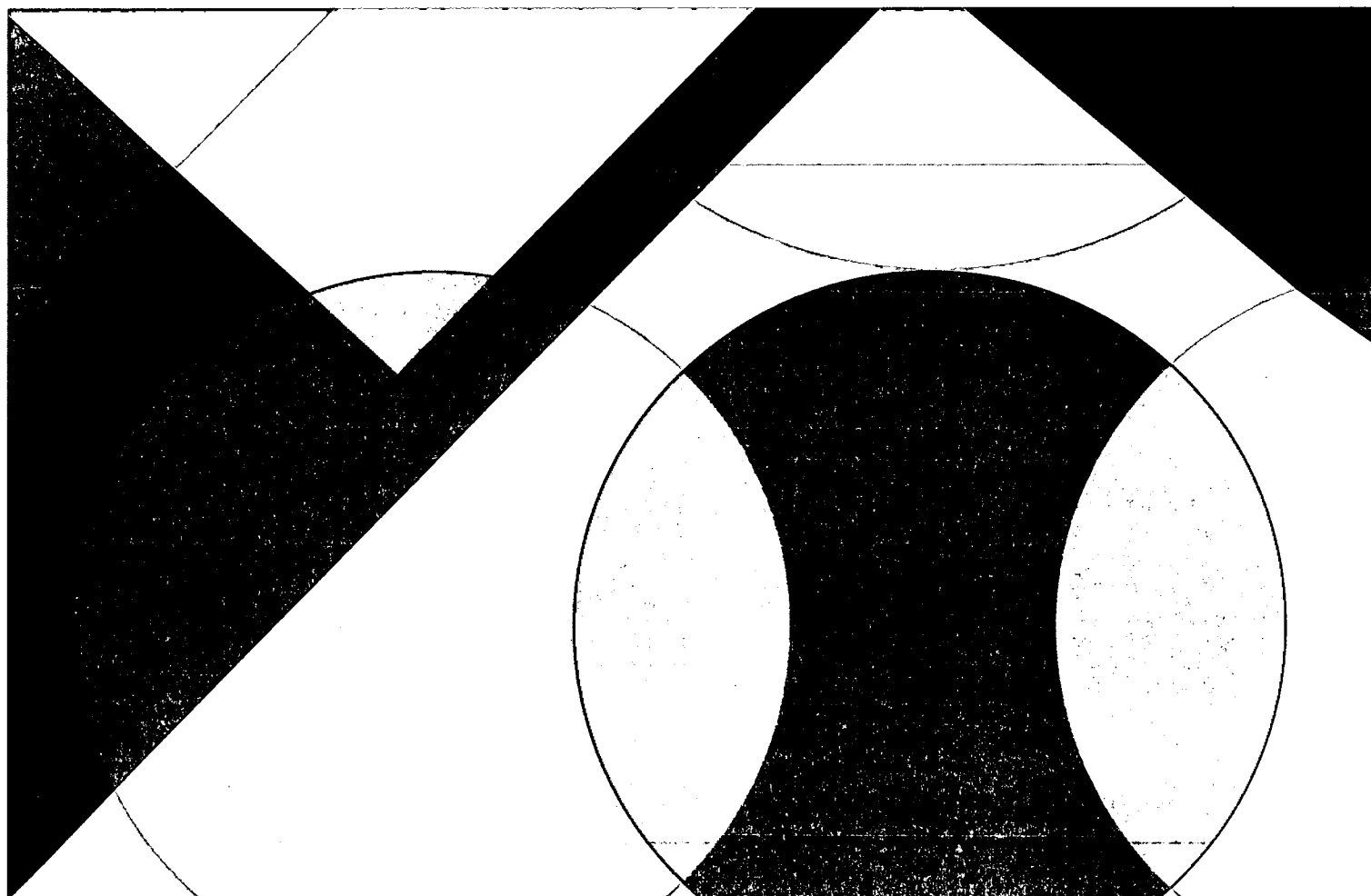


Light Science
Technologies Holdings

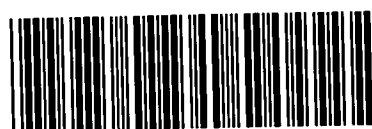
Annual Report



For the year ended 30 November 2022

Registered number: 12398098

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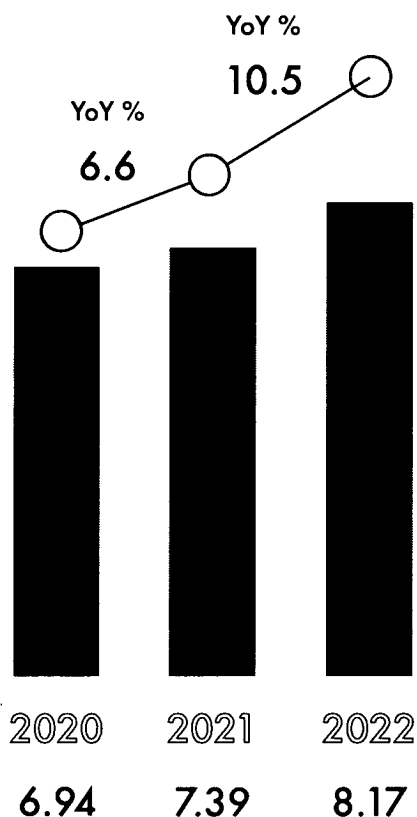
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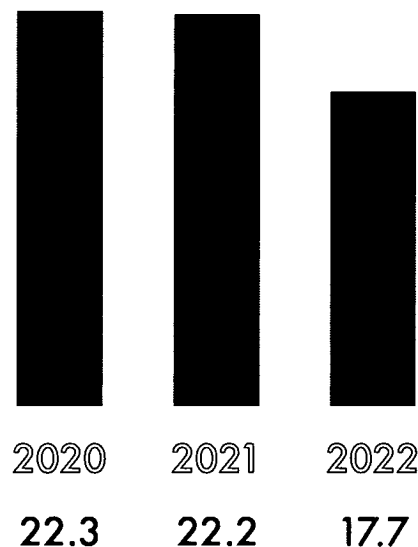
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Highlights



Revenue (£m)



Gross Profit Margin %

- ✓ Sales growth of 9.2% for contract electronics manufacture division (Group overall 10.5%), resulting in record turnover
- ✓ Group Gross Profit Margin 17.7%*
- ✓ Completion of gateway 1 of the Zenith contract, from which the advanceGROW product has been developed
- ✓ Implemented MRP system across both sites for improved operational visibility, control and efficiency
- ✓ Launched MVP version of sensorGROW for Beta testers in the CEA market

* Gross margin came under pressure from the persisting supply chain constraints, especially from the global shortage of electronic components, coupled with increasing inflation across the board. It was not always possible to pass these increased costs onto the customer. This led to a reduction in gross margins. The Board has taken various actions aimed to improve margin generation into the new financial year

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"), and its controlled environment agriculture ("CEA") division, Light Science Technologies Ltd ("Light Science Technologies").



CEM DIVISION – UK CIRCUITS

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 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 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

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

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 the 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. This is achieved by providing services across lighting, science and technology.



1. Lighting:

the Group's nurturGROW modular luminaires and High-Pressure Sodium replacement product range offers energy saving, sustainable and high-quality lighting solutions for horticulture, medicinal plants, and floriculture purposes. The innovative, patent pending, modular design enables upgrades and replacements to be made easily, whilst minimising cost and environmental waste.



2. Science:

the Group's laboratory and light testing services determine the optimal growing recipe of, *inter alia*, lighting, nutrient, seed and water to maximise customers' crop growing capability and productivity. Light Science Technologies leads with a scientific approach to drive customer value and ensure high quality performance.



3. Technology:

the Group's flagship patent pending technological development, the all-in-one sensorGROW, is expected to enable farmers to monitor the following key growing factors in the air and root zones (which are known as the nine cardinals of plant life) in real-time: air speed, carbon dioxide levels, humidity, light, oxygen, plant disease, soil, temperature and water pH levels. The data gathered by sensorGROW will be relayed to Light Science Technologies' software application where the grower can observe, in detail, the environment in which their crops grow and make adjustments as required.

Light Science Technologies' research-proven plant monitoring technology and software will enable the Company to provide bespoke advice depending on the crop, equipment and the grower's facilities as well as to market its patent-pending hardware and technical solutions. Beta testing is currently taking place with growers in relation to the air zones and work will commence on the root zone elements during 2023.

The Company's partnership with UKRI and Zenith Nurseries saw the completion of gateway 1 in 2022, with advanceGROW, a semi-automated rolling cloche which combines nurturGROW lighting with sensorGROW technology to enable extended season growing in glasshouses and polytunnels.

Our key strengths

SUSTAINABILITY FOCUSED PRODUCTS

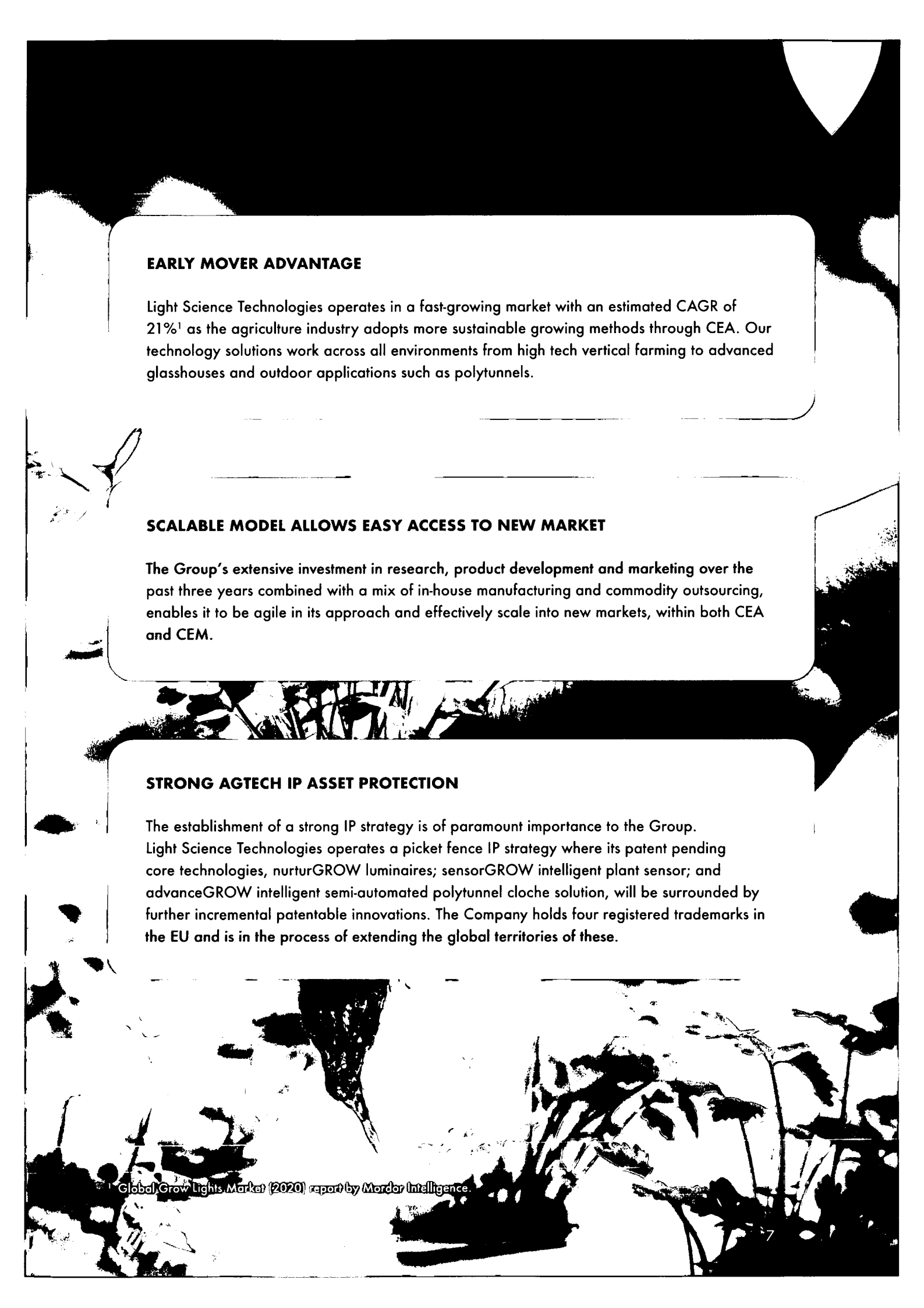
The Group's award-winning energy efficient nuturGROW modular luminaire product range offers economic, sustainable and high-quality lighting solutions for agricultural purposes. The innovative, patent pending, modular design enables upgrades and replacements to be made easily, whilst minimising cost and environmental waste.

