05 August 2022

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

Interim Results

Light Science Technologies Holdings plc (AIM: LST), the controlled environment agriculture ("CEA") technology and contract electronics manufacturing ("CEM") group, is pleased to announce results for the six months ended 31 May 2022 (the "Period").

Highlights:

- Revenue for the Period, up by 4.2% to £3.6m (H1 2021: £3.4m)
- Margin reduced slightly to 20.9% (H1 2021: 23.6%)
- Loss before Tax of £1.3m (H1 2021: loss £0.9m), due primarily to the CEA division's continued investment in both product research and development and marketing of the Company's products and services
- Commencement of planned programme of investment

Post Period Highlights:

- Launch of SensorGROW SaaS (Software as Services): the range will provide growers with business intelligence at their fingertips, facilitating optimised plant performance in their crop growth and will help growers to generate higher yields, lower energy usage and waste, to focus on profitability. This product is sold on a 3-year subscription model.

- Launch of the 'slimline' low profile tuneable light: designed to maximise growing space in Vertical farm applications, broadening the reach of the Company's nurturGROW CEA lighting solutions. The tuneable element allows growers to use different light wavelengths at different plant growth stages. This sustainable product uses less energy, to help growers grow more with less.

Commenting on the results and prospects, Simon Deacon, Chief Executive Officer of Light Science Technologies, said:

"With Group revenue increasing by 4.2% for the six months to 31 May 2022, alongside our forward order book and contracts worth £18 million*, we have seen an increase in our pipeline of quoted business due to a demand for reshoring manufacturing to the UK, as customers look to increase product security and reduce risk.

"As much as the macro trends are challenging in the short term, we are confident that the medium and long-term outlook for the Group is promising, as the market continues to grow. With our experienced team, our technologies and energy saving products feeding into the growing pipeline, we are in a strong position to take advantage of the opportunities and achieve our objectives. We remain confident in our ability to achieve our revised forecasts as announced on 10 June 2022."

** Contracts are subject, inter alia, to certain milestones and conditions as more fully described in the Company's announcement on 15 October 2021 and mentioned in the Company's AIM Admission Document*

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

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

Controlled Environment Agriculture

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

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

Contract Electronics Manufacturing

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

Chief Executive's Report

Financial & Operating review

I am pleased to announce Group revenue for the six months to 31 May 2022 is up by 4.2% to £3.6m, compared to the equivalent period last year, in the backdrop of very significant headwinds that continue to challenge the Group.

Across the Group, there has been a persistent shortage of certain electronic components, primarily within the Contract Electronics Manufacturing ("CEM") division. However, the business has managed to continue supporting clients' orders through the Period.

Additionally, as detailed in the Company's trading update of 10 June 2022, there has been an elongation of the sales cycle in the Controlled Environment Agriculture ("CEA") division. This is due to a number of factors, including government grant delays and input inflation experienced by growers, which cannot fully be passed on to their customers, leading to capital expenditure by growers being delayed.

As a result of general input price inflation and the forced use of alternative supply sources, cost of sales has increased relative to sales, as it has not always been possible to pass on these costs in full to the customer. Therefore, margin has reduced slightly to 20.9% from 22.2% for the full prior year.

Loss before Tax for the six months to 31 May 2022 was £1.3m, due primarily to the CEA division's continued investment in both product research and development and marketing of the Company's products and services.

Inventories increased further in the Period by £0.7m to £1.9m. This stock is predominantly allocated to specific customer orders received, in order to secure availability and pricing, due to the component shortages and inflationary pressures that are persisting.

The Group began its planned programme of investment in the Period, utilising part of the proceeds of the Company's placing of new Ordinary Shares, following its IPO on AIM at the end of the previous year. Capital and other expenditure in the CEM division has been introduced to automate and expand capacity at the Group's manufacturing site in Manchester and progress to gaining further quality accreditations, to open new market opportunities.

