery, ownership of which passed to the company on final payments.

Company	Computer equipment £
Cost	
At 1 December 2022	19,363
Additions	-
Disposals	(5,822)
At 30 November 2023	13,541
Depreciation	
At 30 November 2022	9,146
Charge during the year	4,947
Eliminated on disposal	(1,747)
At 30 November 2023	12,346
Net book value	
At 30 November 2023	1,196

	Computer equipment £
Cost	
At 1 December 2021	12,808
Additions	6,555
At 30 November 2022	19,363
Depreciation	
At 30 November 2021	3,949
Charge during the year	5,197
At 30 November 2022	9,146
Net book value	
At 30 November 2021	8,859
At 30 November 2022	10,217

17 Investments in subsidiaries

Company	Shares in group undertakings £
Cost	
At 1 December 2021	3,101,507
Share based payments	168,000
At 30 November 2022	3,269,507
Additions – incorporation of LSTH IFB Limited	1
Additions – acquisition of Tomtech (UK) Limited	520,773
Share based payments	2,614
At 30 November 2023	3,792,895
Impairment	
As at 1 December 2021 and 30 November 2022	-
Impairment provision (note 3.1)	(2,133,000)
At 30 November 2023	(2,133,000)
	1,659,895

The Company's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the existing Company's shareholders. The registered offices of all companies is the same as the parent company listed on the company information page.

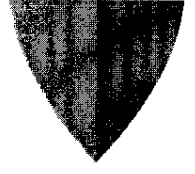
Subsidiary undertakings	Registration number	Country of Incorporation	Principal activity	s479A Audit exemption ^{***}	Class of shares held	Ownership
						2023
						2022
Light Science Technologies Limited*	12194715	England	Manufacturing of lighting and technology products	Yes	Ordinary	100%
UK Circuits and Electronic Solutions Holdings Limited*	09955364	England	Holding company	No	Ordinary	100%
UK Circuits and Electronics Solutions Limited	03301172	England	Manufacture of electronic boards	No	Ordinary	90%
LSTH Trustee Limited*	13539390	England	Employee benefit trust	No ^{***}	Ordinary	100%
LSTH IFB Limited*	14961128	England	Passive fire protection	N/A ^{***}	Ordinary	-
Tomtech (UK) Limited*	07847786	England	Manufacture of industrial process control equipment	Yes	Ordinary	100%

* Directly held by the parent company, all others indirectly held.

** Light Science Technologies Holdings plc has provided guarantees to the subsidiaries marked in the table above under section 479C of the Companies Act 2006 in respects of the 2023 financial period, and hence the subsidiaries are exempt from audit under section 479A of the Companies Act 2006.

*** Although not exempt from audit under section 479A of the Companies Act 2006, these subsidiaries are dormant and are therefore exempt from audit under section 480 of the Companies Act 2006.

**** The first financial statements for LSTH IFB Limited will be drawn up to 30 November 2024.



18 Inventories

	30 November 2023	30 November 2022
	£	£
Raw materials	89,115	65,341
Purchased components	1,055,111	1,297,771
Work in progress	165,464	148,519
Finished goods	89,907	71,718
	1,399,597	1,583,349

Inventories recognised as an expense in cost of sales totals £5,726,181 (2022: £5,491,423). The company holds no inventory. During the year, an impairment loss against inventory was recognised of £80,783 (2022: £76,451).

19 Trade and other receivables

	Group 30 November 2023	Group 30 November 2022	Company 30 November 2023	Restated* Company 30 November 2022
	£	£	£	£
Non-current				
Amounts owed by group undertakings	-	-	3,517,629	3,093,536
Current				
Trade receivables	1,714,187	2,303,392	-	-
Prepayments	120,300	82,016	38,419	40,124
Other receivables	131,097	119,107	-	10,453
Grant receivable	189,377	65,136	-	-
	2,154,961	2,569,651	38,419	50,577
	2,154,961	2,569,651	3,556,048	3,144,113

*The comparatives for the Company have been restated to reclassify the amounts owed by group undertakings from current to non-current as they were not expected to be realised within one year at the balance sheet date.

The ageing of past due trade receivables according to their original due date is detailed below:

	Group 30 November 2023	Group 30 November 2022	Company 30 November 2023	Company 30 November 2022
	£	£	£	£
0 - 60 days	1,549,336	2,269,895	-	-
60 - 120 days	152,838	33,497	-	-
121+ days	12,013	-	-	-
	1,714,187	2,303,392	-	-

Trade and other receivables are non-interest bearing and are generally due and paid within 30-60 days. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and that no impairment is required at the reporting dates. Trade and other receivables represent financial assets and are assessed for impairment on an expected credit loss model. There is no expected credit loss provision for impairment at 30 November 2023 (30 November 2022: £Nil), as it is not material.

Amounts owed by group undertakings in the Company accounts are either non-interest bearing (£887,471) or bear interest at a rate of 2.5% per annum (£2,101,841) or 5.25% (£610,000), most are due for repayment in 2027. These financial assets are assessed for impairment on an expected credit loss model, there is an expected credit loss provision of £81,683 for impairment at 30 November 2023 (2022: £6,107).

Included in trade receivables is £1,653,325 (2022: £2,225,356) relating to a debt factoring arrangement, with recourse. Associated liabilities and accrued interest are within borrowings. The net asset position of the debt factoring arrangement is £270,280 (2022: £434,076).