PLATFORM BUSINESS IS LONG ESTABLISHED, GROWING AND DIVERSIFIED

UK Circuits services customers in a wide variety of sectors. Whilst the current global electronics component shortages have presented supply chain challenges, this has also driven an increase in forward orders.

RECURRING REVENUE MODEL

By building long-term partnerships with CEA customers, the Group intends to generate sustainable recurring revenue from our upgradeable modular lighting technology, replacement and maintenance contracts and ongoing consultancy services. This will be further enhanced by subscription services for the Group's planned plant sensor monitoring application and intelligent semi-automated polytunnel cloche solution.



EARLY MOVER ADVANTAGE

Light Science Technologies operates in a fast-growing market with an estimated CAGR of 21%¹ as the 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.

SCALABLE MODEL ALLOWS EASY ACCESS TO NEW MARKET

The Group's extensive investment in research, product development and marketing over the past three 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, within both CEA and CEM.

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; sensorGROW intelligent plant sensor; and advanceGROW intelligent semi-automated polytunnel cloche solution, 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

Welcome to our 2022 Annual Report, the story of how our team managed the opportunities and challenges of the year to 30 November 2022.

RESULTS

A strong forward order book at UK Circuits has continued on from 2021, with FY2022 seeing sales increasing 9.2% on FY2021. Operating margins were, however, under severe pressure, due to the extended timescale of the forward order book. This led to the Company balancing its stock holding against an increased risk of fluctuating outsourced component costs. The operational improvements implemented through the year, such as a new MRP (Material Requirements Planning) system, did enable the Company to reduce stocks and at the same time, improve margins over the final quarter of the year, despite the increase in stocks over the previous year end.

The continued Ukraine conflict and energy crisis have provided a very tough trading environment for Light Science Technologies and the CEA market as a whole. Light Science Technologies focussed its efforts on energy saving devices such as its sensorGROW all in one sensor and the Polytunnel semi-automated solution, advanceGROW.

PEOPLE

This year, the continuing COVID-19 pandemic, the war in Ukraine, rising inflation, an energy crisis and supply chain disruption have combined to produce the most challenging set of global circumstances in recent memory. Managing such tough global challenges requires the whole team and its partners to come together and combine forces to solve these problems. I would like to thank my fellow board members and our employees and partners for their invaluable contribution.

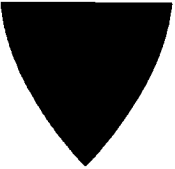
OUTLOOK

Thankfully, the impact of COVID-19 is diminishing and there are signs that inflation and energy costs will ease during 2023. In the CEM division, at UK Circuits, we anticipate that the latent demand from this crisis will reduce slightly, however this should be compensated by a trend towards 'reshoring' which has arisen due to uncertainty around global, particularly Far East, sourcing. We anticipate that the operational improvements carried out during 2022 will see margins back to their 2021 levels.

In the CEA Division, the energy crisis has led to many projects in the sales pipeline being delayed but not cancelled. There has been much media attention on the empty shelves in UK supermarkets which has driven home the need to grow more locally. We anticipate that whilst conditions in 2023 will continue to be tough, in 2024 we hope to see demand returning.

In light of these market conditions, the Board is taking remedial action in significantly lowering overheads of the Group, including reducing staff headcount.

Lisa Clement and Rory James-Duff have informed the Board of their intention to step down as Directors of the Company immediately following this year's Annual General Meeting ("AGM"). The Board wishes to express its sincere gratitude for the contributions that Lisa and Rory made to the Company, including their oversight of its admission to trading on AIM.



Additionally, we will be reducing the frequency of our Board meetings to six per year.

We will continue to engage with our customers and continue our strategy implementation to enable us to capitalise on the market opportunities.



Myles Halley
Chairman

2 May 2023

Chief executive's report

UK Circuits CEM division

At the end of a year dominated by extremely tough economic conditions, I am pleased to report that 2022 saw record sales for our CEM division, UK Circuits and Electronics Solutions. This has been driven by increasing our share of business spend with long standing customers including the division's major blue chip client, with whom we signed a supplier agreement in June 2022, and others. This success is testament to the team's transparent approach and management of the global supply chain issues, ensuring that customers are provided with cost effective alternative solutions where shortages occur in the supply chain.

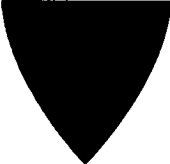
OPERATIONS

In some respects, the flexibility provided to customers was at the expense of gross profit margins whilst the business adjusted its systems and processes to adopt new ways of working. The changes implemented really started to provide an increased level of visibility, enabling margins to increase and stock levels to decrease in the last quarter of the year, despite the increase in stocks over the previous year end. We anticipate that stocks and margin will return to normal levels in the first half of 2023 and we certainly feel that not compromising upon customer service was worth this short term pain, as the strong forward order book continues.

INVESTMENT

There will also be continued investment in UK Circuits during 2023, with a relay and automation of its surface mount technology facility; automation and enhancements in conformal coating; and 3D in-line AOI (automated optical inspection) testing equipment, all of which should provide quality improvements and access to other markets. UK Circuits is also currently implementing the environmental standard, ISO 14001 as well as setting up to become the manufacturing arm of its sister company, Light Science Technologies. The first half of 2023 will see the first production batch of the new sensorGROW product going through the factory.





Light Science Technologies' CEA division

The sector was heavily impacted by the global energy crisis which, from the Company's perspective, halted potential lighting projects from moving through its sales pipeline. Whilst these projects are anticipated to restart as grower's input prices ease, we are focussed on the final stages of development for the air zone element of our sensorGROW product and the completion of gateway 2 on its existing contract with Zenith Nurseries. This saw the implementation of a semi-automatic rolling cloche, advanceGROW, to enable extended season growing in Glasshouses and Polytunnels, and early trials saw an increase in yield of up to 40%. Both of these are energy and / or efficiency saving products which will be a valuable addition to the Light Science Technologies' product portfolio in the current economic climate.

| PRODUCT INNOVATION

2023 will see further product development of the sensorGROW product, relating to soil based growing and also moving to outdoor growing with measurement of Nitrous Oxide. The advanceGROW product is in the process of patent drafting and 2023 will see the further development of this product to enable a full market launch.

| AWARD WINNING COMPANY

Our strategy and products have been validated by a number of industry and general business awards received during the past year:

Dec 21 - "Sustainability Award" with SME Business Awards

Mar 22 - "Placed 69" out of 500 with The Food 500

Jul 22 - "Lighting System of the Year" with AgTech Breakthrough

Aug 22 - "Small Business of the Year" with Business Masters Awards

Aug 22 - "Most Innovative Business Idea of the Year" with British Business Awards

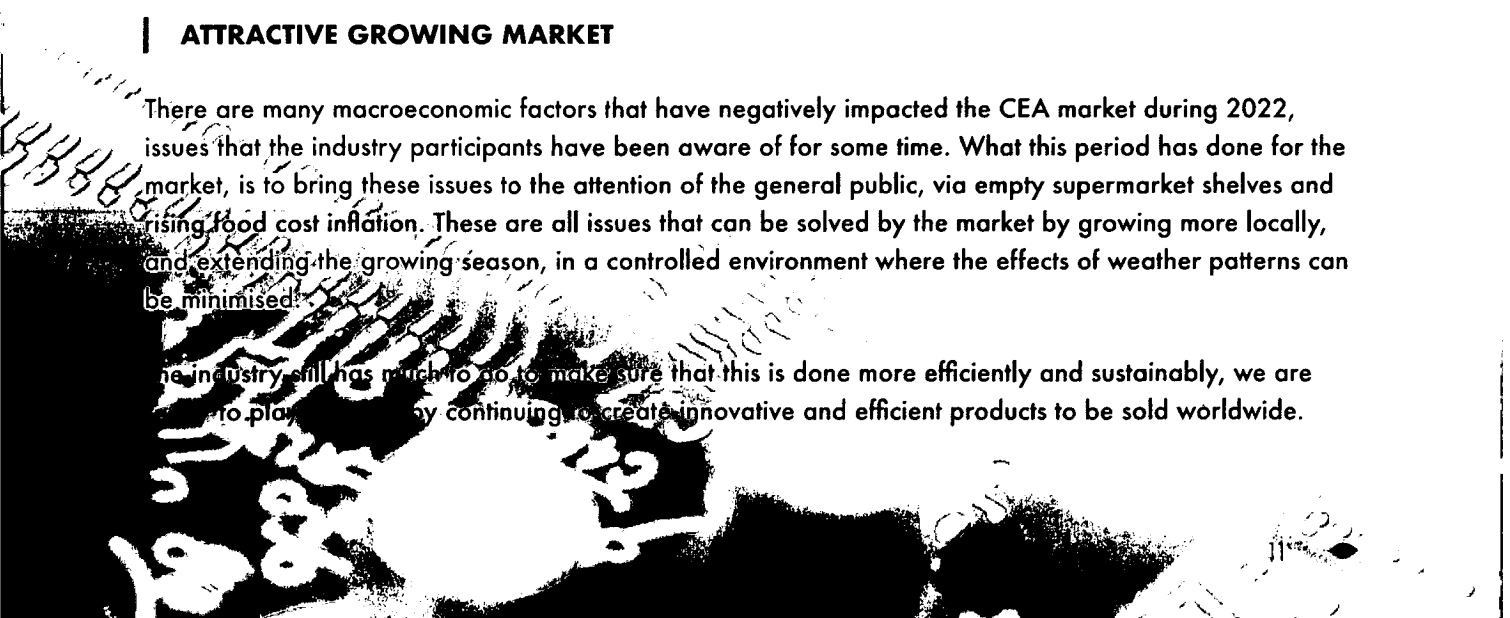
Aug 22 - "Plant Monitoring System of the Year" with GHP

Sept 22 - "Best Professional Equipment" with Hortiweek

| ATTRACTIVE GROWING MARKET

There are many macroeconomic factors that have negatively impacted the CEA market during 2022, issues that the industry participants have been aware of for some time. What this period has done for the market, is to bring these issues to the attention of the general public, via empty supermarket shelves and rising food cost inflation. These are all issues that can be solved by the market by growing more locally, and extending the growing season, in a controlled environment where the effects of weather patterns can be minimised.

The industry still has much to do to make sure that this is done more efficiently and sustainably, we are going to play our part by continuing to create innovative and efficient products to be sold worldwide.



Financial Review

| INCOME STATEMENT

The CEM division saw revenue growth of 9.2% from £7.36m to £8.04m, however gross margin came under pressure from the persisting supply chain constraints, especially from the global shortage of electronic components, coupled with increasing inflation across the board. It was not always possible to pass these increased costs onto the customer. This led to a reduction in gross margins from 22.2% to 16.7%, and the Board has taken various actions aimed to improve margin generation into the new financial year.

The CEA division saw some initial revenue from trials and particularly the Zenith contract gateway 1 completion totalling £128k, in spite of challenging macro trends leading many potential customers to delay projects.