Additionally, funds were utilised to continue product development and tooling, particularly in respect of the SensorGROW product launched shortly after the Period. Furthermore, investment has been channelled to marketing the Company's innovative products and services, which includes collaborating with industry bodies, such as Crop Health and Protection (CHAP) in their advanced greenhouse facility, the Stockbridge Technology Centre, on a tomato trial showcasing the energy efficiency of the nurturGROW range, whilst maximising yields.

The Zenith contract progressed through the Period and approached completion of the first gateway by the end of the six months to 31 May 2022, as expected. The project involves developing a cloche lighting and sensor technology system to extend the growing season from 7 months to 12 months, this is part funded by UKRI's Farming Innovation Pathway grant, accounting for the majority of the £105,000 other operating income in the Period, and the corresponding research and development expenditure within administrative expenses.

As further detailed in the Company's Annual report, the Directors believe the principal risks and uncertainties facing the Group over the final 6 months of the year to be the ongoing geopolitical uncertainties and the consequent impacts on interconnected global supply chains, resulting in persisting shortages in the worldwide availability of electronic components. Additionally, the macroeconomic challenges from high input price inflation, especially in the energy markets, with the impact that has on elongating customers' decision-making processes in the CEA division. Whilst these factors present the Group with opportunities in the medium to longer term (with the trend to grow more locally, sustainably and energy efficiently), in the shorter term the Directors see these risks could have the potential to further elongate the sales cycle and impact Group revenue and cash generation.

In consideration of these risks and uncertainties, the Company is implementing a variety of actions to manage cash flows and discretionary spending, including the accelerated roll out of enhancements to the stock management system and procurement processes, targeted at reducing stock levels, and working closely with our clients to pass on increased inventory costs. Additionally, 20% of Directors' fees have been deferred on a contingent basis from 1 August 2022 until such point as the Board considers it appropriate to reinstate to previous levels.

There are no subsequent events requiring recognition and disclosure in the financial statements. However, as detailed in the Company's announcements of the 16th and 23rd June, the CEA division officially launched its SensorGROW and 'slimline' Vertical farm range, including its tuneable products at Greentech 2022 in Amsterdam and the Indoor AgTech Innovation Summit in New York, respectively, after the end of the reporting Period.

The Directors do not recommend the payment of an interim dividend for the six months ended 31 May 2022. No dividend has been paid in respects of the year ended 30 November 2021.

Outlook

<u>Growing pipeline and demand</u>
With Group revenue increasing by 4.2% for the six months to 31 May 2022, alongside our forward order book and contracts worth £18 million*, we have seen an increase in our pipeline of quoted business due to a demand for reshoring manufacturing to the UK, as customers look to increase product security and reduce risk.

<u>Focused on increasing recurring revenue and return on investment</u>
We successfully launched two new products at two key industry trade events in Amsterdam and New York very recently, with the primary focus on reducing growers' energy usage and operating costs, without compromising their yields.

The SensorGROW SaaS (Software as a Service) range will provide growers with business intelligence at their fingertips, facilitating optimised performance in their crop growth. In these challenging times, from both commercial and environmental perspectives, higher yields and profitability, with less energy and waste, has never been more important.

We are seeing an increased demand for growing intelligence tools and expect a high take-up as we roll out our SensorGROW products over the next 12 months. With a low initial cost to the customer, we anticipate growers signing up to three-year contracts based on a monthly subscription model.

Given the importance of improving food security and reducing food miles, we launched our new nurturGROW Vertical Farm lighting product with a focus on delivering high quality crop yields at lower energy. Increased costs impacting growing, such as fertiliser, labour, fuel, is driving a market need for more efficient technology to safeguard the future of food production and to help growers grow more with less.

As much as the macro trends are challenging in the short term, we are confident that the medium and long-term outlook for the Group is promising, as the market continues to grow. With our experienced team, our technologies and energy saving products feeding into the growing pipeline, we are in a strong position to take advantage of the opportunities and achieve our objectives. We remain confident in our ability to achieve our revised forecasts as announced on 10 June 2022.