20 Cash and cash equivalents

	Group 30 November 2023 £	Group 30 November 2022 £	Company 30 November 2023 £	Company 30 November 2022 £
Cash and cash equivalents	981,357	590,673	564,225	245,660

21 Trade and other payables

	Group 30 November 2023 £	Group 30 November 2022 £	Company 30 November 2023 £	Company 30 November 2022 £
Current				
Trade payables	1,080,035	1,403,427	41,003	19,452
Other tax and social security	361,970	450,568	120,761	143,876
Accruals and other payables	312,798	211,713	72,400	97,661
Deferred income	98,283	-	-	-
Deferred grant income	25,349	13,426	-	-
	1,878,435	2,079,134	234,164	260,989
Non-current				
Deferred grant income	240,017	111,787	-	-
Total	2,118,452	2,190,921	234,164	260,989

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Included within accruals and other payables, is an amount of £9,894 (2022: £11,852) for outstanding pension contributions at the year end.

22 Deferred tax

	30 November 2023	30 November 2022
Group	£	£
Deferred tax:		
At beginning of the year	-	-
Movement arising from acquisition	138,949	-
(Credited) to the statement of comprehensive income	(138,949)	-
At end of period	-	-

The provision for deferred tax is made up as follows:

	30 November 2023	30 November 2022
	£	£
Accelerated capital allowances	143,858	128,420
Development assets	263,962	170,086
Acquired intangibles	126,250	-
Share based payments	-	(105,688)
Trading losses	(534,070)	(192,818)
	-	-

Deferred tax assets of £1,323,025 (2022: £1,037,431) have not been recognised in respect of tax losses and share based payments due to uncertainty over their value and offset against future taxable profit and therefore their recoverability.

	30 November 2023	30 November 2022
Company	£	£
Accelerated capital allowances	55	2,555
Trading losses	(55)	(2,555)
	-	-

Deferred tax assets of £102,000 (2022: £102,000) have not been recognised in respects of share based payments and £630,274 (2022: £482,424) have not been recognised in respect of tax losses due to uncertainty over their offset against future taxable profit and therefore their recoverability.

23 Leases

Right-of-use assets and lease liabilities are recognised as follows:

	30 November 2023	30 November 2022
	£	£
Right-of-use asset (property)		
Cost		
At 1 December	586,171	417,368
Additions	-	168,803
Lease modification	(78,247)	-
Disposal	(151,596)	-
Acquisition of subsidiaries	59,123	-
At 30 November	415,451	586,171
Depreciation		
At 1 December	262,100	152,402
Charge for the year	87,320	109,698
Eliminated on disposal	(151,596)	-
Acquisition of subsidiaries	36,459	-
At 30 November	234,283	262,100
Net book value		
At 30 November	181,168	324,071
	30 November 2023	30 November 2022
	£	£
Right-of-use asset (plant and equipment)		
Cost		
At 1 December	464,763	1,358,299
Additions	167,371	83,195
Transfers (note 16)	(277,306)	(976,731)
Disposals	(54,710)	-
At 30 November	300,118	464,763
Depreciation		
At 1 December	130,154	1,071,733
Charge for the year	99,998	35,152
Transfers (note 16)	(148,128)	(976,731)
Eliminated on disposal	(24,619)	-
At 30 November	57,405	130,154
Net book value		
At 30 November	242,713	334,609
Total right-of-use assets	423,881	658,680

	30 November 2023	30 November 2022
	£	£
Right-of-use liability (property)		
At 1 December	366,750	317,130
Finance costs on lease liabilities	11,584	13,296
Repayment of lease liabilities	(114,812)	(117,480)
Acquisition of subsidiaries	25,523	-
Additions	-	153,804
Lease modifications	(72,211)	-
At 30 November	216,834	366,750

	30 November 2023	30 November 2022
	£	£
Right-of-use liability (plant and equipment)		
At 1 December	168,083	235,246
Finance costs on lease liabilities	21,571	24,473
Repayments of lease liabilities	(152,469)	(169,027)
Additions	151,199	77,391
At 30 November	188,384	168,083
Total right-of-use liabilities	405,218	534,833

Total lease liabilities have been analysed between current and non-current as follows:

	30 November 2023	30 November 2022
	£	£
Due within one year	101,240	221,773
Due within 2 – 5 years	303,978	313,060
	405,218	534,833

The amounts recognised in the consolidated statement of comprehensive income include:

	30 November 2023	30 November 2022
	£	£
Depreciation expense on right-of-use assets	187,318	144,850
Lease modification expense on right-of-use assets	6,036	-
Interest expense on lease liabilities	33,155	37,769
Short term low value leases	12,085	7,942
	238,594	190,561

The total cash outflow for leases was £279,366 (2022: £294,449). The lease modification relates to exercising early termination rights on the 2-year property lease at 1 Lowman Way, Hilton, DE65 5LJ in April 2023 effectively reducing the term by 1 year.

24 Borrowings

	Group 30 November 2023 £	Group 30 November 2022 £	Company 30 November 2023 £	Company 30 November 2022 £
Current				
Interest bearing loans	216,667	216,667	-	-
Invoice discounting facility	1,383,045	1,791,280	-	-
Stock loan facility	180,000	-	-	-
	1,779,712	2,007,947	-	-
Repayable between one and five years				
Interest-bearing loans	180,555	397,222	-	-
	180,555	397,222	-	-

In October 2020, the Group entered into a term loan with a principal of £975,000 payable in 54 equal instalments of £18,056 and interest payable at 5.5% plus base rate with the first six months payment free. The loan was provided by Close Brothers under the Government backed Coronavirus Business Interruption Loan Scheme (CBILS). As such, the first twelve months of interest are covered by the Government's business interruption payment grant paid directly to the lender. The loan with Close Brothers is secured by fixed and floating charges over the Group, including all property, and intellectual property. This is linked to the Group's invoice discounting facility noted below. The balance for the CBILS term loan at 30 November 2023 was £397,222 (2022: £613,889).