In line with the revised expectations noted in the Company's trading update of 2 December 2022, the Group's loss before tax for FY2022 was £2.72m, as a result of significant investment in the CEA division into both product research and development, partly offset by £182k of UKRI grant income; and also the costs of marketing the Company's products and services.

| BALANCE SHEET

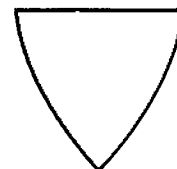
The Group continued to invest in developing the CEA divisions' core product offering, leading to an increase in the year of £494k in intangible assets. As development of the sensorGROW and advanceGROW products were partly covered by UKRI grants, £45k of grant income has been deferred within the year in relation to these intangible assets, shown separately within other payables.

To help the CEM division mitigate against supply chain risks of the current global electronic components shortages and ensuring fulfilment of the CEM division's forward order book, inventory has risen from £1.19m to £1.51m, and is predominantly allocated to specific customer orders received.

Cash and cash equivalents decreased to £0.59m (2021: £3.86m) at the year end, and net debt increased to £2.35m (2021: net cash of £1.35m). The net proceeds from the equity raise in the prior year provided the growth capital for the Group to continue developing and capitalising on the opportunities within both the Group's divisions.

| FUNDRAISING

In April 2023, we raised £1.59m at £0.01 per share, being a significant discount to both the prevailing share price and the flotation share price in October 2021. This discount reflects subdued equity market conditions, but also investor sentiment due to the delays we have experienced in the execution of our strategy in the CEA division. As noted above, the Group is realigning its cost base to reflect current market conditions, but we do not perceive this will hamper the Group's ability to realise the market opportunities. In respect of the CEA division, significant product development and IP costs have already been incurred over the past three years and we stand ready to service clients with our award winning nurturGROW lighting range, as energy prices ease and growers recommence growing.



| OUTLOOK

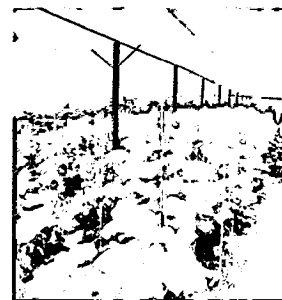
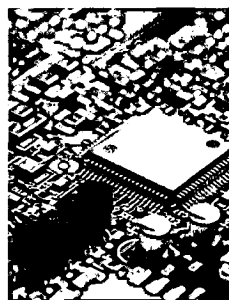
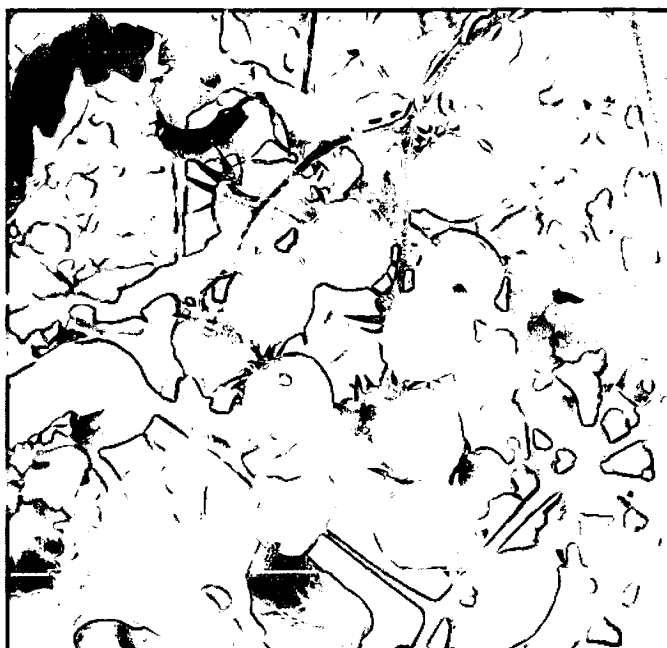
Moving forward, the strong order book is continuing in the CEM division with orders into 2024. The planned programme of capital investment is expected to continue to deliver enhanced levels of automation, increasing capacities and gross profit margins. The division also continues to seek and strengthen customer relationships, including establishing a new relationship with a blue chip client, recently.

There is still material uncertainty over the level and timing of revenue in the CEA division due in part to the Ukraine conflict and high energy prices. This has led to planned project delays rather than cancellations, however a key strategic focus for this year is on energy saving devices such as the sensorGROW and advanceGROW products, both backed by UKRI and endorsed by industry experts, alongside creating partnerships worldwide to increase our reach into the global market.

To this end, we continue to work towards our FY2023 market expectations, with achievement being subject to a number of factors. Our reduced cost base allows us to be patient should demand be slower to return than expected.

Simon Deacon
Chief Executive Officer

2 May 2023



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 25.

| EMPLOYEES

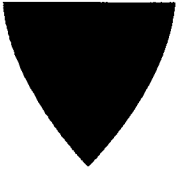
The Board recognises that a talented, dynamic and committed workforce is essential to the Group's success and growth. We recognise that a diverse range of experiences and perspectives adds value and seek to strengthen this through appropriate employee engagement and training. We pride ourselves on a safe and friendly working environment, and continually seek employee feedback through formal review processes. Additionally, the Board acknowledges the impact of the cost of living crisis on the Company's employees and at the start of the 2022 financial year had given pay reviews ahead of the April National Living wage increases.

| 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 books, so continues to develop existing supply chain relationships and seeks 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 things. By utilising sustainability focused products and the latest science-backed innovations, the Group strives to have a net benefit to the environment.

| SIGNIFICANT DECISIONS

In the year, the Company applied the proceeds raised in the prior year to the continued development and productisation of the Company's innovative products and solutions, especially the sensorGROW and advanceGROW, which the Directors believed to be in the best interests of the stakeholders, as it provides the commercially available products for the Group to pursue its ambitious growth plans delivering shareholder value over the long-term, whilst enabling our employees and supply chain to continue delivering customer solutions across the Group.

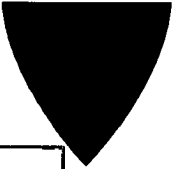
The Company also implemented and developed a new MRP system across both sites to enhance operational information from the manufacturing facility, with this better information the Company is able to control and improve production efficiencies and stock control and target further investment in production capacity and capabilities, so as to assist in gaining additional quality accreditations. The Directors believed this to be in the best interests of the stakeholders as it allows for, better service to customers; better information to suppliers for order fulfilment; and improved productivity and job satisfaction, which all contributes to better shareholder outcomes through improved reputation and profitability.

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.	The Group operates in two separate sectors, Controlled Environment Agriculture and Contracts Electronic Manufacture, and intends to offer its CEA services globally. This will help mitigate some of the effects as different sectors and geographies are impacted in different ways. Whilst increases in energy prices have seen some CEA industry participants stop growing crops or delay projects, it has also prompted enquiries from other participants into the Group's energy-saving products.
Geo-political	Geo-political uncertainty globally, as demonstrated by the ongoing events in Ukraine, 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.	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. 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.
People	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.	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.

Risks and Uncertainty	Impact	Mitigation
Early stage of operations within the CEA division	Within the CEA 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.	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 CEA division 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.
Supply chain - chip shortage	In the CEM division, the Group depends on a limited number of suppliers of raw materials to manufacture its products. If the supply chain is unable to meet demand at reasonable costs and an alternative source or substitute products cannot be found, then the Group's production could be harmed. At present, there is a persisting shortage of certain electronic components, which are causing long availability delays. Whilst this has enabled the Company to win business and secure forward orders, the Group is monitoring the situation and its cash flow implications.	The Group utilises a diverse supply chain and continually reviews new potential suppliers. It also employs a skilled technical buying team that can effectively evaluate alternate sources and substitute components, working with customers to find the most cost-effective solution. Additionally, for certain critical components and to mitigate against rising prices and uncertain availability of components the Company has secured additional stocks in advance of specific order fulfilment. For more readily available higher turn products, strategic buying and working with the Company's suppliers to hold call-off stocks where appropriate.
Brexit	Adapting to new regulations and trading arrangement could add complexity and delays to operations, in particular within the supply chain, to continuously and consistently source the supplies required by the Group's operation.	The Group maintains a diverse supply chain from global distributors and direct from manufacturers to mitigate against supply chain disruption. Where possible the Group aims to source locally in the UK to avoid border disruption, or factors in additional lead time for foreign supply components to avoid manufacturing delays.

Risks and Uncertainty	Impact	Mitigation
Customer concentration within the CEM division	In the financial year ended 30 November 2022, a major customer in the pest control industry made up 54.3% of the Group's turnover (down from 61.3% in 2021). 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.	In the year 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 review its strategic position relevant 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 to 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	Impact	Mitigation
Business continuity risks	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.	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.

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



Simon Deacon
Chief Executive Officer

2 May 2023

Board of directors

The Board comprises three executive directors and four non-executive directors, including the Chairman. Three of the four non-executive directors are classified as independent by the Board. Robert Naylor, who in view of his appointment as Chief Executive Officer of Intuitive Investments Group plc, the Company's 8.5% shareholder, is not considered independent.

Ms Clement and Mr James-Duff have informed the Board of their intention to step down as Directors of the Company immediately following this year's AGM.

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 done through, amongst other things, 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	12/12	3/3		
Simon Deacon	12/12			1/1
Andrew Hemsall	12/12			
James Snooks	12/12			
Robert Naylor	12/12	3/3	2/2	
Lisa Clement	12/12	3/3	2/2	1/1
Rory James-Duff	12/12		2/2	1/1



MYLES ANTONY HALLEY
Independent Non-Executive Chairman

Myles Halley worked with KPMG LLP for over 30 years, latterly assuming a position on the UK board, where he also was a member of the audit committee. During his tenure with KPMG, Myles led the UK restructuring department of the business with over 500 employees. Subsequently, Myles became Chairman of Rcapital Partners LLP, a private equity firm, and concurrently held numerous other Chairman positions.



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 HEMSALL
Chief Operating Officer

Andrew Hemsall 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.



ROBERT (ROB) GRAHAM NAYLOR
Non-Executive Director

Robert Naylor has 24 years' experience in capital markets. Robert is CEO of Intuitive Investments Group plc (AIM: IIG) and Chairman of Round Hill Music Royalty Fund Limited (LSE:RHM) Previously Robert held positions at Cenkos Securities plc, Panmure Gordon (UK) Limited and JPMorgan Asset Management Limited.

Robert started his career with Ernst & Young LLP in 1996 where he qualified as a chartered accountant in the investment management group.



LISA JANE CLEMENT
Independent Non-Executive Director

Lisa Clement has held positions as Chief Financial Officer, Non-Executive Director and Senior Independent Director. Lisa is a non-executive director of South East Water Limited. She has acted on a number of boards, and chaired remuneration and audit committees, gaining experience with several public companies. She has significant experience of providing strategic and financial leadership to both high growth companies and those requiring operational or corporate change, refocus or restructuring, across a broad range of sectors. Lisa acted as Chair of the Audit Committee, and managed the board and company's exposure to risk as a result of the corporate restructuring of UK Coal plc and subsequent reorganisation of Harworth Group plc. Lisa is a chartered accountant and was awarded a BA from the University of Oxford.



RORY THOMAS JAMES-DUFF

Independent Non-Executive Director

Rory James-Duff has over 20 years' experience in equity capital markets, with a focus on growth companies and more recently, environmental and impact businesses. Rory has worked extensively in equity capital markets and equity sales across a range of industries with institutional, retail and private wealth clients. Rory previously worked with Canaccord Genuity Inc as a Director of UK Equity Sales and as a Director of Equity Capital Markets with Peel Hunt LLP, where he led numerous IPOs and secondary fundraisings. Rory holds a BCom degree from the University of Edinburgh.

Myles Halley
Chairman

2 May 2023



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.

