Light Science
Technologies Holdings

Light Science Technologies Holdings plc

Admission Document

Bringing together controlled environment agriculture technology and UK-based manufacturing to help our customers grow more with less









STRAND HANSON
Strand Hanson Limited
Nominated & Financial Adviser

TURNER POPE INVESTMENTS
Turner Pope Investments (TPI) Ltd.
Broker

Oct 2021

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The attached document has been prepared, amongst other things, in connection with the proposed placing (the "**Placing**") of ordinary shares of nominal value £0.01 each in the capital of the Company (the "**Ordinary Shares**") (the Ordinary Shares being made available for subscription or purchase in the Placing being, the "**Placing Shares**") and admission of the entire issued share capital of the Company to trading on AIM, the market operated by London Stock Exchange plc ("**LSE**") ("**Admission**").

The Placing is exempt from the requirement to produce an approved prospectus and accordingly no such prospectus has been prepared in connection with the Placing. The Admission Document has not been approved by the LSE or the Financial Conduct Authority ("FCA").

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This electronic transmission, the attached document and the offer of Ordinary Shares, when made, pursuant to the Placing are being distributed only to and are only directed at persons who (i) are in the United Kingdom and are "qualified investors" within the meaning of Article 2(1)(e) of Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**"), which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018 and any relevant implementing measures and (ii) have professional experience in matters relating to investments who fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**"), or are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or (iii) are other persons in the United Kingdom, the Bailiwick of Jersey or the Bailiwick of Guernsey to whom this electronic transmission and the attached document may otherwise lawfully be communicated (all such persons referred to in (i) to (iii) above together being referred to as "**Relevant Persons**").

This electronic transmission and the attached document must not be acted on or relied on by persons who are not Relevant Persons.

For investors in the Bailiwick of Guernsey

This electronic transmission and the attached document is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the offer of Ordinary Shares, when made, pursuant to the Placing is only being, and may only be, made in or from within the Bailiwick of Guernsey:

(1) by persons licensed to do so by the Guernsey Financial Services Commission (the "**GFSC**") under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or

(2) to persons licensed by the GFSC under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended) by non-Guernsey bodies who (i) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of, certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (ii) meet the criteria specified in section 29(1)(cc) of the POI Law; or

(3) as otherwise permitted by the GFSC; or

(4) on a reverse solicitation basis.

This electronic transmission and the attached document and the offer of Ordinary Shares, when made, pursuant to the Placing are not available to investors in the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any such person unless made or received in accordance with such paragraphs.

This electronic transmission and the attached document have not been and will not be registered with the GFSC pursuant to the Prospectus Rules 2018 issued by the GFSC. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

For investors in the Bailiwick of Jersey

The consent of the Jersey Financial Services Commission ("**JFSC**") pursuant to the Control of Borrowing (Jersey) Order 1958 ("**COBO**") has not been sought or obtained for the circulation of this electronic transmission and/or the attached document. Accordingly, this electronic transmission and the attached document and the offer of Ordinary Shares, when made, pursuant to the Placing may only be addressed to and directed at persons in or from within Jersey where the Company has no relevant connection with Jersey within the meaning of COBO and where it is circulated or made in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated or made in the United Kingdom or Guernsey as the case may be.

This electronic transmission and the attached document have not been and will not be registered with the JFSC. The JFSC does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Restricted Jurisdictions

Neither this electronic transmission nor the attached document constitutes an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland, New Zealand, Japan or any other jurisdiction outside of the United Kingdom, the Bailiwick of Guernsey or the Bailiwick of Jersey where such distribution may lead to a breach of any applicable legal or regulatory requirements (each a "**Restricted Jurisdiction**").

CONFIRMATION OF YOUR REPRESENTATION: This electronic transmission and the attached document is delivered to you on the basis that you are deemed to have represented to Strand Hanson Limited ("**Strand Hanson**"), Tuner Pope Investments (TPI) Limited ("**Turner Pope**") and the Company, that: (i) you are a Relevant Person; (ii) you are outside a Restricted Jurisdiction and ordinarily reside outside a Restricted Jurisdiction; and (iii) you consent to delivery of the attached document by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, Strand Hanson nor Turner Pope nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. Neither Strand Hanson nor Turner Pope, nor any of their affiliates accepts any responsibility whatsoever for the contents of the attached document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company, Admission or the Ordinary Shares (including the Placing Shares). Strand Hanson, Turner Pope and their respective affiliates disclaim all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by Strand Hanson or Turner Pope or their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the attached document.

Strand Hanson, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company and no one else in connection with the proposed Placing and Admission. Strand Hanson will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Strand Hanson or for providing advice in relation to the contents of the Placing and Admission. Strand Hanson's responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to LSE and not to the Company, the directors or to any other person in respect of such person's decision to acquire Ordinary Shares in reliance on any part of the Admission Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Strand Hanson by the Financial Services and Markets Act 2000 ("**FSMA**") or the regulatory regime established under it, Strand Hanson does not accept any responsibility whatsoever for the contents of the Admission Document, and no representation, warranty or undertaking, express or implied, is made by Strand Hanson with respect to the accuracy or completeness of this document or any part of it.

Turner Pope, which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company and no one else in connection with the proposed Placing and Admission. Turner Pope will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to clients of Turner Pope or for providing advice in relation to the contents of the Placing and Admission. Apart from the responsibilities and liabilities, if any, which may be imposed on Turner Pope by the FSMA or the regulatory regime established under it, Turner Pope does not accept any responsibility whatsoever for the contents of this Document, and no representation or warranty, express or implied, is made by Turner Pope with respect to the accuracy or completeness of this Document or any part of it.

THE ORDINARY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE ORDINARY SHARES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS ("US PERSONS") AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE ORDINARY SHARES ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE OF THE UNITED STATES TO PERSONS THAT ARE NOT US PERSONS OR ACTING FOR THE ACCOUNT OR BENEFIT OF US PERSONS, IN RELIANCE ON REGULATION S, OR OTHERWISE IN TRANSACTIONS THAT ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OTHER APPLICABLE US STATE SECURITIES LAWS. THERE WILL BE NO PUBLIC OFFER OF ORDINARY SHARES IN THE UNITED STATES.

THE ORDINARY SHARES OFFERED BY THE COMPANY TO NON-US PERSONS ARE SUBJECT TO REGULATION S. THE ORDINARY SHARES ARE "RESTRICTED SECURITIES" AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT. SUBSCRIBERS FOR THE ORDINARY SHARES MAY NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER ORDINARY SHARES, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON, EXCEPT PURSUANT TO A TRANSACTION MEETING THE REQUIREMENTS OF RULES 901 TO 905 (INCLUDING THE PRELIMINARY NOTES) OF REGULATION S, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ALL ORDINARY SHARES ARE SUBJECT TO THESE RESTRICTIONS UNTIL AT LEAST THE EXPIRY OF FORTY DAYS AFTER THE DATE OF ADMISSION. IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR THE ORDINARY SHARES TO INFORM THEMSELVES OF, AND TO OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser.

This document constitutes an AIM admission document relating to Light Science Technologies Holdings plc and has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as, nor is it, a prospectus for the purposes of the Prospectus Regulation Rules. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been approved by, or filed with, the Financial Conduct Authority ("**FCA**") pursuant to section 85 of FSMA or any other authority which would be a competent authority for the purposes of the Prospectus Regulation.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List maintained by the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application has been made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Enlarged Share Capital will commence on AIM on 15 October 2021.

The Company and the Directors, whose names appear on page 11 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The whole of this document should be read. Your attention is drawn in particular to the "Risk Factors" set out in Part II of this document. All statements regarding the Company and its subsidiaries (the "Group") should be read in light of these risk factors.

Light Science
Technologies Holdings

Light Science Technologies Holdings plc

(incorporated and registered in England and Wales with registered number 12398098)

Placing of 50,000,000 new Ordinary Shares, and 2,000,000 Existing Ordinary Shares, both at 10 pence per Ordinary Share

and

Admission of the Enlarged Share Capital to trading on AIM

STRAND HANSON

Strand Hanson Limited
Nominated & Financial Adviser

TURNER POPE INVESTMENTS

Turner Pope Investments (TPI) Ltd
Broker

The new Ordinary Shares being issued pursuant to the Placing will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions deemed, made or paid after the issue of the new Ordinary Shares that are issued as part of the Placing.

Strand Hanson Limited ("**Strand Hanson**"), which is a member of the London Stock Exchange and is authorised and regulated in the UK by the FCA, is acting exclusively for the Company as nominated adviser (for the purposes of the AIM Rules) in connection with the Placing and Admission, and will not be responsible to any other person for providing the protections afforded to customers of Strand Hanson or advising any other person in connection with the Placing and Admission. Strand Hanson's responsibilities as the Company's nominated adviser under the AIM Rules for Companies and the AIM Rules for Nominated Advisers will be owed solely to London Stock Exchange and not to the Company, the Directors or to any other person in respect of such person's decision to subscribe for or acquire Placing Shares in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Strand Hanson by the FSMA or the regulatory regime established under it, Strand Hanson does not accept any responsibility whatsoever for the contents of this document, and no representation or warranty, express or implied, is made by Strand Hanson with respect to the accuracy or completeness of this document or any part of it.

Turner Pope Investments (TPI) Ltd ("**Turner Pope**"), which is a member of the London Stock Exchange and is authorised and regulated in the UK by the FCA, is acting as broker (for the purposes of the AIM Rules) to the Company in connection with the Placing. Turner Pope is advising the Company and no one else in relation to the Placing and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for advising any other person. No representation or warranty, express or implied, is made by Turner Pope as to, and no liability is accepted by Turner Pope in respect of, any of the contents of this document or for the omission of any material from this document, for which it is not responsible.

Copies of the document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the registered offices of the Company for one month from Admission. This document is also available on the Company's website, https://lightsciencetechnologiesholdings.com.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions.

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IMPORTANT INFORMATION

General

Investors should rely only on the information in this document. No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, Strand Hanson or Turner Pope. No representation or warranty, express or implied, is made by Strand Hanson or Turner Pope as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Strand Hanson or Turner Pope as to the past, present or future. Neither the delivery of this document nor any sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date hereof or that the information contained herein is correct as of any time subsequent to the earlier of the date hereof and any earlier specified date with respect to such information.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors of the Placing occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

Prospective investors in the Company must not treat the contents of this Document or any subsequent communications from the Company, Strand Hanson, Turner Pope, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of an investment in Ordinary Shares for an indefinite period of time.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Strand Hanson or Turner Pope or any of their representatives that any recipient of this document should subscribe for or purchase any Placing Shares.

Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed "Risk Factors" in Part II.

Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or the examination of the prospective investor's lawyers, financial advisers or tax advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor's (or such prospective investor's lawyers, financial advisers or tax advisers) own examination of the Company.

Investors who subscribe for or purchase Ordinary Shares in the Placing will be deemed to have acknowledged that: (i) they have not relied on Strand Hanson or Turner Pope or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document for their investment decision; and (ii) they have relied only on the information contained in this document, and no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by or on behalf of the Company, the Directors, Strand Hanson or Turner Pope.

None of the Company, the Directors, Strand Hanson or Turner Pope, or any of their representatives is making any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, Strand Hanson and Turner Pope and any of their affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this Document to the Ordinary Shares being offered, subscribed, acquired, placed or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or placing by, Strand Hanson and Turner Pope and any of their affiliates acting as investors for their own accounts. Strand Hanson and Turner Pope do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Strand Hanson and/or Turner Pope and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to the Company, for which they would have received customary fees. Strand Hanson and/or Turner Pope and any of their respective affiliates may provide such services to the Company and any of its affiliates in the future.

This document is being delivered only to persons who (i) are in the United Kingdom and "qualified investors" within the meaning of Article 2(1)(e) of Prospectus Regulation (EU) 2017/1129 ("Prospectus Regulation"), which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018 and any relevant implementing measures and (ii) have professional experience in matters relating to investments who fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"), or are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order, or (iii) are other persons in the United Kingdom, the Bailiwick of Jersey or the Bailiwick of Guernsey and to whom this document may otherwise lawfully be communicated (all such persons referred to in (i) to (iii) above together being referred to as "Relevant Persons"). Any person who is not a Relevant Person must not act or rely on this document or any of its contents. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. By accepting receipt of this document, each recipient is deemed to confirm, represent and warrant to the Company, Strand Hanson and Turner Pope that they are a Relevant Person. This document does not constitute an offer to the public within the meaning of the Prospectus Regulation.

For investors in the Bailiwick of Guernsey

This document is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the offering of the Placing Shares is only being, and may only be, made in or from within the Bailiwick of Guernsey:

(1) by persons licensed to do so by the Guernsey Financial Services Commission (the "GFSC") under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "POI Law"); or

(2) to persons licensed by the GFSC under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended) by non-Guernsey bodies who (i) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of, certain designated countries or territories which, in the opinion of GFSC, afford adequate protection to investors and (ii) meet the criteria specified in section 29(1)(cc) of the POI Law; or

(3) as otherwise permitted by the GFSC; or

(4) on a reverse solicitation basis.

This document and the offer referred to therein are not available to investors in the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any such person unless made or received in accordance with such paragraphs.

This document has not been registered with the GFSC pursuant to the Prospectus Rules 2018 issued by the GFSC. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

For investors in the Bailiwick of Jersey

The consent of the Jersey Financial Services Commission ("**JFSC**") pursuant to the Control of Borrowing (Jersey) Order 1958 ("**COBO**") has not been sought or obtained for the circulation of this document. Accordingly, the offer that is the subject of this document may only be made in Jersey where the Company has no relevant connection with Jersey within the meaning of COBO and where either the offer is not an offer to the public or the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

This document has not been registered with the JFSC. The JFSC does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Notice to overseas persons

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "US Securities Act") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in "offshore transactions" in reliance on Regulation S under the US Securities Act.

The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a "Restricted Jurisdiction") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

Presentation of financial information

The report on historical financial information included in Part III of this document has been prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and the related consent to its inclusion in this document appearing in Part IV of this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Unless otherwise indicated, financial information in this document and the notes to those financial statements, have been prepared in accordance with IFRS.

Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

Currency Presentation

In the document, references to "pounds sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom. The Company presents its financial information in sterling.

Forward-looking statements

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividends paid by the Company to be materially different from actual results, performance or achievements, or dividend payments expressed or implied by such forward looking statements.

These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Bases and sources

Various market data and forecasts used in this document have been obtained from independent industry sources. The Company has not verified the data, statistics, or information obtained from these sources and cannot give any guarantee of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications, risks and uncertainties as above. Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly form the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

No incorporation of website information

The contents of the Company's website, https://lightsciencetechnologiesholdings.com, (or any other website) do not form part of this document and investors shall not rely upon them.

Information to distributors

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK Product Governance Rules"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties each as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"); and (ii) eligible for distribution through all distribution channels as are permitted by the UK Product Governance Rules (the "UK Target Market Assessment").

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment").

Notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each of the UK Target Market Assessment and the EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, Turner Pope will only procure investors who meet the criteria of professional clients and eligible counterparties each as defined under COBS or MiFID II, as applicable.

For the avoidance of doubt, each of the UK Target Market Assessment and the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of COBS or MiFID II, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such law and practice.

PLACING AND ADMISSION STATISTICS

Placing and Admission

Placing Price	10 pence
Number of Ordinary Shares in issue prior to Admission	100,000,000
Number of new Ordinary Shares being issued pursuant to the Placing	50,000,000
Number of Sale Shares being sold by the Selling Shareholder	2,000,000
Number of new Ordinary Shares being issued pursuant to the conversion of the CLN Agreements	13,750,000
Number of new Ordinary Shares being issued pursuant to the conversion of the ASAs	10,000,000
Number of Fee Shares being issued as part of the Admission process	400,000
Number of Ordinary Shares in issue immediately on Admission – Enlarged Share Capital	174,150,000
Estimated gross proceeds of the Placing (receivable by the Company and the Selling Shareholder)	£5.2 million
Estimated net proceeds of the Placing (receivable by the Company)[1]	£3.9 million
Estimated market capitalisation of the Company at the Placing Price on Admission	£17.4 million
New Ordinary Shares issued pursuant to the Placing as a percentage of the Enlarged Share Capital on Admission	28.7 per cent.
Percentage of the Enlarged Share Capital held by the Directors on Admission	48.8 per cent.
Percentage of Enlarged Share Capital not in public hands on Admission	72.2 per cent.
Number of Warrants outstanding on Admission	8,391,000
Percentage of Enlarged Share Capital represented by Warrants outstanding on Admission	4.8 per cent.

Dealing Codes

TIDM	AIM:LST
ISIN	GB00BNDQJN14
LEI	213800V9MWRRLVQ6EY56
SEDOL	BNDQJN1

1 Net proceeds receivable by the Company are stated after deducting the total expenses (excluding VAT) of the Placing and Admission of approximately £1.1 million and the consideration received by the Selling Shareholder for the Sale Shares.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	11 October 2021
Admission becoming effective and commencement of dealings in the Ordinary Shares	08.00 a.m. on 15 October 2021
CREST accounts credited, where applicable	15 October 2021
Despatch of definitive share certificates, where applicable	by 29 October 2021

References to times and dates in the timetable above are to London, time unless otherwise stated. The dates and times specified are subject to change at the absolute discretion of the Company, Strand Hanson and Turner Pope without notice.

DIRECTORS, REGISTERED OFFICE AND ADVISERS

Company	Light Science Technologies Holdings plc
Directors and Proposed Directors	Myles Antony Halley (*Independent Non-Executive Chairman*) Simon Lincoln Deacon (*Chief Executive Officer*) James (Jim) Edward Snooks (*Chief Financial Officer*) Andrew Mark Hempsall (*Chief Operating Officer*) Lisa Jane Clement (*Independent Non-Executive Director*) Rory Thomas James-Duff (*Independent Non-Executive Director*) Robert Graham Naylor (*Non-Executive Director*)
Company secretary	James Edward Snooks
Registered office	1 Lowman Way Hilton Business Park Hilton Derbyshire DE65 5LJ United Kingdom
Website	https://lightsciencetechnologiesholdings.com
Nominated and Financial Adviser to the Company	Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom
Broker to the Company	Turner Pope Investments (TPI) Ltd 8 Frederick's Place London EC2R 8AB United Kingdom
Legal adviser to the Company	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL United Kingdom
Reporting accountant to the Company	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB United Kingdom
Auditor to the Company	RSM UK Audit LLP Suite A, 7th Floor East West Building 2 Tollhouse Hill Nottingham NG1 5FS United Kingdom
Legal adviser to the Nominated Adviser and Broker	Memery Crystal Limited 165 Fleet Street London EC4A 2DY United Kingdom

Financial public relations adviser	Walbrook PR Limited 75 King William Street London EC4N 7BE United Kingdom
Registrar to the Company	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD United Kingdom

PART I

INFORMATION ON THE GROUP

1. Introduction

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").

UK Circuits was founded in 1997 and is a contract electronics manufacturer with strong revenue and cash generation. The Group's manufacturing facilities in Manchester, England enable the Group to design, manufacture and test high-quality CEM products used in a broad range of sectors and counts Rentokil's pest division as one of its key customers.

Light Science Technologies was founded in September 2019 and facilitates the Company's highly prospective[1] CEA operations. The Group's state-of-the-art laboratory facilities in Derby, England, enable the Group to design, and, in time, test and provide innovative CEA products and services[2].

The CEM focussed division of the Group, UK Circuits, designs, procures and manufactures high-quality CEM products, specialising in PCBs, for over 70 recurring customers, which are used in a range of sectors, including, audio, automotive, electronics, gas detection, lighting, pest control, and more recently moving into the CEA market. The UK Circuits design team works alongside customers with new and existing product designs to provide design and engineering support, including simulation, 3D modelling, and prototyping. UK Circuits' procurement offerings range from assembly of free issue components to full turnkey solutions, leveraging the experience of its dedicated supply chain team and relationships with reputable suppliers.

In addition to the Group's CEM capability, the Group's CEA division, offers integrated, cost-saving and sustainable CEA solutions to crop growers, with a focus on the indoor, vertical and medicinal farming markets, which is expected to be the major growth area for the Group going forwards in light of the market landscape and in view of competing offerings currently in the marketplace. Light Science Technologies' all-in-one CEA solution includes analysing customers' crop growing requirements to provide bespoke, low-energy products, which subsequently monitor the nine cardinals of plant life (namely air speed, carbon dioxide levels, humidity, light, oxygen, plant disease, soil, temperature and water pH levels) in order to maintain optimal growing conditions, maximise crop yields and minimise resource usage[2].

The core components of the Group's CEA offering can be divided into three areas: light, science and technology.

- **Light**: the Group's nurturGROW 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.
- **Science**: the Group's in-house laboratory services determine the optimal growing formula of, *inter alia*, lighting, nutrient, seed and water to maximise customers' crop growing capability and productivity.
- **Technology**: the Group's flagship patent pending technological development, the all-in-one prototype stage growing nurturGROW Sensor, is expected to enable farmers to monitor the following key growing factors (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 the nurturGROW Sensor will be relayed to Light Science Technologies' software application, which is in the later stages of development, where the grower can observe, in detail, the environment in which their crops grow and make adjustments as required.

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1 This is based on current live project quotes.

2 The all-in-one growing sensor and innovative transmission node for vertical farms are currently in development. The Group is currently working on this in collaboration with the Nottingham Trent University.

Light Science Technologies' research-proven plant monitoring technology and software, both currently under development, will enable the Company to provide bespoke advice depending on the crop, equipment and the grower's facilities as well to market its patent-pending hardware and technical solutions.

The Group intends to generate recurring revenues from its CEA offering through the provision of: modular light designs that facilitate efficient upgrades and replacement, software licensing of its planned monitoring application, data collection to improve Light Science Technologies' research programmes, maintenance contracts for equipment upkeep and ongoing consultancy services which provide the Company with a platform to sell bespoke crop growing enhancements from individual crop data analysis[3].

The Board

From Admission, the Board will comprise three executive directors and four non-executive directors, including the Chairman, all of whom are based in the UK. Three of the four non-executive directors are classified as independent by the Board.

Executive Directors

Simon Deacon, the Company's Chief Executive Officer, has 25 years' experience in expediting business growth, having acquired and grown companies operating in the lighting and electronics manufacturing sectors, such as Light Science Technologies and UK Circuits. Simon also co-founded a retail consultancy, Design Conformity Ltd, focused on safety and sustainability, which has been adopted by numerous global retailers and brands. The Company's Chief Operating Officer, Andrew Hempsall, is a highly experienced industry executive, with significant operational leadership experience. James (Jim) Snooks, the Company's Chief Financial Officer, has held a number of finance director positions and is a tenured chartered management accountant.

Non-Executive Directors

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

As a whole, the Board believes it has significant commercial, corporate and public company experience. Further information on the Board is set out in paragraph 14 of this Part I.

Placing and Admission

The Company has conditionally raised £5 million (gross) through the Placing. In addition, the Placing has conditionally raised £0.2 million (gross) for the Selling Shareholder. The Placing is conditional on, *inter alia*, Admission becoming effective by no later than 08:00 a.m. on 15 October 2021, or such later date as the Company, Strand Hanson and Turner Pope may agree.

The funds raised through the Placing, and which are due to the Company, will be used to accelerate the Group's growth, primarily through its CEA operations, by expanding its UK scientific laboratory grow room, enhancing marketing campaigns, product design, tooling and development, geographical expansion and for ongoing working capital purposes. An amount of the net Placing proceeds will also be invested into UK Circuits to increase manufacturing capacity.

3 The sensor technology and the software application are currently in development.

2. Key Investment Proposition

The Directors believe that an investment in the Company should be attractive to prospective investors for, *inter alia*, the reasons set out below.

Corporate

- The Company is led by a team of highly experienced board members with a combination of significant industry and public company experience, both in respect of companies quoted on AIM and captured within the LSE's Main Market.
- Based on information provided to them, HMRC has confirmed that the Company is a qualifying company under the rules of the EIS. Subject to the investor's individual circumstances and the Company continuing to meet the requirements of the EIS legislation for at least three years, an investor who subscribes for new Ordinary Shares as part of the Placing should qualify for EIS tax relief on their investment in the Company. The shares must be held for at least three years. Investors are advised to take their own advice before making an investment.

UK Circuits/CEM division

- Established position as a UK contract electronics manufacturer with a strong track record of revenue and profit generation.
- Current client base includes Rentokil's pest division (which is a blue-chip client), Cloud Electronics Limited, Calex Electronics Limited and Sensonics Limited.
- Generated £6.9 million of revenue and c. £800,000 of EBITDA* in 2020. Current forward order book of £5 million[4] for the next 6 to 9 months provides good visibility of revenue and cash flow generation.

** EBITDA is not presented within the HFI, but has been calculated by Company management from disclosures within and supporting workings to the HFI.*

Light Science Technologies/CEA division

- Operates in a fast-growing CEA industry encompassing vertical farming, glasshouse and polytunnels.
  - Market drivers include food and water shortages in many parts of the world; growing global population; UK and other government policy encouraging sustainable and efficient growth methods; increased scrutiny of the effect of food production on climate change and the continuing transition away from processed foods.
  - 'Grow lights' market, alone, has a global estimated market value of £20.5 billion and is growing at 21 per cent. CAGR[5] which is driven by the increasing focus on the sector, including the burgeoning and rapidly growing medicinal plant market which is highly dependent upon the CEA industry.
- Anticipated all-in-one CEA bespoke solutions, with in-house scientific laboratory, design, research and manufacturing capabilities, will differentiate Light Science Technologies from its competitors.
  - nurturGROW Luminaire product range has a competitive advantage in the CEA market through its modular design, facilitating ease of both LED and PCB replacement, which hosts significant cost savings and environmental benefits.
- Light Science Technologies has a substantial and growing pipeline to date, with a potential aggregate value of £40.6 million[6], with potential customers including established and start-up vertical farmers, established glasshouse growers, emerging medicinal growers and Tier 2 construction groups.
  - In addition, the contract recently signed with Zenith Nurseries (further details of which are set out in paragraph 13.1.40 of Part IV of this document), initially consisting of three sequential product development stages which are all expected to complete over the next approximate 21 month

4 As at 1 September 2021.

5 Global Grow Lights Market (2020) report by Mordor Intelligence.

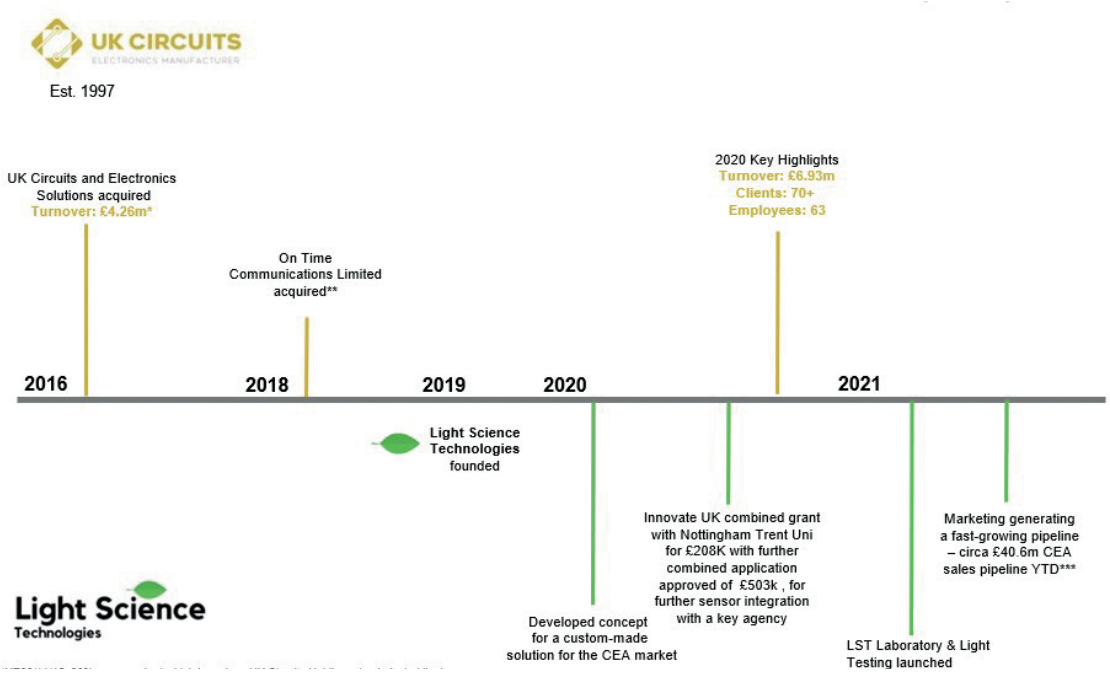
6 Figure based on current live project quotes as at 20 July 2021 and such figure remains current. Project values fluctuate as discussions evolve with potential end customers and this figure is subject to change.

period and capable of generating up to £1.28 million in revenue (this figure being subject to certain adjustments agreed between the parties under the terms of the contract detailed in paragraph 13.1.40 of Part IV of this document). Each product development stage must be successfully completed before moving to the next stage. Assuming completion of all three initial and sequential product development stages within the relevant time periods to the satisfaction of both Zenith Nurseries and the Company, this contract has the potential, albeit with no guarantee, or commitment on Zenith Nurseries' part and subject to the availability of funding by Zenith Nurseries, to secure a further contract for the Group of up to a further £12.56 million in revenue over a period of 2 to 3 years commencing after the completion of the initial product development stages.

