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

Intention to Float on AIM

Controlled environment agriculture and contract electronics manufacturing group, with robust IP position in the fast-growing grow lights and sensor technology market, seeking admission to AIM through IPO

Light Science Technologies Holdings plc, the controlled environment agriculture ("CEA") technology and contract electronics manufacturing ("CEM") Group, announces its intention to seek admission of the entire issued and to be issued ordinary share capital of the Company to the AIM market of the London Stock Exchange ("Admission"), and a conditional placing of 52,000,000 Ordinary Shares, at a price of 10 pence per share, to raise gross proceeds of £5.2 million (the "Placing").

Strand Hanson Limited is acting as Nominated & Financial Adviser, with Turner Pope Investments (TPI) Ltd acting as Broker in relation to the Placing.

Key Highlights

- £5 million to be raised (before expenses) for the Company through a conditional placing with institutional and other investors. In addition, the Placing has conditionally raised £0.2 million (gross) for Simon Deacon, the Company's Chief Executive Officer, who has sold part of his shareholding, retaining over 45% of the Company on Admission.
- The funds raised through the Placing, and which are due to the Company, will be used to accelerate the Group's growth, primarily through its CEA operations, by expanding its UK scientific laboratory grow room, enhancing marketing campaigns, product design, tooling and development, geographical expansion and for ongoing working capital purposes. An amount of the net Placing proceeds will also be invested into the Group's CEM operations to increase manufacturing capacity.
- Expected market capitalisation on Admission of £17.4 million
- Admission and commencement of dealings on AIM expected to take place on 15 October 2021.

The Company's ISIN is GB00BNDQJN14, its SEDOL is BNDQJN1, its LEI is 213800V9MWRRLVQ6EY56 and its ticker will be LST.

Board / Management Team

The Company is led by a team of highly experienced board members with a combination of significant industry and public company experience, both in respect of companies quoted on AIM and captured within the LSE's Main Market. From Admission, the board of directors (the "Board") will comprise three executive directors and four non-executive directors, all of whom are based in the UK. Three of the four non-executive directors are classified as independent by the Board.

Executive Directors

Simon Deacon, the Company's Chief Executive Officer, has 25 years' experience in expediting business growth, having acquired and grown companies operating in the lighting and electronics manufacturing sectors, such as Light Science Technologies and UK Circuits. 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. The Company's Chief Operating Officer, Andrew Hemsall, is a highly experienced industry executive, with significant operational leadership experience. James (Jim) Snooks, the Company's Chief Financial Officer, has held a number of finance director positions and is a tenured chartered management accountant.

Non-Executive Directors

The Chairman of the Board, Myles Halley, worked with KPMG for over 30 years, latterly assuming a position on the UK board, before taking a role as Chairman of private equity firm, Rcapital Partners LLP and numerous other Chairman positions. Robert Naylor has 24 years' experience in capital markets; most recently at Cenkos Securities plc as head of corporate finance and corporate broking in the investment funds team. Lisa Clement, an Independent Non-Executive Director of the Company, has held positions as Chief Financial Officer, Non-Executive Director and Senior Independent Director, and chaired both remuneration and audit committees. Rory James-Duff has over 20 years' equity capital markets experience with a focus on growth and environmental companies. He previously worked in senior positions within the equity capital markets divisions of Peel Hunt LLP and Canaccord Genuity Inc.

EIS Status

Based on information provided to them, HMRC has confirmed that the Company is a qualifying company under the rules of the EIS. Subject to the investor's individual circumstances and the Company continuing to meet the requirements of the EIS legislation for at least three years, an investor who subscribes for new Ordinary Shares as part of the Placing should qualify for EIS tax relief on their investment in the Company. The shares must be held for at least three years. Investors are advised to take their own advice before making an investment.

UK Circuits/CEM division

- Established position as a UK contract electronics manufacturer with a strong track record of revenue and profit generation.
- Current client base includes Rentokil's pest division (which is a blue-chip client), Cloud Electronics Limited, Calnex Electronics Limited and Sensonics Limited.
- Generated £6.9 million of revenue and c. £800,000 of EBITDA¹ in 2020. Current forward order book of £5 million² for the next 6 to 9 months provides good visibility of revenue and cash flow generation.

¹ EBITDA is not presented within the Historic Financial Information ("HFI"), but has been calculated by Company management from disclosures within and supporting workings to the HFI.