Myles Halley (Chairman) – 2 May 2023

| 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

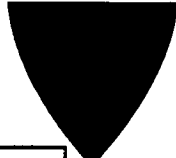
The Board has established an audit and risk committee, a remuneration committee, and a nominations committee with formally delegated duties and responsibilities. For further details on the Audit and Risk Committee and the Remuneration Committee please refer to the respective committee reports on pages 32-37 following this corporate governance statement. Details of the Nominations committee are described below.

NOMINATIONS COMMITTEE

The nominations committee is comprised of Lisa Clement, Rory James-Duff and Simon Deacon, and is chaired by Lisa Clement. 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



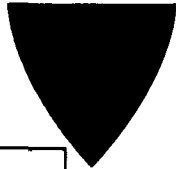
Code number	Principle	Extent of current compliance	Commentary	Further disclosure
2	Seek to understand and meet shareholder needs and expectations	Fully compliant	The Board endeavours to engage in clear and consistent dialogue with both existing and potential Shareholders to understand their needs and expectations, and to ensure that the Company's strategy, business model and progress are clearly understood. The Board will communicate with Shareholders through various means, further detailed on our website, including this Annual report. 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 100. 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. 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.	Our Website Regulatory Updates Annual General Meeting Investor Presentations

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	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. 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 the actions have been taken to improve service levels and into the innovative products in development.	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	The Company recognises that risk is inherent in all its business activities and is an important part of the Board's formulation of strategy. 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. 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.	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	The Board comprises seven Directors, three Executive and four 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. As detailed in the Company's Announcement, concurrent with the release of this report, two of the independent non-executive directors will resign after the AGM. The Board will not therefore be 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, and is led by an independent Chair. This will continue to be closely monitored as the Group develops. 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.	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	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. As detailed in the Company's Announcement, concurrent with the release of this report, two of the independent non-executive directors will resign after the AGM. The Board believes it retains the necessary experience, skills and capabilities between the remaining directors. 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. 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.	Further details of the Board members can be found above in the Board Members and Committees section Our Website



Code number	Principle	Extent of current compliance	Commentary	Further disclosure
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	Partially compliant	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. As detailed in the Company's Announcement, concurrent with the release of this report, two of the independent non-executive directors will resign after the AGM. 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 monitor this situation as the Group develops.	Further details on the work of the Nominations Committee can be found above in the Board Members and Committees section

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	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. 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. 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.	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	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. There is a clear separation of the roles of Chairman and Chief Executive Officer. 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. The Chief Executive Officer is ultimately responsible for the day-to-day running of the business and implementing the Board's strategy and decisions.	Corporate Governance section on Board Members and Committees, including the Committee Reports Our Website, Matters Reserved for the Board and Committee Terms of Reference
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Fully compliant	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 100.	Our Website Regulatory Updates Annual General Meeting This Annual Report

Audit and risk committee report

The Audit and Risk Committee comprises Lisa Clement and Robert Naylor, with Myles Halley as chair of the Committee. All 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 2022

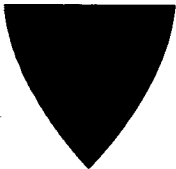
The Audit Committee met three times in the year. The external auditor, RSM UK Audit LLP, attended two of those meetings, to discuss the prior year audit and the current year plan. Meetings of the Committee are scheduled to coincide with key dates in the financial reporting and audit cycle.

| 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 16-19 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 2022 is £95,250. The fee for the prior year audit was increased by £20,000 on conclusion of the audit due to level of efforts. 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 bribery, 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.



Myles Halley
Chair of the Audit and Risk Committee

2 May 2023

Remuneration committee report

The Remuneration Committee comprises Rory James-Duff and Robert Naylor, with Lisa Clement 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 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.

As detailed in the interim statement, all of the Directors contingently deferred 20% of their salary or fee, for the 4 months from August through November 2022. Such salary or fee being repayable if the 90-day average mid-market closing price of the Company's ordinary shares is at least £0.10 before the 30 November 2023.

Post year end, the Directors' salary or fee continues to be reduced by 20%, for the 12 months from December 2022 through November 2023. The reversal of such reduction or potential repayment of the relinquished salary or fee is subject to the absolute discretion of the Board.



Mr Deacon is employed as the Chief Executive Officer and is ordinarily paid a gross annual salary of £220,000 per annum, it being reduced to £205,333 for 2022.

Mr Hemsall is employed as the Chief Operating Officer and is ordinarily paid a gross annual salary of £150,000 per annum, it being reduced to £140,000 for 2022.

Mr Snooks is employed as the Chief Financial Officer and is ordinarily paid a gross annual salary of £150,000 per annum, it being reduced to £140,000 for 2022.

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

Mr Halley is appointed as Independent Non-executive Chairman of the Company and the Chair of the Audit and Risk committee, for an initial term of 3 years. Mr Halley is ordinarily entitled to a fee of £50,000 per annum, it being reduced on the same terms as the executives to £46,667 in 2022.

Ms Clement is appointed as Independent Non-executive Director and Chair of the Remuneration and Nomination committees, for an initial term of 3 years. Ms Clement is ordinarily entitled to a fee of £35,000 per annum, plus an additional £5,000 in respect of the committees, it being reduced on the same terms as the executives to £36,688 in 2022.

Mr Naylor is appointed as Non-executive Director for an initial term of 3 years, and is entitled to a fee of £35,000 per annum, it being reduced on the same terms as the executives to £32,667 in 2022.

Mr James-Duff is appointed as Independent Non-executive Director for an initial term of 3 years, and is entitled to a fee of £35,000 per annum, it being reduced on the same terms as the executives to £32,667 in 2022.

As detailed in the Company's Announcement, Ms Clement and Mr James-Duff have informed the Board of their intention to step down as Directors of the Company immediately following this year's AGM.

| 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 8,900,000 enterprise management incentive ("EMI") share options to key management personnel of the Company and other Group companies.

The 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 issued 8,900,000 options. 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 to listing 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.

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

	Date of Grant	Number of MSOP Options	First Exercise Date*	Exercise Price (£)
Jim Snooks	15/10/21	1,500,000	15/10/22	0.00
Andrew Hemsall	15/10/21	1,500,000	15/10/22	0.00

* subject to further 1 year soft lock-in agreement

2022 ANNUAL BONUS

For the period to 30 November 2022, the Executive Directors did not receive, nor were they eligible for any bonus.

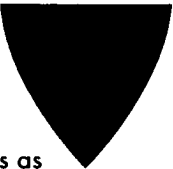
DIRECTORS' EMOLUMENTS - AUDITED

£	Salary and Fees	Benefits-in-kind	Pension contributions	2022 Total	2021 Total
Executive					
Simon Deacon	205,333	1,914	1,321	208,568	293,032
Jim Snooks	140,000	851	1,321	142,172	152,193
Andrew Hemsall	140,000	870	-	140,870	151,234
Non-Executive					
Myles Halley	46,667	-	-	46,667	6,502
Lisa Clement	36,688	-	-	36,688	5,852
Rob Naylor	32,667	-	-	32,667	4,551
Rory James-Duff	32,667	-	-	32,667	4,551
Total	634,022	3,635	2,642	640,299	617,915

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 2022:

	Number of Ordinary Shares	Percentage of Ordinary Share Capital
Simon Deacon	80,600,000	46.3
Jim Snooks	1,000,000	0.6
Andrew Hemsall	365,655	0.2
Myles Halley	500,000	0.3
Robert Naylor	2,500,000	1.4
Rory James-Duff	150,000	0.1



Following the placing, subscription and retail offer, the Directors held the following beneficial interests as at 24 April 2023:

	Number of Ordinary Shares	Percentage of Ordinary Share Capital
Simon Deacon	95,600,000	28.7
Jim Snooks	1,000,000	0.3
Andrew Hemsall	365,655	0.1
Myles Halley	500,000	0.2
Robert Naylor	2,500,000	0.8
Rory James-Duff	150,000	0.0



Lisa Clement
Chair of the Remuneration Committee

2 May 2023

Directors' report

The Directors present their report and the audited financial statements of the Group for the year ended 30 November 2022.

| PRINCIPAL ACTIVITY

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 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.

| DIRECTORS

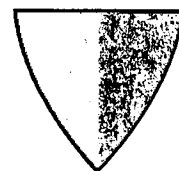
The Directors who served during the year and up to the date of this report were as follows:

Myles Halley	Chairman
Simon Deacon	Chief Executive Officer
James Snooks	Chief Financial Officer
Andrew Hemsall	Chief Operating Officer
Robert Naylor	Non-Executive Director
Lisa Clement	Non-Executive Director
Rory James-Duff	Non-Executive Director

As detailed in the Company's Announcement, concurrent with the release of this report, two of the independent non-executive directors, being Ms Clement and Mr James-Duff, have signaled their intention to resign after the AGM.

| DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 30 November 2022 (2021: £nil).



SIGNIFICANT SHAREHOLDINGS

The Company's significant shareholders, including Directors, as at 30 November 2022, were as follows:

	Number of Ordinary Shares	Percentage of Ordinary Share Capital
Simon Deacon	80,600,000	46.3
Intuitive Investments Group plc	13,280,000	7.6
David Evans	10,000,000	5.7
Herald Investment Management	10,000,000	5.7
LSTH Trustee	8,900,000	5.1

The Company's significant shareholders, including Directors, as at 24 April 2023, were as follows:

	Number of Ordinary Shares	Percentage of Ordinary Share Capital
Simon Deacon	95,600,000	28.7
Guinness Asset Management	29,500,000	8.9
Intuitive Investments Group plc	28,280,000	8.5
Herald Investment Management	19,000,000	5.7
David Evans	15,700,000	4.7
Crux Asset Management	12,500,000	3.8
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 2022, 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 28 to the Consolidated Financial Statements on pages 91-94.

CORPORATE GOVERNANCE

For further details of Corporate Governance, please refer to the Corporate Governance section on pages 20-42.

GOING CONCERN

The Going Concern statement for the Group is provided in Note 2.4 to the Consolidated Financial Statements on page 62.

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:

	2020	2021	2022
Revenue (£m)	6.94	7.39	8.17
Gross Profit Margin %	22.3	22.2	17.7

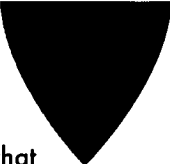
Due to the early stage of operations in the CEA division, the Board is in the process of developing an appropriate set of key performance indicators (KPIs) against which to benchmark how it performs against the operational and other standards that will be put in place by the Board as the Group grows. 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 2023.

| STRATEGIC REPORT

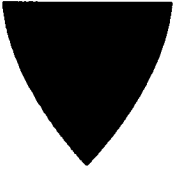
In accordance with section 414C(11) of the Companies Act 2006 the Company chooses to report on the review of business; research and development activities and likely future developments of the business in the Chairman's Statement, Chief Executive's Report, Strategic Report and Corporate Governance Statement on pages 4-31.

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



Simon Deacon
Chief Executive Officer

2 May 2023



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 2022 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 2022 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 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	› Group Impairment › Parent Company Impairment
Materiality	› Group Overall materiality: £167,000 (2021: £147,000) Performance materiality: £125,000 (2021: £110,000) › Parent Company Overall materiality: £77,000 (2021: £68,000) Performance materiality: £57,700 (2021: £51,000)
Scope	› Our audit procedures covered 100% of revenue, total assets and 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 group and parent company, an impairment review is triggered under IAS 36. In performing the impairment review, management judgement, as detailed in note 3.2 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	We critically assessed the impairment reviews performed by management including a review of the client's board approved forecasts and discounted cashflow calculations to assess whether the assumptions appeared reasonable. We also evaluated management's sensitivity analysis around the key assumptions to ascertain the extent of change in those assumptions that individually or collectively would be required to lead to an impairment.
Key observations	Due to the start-up nature of the Controlled Environment Agriculture division, the estimation of the quantum of revenues and the timing of related cashflows is particularly judgmental. We note that there is limited headroom in the impairment assessment at the group level and the assessment of carrying value of parent company investments and intercompany debtor balances with Light Science Technologies Ltd.