- The Group's nurturGROW Sensor is at the prototype stage, with expected commercialisation in Q1 2022, alongside an associated software application which is being developed with an expected roll out later in 2022.
- Following completion of the development of the nurturGROW Sensor (and, later the software application), there is a potential for significant one-off revenues from hardware product sales and recurring revenues through consultancy, upgrades/replacement, data analysis and software licencing services[7].
- Robust IP infrastructure in place in order to protect its competitive products in the market and increasing the barriers to entry in a lucrative industry.

3. History and Background

Timeline



* *YE30/11/15. 90% was acquired which has given UK Circuits holding a 'majority holding'.*

** *On Time Communications was dissolved on 25 May 2021.*

*** *Estimated from current live project quotes as of 26 August 2021 and such figure remains current. Project values fluctuate as discussions evolve with potential end customers and the projects go through project gateways and consequently this figure is subject to change.*

Figure 1: the Company's development timeline (source: Company materials)

UK Circuits History

UK Circuits was founded in 1997, since then developing its position as a market leader in the CEM industry. UK Circuits has developed a diverse customer base through manufacturing high-quality hardware to

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

8 As at 1 September 2021.

customers from its UK manufacturing facility in Manchester. UK Circuits' hardware has far-reaching implementation potential, as it has many practical applications, including, *inter alia*, audio, automotive, electronics, lighting, gas detection, pest control and, more recently, moving towards CEA applications.

In 2020, UK Circuits' turnover grew by 25 per cent. to £6.9 million and its current forward order book for the next 6 to 9 months stands at over £5 million[8], providing good visibility over future revenues for the current financial year. In total, UK Circuits has a client base of over 70 clients, including names such as Rentokil's pest division, Cloud Electronics Limited, Calex Electronics Limited and Sensonics Limited.

Rentokil's pest division relationship

In 2013, UK Circuits formed a customer partnership with Rentokil's pest division to provide circuit boards for its pest control equipment. UK Circuits acts as the final stage in the supply chain for the pest division, inserting its circuit board and completing assembly of its pest control products.

In FY 2020, Rentokil's pest division made up 63 per cent. of the Group's turnover, which was significantly higher than 2019 and 2018 (30 and 33 per cent., respectively). In H1 2021, Rentokil made up 62 per cent. of the Group's turnover. This was most likely due to the high demand for pest control products during the COVID-19 pandemic, as well as general business growth in Rentokil's pest division, which more than compensated for the reduction in activity that certain other core customers experienced. Rentokil is expected to continue to be a key customer of the Group going forward, albeit at a lower percentage of contribution to total revenue than in 2020 and 2021.

CEA Opportunity/Formulation of Light Science Technologies Division

In 2019, the team partnered with a company to collaboratively solve their lighting issues with one of the first ever vertical farms built in the UK. UK Circuits' technical team researched and successfully developed the product to meet the stated requirements[9] and, in the process, recognised that the resultant energy-efficient lighting system which exhibited minimal failure rates of 0.006 per cent. represented a marketable product. As a result, the senior management team at that time identified an opportunity for this product in the agricultural sector, which led to the establishment of the Company's CEA focused subsidiary, Light Science Technologies.

Light Science Technologies was established to focus and capitalise upon the vertical farming, greenhouse, polytunnel and medicinal farming markets in which its sister company, UK Circuits, would be able to play a role initially as the supplier of the necessary PCB and certain lighting components, thus creating the opportunity to benefit from its existing operations and technical know-how. Though UK Circuits had a strong track record and continues to grow, the Board identified a more significant growth opportunity in Light Science Technologies due to the CEA market being expected to grow substantially over the short and long term due to various global behavioural transitions and the market being somewhat under-exploited worldwide.

Soon after the Board established Light Science Technologies, it, and Nottingham Trent University, received a combined grant from Innovate UK of approximately £209,000. A further combined application was made earlier this year for c. £503,000 funding to advance Light Science Technologies' research and development programme of its sensor technology, including the extension of its function for external and polytunnel application, and the rolling cloche (see further in paragraph 5.4 of this Part I). This application was with a key Government agency and has been successful.

Green Economy Mark

The Company is targeting eligibility for the Green Economy Mark, authorised by the London Stock Exchange, which is awarded to companies that generate more than 50 per cent. of their annual revenue from products that contribute to the global green economy. Light Science Technologies' products facilitate the sustainable growth of food and significantly reduce the impact that agriculture has on the environment. As the global population continues to grow, the manner in which food is grown becomes increasingly important and Light Science Technologies offers farming solutions to facilitate more sustainable production.

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9 UK Circuits' direct client was Advance (International) Limited and the reference in this paragraph is to a client of Advance (International) Limited, the end user. At the time of R&D, the technical team were in fact working for Advance (International) Limited.

As Light Science Technologies is awarded more contracts, its board expects that it will qualify for the Green Economy Mark in the near future, as revenues from its CEA products and services increase relative to the total revenues of the Group.

4. Group Structure

Upon Admission, the Group's corporate structure will be as shown in Figure 2 below.

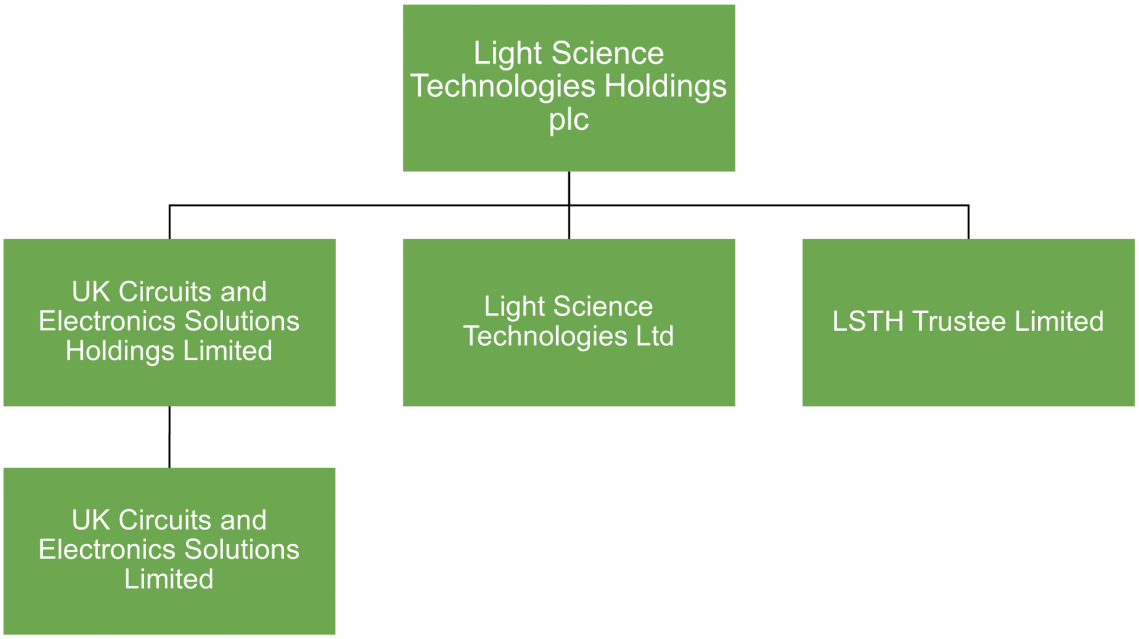


Figure 2: Group corporate structure (source: Company materials)

Note: All subsidiaries are held 100 per cent., other than UK Circuits and Electronics Solutions Limited, which is held 90 per cent. The remaining 10 per cent. is held by the vendors that the business was acquired from in 2016.

5. The Group's Products, Technologies and Services

The products, technologies and services of the Company are set out below, separated over the two divisions: CEM focused UK Circuits and CEA focused Light Science Technologies.

5.1. *UK Circuits*

UK Circuits, which specialises in Printed Circuit Board (PCB) units, has developed a diverse customer base through manufacturing high-quality CEM hardware to customers from its facility in Manchester, England. The facility is approximately 20,000 square-feet and currently employs approximately 60 people, servicing over 70 customers, many of which are long-standing. UK Circuits' senior technical team are highly skilled in circuit design and manufacturing.

UK Circuits' hardware has far-reaching implementation potential, as it has many practical applications, including, *inter alia*, audio, automotive, electronics, gas detection, lighting, pest control, and, more recently, CEA applications.

UK Circuits offers an end-to-end full turnkey service, providing design, rapid prototypes, manufacturing, quality and testing for printed circuit boards, using surface mount, conventional (through hole) assembly and more complex enclosure and "box" build and control panel assembly. The full turnkey solution is offered to customers seeking both free issue assembly and full procurement. UK Circuits' facility enables it to offer design, stock management and storage, manufacturing and assembly services and Automatic Optical Inspection.



Figure 3: Selected pictures from the Group's Manchester manufacturing facility (source: Company materials)

Design

The UK Circuits design team works alongside customers with new and existing product designs to provide design and engineering support, including simulation, 3D modelling, and rapid prototyping. This offering enables UK Circuits to identify issues and present solutions to customers from the outset. UK Circuits can value engineer existing product designs for customers and provide design and technical support for new designs and projects.

Procurement

With over 20 years' experience in global procurement, UK Circuits is able to minimise costs and secure long-term supplies, crucial for retaining repeat customers. Customers may also utilise UK Circuits' free issue assembly solution, whereby the customer supplies the parts at nil cost to UK Circuits, which are then assembled and stored. As part of the procurement service, UK Circuits handles all materials and stock, providing unique part numbers to stock items and ensuring full traceability throughout the manufacturing process. The procurement team works closely with technical support to ensure that the product delivered to the customer meets their expectations.

Technical Support

The UK Circuits technical team works with customers from the initial stages of development through to prototyping and then onto final stage manufacturing. This ensures that manufacturing efficiencies can be captured, and excellent quality delivered. UK Circuits offers assistance in testing and advice on component selection, procurement considerations, and any potential processing issues. UK Circuits also provides production readiness reviews and documentation, providing project plans to manufacture the customer's circuit board.

Manufacturing

UK Circuits offers a range of manufacturing and assembly services, including surface mount assembly, conventional (through-hole) assembly, and more complex enclosure and "box" build and control panel assemblies. In addition, harness and wiring services are offered for all internally wired and assembled enclosures and panels.

UK Circuits has invested in assembly technology and equipment to ensure all aspects of surface mount PCB assembly is executed to a high standard. UK Circuits' facility houses five semi-automated, independent production lines, with each machine having a large board capacity up to 1,200 millimetres. The facility also has six Yamaha (iPulse) SMT assembly machines, each capable of different head configurations to suit capacity and technology demands, providing high feeder capacity and a wide component range.

Quality control/accreditation

UK Circuits inspects and tests the circuit boards that it produces using both manual and automated test equipment to ensure quality compliance and future reliability. Quality testing is undertaken using two Automatic Optical Inspection systems (2 x iScan AOI Version 4.0), which check for skew errors, incorrect polarity, missing/incorrect components, tombstone, solder bridging, misplaced components, and bent leads. UK Circuits is certified to ISO9001:2015 and is WEEE and RoHS compliant.

5.2. ***Light Science Technologies' Products***

Light Science Technologies was established to facilitate the Company's entry into the CEA market and its product portfolio can be delineated in three focus areas: light, science and technology.

Light

Light Science Technologies' horticultural lighting product range, nurturGROW Luminaire, has 44 different luminaire specifications available, which are aimed at the CEA sectors of vertical farming, glasshouses and medicinal horticulture. The lights are manufactured and designed to create a specific recipe for different species of plants. The modular design enables customers to easily upgrade individual parts of each module for hardware enhancements or replacement upon redundancy or failure. Such modular design is vital for the Company's recurring revenue model, which is set out in detail in paragraph 7 of this Part I.

The nurturGROW Luminaire product range has a recyclable and reusable design, with variable fitting lengths, enabling the Company to tailor the luminaire to each customer's specification, whilst minimising the negative environmental impact associated with custom-fitting. Further, Light Science Technologies offers bespoke integration of its nurturGROW Luminaire product range into customers' existing growing facilities or tailored design to suit customers' space and requirements.

As illustrated in Figure 4 below, the nurturGROW Luminaire has a modular design that enables upgrade or replacement of the LED/PCBs without having to change any of the enclosing case or connections. Such design results in upgrades and replacements being made at lower cost, with limited wastage of materials, thereby limiting environmental damage. It is estimated by the Group that the replacement of only the LED/PCB elements results in a 33 per cent. capital expenditure saving to the customer over the lifetime of the product. Moreover, such access for customers to LED upgrades is expected to prove a valuable selling point and revenue stream for the Company given how efficiency of LEDs has substantially improved since inception and is forecast to continue.

The nurturGROW Luminaire range includes a broad spectrum of LEDs for greenhouse, medical and vertical farm horticulture.



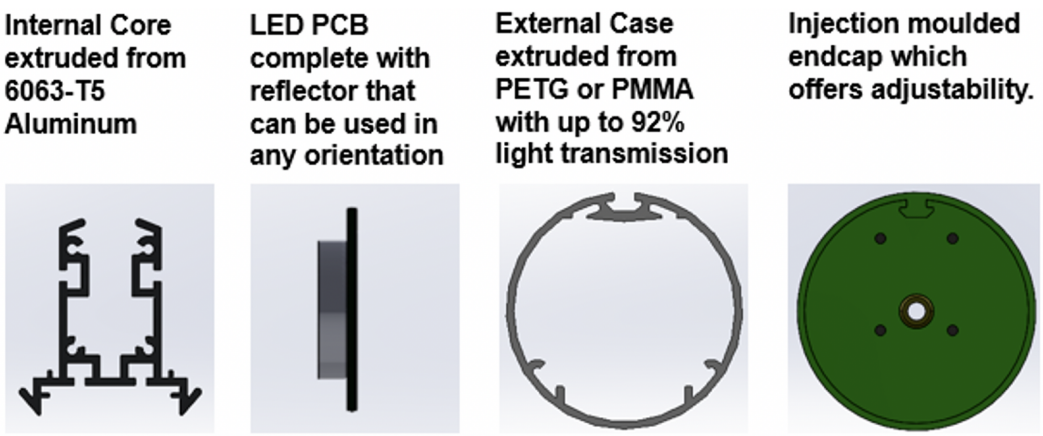


Figure 4: the nurturGROW Luminaire (source: Company materials)

Science

Light Science Technologies offers in-house laboratory services, through its facility in Derby, England. These services will seek to determine the optimal inputs for a customer to maximise crop productivity. The laboratory services include testing the effects of lighting, with the Company's nurturGROW Sensor under development, seeking to recreate the customer's growing conditions and then aiming to improve them in Light Science Technologies' scientific laboratory by reading nutrients, oxygen, seeds, and water pH variations on plant yields through various scientific trials. Concurrent input manipulation and data analysis enables the Light Science Technologies technical team to create the optimal formula for the individual crop in testing, with a focus on improving crop productivity and minimising resource usage. During such scientific studies, Light Science Technologies will test new crops in a controlled environment to ensure the effects of input variables are accurately evaluated.

Such test work, upon completion, will assist growers' future decisions through using historical data, as well as real-time data received from the all-in-one nurturGROW Sensor, detailed below. In addition, as the growers' plant production will be founded on research and subsequently monitored, if customers permit academic researchers access to their data, it will enable them to be further led by research.

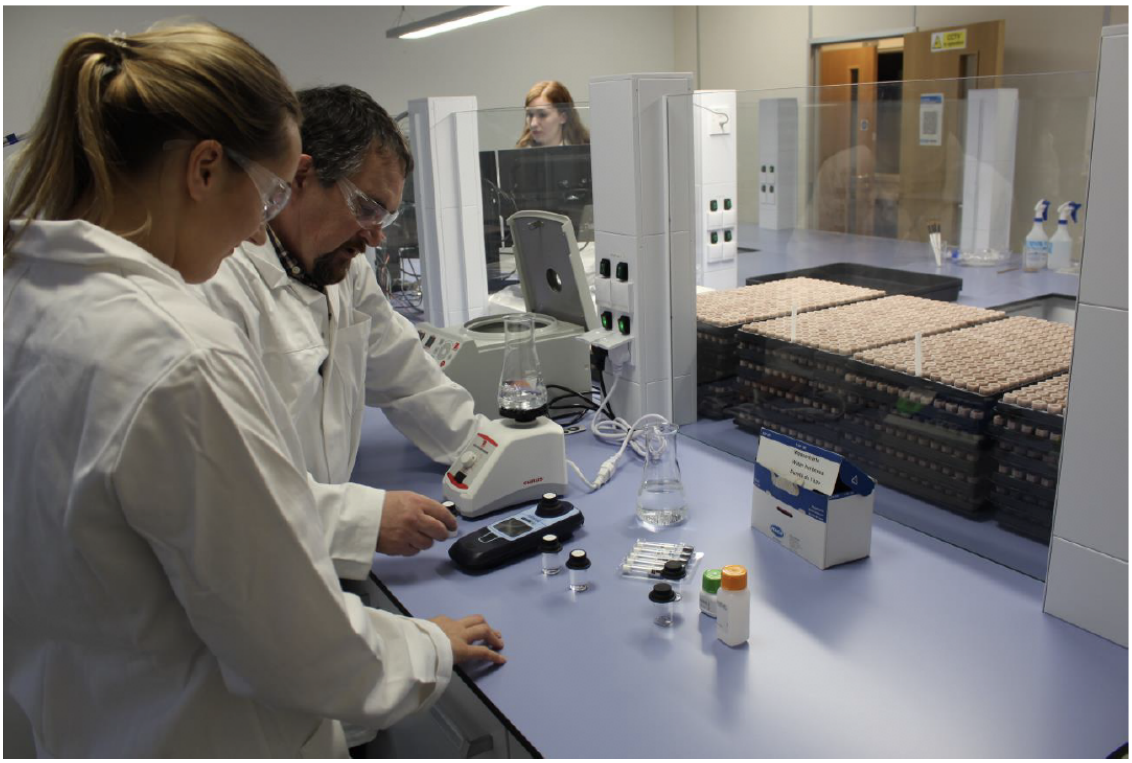


Figure 5: Light Science Technologies' in-house laboratory (source: Company materials)

Technology

Light Science Technologies' technological plant monitoring product, the nurturGROW Sensor, which is currently in development and at an advanced prototype stage, is expected to enable growers to monitor the environment in which their crops grow, through accurate data retrieval. The nurturGROW Sensor is expected to track crop performance in indoor and outdoor agricultural environments, through non-invasive implementation. Following further testing, it is expected that the nurturGROW Sensor will be available for commercial sale in Q1 2022.

It is intended that the nurturGROW Sensor will measure the nine key factors that affect the growth of crops, including air speed, carbon dioxide levels, humidity, light, oxygen, plant disease, soil, temperature and water pH levels. If successful, the data gathered from the nurturGROW Sensor will be analysed in real-time and relayed to the company's software application (which is currently in the later stages of development) where it will be presented for the customer's observation. This, in turn, enables the customer to create an optimal growing environment, by adjusting growing inputs to meet the advised recipe, thereby maximising plant productivity and yield. Furthermore, the software application is being designed to use artificial intelligence to anticipate when changes to the growing environment are required due to weather events which can impact the nine key factors.

Retrieving data for each productivity factor through one sensor enables Light Science Technologies to analyse each input concurrently, enabling customers to make real-time decisions based upon complete information of their growing environment. The nurturGROW Sensor's analysis of the growing environment is expected to enable customers to have knowledge of their crops' health far in advance of when would be humanly possible through traditional observation.

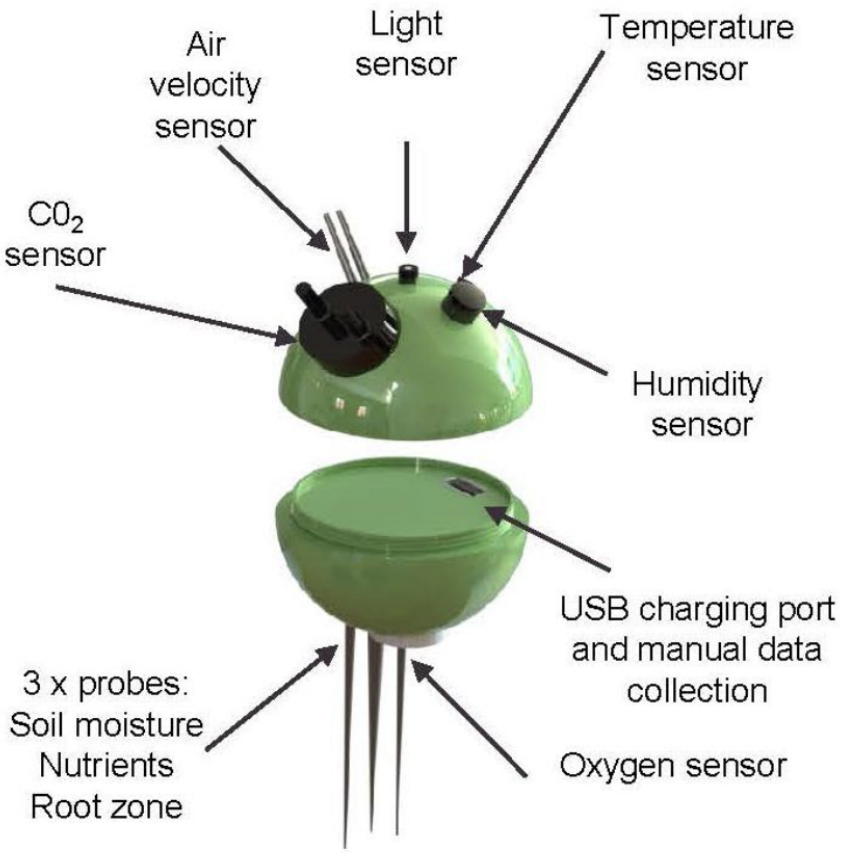


Figure 6: the nurturGROW Sensor (source: Company materials)

Light Science Technologies' software application, which is still in development pending finalisation of the prototype nurturGROW Sensor, is being designed to collect data from the nurturGROW Sensor and to display such data in real time to enable a grower to have full oversight over their farming operations and to create an effective recipe for that particular grower's enclosed environment. Furthermore, the software application is expected to be able to detect and alert any malfunctions to the customer and Light Science Technologies' maintenance team, enabling any issues to be resolved

in a time-efficient and effective manner. The company expects to be able to access the data that is relayed to the software application and, utilising crop-specific algorithms to analyse the data, improve growing recipes offered to customers. Such access to large volumes of real-world farming data is expected to enable Light Science Technologies to increase the accuracy and precision of its full-service CEA offering.

Over the medium term, Light Science Technologies intends on advancing the nurturGROW Luminaire and nurturGROW Sensor such that the data obtained by the sensor, which is relayed to the software application for analysis, is used to automatically alter the grow lights to optimal levels.

5.3. ***Light Science Technologies' Full-Service CEA Solution***

Light Science Technologies' full-service CEA solution includes analysing customers' crop growing requirements to provide bespoke, low-energy and sustainable equipment, which subsequently monitors the environment to maintain optimal growing conditions through lighting and sensor technology (once fully developed) which can monitor all of the elements which help the plant grow to maximise crop yields, whilst minimising energy usage.

Light Science Technologies' full-service CEA solution is delineated below.

- Creating the optimum growing formula for customers through in-depth, bespoke data analysis, as described in more detail in paragraph 5, Science, above.
- Provision of the appropriate equipment required to fulfil Light Science Technologies' tailored growing formula.
- Straightforward installation and maintenance of Light Science Technologies' nurturGROW Luminaire products. In addition, when the electronics reach the end of their life, or the client wishes to upgrade to a more energy efficient product, Light Science Technologies' design allows for the body of the product to remain in situ while the internal electronics can be replaced, resulting in both environmental benefits and reduced maintenance costs for the customer.
- The nurturGROW Sensor is expected to be able to continuously monitor the growing environment and crop productivity, relaying key data to the grower enabling real-time decisions to be made, which maximise crop yields and health.
- Light Science Technologies' software application is expected to provide a platform for growers to observe, in real-time, the key data collected from the nurturGROW Sensor and, in the future, make automatic lighting adjustments and enable growers to control the growing environment of their crops remotely.
- Light Science Technologies' recommended crop growing strategies minimise the space required for successful farming, which further increases customers' output capacity, improving profitability.

5.4. ***Cloche***

Light Science Technologies' immediate focus is on developing a turnkey, intelligent LED grow-lighting cloche/rig that combines both the nurturGROW Sensor, currently under development, and nurturGROW Luminaire with inbuilt crop husbandry semi-automation system, for soil-based growing within polytunnels and glasshouses. Subject to the various development stage gates, the solution will be designed to fit across a standard-sized glasshouse and polytunnel and move across the crops, providing growers with a tailored supplementary hybrid lighting (LED and natural light) and targeted, actionable data insights of the nine cardinals of plant life and soil health, based upon the data collected.