Simon Deacon
Chief Executive Officer

** Contracts are subject, inter alia, to certain milestones and conditions as more fully described in the Company's announcement on 15 October 2021 and mentioned in the Company's AIM Admission Document*

Consolidated statement of comprehensive income
For the six months ended 31 May 2022

	Notes	Unaudited Six months ended 31 May 2022 £	Unaudited Six months ended 31 May 2021 £	Audited Year ended 30 November 2021 £
Revenue	3	**3,560,519**	**3,416,631**	**7,393,933**
Cost of sales		(2,814,757)	(2,610,220)	(5,750,782)
Gross profit		**745,762**	**806,411**	**1,643,151**
Administrative expenses		(2,037,187)	(1,252,359)	(3,265,106)
Non-recurring administrative expenses	4	-	(366,907)	(512,436)
Other operating income		104,737	26,898	50,203
Operating loss		**(1,186,688)**	**(785,957)**	**(2,084,188)**
Finance costs		(91,397)	(95,483)	(262,620)
Loss on ordinary activities before taxation		**(1,278,085)**	**(881,440)**	**(2,346,808)**
Income tax credit	5	86,075	36,021	202,423
Loss for the Period and total comprehensive income for the Period		**(1,192,010)**	**(845,419)**	**(2,144,385)**
Attributable to:				
The owners of the company		(1,201,396)	(861,116)	(2,165,543)
Non-controlling interests		9,386	15,697	21,158
		(1,192,010)	**(845,419)**	**(2,144,385)**
Loss per share				
Basic and diluted (pence)	8	**(0.72)**	**(0.85)**	**(1.98)**

Consolidated balance sheet
As at 31 May 2022

	Notes	Unaudited as at 31 May 2022 £	Unaudited as at 31 May 2021 £	Audited as at 30 November 2021 £
Assets				
Non-current assets				
Property, plant and equipment		863,211	803,818	822,803
Intangible assets		340,982	145,724	214,698
Right-of-use assets		623,951	579,455	551,532
		1,828,144	**1,528,997**	**1,589,033**
Current assets				
Inventories		1,899,391	937,740	1,199,749
Trade and other receivables		1,679,472	1,695,921	1,738,330
Corporation tax receivable		237,165	-	151,090
Cash and cash equivalents		1,779,817	130,247	3,860,430
		5,595,845	**2,763,908**	**6,949,599**
Total assets		**7,423,989**	**4,292,905**	**8,538,632**
Liabilities				
Current liabilities				
Borrowings	6	(1,128,460)	(1,238,700)	(1,341,925)
Corporation tax payable		-	(1,216)	-
Trade and other payables		(2,134,381)	(2,041,406)	(2,049,089)
Lease liabilities		(210,539)	(172,324)	(226,498)
		(3,473,380)	**(3,453,646)**	**(3,617,512)**
Non-current liabilities				
Deferred tax		-	(20,515)	-
Borrowings	6	(505,555)	(1,742,925)	(613,889)
Trade and other payables		(77,779)	-	(64,184)
Lease liabilities		(353,181)	(386,251)	(325,878)
		(936,515)	**(2,149,691)**	**(1,003,951)**
Total liabilities		**(4,409,895)**	**(5,603,337)**	**(4,621,463)**
Net assets/ (liabilities)		**3,014,094**	**(1,310,432)**	**3,917,169**
Capital and reserves attributable to the owners of the company				
Share capital	7	1,741,500	1,000,000	1,741,500
Share premium account		5,654,011	-	5,654,011
Share allotment reserve		-	250,000	-
Merger reserve		(3,478,435)	(3,479,535)	(3,478,435)
Share based payment reserve		509,298	-	220,363
Warrant reserve		159,593	-	159,593
Retained earnings		(1,908,129)	597,694	(706,733)
		2,677,838	**(1,631,841)**	**3,590,299**
Non-controlling interests		336,256	321,409	326,870
Total equity		**3,014,094**	**(1,310,432)**	**3,917,169**