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	£167,000 (2021: £147,000)	£77,000 (2021: £68,000)
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	£125,000 (2021: £110,000)	£57,700 (2021: £51,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £8,360 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £3,850 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 4 components, all of which are based in the UK. Full scope audits were undertaken for 3 components, covering 100% of group revenue, total group assets and group loss before tax.

| MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.4 in the financial statements, which indicates that the group has been adversely affected by the economic environment which creates uncertainty over future revenues and there would be a probable need for a refinancing in 2024 should forecast revenue levels not be achieved. 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 entity'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.

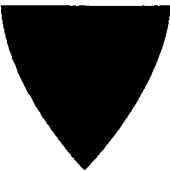
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

| 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 40 and 41, 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.

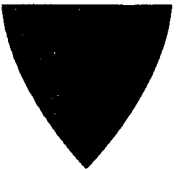
However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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 framework that the group and parent company operates 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 internal / external tax advisors Inspection of correspondence with local tax authorities
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 (as noted above) and inspection of legal and regulatory correspondence, if any.



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

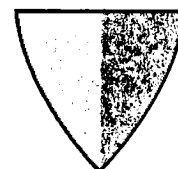
2 May 2023

Consolidated statement of comprehensive income

For the year ended 30 November 2022

		2022	2021
	Notes	£	£
Revenue	5	8,166,769	7,393,933
Cost of sales		(6,723,400)	(5,750,782)
Gross profit		1,443,369	1,643,151
Administrative expenses		(4,263,454)	(3,265,106)
Non-recurring administrative expenses	8	-	(512,436)
Other operating income	9	209,786	50,203
Operating loss	6	(2,610,299)	(2,084,188)
Finance costs	10	(112,167)	(262,620)
Loss on ordinary activities before taxation		(2,722,466)	(2,346,808)
Income tax credit	13	235,147	202,423
Loss for the year and total comprehensive income for the year		(2,487,319)	(2,144,385)
Attributable to:			
The owners of the company		(2,502,748)	(2,165,543)
Non-controlling interests	27	15,429	21,158
		(2,487,319)	(2,144,385)
Loss per share			
Basic and diluted (pence)	29	(1.51)	(2.00)

Notes to the financial statements are from pages 61-99.



Consolidated balance sheet

Registered Number: 12398098

As at 30 November 2022

		30 November 2022	30 November 2021
	Notes	£	£
Assets			
Non-current assets			
Property, plant and equipment	14	777,919	822,803
Intangible assets	15	708,343	214,698
Right-of-use assets	22	658,680	551,532
		2,144,942	1,589,033
Current assets			
Inventories	17	1,583,349	1,199,749
Trade and other receivables	18	2,569,651	1,738,330
Corporation tax receivable		177,795	151,090
Cash and cash equivalents	19	590,673	3,860,430
		4,921,468	6,949,599
Total assets		7,066,410	8,538,632
Liabilities			
Current liabilities			
Borrowings	23	(2,007,947)	(1,341,925)
Trade and other payables	20	(2,079,134)	(2,049,089)
Lease liabilities	22	(221,773)	(226,498)
		(4,308,854)	(3,617,512)
Non-current liabilities			
Borrowings	23	(397,222)	(613,889)
Trade and other payables	20	(111,787)	(64,184)
Lease liabilities	22	(313,060)	(325,878)
		(822,069)	(1,003,951)
Total liabilities		(5,130,923)	(4,621,463)
Net assets		1,935,487	3,917,169

Consolidated balance sheet (continued)

		30 November 2022	30 November 2021
	Notes	£	£
Capital and reserves attributable to the owners of the company			
Share capital	25	1,741,500	1,741,500
Share premium account	26	5,654,011	5,654,011
Merger reserve	26	(3,478,435)	(3,478,435)
Share based payment reserve	26	726,000	220,363
Warrant reserve	26	159,593	159,593
Retained earnings	26	(3,209,481)	(706,733)
		1,593,188	3,590,299
Non-controlling interests	27	342,299	326,870
Total equity		1,935,487	3,917,169

These financial statements were approved by the Board of Directors and authorised for issue on 2 May 2023 and were signed on its behalf by:



Simon Deacon
Chief Executive Officer

2 May 2023

Notes to the financial statements are from pages 61-99.

Company balance sheet

As at 30 November 2022

		30 November 2022	30 November 2021
	Notes	£	£
Assets			
Non-current assets			
Property, plant and equipment	14	10,217	8,859
Investments in subsidiaries	16	3,269,507	3,101,507
		3,279,724	3,110,366
Current assets			
Trade and other receivables	18	3,144,113	861,198
Cash and cash equivalents	19	245,660	3,412,666
		3,389,773	4,273,864
Total assets		6,669,497	7,384,230
Liabilities			
Current liabilities			
Trade and other payables	20	(260,989)	(296,825)
Total liabilities		(260,989)	(296,825)
Net assets		6,408,508	7,087,405
Capital and reserves attributable to the owners of the company			
Share capital	25	1,741,500	1,741,500
Share premium account	26	5,654,011	5,654,011
Share based payment reserve	26	726,000	220,363
Warrant reserve	26	159,593	159,593
Retained earnings	26	(1,872,596)	(688,062)
Total equity		6,408,508	7,087,405

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 £1,184,534 (2021: £458,288).

These financial statements were approved by the Board of Directors and authorised for issue on 2 May 2023 and were signed on its behalf by:

Simon Deacon

Simon Deacon
Chief Executive Officer

2 May 2023

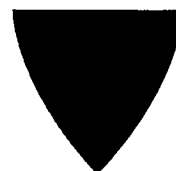
Notes to the financial statements are from pages 61-99.

Statements of changes in equity

For the year ended 30 November 2022

Consolidated	Share capital	Share premium account	Share allotment reserve
	£	£	£
At 30 November 2021	1,741,500	5,654,011	-
Transactions with shareholders			
Share based payments	-	-	-
Total transactions with shareholders	-	-	-
Comprehensive income			
Loss for the year	-	-	-
Total comprehensive income	-	-	-
At 30 November 2022	1,741,500	5,654,011	-

Consolidated	Share capital	Share premium account	Share allotment reserve
	£	£	£
At 30 November 2020	1,000,000	-	250,000
Transactions with shareholders			
Combinations under common control	-	-	-
Advance share subscription	-	-	750,000
Shares and related warrants issued in the year	741,500	5,654,011	(1,000,000)
Share based payments	-	-	-
Total transactions with shareholders	741,500	5,654,011	(250,000)
Comprehensive income			
Loss for the year	-	-	-
Total comprehensive income	-	-	-
At 30 November 2021	1,741,500	5,654,011	-



Share based payment reserve £	Warrant reserve £	Merger reserve £	Retained earnings £	Non-controlling interests £	Total equity £
220,363	159,593	(3,478,435)	(706,733)	326,870	3,917,169

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505,637	-	-	-	-	505,637
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505,637	-	-	-	-	505,637
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-	-	-	(2,502,748)	15,429	(2,487,319)
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-	-	-	(2,502,748)	15,429	(2,487,319)
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726,000	159,593	(3,478,435)	(3,209,481)	342,299	1,935,487
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Share based payment reserve £	Warrant reserve £	Merger reserve £	Retained earnings £	Non-controlling interests £	Total equity £
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-	-	(3,479,535)	1,458,810	305,712	(465,013)
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-	-	1,100	-	-	1,100
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-	-	-	-	-	750,000
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-	159,593	-	-	-	5,555,104
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220,363	-	-	-	-	220,363
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220,363	159,593	1,100	-	-	6,526,567
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-	-	-	(2,165,543)	21,158	(2,144,385)
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-	-	-	(2,165,543)	21,158	(2,144,385)
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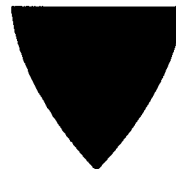
220,363	159,593	(3,478,435)	(706,733)	326,870	3,917,169
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Statements of changes in equity (continued)

Company	Share capital £	Share premium account £
At 30 November 2021	1,741,500	5,654,011
Transactions with shareholders		
Share based payments	-	-
Total transactions with shareholders	-	-
Comprehensive income		
Loss for the year	-	-
Total comprehensive income for the year	-	-
At 30 November 2022	1,741,500	5,654,011

Company	Share capital £	Share premium account £
At 30 November 2020	1,000	-
Transactions with shareholders		
Combinations under common control	999,000	-
Advance share subscription	-	-
Shares and related warrants issued during the year	741,500	5,654,011
Share based payments	-	-
Total transactions with shareholders	1,740,500	5,654,011
Comprehensive income		
Loss for the year	-	-
Total comprehensive income for the year	-	-
At 30 November 2021	1,741,500	5,654,011

Notes to the financial statements are from pages 61-99.



Share allotment reserve £	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

Share allotment reserve £	Share based payment reserve £	Warrant reserve £	Retained earnings £	Total equity £
250,000	-	-	(229,774)	21,226
-	-	-	-	999,000
750,000	-	-	-	750,000
(1,000,000)	-	159,593	-	5,555,104
-	220,363	-	-	220,363
(250,000)	220,363	159,593	-	7,524,467
-	-	-	(458,288)	(458,288)
-	-	-	(458,288)	(458,288)
-	220,363	159,593	(688,062)	7,087,405

Consolidated cash flow statement

For the year ended 30 November 2022

		30 November 2022	30 November 2021
	Notes	£	£
Cash flows from operating activities			
Loss after tax		(2,487,319)	(2,144,385)
<i>Adjustments for:</i>			
Depreciation of tangible assets	14	172,804	86,145
Depreciation of right-of-use assets	22	144,850	145,552
Interest payable and foreign exchange loss	10	112,167	262,620
Taxation and RDEC credit	9,13	(205,511)	(214,882)
Share based payment	24	505,637	220,363
<i>Changes in working capital:</i>			
(Increase) in inventory	17	(383,600)	(610,278)
(Increase) in trade and other receivables	18	(808,365)	(484,141)
Increase in trade payables and other payables	20	40,691	730,109
Cash outflow from operations		(2,908,646)	(2,008,897)
Tax received	13	155,849	22,715
Net cash outflow from operating activities		(2,752,797)	(1,986,182)
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(127,920)	(168,106)
Purchase of intangible fixed assets	15	(493,645)	(136,946)
Purchase of right-of-use-assets	22	(5,804)	-
Net cash outflow from investing activities		(627,369)	(305,052)

Consolidated cash flow statement (continued)

		30 November 2022	30 November 2021
	Notes	£	£
Cash flows from financing activities			
Capital issued (net of issue costs)	25	-	4,431,204
Advance share subscription	25	-	750,000
Proceeds from new loans	32	-	310,000
Proceeds from new convertible loans	32	-	1,125,000
Repayment of loans	23,32	(216,667)	(679,805)
Lease payments	22	(248,738)	(165,125)
Interest paid on leases	22	(37,769)	(25,991)
Net drawdown on invoice discounting facility	23	666,022	520,742
Interest paid on loans and borrowings	10	(52,439)	(153,503)
Net cash inflow from financing activities		110,409	6,112,522
(Decrease)/increase in cash and cash equivalents		(3,269,757)	3,821,288
Cash and cash equivalents including overdrafts at the start of the period		3,860,430	39,142
Cash and cash equivalents including overdrafts at the end of the period		590,673	3,860,430

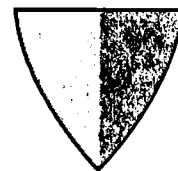
Notes to the financial statements are from pages 61-99.