To trial the approach and new market entry, the LED grow-lighting cloche/rig development was successfully awarded a funding grant from a key Government agency of £503,000 in June 2020. Light Science Technologies will develop this solution as part of a consortium including Morrish Engineering Limited as an engineering partner, and Zenith Nurseries, as an agronomist and growing partner.

The solution is intended to extend the use of the nurturGROW Sensor currently in development, to new market applications such as polytunnels and agriculture fields. Once developed, Light Science Technologies' intelligent LED grow-lighting cloche/rig is expected to be the first retrofittable, all-in-one

lighting-sensing-automation rig designed for polytunnels and glasshouses, bringing controlled environment technology to growers.

The project will be broken into four stages to prototype, develop and commercialise the offering. The first three trial stages will run sequentially over an aggregate estimated 21-month period.

- In stage one, commencing November 2021, the consortium will develop the cloche lighting system and seek to demonstrate how it can improve yields to develop, validate and manufacture a prototype. This prototype will be tested within Zenith Nurseries' existing growing site over six months to validate the data.
- Subject to completion of stage one, in stage two, the prototype will be scaled over an increased area by Zenith Nurseries to trial the approach on a larger scale during the next six-month period.
- Subject to completion of the previous two stages, in partnership with the consortium, for the final trial stage, it is expected that the cloche system will be further developed over an approximate nine-month period to include semi-automation tools, to increase the potential growing space and improve efficiency, thereby reducing the payback period.
- Should the first three trial stage gates all be successfully achieved, to both Zenith Nurseries' and the Company's reasonable satisfaction within the relevant time periods, as agreed under the contract detailed in paragraph 13.1.40 of Part IV of this document, Zenith Nurseries plans to roll out the developed solution over the majority of its nurseries, with the potential, but with no guarantee or commitment on Zenith Nurseries' part and subject to availability of funding by Zenith Nurseries, for orders up to a value of £12.56 million being placed with the Group over a 2 to 3 year period following completion of the initial trial stages noted above.

With an initial potential UK market of 4,000 industrial growers, producing over 300 types of field-scale and protected vegetable and salad crops, and tree and berry fruits, the solution, if successful, will aim to improve productivity by increasing yields. The solution will look to help growers by providing a possible solution to labour shortages, reduce the need for import substitution by extending the harvest window and consistency, remove the need for harvesting machinery/pickers tracks, reduce pathogen infiltration and utilise UVC-Lighting disease management.

5.5. ***Alternative potential applications and revenue streams***

Leveraging the Group's expertise in sensor technology and LEDs, research and development is being undertaken into the design of sensors able to track a person's health by developing non-invasive devices which are smaller in size than those devices currently available on the market. Research is focussed on creating a device capable of measuring heart rates and blood glucose levels in real-time by combining Multi Wavelength Photoplethysmography, which is commonly used in many healthcare and wearable devices, with Photospectroscopy, which utilises multi-wavelengths. The photodetector in the figure below is typical of the Photoplethysmography devices, being limited to either Red or Red and Far Red wavelengths of light.

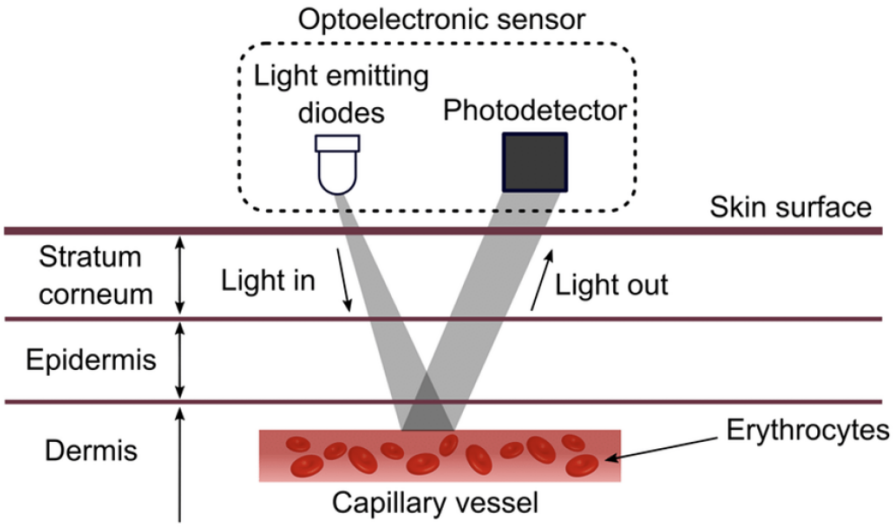


Figure 7: Photoplethysmography (source: Company materials)

5.6. ***Intellectual Property, Patents and Trademarks***

The use of patents and trademarks is central to the Company's strategy and the development of a strong vertical chain. A Patent Attorney specialising in agricultural and healthcare products has been engaged by the Company and it has adopted a "picket fence" IP strategy where the existing patent pending core technology products, the nurturGROW Luminaire and nurturGROW Sensor, will be surrounded by further incremental innovations.

The Company also has three EU Trademarks granted, which are currently in the process of being extended to the UK following Brexit.

6. CEA Market Opportunity

The CEA market is a fast-growing industry encompassing vertical, glasshouse, polytunnel and medicinal farming, which is driven by, *inter alia*, the following factors.

- Food and water shortages borne from the increasing global population and the effects of climate change.
- Government policy across many countries developing to encourage sustainable and efficient food growing methods. In particular, there is a subsidised move in many countries to replace high energy HPS lamps in glasshouses with more energy efficient LED lamps.
- The transition away from processed foods to healthier diets, rich in fruit and vegetables. In addition, the Board believes that, particularly, the younger generations of the developed world are more conscious of quality and nutritional elements of food.
- The global grow lights market, alone, has an estimated market value of £20.5 billion[10] and is growing at 21 per cent. CAGR.

7. Revenue Model

CEM Operations

The Company's historic revenue generation through UK Circuits has proven to be robust and exhibits a steady growth trajectory, which the Board believes will be enhanced through increased marketing campaigns. In the financial year ended 30 November 2020, UK Circuits' revenue increased by 25 per cent. on the prior year to £6.9 million and its current forward order book stands at over £5 million for the next 6 to 9 months, providing good visibility over future revenues for the current financial year. In total, UK Circuits has a client base of over 70 clients, including blue chip names such as Rentokil's pest division, Cloud Electronics Limited, Calex Electronics Limited and Sensonics Limited.

Rentokil's pest division relationship

In 2013, UK Circuits formed a customer partnership with Rentokil's pest division to provide circuit boards for its pest control equipment. UK Circuits acts as the final stage in the supply chain for the pest division, inserting its circuit board and completing assembly of its pest control products.

In FY 2020, Rentokil's pest division made up 63 per cent. of the Group's turnover, which was significantly higher than 2019 and 2018 (30 and 33 per cent., respectively). In H1 2021, Rentokil made up 62 per cent. of the Group's turnover. This was most likely due to the high demand for pest control products during the COVID-19 pandemic, as well as general business growth in Rentokil's pest division, which more than compensated for the reduction in activity that certain other core customers experienced. Rentokil is expected to continue to be a key customer of the Group going forward, albeit at a lower percentage of contribution to total revenue than in 2020 and 2021.

CEA Operations

The Board is targeting two primary areas of the CEA market, namely Tier 1 and Tier 2, the market sectors encompassing glasshouses, vertical farming and polytunnels, supporting crop growth all year round. The Tier 1 participants are direct crop growers, who can range from individual to large organisations.

10 Global Grow Lights Market (2020) report by Mordor Intelligence.

The Tier 2 market is defined as the companies that manage the construction of CEA farms for growers, in such cases Light Science Technologies being one step removed from final use of its products.

Furthermore, the Board recognises the opportunity for Light Science Technologies to sell its nurturGROW product range to wholesale lighting retailers, which can add their own logo to the product, which would widen the Company's brand reach and expand its customer base to Tier 3 (typically defined as large distributers) customers as well.

Laboratory

Its laboratory enables Light Science Technologies' technical teams to analyse the effects of varying inputs on crop yields, thereby determining optimal growing recipes, as detailed in paragraph 5, *Science*, above. Completion of such research provides Light Science Technologies with a database from which it can analyse in order to recommend products to the customer to maximise crop productivity.

Light Science Technologies is in the process of building a network of partnerships with seed, nutrient, growing medium and control system manufacturers to generate additional potential revenue streams. In addition, Light Science Technologies will seek to benefit from research grants from bodies such as Innovate UK which have provided combined funding of approximately £209,000 towards a research project with Nottingham Trent University, focused on the feasibility of the development of an all-in-one nurturGROW Sensor. The partnerships with academia also serve to validate and give additional credence to Light Science Technologies' products and research. Further relationships are being built with a number of other research organisations, including The University of Nottingham, The University of Derby and Pershore College, a National Centre for Horticulture.

Lighting Products & Maintenance

Light Science Technologies expects to benefit from both one off and recurring revenues through the sale of nurturGROW Luminaires. As described in detail in paragraph 5.2, *Light*, above, the nurturGROW Luminaire's modular design of its luminaire products provides customers with the ability to change the LED and PCB parts of its nurturGROW equipment when they wish to upgrade or replace it.

Customers are expected to replace their Light Science Technologies' LEDs once every 5-7 years to maintain productive efficiency and advantage. The modular design results in the customer being able to replace certain modules cost-effectively and time-efficiently, as required. As Light Science Technologies' nurturGROW Luminaire products are being designed to be able to relay information to the software application (which is currently in development), through the nurturGROW Sensor, any failures will be immediately actioned for repair or replacement, thereby minimising down-time and the hindrance to crop yield. In addition, the Company's research and development team will seek to continually improve the technology included in the nurturGROW products, which the Company intends to offer to customers as modular upgrades to their existing equipment. It is anticipated that customers will benefit from technological advances, expected to primarily come from energy efficiency.

It is anticipated that product upgrade and obsolete replacements will generate a significant cost saving for the customer alongside a reduction of risk and provide a recurring revenue stream for Light Science Technologies. Light Science Technologies plans to offer customers fixed price maintenance contracts from four to 25 years. It is anticipated that such contracts will assist Light Science Technologies in establishing long-term relationships with customers and therefore the recurring revenue stream.

In this regard, and as previously noted, Light Science Technologies is developing a turnkey, intelligent LED grow-lighting cloche/rig that combines both the nurturGROW Sensor and nurturGROW Luminaire with inbuilt crop husbandry semi-automation, for soil-based growing within polytunnels and glasshouses. Subject to the various development stage gates, the solution will be designed to fit across a standard-sized glasshouse and polytunnel and move across the crops, providing growers with a tailored supplementary hybrid lighting (LED and natural light) and targeted, actionable data insights of the nine cardinals of plant life and soil health, based upon the data collected.

To trial the approach and new market entry, the LED grow-lighting cloche/rig development was successfully awarded a funding grant from a key Government agency of £503k in June 2020. Light Science Technologies is developing this solution as part of a consortium including Morrish Engineering Limited, as an engineering partner, and Zenith Nurseries, as an agronomist and growing partner.

Consultancy

Subsequent to the purchase of Light Science Technologies' products, Light Science Technologies plans to provide customers with ongoing consultancy services to discuss the effectiveness of their products, whether any upgrades are advised and seek to resolve any new issues and explore new initiatives and developments. It is anticipated that such meetings will enable the Company's employees to develop personal, long-term relationships with Light Science Technologies customers.

Technology and Software Licensing

Customers will be able to obtain a full oversight over their growing operations through the use of Light Science Technologies' software application, which is in development and which will allow for the display of information gathered from its nurturGROW Luminares and nurturGROW Sensors in real time.

The Company will be able to access the data that is relayed to the software application and, utilising crop-specific algorithms to analyse the data, improve the growing recipes offered to customers. It is anticipated that such access to large volumes of real-world growing data will enable Light Science Technologies to increase the accuracy and precision of its all-in-one CEA offering.

Recurring Revenues

The Company plans to operate a recurring revenue model, based on long term partnerships with customers to provide the opportunity for recurring revenue streams. Firstly, the lab will create the growing recipe for the customer, following which there is expected to be the initial nurturGROW Luminaire and nurturGROW Sensor order.

From this, there is expected to be an ongoing partnership with Light Science Technologies' lab analysing the data and feeding back to the customer. The Company can also assist in ensuring that the farm keeps running with its preventative maintenance programme. The lab will also be available to provide advice on the introduction of new crop recipes or yield developments. Then, as per general industry standard, every 5 to 7 years, the lighting elements should be replaced with the latest in LED technology. All of this comes together to deliver a strong vertical chain to enable client retention and recurring revenues for up to 25 years.

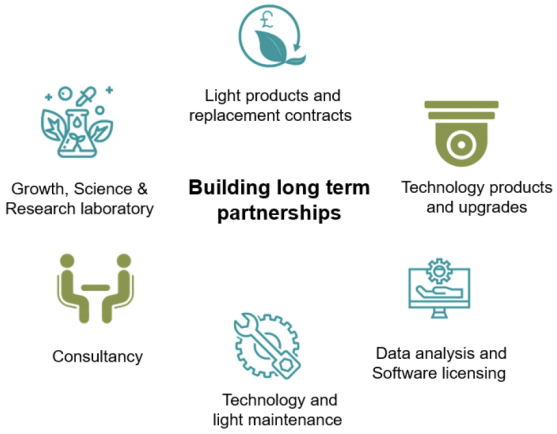


Figure 9: Light Science Technologies' planned long term recurring revenue partnership model (source: Company materials)

8. CEA Contract Pipeline

In addition to the work being undertaken with Zenith Nurseries, Light Science Technologies has generated a pipeline of potential customers, with an aggregate value of £40.6 million including, *inter alia*, the following potential contracts.



* *Estimated from current live project quotes as of 26 August 2021 and such figure remains current. Project values fluctuate as discussions evolve with potential end customers and the projects go through project gateways and consequently this figure is subject to change.*

There can be no certainty that any of the potential orders contained within the pipeline will come to fruition or as to the ultimate value, or timing of revenues from, any of the contracts secured.

9. Financial Information and Current Trading

Part III of this document contains audited historical financial information (HFI) of the Group for the three and a half year period ended 31 May 2021. The following financial information has been derived from the financial information contained in Part III of this document and should be read in conjunction with the full text of this document. Please note that the accountant's report on the Group's historical financial information contains qualified opinions for the financial years ended 30 November 2018, 2019 and 2020. Full details of these qualified opinions and the reasons for these are set out in Section A of Part III of this document. Investors should not rely solely on the information summarised below. The total revenue for the Group for the three and a half year period ended 31 May 2021 has been derived solely from its CEM activities wholly undertaken in the UK. As of 31 May 2021, the Group's CEA division had not generated any revenue.

Year ended 30 November	*2020*	*2019*	*2018*
Revenue	6,937,426	5,560,272	5,647,876
Gross profit	1,549,687	1,304,432	1,279,549
Gross profit margin*	22.3%	23.5%	22.7%
Adjusted EBITDA*	807,181	624,761	532,888
Profit on ordinary activities before taxation	63,995	93,409	231,640

Half year ended 31 May	*2021*	*2020*
Revenue	3,416,631	3,284,525
Gross profit	806,411	714,694
Gross profit margin*	23.6%	21.8%
Adjusted EBITDA*	361,825	324,085
Profit/(Loss) on ordinary activities before taxation	(923,440)	133,114

* *Gross profit margin and Adjusted EBITDA are not presented within the HFI, but have been calculated by Company management from disclosures within and supporting workings to the HFI. Adjusted EBITDA is based on the UK Circuits and Electronics Solutions Holdings Limited segment (referred to as Segment One or S1 in the HFI) and includes an add back of £102k Restructuring costs in relation to On-Time Communications Ltd, for 2019; and an addback of £150k for a cashless management charge raised by Light Science Technologies Holdings plc post-restructuring, for HY21*

Historical trading

Group revenue (attributable to UK Circuits) increased from 2018 to 2020 by approximately £1.3 million, principally driven by the growth in sales to the Group's largest customer, Rentokil. Approximately £100,000 costs associated with the integration of On-Time Communications impacted upon FY2019 profit, while approximately £500,000 costs associated with the establishment of Light Science Technologies impacted upon FY2020 profit.

The reported H1 2021 revenue weighting is consistent with that for H1 2020, in that it includes the shorter working month of December (given the customary Christmas/New Year closedown in the UK manufacturing sector) and typically H2 revenue weighting is higher than H1.

Approximate total costs of £1.15 million associated with the further development of Light Science Technologies (c.£780,000) and the Admission process (c.£367,000), impacted upon HY21 profit.

Current trading

UK Circuits' revenue year to date has witnessed marginal growth versus the same period in FY2020, with a forward order book that, as at 1 September 2021, stands at over £5 million, with a substantial proportion of this expected to be realised in this financial year, and the balance in the first half of the next financial year. The Company continues to build its forward order book for UK Circuits.

As a result of global supply chain constraints, due to the effects of COVID-19 related disruptions, UK Circuits currently retains a higher inventory balance, where appropriate, in order to facilitate fulfilment of its customers' orders in as efficient and timely manner as possible, and this has required greater cash expenditure. UK Circuits has sought to mitigate any procurement constraints through utilising alternative product sources and acquiring substitute goods, where appropriate, which are more readily available in the marketplace. This often results in greater costs, however customers are accustomed to such price increases due to the worldwide effect of the current supply chain constraints.

As described above, Light Science Technologies' immediate focus is on developing a turnkey, intelligent LED grow-lighting cloche/rig that combines both the nurturGROW Sensor and nurturGROW Luminaire, for Zenith Nurseries.

Subject to the cloche/rig project successfully progressing through all of the first three trial stage gates (over the next 21 months), to the satisfaction of both the Company and Zenith Nurseries, which could deliver up to £1.28 million in revenue to the Group (this figure being subject to certain adjustments agreed between the parties under the terms of the contract detailed in paragraph 13.1.40 of Part IV), there is the potential (but with no guarantee or commitment from Zenith Nurseries and subject to availability of funding by Zenith Nurseries) for final stage orders from Zenith Nurseries of up to a total value of £12.56 million over a period of 2 to 3 years commencing after the completion of the first three trial stage gates.

This is in addition to orders resulting from the Company's current pipeline of £40.6 million, which, should they materialise, of which there is no guarantee, would likely be spread across financial years 2022 to 2024.

As a result of continued investment into Light Science Technologies since the end of H1 2021, particularly in relation to the recruitment of additional staff, and further costs associated with Admission, the Group continues to be loss making.

10. Competitive Environment

UK Circuits

According to a Plimsoll report (2021), the top 197 industry participants within the CEM market had a combined turnover of £2.3 billion in 2020, with growth of 11.12 per cent. on the previous year. The Directors believe that the industry has low levels of concentration, therefore differentiation is difficult.

Based on the Directors' experience, customers value quality, speed of response and competitive price in the sector. There are opportunities arising from a trend of existing and potential customers reshoring supply chains from the Far East due to COVID-19 and also buying British, as a consequence of Brexit. Both of these market trends have featured in recent new business enquiries.

Light Science Technologies

Light Science Technologies operates in a fast-growing market which the Directors believe will attract new competitors, as the agriculture industry adopts more sustainable growing methods through CEA. In addition to the fact that Light Science Technologies' planned full service solution creates a complete offering that increases barriers to entry for competitors, many of Light Science Technologies' products, the Directors believe, based on their own research, individually exhibit significant advantages over competitors.

Bespoke Product Design Service

Currently, the CEA market has numerous manufacturers of energy efficient lighting, as there are limited barriers to entry and entry-level products do not require extensive research or complex manufacturing processes[11]. However, again, based on their own research, the Board believes that there are very few, if any, other companies that offer bespoke product design services to customers. The provision of such services is key to indoor and vertical farming due to the nature of the growing environment being more complex and requiring tailored sizing and arrangements in order to gain the greatest benefit from the reduced space needed for CEA.

Maintenance/Service Package

At present, based on the Board's own research, none of Light Science Technologies' main competitors offer customers maintenance packages for CEA equipment, however the Board believes that through the nurturGROW Sensor relaying any failures in not only the lighting, but other environmental elements such as air speed, temperature, nutrients and water, the Company will be able to effectively monitor and efficiently repair any issues that arise as well as identifying any possible energy savings by adjusting the environment in accordance with the plant's growth stage.

Laboratory Facilities

Though there is significant research into methods and efficiencies of crop growth, including in the CEA market, there are few competitors that offer bespoke research services that extend out from lighting into the other eight factors of crop growth, which the Board view as vital for indoor farming, as it requires precise conditions to reap benefits of such growing methods.

Recyclable Products

Light Science Technologies has a unique advantage in the level of sustainability that its products offer. The nurturGROW Luminaire product range has a recyclable design, with variable fitting lengths, enabling the Company to tailor the luminaire to each customer's specification, whilst minimising the negative environmental impact associated with custom-fitting. Further, the ease of changing the LED and PCB parts of the nurturGROW Luminaires results in significantly reduced material waste from redundant or damaged equipment.

Crop Monitoring Technology

The Company's flagship nurturGROW Sensor technology is expected to have the ability to monitor all of the nine generally accepted key input factors that affect crop growth and productivity. The Board believes that there are no competing products in the market that offer the data gathering that the nurturGROW

11 Based on Global Grow Lights Market (2020) report by Mordor Intelligence.

Sensor is expected to be able to. The Board further believes that the integration of the nurturGROW Sensor, once commercialised, into Light Science Technologies' wider CEA solution will increase the barriers to entry for competing products. Furthermore, Light Science Technologies' integrated network will enable monitoring and control of the growing environment in real-time.

Competitor Offerings

The early grow light market participants from around 2009 were larger, generalised commercial and domestic lighting manufacturers such as Koninklijke Philips N.V., Osram Licht AG and General Electric Company. Lighting, in itself, was initially the focus, before adding lighting control systems and sensors in response to new entrants such as Valoya Oy and Heliospectra AB's extended offerings. There are also a number of growing system providers, such as LettUs Grow Ltd, Vertical Future Limited or AeroFarms, LLC that supply containers set up for vertical farming, or racking systems that fit within a vertical farm.

As the industry increases its understanding of how the CEA environment can positively impact upon plant growth and yields, there are a number of existing industry participants from lighting, sensors and growing systems that have implemented scientific laboratories to validate their products and services. There are, however, nine cardinals of plants' life that affect plant growth, and industry participants are targeting these other eight cardinals, such as nutrient delivery, temperature and air speed.

There are no companies, to the knowledge of the Directors, that focus on sensing and analysing all nine cardinals as Light Science Technologies' nurturGROW Sensor is planned to do.

11. Future Strategy of the Group

With marketing efforts to date, the Company has established, what the Directors believe to be, a strong pipeline of potential orders[12] for its CEA offering and intends to apply the net proceeds of the Placing to delivering on these potential orders, as well as expanding its marketing efforts to generate new business opportunities in the CEA sector, and, in time, the healthcare sector, both in the UK and abroad.

The Company will also focus its efforts on the expansion of its laboratory to augment its research capabilities into optimal growing recipes, which will be leveraged to manufacture equipment and formulate growing strategies for future customers.

UK Circuits is already a well-established and cash generative business so the Company's future strategy for this division focuses on extending its services to additional markets such as medicinal and defence by implementing the following additional quality related accreditations:

- IPC-A-610 – an association connecting electronic industries
- Medical – ISO 13485
- Rail – RISQS
- Defence, security, space – JOSCAR

Other areas of investment into UK Circuits that the Company will pursue, utilising part of the net proceeds of the Placing, include further automation of two SMT lines, additional quality management control and an expansion of new business generation capacity.

12. Placing and Admission

Under the terms of the Placing Agreement, Turner Pope has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares and Strand Hanson has agreed to act as Nominated Adviser to the Company for the purposes of Admission. The Company and the Directors have given certain customary warranties as to the Group and its operations and the Company has given an indemnity to Turner Pope and Strand Hanson. The Selling Shareholder has provided certain warranties and indemnities to Turner Pope and Strand Hanson.

12 As at 1 September 2021.

The Placing, which is not underwritten, is conditional on the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission and Admission having occurred by 15 October 2021 (or such later date as Turner Pope, Strand Hanson and the Company may agree, being no later than 29 October 2021).

The Placing comprises the issue of 50,000,000 new Ordinary Shares, which subject to Admission, will represent approximately 28.7 per cent. of the Enlarged Share Capital and will raise £5 million gross of expenses. The estimated net proceeds of the Placing receivable by the Company are approximately £3.9 million. In addition, the Placing has conditionally raised £0.2 million gross for the Selling Shareholder.

Further details of the Placing Agreement are set out in paragraph 13.1.1 of Part IV of this document. The Directors believe that Admission will, *inter alia*:

- enable the Company to access investors and raise funds for the development of the Group;
- provide the flexibility to raise capital for future corporate acquisitions and, potentially, to use its quoted securities as consideration for such acquisitions;
- provide the ability to incentivise key employees through the issue of share options; and
- raise the profile of the Company among investors and give confidence to customers, suppliers and regulatory authorities.

13. Use of proceeds

The net proceeds of the Placing receivable by the Company will principally be used to further develop the Company's operations and to support existing and future contracts.

Workstream	*Allocation*
Expansion of UK scientific laboratory (grow room) & equipment	£750,000
Marketing costs to publicise the Company's innovative technologies	£350,000
Establishment of intellectual property for proprietary products	£50,000
Product design, tooling & development	£500,000
Support Light Science Technologies' go-to-market activity in the Netherlands	£600,000
Automation and testing equipment UK Circuits	£500,000
General working capital, including costs associated with the Placing and Admission	£2,500,000
Total	**£5,000,000**

14. Directors and Senior Management

With effect from Admission the Board will consist of three Executive Directors and four Non-Executive Directors, details of whom are set out below, along with details of the Company's senior management.

As at the date of this document, Simon Deacon and Rob Naylor are Directors of the Company. Myles Halley, Andrew Hempsall, Jim Snooks, Rory James-Duff and Lisa Clement are Proposed Directors, whose appointment to the Board will take effect on Admission.

14.1. ***Directors and Proposed Directors***

Myles Antony Halley, *Independent Non-Executive Chairman (aged 65)*

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 (aged 48)*

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

Andrew Mark Hempsall, *Chief Operating Officer (aged 52)*

Andrew Hempsall is a highly experienced industry executive, with significant operational leadership experience. Andrew has worked in many commercial roles, driving company operations, particularly in the manufacturing sector. He has gained experience in leading teams through roles as Operations Director and General manger – 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 (aged 50)*

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.

Rory Thomas James-Duff, *Independent Non-Executive Director (aged 43)*

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.

Currently, Rory is a Director, Head of Commercial Partnerships with Groundwork Services Ltd, a firm focused on supporting, developing and growing innovate and sustainable UK businesses.

Rory holds a BCom degree from the University of Edinburgh.

Lisa Jane Clement, *Independent Non-Executive Director (aged 54)*

Lisa Clement has held positions as Chief Financial Officer, Non-Executive Director and Senior Independent Director. 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.