Statements of changes in equity
For the six months ended 31 May 2022

Consolidated	Share capital £	Share premium account £	Share allotment reserve £	Share based payment reserve £
At 30 November 2020	**1,000,000**	**-**	**250,000**	
Comprehensive income				-
Loss for the Period	-	-	-	-
Total comprehensive income	-	-	-	**-**
Unaudited balance at 31 May 2021	**1,000,000**	**-**	**250,000**	**-**
Transactions with shareholders				
Combinations under common control	**-**	**-**	**-**	-
Advance share subscription	-	-	750,000	-
Shares and related warrants issued in the Period	741,500	5,654,011	(1,000,000)	-
Share based payment	**-**	**-**	**-**	220,363
Total transactions with shareholders	**741,500**	**5,654,011**	**(250,000)**	**220,363**
Comprehensive income				
Loss for the Period	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**	**-**
Audited balance at 30 November 2021	**1,741,500**	**5,654,011**	**-**	**220,363**
Transactions with shareholders				
Share based payment	**-**	**-**	**-**	288,935
Total transactions with shareholders	**-**	**-**	**-**	**288,935**
Comprehensive income				-
Loss for the Period	-	-	-	**-**
Total comprehensive income	**-**	**-**	**-**	**-**
Unaudited balance at 31 May 2022	**1,741,500**	**5,654,011**	**-**	**509,298**

Consolidated	Warrant reserve £	Merger reserve £	Retained earnings £	Non- controlling interests £	Total equity £
At 30 November 2020	**-**	**(3,479,535)**	**1,458,810**	**305,712**	**(465,013)**
Comprehensive income					
Loss for the Period	-	-	(861,116)	15,697	(845,419)
Total comprehensive income	-	-	(861,116)	15,697	(845,419)
Unaudited balance at 31 May 2021	**-**	**(3,479,535)**	**597,694**	**321,409**	**(1,310,432)**
Transactions with shareholders					
Combinations under common control	-	1,100	-	-	1,100
Advance share subscription	-	-	-	-	750,000
Shares and related warrants issued in the Period	159,593	-	-	-	5,555,104
Share based payment	-	-	-	-	220,363
Total transactions with shareholders	**159,593**	**1,100**	**-**	**-**	**6,526,567**
Comprehensive income					
Loss for the Period	**-**	**-**	(1,304,427)	5,461	(1,298,966)
Total comprehensive income	**-**	**-**	**(1,304,427)**	**5,461**	**(1,298,966)**
Audited balance at 30 November 2021	**159,593**	**(3,478,435)**	**(706,733)**	**326,870**	**3,917,169**
Transactions with shareholders					
Share based payment	-	-	-	-	288,935
Total transactions with shareholders	**-**	**-**	**-**	**-**	**288,935**
Comprehensive income					
Loss for the Period	-	-	(1,201,396)	9,386	(1,192,010)
Total comprehensive income	**-**	**-**	**(1,201,396)**	**9,386**	**(1,192,010)**
Unaudited balance at 31 May 2022	**159,593**	**(3,478,435)**	**(1,908,129)**	**336,256**	**3,014,094**