Company cash flow statement

For the year ended 30 November 2022

	Notes	30 November 2022 £	30 November 2021 £
Cash flows from operating activities			
Loss for the period		(1,184,534)	(458,288)
Adjustments for:			
Depreciation of tangible assets	14	5,196	3,703
Interest payable		901	61,197
Share based payment		337,637	140,363
Changes in working capital:			
Decrease/(increase) in trade and other receivables		34,907	(73,406)
(Increase) in amounts owed by group undertakings		(2,317,822)	(661,521)
(Decrease)/increase in trade payables and other payables		(35,835)	189,242
Net cash (outflow) / inflow from operating activities		(3,159,550)	(798,710)
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(6,555)	(8,386)
Capital contribution and investments in subsidiaries	16	-	(2,022,507)
Net cash outflow from investing activities		(6,555)	(2,030,893)
Cash flows from financing activities			
Capital issued (net of issue costs)	25	-	4,431,204
Advance share subscription	25	-	750,000
Proceeds from new loans	32	-	310,000
Proceeds from new convertible loans	32	-	1,125,000
Repayment of loans	32	-	(310,000)
Interest paid on loans and borrowings		(901)	(61,197)
Net cash (outflow)/inflow from financing activities		(901)	6,245,007
(Decrease)/increase in cash and cash equivalents		(3,167,006)	3,415,404
Cash and cash equivalents including overdrafts at the start of the period		3,412,666	(2,738)
Cash and cash equivalents including overdrafts at the end of the period		245,660	3,412,666

Notes to the financial statements are from pages 61-99.



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 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.

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.

The introduction of the holding company to form a legal group constitutes a group reconstruction and has been accounted for as above using merger accounting principles. Therefore, although the group reconstruction did not become effective until June 2021, the consolidated financial statements of Light Science Technologies Holdings plc are presented as if they and the subsidiaries has always been part of the same group. Accordingly, the results of the subsidiaries for the entire year ended 30 November 2021 are shown in the consolidated income statement.

Given all companies were under common control, the Group has adopted the predecessor method of merger accounting in accounting for the combination of all subsidiaries presented in these financial statements. This adds together the results and balance sheets of each of the entities for both years presented. A merger reserve is created 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.

| 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 2022 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 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.

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, the 2 May 2023, and hence have prepared the financial statements on a going concern basis.

The Directors acknowledge that the current economic environment creates material uncertainty over the level of future revenues and there would be a probable need to raise additional funding to support Group requirements in the second half of 2024, should the Group's expectations for revenue generation over the coming 12 months not materialise as expected. The Directors note that this material uncertainty may cast significant doubt on the group's ability to continue as a going concern.

In response to these matters, and as detailed in the Circular issued on 5 April 2023, the Group is implementing a variety of actions to manage cash flows and discretionary spending, including a reduction in the costs of the Board and related salaries, offsetting purchasing cycles with customers deposits and reducing other costs within the business.

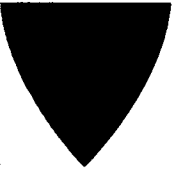
The financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

| 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 DEPRECIATION, AMORTISATION AND RESIDUAL VALUES

The assessment of the useful economic lives, residual values and the method of depreciating or amortising tangible and intangible fixed assets requires judgement. Depreciation and amortisation are charged to profit or loss based on the useful economic life selected, which requires an estimation of the year and profile over which the Group expects to consume the future economic benefits embodied in the assets. Useful economic lives and residual values are re-assessed, and amended as necessary, when changes in their circumstances are identified. The carrying value of tangible assets at the year-end is £777,919 (2021: £822,803). The carrying value of intangible assets at the year-end is £708,343 (2021: £214,698). The carrying value of right-of-use assets at the year-end is £658,680 (2021: £551,532). There was depreciation in the year on tangible assets of £172,804 (2021: £86,145), depreciation in the year on right-of-use assets of £144,850 (2021: £145,552) and amortisation in the year of £nil (2021: £nil).

| 3.2 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 6% for established CEM market and up to 75% for CEA products just coming to market. Other key assumptions are the discount rate, where the group uses its corporate weighted average cost of capital, of 10%; and the period of cashflows, which is annual. There have been no provisions against the investments and a small provision against the intercompany debtor to Light Science Technologies Ltd in the year of £6,107 as a stage 1 performing debtor (2021: both £nil). 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 1%, or a reduction in the level and timing of CEA revenue growth by 1% would have resulted in an impairment due to there being limited headroom.

| 3.3 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 2022 was £708,344 (2021: £214,698).

| 3.4 CARRYING VALUE OF INVENTORIES

Management reviews the market value of and demand for the group's inventories on a regular basis to ensure inventories are recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of inventories. Management uses its knowledge of market conditions, historical experience and estimates of future events to assess future demand for the group's products and achievable selling prices. The carrying value of inventories at 30 November 2022 was £1,583,349 (2021:£1,199,749) with no provision held at either year end, due to Group policy to write-off before the year end any inventories that are obsolete.

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 two major operating segments are shown in note 5 Revenue and segmental reporting. The Group has two operating segments, the development and sale of contract electronics boards, and the development and sale of lighting and technology products for the Controlled Environment Agriculture (CEA) sector, with associated provision of scientific services to the CEA sector. Both revenue streams include the sale of hardware which is accounted for as a single performance obligation. Additionally, the scientific services are recognised on satisfactory completion of agreed gateways with the client.

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 signing off completion of project gateway. 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.



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.

| 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.

Grants relating to the Coronavirus Job Retention Scheme are recognised when the requirements are met and recognised in the consolidated statement of comprehensive income within other operating income in the period 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 at 1 December 2017. 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 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.

| 4.9 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.

| 4.10 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.

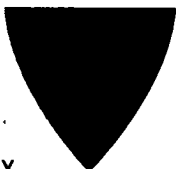
| 4.11 CASH AND CASH EQUIVALENTS

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.

| 4.12 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, bank borrowings and convertible debt 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. Convertible debt has no equity component due to the nature of the agreement, whereby the debt is converted into a known value of shares and repayment of the original principal is required in full at the stop date.

| 4.13 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.

| 4.14 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.

| 4.15 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.

| 4.16 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.

| 4.17 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.

Revenue 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, the level of revenue is immaterial so has not been separately disclosed. 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 year to 30 November 2022 one customer represented 54.3% of total revenue (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. 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.

	Contract electronics manufacture	Controlled environment agriculture	Total
	£	£	£
30 November 2022			
Revenue	8,038,645	128,124	8,166,769
Depreciation	(172,357)	(145,297)	(317,654)
Operating profit/(loss)	269,381	(2,879,680)	(2,610,299)
Segment assets	5,287,275	1,779,135	7,066,410
Segment liabilities	(4,550,498)	(580,425)	(5,130,923)

	Contract electronics manufacture	Controlled environment agriculture	Total
	£	£	£
30 November 2021			
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)

6 Operating loss

	2022 £	2021 £
Operating loss is stated after charging:		
Depreciation on property, plant and equipment	172,804	86,145
Depreciation on right-of-use assets	144,850	145,552
Research and development expenses	135,821	451,321
Inventory expensed	5,491,423	5,217,468
Short term low value lease expenses	7,942	8,644
Share based payments	505,637	220,363

7 Auditor's remuneration

	2022 £	2021 £
Auditor's remuneration	95,250	100,000
Non-statutory audit of Company as part of the re-registration as a plc	-	15,000
Non-audit services in relation to the Company's admission to AIM	-	185,000

8 Non-recurring expenses

	2022 £	2021 £
Non-recurring costs	-	512,436

Non-recurring costs in 2021 related to professional and other costs directly attributable to preparing the Company for admission to the AIM market of the London Stock Exchange.

As note 25, in the year to 30 November 2021, £669,049 of IPO costs were offset against the share premium account. These related to costs directly attributable to the issue of new shares along with a proportion of other costs incurred, allocated between the statement of comprehensive income and share premium account on ratio of existing shares and new shares issued.

9 Other operating income

	2022 £	2021 £
Government grants	182,236	37,744
RDEC tax credit	22,956	12,459
Other non-grant income	4,594	-
	209,786	50,203

Within government grants receivable, an amount of £347 (2021: £8,622) was received in respect of employees placed on "furlough" during the year, as part of the UK Government's Coronavirus Job Retention Scheme. Government support was also received in relation to interest payments and arrangement fees under the Coronavirus Business Interruption Loan Scheme, for an amount of £33 (2021: £5,602).

10 Finance costs

	2022 £	2021 £
Bank and loan interest payable	52,439	145,852
Foreign exchange losses	21,959	2,160
Interest on convertible loan notes	-	58,985
Interest expenses on lease liabilities	37,769	55,623
	112,167	262,620

Of these finance costs an amount of £33 (2021: £91,446) was covered by the Government's Business Interruption Payment to the lender and as such was not a cash cost to the Group.

11 Staff numbers and costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	3,063,287	2,637,682	898,218	862,638
Social security costs	336,617	271,235	114,100	111,394
Pension contributions	48,672	37,810	7,465	6,797
Short-term employee benefits	10,857	10,904	6,284	6,747
Share based payments	505,637	220,363	337,637	140,363
	3,965,070	3,177,994	1,363,704	1,127,939

Key management personnel remuneration for the Group comprises:

	Group 2022 £	Group 2021 £
Emoluments for qualifying services	1,162,959	1,116,815
Employers' national insurance	149,889	144,586
Pension contributions	9,576	8,570
Short term employee benefits	7,399	6,997
Share based payments	391,831	186,586
	1,721,654	1,463,554

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 2022	Group 2021	Company 2022	Company 2021
Directors	13	8	8	4
Admin	16	15	3	3
Sales	5	3	-	-
Production	52	51	-	-
	86	77	11	7

12 Directors' remuneration

For further details of the Director's Remuneration please refer to the Remuneration Committee report on pages 34-37.

The highest paid director received remuneration of £207,247 (2021: £291,823). 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 (2021: £1,209).

During the year retirement benefits were accruing to 2 directors (2021:2) in respect of defined contribution pension schemes.

13 Taxation

The tax credit is made up as follows:

	2022 £	2021 £
Current tax expense		
UK corporation tax for the year	(181,582)	(109,285)
Adjustment in respect of prior year	(53,565)	(91,668)
Total current income tax	(235,147)	(200,953)
Deferred tax (see note 21)		
Origination and reversal of timing difference	-	(1,470)
	(235,147)	(202,423)

RECONCILIATION OF EFFECTIVE TAX RATE

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

	2022 £	2021 £
Loss on ordinary activities before taxation	(2,722,466)	(2,346,808)
UK tax credit at standard rate of 19% (2021: 19%)	(517,269)	(445,894)
Fixed asset differences	(5,772)	(1,900)
Expenses not deductible for tax	13,780	75,149
Adjustment to corporation tax in respect of prior period	(53,565)	(91,668)
Adjustment for R&D tax credit including SME claims	(376,223)	(246,061)
Surrender of tax losses for R&D tax credit refund	268,015	172,781
Movement in deferred tax not recognised	435,887	335,170
Tax credit in statement of comprehensive income	(235,147)	(202,423)

The applicable UK corporation tax rate is 19% throughout the reporting period.

In May 2021, it was enacted that the rate of corporation tax will increase from 19% to 25% from April 2023. Unrecognised deferred tax balances at 30 November 2022 have been calculated using a rate of 25% (2021: 25%) based on the enacted rates that are expected to apply when these are unwound.