Robert (Rob) Graham Naylor, *Non-Executive Director (aged 46)*

Robert Naylor has 24 years' experience in capital markets. Robert was most recently at Cenkos Securities plc as head of corporate finance and corporate broking in the investment funds team. Prior to that, Robert has held roles as co-head of the investment funds team at Panmure Gordon (UK) Limited and executive director, head of product development in the investment trust team at JPMorgan Asset Management Limited. Robert has advised a number of public Healthcare and Life Science companies including BBI Holdings plc, Collagen Solutions plc, EKF Diagnostic Holdings plc, Scancell Holdings plc, Yourgene Health plc (previously Premaitha Health plc) and Immunodiagnostics Systems Holdings plc.

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

Robert is the Chief Executive Officer of Intuitive Investments Group plc, the Company's 7.6 per cent. shareholder on Admission, and therefore is not considered independent.

14.2. ***Senior Management***

Daryl Alexander Hollands, Group Management Accountant (aged 28)

Daryl commenced his accountancy training as a purchase ledger administrator with Ischebeck Titan Ltd, before progressing to the position of Group Management Accountant. Subsequently, Daryl joined the group in 2018 as the Group Management Accountant.

Daryl is an ACA chartered accountant.

15. Lock-In and Orderly Market Arrangements

Each of the Group A Locked-in Persons has undertaken to the Company, Strand Hanson and Turner Pope that, save in certain customary circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the 12 months following that period, that they will only dispose of their holdings with the consent of the Company's nominated adviser and Turner Pope and then through the Company's broker in such manner as they may require so as to maintain an orderly market in the Ordinary Shares.

Each of the Group B Locked-in Persons has undertaken to the Company, Strand Hanson and Turner Pope that, save in certain customary circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 6 months from the date of Admission and, for the 6 months following that period, that they will only dispose of their holdings with the consent of the Company's nominated adviser, Turner Pope and the Company, and then through the Company's broker in such manner as they may require so as to maintain an orderly market in the Ordinary Shares.

In total, 116,780,000 Ordinary Shares representing 67.1 per cent. of the Enlarged Share Capital at Admission are subject to the prohibitions on disposals described above in this paragraph.

Further details of the lock-in and orderly market arrangements are set out in paragraph 13.1.4 of Part IV of this document.

16. Corporate Governance

The Directors acknowledge the importance of high standards of corporate governance and intend, given the Group's size and the constitution of the Board, to comply or explain with the principles set out in the QCA Code. The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies, particularly AIM companies.

From Admission, the Company's website at https://lightsciencetechnologiesholdings.com will set out full details of the Company's corporate governance policies and adherence to the QCA Corporate Governance Code, including where it departs from its recommendations.

The Board notes that the Company does not comply with Principle 7 of the QCA Code, being the requirement to evaluate board performance based on clear and relevant objectives, seeking continuous improvement. Given the size and nature of the Company, the Board does not currently consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code but will closely monitor this situation as the Group develops.

The Board is responsible for determining policy and business strategy, setting financial and other performance objectives and monitoring achievement throughout the year and all major decisions will be taken by the full Board. The Chairman will take responsibility for the conduct of the Company and Board meetings and ensures that directors are properly briefed to enable full and constructive discussions to take place. The Group's day-to-day operations will be managed by Simon Deacon as Chief Executive Officer. All

Directors will have access to the Company's solicitors, along with the Company Secretary and any Director requiring independent professional advice in the furtherance of his/her duties may obtain such advice at the expense of the Company.

Upon Admission, the Board will comprise seven Directors, three of whom shall be Executive Directors and four of whom shall be Non-Executive Directors, reflecting a blend of different experiences and backgrounds as described in paragraph 14 of this Part I. The Board considers that Myles Halley, Lisa Clement and Rory James-Duff are independent within the context of the QCA Code. The Board believes that the size and composition of the Board is appropriate given the size and stage of development of the Group and that the Directors brings a desirable range of skills and experience in light of the Group's challenges and opportunities following Admission, while at the same time ensuring that no individual (or a small group of individuals) can dominate the Board's decision making.

The Company's proposed corporate governance practices are described below.

The Board

The Board is responsible for the overall management the Group. The Board will meet at least 10 times a 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.

Audit and Risk Committee

The Audit and Risk Committee will have the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of the Company is properly measured and reported on. It will receive and review reports from the Company's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Risk Committee will meet not less than two times in each financial year and will have unrestricted access to the Company's external auditors. The Audit and Risk Committee will also be responsible for monitoring the Company's compliance with AIM Rules and MAR obligations. The members of the Audit and Risk Committee shall include two Independent Non-Executive Directors, Myles Halley (as Chairman) and Lisa Clement, and Rob Naylor.

Remuneration Committee

The Remuneration Committee will be responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the Chief Executive Officer, the chairman of the Board (where executive) and such other members of the executive and senior management as it is designated to consider. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary, but at least twice each year. The members of the Remuneration Committee shall include two Independent Non-Executive Directors, Lisa Clement (as Chair) and Myles Halley, and Rob Naylor.

Nominations Committee

The Nominations Committee will be responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The Nominations Committee will be chaired by Lisa Clement, with its other members being Rory James-Duff and Simon Deacon.

Bribery and anti-corruption policy

The Company has adopted a Company-wide anti-corruption and bribery policy which applies to the Board, employees of all its subsidiaries and associated persons of the Company. It sets out their responsibility to observe and uphold a zero-tolerance position on bribery and corruption in the jurisdictions in which the Company operates, as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, agency workers, suppliers, contractors, agents, sponsors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

17. Relationship Agreement

In light of Simon Deacon's aggregate shareholding in the Company immediately following Admission, as set out in paragraph 13.1.5 of Part IV of this document, Simon Deacon has entered into the Relationship Agreement with the Company and Strand Hanson in order to regulate the relationship between Simon Deacon and the Company.

The Relationship Agreement will apply whilst Mr Deacon and his associates hold at least 15 per cent. in aggregate of the voting rights attached to the Ordinary Shares. It is intended to ensure that the Company will at all times remain capable of carrying on its business independently of Mr Deacon and his associates and that the Group and the Business shall be managed for the benefit of the Shareholders as a whole.

The Relationship Agreement grants Mr Deacon the right, whilst he and his associates together continue to hold 10 per cent. or more of voting rights attached to the Ordinary Shares, to nominate one director for appointment to the Board (provided Mr Deacon is not himself already in office as a director).

Further details of the Relationship Agreement are set out in paragraph 13.1.5 of Part IV of this document.

18. Share Dealing Policy

The Company has adopted a share dealing policy regulating trading and confidentiality of inside information for persons discharging managerial responsibility ("**PDMRs**") and persons closely associated with them which contains provisions appropriate for a company whose shares are admitted to trading on AIM. The Company takes all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of that share dealing policy.

19. Dividend Policy

The Ordinary Shares rank equally for all dividends and other distributions declared, paid or made in respect of the ordinary share capital of the Company. The Company has not paid any dividends since incorporation.

It is the current intention of the Directors to retain any earnings arising from the Group's activities to fund its working capital needs and to achieve capital growth. Accordingly, the Directors do not intend to pay dividends in the immediate future. The declaration and payment by the Company of any future dividends and the amount of them will depend upon the Company's financial condition, future prospects, profits legally available for distribution and other factors deemed by the Board to be relevant at that time.

20. EIS Status

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

The Directors intend to manage the Group so as to maintain the status of the Company as a qualifying company for EIS purposes.

21. Taxation

Your attention is drawn to the information on taxation relating to the Company and Shareholders in the UK contained in paragraph 14 of Part IV of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately if you are resident in the UK or, if you are not resident in the UK, from an appropriately authorised independent financial adviser in your own jurisdiction.

22. Admission, Settlement and Dealing

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 15 October 2021. The Ordinary Shares will be in registered form. The Articles permit the Company to issue Ordinary Shares in uncertificated form in accordance with the CREST Regulations. CREST is a computerised share transfer and settlement system. The system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. Share certificates, where applicable, will be sent to the registered Shareholder by the Registrar, at such Shareholder's own risks.

23. The Takeover Code

The Company is a public limited company incorporated in England and Wales and will be admitted to trading on AIM. Accordingly, the Takeover Code will apply to the Company, and as a result, Shareholders are entitled to the benefit of the takeover offer protections provided under the Takeover Code.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Takeover Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company and not more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9. In this regard, it is noted that, on Admission, Simon Deacon will hold 46.3 per cent. of the Enlarged Share Capital and therefore will be subject to the restrictions described in this paragraph.

An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

Further information on the provisions of the Takeover Code can be found in paragraph 7 of Part IV of this document.

The Company may seek to issue further Ordinary Shares (or interests in Ordinary Shares) to Simon Deacon in the future. Dependent upon Mr Deacon's interest in the voting rights of the Company at that time, in respect of any such issuance, the Company may be required to seek a waiver from the Takeover Panel of the application of Rule 9, subject to a vote of independent shareholders, prior to making such issuance.

24. Share Option Schemes and Warrants

The Company intends to establish the MSOP with effect from Admission. The MSOP will be administered by the Remuneration Committee and will allow for the grant of EMI Options and non-qualifying Options to employees or executive directors of the Company or any other Group Company.

On or shortly following Admission, the Company proposes to grant Options over 8,900,000 Ordinary Shares pursuant to the MSOP, representing approximately 5.1 per cent. of the Enlarged Share Capital. Details of the MSOP and the Options proposed to be granted are set out in paragraphs 5 and 9 of Part IV of this document.

The Company has also issued, in aggregate, 8,391,000 Warrants to David Evans and Turner Pope. Further information on the Warrants can be found in paragraphs 13.1.3 and 13.1.20 of Part IV of this document.

25. Further Information

You should read the whole of this document, which provides additional information on the Company and the Placing, and not just rely on the information contained in this Part I. In particular, your attention is drawn to the "Risk Factors" in Part II of this document.

PART II

RISK FACTORS

Any investment in the Ordinary Shares would be subject to a number of risks. Prior to investing in the Ordinary Shares, prospective investors should consider carefully the factors and risks associated with any investment in the Ordinary Shares, the Group's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below. Additional risks and uncertainties that are not currently known to the Company, or that it currently deems immaterial, may also have an adverse effect on the Group's business, financial condition and operating results. If this occurs, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances. Investment in the Company should only be made by investors able to sustain a total loss of their investment. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA, who specialises in advising on the acquisition of shares and other securities.

The following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Ordinary Shares and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, prospects, results of operation and financial position.

RISKS RELATING TO THE GROUP'S BUSINESSES

The Group operates the CEM and CEA business divisions, each of which are at different stages of development. The risks set our below may apply to one or both divisions.

Early stage of operations within the CEA division

There are a number of additional operational, strategic and financial risks associated with early stage companies and which apply, in particular, but not exclusively, to the Group's CEA business.

Within the CEA division, future growth and prospects will depend on the Group's ability to be and remain competitive, including with respect to its pricing and service offering, market its services to potential customers and generate sufficient commercial appeal, to manage growth and to continue to improve operational and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to improve, *inter alia*, operational and quality control systems in line with the Group's growth could have a material adverse effect on its business, financial condition and results of operations.

There can be no certainty that the CEA division's products and services, including but not limited to the rolling cloche being developed for Zenith Nurseries, nurturGROW Sensor and associated software, will perform as expected, or be developed in the envisaged timescale. More generally, there can be no certainty that the Group will achieve increased or sustained revenues, profitability or positive cash flow from its operating activities in the CEA market within the timeframe expected by the Board or at all. The timing and development of the Group's revenues from this division is difficult to predict and there is no guarantee that the Group will generate any material revenues from this division in the foreseeable future, or at all. The CEA division has a limited operating history upon which its performance and prospects can be evaluated.

Competition

The Group, as a whole, participates in a rapidly and continually evolving field in which technological developments are expected to continue at a rapid pace. The Group has a number of competitors in the United Kingdom and abroad.

In the CEA market, the Directors believe that the Group's key competitors include Osram Fluence, Philips Signify, GE Daintree, Heliospectra and Valoya. In the PCB CEM market, the Directors believe that the Group's key competitors include UK Electronics Ltd, Active PCB, Transonics PLC and Pektron Ltd.

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. To be successful in its key markets, the Group will need to keep pace with rapid changes in technology, customer expectations, and new product introductions by competitors and evolving industry standards, any of which could render its existing products obsolete if it fails to respond in a timely manner.

The Group could experience delays in the introduction of new products. If competitors develop innovative proprietary CEA or CEM products and/or service offerings that are superior to the Group's, or if the Group fails to accurately anticipate technology and market trends and respond on a timely basis with its own innovations, the Group's competitive position may be harmed and it may not achieve sufficient growth in its revenues to attain or sustain profitability.

Many of the Group's competitors have greater capabilities and experience and greater financial, marketing and operational resources than it. Competition is intense and is expected to increase as new products enter the market and new technologies become available. To the extent that competition in the Group's markets intensifies, the Group may be required to reduce its prices in order to remain competitive. If it does not compete effectively, or if the Group reduces it prices without making commensurate reductions in its costs, the Group's revenues and profitability, and its future prospects for success, may be harmed.

Business development activity

New businesses or activities the Group undertakes may not deliver target outcomes and may expose the Group to additional operational and financial risk. Business development activities entail a number of risks, including that they may be based on incorrect assumptions or conclusions, and the Group may suffer on account of unanticipated costs and liabilities and other unanticipated effects. The occurrence of any of these events could have a material adverse impact on the Company's results of operation or financial condition.

It should be noted in particular that the Group's CEA division is at an early stage in its development and, whilst it has a promising pipeline of opportunities and a trial with Zenith Nurseries, as described earlier in this document and as set out in paragraph 13.1.40 of Part IV of this document, the final stage order is subject to the successful completion of the three trial stages, to both Zenith Nurseries' and the Company's satisfaction, to occur over an approximate 21-month period, and to Zenith Nurseries' having sufficient funding. Even if all conditions are satisfied, there is no commitment on the part of Zenith Nurseries to place any orders during the final stage of the contract. As such, there can be no guarantee as to the quantum, if any, of orders from Zenith Nurseries. Whilst the current product offering of the CEA division have been tested satisfactorily in lab conditions there can be no certainty that they will work as well on a larger industrial scale and/or that the Company's pipeline of opportunities will come to fruition. The failure of any such products in testing and/or on a larger industrial scale and/or the loss of a major order could have a material adverse impact on the Company's results of operations or financial condition.

Management of growth

The ability of the Group to implement its strategy requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management and operational, financial and personnel resource. Therefore, the Group's future growth and prospects will depend on its ability to manage this growth. The value of an investment in the Company is dependent upon the Group achieving the aims set out in this document. There can be no guarantee that the Group will achieve the level of success that the Board expects.

The Group's CEM customers are not obligated to buy material amounts of its products on the basis of long term contracts

The Group's CEM division customers typically purchase its products under individual purchase orders rather than long-term contracts or contracts with minimum purchase requirements. As such, at the start of each financial year, the Group does not have certainty over the level of purchases that will be made by certain customers in that financial year. Instead, the Group works with its customers to develop a forward order book, which provides what the Board believes to be sufficient certainty over expected revenue for budgeting purposes. A lower forward order book than expected may have a material adverse effect on the Group, particularly if it does not anticipate this.

Customer concentration within the CEM division

In the financial year ended 30 November 2020, Rentokil's pest division made up 63 per cent. of the Group's turnover, which was significantly higher than 2019 and 2018 (30 and 33 per cent., respectively). This concentration continued through the six months to 31 May 2021 (62 per cent.). This was due to the high demand for pest control products during the COVID-19 pandemic, as well as general business growth of Rentokil's pest division, which more than compensated for the reduction in activity that certain other core customers experienced.

Rentokil 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, Rentokil, as well as other core customers would likely significantly reduce its turnover and have a material adverse impact on the Group.

The Group depends on a limited number of suppliers and may not be able to ship products or deliver on time if it is unable to obtain an adequate supply of raw materials and equipment on a timely basis.

In certain product areas, particularly within the CEM division, the Group depends on a limited number of suppliers for raw materials and equipment used to manufacture its products. The Group depends on its suppliers to supply critical components in adequate quantities, consistent quality and at reasonable costs. If the Group's suppliers are unable to meet its demand for critical components at reasonable costs, and if the Group is unable to obtain an alternative source or substitute product, or the price for an alternative source or substitute product is prohibitive, its ability to maintain timely and cost-effective production of its products would be harmed. It is noted that, at present, there are global shortages of certain electronic components, which are causing long availability delays. Whilst this has enabled the Company to win business as new customers look to resource supply chains and existing customers place forward orders to secure stocks, the Group is monitoring the situation and its cash flow implications, should the shortages continue for a prolonged period of time, on a heightened basis. The impact of this is not expected to have an adverse impact on the financial position and prospects of the Group during the current financial year but, should the shortages continue for a prolonged period of time, it could have an impact on the following financial years.

The Group's products could contain defects, which could result in reduced sales of those products or in claims against it.

Despite testing both by the Group and its customers within the CEM division, minor defects are very occasionally found in its existing products and may be found in future products. These defects can cause the Group to incur warranty, support and repair costs, divert the attention of its technical personnel from its product development efforts and potentially harm the Group's relationship with its customers. Defects, integration issues or other performance problems in its products could result in personal injury or financial or other damages to its customers or could damage market acceptance of its products. Certain of the Group's customers also have the ability to seek damages from it for their losses. A product liability claim brought against the Group, even if unsuccessful, would likely be time consuming and costly to defend.

Similar risks will apply to those products being offered by the Group through its CEA division.

Multi-jurisdictional operations and regulation

The Group is currently based only in the United Kingdom. In the future, however, particularly if the Group's CEA division develops as it is expected, the Group intends to operate in numerous jurisdictions. Different jurisdictions have different regulatory, fiscal and legal environments which could change in the future and could impact how the Group conducts its business in these jurisdictions. The Group's operations will therefore be reliant on it identifying and adhering to the regulatory requirements in those jurisdictions. There can be no guarantee that the Group will always be able to identify such requirements or put in place the necessary licences and/or approvals. If the Group was found not to have the appropriate licences and/or approvals or to have violated the terms of such licences or any local laws and/or regulations, the Group could incur a fine (the amount being dependent on the nature of the violation), be subject to financial liability, be required to change its business practices or forced to suspend or terminate operations in the relevant territory. Alternatively, the Group could be required to obtain new or different licences or regulatory approvals. Such eventualities could result in costs or other consequences that could materially adversely affect the financial performance and/or prospects of the Company.

Highly skilled management and personnel

The Group depends to a significant degree on the continued services of the senior management whom it considers to be key personnel. Their knowledge of both the market and their skills and experience (including but not limited to knowledge of Simon Deacon, the CEO) are crucial elements to the success of the Group's business. Recruitment and retention of suitability qualified employees is vital and the loss of key personnel without adequate replacement or an inability to attract, develop and retain additional qualified management and other personnel could have a material adverse effect on the Company's business, performance and prospects.

Risks to IP

No assurance can be given that any current or future trademark or patent applications will result in granted trademarks or patents, that the scope of any patent or trademark protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's patents or trademarks will be held valid if challenged by a competitor or otherwise, or that third parties will not claim rights or ownership of the patents, trademarks or other IP rights held by the Group. When patents, trademarks or other IP rights are obtained, the Group may be subject to claims in relation to the infringement of these rights. Some very large companies operating in the same space as the Group are known regularly to make IP-related claims against companies whose products are seen as a threat to their own. Often these claims are spurious, but having to defend such a claim could be a significant burden on the Group given its relative size and the resources available to it. Adverse judgments against the Group may give rise to significant liabilities in monetary damages, legal fees and/or an inability to market or sell products either at all or in particular territories. If the Group cannot successfully enforce its IP rights, particularly with respect to its earlier stage CEA division as it seeks to establish a material position in the market, it could have a material adverse effect on the Group's business, financial condition and prospects.

IT infrastructure and GDPR compliance

The Group is highly dependent on the effective operation of its IT systems and infrastructure. Any major systems failure, including failures relating to the Group's network, software, internet or hardware, or a major breach of security, could have a material adverse effect on the Group's ability to fulfil its obligations to customers and suppliers, in addition to harming customer relationships, diminishing the Group's goodwill and potentially leading to liability under the data protection laws. Such an event could therefore have a material adverse effect on the Company's profitability, financial condition and revenue.

The General Data Protection Regulation ("GDPR") came into force on 25 May 2018. Failure to comply with the GDPR could result in the Group being liable under the GDPR, including being subject to fines. The maximum level of fines under the GDPR is significant and is set at either (a) the greater of EUR10 million and 2 per cent. of worldwide annual turnover for the preceding financial year or (b) the greater of EUR20 million and 4 per cent. of worldwide annual turnover for the preceding financial year

Debt covenant obligations

The Group's existing debt facilities with Close Brothers include certain debt service coverage covenants operating by way of minimum multiples of certain of the Group's key financial metrics. Should such covenants be breached, Close Brothers reserves the right to terminate such debt facilities, which could have an adverse effect on the Group's financial position.

The Company may require future financing

The Company may need to seek additional sources of financing to implement its growth strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing new equity securities or convertible debt securities other than on a *pro rata* basis to existing Shareholders, the existing Shareholders may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares.

Risk of further grant money not coming through

Whilst the Group hopes to receive further grants from UK Government bodies to fund the development of its CEA market technologies, no assurance can be given that any current or future grant applications will result in funding grants being awarded to the Group. Furthermore, no assurance can be given that the Group will be eligible to apply for future grant funding for development of its CEA market technologies, systems or approaches.

Risk associated with 10 per cent. minority interest/shareholder agreement

In relation to UK Circuits, UK Circuits Holdings entered into a shareholders agreement with Paul Moran and Joanne Moran on 25 August 2016 (UKC Shareholder Agreement). Paul Moran and Joanne Moran currently hold 10 per cent. of UK Circuits' issued share capital with the remaining 90 per cent. being held by UK Circuits Holdings.

Under the terms of the UKC Shareholder Agreement, no variation of the share capital of UK Circuits or of the rights attached to the shares of any class in the capital of the company can be completed by the company (to the extent that it alters the rights or restrictions attaching to the shares held by Paul Moran and Joanne Moran) without the unanimous written consent of all the shareholders. The shareholders unanimous written consent is also required to amend UK Circuits' articles of association or to liquidate or wind up the company.

As shareholders of UK Circuits and as a result of their shares having voting rights attached to them, Paul Moran and Joanne Moran are entitled (amongst other rights) to (i) receive notice, attend and vote at any general meeting, (ii) receive copies and vote on any shareholders resolutions proposed by UK Circuits to be passed as written resolutions, (iii) receive the company's report and accounts and (iv) receive dividends if the company chooses to distribute profits by payment of a dividend to its shareholders.

There are two key types of dividend: final dividends and interim dividends. Final dividends are declared by shareholders (through the passing of an ordinary resolution) following a recommendation from the board of directors. Interim dividends are typically decided solely by the board, without shareholder approval, and can be paid if the directors are satisfied that this is justified having regard to company's profits and future financial requirements. In relation to any final dividends declared by UK Circuits, Paul Moran and Joanne Moran are entitled to receive and vote on the ordinary resolution proposing the declaration of such dividends but UK Circuits Holdings can pass such a resolution alone as it holds more than 50 per cent. of the votes in the company.

UK Circuits' articles of association contain pre-emption rights on share transfers which can only be waived with the written consent of the members holding not less than 95 per cent. of the voting rights at general meetings of the company and consequently the consent of either Paul Moran or Joanne Moran is required before UK Circuits Holdings can transfer any of its shares in UK Circuits unless the transfer is made in accordance with the provisions of article 29 which sets out the drag along provisions. The Company does not currently plan to, nor does it foresee any future need to, transfer any shares in UK Circuits.

Selling to medicinal plant cultivators

The Group's CEA products may be acquired by customers to facilitate medicinal plant growing operations. As a result, the Group may encounter challenges due to the medicinal plant growing being in its infancy, with high levels of regulatory focus, including, *inter alia,* inflated insurance premia and changing legislation. Should the Group choose to sell its products to medicinal plant growing companies, careful consideration will need to be given to these potential impacts on the Group, as well as others that may develop.

Green Economy Mark

The Company is seeking award of the Green Economy Mark, authorised by the London Stock Exchange, which is awarded to companies that generate more than 50 per cent. of its annual revenue from products that contribute to the global green economy. Whilst the Company is confident in time it will qualify for this award, it may not meet such criteria and therefore not receive the award in the near future or at all.

GENERAL RISKS

Investment Risks

An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover or may lose all of their original investment.

In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Group, and others of which are extraneous. These factors could include the performance of the Group's businesses, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes, general economic and political conditions and interest and inflation rate variations. The value of the Ordinary Shares may therefore fluctuate and not reflect their underlying asset value.

Economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's services. A more prolonged economic downturn may restrict the Group's ability to generate a profit. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain this might have an adverse impact on the Group's operations and business results.

There is a significant risk that the impact of COVID-19 on the UK economy could lead to a prolonged recession. If this recession significantly impacts the Group's customers or potential customers then this in turn is likely to adversely impact the Group's trading.

Delays caused by COVID-19

The COVID-19 pandemic and the associated lockdowns in the United Kingdom have resulted in many central and local government departments taking longer than usual to make certain day to day decisions. In particular, growers who have shown an interest in the Group's products and services but need planning permission in order to develop their growing sites are experiencing delays in getting the necessary planning permission. These delays could, if they persist and/or get worse, mean that it takes the Group longer than currently expected to generate the revenues it hopes for and in turn have an adverse impact on the Group's operations and business results.

Exit from the European Union

The UK's exit from the European Union (commonly referred to as 'Brexit') has created significant political, social and macroeconomic uncertainty for the UK and Europe while both the UK and Europe adapts to the new trading arrangements. The potential direct and indirect impacts of UK withdrawing from the European Union at the end of 2020 on the Group are not yet fully known. The known possible effects of Brexit, and other effects that the Group cannot anticipate, could materially adversely affect the Group's business, prospects, results of operations and financial position.

In addition to the general economic risk that Brexit potentially poses to the Group's business, withdrawal from the European Union could potentially inhibit the Group's ability, and the ability of its suppliers, to continuously and consistently source the supplies required for the Group's operations at an equal price to supplies that were purchased before Brexit took effect.

Furthermore, the Group may face increased competition for personnel given a potential shortage of suitable workers across labour markets following the UK's withdrawal from the European Union, potentially leading to higher labour costs and difficulties in contracting and retaining staff. Such shortage of personnel may have an adverse impact on the Enlarged Group's operations, business and prospects.

Force Majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, hostilities, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.

Taxation

Any change in the Company's tax status or in taxation legislation or its interpretation, could affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is subject to change.

Legislation and Compliance

The activities of the Group are subject to laws and regulations governing taxes, employment standards, occupational health, safety, environmental, data protection and other matters. Whilst the Group aims to ensure it complies with all such laws and regulations within the jurisdictions within which it operates, failure to comply with such requirements may result in fines and/or penalties being assessed against the Group which could have a material adverse effect on the Group's business, financial condition, trading performance and prospects.

In addition, this document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practices may change. There can be no assurance that future legislation, rules and practices will not adversely affect the business or financial condition of the Group.

Furthermore, as the Group predominately operates in the UK, there is a risk that further legislative and regulatory changes resulting from Brexit could adversely affect the Group.