Consolidated cash flow statement
For the Six months ended 31 May 2022

	Unaudited Six months ended 31 May 2022 £	Unaudited Six months ended 31 May 2021 £	Audited Year ended 30 November 2021 £
Cash flows from operating activities			
Loss after tax	(1,192,010)	(845,419)	(2,144,385)
Adjustments for:			
Depreciation of tangible assets	69,780	33,206	86,145
Depreciation of right-of-use assets	86,206	43,842	145,552
Interest payable	91,397	95,483	262,620
Taxation and RDEC credit	(86,075)	(36,021)	(214,882)
Share based payment	288,935	-	220,363
Changes in working capital:			
Increase in inventory	(699,642)	(348,269)	(610,278)
Decrease / (increase) in trade and other receivables	58,858	(441,733)	(484,141)
Increase in trade and other payables	98,887	715,983	732,269
Cash used in operations	**(1,283,664)**	**(782,928)**	**(2,006,737)**
Tax paid / (received)	-	(7,399)	22,715
Net cash outflow from operating activities	**(1,283,664)**	**(790,327)**	**(1,984,022)**
Cash flows from investing activities			
Purchase of property, plant and equipment	(126,587)	(96,182)	(168,106)
Purchase of intangible fixed assets	(126,284)	(67,972)	(136,946)
Net cash outflow from investing activities	**(252,871)**	**(164,154)**	**(305,052)**
Cash flows from financing activities			
Capital issued (net of issue costs)	-	-	4,431,204
Advance share subscriptions	-	-	750,000
Proceeds from new loans	-	50,000	310,000
Proceeds from new convertible loans	-	1,125,000	1,125,000
Repayment of loans	(108,333)	(146,884)	(679,805)
Lease payments	(130,883)	(97,793)	(165,125)
Interest paid on leases	(19,347)	(27,654)	(25,991)
Net drawdown on invoice discounting facility	(213,465)	210,746	520,742
Interest paid on loans and borrowings	(72,050)	(67,829)	(155,663)
Net cash (outflow) / inflow from financing activities	**(544,078)**	**1,045,586**	**6,110,362**
Increase in cash and cash equivalents	**(2,080,613)**	**91,105**	**3,821,288**
Cash and cash equivalents including overdrafts at the start of the Period	3,860,430	39,142	39,142
Cash and cash equivalents including overdrafts at the end of the Period	**1,779,817**	**130,247**	**3,860,430**

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 company's equity is admitted to trading on AIM. The address of its registered office is 1 Lowman Way, Hilton, Derby, England, DE65 5LJ.

The principal activity of the Group is the development and manufacturing of electronic boards and the development and manufacturing of lighting and technology products for the Controlled Environment Agriculture ("CEA") sector.

This condensed consolidated half-yearly financial information ("interim results") was approved by the directors for issue on 4 August 2022.

The financial information in these interim results is that of the holding company and all of its subsidiaries. It has been prepared in accordance with UK adopted international accounting standards. The accounting policies applied by the Group in the preparation of these consolidated financial statements are consistent with those applied by the Group in its latest audited financial statements for the year ended 30 November 2021, a copy of which can be found here: https://lightsciencetechnologiesholdings.com/investors/. These policies have been applied consistently to all periods presented.

The financial information presented herein does not constitute full statutory accounts under section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respects of the year ended 30 November 2021 has been extracted from the statutory accounts which have been delivered to the Registrar of Companies. The Group's Independent Auditor's report on those accounts was unqualified and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the six months ended 31 May 2022 and 31 May 2021 is unaudited.

2. Going concern

Working capital forecasts have been prepared for the period to 30 November 2024. Based on the forecasts, the Group can meet its day-to-day cash flow requirements and operate within all the terms of its borrowing facilities.

As detailed in the Company's trading update of 10 June 2022, there are a variety of factors, including government grant delays and input inflation experienced by growers, which cannot be passed on to their customers, that have resulted in an elongation of the sales cycle in the Company's CEA division, and therefore the results of the Group. As a consequence of these matters, there is a material uncertainty that potentially casts doubt upon the Group's ability to continue as a going concern.

In response to these matters, the Group is implementing a variety of actions to manage cash flows and discretionary spending, including the accelerated roll out of enhancements to the stock management system and procurement processes, targeted at reducing stock levels, and working closely with our clients to pass on increased inventory costs. Additionally, 20% of Directors' fees have been deferred on a contingent basis from 1 August 2022 until such point as the Board considers it appropriate to reinstate to previous levels. However, should the sales cycle elongate significantly outside of forecast for the remainder of the period to 30 November 2022, it would likely be necessary to raise additional funding to support Group requirements.

Although the success of these actions cannot be guaranteed, management has determined that the measures it has taken are sufficient to mitigate the uncertainty and continue as a going concern for at least 12 months from the date of approval of the financial statements and has therefore prepared the financial statements on a going concern basis.