The Group has in place ongoing invoice discounting facility arrangements provided by Close Brothers. Interest is payable on the invoice discounting facility at 2% plus base rate. This facility was also provided under the CBILS scheme, as such the first 12 months of interest is partly covered by the Government's business interruption payment grant paid directly to the lender. The invoice discounting facility with Close Brothers is secured by fixed and floating charges over the Group, including all property, and intellectual property, as well as the trade receivables of the subsidiary, UK Circuits and Electronics Solutions Limited. The balance for the invoice discounting facility at 30 November 2022 was £1,383,045 (2022: £1,791,280).

The Group agreed a stock loan facility in December 2022 with Close Brothers. Interest is payable on the stock loan facility at 3.25% plus base rate. This facility provides up to £750,000 working capital secured by fixed and floating charges over the Group, including all property and intellectual property, as well as the inventories of the subsidiary, UK Circuits and Electronics Solutions Limited.

DEBT REFINANCING

After the year end, the Company negotiated and received a credit-backed offer (legal documentation pending completion), from its CEM division's incumbent debt provider, Close Brothers, to convert the existing facilities into Group-wide facilities, and to draw £850,000 in the form of a new term loan, to provide growth and working capital wherever it may be required in the Group. This allows the Group to exploit potential opportunities presented to its divisions.

25 Share options

SHARE OPTIONS

The Group has established a management share option plan ("MSOP") with effect from 15 October 2021, being the Company's admission to AIM. It is administered by the Remuneration Committee and during the year has granted 2,839,000 enterprise management incentive ("EMI") share options to key management personnel of Group companies, and has 6,800,000 (2022: 8,900,000) EMI options still outstanding from grants in previous years.

The original EMI options were granted with a nil exercise price and not subject to performance conditions. The EMI options may first be exercised on the first anniversary of the date of grant up to the tenth anniversary. There are no cash settlement alternatives for the employees.

The EMI options granted in the year have an exercise price £0.03, and some of these are subject to performance conditions. The EMI options may first be exercised on either the second or third anniversary of the date of grant up to the tenth anniversary. The Company issued 2,839,000 such options in the year. There are no cash settlement alternatives for the employees.

The fair value of share options granted is estimated at the date of grant using a Black-Scholes model taking into account the terms and conditions on which the share options were granted.

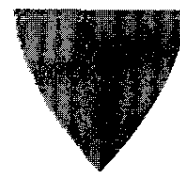
The Company established an LSTH Employee Benefit Trust ("EBT"), having LSTH Trustee Ltd, a member of the Group, as its corporate trustee. This EBT holds 8,900,000 shares in Light Science Technologies Holdings plc in order for the EBT to satisfy the aforementioned EMI options.

During the year there were EMI share options over 2,100,000 shares that lapsed.

MOVEMENTS DURING THE YEAR

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the year.

	Number	WAEP
	30 November	30 November
	2023	2023
		£
Outstanding at 30 November 2022	8,900,000	-
Granted during the year	2,839,000	0.030
Lapsed during the year	(2,100,000)	-
Outstanding at 30 November 2023	9,639,000	0.009
Exercisable at 30 November 2023*	6,800,000	-



The following table lists the model inputs to the Black Scholes model for options granted:

	During 30 November 2021	During 30 November 2023
Fair value at the grant measurement date per share (£)	0.08	0.016 – 0.027
Dividend yield (%)	0	0
Risk-free interest rate (%)	0.75	4.34
Volatility (%)	30	100
Expected life of share options (years)	4	3.1

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

SHARE OPTIONS ISSUED POST YEAR END

Post year end, on the 6 March 2024, 9,990,165 EMI share options were granted to Directors of the Company in line with the MSOP, save for providing for accelerated vesting on the occurrence of a takeover or a scheme of arrangement and providing a default “cashless exercise” facility where options are exercised in such circumstances. The EMI options were granted with a £0.05 exercise price and are not subject to performance conditions. The EMI options may first be exercised on the second anniversary of the date of grant up to the tenth anniversary. There are no cash settlement alternatives for the Directors.

A further 6,660,110 share options were granted to the Non-Executive Chairman on the same date under equivalent terms as a non-tax advantaged share option agreement (“NASOA”)

26 Issued equity capital

	Nominal value	Total no. of Ordinary shares	Total €
At 1 December 2021 and 30 November 2022	£0.01	174,150,000	1,741,500
Share issue in year	£0.01	158,855,500	1,588,555
At 30 November 2023	£0.01	333,005,500	3,330,055

During the month of April 2023, an aggregated total of 158,855,500 new ordinary shares were issued at a price of £0.01 per share equating to the nominal value of those shares. The share premium account is shown net of £133,768 of share issuance costs in connection with this.

WARRANTS

On IPO, the Company executed a warrant instrument creating warrants to subscribe for, in aggregate, 2,391,000 Ordinary Shares at an exercise price of £0.10 per share ("TP Warrants"). Under the terms of the warrant instrument the Warrants became exercisable on the first anniversary of Admission and, subject to certain limited exemptions, shall lapse on the fourth anniversary of Admission. The warrants are classified as equity instruments. The fair value on issue was £59,153, determined using a Black Scholes model with assumptions in line with those disclosed for share options.

On IPO, the Company executed a warrant instrument to an individual allowing them to subscribe for up to 6,000,000 Ordinary Shares at a price of 12.5 pence per Ordinary Share. Under the terms of the warrant instrument the Warrants became exercisable on the first anniversary of the Company's admission to AIM and shall lapse on the fourth anniversary. The warrants are classified as equity instruments. The fair value on issue was £100,440, determined using a Black Scholes model with assumptions in line with those disclosed for share options.

27 Reserves

SHARE PREMIUM ACCOUNT

The share premium account represents amounts received in excess of the nominal value of shares on the issue of new shares, net of any direct costs of any shares issued.

MERGER RESERVE

This reserve comprises of results of combinations under common control; being the difference on the investment in its subsidiaries and the nominal value of the share capital of its subsidiaries.