Economic, political, judicial, administrative, taxation or other regulatory matters

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in the areas and jurisdictions in which the Group operates and intends to operate.

Currency Risk

The Group expects to present its financial information in pounds sterling, although part of its business may be conducted in other currencies. As a result, it will be subject to foreign currency exchange risks due to exchange rate movements, which will affect the Group's transaction costs and the translation of its results. The Company's Ordinary Shares will be traded in pounds sterling.

Maintenance of EIS relief

Based on information provided to them, HMRC have confirmed that the Company is a qualifying company under the rules of the Enterprise Investment Scheme. Subject to the investor's individual circumstances and the Company continuing to meet the requirements of the EIS legislation for at least three years, investors who subscribe for new Ordinary Shares as part of the Placing should qualify for EIS tax relief on their investment in the Company. The shares must be held for at least three years. Investors are advised to take their own advice before making an investment. The Directors intend to manage the Group so as to maintain the status of the Company as a qualifying company for EIS purposes, however, there can be no certainty that they will be able to continue to do so.

RISKS RELATING TO AIM AND THE ORDINARY SHARES

The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which may be out of the Company's control

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Ordinary Shares may prove to be highly volatile. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, some of which are beyond the Company's control, including: variations in operating results in the Company's reporting periods; changes in financial estimates by securities analysts; poor stock market conditions affecting companies engaged in the same sector; additions or departures of key personnel; any shortfall in turnover or net profit or any increase in losses from levels expected by securities analysts; and future issues or sales of Ordinary Shares. Any or all of these events could result in a material decline in the price of the Ordinary Shares, regardless of the Company's performance.

Suitability of the Ordinary Shares as an investment

The Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, Shareholders and other prospective investors are advised to consult an appropriate independent financial adviser authorised under the FSMA if such Shareholder or other prospective investor is resident in the UK or, if not, from another appropriately authorised independent financial adviser who specialises in advising on acquisitions of shares and other securities.

The value of the Ordinary Shares, and the income received from them, can go down as well as up and Shareholders may receive less than their original investment. In the event of a winding-up of the Company, the Ordinary Shares will rank behind any liabilities of the Company, if any, and therefore any return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors.

Future sales of Ordinary Shares

Certain existing Shareholders have given undertakings that, save in certain circumstances, they will not until 12 months following Admission, dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them at Admission. There can be no assurance that such parties will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of 12 months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to lock-in arrangements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Company's existing Shareholders were to sell, or if the Company was to issue a substantial number of shares in the market, the market price of the Ordinary Shares could be materially adversely affected. Sales by the Company's existing Shareholders could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

The Company's ability to pay dividends in the future is not certain

The Company cannot guarantee that it will have sufficient cash resources to pay dividends in the future. Subject to compliance with Companies Act 2006 and the Articles, the declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders, or in the case of interim dividends the discretion of the Directors and will depend upon, amongst other things, the Group's earnings, financial position, cash requirements, availability of profits, any dividends and profits that the Company receives from its subsidiary companies, as well as provisions for relevant laws or generally accepted accounting principles from time to time. Furthermore, any dividend which is to be declared by UK Circuits requires the prior written consent of Close Invoice Finance Limited (CRN: 00935949) pursuant to a debt purchase agreement entered into between UK Circuits and Close Invoice Finance Limited on 8 October 2020.

Further issuances of Ordinary Shares may be dilutive

In addition to the potential dilution as a result of an exercise of the Warrants, or a further issue of options over Ordinary Shares, the Company may decide to offer additional shares in the future for capital raising or other purposes. Shareholders who do not take up or who are not eligible to take up such an offer will find their proportionate ownership and voting interests in the Company to be reduced. An additional offering could also have a material adverse effect on the market price of the Ordinary Shares as a whole.

Valuation of Ordinary Shares

There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Shareholders with a substantial interest may exert detrimental influence over the Company

From time to time, there may be Shareholders with substantial or controlling interests in the Company. Such Shareholders' interests may not be aligned to the interests of other Shareholders and such Shareholders may seek to exert influence over the Group. In the event that such Shareholders are able to exert influence to the detriment of other Shareholders, this may have an adverse effect on Shareholder returns.

On Admission, Simon Deacon will hold 46.3 per cent. of the Enlarged Share Capital. While he has entered into the Relationship Agreement, by virtue of the level of his shareholding, he may be able to influence certain matters requiring approval of the Shareholders.

As result of his interest on Admission, he will, subject to the provisions of the Relationship Agreement, be able to block a special resolution of the Company.

Also, the willingness of a third party to make a takeover offer for the Company is likely to be influenced by the willingness of Simon Deacon to accept such an offer. The interests of Mr Deacon may differ or conflict with the interests of other investors. This could delay, deter or prevent acts that other investors may favour or which are or may be beneficial to the Company and have a material adverse effect on the market price of Ordinary Shares.

Market Perception

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

The Ordinary Shares will not be admitted to the Official List

The Ordinary Shares will be traded on AIM and will not be admitted to the Official List or admitted to trading on the London Stock Exchange's main market for listed securities. Neither the FCA nor the London Stock Exchange have examined or approved the contents of this document. The rules of AIM are less demanding in certain respects than those of the Official List and an investment in Ordinary Shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. Although the Company is applying for the admission of its Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary shares will develop, or if developed, that it will be maintained. In addition, the market in Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment than might be the case in respect of an investment in shares which are quoted on the London Stock Exchange's main market for listed securities. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than the market prices of shares quoted on the London Stock Exchange's main market for listed securities and may not reflect the underlying value of the net assets of the Company. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment.

PART III

FINANCIAL INFORMATION

SECTION A: ACCOUNTANT'S REPORT ON THE COMBINED HISTORICAL FINANCIAL INFORMATION

The following is the full text of a report on the Group from RSM Corporate Finance LLP, the Reporting Accountants, to the Directors of the Company.



RSM Corporate Finance LLP

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The Directors
Light Science Technologies Holdings plc
1 Lowman Way
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11 October 2021

Dear Sirs,

Light Science Technologies Holdings plc (the "Company"), UK Circuits and Electronics Solutions Holdings Limited and Light Science Technologies Limited (together the "Group")

We report on the combined historical financial information of the Group set out in Section B of Part III of the admission document dated 11 October 2021 ("Admission Document") of the Company.

We have not audited or reviewed the financial information for the six months ended 31 May 2020 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the 'Basis of qualified opinion' section of our report, the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 30 November 2018 and 30 November 2019 and of its results, cash flows and changes in equity for the periods ended 30 November 2018, 30 November 2019 and 30 November 2020 in accordance with the basis of preparation set out in note 2(b) to the historical financial information and otherwise in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Opinion

In our opinion the historical financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 30 November 2020 and 31 May 2021 and of its results, cash flows and changes in equity for the six months ended 31 May 2021 in accordance with the basis of

preparation set out in note 2(b) to the historical financial information and otherwise in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the historical financial information in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, except that as described under the basis of preparation at note 2(b) to the historical financial information, certain accounting conventions, commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to Standard for Investment Reporting 2000 issued by the Financial Reporting Council in the United Kingdom, have been applied.

It is our responsibility to form an opinion on the historical financial information and to report our opinion to you.

Save for any responsibility arising under Item 18.3.1 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 (the "Prospectus Delegated Regulation") as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of preparation

The historical financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at note 3 to the historical financial information. This report is required by Item 18.3.1 of Annex 1 of the Prospectus Delegated Regulation as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that item and for no other purpose.

Basis of qualified opinion

The audit evidence available to us with respect to inventory balances at 30 November 2018 and 30 November 2019 was limited due to the circumstances described below.

As at and for the year ended 30 November 2018

With respect to inventory having a carrying value of £551,157 as at 30 November 2018, the audit evidence available to us was limited because there was no auditor attendance at the counting of physical inventories at 30 November 2018 or at the date of the opening statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities and values by using other audit procedures. Consequently, we were unable to determine whether any adjustments to inventory as at 30 November 2018, or to cost of sales of £4,368,327 for the year ended 30 November 2018, were necessary.

As at and for the year ended 30 November 2019

With respect to inventory having a carrying value of £648,483 as at 30 November 2019, the audit evidence available to us was limited because there was no auditor attendance at the counting of physical inventories at 30 November 2019 or at the date of the opening statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities and values by using other audit procedures. Consequently, we were unable to determine whether any adjustments to inventory as at 30 November 2019, or to cost of sales of £4,255,840 for the year ended 30 November 2019, were necessary.

For the year ended 30 November 2020

With respect to cost of sales of £5,387,739 for the year ended 30 November 2020, the audit evidence available to us was limited because there was no auditor attendance at the counting of physical inventories

at the date of the opening statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities and values by using other audit procedures. Consequently, we were unable to determine whether any adjustments to cost of sales for the year ended 30 November 2020 were necessary.

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the historical financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the historical financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the historical financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Conclusions relating to going concern

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group to continue as a going concern for a period of at least twelve months from the date of the Admission Document. We conclude that the Directors' use of the going concern basis of accounting in the preparation of the historical financial information is appropriate.

Declaration

For the purposes of paragraph (a) of Schedule Two to the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Item 1.2 of Annex 1 and Item 1.2 of Annex 11 of the Prospectus Delegated Regulation as applied by Schedule Two to the AIM Rules for Companies.

Yours faithfully

RSM Corporate Finance LLP
Regulated by the Institute of Chartered Accountants in England and Wales

SECTION B: COMBINED HISTORICAL FINANCIAL INFORMATION OF LIGHT SCIENCE TECHNOLOGIES HOLDINGS PLC

COMBINED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Revenue	4	3,416,631	*3,284,525*	6,937,426	5,560,272	5,647,876
Cost of sales		(2,610,220)	*(2,569,831)*	(5,387,739)	(4,255,840)	(4,368,327)
Gross profit		806,411	*714,694*	1,549,687	1,304,432	1,279,549
Administrative expenses		(1,294,359)	*(565,549)*	(1,532,419)	(1,071,818)	(973,570)
Exceptional administrative expenses	7	(366,907)	–	(30,255)	–	–
Other income	8	26,898	*38,702*	186,616	–	81,101
Operating (loss)/profit	5	(827,957)	*187,848*	173,629	232,614	387,080
Finance costs	9	(95,483)	*(54,733)*	(109,634)	(139,205)	(155,440)
(Loss)/profit on ordinary activities before taxation		(923,440)	*133,114*	63,995	93,409	231,640
Income tax credit	10	44,001	*25,728*	49,989	16,300	130,761
(Loss)/profit for the year and total comprehensive (loss)/income for the year		(879,439)	*158,842*	113,984	109,709	362,401
Attributable to:						
The owners of the company		(895,136)	*129,945*	40,176	71,289	333,274
Non-controlling interests	23	15,697	*28,897*	73,808	38,420	29,127
		(879,439)	*158,842*	113,984	109,709	362,401

The results for the years ended 30 November 2020, 30 November 2019, 30 November 2018 and the six months ended 31 May 2020 and 31 May 2021 arise from the Group's continuing operations.

There were no recognised gains and losses during the years ended 30 November 2020, 30 November 2019, 30 November 2018 or the six months ended 31 May 2020 and 31 May 2021 other than those included in the Combined Statement of Comprehensive Income.

COMBINED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 May 2021 £	At 30 November 2020 £	At 30 November 2019 £	At 30 November 2018 £
Assets					
Non-current assets					
Property, plant and equipment	11	803,818	740,842	719,619	776,530
Intangible assets	12	1,414,781	1,388,809	1,395,057	1,479,057
Right-of-use assets	20	579,455	623,297	421,145	560,063
		2,798,054	2,752,948	2,535,821	2,815,650
Current assets					
Inventories	15	937,740	589,471	648,483	551,157
Trade and other receivables	16	1,695,921	1,254,189	1,279,116	1,527,943
Cash and cash equivalents	17	130,247	41,880	4,326	131,631
		2,763,908	1,885,540	1,931,925	2,210,731
Total assets		5,561,962	4,638,488	4,467,746	5,026,381
Liabilities					
Current liabilities					
Borrowings	21	(1,113,700)	(752,361)	(1,028,080)	(1,131,746)
Convertible loan instrument	21	(125,000)	–	–	–
Trade and other payables	18	(2,042,622)	(1,392,384)	(1,943,549)	(2,096,138)
Lease liabilities	20	(172,324)	(162,834)	(89,230)	(109,481)
		(3,453,646)	(2,307,579)	(3,060,859)	(3,337,365)
Non-current liabilities					
Deferred tax	19	(39,631)	(52,640)	(83,228)	(147,267)
Borrowings	21	(742,925)	(993,440)	(491,377)	(733,024)
Convertible loan instrument	21	(1,000,000)	–	–	–
Lease liabilities	20	(386,251)	(465,881)	(378,318)	(464,470)
		(2,168,807)	(1,511,961)	(952,923)	(1,344,761)
Total liabilities		(5,622,453)	(3,819,540)	(4,013,782)	(4,682,126)
Net (liabilities)/assets		(60,491)	818,948	453,964	344,255
Capital and reserves attributable to the owners of the company					
Issued equity capital	22	1,000	1,000	100	100
Share allotment reserve	22	250,000	250,000	–	–
Retained earnings		(718,731)	176,405	136,129	64,840
		(467,731)	427,405	136,229	64,940
Non-controlling interests	23	407,240	391,543	317,735	279,315
Total equity		(60,491)	818,948	453,964	344,255

COMBINED STATEMENT OF CHANGES IN EQUITY

Attributable to the owners of the company

	Share capital £	Share allotment reserve £	Retained earnings £	Non-controlling interests £	Total equity £
At 1 December 2017	100	–	(268,434)	250,188	(18,146)
Profit for the year	–	–	333,274	29,127	362,401
At 30 November 2018	100	–	64,840	279,315	344,255
Profit for the year	–	71,289	38,420	109,709	
At 30 November 2019	100	–	136,129	317,735	453,964
Merger	(100)	–	100	–	–
Shares issued in the period	1,000	–	–	–	1,000
Advance subscription of shares to be issued	–	250,000	–	–	250,000
Profit for the year	–	–	40,176	73,808	113,984
At 30 November 2020	1,000	250,000	176,405	391,543	818,948
(Loss)/profit for the period	–	–	(895,136)	15,697	(879,439)
At 31 May 2021	1,000	250,000	(718,731)	407,240	(60,491)

Share capital records the par value of shares issued.

The share allotment reserve includes amounts advanced for future share subscriptions.

Retained earnings represent cumulative profit and loss attributable to the owners of the Company.

Non-controlling interests represent cumulative profit and loss attributable to the non-controlling interest.

The merger adjustment has arisen for the purposes of presenting the combined historical financial information, details of which are outlined in note 2.

COMBINED STATEMENT OF CASH FLOWS

	Notes	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Cash flows from operating activities						
(Loss)/profit after interest and tax		(879,439)	*158,842*	113,984	109,709	362,401
Adjustments for:						
Depreciation of tangible assets	11	33,206	*18,054*	43,568	60,061	35,574
Depreciation of right-of-use assets	20	43,842	*63,509*	127,018	138,919	158,582
Amortisation of intangible assets	12	42,000	*42,000*	84,000	84,000	35,000
Loss on disposal of fixed assets		–	*355*	2,407	6,753	–
Interest payable	9	95,483	*54,733*	109,634	139,205	155,440
Taxation credit		(44,001)	*(25,728)*	(49,989)	(16,300)	(130,761)
Changes in working capital:						
(Increase)/decrease in inventory	15	(348,269)	*(60,527)*	59,012	(97,326)	1,515
(Increase)/decrease in trade and other receivables	16	(441,733)	*(440,923)*	(18,077)	220,578	(17,775)
Increase/(decrease) in trade payables and other payables	18	715,983	*226,082*	(87,179)	(28,679)	43,852
Tax (paid)/repayments	19	(7,399)	*(6,645)*	102,007	(19,490)	(28,389)
Net cash (outflow)/inflow from operating activities		(790,327)	*29,752*	486,385	597,430	615,439
Cash flows from investing activities						
Purchase of property, plant and equipment	11	(96,182)	*(1,837)*	(67,194)	(9,904)	(10,032)
Purchase of intangible fixed assets	12	(67,972)	–	(77,752)	–	–
Purchase of Right-Of-Use-Assets	20	–	–	(329,171)	–	–
Consideration paid for the acquisition of subsidiaries	14,18	–	*(110,812)*	(500,590)	(123,908)	(1,226,310)
Net cash on acquisition of OTC Limited	14	–	–	–	–	44,071
Net cash outflow from investing activities		(164,154)	*(112,649)*	(974,707)	(133,812)	(1,192,271)
Cash flows from financing activities						
Capital issued	22	–	*900*	251,000	–	–
Proceeds from new loans	21	1,175,000	–	975,000	16,000	388,240
Repayment of loans		(146,884)	*(132,333)*	(546,976)	(283,279)	(290,531)
Asset financing	20	–	–	250,413	–	230,000
Lease payments	20	(97,793)	*(49,162)*	(116,394)	(147,055)	(148,819)
Interest paid on leases	20	(27,654)	*(13,582)*	(27,147)	(40,652)	(21,694)
Changes in working capital facility		210,746	*339,754*	(74,718)	(207,734)	392,992
Interest paid on loans and borrowings		(67,829)	*(41,151)*	(58,340)	(57,903)	(112,052)
Net cash inflow/(outflow) from financing activities		1,045,586	*104,426*	652,838	(720,623)	438,136
Increase/(decrease) in cash and cash equivalents		91,105	*21,529*	164,516	(257,005)	(138,696)
Cash and cash equivalents including overdrafts at the start of the period		39,142	*(125,374)*	(125,374)	131,631	270,327
Cash and cash equivalents including overdrafts at the end of the period		130,247	*(103,845)*	39,142	(125,374)	131,631

NOTES TO THE COMBINED HISTORICAL FINANCIAL INFORMATION

1. Reporting entity

Light Science Technologies Holdings Plc (the "Company") was incorporated 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 combined historical financial information presents the financial track record of the Company and its commonly controlled entities (see note 2b below) (together referred to as the "Group") for the three years and six months ended 31 May 2021. All financial information presented is in pounds sterling (£), the functional currency and presentational currency of the Group, except where otherwise indicated.

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.

The significant accounting policies adopted in the combined historical financial information are set out in note 2 and note 3 and have been applied consistently to all periods presented.

2. Basis of preparation

(a) ***Statement of compliance***

This combined historical financial information presents the combined financial track record of the Group for the three years and six months ended 31 May 2021 and is prepared for the purposes of the Group's admission to the AIM market of the London Stock Exchange and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

This historical financial information has been prepared by the directors of the Company (the "Directors") in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS"), except as described below.

(b) ***Basis of consolidation***

Each of the entities outlined in note 13 were under common control of the same ultimate beneficial owners and effectively operated as a group under common management throughout the three years and six months ended 31 May 2021 although they did not comprise a group as defined by IFRS.

In order to assist readers of this historical financial information in understanding the trading performance and financial position of the subsidiaries, the assets, liabilities and results of the Company, UK Circuits and Electronics Solutions Holdings Limited ("UKCH") (formerly Callow Capital 1 Limited) (consolidating its subsidiary UK Circuits and Electronics Limited ("UKC")) and Light Science Technologies Limited have been aggregated (with intercompany transaction and balances eliminated) to present the results and balances that would have been shown had the entities been under the control of a single common parent throughout the financial periods presented. The historical financial information is therefore a combination of consolidated and aggregated financial information, referred to as combined historical financial information.

IFRS does not provide for the preparation of aggregated financial information and accordingly in preparing the historical financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to public reporting engagements on historical financial information) issued by the Financial Reporting Council in the UK have been applied. The application of these conventions results in a material departure from IFRS. In all other respects, IFRS has been applied.

(c) ***Basis of measurement***

The combined historical financial information has been prepared under the historical cost convention unless otherwise specified within these accounting policies. The methods used to measure fair values of assets and liabilities are discussed in the respective notes in note 3 below.

(d) ***Going concern***

At the time of approving the combined historical financial information, the Directors have considered the effect of the Covid-19 pandemic on the going concern position, and have reviewed the Group's forecasts and projections for a period of not less than 24 months from the date of approval of this combined historical financial information.

On that basis, the Directors therefore believe there is a reasonable expectations that the Group can continue as a going concern for at least the 24 months from the date of approval of the combined historical financial information and have prepared the combined historical financial information on a going concern basis.

(e) ***Functional and presentational currency***

The combined historical financial information is presented in pounds sterling, which is the Group's functional currency.

(f) ***Use of estimates and judgements***

The preparation of combined historical financial information 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 combined historical financial information 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 combined historical financial information.

The key sources of judgement and estimation uncertainty that have a significant effect on the amounts recognised in the combined historical financial information are discussed below.

(i) *Fair values and intangibles on acquisition of a business*

Fair values are applied on the acquisition of a subsidiary which involve a degree of judgement and estimation, in particular in the identification and evaluation of intangible assets. The most significant valuation related to customer relationship assets which have been valued using an excess earnings method using cash flow forecasts derived from business plans and assumptions based on experience and factors relevant to the nature of the business activity.

The determination of the fair values attributed to acquired assets and liabilities requires estimates to be made about the outcome of future events, including the condition of acquired assets, the ongoing value to the business of intangible assets and the recoverability of other assets. For liabilities, an assessment is required to identify any unrecorded liabilities or disputed amounts to determine whether liabilities should be recognised at the point of acquisition.

(ii) *Depreciation and amortisation of residual values*

The Directors have reviewed the asset lives and associated residual values of all intangible and tangible asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(iii) *Impairment of assets*

The Directors review the carrying value of goodwill and other 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 it 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. Other key assumptions are the discount rate, where the Group uses its corporate weighted average cost of capital.

(iv) *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 amount and timing of recognition as an asset development costs incurred on projects to improve and develop products for sale and rental by the Group, based upon the likely timing and level of future revenues. 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 31 May 2021 was £56,359 (30 November 2020: £77,753, 31 May 2020: £Nil, 30 November 2019: £Nil, 30 November 2018: £Nil).

(v) *Leases*

In respect of right-of-use leased assets key estimates are a combination of the incremental borrowing rate used to discount the total cash flows and the term of the leases where breaks or extensions fall within the Group's control. These are used to derive both the opening asset value and lease liability as well as the consequential depreciation and financing charges. An overview of the key estimates used are outlined in note 3.

(vi) *Taxation*

Certain elements of development expenditure undertaken by the Group are eligible for enhanced research and development tax relief which generally relates to salary costs of technical staff. The Group takes professional advice on its tax affairs and recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due.

(vii) *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 combined historical financial information 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.

3. Significant accounting policies

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

a. ***Business combinations***

Business combinations have been accounted for applying the acquisition method, or merger accounting principles.

Business combinations which are accounted for by applying the acquisition method are as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs related to the acquisition, other than those associated with the issue of debt or equity securities, that Light Science Technologies Holdings Limited incurs in connection with a business combination are expensed as incurred.

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain IFRSs. The following exemptions have been applied:

1. IFRS 3 Business combinations – the Group has taken advantage of the exemptions in IFRS 1 and has chosen not to restate comparatives in respect of business combinations which took place prior to the opening statement of financial position date of 1 December 2017. Use of this exemption means that the carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed costs at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position.

   IFRS 1 also requires that the carrying amount of goodwill at the date of transition must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was deemed necessary at 1 December 2017.

2. Deemed cost of property, plant and equipment – upon transition to IFRS on 1 December 2017, certain assets (property and leasehold improvements) were revalued to 'deemed cost' being an approximation of fair value on the date of transition to IFRS. Subsequently the assets will be held at 'cost' and depreciated over their remaining useful economic life. The useful economic life of leasehold improvements has been revised to mirror the expected lease term. A deferred tax liability has been recognised upon transition relating to this adjustment to deemed cost.

3. IFRS 16 Lease liabilities – the Group has applied IFRS 16 using the fully retrospective method, under which the initial application is recognised on 1 December 2017. As a result, a lease liability and corresponding right-of-use asset, discounted using the lessee's incremental borrowing rate, has been recognised for the leased asset from this date and each lease payment has been subsequently allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income and the right-of-use liability is depreciated over the lease term on a straight line basis. Payments associated with short-term leases of property, plant and equipment and leases of low-value assets continue to be recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less.

b. ***Foreign currency transactions***

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the combined statement of comprehensive income.

c. ***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. Revenue from contracts with customers is recognised when performance obligations are satisfied and control of the

goods and services is transferred to the customer for an amount that reflects the consideration appropriate to those goods and services.

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.

d. ***Government grants***

Grants of a revenue nature are recognised in the combined statement of comprehensive income in the same period as the related expenditure.

Grants relating to the Coronavirus Job Retention Scheme are recognised when the requirements are met and recognised in the combined statement of comprehensive income within other income in the period to which they relate.

e. ***Other income***

During 2020 and 2021, the Group made use of the UK Government's support available to businesses under the Coronavirus Job Retention Scheme and deferring a VAT payment.

Support provided under the Coronavirus Business Interruption Loan Scheme (CBILS) 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.

In the year to 30 November 2018, the Group recognised a fair value adjustment, as other income, in respect of contingent consideration due to the vendors of UKC.

f. ***Leases***

The Group has applied IFRS 16 (leases) using the fully retrospective approach, under which the initial application is recognised at 1 December 2017. The Group leases assets under short term leaseholds and plant and machinery. The lease agreements do not impose any covenants but leased assets cannot be used as security for borrowing purposes.

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 (note 20). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the combined 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. Right-of-use assets are tested for impairment if indications of impairment are present.

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. The Directors have determined the incremental borrowing rate to be 4.3 per cent. for all periods within the combined historical financial information. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.

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

- The amount of the initial measurement of lease liability;
- Adjustments for any payments surrendered before commencement date;
- Adjustments for any initial direct costs incurred less lease incentives received.

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 combined 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.

Assets held by the Group under leases which had previously been classified as being held under finance leases and hire purchase contracts had been capitalised as property, plant and equipment and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements were included in creditors net of the finance charge allocated to future periods. These leases now presented within the right-of-use asset and liability under IFRS16.

g. ***Finance costs***

Finance costs are charged to the combined 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Finance costs include unwinding of discounts in relation to deferred consideration on the acquisition of subsidiaries within the Group.

h. ***Income tax***

The tax expense for the year comprises current and deferred tax. Tax is recognised in the combined statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. 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.

i. ***Property, plant and equipment***

Property, plant and equipment under the cost model is stated at historical or deemed cost less accumulated depreciation and any accumulated impairment losses. Fair value adjustments were also made to the carrying value of assets acquired via business combinations (see note 14). Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the combined statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property – 2 per cent. straight line

Leasehold improvements – over the period of the lease

Plant and machinery – 20 per cent. straight line

Fixtures and fittings – 20 per cent. 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 combined statement of comprehensive income.

j. ***Intangible assets***

Intangible assets acquired either as part of a business combination or from contractual or other legal rights are recognised separately from goodwill, provided they are separable and their fair value can be measured reliably. This includes the costs associated with acquiring and registering patents in respect of intellectual property rights.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the net assets acquired at the acquisition date. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Where intangible assets recognised have finite lives, after initial recognition their carrying value is amortised on a straight-line basis over the estimated useful lives. Customer relationships and development costs are considered to have finite lives of 5 years. Development costs are amortised once they are ready for use.

k. ***Research and development expenditure***

Expenditure on research activities related to the development of the Group's products is recognised as an expense as it is incurred.