3. 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.

Revenue is in respect of supply of hardware and is recognised at a point in time at the point of customer collection or dispatch. Revenue in respect of laboratory services is recognised at a point in time when project gateways are completed. As new products and services are launched within the Controlled Environment Agriculture segment, the revenue accounting policy and point of recognition will develop.

During the six months to 31 May 2022 one customer represented 55.4% of total revenue (HY21: 61.6%; 2021: 61.3%).

The Group has two operating segments 'Contract electronics manufacture' relating to the development and manufacturing of electronic boards; and 'Controlled environment agriculture' relating to the development and manufacturing of lighting and technology products for the Controlled Environment Agriculture (CEA) sector. This is consistent with the presentation in the last financial statements. The Chief Operating Decision Maker (CODM) has been determined to be the Board. The performance of the two reportable segments is based upon a review of profits and segmental assets/liabilities.

31 May 2022	**Contract electronics manufacture £**	**Controlled environment agriculture £**	**Total**
Revenue	3,547,324	13,195	3,560,519
Depreciation	(89,838)	(66,148)	(155,986)
Operating profit/(loss)	274,956	(1,502,728)	(1,227,772)
Segment assets	4,584,630	2,839,359	7,423,989
Segment liabilities	(3,870,632)	(539,263)	(4,409,895)

30 November 2021	**Contract electronics manufacture £**	**Controlled environment agriculture £**	**Total**
Revenue	7,361,303	32,630	7,393,933
Depreciation	(174,086)	(57,611)	(231,697)
Operating profit/(loss)	485,527	(2,569,715)	(2,084,188)
Segment assets	4,426,947	4,111,685	8,538,632
Segment liabilities	(4,153,852)	(467,611)	(4,621,463)

31 May 2021	**Contract electronics manufacture £**	**Controlled environment agriculture £**	**Total**
Revenue	3,416,631	-	3,416,631
Depreciation	(67,938)	(9,110)	(77,048)
Operating profit/(loss)	361,013	(1,146,970)	(785,957)
Segment assets	3,577,152	715,753	4,292,905
Segment liabilities	(3,679,213)	(1,924,124)	(5,603,337)

4. Non-recurring expenses

	31 May 2022 £	31 May 2021 £	30 November 2021 £
Non-recurring costs	-	366,907	512,436

Non-recurring costs relate to professional and other costs directly attributable to preparing the Company for admission to the AIM market of the London Stock Exchange.

5. Taxation

The tax credit is made up as follows:

	31 May 2022 £	31 May 2021 £	30 November 2021 £
Current tax expense			
UK corporation tax for the Period	(86,075)	(30,992)	(109,285)
Adjustment in respect of prior periods	-	-	(91,668)
Total current income tax	**(86,075)**	**(30,992)**	**(200,953)**
Deferred tax			
Origination and reversal of timing difference	-	(5,029)	(1,470)
	(86,075)	**(36,021)**	**(202,423)**

The tax charge in the six month periods have been calculated based on the estimated tax rate that is expected to apply to the full year.

6. Borrowings

	31 May 2022 £	31 May 2021 £	30 November 2021 £
Current			
Bank overdraft	-	-	-
Interest bearing loans	216,667	312,918	216,667
Convertible loan instrument	-	125,000	-
Invoice discounting facility	911,793	800,782	1,125,258
	1,128,460	**1,238,700**	**1,341,925**
Repayable between one and five years			
Convertible loan instrument	-	1,000,000	-
Interest-bearing loans	505,555	742,925	613,889
	505,555	**1,742,925**	**613,889**

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 12 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 freehold property, goodwill and intellectual property. This is linked to the Group's invoice discounting facility noted below. The balance for the CBILS term loan at 31 May 2022 was £722,222 (HY21: £914,689; 2021: £830,556).