14 Property, plant and equipment

| GROUP

	Long-term leasehold £	Leasehold improvements £	Plant and equipment £	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 22)	-	-	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 22)	-	-	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 2022	544,201	39,241	145,268	49,209	777,919

	Long-term leasehold £	Leasehold improvements £	Plant and equipment £	Computer equipment, fixtures and fittings £	Total £
Cost					
At 1 December 2020	622,000	86,747	135,797	19,955	864,499
Additions	-	-	138,411	29,695	168,106
Disposals	-	-	-	(4,865)	(4,865)
At 30 November 2021	622,000	86,747	274,208	44,785	1,027,740
Depreciation					
At 30 November 2020	51,832	31,544	40,035	246	123,657
Provided during the year	12,984	7,981	49,849	15,331	86,145
Eliminated on disposal	-	-	-	(4,865)	(4,865)
At 30 November 2021	64,816	39,525	89,884	10,712	204,937
Net book value					
At 30 November 2020	570,168	55,203	95,762	19,709	740,842
At 30 November 2021	557,184	47,222	184,324	34,073	822,803

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 an asset lease agreement for certain plant and machinery, ownership of which passed to the company on final payments.

Company	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 2022	10,217

Company	Computer equipment £
Cost	
At 1 December 2020	4,422
Additions	8,386
At 30 November 2021	12,808
Depreciation	
At 30 November 2020	246
Charge during the year	3,703
At 30 November 2021	3,949
Net book value	
At 30 November 2020	4,176
At 30 November 2021	8,859

15 Intangible assets

Group	Development costs
Cost	£
At 1 December 2021	214,698
Additions	493,645
At 30 November 2022	708,343
Amortisation	
At 1 December 2021	-
Charge for the year	-
At 30 November 2022	-
Net book value	
At 30 November 2022	708,343

Group	Development costs
Cost	£
At 1 December 2020	77,752
Additions	136,946
At 30 November 2021	214,698
Amortisation	
At 1 December 2020	-
Charge for the year	-
At 30 November 2021	-
Net book value	
At 30 November 2020	77,752
At 30 November 2021	214,698

The company holds no intangible fixed assets.

16 Investments in subsidiaries

Company	Shares in group undertakings £
Cost	
At 1 December 2020	-
Additions – corporate restructuring	999,000
Additions – investment in LSTH Trustee Limited	10
Capital contributions	2,022,497
Share based payments	80,000
At 30 November 2021	3,101,507
Share based payments	168,000
At 30 November 2022	3,269,507
Impairment	
As at 30 November 2021 and 30 November 2022	-
	3,269,507

On 23 June 2021, a corporate restructuring took place where the entire share capital of UK Circuits and Electronics Solutions Holdings Limited was purchased in consideration for the issue of 599,400 Ordinary shares with a nominal value of £1.00 each, on the same date the entire share capital of Light Science Technologies Ltd was purchased in consideration for the issue of 399,600 Ordinary shares with a nominal value of £1.00 each. Capital contributions of £2,022,497 were provided to Light Science Technologies Limited on 30 November 2021.

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	Country of Incorporation	Principal activity	Class of shares held	Ownership	
				2022	2021
Light Science Technologies Limited*	England	Manufacturing of lighting and technology products	Ordinary	100%	100%
UK Circuits and Electronic Solutions Holdings Limited*	England	Holding company	Ordinary	100%	100%
UK Circuits and Electronics Solutions Limited	England	Manufacture electronic boards	Ordinary	90%	90%
On-time Communications Limited**	England	Dormant	Ordinary	-	100%
LSTH Trustee Limited*	England	Employee benefit trust	Ordinary	100%	-

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

**On-time Communications Limited was dissolved on 25 May 2021.

17 Inventories

	30 November 2022	30 November 2021
	£	£
Raw materials	65,341	5,201
Purchased components	1,297,771	926,180
Work in progress	148,519	268,368
Finished Goods	71,718	-
	1,583,349	1,199,749

Inventories recognised as an expense in cost of sales totals £5,491,423 (2021: £5,217,468). The company holds no inventory. During the year, an impairment loss against inventory was recognised of £76,451 (2021: £104,010).

18 Trade and other receivables

	Group 30 November 2022 £	Group 30 November 2021 £	Company 30 November 2022 £	Company 30 November 2021 £
Trade receivables	2,303,392	1,544,259	-	-
Amounts owed by group undertakings	-	-	3,093,536	775,714
Prepayments	82,016	42,455	40,124	36,403
Other receivables	119,107	126,600	10,453	49,081
Grant receivable	65,136	25,016	-	-
	2,569,651	1,738,330	3,144,113	861,198

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

	Group 30 November 2022 £	Group 30 November 2021 £	Company 30 November 2022 £	Company 30 November 2021 £
0 - 60 days	2,269,895	1,403,039	-	-
60 - 120 days	33,497	6,045	-	-
121+ days	-	135,165	-	-
	2,303,392	1,544,249	-	-

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. Therefore, there is no expected credit loss provision for impairment at 30 November 2022 (30 November 2021: £Nil).

Amounts owed by group undertakings in the Company accounts are either non-interest bearing (£1,049,643) or bear interest at a rate of 2.5% per annum (£2,050,000), most is 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 £6,107 for impairment at 30 November 2022 (2021: £Nil).

Included in trade receivables is £2,225,356 (2021: £1,396,403) 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 £434,076 (2021: £271,145).

19 Cash and cash equivalents

	Group 30 November 2022 £	Group 30 November 2021 £	Company 30 November 2022 £	Company 30 November 2021 £
Cash and cash equivalents	590,673	3,860,430	245,660	3,412,666

20 Trade and other payables

	Group 30 November 2022 £	Group 30 November 2021 £	Company 30 November 2022 £	Company 30 November 2021 £
Current				
Trade payables	1,403,427	1,390,882	19,452	20,603
Other tax and social security	450,568	294,783	143,876	170,558
Accruals and other payables	211,713	347,378	97,661	105,664
Deferred grant income	13,426	16,046	-	-
	2,079,134	2,049,089	260,989	296,825
Non-current				
Deferred grant income	111,787	64,184	-	-
Total	2,190,921	2,113,273	260,989	296,825

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 £11,852 (2021: £5,731) for outstanding pension contributions at the year end.

21 Deferred tax

Group	30 November 2022 £	30 November 2021 £
Deferred tax:		
At beginning of the year	-	1,470
(Credited) to the statement of comprehensive income	-	(1,470)
At end of period	-	-

The provision for deferred tax is made up as follows:

	30 November 2022	30 November 2021
	£	£
Accelerated capital allowances	128,420	226,234
Development assets	170,086	5,866
Share based payments	(105,688)	(41,869)
Trading losses	(192,818)	(190,231)
	-	-

Deferred tax assets of £1,037,431 (2021: £220,388) have not been recognised in respect of tax losses due to uncertainty over their offset against future taxable profit and therefore their recoverability.

	30 November 2022	30 November 2021
	£	£
Company		
Accelerated capital allowances	2,555	2,215
Trading losses	(2,555)	(2,215)
	-	-

Deferred tax assets of £102,000 (2021: £41,869) have not been recognised in respects of share based payments and £482,424 (2021: £293,834) have not been recognised in respect of tax losses due to uncertainty over their offset against future taxable profit and therefore their recoverability.

22 Lease liabilities

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

	30 November 2022	30 November 2021
	£	£
Right-of-use asset (property)		
Cost		
At 1 December	417,368	343,581
Additions	168,803	73,787
At 30 November	586,171	417,368
Depreciation		
At 1 December	152,402	95,586
Charge for the year	109,698	56,816
At 30 November	262,100	152,402
Net book value		
At 30 November	324,071	264,966

	30 November 2022 £	30 November 2021 £
Right-of-use asset (plant and equipment)		
Cost		
At 1 December	1,358,299	1,358,299
Additions	83,195	-
Transfers (note 14)	(976,731)	-
At 30 November	464,763	1,358,299
Depreciation		
At 1 December	1,071,733	982,997
Charge for the year	35,152	88,736
Transfers (note 14)	(976,731)	-
At 30 November	130,154	1,071,733
Net book value		
At 30 November	334,609	286,566
Total right-of-use assets	658,680	551,532

	30 November 2022 £	30 November 2021 £
Right-of-use liability (property)		
At 1 December	317,130	282,477
Finance costs on lease liabilities	13,296	13,026
Repayment of lease liabilities	(117,480)	(67,160)
Additions	153,804	88,787
At 30 November	366,750	317,130

	30 November 2022 £	30 November 2021 £
Right-of-use liability (plant and equipment)		
At 1 December	235,246	346,237
Finance costs on lease liabilities	24,473	42,597
Repayments of lease liabilities	(169,027)	(153,588)
Additions	77,391	-
At 30 November	168,083	235,246
Total right-of-use liabilities	534,833	552,376

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

	30 November 2022 £	30 November 2021 £
Due within one year	221,773	226,498
Due within 2 – 5 years	313,060	325,878
	534,833	552,376

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

	30 November 2022 £	30 November 2021 £
Depreciation expense on right-of-use assets	144,850	145,552
Interest expense on lease liabilities	37,769	55,623
Short term low value leases	7,942	8,644
	190,561	209,819

The total cash outflow for leases was £286,507 (2021: £220,748).

23 Borrowings

	Group 30 November 2022 £	Group 30 November 2021 £	Company 30 November 2022 £	Company 30 November 2021 £
Current				
Interest bearing loans	216,667	216,667	-	-
Invoice discounting facility	1,791,280	1,125,258	-	-
	2,007,947	1,341,925	-	-
Repayable between one and five years				
Interest-bearing loans	397,222	613,889	-	-
	397,222	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 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 2022 was £613,889 (2021: £830,556).



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 £1,791,280 (2021: £1,125,258).

24 Share options

SHARE OPTIONS

The Group 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 prior year has granted 8,900,000 enterprise management incentive ("EMI") share options to key management personnel of the Company and other Group companies.

The 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 issued 8,900,000 options. There are no cash settlement alternatives for the employees. The scheme was amended subsequently to include one further employee prior to Admission to AIM. The number of share options issued remains unchanged.

The fair value of share options granted is estimated at the date of grant. The grant date for accounting purposes is 2 July 2021, as this is when a shared understanding of the terms and conditions of the arrangements was achieved between the various parties. As this was prior to Admission to AIM a non-marketability discount of 20% was applied when assessing the fair value at grant date.

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 received 8,900,000 shares in Light Science Technologies Holdings plc prior to listing 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.

The share options, which all relate to the same "MSOP" plan were issued in 2 tranches on 2 July 2021 and 15 October 2021 of 8,200,000 and 700,000 options respectively. The assumptions, terms and conditions are the same for both tranches of the options issue.

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 30 November 2022	WAEP 30 November 2021 £
Outstanding at 30 November 2021	8,900,000	-
Granted during the year	-	-
Outstanding at 30 November 2022	8,900,000	-
Exercisable at 30 November 2022*	8,900,000	-

The following table lists the model inputs to the Black Scholes model for options granted during the year ended 30 November 2021:

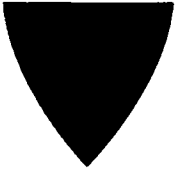
Fair value at the grant measurement date per share (£)	0.08
Dividend yield (%)	0%
Risk-free interest rate (%)	0.75%
Volatility (%)	30
Expected life of share options (years)	4

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.

25 Issued equity capital

	Nominal value	Total no. of Ordinary shares	Total £
At 1 December 2020	£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 30 November 2022	£0.01	174,150,000	1,741,500

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. For the purposes of the consolidated accounts, as 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 15 October 2021, 74,150,000 shares were issued as follows:

- › 12,500,000 shares at nominal value of £0.01 were issued pursuant to the conversion of convertible loan note agreements attracting a premium of £0.07.
- › 1,250,000 shares at nominal value of £0.01 were issued pursuant to the conversion of convertible loan note agreements attracting a premium of £0.09.
- › 10,000,000 shares at nominal value of £0.01 were issued pursuant to the conversion of advance subscription agreements attracting a premium of £0.09 less costs of related warrants issued, utilising the share allotment reserves.
- › 400,000 shares at nominal value of £0.01 were issued as part of the Company's admission to AIM process in lieu of fees attracting a premium of £0.09.
- › 50,000,000 shares at nominal value of £0.01 were issued pursuant to the placing of shares on the Company's admission to AIM attracting a premium of £0.09.