An internally generated intangible asset arising from the Group's product development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- it is technically feasible to complete the development such that it will be available for use, sale or license;
- there is an intention to complete the development; and
- there are adequate technical, financial and other resources required to complete the development.

The amount recognised is the expenditure incurred from the date when the project first meets the recognition criteria listed above. Expenses capitalised consist of employee costs and materials incurred on development. Where the above criteria are not met, development expenditure is charged to the combined statement of comprehensive income in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and impairment losses, amortisation is charged on a straight-line basis, from the point at which the asset is ready for use, over the estimated period in which the intangible asset has economic benefit and is reported within administrative expenses in the combined statement of comprehensive income.

l. ***Impairment of assets***

At each reporting date the Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is an indication that these assets have suffered an impairment loss. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an assessment of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs of disposal, an appropriate valuation model is used, and these calculations are corroborated by valuation multiples, or other available fair value indicators. Impairment losses on continuing operations are recognised in the combined statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the combined statement of comprehensive income unless the asset is carried at re-valued amount, in which case the reversal is treated as a valuation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The carrying values of plant, equipment, intangible assets and goodwill as at the reporting dates have not been subjected to impairment charges.

m. ***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 combined 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 combined statement of comprehensive income.

n. ***Cash and cash equivalents***

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

o. ***Provisions***

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

p. ***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 combined 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. 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.

q. ***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 combined statement of comprehensive income when they fall due.

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

r. ***New accounting standards and interpretations***

IFRS interpretations and amendments issued but not yet applicable by the Group in this combined historical financial information have been reviewed and assessed. This includes IFRIC 23 in respect of uncertain tax positions which is not expected to have a significant impact on the Group. There are no other new standards, interpretations and amendments which are not yet effective in this combined historical financial information expected to have a material effect or to be relevant to Group's future financial statements.

The amendments to IAS 28 Investments in Associates and Joint Ventures, IFRS 1 First-time Adoption of International Financial Reporting Standards, IAS 12 – income tax consequences of payments on financial instruments disclosed as equity and the amendments to IFRS 9 – prepayment features with negative compensation are not considered to be relevant to the Group's operations. These have been early adopted with no resultant financial or disclosure impact.

The Group has adopted the following new standards and interpretations in this combined historical financial information throughout the track record period, with a transition date of 1 December 2017.

IFRS 9 – Financial Instruments (effective 1 January 2018 and early adopted);

IFRS 15 – Revenue from Contracts with Customers (effective 1 January 2018);

IFRS 16 – Leases (effective 1 January 2019 and early adopted);

IFRS 9

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2019, with early application permitted. The Group has retrospectively applied IFRS 9.

i. Impairment
IFRS 9 requires the Group to record expected credit losses (ECLs) on its debt securities, loans, amounts due from settlement of both investments and trade receivables, either on a 12-month or lifetime basis. The Group has determined that there is no material impact of ECLs on the combined historical financial information.

ii. Hedge accounting
The Group has not applied hedge accounting.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 came into effect for accounting periods beginning on or after 1 January 2019. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The core principle is that an entity should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity is expected to be entitled to, in exchange for those goods or services.

Implementation of IFRS 15 had no significant impact on retained earnings at 1 December 2017, the combined statements of financial positions or the combined statements of comprehensive income for the periods within the combined historical financial information.

Both of these standards were effective as at 1 December 2017, but neither has had a significant effect on the combined historical financial information of the Group.

IFRS 16 Leases

Under this standard, the concept of assessing a lease contract as either operating or financing is replaced by a single lessee accounting model. Substantially all former operating lease contracts result in a lessee acquiring and recognising a right-to-use asset and a financial liability. The asset will be depreciated over the term of the lease and the interest on the financing liability is charged over the same period. A full retrospective approach has been applied with the liability representing the future lease payments at inception discounted at an incremental borrowing rate and with an equal right of use asset at inception. The statement of comprehensive income is impacted, with the rent expense relating to operating leases being replaced by a straight line depreciation charge arising from the right-to-use assets and interest charges arising from lease financing which are higher in earlier years.

The Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less. The recognition of these exempted leases will therefore continue unchanged – a charge will be recognised in the income statement based on straight-line recognition of the lease payments payable on each lease, after adjustment for lease incentives received. These are also recognised in the operating profit note (note 5).

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the Group:

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 clarifies which exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. There is not considered to be an impact of this standard on the Group.

There are no other new standards, interpretations and amendments which are not yet effective in these financial statements, expected to have a material effect or to be relevant to the Group's future financial statements.

4. Analysis of revenue and segmental reporting

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

Revenue is in respect of supply of hardware and is recognised at point of customer collection or dispatch.

During the six months to 31 May 2021 one customer represented 62 per cent. of total revenue (30 November 2020: 63 per cent., six months to 31 May 2020: 63 per cent., 30 November 2019: 30 per cent., 30 November 2018: 33 per cent.).

The Group has two operating segments, Segment One ("S1"), being UKC and OTC, relating to the development and manufacturing of electronic boards; and Segment 2 ("S2") relating to the development and manufacturing of lighting and technology products for the CEA sector. The Chief Operating Decision Maker (CODM) has been determined to be the Group Chief Executive, with support from the Board. The performance of the two reportable segments is based upon a review of profits and segmental assets/liabilities.

Segment 1	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Revenue	3,416,631	*3,284,525*	6,937,426	5,560,272	5,647,876
Depreciation and amortisation	(109,938)	*(121,660)*	(235,551)	(282,980)	(229,188)
Operating (loss)/profit	319,014	*241,129*	695,765	232,614	387,080
Segment assets	4,846,208	*4,695,940*	4,460,370	4,467,746	5,026,381
Segment liabilities	(3,698,329)	*(4,186,078)*	(3,430,259)	(4,013,782)	(4,682,126)

Segment 2	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Revenue	–	–	–	–	–
				–	–
Depreciation and amortisation	(9,110)	–	(1,035)	–	–
Operating profit	(1,146,970)	*(53,281)*	(522,136)	–	–
				–	–
Segment assets	715,753	*6,624*	175,118	–	–
Segment liabilities	(1,924,124)	*(58,931)*	(389,281)	–	–

Total	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Revenue	3,416,631	*3,284,525*	6,937,426	5,560,272	5,647,876
Depreciation and amortisation	(119,048)	*(121,660)*	(254,586)	(282,980)	(229,188)
Operating profit	(827,957)	*187,848*	173,629	232,614	387,080
Segment assets	5,561,962	*4,702,564*	4,638,488	4,467,746	5,026,381
Segment liabilities	(5,622,453)	*(4,245,009)*	(3,819,540)	(4,013,782)	(4, 682,126)

5. Operating (loss)/profit

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Operating (loss)/profit is stated after charging:					
Depreciation on property, plant and equipment (note 11)	33,206	*24,772*	43,568	60,061	35,574
Depreciation on right-of-use assets (note 20)	43,842	*47,578*	127,018	138,919	158,582
Research and development expenses	625,000	*323,020*	733,062	713,787	578,185
Amortisation of intangible assets (note 12)	42,000	*42,000*	84,000	84,000	35,000
Inventory expensed (note 15)	2,079,817	*1,991,375*	4,269,526	3,002,674	3,359,885
Short term low value lease expenses	4,353	*3,285*	6,803	6,913	5,882
Acquisition related costs expensed (note 14)	–	–	–	–	70,305

6. Staff costs and numbers

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Wages and salaries	712,889	*588,606*	1,236,539	1,256,450	1,330,142
Social security costs	117,331	*52,152*	142,866	103,946	106,518
Pension contributions	15,816	*12,720*	27,657	24,404	17,365
	846,036	*653,478*	1,407,062	1,384,800	1,454,025
Key management personnel remuneration (including benefits-in-kind) excluded above comprises:					
Emoluments for qualifying services	547,107	*59,083*	356,787	110,514	94,500
Short term employee benefits	2,748	*1,014*	3,448	1,806	–

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 or otherwise) of the Company. Key management personnel are considered to be the Directors.

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

	31 May 2021	31 May *(unaudited) 2020*	30 November 2020	30 November 2019	30 November 2018
Staff	73	61	65	64	73

7. Exceptional expenses

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Exceptional costs	366,907	–	30,255	–	–
	366,907	–	30,255	–	–

Exceptional costs relate to professional and other costs directly attributable to preparing the Group for Admission to the AIM market of the London stock exchange.

8. Other income

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Other income	–	–	–	–	81,101
Government grants receivable	26,898	*38,702*	186,616	–	–
	26,898	*38,702*	186,616	–	81,101

Government grants receivable included an amount of £7,061 for the six months to 31 May 2021 (year to 30 November 2020: £87,610, six months to 31 May 2020: £38,702) in respect of employees placed on "furlough" during the period, as part of the UK Government's Coronavirus Job Retention Scheme. In the year to 30 November 2018, the Group recognised a fair value adjustment in respect of contingent consideration due to the vendors of UKC.

9. Finance costs

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Bank and loan interest payable	67,829	*41,151*	82,487	98,553	133,746
Interest expenses on lease liabilities	27,654	*13,582*	27,147	40,652	21,694
	95,483	*54,733*	109,634	139,205	155,440

10. Income tax

The tax credit is made up as follows:

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited) £*	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Current income tax:					
UK corporation tax for the year	(30,992)	*(10,434)*	(19,401)	54,674	(60,539)
Adjustment in respect of prior year	–	–	–	(24,144)	(153,166)
Tax credit	–	–	–	17,209	52,275
Total current income tax	(30,992)	*(10,434)*	(19,401)	47,739	(161,430)
Deferred tax (see note 19):					
Origination and reversal of timing difference	(13,009)	*(15,294)*	(30,588)	(64,039)	30,669
	(44,001)	*(25,728)*	(49,989)	(16,300)	(130,761)

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

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited) £*	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
(Loss)/profit on ordinary activities before taxation	(923,440)	*133,114*	63,995	93,409	231,640
UK tax credit at standard rate of 19%	(175,454)	*21,492*	12,159	17,748	44,012
Fixed asset differences	–	–	2,119	2,119	3,458
Expenses not deductible for tax	–	–	1,684	2,071	1,604
Adjustment in respect of prior year	–	–	(232)	(43,420)	(66,076)
Changes in tax rate	–	–	–	–	(189)
Other temporary differences in respect of period end allocations	162,935	*(14,360)*	–	–	–
Adjustments to deferred tax	(31,482)	*(32,860)*	(65,719)	5,182	(113,570)
Tax credit in income statement	(44,001)	*(25,728)*	(49,989)	(16,300)	(130,761)

The Finance Act 2016 included legislation to reduce the main rate of corporation tax from 19 per cent. to 17 per cent. from 1 April 2020. In March 2020, the Chancellor of the Exchequer announced that the tax rate reduction was no longer going to be implemented. The rate from 1 April 2020 remains at 19 per cent. rather than the previously enacted reduction to 17 per cent. The rate of 19 per cent. is accordingly applied to UK deferred taxation balances at 31 May 2021, 30 November 2020 and 31 May 2020 (30 November 2019, 30 November 2018: 17 per cent.).

11. Property, plant and equipment

	Long term leasehold £	Leasehold improvements £	Plant and equipment £	Computer equipment, fixtures & fittings £	Total £
Cost:					
At 1 December 2017	622,000	86,747	82,077	52,160	842,984
Additions	–	–	1,511	8,521	10,032
Acquisition of subsidiary	–	–	74,758	1,168	75,926
At 30 November 2018	622,000	86,747	158,346	61,849	928,942
Additions	–	–	7,990	1,914	9,904
Disposals	–	–	(80,700)	(41,342)	(122,042)
At 30 November 2019	622,000	86,747	85,636	22,421	816,804
Additions	–	–	52,299	14,895	67,194
Disposals	–	–	(2,138)	(17,361)	(19,499)
At 30 November 2020	622,000	86,747	135,797	19,955	864,499
Additions	–	–	76,361	19,821	96,182
At 31 May 2021	622,000	86,747	212,158	39,776	960,681
Depreciation:					
At 1 December 2017	12,958	7,886	53,078	42,916	116,838
Provided during the year	12,958	7,886	10,037	4,693	35,574
At 30 November 2018	25,916	15,772	63,115	47,609	152,412
Provided during the year	12,958	7,886	34,326	4,891	60,061
Eliminated on disposals	–	–	(73,946)	(41,342)	(115,288)
At 30 November 2019	38,874	23,658	23,495	11,158	97,185
Provided during the year	12,958	7,886	16,540	6,184	43,568
Eliminated on disposals	–	–	–	(17,096)	(17,096)
At 30 November 2020	51,832	31,544	40,035	246	123,657
Provided during the period	6,479	3,943	17,192	5,592	33,206
At 31 May 2021	58,311	35,487	57,227	5,838	156,863
Net book value:					
At 31 May 2021	563,689	51,260	154,931	33,938	803,818
At 30 November 2020	570,168	55,203	95,762	19,709	740,842
At 30 November 2019	583,126	63,089	62,142	11,263	719,619
At 30 November 2018	596,084	70,975	95,231	14,240	776,530

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 combined statement of comprehensive income.

12. Intangible assets

	Goodwill £	Customer relationship £	Development costs £	Total £
Cost:				
At 1 December 2017	1,022,657	–	–	1,022,657
Additions	71,400	420,000	–	491,400
At 30 November 2018	1,094,057	420,000	–	1,514,057
Additions	–	–	–	–
At 30 November 2019	1,094,057	420,000	–	1,514,057
Additions	–	–	77,752	77,752
At 30 November 2020	1,094,057	420,000	77,752	1,591,809
Additions	–	–	67,972	67,972
At 30 November 2020	1,094,057	420,000	145,724	1,648,168
Amortisation:				
At 1 December 2017	–	–	–	–
Charge for the year	–	35,000	–	35,000
At 30 November 2018	–	35,000	–	35,000
Charge for the year	–	84,000	–	84,000
At 30 November 2019	–	119,000	–	119,000
Charge for the year	–	84,000	–	84,000
At 30 November 2020	–	203,000	–	203,000
Charge for the period	–	42,000	–	42,000
At 31 May 2021	–	245,000	–	245,000
Net book value:				
At 31 May 2021	1,094,057	175,000	145,724	1,414,781
At 30 November 2020	1,094,057	217,000	77,752	1,388,809
At 30 November 2019	1,094,057	301,000	–	1,395,057
At 30 November 2018	1,094,057	385,000	–	1,479,057

Amortisation provided during a period is recognised in administrative expenses.

Goodwill recognised at 1 December 2017 arose on the acquisition of the UKC business in 2016. Goodwill arising from this business combination has been allocated to the "UKC" cash-generating unit ("CGU") based on the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The Group tests goodwill annually for impairment or more frequently if events or changes in circumstances indicate that the asset might be impaired. The carrying values are assessed for impairment purposes by calculating the value in use using the net present value (NPV) of future cash flows arising from the originally acquired business discounted at a pre-tax rate.

The key assumptions for the value in use calculations are those regarding the growth in future cash flows, driven by revenue growth, and discount rates. The calculations use pre-tax forecast cash flows derived from the 4-year management approved plan. A 4.6 per cent. long term growth rate considered applicable to the UK market has been used for all four periods. The discount rate used to discount the forecast cash flows 12 per cent. o and is estimated by reference to the Group's weighted average cost of capital and the degree of risk attached to an individual CGU.

There are considered to be no reasonably possible changes to key assumptions that may reasonably be expected in the current market to impact on the assessment made of the 30 November 2020 goodwill. Headroom is such that the discount rate would need to increase to more than 20 per cent., or the long term growth assumption be amended to assume long term contraction in the market of more than

5 per cent. before the CGU becomes impaired. The impairment tests performed show that the fair value of un-impaired goodwill is in excess of it's book value.

13. Investment in subsidiaries

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 country of incorporation or registration is also the principal place of business.

Subsidiary undertakings	Country of incorporation	Principal activity	Class of shares held	31 May 2021	30 November 2020	30 November 2019	30 November 2018
Light Science Technologies Limited	England	Manufacture of lighting and technology products to the CEA market	Ordinary	100%	100%	–	–
UK Circuits and Electronics Solutions Holdings Limited	England	Holding company	Ordinary	100%	100%	100%	100%
UK Circuits and Electronics Solutions Limited	England	Manufacture electronic boards	Ordinary	90%	90%	90%	90%
OTC Limited*	England	Manufacture electronic boards	Ordinary	N/A*	100%	100%	100%

* The entire issued share capital of OTC Limited was acquired on 21 June 2018 (see note 14). OTC Limited was dissolved on 25 May 2021.

The Company purchased the entire issued share capital of Light Science Technologies Limited and UK Circuits and Electronics Solutions Holdings Limited via share for share exchanges on 23 June 2021. Please see subsequent events (note 28) for more information.

LSTH Trustee Limited, a 100 per cent. subsidiary of the Company, was incorporated on 30 July 2021. Further details are outlined in note 28.

14. Acquisition of subsidiary

a. ***Summary of acquisition***

On 21 June 2018, UKCH (formerly Callow Capital 1 Limited), a wholly owned subsidiary of the Company, acquired 100 per cent. of the issued share capital of OTC Limited, an electronic board manufacturer. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchase consideration:

	£
Cash paid	398,921
Deferred cash consideration	326,228
Total purchase consideration	725,149

The fair value of the deferred cash payment, totalling £326,228, is included in financial liabilities, and has been calculated using the discounted payments due per the share purchase agreement. The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value £
Customer relationships	420,000
Property, plant and equipment	75,926
Right of use plant and machinery	20,494
Inventories	169,062
Accounts receivable	350,661
Cash	44,071
Liabilities	(337,719)
Deferred tax	(88,746)
Net identifiable assets acquired	653,749
Goodwill	71,400
Net assets acquired	725,149

The purpose of the acquisition is to acquire the trade and customer relationships, with a view to merge the business with existing subsidiary UK Circuits & Electronics Solutions Ltd; and subsequently close the operating site of OTC Limited to benefit from cost synergies of the combined business. Goodwill therefore represents these cost synergies.

a. ***Acquired receivables***

The fair value of acquired receivables is £350,661. The gross contractual amount for trade receivables due is £350,661, none of which is expected to be uncollectible.

b. ***Purchase consideration – cash outflow***

	Six months to 31 May 2021 £	*Six months to 31 May 2020 (unaudited)* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Outflow of cash to acquire subsidiary, net of cash acquired:					
Cash consideration	–	*116,622*	219,977	106,251	398,921
Less: cash acquired	–	–	–	–	44,071
Net outflow of cash – investing activities	–	*116,622*	219,977	106,251	354,850

c. ***Acquisition-related costs***

Acquisition-related costs of £Nil (2020: £Nil 2019: £Nil, 2018: £70,305) that were not directly attributable to the issue of shares are included in administrative expenses in the combined statement of comprehensive income and in operating cash flows in the combined statement of cash flows.

d. ***Subsidiary trading***

Post-acquisition revenue of £763,845 and post-acquisition profit of £161,348 has been consolidated within the year to 30 November 2018. Had OTC Limited been acquired on 1 December 2017, revenue of £1,628,193 and profit of £149,051 would have been consolidated.

15. Inventories

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Work in progress	326,294	122,544	75,000	75,000
Finished goods	611,446	466,927	573,483	476,157
	937,740	589,471	648,483	551,157

Inventories recognised as an expense in cost of sales totals £2,079,817 (2020: £4,269,526, 2019: £3,002,674, 2018: £3,359,885). During the year, an impairment loss against inventory was recognised of £65,576 (2020: £52,000, 2019: £50,000, 2018: £9,000).

16. Trade and other receivables

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Trade receivables	1,620,729	1,176,630	1,207,519	1,352,030
Prepayments	71,878	24,135	16,474	21,635
Other receivables	3,314	53,424	12,119	83,025
Income tax repayable (note 19)	–	–	43,004	71,253
	1,695,921	1,254,189	1,279,116	1,527,943

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

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
0 – 60 days	1,442,293	566,854	955,805	1,113,618
60 – 120 days	24,463	450,318	12,800	98,599
121+ days	153,973	159,458	238,914	139,813
	1,620,729	1,176,630	1,207,519	1,352,030

Trade receivables are non-interest bearing and are generally due and paid within 30 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 31 May 2021(30 November 2020 £Nil, 30 November 2019: £nil, 30 November 2018: £nil).

Included in trade receivables at 31 May 2021 is £1,462,410 (30 November 2020: £1,017,610, 30 November 2019: £967,013, 30 November 2018: £1,213,568) relating to a debt factoring arrangement, with recourse. Associated liabilities and accrued interest are within trade and other payables. The net asset position of the debt factoring arrangement as at 31 May 2021 is £661,628 (30 November 2020: £423,574, 30 November 2019: £298,259, 30 November 2018: £337,080).

17. Cash and cash equivalents and overdrafts

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Cash	130,247	41,880	4,326	131,631
Overdraft balance	–	(2,738)	(129,700)	–
	130,247	39,142	(125,374)	131,631

The overdraft in place from October 2019 to November 2020 was secured against the property held within the Group.

18. Trade and other payables

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Trade payables	1,413,223	962,983	1,078,896	1,204,093
Income tax liability (note 19)	1,216	39,607	–	–
Other tax and social security	358,357	316,374	163,449	211,285
Accruals	269,826	73,420	200,614	56,262
Deferred and contingent consideration	–	–	500,590	624,498
	2,042,622	1,392,384	1,943,549	2,096,138

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. The deferred payment for acquisition relates to the acquisition in June 2018 of OTC Limited and the contingent payment in relation to the acquisition of UKC in 2016. Amounts owed in respect of the acquisition of UKC were 31 May 2021: £Nil (30 November 2020: £Nil, 30 November 2019: £280,611, 30 November 2018: £298,270) and in respect of OTC were 31 May 2021: £Nil (30 November 2020: £Nil, 30 November 2019: £219,977, 30 November 2018: £326,228).

19. Income and deferred tax

Income tax

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Liability/(asset)	1,216	39,607	(43,004)	(71,253)

Deferred tax

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
At beginning of the period	52,640	83,228	147,267	41,288
Charged/(credited) to combined statement of comprehensive income	(13,009)	(30,588)	(64,039)	30,609
On acquisition	–	–	–	75,370
At end of period	39,631	52,640	83,228	147,267

The provision for deferred taxation is made up as follows:

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Accelerated capital allowances	39,631	52,640	83,228	147,267

20. Leases

Group as a lessee

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. The Group has adopted IFRS 16 Leases retrospectively from 1 December 2017. These liabilities were measured at the present value of the remaining lease payments, discounted using the IBR rate of 4.3 per cent. for the periods included in the combined historical financial information.

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

Right-of-use asset (property)

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Cost				
At 1 December	343,581	343,581	343,581	343,581
At 31 May/30 November	343,581	343,581	343,581	343,581
Depreciation				
At 1 December	95,586	63,724	31,862	–
Charge for the period	15,930	31,862	31,862	31,862
At 31 May/30 November	111,516	95,586	63,724	31,862
Net book value at 31 May/30 November	232,065	247,995	279,857	311,719

Right-of-use asset (plant and machinery)

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Cost				
At 1 December	1,358,299	1,029,128	1,029,128	1,008,634
Additions	–	329,171	–	20,494
At 31 May/30 November	1,358,299	1,358,299	1,029,128	1,029,128
Depreciation				
At 1 December	982,997	887,840	780,784	654,064
Charge for the period	27,912	95,157	107,056	126,720
At 31 May/30 November	1,010,919	982,997	887,840	780,784
Net book value at 31 May/30 November	347,390	375,302	141,288	248,344
Total right-of-use assets	579,455	623,297	421,144	560,063

Right-of-use liabilities (property)

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
At 1 December	282,477	311,130	338,604	364,948
Finance costs on lease liabilities	6,059	13,347	14,526	15,656
Repayment of lease liabilities	(21,000)	(42,000)	(42,000)	(42,000)
At 31 May/30 November	267,536	282,477	311,130	338,604

Right-of-use liabilities (other)

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
At 1 December	346,237	156,418	235,347	106,128
Finance costs on lease liabilities	21,595	13,800	26,126	6,038
Repayment of lease liabilities	(76,793)	(74,394)	(105,055)	(106,819)
Additions	–	250,413	–	230,000
At 31 May/30 November	291,039	346,237	156,418	235,347
Total right-of-use liabilities	558,575	628,715	467,548	573,951

Total lease liabilities including right-of-use assets, have been analysed between current and non-current as follows:

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Due within one year	172,324	162,834	89,230	109,481
Due within 2 – 5 years	386,251	465,881	378,318	464,470
Due after more than 5 years	–	–	–	–
	558,575	628,715	467,548	573,951

The amount recognised in the combined statement of comprehensive income include:

	Six months to 31 May 2021 £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Depreciation expense on right-of-use assets	43,842	127,018	138,919	158,582
Interest expense on lease liabilities	27,654	27,147	40,652	21,694
	71,496	154,165	179,571	180,276

The total cash outflow for leases amounted to £97,493 in the six months to 31 May 2021 (year to 30 November 2020: £116,394, year to 30 November 2019: £147,056, year to 30 November 2018: £148,817).

21. Financial liabilities

	As at 31 May 2021 £	As at 30 November 2020 £	Year to 30 November 2019 £	As at 30 November 2018 £
Current				
Overdraft facility	–	2,738	129,700	–
Interest-bearing loans	312,918	155,587	229,626	255,258
Convertible loan instrument	125,000	–	–	–
Working capital facility	800,782	594,036	668,754	876,488
	1,238,700	752,361	1,028,080	1,131,746

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Repayable between one and five years				
Interest-bearing loans	742,925	993,440	491,377	733,024
Convertible loan instrument	1,000,000	–	–	–
	1,742,925	993,440	491,377	733,024

The Company has unsecured convertible loan notes of £1,125,000 issued to Directors or certain prospective shareholders. Interest accrues on £1,000,000 of the loan notes at a rate of 7.25 per cent., and the other £125,000 of loan notes at a rate of 5.5 per cent.. Interest is paid semi-annually in arrears in June and December each year, or at conversion, in cash.

The Group has interest bearing loans which are repayable monthly, over 2 – 15 years, with interest accruing of between 0.6 per cent. and 5.5 per cent. plus base rate.

22. Issued equity capital

	As at 31 May 2021 £	As at 30 November 2020 £	As at 30 November 2019 £	As at 30 November 2018 £
Allotted, called up ordinary shares of £1	1,000	1,000	100	100
	1,000	1,000	100	100

On incorporation of the Company on 13 January 2020, 1,000 ordinary shares were issued and allotted at par. They are included in a Directors Loan account at 31 May 2021 and 30 November 2020. During 2020, an advance subscription agreement (ASA) of £250,000 was made as a form of equity investment. The ASA constitutes an agreement that while the subscription monies are paid at the outset, the shares relating to the investment will be calculated and issued at some point in the future. The monies invested cannot be repaid to the investor as cash, and must be converted into shares in the Company. A share allotment reserve has been created for shares for which consideration has been received but which are not yet issued.