The Group also entered into invoice discounting facility arrangements provided by Close Brothers, for an initial term of 3 years. 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 freehold property, goodwill and intellectual property, as well as the trade receivables of the subsidiary, UK Circuits and Electronics Solutions Limited.

During the prior year, there were convertible loan instruments of £1,125,000 which have since been settled. Loan notes were issued to certain prospective shareholders and Directors of the Company. Interest accrued on £1,000,000 of the loan notes received from a shareholder at a rate of 7.25%, and the interest of £56,557 was paid in full in cash on Admission to AIM on 15 October 2021. The loan notes were converted to 12,500,000 Ordinary Shares immediately prior to Admission, at 20% discount. Interest accrued on the other £125,000 of convertible loan notes received from directors at a rate of 5.5%. Interest totalling £3,805 was settled in full in cash on Admission. The convertible loan notes were converted to 1,250,000 Ordinary Shares immediately prior to Admission, at no discount.

7. Issued equity capital

Company	Nominal value	Total no. of Ordinary shares	Total £
At 1 December 2020 and 31 May 2021	£1.00	1,000	1,000
Corporate restructure	£1.00	999,000	999,000
	£1.00	1,000,000	1,000,000
Sub-division of each £1.00 share into 100 £0.01 shares	(£0.99)	99,000,000	-
Share issue	£0.01	74,150,000	741,500
At 30 November 2021 and 31 May 2022	**£0.01**	**174,150,000**	**1,741,500**

For the purposes of the consolidated accounts, because the predecessor value method has been used to account for this corporate restructuring, the share capital issued for the purposes of the business combination have been shown as at the previous reporting date as if they had always been outstanding.

On 23 June 2021, a corporate restructuring took place where the entire share capital of UK Circuits and Electronics Solutions Holdings Ltd and Light Science Technologies Ltd were purchased in consideration for the issue of 999,000 shares at nominal value of £1.00, attracting no premium. Thereafter, the entire ordinary share capital was subdivided, with each £1.00 ordinary share divided into 100 £0.01 shares.
On 15 October 2021, 74,150,000 shares were issued pursuant to convertible loan notes and advance subscription agreements outstanding immediately prior to issuance; and pursuant to the placing of shares on the Company's admission to AIM and in lieu of fees associated with that. The share premium account is shown net of £669,049 of share issuance costs.

8. Loss per share

Basic loss per share is calculation on the loss for the Period after taxation attributable to the owners of the parent of £1,192,010 and on 165,250,000 ordinary shares, being the weighted number in issue during the year excluding shares held by the Employee Benefit Trust (EBT). Unexercised options over the ordinary shares are not included in the calculation of diluted loss per share as they are anti-dilutive. There have been no changes to share options since the end of the last financial statements.

For 2021, the share numbers used have been calculated consistently, to take into account the 2021 share reorganisation, i.e. by assuming the various steps of the share reorganisation had been in effect throughout 2021.

	31 May 2022			31 May 2021		
Basic and Diluted EPS	**Earnings £**	**Weighted average number of shares**	**Per share amount (pence)**	**Earnings £**	**Weighted average number of shares**	**Per share amount (pence)**
Weighted average number of ordinary shares		174,150,000			100,000,000	
Adjusted for the effect of own shares held by EBT		(8,900,000)			-	
Earnings attributable to ordinary shareholders of the Company	(1,192,010)	165,250,000	(0.72)	(845,419)	100,000,000	(0.85)

	30 November 2021		
Basic and Diluted EPS	**Earnings £**	**Weighted average number of shares**	**Per share amount (pence)**
Weighted average number of ordinary shares		109,344,932	
Adjusted for the effect of own shares held by EBT		(1,292,329)	
Earnings attributable to ordinary shareholders of the Company	(2,144,385)	108,052,603	(1.98)

Diluted Earnings Per Share

Basic and diluted earnings per share are equal for the six months ended 31 May 2022 and the year ended 30 November 2021, 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. For the six months ended 31 May 2021, there were no share options and warrants issued, so no dilutive effect.