SHARE BASED PAYMENTS RESERVE

The share based payment reserve represents the accumulated balance of share based payment charges recognised in respect of share options granted by the Company less transfers to retained earnings in respect of share options exercised, cancelled or lapsed.

WARRANT RESERVE

The warrants reserve represents the accumulated balance of charges recognised in respect of warrants issued by the Company less transfers to retained earnings in respect of warrants exercised, cancelled or lapsed.

RETAINED EARNINGS

This reserve relates to the cumulative net gains and losses recognised in the statement of comprehensive income.

28 Non-controlling interests

	Non-controlling interests
	£
At 30 November 2021	326,870
Minority interests' share of the profit for the year	15,429
At 30 November 2022	342,299
Minority interests' share of the profit for the year	27,555
At 30 November 2023	369,854

The balance classified as non-controlling interests represents the cumulative profits attributable to the ongoing non-controlling interests in UK Circuits and Electronics Solutions Limited. Summarised financial information for UK Circuits and Electronics Solutions Limited is included within the segmental reporting (see note 5). The proportion of ownership interest and voting rights held by the non-controlling interests equals 10% of the UK Circuits and Electronics Solutions Limited subsidiary only.

29 Financial risk management

| OVERVIEW

This note presents information about the Group's exposure to various kinds of financial risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Directors report regularly to the board on the Group's risk management.

| CAPITAL RISK MANAGEMENT

The Group reviews its forecast capital requirements regularly to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital, non-controlling interests and retained earnings as disclosed in notes 25 to 28 and in the consolidated statement of changes in equity.

The Group is not subject to externally imposed capital requirements.

| LIQUIDITY RISK

The Group's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages all of its external bank relationships centrally. Any change to the Group's principal banking facility requires board approval.

CATEGORISATION OF FINANCIAL INSTRUMENTS

Financial assets/(liabilities)	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total £
30 November 2023			
Trade and other receivables	2,034,661	-	2,034,661
Cash and cash equivalents	981,357	-	981,357
Trade and other payables	-	(1,392,833)	(1,392,833)
Consideration payable	-	(1,381,986)	(1,381,986)
Invoice discounting facility	-	(1,383,045)	(1,383,045)
Stock loan facility	-	(180,000)	(180,000)
Loans	-	(397,222)	(397,222)
Lease liabilities	-	(405,218)	(405,218)
	3,016,018	(5,140,304)	(2,124,286)
Financial assets/(liabilities)	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total £
30 November 2022			
Trade and other receivables	2,487,635	-	2,487,635
Cash and cash equivalents	590,673	-	590,673
Trade and other payables	-	(1,615,140)	(1,615,140)
Consideration payable	-	-	-
Invoice discounting facility	-	(1,791,280)	(1,791,280)
Stock loan facility	-	-	-
Loans	-	(613,889)	(613,889)
Lease liabilities	-	(534,833)	(534,833)
	3,078,308	(4,555,142)	(1,476,834)

The values disclosed in the above table are carrying values. The Directors consider that the carrying amount of financial assets and liabilities approximates to their fair value.

The Directors review and agree policies for managing credit risk and foreign currency risk which are summarised below.

CREDIT RISK

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the existing Group and the risk that any debtors of the Group may default on amounts. The Group's principal financial assets are trade receivables, other debtors, and cash and cash equivalents at banks.

The Group has a policy of only dealing with creditworthy counterparties. All trade receivables are ultimately overseen by the director responsible for finance and are managed on a day-to-day basis by the finance team.

Credit limits are set as deemed appropriate for each customer. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer or counterparty. However, credit risk is also insured within subsidiary UK Circuits and Electronic Solutions Limited, with credit limited and control procedures set in accordance with insurance policies. The maximum exposure to credit risk in relation to trade receivables is 10% of the carrying value of uninsured debtors at the reporting date. Additionally, within the subsidiary LSTH IFB Limited, it is the Group's policy to secure a deposit from the customer prior to confirmation of work start date. The maximum exposure to credit risk in relation to cash and cash equivalents is the carrying value at the reporting date.

FOREIGN CURRENCY RISK

The Group has limited exposure to currency risk on purchases that are denominated in a currency other than the functional currency of the Group. The risk is in respect of Euros and US dollars and transactions in these currencies is limited.

SENSITIVITY ANALYSIS TO MOVEMENT IN EXCHANGE RATES

Given the highly immaterial liability balances denominated in foreign currency, the exposure to a change in exchange rates is negligible.

INTEREST RATE RISK

The Group's external borrowings are directly related to Bank of England base rates; therefore the risk is limited to the changes in the underlying base rate of interest. The impact of a 1% fluctuation in interest rates on external borrowings has been assessed to be an overall impact on reported profits of up to £18,000. The principal impact to the existing Group is set out below:

	As at 30 November 2023			As at 30 November 2022		
	Fixed £	Floating £	Total £	Fixed £	Floating £	Total £
Financial liabilities	(338,309)	(2,027,176)	(2,365,485)	(534,833)	(2,405,169)	(2,940,002)

MATURITY PROFILE

Set out below is the maturity profile of the Group's financial liabilities at each year-end based on contractual undiscounted payments including contractual interest.

	Less than 1 year £	1 to 5 years £	Total £
As at 30 November 2023			
Financial liabilities			
Trade and other payables	1,392,833	-	1,392,833
Consideration payable	390,000	1,035,000	1,425,000
Loans	227,667	209,248	436,915
Invoice discounting facility	1,383,045	-	1,383,045
Stock loan facility	180,000	-	180,000
Lease liabilities	124,944	349,882	474,826
	3,698,489	1,594,130	5,292,619
As at 30 November 2022			
Financial liabilities			
Trade and other payables	1,615,140	-	1,615,140
Consideration payable	-	-	-
Loans	225,310	466,059	691,369
Invoice discounting facility	1,791,280	-	1,791,280
Stock loan facility	-	-	-
Lease liabilities	255,243	341,396	596,639
	3,886,973	807,455	4,694,428

Trade and other payables are generally due within three months. The Directors consider that the carrying amount of the financial liabilities approximates to their fair value. Consideration payable includes elements of contingent consideration, which the Directors consider to be fair valued.