23. Non-controlling interests

	Non-controlling interests £
At 1 December 2017	250,188
Minority interest's share of the profit for the year	29,127
At 30 November 2018	279,315
Minority interests' share of the profit for the year	38,420
At 30 November 2019	317,735
Minority interests' share of the profit for the year	73,808
At 30 November 2020	391,543
Minority interests' share of the profit for the period	15,697
At 31 May 2021	407,240

The balance classified as non-controlling interests represents the cumulative profits attributable to the ongoing non-controlling interests in UKC. Summarised financial information for UKC is included within the segmental analysis note (see note 4). The proportion of ownership interest and voting rights held by the NCI equal 10 per cent. of the UK Circuits & Electronics Solutions Ltd subsidiary only.

24. 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 23 and in the combined statement of changes in equity.

The Group is not subject to externally imposed capital requirements.

Liquidity risk

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

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

Categorisation of financial instruments

Financial assets/(liabilities)	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total £
31 May 2021			
Trade and other receivables	1,624,043	–	1,624,043
Cash and cash equivalents	130,247	–	130,247
Trade payables	–	(1,413,223)	(1,413,223)
Other payables and accruals	–	(269,826)	(269,826)
Working capital facility	–	(800,782)	(800,782)
Loans	–	(1,055,843)	(1,055,843)
Convertible loan	–	(1,125,000)	(1,125,000)
Lease liabilities	–	(558,575)	(558,575)
	1,754,290	(5,226,249)	(3,471,959)
30 November 2020			
Trade and other receivables	1,230,054	–	1,230,054
Cash and cash equivalents	39,142	–	39,142
Trade payables	–	(962,983)	(962,983)
Other payables and accruals	–	(73,420)	(73,420)
Working capital facility	–	(594,036)	(604,036)
Loans	–	(1,149,027)	(1,149,027)
Lease liabilities	–	(628,714)	(628,714)
	1,269,196	(3,408,180)	(2,138,984)
30 November 2019			
Trade and other receivables	1,219,638	–	1,219,638
Cash and cash equivalents	–	(125,374)	(125,374)
Trade payables	–	(1,078,896)	(1,078,896)
Other payables and accruals	–	(200,614)	(200,614)
Working capital facility	–	(668,754)	(668,754)
Loans	–	(721,003)	(721,003)
Lease liabilities	–	(467,548)	(467,548)
Deferred payment for acquisition	–	(500,590)	(500,590)
	1,219,638	(3,762,779)	(2,543,121)
30 November 2018			
Trade and other receivables	1,435,055	–	1,435,055
Cash and cash equivalents	131,631	–	131,631
Trade payables	–	(1,204,093)	(1,204,093)
Other payables and accruals	–	(56,262)	(56,262)
Working capital facility	–	(876,488)	(876,488)
Loans	–	(988,282)	(988,282)
Lease liabilities	–	(573,953)	(573,953)
Deferred payment for acquisition	–	(624,498)	(624,498)
	1,566,686	(4,323,576)	(2,756,890)

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 equivalents.

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, 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 per cent. 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 American 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 principal impact to the existing Group is the result of interest-bearing cash and cash equivalent balances held as set out below:

	As at 31 May 2021			As at 30 November 2020		
	Fixed £	Floating £	Total £	Fixed £	Floating £	Total £
Cash and cash equivalents	–	130,247	130,247	–	39,142	39,142
Financial liabilities	(187,567)	(1,715,471)	(1,903,038)	(60,230)	(1,668,000)	(1,728,230)
Convertible loan	(1,125,000)	–	(1,125,000)	–	–	–
	(1,312,567)	(1,585,224)	(2,897,790)	(60,230)	(1,628,858)	(1,689,088)

	As at 30 November 2019			As at 30 November 2018		
	Fixed £	Fixed £	Fixed £	Fixed £	Floating £	Total £
Cash and cash equivalents	–	(125,374)	(125,374)	–	131,631	131,631
Financial liabilities	(81,008)	(1,093,000)	(1,174,008)	(194,257)	(1,342,000)	(1,536,257)
	(81,008)	(1,218,374)	(1,299,382)	(194,257)	(1,210,369)	(1,404,626)

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.

As at 31 May 2021	Less than 1 year £	1 to 5 years £	Total £
Financial liabilities			
Trade payables	1,413,223	–	1,413,223
Working capital facility	800,782	–	800,782
Loans	312,918	742,925	1,055,843
Convertible loan	125,000	1,000,000	1,125,000
Lease liabilities	172,324	386,251	558,575
	2,824,247	2,129,176	4,953,423

As at 30 November 2020	Less than 1 year £	1 to 5 years £	Total £
Financial liabilities			
Trade payables	962,983	–	962,983
Working capital facility	594,036	–	594,036
Loans	155,587	993,440	1,149,027
Lease liabilities	162,834	465,880	628,714
	1,875,440	1,459,320	3,334,760

As at 30 November 2019	Less than 1 year £	1 to 5 years £	Total £
Financial liabilities			
Trade payables	1,078,896	–	1,078,896
Working capital facility	668,754	–	668,754
Loans	229,626	491,377	721,003
Lease liabilities	89,230	378,318	467,548
Deferred and contingent consideration	500,588	–	500,588
	2,567,094	869,695	3,436,789

As at 30 November 2018	Less than 1 year £	1 to 5 years £	Total £
Financial liabilities			
Trade payables	1,204,093	–	1,204,093
Working capital facility	876,488	–	876,488
Loans	255,258	733,024	988,282
Lease liabilities	109,481	464,470	573,951
Deferred and contingent consideration	624,498	–	624,498
	3,069,818	1,197,494	4,267,314

Trade and other payables are 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.

25. Combined changes in net debt

	At 1 December 2017 £	Cashflow £	New leases £	Non-cash changes £	At 30 November 2018 £
Cash and cash equivalents	270,327	(138,696)	–	–	131,631
Invoice discounting	(483,496)	(392,992)	–	–	(876,488)
Loans due within one year	(260,075)	(97,707)	–	102,524	(255,258)
Loans due after one year	(630,499)	–	–	(102,524)	(733,023)
Lease liabilities due within one year	(153,797)	127,123	–	(82,807)	(109,481)
Lease liabilities due within one year	(317,277)	–	(230,000)	82,807	(464,470)
Net debt	(1,574,817)	(502,272)	(230,000)	–	(2,307,089)

	At 1 December 2018 £	Cashflow £	New leases £	Non-cash changes £	At 30 November 2019 £
Cash and cash equivalents	131,631	(127,305)	–	–	4,326
Bank overdraft	–	(129,700)	–	–	(129,700)
Invoice discounting	(876,488)	207,734	–	–	(668,754)
Loans due within one year	(255,258)	267,278	–	(241,646)	(229,626)
Loans due after one year	(733,023)	–	–	241,646	(491,377)
Lease liabilities due within one year	(109,481)	106,403	–	(86,152)	(89,230)
Lease liabilities due within one year	(464,470)	–	–	86,152	(378,318)
Net debt	(2,307,089)	324,410	–	–	(1,982,679)

	At 1 December 2019 £	Cashflow £	New leases £	Non-cash changes £	At 30 November 2020 £
Cash and cash equivalents	4,326	37,554	–	–	41,880
Bank overdraft	(129,700)	126,962	–	–	(2,738)
Invoice discounting	(668,754)	74,718	–	–	(594,036)
Loans due within one year	(229,626)	(428,024)	–	502,062	(139,588)
Loans due after one year	(491,377)	–	–	(502,062)	(993,439)
Lease liabilities due within one year	(89,230)	89,246	–	(162,850)	(162,834)
Lease liabilities due within one year	(378,318)	–	(250,413)	162,850	(465,881)
Net debt	(1,982,679)	(99,544)	(250,413)	–	(2,322,636)

	At 1 December 2020 £	Cashflow £	New leases £	Non-cash changes £	At 31 May 2021 £
Cash and cash equivalents	41,880	88,367	–	–	130,247
Bank overdraft	(2,738)	2,738	–	–	–
Invoice discounting	(594,036)	(210,746)	–	–	(804,782)
Loans due within one year	(139,588)	137,184	–	(300,515)	(308,918)
Loans due after one year	(993,439)	(50,000)	–	300,515	(742,925)
Convertible loan	–	(1,125,000)	–	–	(1,125,000)
Lease liabilities due within one year	(162,834)	70,140	–	(79,630)	(172,324)
Lease liabilities due within one year	(465,881)	–	–	79,630	(386,251)
Net debt	(2,322,636)	(1,087,317)	–	–	(3,419,953)

26. Related-party transactions

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

	Six months to 31 May 2021 £	*Six months to 31 May 2020* £	Year to 30 November 2020 £	Year to 30 November 2019 £	Year to 30 November 2018 £
Income received in the year					
UKC – Income from a company under common control of a director	–	–	–	144,754	5,320
LSTH – Income from a company under common control of a director	7,837	–	–	–	–
Charges incurred during the year					
UKC – Purchases from a company under common control of a director	–	*210,000*	270,000	121,390	219,173
OTC – Purchases from a company under common control of a director	–	–	–	–	70,330
LSTH – Consultancy charges from a company controlled by a director	–	*23,850*	63,170	–	–
Balances owing at 31 May/30 November					
UKC – due from a company under common control of a director	155,384	*159,485*	159,485	247,391	133,887
UKC – amounts due from a director	–	*N/A*	47,218	–	–
UKCH – owing to a company under common control of a director	–	*N/A*	86,770	291,233	391,385
Light Science Technologies Holdings Limited – amounts due to a director	50,413	*N/A*	–	–	–
Light Science Technologies Holdings Limited – amounts due to related parties	1,125,000	*N/A*	–	–	–

Please see Note 6 for details on key management personnel.

As at 31 May 2021, amounts due to a Director amounting to £50,413, relate to a loan agreement with Simon Deacon entered into on 30 April 2021. The loan is unsecured and is to be used by the Company for general working capital purposes. The Company is required to repay the loan on the earlier of Admission and 15 October 2021. The Company can repay this loan early. The principal amount of the loan will carry interest at the rate of 5.5 per cent. per annum accruing daily.

As at 31 May 2021, amounts due to related parties of £1,125,000 comprised convertible loan notes as follows:

(a) On 11 January 2021, the Company entered into a convertible loan agreement with Intuitive Investments Group plc ("IIG"), a prospective shareholder, pursuant to which IIG made available to the Company a convertible loan of a total principal amount of £1,000,000. The convertible loan agreement was

amended by a letter dated 25 March 2021. Under the terms of the agreement, the loan, to the extent not converted, is repayable on the 3rd anniversary of the date of the agreement (unless IIG agree to an extension).

(b) On 30 March 2021, the Company entered into a convertible loan agreement with Andrew Hempsall, a Director of the Company, pursuant to which Mr Hempsall made available to the Company a convertible loan of a total principal amount of £25,000. Under the terms of the agreement, the loan, to the extent not converted, is repayable on the 1st anniversary of the date of the agreement (unless Mr Hempsall agrees an extension).

(c) On 30 March 2021, the Company entered into a convertible loan agreement with James Snooks, a Director of the Company, pursuant to which Mr Snooks made available to the Company a convertible loan of a total principal amount of £100,000. Under the terms of the agreement, the loan, to the extent not converted, is payable on the first anniversary of the date of the agreement (unless Mr Snooks agrees an extension).

Each of the convertible loan notes and the Directors loan were settled on Admission.

LED Group Ltd (CRN: 12223369) acquired the business and certain assets of 151617 Ltd (CRN: 07133609) (formerly Advance (International) Limited) which was in administration.

UK Circuits had a trading relationship with 151617 Ltd for the manufacture of PCBs for lighting products. These companies are currently associated entities as Simon Deacon is an ultimate beneficial owner of both. Simon Deacon was a director of 151617 Ltd until 27 September 2019 and remains an active director of UK Circuits. No written agreement was entered into between UK Circuits and 151617 Ltd to govern the trading relationship between the two companies. There is an outstanding balance of £155,384.30 due to be paid by LED Group Ltd by installments over a period of time to UK Circuits.

Craig Price is engaged by LST as an Operations Director and has an interest in Advance LED Lighting Solutions Ltd (CRN: 10438069) ("**Advance LED**") (director) and LED Group Ltd (CRN: 12223369) (director and shareholder 33 per cent.). LST is considering subcontracting some of its work concerning the build of its luminaire products to Advance LED which is the trading subsidiary of LED Group Ltd. Part of the amount due to UK Circuits from LED Group Ltd will be off-set against amounts due to Advance LED from LST pursuant to this arrangement.

27. Capital commitments and contingent liabilities

At 31 May 2021, the Group had capital commitments totalling £Nil in relation to further investment for laboratory equipment (30 November 2020: £44,500, 30 November 2019: £Nil, 30 November 2018: £Nil).

On 20 January 2021, the Company entered into a settlement agreement with Cenkos Securities plc (CRN: 5210733) ("**Cenkos**") in relation to an engagement letter from Cenkos to the Company dated September 2020 and countersigned by the Company on 24 September 2020 ("**Engagement Letter**") pursuant to which Cenkos agreed to act as the Company's nominated adviser, sole broker and placing agent in relation to the Placing and Admission.

The parties have agreed, on the terms set out in the settlement agreement, to terminate the Engagement Letter and release each other from its terms to allow the Company to appoint another nominated adviser in relation to the Transaction. Pursuant to the terms of the settlement agreement, each party confirmed to the other party that it had no claim against the other party arising out of or in connection with the Engagement Letter and, to the extent that it had any such claim, irrevocably and unconditionally waived such claim and agreed not to enforce the same.

Furthermore the settlement agreement provides that, if Admission is achieved by 20 January 2022, the Company will pay a fee of between £40,000 and £60,000 to Cenkos determined by reference to the market capitalisation of the Company at Admission. If the market capitalisation of the Company at Admission is more than £20 million then no such fee will be payable.

The fee payable to Cenkos, based on the market capitalisation at the Placing Price, is £40,000.

28. Subsequent events

On 23 June 2021 the Company issued 399,600 ordinary shares of £1 each as a share for share exchange for the acquisition of all the shares in the capital of LST from Simon Deacon. On the same day, the Company issued a further 599,400 ordinary shares of £1 each as a share for share exchange for the acquisition of all the shares in the capital of UK Circuits Holdings (which in turn owns a 90 per cent. stake in UK Circuits) from Simon Deacon. Subsequently each ordinary share of £1.00 in the Company was subdivided into 100 Ordinary Shares of £0.01 each (giving the Company an issued share capital of 100,000,000 Ordinary Shares).

Thereafter, on 8 July 2021, the Company re-registered as a public company.

During June and August 2021, the Company entered into advance subscription agreements totalling £750,000 with David Evans, a significant shareholder and director of IIG. These agreements are in addition to an advance subscription agreement with David Evans dated October 2020 totalling £250,000. The advance subscription funds totalling £1,000,000 will automatically convert into 10,000,000 Ordinary Shares on Admission.

LSTH Trustee Limited, an employee benefit trust and 100 per cent. subsidiary of the Company, was incorporated on 30 July 2021 for the benefit of the Executive Directors and senior management, further details on which are contained in paragraph 5 of Part IV of this document.

In addition, 13,750,000 Ordinary Shares were issued in settlement of convertible loan notes totalling £1,125,000 and 400,000 Ordinary Shares were issued to Strand in accordance with their engagement letter. Further details are provided in Part IV.

Conditional upon Admission, the Company have created warrants to subscribe for Ordinary Shares to Turner Pope. The detailed terms of the warrants are given in paragraph 13.1.3 of Part IV of this document.

Pursuant to a letter dated 16 August 2021, the Company executed a warrant instrument and, conditional upon Admission, issued warrants created thereunder to David Evans, a significant shareholder and director of IIG. Further details are provided at paragraph 13.1.20 of Part IV of this document.

SECTION C: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The following unaudited pro forma statement of net assets of the Group (the "Pro Forma Financial Information") has been prepared to illustrate the effect on the combined net assets of the Group as if the Placing, the conversion of loan notes and the advance subscriptions for shares had taken place on 31 May 2021. The Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The Pro Forma Financial Information is based on the combined net assets of the Group as at 31 May 2021, set out in the combined financial information of the Group for the period ended 31 May 2021 in Section B of Part III of this document and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

£'000	*Group net assets as at 31 May 2021 Note 1*	*Adjustment Note 2*	*Adjustment Note 3*	*Adjustment Note 4*	*Adjustment Note 5*	*Unaudited pro forma net assets of the Group as at 31 May 2021 Note 6*
Assets						
Non-current assets						
Property, plant and equipment	804	–	–	–	–	804
Intangible assets	1,415	–	–	–	–	1,415
Right-of-use assets	579	–	–	–	–	579
	2,798	–	–	–	–	2,798
Current assets						
Inventories	938	–	–	–	–	938
Trade and other receivables	1,696	–	–	–	–	1,696
Cash and cash equivalents	130	3,900	–	750	(50)	4,730
	2,764	3,900	–	750	(50)	7,364
Total assets	5,562	3,900	–	750	(50)	10,162
Liabilities						
Current liabilities						
Borrowings	(1,114)	–	–	–	–	(1,114)
Convertible loan instrument	(125)	–	125	–	–	–
Trade and other payables	(2,043)	–	–	–	50	(1,993)
Lease liabilities	(172)	–	–	–	–	(172)
	(3,454)	–	125	–	50	(3,279)

£'000	*Group net assets as at 31 May 2021 Note 1*	*Adjustment Note 2*	*Adjustment Note 3*	*Adjustment Note 4*	*Adjustment Note 5*	*Unaudited pro forma net assets of the Group as at 31 May 2021 Note 6*
Non-current liabilities						
Deferred tax	(40)	–	–	–	–	(40)
Borrowings	(743)	–	–	–	–	(743)
Convertible loan instrument	(1,000)	–	1,000	–	–	–
Lease liabilities	(386)	–	–	–	–	(386)
	(2,169)	–	1,000	–	–	(1,169)
Total liabilities	(5,622)	–	1,125	–	50	(4,447)
Net (liabilities)/ assets	(60)	3,900	1,125	750	–	5,715

Notes

1. The combined net assets of the Group have been extracted without material adjustment from the combined historical financial information as set out in Section B of Part III of this document.
2. The gross proceeds of the Placing receivable by the Company are £5.0 million and expenses are £1.1 million (excluding VAT). Net proceeds of the Placing receivable by the Company, as shown above, are therefore £3.9 million.
3. The Group has unsecured convertible loan notes of £1,125,000 in issue at 31 May 2021, which will all be converted to equity on Admission, £1,000,000 of which is convertible at a 20 per cent. discount to the Placing Price. The remaining £125,000 is convertible at the Placing Price.
4. Advance subscriptions for shares at the Placing Price were made after 31 May 2021 but prior to Admission, the shares in relation to which will be issued at Admission with the cash received prior to Admission.
5. A Director's loan account balance of £50,413 will be repaid on Admission.
6. No adjustment has been made for any other movement in the combined net assets of the Group since 31 May 2021, save as disclosed above.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company (whose registered office address appears on page 11 of this document) and the Directors, whose names, business address and functions appear on page 11 of this document, accept responsibility, individually and collectively, for all the information contained in this document (including any expressions of opinion) including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INCORPORATION AND STATUS OF THE COMPANY

2.1 The Company was incorporated and registered as a private limited company in England and Wales under the Act on 13 January 2020 with the name Light Science Technologies Group Ltd and with registered number 12398098.

2.2 The Company's name was changed to Light Science Technologies Holdings Ltd on 26 June 2020.

2.3 On 8 July 2021, the Company was re-registered as a public limited company with the name Light Science Technologies Holdings plc. The Company's legal entity identifier is 213800V9MWRRLVQ6EY56.

2.4 The Company operates two complementary businesses: (1) Light Science Technologies which offers lighting and monitoring technology[13] and consulting services for the CEA market and (2) UK Circuits which manufactures loaded printed circuit boards. Following Admission, the principal activities will be in lighting, manufacturing of loaded printed circuit boards and monitoring technology and consulting services for the CEA market.

2.5 The principal legislation under which the Company was incorporated is the Companies Act.

2.6 The Company is a public limited company and accordingly the liability of its members is limited.

2.7 The Company's legal and commercial name is Light Science Technologies Holdings plc.

2.8 The registered office of the Company is 1 Lowman Way, Hilton, Derby, England, DE65 5LJ. The telephone number of the Company's registered address is +44 (0) 1332 410 601. The Company's principal place of business is currently and will following Admission be at 1 Lowman Way, Hilton, Derby, England, DE65 5LJ.

2.9 The business address of the Directors is currently at 1 Lowman Way, Hilton, Derby, England, DE65 5LJ. Following Admission, the business address of the Directors will continue to be at this address.

2.10 The address of the Company's website, at which the information required by Rule 26 of the AIM Rules can be found, is https://lightsciencetechnologiesholdings.com.

2.11 The Company has no administrative, management or supervisory bodies other than the Board of Directors and the audit and risk, remuneration and nomination committees, all of whose members are Directors.

2.12 Save as disclosed in this document, none of the Directors are aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

13 This technology is currently in development.

3. THE GROUP

3.1 As at the date of this document, the Company has the following direct and indirect subsidiaries:

Name	*Country of incorporation*	*Registered office*	*Percentage ownership interest*
UK Circuits and Electronics Solutions Holdings Limited*	England & Wales	1 Lowman Way, Hilton, Derby DE65 5LJ	100
Light Science Technologies Ltd	England & Wales	1 Lowman Way, Hilton, Derby DE65 5LJ	100
UK Circuits and Electronics Solutions Limited	England & Wales	1 Lowman Way, Hilton, Derby DE65 5LJ	90
LSTH Trustee Limited	England & Wales	1 Lowman Way, Hilton, Derby, DE65 5LJ	100

* UK Circuits Holdings owns 90 per cent. of the shares in UK Circuits. The remaining 10 per cent. of the shares in UK Circuits are held by Paul and Joanne Moran (who owned all of UK Circuits prior to UK Circuits Holdings' acquisition of its 90 per cent. stake).

4. SHARE CAPITAL OF THE COMPANY

4.1 The issued share capital of the Company as at the date of this document and as it will be immediately following Admission is as follows:

	Number	*£ (nominal)*
As the date of this document:		
Ordinary Shares	100,000,000	1,000,000
As at Admission:		
Ordinary Shares	174,150,000	1,741,500

4.2 The Company was incorporated with 1,000 ordinary shares of £1.00 each which were credited as fully paid and subscribed for by Simon Deacon. Since incorporation, there have been the following changes to the share capital of the Company:

4.2.1 on 23 June 2021:

4.2.1.1 the Company issued 399,600 ordinary shares of £1 each as a share for share exchange for the acquisition of all the shares in the capital of LST from Simon Deacon (see paragraph 13.1.15 below for details of the relevant share for share exchange agreement);

4.2.1.2 the Company issued a further 599,400 ordinary shares of £1 each as a share for share exchange for the acquisition of all the shares in the capital of UK Circuits Holdings (which in turn owns a 90 per cent. stake in UK Circuits) from Simon Deacon (see paragraph 13.1.16 below for details of the relevant share for share exchange agreement); and

4.2.2 subsequently each ordinary share of £1.00 in the Company was subdivided into 100 Ordinary Shares of £0.01 each (giving the Company an issued share capital of 100,000,000 Ordinary Shares);

4.2.3 on 7 September 2021, Simon Deacon transferred 8,500,000 Ordinary Shares in the capital of the Company to Gordon Hall as a gift;

4.2.4 on 11 October 2021, the Company issued, conditional upon but with effect immediately prior to Admission:

4.2.4.1 2,500,000 Ordinary Shares at the Placing Price to David Evans pursuant to an advance subscription agreement dated 6 October 2020 (as amended by a variation letter dated 29 March 2021 and another variation letter dated 18 June 2021);

4.2.4.2 12,500,000 Ordinary Shares at £0.08 per share (being a 20 per cent. discount to the Placing Price) to Intuitive Investments Group plc pursuant to a convertible

loan agreement dated 11 January 2021 (as amended by a variation letter dated 25 March 2021);

4.2.4.3 250,000 Ordinary Shares at the Placing Price to Andrew Hempsall pursuant to a convertible loan agreement dated 30 March 2021;

4.2.4.4 1,000,000 Ordinary Shares at the Placing Price to James Snooks pursuant to a convertible loan agreement dated 30 March 2021;

4.2.4.5 400,000 Ordinary Shares (being the Fee Shares) at the Placing Price to Strand in accordance with the engagement letter between Strand and the Company dated 20 January 2021 and the Placing Agreement;

4.2.4.6 2,500,000 Ordinary Shares at the Placing Price to David Evans pursuant to an advance subscription agreement dated 18 June 2021;

4.2.4.7 2,500,000 Ordinary Shares at the Placing Price to David Evans pursuant to an advance subscription agreement dated 16 August 2021; and

4.2.4.8 2,500,000 Ordinary Shares at the Placing Price to David Evans pursuant to an advance subscription agreement dated 18 August 2021.

4.3 The Company has no authorised share capital.

4.4 The Existing Ordinary Shares have a nominal value of £0.01. All Existing Ordinary Shares in issue as at the date of this document are, and all Ordinary Shares in issue at Admission shall be, fully paid up.

4.5 The Existing Ordinary Shares were created under the Act and have the rights and are subject to the restrictions referred to in paragraph 6 of this Part IV.

4.6 The Ordinary Shares are in registered form and may be held in either certificated form or in uncertificated form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. Accordingly, it is intended that following Admission the settlement of transactions in the Ordinary Shares may take place in CREST if the relevant Shareholders so wish. The records in respect of Ordinary Shares held in uncertificated form will be maintained by the Company's registrars, Neville Registrars Limited.

4.7 The International Securities Identification Number (ISIN) for the Ordinary Shares is GB00BNDQJN14.

4.8 None of the Ordinary Shares have been sold or made available to the public in conjunction with the application for Admission.

4.9 No Ordinary Shares are held by or on behalf of the Company itself (except for LSTH Trustee in connection with the EBT as described further in paragraph 5.12 of this Part IV by any subsidiaries of the Company.

4.10 Otherwise than as referred to in this document, there are no convertible securities, exchangeable securities or securities with warrants in the Company.

4.11 Other than the current application for Admission, the Ordinary Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the Ordinary Shares.

4.12 No Ordinary Shares are currently in issue and no Ordinary Shares will be in issue on Admission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.13 The Placing Price of 10 pence per Ordinary Share represents a premium of 9 pence over the nominal value of 1 penny per Ordinary Share and is payable in full on Admission under the terms of the Placing.

4.14 Pursuant to an ordinary resolution of the Company dated 8 October 2021, the Directors are generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the

Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £522,450, (which equates to up to 52,245,000 Ordinary Shares, being 30 per cent. of the Enlarged Share Capital) provided that such authority to expire upon the earlier of the conclusion of the next annual general meeting of the Company and 31 December 2022, save that the Directors may before such expiry make an offer or agreement which would or might require shares to be allotted or subscription or conversion rights to be granted after such expiry and the Directors may allot shares or grant subscription or conversion rights in pursuance of any such offer or agreement as if the authority had not expired.