² As at 1 September 2021

Light Science Technologies/CEA division

- Operates in a fast-growing CEA industry encompassing vertical farming, glasshouse and polytunnels.
 - Market drivers include food and water shortages in many parts of the world; growing global population; UK and other government policy encouraging sustainable and efficient growth methods; increased scrutiny of the effect of food production on climate change and the continuing transition away from processed foods.
 - ‘Grow lights’ market, alone, has a global estimated market value of £20.5 billion and is growing at 21 per cent. CAGR³ which is driven by the increasing focus on the sector, including the burgeoning and rapidly growing medicinal plant market which is highly dependent upon the CEA industry.
- Anticipated all-in-one CEA bespoke solutions, with in-house scientific laboratory, design, research and manufacturing capabilities, will differentiate Light Science Technologies from its competitors.
 - nurturGROW Luminaire product range has a competitive advantage in the CEA market through its modular design, facilitating ease of both LED and PCB replacement, which hosts significant cost savings and environmental benefits.
- Light Science Technologies has a substantial and growing pipeline to date, with a potential aggregate value of £40.6 million⁴, with potential customers including established and start-up vertical farmers, established glasshouse growers, emerging medicinal growers and Tier 2 construction groups.
 - In addition, the contract recently signed with Zenith Nurseries (further details of which are set out in paragraph 13.1.40 of Part IV of the Admission Document), initially consisting of three sequential product development stages which are all expected to complete over the next approximate 21 month period and capable of generating up to £1.28 million in revenue (this figure being subject to certain adjustments agreed between the parties under the terms of the contract detailed in paragraph 13.1.40 of Part IV of the Admission Document). Each product development stage must be successfully completed before moving to the next stage. Assuming completion of all three initial and sequential product development stages within the relevant time periods to the satisfaction of both Zenith Nurseries and the Company, this contract has the potential, albeit with no guarantee, or commitment on Zenith Nurseries’ part and subject to the availability of funding by Zenith Nurseries, to secure a further contract for the Group of up to a further £12.56 million in revenue over a period of 2 to 3 years commencing after the completion of the initial product development stages.
- The Group’s nurturGROW Sensor is at the prototype stage, with expected commercialisation in Q1 2022, alongside an associated software application which is being developed with an expected roll out later in 2022.
- Following completion of the development of the nurturGROW Sensor (and, later the software application), there is a potential for significant one-off revenues from hardware product sales and recurring revenues through consultancy, upgrades/replacement, data analysis and software licencing services⁵.
- Robust IP infrastructure in place in order to protect its competitive products in the market and increasing the barriers to entry in a lucrative industry.

³ *Global Grow Lights Market (2020) report by Mordor Intelligence; CAGR base year: 2019, forecast period: 2020-2025*

⁴ *Figure based on current live project quotes as at 20 July 2021 and such figure remains current. Project values fluctuate as discussions evolve with potential end customers and this figure is subject to change.*

⁵ *The provision of these services depends on the sensor technology and the software application being developed. The Group plans to offer these services in the future once the technology has been developed.*

Simon Deacon, CEO of Light Science Technologies Holdings plc, commented: *“We eagerly anticipate the next step in our journey through the admission to trading on AIM. The Company is well placed to use the funds raised in the placing to develop our substantial CEA pipeline and take full advantage of our increasing presence in this growing market. We believe there will be significant demand for our solutions – especially given increasing food shortages and security issues, climate change and growing populations all underpinning demand as growers look to increase yields and reduce energy consumption and costs.”*

For further information, please contact:

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

Light Science Technologies Holdings plc 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, and its controlled environment agriculture (“CEA”) division, Light Science Technologies Ltd.

UK Circuits was founded in 1997 and is a contract electronics manufacturer with strong revenue and cash generation. The Group’s manufacturing facilities in Manchester, England enable the Group to design, manufacture and test high-quality CEM products used in a broad range of sectors.

Light Science Technologies was founded in September 2019 and facilitates the Company’s CEA operations. The Group’s state-of-the-art laboratory facilities in Derby, England, enable the Group to design, test and provide innovative CEA products and services.

The CEM focussed division of the Group, UK Circuits, designs, procures and manufactures high-quality CEM products, specialising in PCBs, 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 design 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 the experience of its dedicated supply chain team and relationships with reputable suppliers.

In addition to the Group's CEM capability, the Group's CEA division, offers integrated, cost-saving and sustainable CEA solutions to crop growers, with a focus on the indoor, vertical and medicinal farming markets, which is expected to be the major growth area for the Group going forwards in light of the market landscape and in view of competing offerings currently in the marketplace. Light Science Technologies' all-in-one CEA solution includes analysing customers' crop growing requirements to provide bespoke, low-energy products, which subsequently monitor the environment in order to maintain optimal growing conditions through the nine cardinals of plant life (namely air speed, carbon dioxide levels, humidity, light, oxygen, plant disease, soil, temperature and water pH levels) to maximise crop yields and minimise resource usage.