As all financial assets are expected to mature within the next twelve months, an aged analysis of financial assets has not been presented.

30 Acquisition of subsidiary – Tomtech (UK) Limited

On 5 September 2023, the Group acquired 100% of the used share capital of Tomtech (UK) Limited, obtaining control of the glasshouse control systems business. Tomtech (UK) Limited was acquired to expand the Group's CEA operations to provide a full turnkey solution to growers and exploit synergies with the existing CEA operations.

	5 September 2023 Book Value	5 September 2023 Adjustment	5 September 2023 Fair Value
	£	£	£
Assets and liabilities acquired			
Goodwill	38,400	(38,400)	-
Trade and other receivables	20,215	-	20,215
Cash	284,249	-	284,249
Property, plant and equipment	11,928	5,710	17,638
Right-of-use	22,664	-	22,664
Identifiable intangibles assets	-	145,000	145,000
Trade and other payables	(135,281)	-	(135,281)
Tax liability	(26,128)	-	(26,128)
Lease liability	(25,524)	-	(25,524)
Deferred tax	(2,505)	(37,678)	(40,183)
Net identifiable assets acquired	188,018	74,632	262,650
Goodwill			253,582
Net assets acquired			516,232
Consideration:			
Cash			141,742
Deferred consideration			374,490
			516,232
Cash flow analysis:			
Cash consideration			141,742
Less: cash and cash equivalent balances acquired			(284,249)
Net cash inflow arising on acquisition			(142,507)

The book value of goodwill of £38,400 was recognised in the subsidiary accounts on the incorporation of a sole trader business in 2011 at amortised cost.

The book value of property, plant and equipment was considered to be worth slightly more due to the second-hand value of commercial vehicles, such that the fair value is increased by £5,710 and depreciated over the remaining useful life of between 1 and 5 years.

The subsidiary had not recognised any intangible assets, but on review it was identified that there was value in the software and technology IP and customer relationships whose total fair value is £145,000 and is expected to be amortised over ten years post-acquisition.

Goodwill of £253,582 arising from the acquisition is determined after considering the fair value of tangibles assets, intangibles assets comprising of software and technology IP, customer relationships and the potential of the existing workforce. Goodwill arose on the acquisition as the consideration paid for the combination effectively included amounts in relation to the expected synergies and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the criteria for recognition as identifiable intangible assets.

Deferred consideration of £425,000 over 30 months has been discounted back to present value at a rate of 8.25% being a 3% premium to the Bank of England base rate at the date of acquisition.

Acquisition-related costs amount to £28,335, shown as a non-recurring administrative expense.


Tomtech (UK) Limited contributed £216,170 revenue and £105,684 to the group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of Tomtech (UK) Limited had been completed on the first day of the financial year, group revenues for the period would have been £9,786,492 and group loss would have been £890,794.

31 Acquisition of trade and assets – Injecta Fire Barrier

On 20 November 2023, the Group acquired the trade and assets of Injecta Fire Barrier, obtaining control of the passive fire protection business. Injecta Fire Barrier was acquired to diversify and expand the Group's operations. The acquisition is a related party transaction.

	20 November 2023 Book Value	20 November 2023 Adjustment	20 November 2023 Fair Value
Assets and liabilities acquired	£	£	£
Trade and other receivables	2,583	-	2,583
Inventory	24,173	-	24,173
Property, plant and equipment	47,946	-	47,946
Identifiable intangibles assets	-	360,000	360,000
Deferred tax	(11,987)	(90,000)	(101,987)
Net identifiable assets acquired	62,715	270,000	332,715
Goodwill			667,285
Net assets acquired			1,000,000
Consideration:			
Contingent consideration			1,000,000
			1,000,000
Cash flow analysis:			
Cash consideration			-
Less: cash and cash equivalent balances acquired			-
Net cash inflow arising on acquisition			-



Only specified assets relating to and required for the Injecta Fire Barrier trade were purchased, namely certain machinery and office equipment valued at £47,946 and depreciated over the remaining useful life of 5 years for the machinery and 1 year for the office equipment.

Intangibles assets had not been recognised in the business, but on review it was identified that there was value in the 3rd party accreditations and customer relationships whose total fair value is £360,000 and is expected to be amortised over two and five years post-acquisition respectively.

Goodwill of £667,285 arising from the acquisition is determined after considering the fair value of tangibles assets, intangibles assets comprising of 3rd party accreditations, customer relationships and the potential of the existing workforce. Goodwill arose on the acquisition as the consideration paid for the combination effectively included amounts in relation to the expected synergies and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the criteria for recognition as identifiable intangible assets.

Consideration is payable on a maximum of £1,750,000 over a five year payout time limit, and is calculated as 50% of net profit after tax, excluding intra-group charges and non-cash acquisition accounting adjustments. Due to the contingent nature of consideration management have estimated the fair value at the date of acquisition based on a Monte Carlo simulation of possible earnings and payout profiles discounted back to present value at a discount rate of 26.1%, based on the total risk-free rate, required metric risk premium, and counterparty risk premium associated with the business and payout structure. The range of possible undiscounted consideration outcomes is from £nil to £1,750,000, the range of possible discounted simulation fair values is £350,000 to £1,200,000.

Acquisition-related costs amount to £17,028, shown as a non-recurring administrative expense.

The Injecta Fire Barrier trade contributed no revenue and £31,112 to the group's loss for the period between the date of acquisition and the balance sheet date.