The share premium account is shown net of £669,049 of share issuance costs.

| 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.

26 Reserves

| **SHARE CAPITAL**

Share capital represents the value of all called up, allotted and fully paid shares of the parent company.

| **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.

| **SHARE ALLOTMENT RESERVE**

This reserve is used to recognised contributions to equity not yet allotted.

| **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.

27 Non-controlling interests

	Non-controlling interests
	£
At 30 November 2020	305,712
Minority interests' share of the profit for the year	21,158
At 30 November 2021	326,870
Minority interests' share of the profit for the year	15,429
At 30 November 2022	342,299

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.

28 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 24 to 27 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.

Following the year end the Group incepted a stock financing facility with Close Brothers connected to the Term Loan and invoice financing facilities already provided to the Group, in order to provide additional working capital.

Additionally, as detailed in the interim statements, given the elongation of the sales cycle, the Group finalised an equity fund raising in the early part of the new financial year, by way of a placing, subscription and retail offer totalling £1.589 million gross proceeds.

CATEGORISATION OF FINANCIAL INSTRUMENTS

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)
Invoice discounting facility	-	(1,791,280)	(1,791,280)
Loans	-	(613,889)	(613,889)
Lease liabilities	-	(534,833)	(534,833)
	3,078,308	(4,555,142)	(1,476,834)

Financial assets/(liabilities)	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total £
30 November 2021			
Trade and other receivables	1,695,875	-	1,695,875
Cash and cash equivalents	3,860,430	-	3,860,430
Trade and other payables	-	(1,738,260)	(1,738,260)
Invoice discounting facility	-	(1,125,258)	(1,125,258)
Loans	-	(830,556)	(830,556)
Lease liabilities	-	(552,376)	(552,376)
	5,556,305	(4,246,450)	1,309,855

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. 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 £20,000. The principal impact to the existing Group is set out below:

	As at 30 November 2022			As at 30 November 2021		
	Fixed	Floating	Total	Fixed	Floating	Total
	£	£	£	£	£	£
Financial liabilities	(534,833)	(2,405,169)	(2,940,002)	(552,376)	(1,955,814)	(2,508,190)

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 2022			
Financial liabilities			
Trade and other payables	1,615,140	-	1,615,140
Loans	225,310	466,059	691,369
Invoice discounting facility	1,791,280	-	1,791,280
Lease liabilities	255,243	341,396	596,639
	3,886,973	807,455	4,694,428
As at 30 November 2021			
Financial liabilities			
Trade and other payables	1,738,260	-	1,738,260
Loans	216,667	706,883	923,550
Invoice discounting facility	1,125,258	-	1,125,258
Lease liabilities	240,846	359,579	600,425
	3,321,031	1,066,462	4,387,493

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.

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

29 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 £2,502,748 (2021: £2,165,543) and on 165,250,000 ordinary shares (2021: 108,052,603), being the weighted number in issue during the year excluding shares held by the Employee Benefit Trust. Unexercised options over the ordinary shares are not included in the calculation of diluted loss per share as they are anti-dilutive.

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.

	30 November 2022			30 November 2021		
	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		174,150,000			109,344,932	
Adjusted for the effect of own shares held by Employee Benefit Trust (EBT)		(8,900,000)			(1,292,329)	
Earnings attributable to ordinary shareholders of the Company	(2,502,748)	165,250,000	(1.51)	(2,165,543)	108,052,603	(2.00)

DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are equal for 2022 and 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.

POST-YEAR END PLACING, SUBSCRIPTION AND WRAP (WINTERFLOOD RETAIL ACCESS PLATFORM)

As detailed in the various RNS announcements in April 2023, an aggregate of 158,855,500 new ordinary shares were issued during April 2023 to new and existing shareholders, which considerably changes the number of shares outstanding at the end of the period. On this basis basic and diluted loss per share would have been 0.77p for 30 November 2022.

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

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)
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 within one year	(325,878)	-	-	12,818	(313,060)
Net cash/(debt)	1,352,240	(3,432,605)	(231,195)	(37,769)	(2,349,329)

Group	At 1	Cashflow	New leases	Non-cash changes	At 30
	December 2020 £				November 2021 £
Cash and cash equivalents	41,880	3,818,550	-	-	3,860,430
Bank overdraft	(2,738)	2,738	-	-	-
	39,142	3,821,288	-	-	3,860,430
Invoice discounting	(594,036)	(520,742)	-	(10,480)	(1,125,258)
Loans due within one year	(155,587)	369,805	-	(430,885)	(216,667)
Loans due after one year	(993,440)	-	-	379,551	(613,889)
Convertible loans	-	(1,125,000)	-	1,125,000	-
Lease liabilities due within one year	(162,834)	191,116	(88,787)	(165,993)	(226,498)
Lease liabilities due within one year	(465,881)	-	-	140,003	(325,878)
Net cash/(debt)	(2,332,636)	2,736,467	(88,787)	1,037,196	1,352,240

Non-cash changes include interest accrued on borrowings. Adjustment has been made in non-cash changes for £91,446 in 2021 being government support received in relation to interest payments under the Coronavirus Business Interruption Loan Scheme, of which £10,480 relates to the invoice discounting facility, £51,334 relates to loans, and £29,632 relates to leases.

Non-cash changes also include convertible loan notes issued in the prior period for £1,125,000 which were later converted to equity.

The reclassification of amounts due to more than one year for presentation in the financial statements is also reflected in the non-cash changes column.

	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/(debt)	3,412,666	(3,167,006)	-	245,660

	At 1 December 2020	Cashflow	Non-cash changes	At 30 November 2021
Company	£	£	£	£
Cash and cash equivalents	-	3,412,666	-	3,412,666
Bank overdraft	(2,738)	2,738	-	-
Net cash/(debt)	(2,738)	3,415,404	-	3,412,666

31 Contingencies and commitments

At 30 November 2022, the Group had capital commitments totalling £nil in relation to further investment for laboratory equipment (2021: £nil). The company had no capital commitments (2021: £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 facility with Close Brothers is secured by a fixed and floating charge over the assets of the subsidiary, UK Circuits and Electronics Solutions Limited. Please see note 23 for further details.

32 Related party transactions

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

	30 November 2022 £	30 November 2021 £
Income received in the year		
Light Science Technologies Holdings Plc – Income from a company under common control of a director	-	7,837
Light Science Technologies Holdings Plc – Income from a company under common control	-	270,000
Light Science Technologies Holdings Plc – Income from a company under common control	600,000	604,341
Light Science Technologies Limited – Income from a company under common control of a director	4,000	-
UK Circuits & Electronics Solutions Limited – Income from an associated company of a director	150	-
Charges incurred during the year		
Light Science Technologies Holdings Plc – Consultancy charges from an associate	-	22,833
Light Science Technologies Holdings Plc – transactions with directors	-	50,413
Light Science Technologies Limited – purchases from an associated company of a director	19,913	9,946
Light Science Technologies Limited – purchases from a company under common control	66,403	54,157
UK Circuits & Electronics Solutions Limited – purchases from an associated company of a director	4,596	-
Balances owing at 30 November		
Light Science Technologies Holdings Plc – due from companies under common control, net of £6,107 expected credit loss provision recognised in the year	3,093,536	-
Light Science Technologies Limited – due from a company under common control of a director	4,800	-
Light Science Technologies Limited – due to an associated company of a director	2,252	-
Light Science Technologies Limited – due from a company under common control	1,758	-
UK Circuits and Electronics Solutions Limited – due from a company under common control	3,130,807	3,222,568
UK Circuits and Electronics Solutions Limited – due from a company under common control of a director	-	135,165



| DIRECTORS LOAN ACCOUNTS

During the year ended 30 November 2022, there were no transaction with Directors, and the balance as at 30 November 2022 was £nil (2021: loan from Director of £260,000 and balance of £nil).

| CONVERTIBLE LOAN ARRANGEMENTS

During the year, there were no convertible loans from related parties (2021: £1,125,000).

| OTHER ARRANGEMENTS

During the year, there were no advance subscription agreements from related parties (2021: £750,000), and no unsecured personal loans (2021: £50,000).

Please see note 11 for details on key management personnel.

Notice of 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

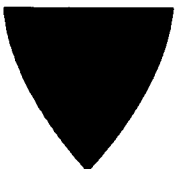
(incorporated in England and Wales with registered number 12398098)

| 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 1 Lowman Way, Hilton, Derby, England DE65 5LJ on **30 May 2023 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 2022.
2. To receive and approve the directors' remuneration report for the financial year ended 30 November 2022 as set out on pages 34-37 of the annual accounts and reports.
3. To re-elect Simon Deacon, 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 James Snooks, 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-elect Andrew Hemsall, 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.
6. 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.
7. 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 8 will be proposed as an ordinary resolution and resolutions 9 and 10 will be proposed as special resolutions:

8. 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 2024, 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.
9. THAT, subject to the passing of Resolution 8, 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 8, 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 2024, 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.
10. 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 2 May 2023);
 - (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

- (d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of 31 August 2024 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: 3 May 2023

By order of the Board

Registered Office:

1 Lowman Way

Hilton

Derby

DE65 5LJ



J Snooks

Company Secretary

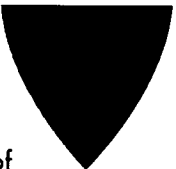


Notes to the notice of annual general meeting

- (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 28 May 2023 (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 11:00am (UK time) on 28 May 2023.
- (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 11:00am (UK-time) on 28 May 2023. 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 (v) 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 2 May 2023 (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 2 May 2023 is 333,005,500.

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- (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 2022, 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 34-37 of the Annual Report. The vote is advisory and the directors' entitlement to remuneration is not conditional on it.

Resolutions 3 to 5 – 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. Biographies for the Directors are set out on pages 20-22 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 6 and 7 – Re-appointment of Auditor and its remuneration

Resolution 6 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 7 authorises the Audit Committee to determine the Auditor's remuneration.

SPECIAL BUSINESS

Resolution 8 – 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 2 May 2023, being the latest practicable date before publication of this notice. The intention of the authority granted pursuant to resolution 8 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 2024, whichever is the earlier.

Resolution 9 – Authority to allot shares disregarding pre-emption rights

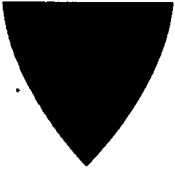
This resolution authorises the directors to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The authority granted by this resolution 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 2 May 2023, 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 2024, 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 10 – 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 2 May 2023, 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 2024, 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.

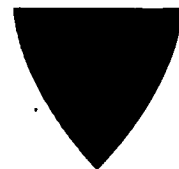
The directors have no present intention of exercising the authority granted by this resolution, but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The directors will only exercise the authority 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 17,291,000 on 2 May 2023 (the latest practicable date prior to publication of this notice). This represented approximately 5.19% 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 4.94% 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	Myles Antony Halley (Independent Non-Executive Chairman) Simon Lincoln Deacon (Chief Executive Officer) James (Jim) Edward Snooks (Chief Financial Officer) Andrew Mark Hemsall (Chief Operating Officer) Robert Graham Naylor (Non-Executive Director) Lisa Jane Clement (Independent Non-Executive Director) Rory Thomas James-Duff (Independent Non-Executive Director)
Company secretary	James Edward Snooks
Registered office	1 Lowman Way Hilton Business Park Hilton Derbyshire DE65 5LJ
Website	https://lightsciencetechnologiesholdings.com
Nominated and Financial Adviser to the Company	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Joint Brokers to the Company	Oberon Investments Limited 1st Floor 12 Hornsby Square, Southfields Business Park, Basildon, Essex, SS15 6SD Turner Pope Investments (TPI) Ltd 8 Frederick's Place London EC2R 8AB
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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Light Science

Technologies Holdings

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