If the acquisition of Injecta Fire Barrier trade had been completed on the first day of the financial year, group revenues for the period would have been £10,086,025 the group loss is indeterminable as divisional results were not maintained by the acquiree, Fire Barrier International Ltd.

32 Consideration payable

	At 1 December 2022 £	Acquisition £	Unwind of discount on consideration £	Other movements £	At 30 November 2023 £
Tomtech (UK) Limited (Company and Group)					
Consideration payable within one year	-	120,463	7,496	(3,379)	124,580
Consideration payable after one year	-	254,027	-	3,379	257,406
	-	374,490	7,496	-	381,986
Injecta Fire Barrier (Group only)					
Consideration payable within one year	-	240,000	-	-	240,000
Consideration payable after one year	-	760,000	-	-	760,000
	-	1,000,000	-	-	1,000,000

33 Loss per share

Basic loss per share is calculation on the loss for the year after taxation attributable to the owners of the parent of £953,164(2022: £2,502,748) and on 262,534,137 ordinary shares (2022: 165,250,000), being the weighted number in issue during the year excluding shares held by the Employee Benefit Trust.

	30 November 2023			30 November 2022		
	Loss	Weighted average number of shares	Per share amount	Loss	Weighted average number of shares	Per share amount
Basic and Diluted EPS	£	(000's)	(pence)	£	(000's)	(pence)
Weighted average number of ordinary shares		271,434,137			174,150,000	
Adjusted for the effect of own shares held by Employee Benefit Trust (EBT)		(8,900,000)			(8,900,000)	
Earnings attributable to ordinary shareholders of the Company	(953,164)	262,534,137	(0.36)	(2,502,748)	165,250,000	(1.51)

DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are equal for 2023 and 2022, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation.

34 Reconciliation of consolidated changes in net cash/(debt)

Group	At 1	Cashflow	New leases	Non-cash changes	Acquisition	At 30
	December 2022					November 2023
	£	£	£	£	£	£
Cash and cash equivalents	590,673	248,177	-	-	142,507	981,357
	590,673	248,177	-	-	142,507	981,357
Invoice discounting	(1,791,280)	408,235	-	-	-	(1,383,045)
Stock loan facility	-	(180,000)	-	-	-	(180,000)
Loans due within one year	(216,667)	216,667	-	(216,667)	-	(216,667)
Loans due after one year	(397,222)	-	-	216,667	-	(180,555)
Lease liabilities due within one year	(221,773)	267,281	(151,199)	10,733	(6,282)	(101,240)
Lease liabilities due after one year	(313,060)	-	-	28,323	(19,241)	(303,978)
Net cash/(debt)	(2,349,329)	960,360	(151,199)	39,056	116,984	(1,384,128)

Group	At 1	Cashflow	New leases	Non-cash changes	At 30
	December 2021				November 2022
	£	£	£	£	£
Cash and cash equivalents	3,860,430	(3,269,757)	-	-	590,673
	3,860,430	(3,269,757)	-	-	590,673
Invoice discounting	(1,125,258)	(666,022)	-	-	(1,791,280)
Stock loan facility	-	-	-	-	-
Loans due within one year	(216,667)	216,667	-	(216,667)	(216,667)
Loans due after one year	(613,889)	-	-	216,667	(397,222)
Lease liabilities due within one year	(226,498)	286,507	(231,195)	(50,587)	(221,773)
Lease liabilities due after one year	(325,878)	-	-	12,818	(313,060)
Net cash/(debt)	1,352,240	(3,432,605)	(231,195)	(37,769)	(2,349,329)

Non-cash changes include interest accrued on borrowings, and the reclassification of amounts due to more than one year for presentation in the financial statements.

	At 1 December 2022	Cashflow £	Non-cash changes £	Acquisition £	At 30 November 2023 £
Company					
Cash and cash equivalents	245,660	460,307	-	(141,742)	564,225
Net cash	245,660	460,307	-	(141,742)	564,225

	At 1 December 2021	Cashflow £	Non-cash changes £	At 30 November 2022 £
Company				
Cash and cash equivalents	3,412,666	(3,167,006)	-	245,660
Net cash	3,412,666	(3,167,006)	-	245,660

35 Contingencies and commitments

At 30 November 2023, the Group had capital commitments totalling £38,998 in relation to right-of-use plant and machinery (2022: £nil) The company had no capital commitments (2022: £nil).

The loan with Close Brothers is secured by fixed and floating charges over the Group, including all property, and intellectual property. The invoice discounting and stock facilities with Close Brothers are secured by a fixed and floating charge over the assets of the subsidiary, UK Circuits and Electronics Solutions Limited. Please see note 24 for further details.


36 Related party transactions

The following transactions with shareholders and companies controlled by the Directors were recorded, excluding VAT, during each period:

	30 November 2023 £	30 November 2022 £
Income received in the year		
Light Science Technologies Holdings Plc – Dividend Income from a company under common control of a director	143,448	-
Light Science Technologies Holdings Plc – Income from a company under common control	360,000	-
Light Science Technologies Holdings Plc – Income from a company under common control	150,000	600,000
Light Science Technologies Holdings Plc – Income from a company under common control	175	-
Light Science Technologies Limited – income from a company under common control of a director	7,000	4,000
UK Circuits & Electronics Solutions Limited – income from an associated company of a director	-	150

	30 November 2023 £	30 November 2022 £
Charges incurred during the year		
Light Science Technologies Limited – purchases from a company under common control	98,331	66,403
Light Science Technologies Limited – purchases from a company under common control of a director	2,947	-
UK Circuits & Electronics Solutions Limited – purchases from an associated company of a director	-	4,596
UK Circuits & Electronics Solutions Limited – purchases from a company under common control of a director	824	-
LSTH IFB Limited – purchases charges from a company under common control of a director (excluding trade and asset purchase – see note 31)	3,836	-
LSTH IFB Limited – consultancy charges from a company under common control of a director	3,063	-
Balances owing at 30 November		
Light Science Technologies Holdings Plc – due from companies under common control, net of £81,683 expected credit loss provision recognised in the year	3,517,629	3,093,536
Light Science Technologies Limited – due from a company under common control of a director	8,675	4,800
Light Science Technologies Limited – due from a company under common control	-	1,758
UK Circuits and Electronics Solutions Limited – due from companies under common control	3,176,708	3,130,807
LSTH IFB Limited – due to a company under common control of a director (not including contingent liabilities – see note 31)	4,603	-
LSTH IFB Limited – due to a company under common control of a director	3,675	-

Please see note 11 for details on key management personnel.



Notice of the 2024 annual general meeting

| THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have sold or otherwise transferred your shares in Light Science Technologies Holdings plc, you should forward this document and other documents enclosed as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

| LIGHT SCIENCE TECHNOLOGIES HOLDINGS PLC

(incorporated in England and Wales with registered number 12398098)

| NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the AGM) of Light Science Technologies Holdings plc (the "Company") will be held at Ednaston Park Business Centre, Painters Lane, Ednaston, Ashbourne, DE6 3FA **on 31 May 2024 at 11:00 am** for the following purposes.


Ordinary business

1. To receive the annual accounts and reports of the Company and the auditor's report on those accounts and reports for the financial year ended 30 November 2023.
2. To receive and approve the directors' remuneration report for the financial year ended 30 November 2023 as set out on pages 36 to 39 of the annual accounts and reports.
3. To re-elect Graham Cooley, who is retiring by rotation in accordance with the Company's articles of association, as a director of the Company, and who, being eligible, offers himself for re-election.
4. To re-elect Richard Mills, who is retiring by rotation in accordance with the Company's articles of association, as a director of the Company, and who, being eligible, offers himself for re-election.
5. To re-appoint RSM UK Audit LLP as Auditor of the Company to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before the Company.
6. To authorise the Audit Committee to determine the Auditor's remuneration.

Special business

To consider and, if thought fit, to pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8 and 9 will be proposed as special resolutions:

7. THAT, in accordance with section 551 of the Companies Act 2006 (the "Act") the Directors are generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights"), provided that such authority shall be limited to the allotment of shares and/or grant of Rights with an aggregate nominal value of up to £999,017 (being approximately 30% of the current issued share capital of the Company) provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of (i) the next annual general meeting of the Company and (ii) 31 August 2025, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.
8. THAT, subject to the passing of Resolution 7, in accordance with section 570 of the Act, the Directors are generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 7, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities with an aggregate nominal value of up to £666,011 (being approximately 20% of the current issued share capital of the Company), provided that this authority shall expire on the earlier of (i) the next annual general meeting of the Company and (ii) 31 August 2025, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
9. That the Company be and is hereby unconditionally and generally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 1 penny each ("ordinary shares") provided that:
 - (a) the maximum number of ordinary shares authorised to be purchased is 33,300,550 (representing approximately 10% of the issued ordinary share capital as at 7 May 2024);
 - (b) the minimum price which may be paid for any such ordinary share is 1 penny;
 - (c) the maximum price which may be paid for an ordinary share shall be an amount equal to 105% of the average middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and

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- (d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of 31 August 2025 and the conclusion of the next AGM, but the Company may enter into a contract for the purchase of ordinary shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

Dated: 8 May 2024

By order of the Board

Registered Office:

The Mills

Canal Street

Derby

DE1 2RJ




J Snooks

Company Secretary



Notes to the notice of annual general meeting

- (i) Pursuant to Part 13 of the Companies Act 2006 and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at the close of business on 29 May 2024 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.
- (ii) If you wish to attend the AGM in person, please bring some form of identification (such as driver's licence or bankcard) and present this to the Company's reception desk on arrival.
- (iii) A member who is entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote instead of him or her. A member may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the AGM in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the AGM (although voting in person at the AGM will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chair of the AGM or another person as a proxy. You can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.
- (iv) To be valid, a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, by no later than 11:00 am on 29 May 2024.
- (v) Details of how to vote electronically in CREST are set out below. You may not use any electronic address provided either in this notice of AGM or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- (vi) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent, Neville Registrars Limited (ID: 7RA11) by 11:00 am on 29 May 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. The



Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

- (vii) In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
- (viii) The following information is available at www.lightsciencetechnologiesholdings.com : (1) the matters set out in this notice of AGM; (2) the total numbers of shares in the Company, and shares in each class, in respect of which members are entitled to exercise voting rights at the AGM; (3) the totals of the voting rights that members are entitled to exercise at the AGM, in respect of the shares of each class; and (4) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which notice of the AGM was given.
- (ix) If you are a person who has been nominated by a member to enjoy information rights in accordance with Section 146 of the Companies Act 2006, notes (iii) to (v) above do not apply to you (as the rights described in these notes can only be exercised by members of the Company) but you may have a right under an agreement between you and the member by whom you were nominated to be appointed or to have someone else appointed, as a proxy for the meeting. If you have no such right or do not wish to exercise it, you may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
- (x) A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in notes (iii) to (vi) above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provision of the Companies Act 2006.
- (xi) Members attending the AGM have the right to ask, and, subject to the provisions of the Companies Act 2006, the Company must cause to be answered, any questions relating to the business being dealt with at the AGM.
- (xii) As at the close of business on 7 May 2024 (being the latest practicable date before publication of this notice), the Company's issued share capital comprised 333,005,500 ordinary shares of 1 penny each. Each ordinary share carries the right to one vote at a general meeting of the Company. No ordinary shares were held in treasury and accordingly the total number of voting rights in the Company as at the close of business on 7 May 2024 is 333,005,500.

- (xiii) Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with the auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Section 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
- (xiv) Copies of the Executive Directors' service contracts with the Company and letters of appointment of the Non-Executive Directors are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the AGM.

EXPLANATORY NOTES TO THE RESOLUTIONS

ORDINARY BUSINESS

Resolution 1 – Receiving the Annual Report

Shareholders will be asked to receive the Company's Annual Report for the financial year ended 30 November 2023, as required by law.

Resolution 2 – Directors' remuneration report

Shareholders are requested to approve the directors' remuneration report, in accordance with section 439 of the Companies Act 2006 (the CA 2006). The directors' remuneration report is set out on pages 36 to 39 of the Annual Report. The vote is advisory and the directors' entitlement to remuneration is not conditional on it.

Resolutions 3 and 4 – Re-election of Directors

The Company's articles of association require one third of the directors of the Company to retire from office at each annual general meeting of the Company and, if they are willing, to offer themselves for re-appointment by the shareholders. Furthermore, under the Company's articles of association, if any one or more directors were appointed by the board of directors pursuant to article 81 since the preceding annual general meeting of the Company, they must retire from office but shall be eligible for re-appointment and shall be counted in obtaining the number required to retire at the meeting. Graham Cooley and Richard Mills were appointed by the board of directors since the preceding annual general meeting of the Company and consequently are retiring by rotation in accordance with the Company's articles of association and offer themselves for re-election. Biographies for the Directors are set out on pages 23 and 24 of the Annual Report. Having considered the performance of and contribution made by each of the Directors, the board of directors remains satisfied that, and the Chair confirms that, the performance of each Director continues to be effective and to demonstrate commitment to the role and as such the board recommends their re-election.



Resolutions 5 and 6 – Re-appointment of Auditor and its remuneration

Resolution 5 concerns the re-appointment of RSM UK Audit LLP as the Company's Auditor, to hold office until the conclusion of the Company's next general meeting where accounts are laid. Resolution 6 authorises the Audit Committee to determine the Auditor's remuneration.

SPECIAL BUSINESS

Resolution 7 – Power to allot shares

This resolution grants the Directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £999,017, representing approximately 30 per cent. of the nominal value of the issued ordinary share capital of the Company as at 7 May 2024, being the latest practicable date before publication of this notice. The intention of the authority granted pursuant to resolution 7 is to preserve maximum flexibility and if the Directors do exercise this authority, they intend to follow best practice as regards its use.

The Company does not currently hold any shares as treasury shares within the meaning of Section 724 of the Companies Act 2006 ("Treasury Shares").

Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 31 August 2025, whichever is the earlier.

Resolution 8 – Authority to allot shares disregarding pre-emption rights

This resolution authorises the Directors to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The authority granted by this resolution is limited to a maximum nominal amount of £666,011, representing approximately 20% of the nominal value of the issued ordinary share capital of the Company as at 7 May 2024, being the latest practicable date before publication of this notice.

Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 31 August 2025, whichever is the earlier.

The Directors consider that the powers proposed to be granted by these resolutions are necessary to retain flexibility, although they do not have any intention at the present time of exercising them.

Resolution 9 – Authority to purchase shares (market purchases)

This resolution authorises the Board to make market purchases of up to 33,300,550 ordinary shares (representing approximately 10% of the Company's issued ordinary shares as at 7 May 2024, being the latest practicable date before publication of this notice). Shares so purchased may be cancelled or held as Treasury Shares. The authority will expire at the end of the next AGM of the Company or 31 August 2025, whichever is the earlier. The Directors intend to seek renewal of this authority at subsequent AGMs.

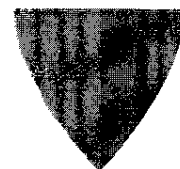
The minimum price that can be paid for an ordinary share is 1 penny, being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

The Directors have no present intention of exercising the authority granted by this resolution, but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will only exercise the authority granted by this resolution to purchase ordinary shares if they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per ordinary share for the remaining shareholders.

The total number of outstanding warrants and options to subscribe for ordinary shares in the Company amounted to 34,680,275 on 7 May 2024 (the latest practicable date prior to publication of this notice). This represented approximately 10.41% of the Company's issued ordinary share capital (excluding treasury shares) on that date. If this authority was exercised in full, those warrants and options would represent approximately 9.43% of the Company's issued ordinary share capital (excluding treasury shares) on that date.

Recommendation

The Directors consider that the proposals being put to the shareholders at the AGM are in the best interests of the Company and of the shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the resolutions set out in the Notice of the AGM, as they intend to do in respect of their own beneficial holdings of ordinary shares.



Company information

Company	Light Science Technologies Holdings plc
Directors	Graham Edward Cooley (Non-Executive Chairman) Simon Lincoln Deacon (Chief Executive Officer) James (Jim) Edward Snooks (Chief Financial Officer) Andrew Mark Hemsall (Chief Operating Officer) Richard John Mills (Independent Non-Executive Director)
Company secretary	James Edward Snooks
Registered office	The Mills Canal Street Derby DE1 2RJ
Website	https://lightsciencetechnologiesholdings.com
Nominated and Financial Adviser to the Company	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Brokers to the Company	Oberon Investments Limited 1st Floor 12 Hornsby Square, Southfields Business Park, Basildon, Essex, SS15 6SD
Legal adviser to the Company	Shoosmiths LLP One Bow Churchyard London EC4M 9DQ
Auditor to the Company	RSM UK Audit LLP Suite A, 7th Floor, East West Building, 2 Tollhouse Hill Nottingham NG1 5FS
Financial public relations adviser	Walbrook PR Limited 75 King William Street London, EC4N 7BE
Registrar to the Company	Neville Registrars Limited Neville House, Steelpark Road Halesowen B62 8HD

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