4.15 Pursuant to a special resolution of the Company dated 8 October 2021 the Directors are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act), grant rights over or otherwise dispose of equity securities wholly for cash pursuant to the authority conferred by the resolution referred to in paragraph 4.14 above as if section 561 of the Act did not apply to any such allotment provided that this power be limited to the allotment of equity securities, up to a nominal amount of £348,300 (which equates to up to 34,830,000 Ordinary Shares, being 20 per cent. of the Enlarged Share Capital), provided that such power to expire upon the earlier of the conclusion of the next annual general meeting of the Company and 31 December 2022, save that the Directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted or rights to be granted after such expiry and the Directors may allot equity securities or grant rights in pursuance of any such offer or agreement as if the authority had not expired.

4.16 Save as otherwise referred to in this document:

4.16.1 no unissued share or loan capital of the Group is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option;

4.16.2 there are no listed or unlisted securities of the Company not representing share capital;

4.16.3 no loan capital of the Company is in issue and no such issue is proposed;

4.16.4 there are no acquisition rights and/or obligations over any unissued shares in the capital of the Company and no undertaking has been given by the Company to increase its issued share capital;

4.16.5 no persons have preferential rights in respect of any share or loan capital of the Company; and

4.16.6 there is no present intention to issue any share capital of the Company nor is there an undertaking to increase the capital of the Company as at the date of this document.

4.17 The Ordinary Shares are not redeemable. However, the Company may, subject to the requirements of the Act, purchase any of the Ordinary Shares on or off-market. The Company may purchase Ordinary Shares only out of distributable reserves or the proceeds of a new issue of shares made for the purpose of financing the purchase.

4.18 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.

5. EMPLOYEE SHARE INCENTIVE ARRANGEMENTS

5.1 ***Introduction***

The Company recognises the importance of ensuring that the management and employees of the Group are effectively and appropriately incentivised and their interests aligned with those of the Group. The ongoing success of the Group depends to a high degree on retaining and incentivising the performance of key members of senior management. To that end, the Company intends to establish, with effect from Admission, a management share option plan (the "MSOP"), which allows for the grant of enterprise management incentive share options, which qualify for favourable tax treatment under the provisions of Schedule 5 to ITEPA ("EMI Options") and non-qualifying options (EMI Options and non-qualifying options together "Options").

Options will not be transferable. Only the person to whom an Option is granted or his or her personal representatives may acquire Ordinary Shares pursuant to an Option. Benefits provided under the MSOP are not pensionable.

The Company also intends to establish an LSTH Employee Benefit Trust ("EBT") which shall be a UK resident trust of which there shall always be either one corporate trustee or at least two individual trustees. The trustees will have the power to borrow money or accept gifts from the Company or from third parties. They will have the power to use money received to buy and subscribe for shares, to make awards of shares and grant options over shares, to satisfy awards of shares or options granted by the Company and to use the Trust fund to pay expenses of operating the trust.

5.2 ***Administration***

The Remuneration Committee has overall responsibility for the operation and administration of the MSOP.

5.3 ***Eligibility***

In order to be granted an Option, an individual must be an employee or executive director of the Company or any other Group Company.

The Remuneration Committee has discretion to select the persons to whom Options are to be granted under the MSOP.

5.4 ***Grant of Options***

No Options will be granted under the MSOP after the tenth anniversary of the date of its adoption.

Options granted under the MSOP take the form of share options with a strike price that can be set at or below the market value of the shares on the date of grant.

Options and awards under the MSOP may, save in exceptional circumstances, only be granted within a period of 42 days following the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant Options during such period).

5.5 ***Size of EMI Options grants/plan limits***

The Company will grant EMI Options for as long as the Company satisfies the qualifying conditions set out in the EMI Code (as defined in Section 527(3) of ITEPA).

Under the EMI Code, an employee may hold EMI Options over Ordinary Shares with a value (as at the date of grant) of up to £250,000. Where this threshold is exceeded, the employee may not receive EMI Options for three years. He may, however, receive non-qualifying Options.

Unless the Remuneration Committee otherwise determines, the aggregate number of Ordinary Shares over which Options may be granted under the MSOP on any date shall be limited so that the total number of Ordinary Shares issued and issuable pursuant to Options granted under the MSOP and any other share scheme operated by the Company in any rolling 10 year period will be restricted to 10 per cent. of the Company's issued Ordinary Share capital from time to time calculated at the relevant time.

Treasury shares count towards this limit, as do Ordinary Shares issued to the trustee of an employees' trust. However, Ordinary Shares issued to the trustee of an employees' trust are not counted a second time if those shares are subsequently placed under option or used to satisfy Options. No account will be taken of Ordinary Shares which an employees' trust purchases in the market or of Options which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. The EBT will be an employees' trust for these purposes.

5.6 ***Performance Targets***

The Remuneration Committee may impose targets which will determine the extent to which Options will vest. The performance targets will be set out in the option agreement.

In the event that a performance condition is imposed, it must be fulfilled prior to the exercise of the Option. An Option will lapse, without opportunity for re-vesting, to the extent that a performance condition is not met. However, the Remuneration Committee has discretion to amend, substitute or waive performance conditions if it considers that this is appropriate.

5.7 ***Vesting of Options***

The date that an Option vests and first becomes exercisable will be set out in each option agreement.

Options may vest earlier than a date set out in an option agreement in the following circumstances:

(a) if the participant ceases to be in employment due to the reasons described in paragraph 5.8 below, Options may be exercised taking into account the extent to which any performance targets (adjusted to take account of the shorter period from grant) have been met and scaled down to reflect the proportion of the vesting/performance period that has elapsed; or

(b) if the Company is acquired by a third party, Options may then be exercised to the extent determined by the Remuneration Committee, taking into account the extent to which the performance targets have been met and the proportion of the vesting/performance period that has elapsed. Alternatively Options may be exchanged for options over shares in an acquiring company, if the Company is acquired and the third party agrees.

5.8 ***Leavers***

If a participant ceases to hold office or employment with the Group where the reason for cessation is due to redundancy, retirement, a transfer under TUPE (the Transfer of Undertakings (Protection of Employment) Regulations 2006), other transfers of a business/part of a business, the employing company ceasing to be a Group Company or any other reason that the Remuneration Committee acting fairly and reasonably so determines, an Option shall become or remain exercisable for a period of 90 days from the date which the participant ceases to hold office or employment with any Group Company taking into account the extent to which any performance condition has been met and the period that has elapsed between the date of grant and the date of cessation of employment.

If the participant ceases to be an employee due to death, his or her personal representatives shall be permitted to exercise his or her Options within 12 months of the participant's death to the extent to which any performance condition has been met.

5.9 ***Rights attaching to shares***

Ordinary Shares issued in connection with the exercise of Options will rank equally with Ordinary Shares then in issue (save as regards any rights attaching to Ordinary Shares by reference to a record date prior to the date on which the allottee is entered on the register of member). Application will be made for admission to trading on AIM of new Ordinary Shares issued.

5.10 ***Variation of share capital***

If there is any alteration of the issued share capital of the Company, the number of Ordinary Shares subject to an Option and the exercise price of a market value option will be subject to adjustments. The Board may adjust Options in such manner as it determines to be appropriate.

5.11 ***Alteration of the MSOP***

The Board or Remuneration Committee has discretion from time to time to amend the MSOP. However, alterations or additions that adversely affect the subsisting rights of an existing participant may only be made with the consent in writing of the relevant participant or consent of 75 per cent. of the participants.

5.12 ***Proposed Option Grant on Admission***

The Company proposes to grant Options over Ordinary Shares pursuant to the MSOP to the following Directors and employees of the Group on or shortly after Admission, for nil consideration. It is intended that Ordinary Shares to be gifted to the EBT by Simon Deacon prior to Admission will be used to satisfy the Options. On the basis that Ordinary Shares gifted to the EBT by Simon Deacon will already be in issue and fully paid up it is proposed that Options with a nil exercise price be granted such that option holders can receive the full value of the Ordinary Shares subject to Options. It is proposed that the

Options may first be exercised on the first anniversary of the date of grant and are not subject to performance conditions.

Employee/Director	*Number of Ordinary Shares to be placed under option*	*Exercise price*	*Exercise period*
Alice Brothill	700,000	£0.00	Between the first and tenth anniversaries of date of grant
Amanda Bushell	700,000	£0.00	Between the first and tenth anniversaries of date of grant
Marc Ellis	1,000,000	£0.00	Between the first and tenth anniversaries of date of grant
Andrew Hempsall	1,500,000	£0.00	Between the first and tenth anniversaries of date of grant
Daryl Hollands	700,000	£0.00	Between the first and tenth anniversaries of date of grant
John Matcham	700,000	£0.00	Between the first and tenth anniversaries of date of grant
Steve Naylor	700,000	£0.00	Between the first and tenth anniversaries of date of grant
Craig Price	700,000	£0.00	Between the first and tenth anniversaries of date of grant
Andrew Williams	700,000	£0.00	Between the first and tenth anniversaries of date of grant
Jim Snooks	1,500,000	£0.00	Between the first and tenth anniversaries of date of grant

As at Admission, the EBT shall hold Ordinary Shares representing approximately 5.1 per cent. of the Enlarged Share Capital at Admission. Ordinary Shares to be gifted to the EBT will already be in issue and therefore Options granted over them will not count towards the overall plan limits set out within the MSOP rules and summarised in paragraph 5.5 above.

6. ARTICLES OF ASSOCIATION

The Articles, which were adopted by a written resolution passed on 1 July 2021 conditional on and with effect from Admission, contain, amongst others, provisions to the following effect:

6.1 ***Limited liability***

The liability of the Company's members is limited to the amount (if any) unpaid on the shares in the Company held by them.

6.2 ***Unrestricted objects***

The objects of the Company are unrestricted.

6.3 ***Change of name***

The Articles allow the Company to change its name by resolution of the Board. This is in addition to the power of the Company under section 77 of the Act to change its name by special resolution.

Share rights

6.4 ***Rights of different classes of shares***

Subject to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as the Company may by ordinary resolution determine or, in the absence of any such determination, as the Board may decide. Subject to any rights attached to any existing shares, the Company may also issue shares which are to be redeemed or which, at the option of the Company

or the holder, are liable to be redeemed. The Board may decide the terms, conditions and manner of redemption of any redeemable shares which are issued.

6.5 ***Voting rights***

Subject to any rights or restrictions as to voting attached to any shares and to any suspension or abrogation of voting rights pursuant to the Articles:

(a) on a vote on a resolution on a show of hands, every member present (not being present by proxy) and entitled to vote on the resolution has one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote (save that a proxy who has been appointed by more than one member has one vote for and one vote against if he has been instructed to vote in different ways on the resolution); and

(b) on a vote on a resolution on a poll, every member who is present in person or by proxy and entitled to vote on the resolution has one vote for every share of which he is the holder.

Unless the Board otherwise decides, no member is entitled in respect of any share held by him to vote on any resolution at a shareholders meeting, either in person or by proxy, if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

6.6 ***Variation of rights***

If at any time the capital of the Company is divided into different classes of share, the rights attached to any class may be varied either with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and may be so varied either while the Company is a going concern or during or in contemplation of a winding up. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

6.7 ***Transfer of shares***

A member may transfer all or any of his shares which are in certificated form by an instrument of transfer in any usual form or common form or in any other form approved by the Board. The instrument of transfer must be signed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. A member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in accordance with the CREST Regulations.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, in the case of a class of shares admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may refuse to register a transfer of a certificated share unless the instrument of transfer is:

(a) in respect of only one class of share;

(b) in favour of not more than four persons jointly; and

(c) lodged (duly stamped if required) at the place where the register of members is situated (or such other place as the Board may appoint) accompanied (except in the case of a transfer by a person to whom the Company is not by law required to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Board may refuse to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations or if the transfer is in favour of more than four persons jointly.

Subject to the above and subject to the transfer restrictions summarised in the paragraph headed "Suspension of rights attaching to shares" below, the Articles contain no restrictions on the free transferability of fully paid shares.

6.8 ***Pre-emption rights***

There are no pre-emption rights under the Articles in respect of transfers of issued shares or the allotment of new shares.

Section 561 of the Act confers on holders of Ordinary Shares rights of pre-emption in respect of the allotment by the Company of equity securities (as defined in section 560 of the Act) which are, or are to be, paid up in cash. Under these statutory pre-emption rights, the Company is, subject to certain limited exceptions, required to offer to allot the equity securities concerned to holders of Ordinary Shares on a *pro rata* basis before allotting them to other persons. These statutory pre-emption rights have been disapplied to the extent set out in paragraph 4.15.

6.9 ***Suspension of rights attaching to shares***

Under section 793 of the Act, the Company may send out a notice (a "section 793 notice") to any person whom the Company knows or has reasonable cause to believe to be interested in its shares (or to have been so interested at any time during the preceding three years) asking for information concerning his interest in the shares and information concerning any other interest in the shares of which he is aware. Where a person receives a section 793 notice and fails to provide the information required by the notice within the time specified in it, the Company can apply to the court for an order directing that the relevant shares be subject to restrictions. The effect of a court order imposing restrictions is that (i) any transfer of the shares is void, (ii) no voting rights are exercisable in respect of the shares, (iii) no further shares may be issued in right of the shares or in pursuance of an offer made to the holder of them, and (iv) except in a liquidation, no payment may be made of sums due from the Company on the shares (whether in respect of capital or otherwise). The Articles also contain provisions for the imposition of restrictions on shares in circumstances where a person fails to comply with a section 793 notice which are described below.

If a member, or any other person appearing to be interested in shares held by that member, has been served with a section 793 notice and has failed in relation to any shares (the "default shares" which expression includes any further shares issued in respect of those shares) to give the Company the information required by the notice for a period of 14 days from the date of its service, then (unless the Board otherwise determines) the following sanctions apply:

(a) the member is not entitled in respect of the default shares to attend or to vote (either in person or by proxy) at any meeting or on a poll or to exercise any other right conferred by membership in relation to shareholder meetings;

(b) where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of any class of shares (excluding any shares of that class held as treasury shares):

(c) any dividend or any other amount payable in respect of the default shares is to be withheld by the Company (without the Company being liable to pay interest on it) and the member is not entitled to elect to receive shares in lieu of dividend; and

(d) save for an excepted transfer, no transfer of any default shares is to be registered unless the member is not himself in default in supplying the information required and he proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares included the subject of the transfer.

Where the sanctions described above apply, they cease to have effect (and any dividend or other money withheld becomes payable) at the expiry of seven days (or such shorter period as the Board may decide) following the earlier of:

(a) the date on which the Company receives notification that the default shares have been transferred by means of an excepted transfer; and

(b) the date on which the Company receives, in a form satisfactory to the Board, all of the information required by the relevant section 793 notice.

For the purposes of the above, an "excepted transfer" is (i) a transfer by way of acceptance of a takeover offer, (ii) a transfer in consequence of a sale made through a recognised investment exchange or any other stock exchange outside the UK on which the Company's shares are normally traded or (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of

the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

6.10 ***Dividends***

The Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. If and so far as in the opinion of the Board, the profits of the Company available for distribution justify such payments, the Board may declare and pay (i) interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as the Board thinks fit and (ii) fixed dividends on any class of shares carrying a fixed dividend on the dates prescribed for the payment of those dividends.

Except as otherwise provided by the rights attaching to, or the terms of issue of, any shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid and shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose, no amount paid up on a share in advance of the date on which a call is payable shall be treated as paid up on the share.

Unless otherwise provided by the rights attaching to the share, no dividend payable in respect of a share shall bear interest as against the Company. The Board may deduct from any dividend payable to any person in respect of a share all such sums as may be due from that person to the Company on account of calls or otherwise in relation to shares in the Company.

Any unclaimed dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of 12 years after it was declared or became due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

The Board may, with the prior authority of an ordinary resolution of the Company, offer holders of Ordinary Shares (excluding Ordinary Shares held as treasury shares) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend specified by the ordinary resolution. The ordinary resolution may specify a particular dividend or dividends (whether declared or not) or may specify all or any dividends declared within a specified period but such period may not end later than the fifth anniversary of the date of the meeting at which the resolution is passed.

6.11 ***Distribution of assets on liquidation***

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by legislation, divide among the members in specie the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same authority, may transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as he thinks fit.

General meetings

6.12 ***Annual general meetings***

In accordance with the requirements of the Act, the Company must hold a general meeting as its annual general meeting in each six month period following its accounting reference date.

6.13 ***Convening of general meetings***

The Board may call a general meeting whenever it thinks fit. The Board must, on the requirement of the members under the Act, call a general meeting in accordance with the requirements of the Act.

The Board may make whatever arrangements it considers fit to allow those entitled to do so to attend and participate in any general meeting (including by electronic means and/or from multiple locations), provided that general meetings are not held exclusively on an electronic basis.

6.14 ***Notice of general meetings***

General meetings must be called by at least such minimum period of notice as is required under the Act which, in the case of an annual general meeting, is 21 clear days' notice and, in the case of other general meetings, is 14 clear days' notice. Notice of the meeting must be given to the members (other than any members who, under the Articles or by virtue of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and to the auditors of the Company. The accidental omission to send notice of a general meeting to any person entitled to receive it does not invalidate the proceedings of the meeting.

Every notice of a general meeting must specify (i) the time, date and place of the meeting, (ii) (in the case of an annual general meeting) that the meeting is an annual general meeting, (iii) the general nature of the business to be transacted at the meeting and (iv) any intention to propose a resolution as a special resolution. In addition, the notice must specify, with reasonable prominence, that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting, that a member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to different shares and that a proxy need not be a member.

6.15 ***Quorum***

No business is to be transacted at any general meeting unless a quorum is present. The quorum for a general meeting is two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

6.16 ***Method of voting***

At any general meeting, a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is demanded in accordance with the Articles.

Directors

6.17 ***Number and appointment of Directors***

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two but shall not be subject to any maximum number. Directors may be appointed by the Company by ordinary resolution or by the Board, in each case either to fill a casual vacancy or as an addition to the existing Board.

A Director is not required to hold any shares in the Company by way of qualification.

6.18 ***Retirement of Directors***

At each annual general meeting, any Director:

(a) who has been appointed by the Board since the preceding annual general meeting; or

(b) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or

(c) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,

shall retire from office but shall be eligible for re-appointment.

6.19 ***Removal of a Director by resolution of the Company***

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director from office and appoint another person in place of a Director so removed.

6.20 ***Vacation of office***

The Articles provide for the office of a Director to be vacated in the following circumstances:

(a) if he resigns or offers to resign and the Board resolves to accept such offer;

(b) if he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to the Articles or the Act or becomes prohibited by law from acting as a Director;

(c) if he becomes bankrupt, has an interim receiving order made against him, makes any arrangement with or compounds with his creditors generally or applies to the court for an interim order under the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

(d) if he is, or may be, suffering from mental disorder or is otherwise incapable of managing his affairs and either:

(i) an order is made by any court or official having jurisdiction (whether in the UK or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

(ii) he is admitted to hospital following an application for admission for treatment under the Mental Health Act 1983 or any similar legislation in any other jurisdiction,

and the Board resolves that his office be vacated;

(e) if he is absent from meetings of the Board for a period of six consecutive months without the permission of the Board and his alternate Director (if any) has not attended in his place during that period and the Board resolves that his office be vacated;

(f) (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company) if he is removed from office by a notice in writing addressed to him at his last known address signed by at least three fourths in number of his co-Directors; or

(g) in the case of any Director who holds any executive office with the Company, if his appointment as such is terminated or expires and the Board resolves that his office be vacated.

6.21 ***Alternate directors***

Any Director may appoint any other Director to be his alternate and may remove any alternate appointed by him. Any appointment or removal of an alternate Director is effected by notice to the Company signed by the Director making or revoking the appointment and sent to or received by the Company at the registered office of the Company or at an address specified by the Company for the purpose of communication by electronic means or tabled at a meeting of the Board or in any other manner approved by the Board.

6.22 ***Directors' remuneration and expenses***

Each Director is entitled to be paid by way of remuneration for his services as a Director such fee as may be decided by the Board but the aggregate of all fees so paid to Directors must not exceed £2,500,000 per annum (or such higher amount as may be decided by ordinary resolution of the Company). Such fee shall be distinct from and additional to any salary, remuneration or other benefits which may be paid or provided to a Director under any other provision of the Articles.

Any Director who performs any special or extra services which in the opinion of the Board are outside the scope of his ordinary duties as a Director and not in his capacity as a holder of employment or executive office may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration paid or provided for pursuant to any other provision of the Articles.

The salary or remuneration of any Director appointed to hold any employment or executive office shall be such as the Board may decide and may be either a fixed sum of money or may, in whole or in part, be governed by business done or profits made or otherwise decided by the Board. Any such salary or remuneration may be in addition to or in lieu of any fee payable to him for his services as a Director under the Articles.

Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as a Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or shareholder meetings.

6.23 ***Pensions and other benefits***

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) to or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings, members of his family and his dependants.

The Board may also exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings.

6.24 ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but, as regards subsidiary undertakings, only so far as by the exercise of such rights or powers of control, the Board can secure) that the aggregate principal amount outstanding at any time of all borrowings by the Company after deducting cash deposited shall not, save with the previous sanction of an ordinary resolution of the Company, exceed the greater of £12,000,000 and an amount equal to three times the adjusted capital and reserves (as defined in the Articles).

6.25 ***Proceedings of the Directors***

Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. The quorum necessary for the transaction of business may be determined by the Board and, unless so determined at any other number, shall be two. A duly convened meeting of the Board at which a quorum is present is competent to exercise all or any of the powers vested in or exercisable by the Board. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting has a second or casting vote.

A resolution in writing signed by all the Directors who would have been entitled to vote on the resolution at a meeting of the Board (provided that those Directors would have formed a quorum at such a meeting) is as valid and effective as a resolution duly passed at a meeting of the Board.

6.26 ***Directors' conflicts of interest***

The Board may authorise any situation or matter in which a Director (an "Interested Director") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in the Interested Director being in breach of his statutory duty to avoid conflicts of interest. An Interested Director seeking authorisation of a conflict of interest must declare to the Board the nature and extent of his interest giving rise to the conflict as soon as reasonably practicable. An Interested Director must not be counted in the quorum or vote in respect of any resolution of the Board giving such authorisation.

Where the Board authorises a situation or matter, it may impose on the Interested Director such terms for the purpose of dealing with the conflict of interest as the Board may determine.

6.27 ***Permitted interests of Directors***

A Director, notwithstanding his office, may:

(a) be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;

(b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director or act by himself or through a firm with which he is associated in a

professional capacity for the Company or any body corporate in which the Company is directly or indirectly interested (otherwise than as auditor);

(c) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested (including by the holding of shares or other securities) in, any body corporate promoted by the Company or in which the Company is otherwise directly or indirectly interested or as regards which the Company has any powers of appointment; and

(d) be a director of any body corporate in which the Company is not directly or indirectly interested if, at the time of his appointment as a director of that other company, such appointment cannot reasonably be regarded as giving rise to a conflict of interest.

If a Director has any interest referred to above, he must, subject to certain exceptions, declare the nature and extent of that interest to the Board. The declaration must be made as soon as is reasonably practicable and, in the case of an interest in a proposed transaction or arrangement with the Company, before the Company enters into the transaction or arrangement.

6.28 ***Directors not liable to account***

A Director is not liable to account to the Company for any benefit which he derives from any transaction or arrangement or from any office, employment, position or relationship or from any interest in any body corporate if the relevant matter has been authorised by the Board (subject, in any such case, to the terms of such authorisation) or is permitted under the Articles.

No transaction or arrangement is liable to be avoided on the grounds that a Director has an interest in it (or derives a benefit from it) if the interest has been authorised by the Board or is permitted under the Articles.

6.29 ***Restrictions on voting by Directors***

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board (or of a Board committee) concerning any transaction or arrangement in which he has a direct or indirect interest. However, this prohibition does not apply to any resolution concerning a transaction or arrangement in which his interest cannot reasonably be regarded as likely to give rise to a conflict of interest or to any resolution concerning:

(a) the giving of any guarantee, security or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;

(b) an offer by the Company or any of its subsidiary undertakings of securities for subscription, purchase or exchange, in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(c) a transaction or arrangement in which he has an interest only by virtue of an interest in shares, debentures or other securities of the Company or by reason of any other interest in or through the Company;

(d) a transaction or arrangement concerning any other body corporate in which the Director (or any person connected with him) is interested (directly or indirectly) and whether as an officer, shareholder, creditor, employee or otherwise, if he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital of that body corporate or the voting rights available to members of that body corporate;

(e) a transaction or arrangement concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefit scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the fund or scheme relates;

(f) a transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the transaction or arrangement relates;

(g) any proposal relating to the purchase or maintenance of insurance against any liability for the benefit of any Directors (or of persons who include Directors);

(h) the giving of indemnities in favour of Directors; and

(i) the funding of expenditure incurred or to be incurred by any Director in defending any criminal or civil proceedings or in connection with an application to the court for relief or in defending him in any investigation by, or against action proposed to be taken by, a regulatory authority or the doing of anything to enable any Director to avoid incurring any such expenditure.

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested.

6.30 ***Indemnification of Directors***

Subject to the Act, every Director is entitled to be indemnified by the Company against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company (other than any liability to the Company or any associated company or any liability of the kind referred to in section 234(3) of the Act) and any other liability incurred by him in the performance of his duties.

Subject to the Act, the Company may provide a Director with funding to meet his expenditure in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company or any associated company. The Company may also provide a Director with funding to meet his expenditure in connection with any investigation or action undertaken by a regulatory authority.

The above is a summary only of certain provisions of the Articles. The full provisions of the Articles are available on the Company's website at https://lightsciencetechnologiesholdings.com.

7. TAKEOVER CODE

7.1 ***Controlling Shareholder***

On Admission, Simon Deacon will have an interest in 80,600,000 Ordinary Shares, amounting to approximately 46.3 per cent. of the Enlarged Share Capital.

Simon Deacon has entered into the Relationship Agreement with the Company and Strand Hanson. Further details of the Relationship Agreement are set out in paragraph 13.1.5 of this Part IV.

7.2 ***Mandatory takeover bids***

The Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code ("Rule 9"), except with the consent of the Takeover Panel, when:

- any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company; or
- any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

such person, and any person acting in concert with such person, must make a general offer to all the other shareholders (including the holders of any class of equity share capital whether voting or non-voting and the holders of any other class of transferable securities carrying voting rights) to acquire the balance of the shares not held by such person and its concert parties.

An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid within the preceding 12 months for any shares by the person required to make the offer or any person acting in concert with such person.

7.3 ***Compulsory acquisition – squeeze-out***

Under the Companies Act, if an offeror makes a takeover offer (as defined by section 974 of the Companies Act), and by virtue of acceptances of the offer and any other acquisitions came to acquire not less than 90 per cent. of the Ordinary Shares, then it may, within certain time periods, compulsorily acquire the remaining 10 per cent. of the Ordinary Shares. It would do so by sending a notice to the holders of Ordinary Shares to which the offer related but who had not accepted the offer telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for such Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

No squeeze-out process has been undertaken in relation to the Company.

7.4 ***Compulsory acquisition – sell-out***

The Companies Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of Ordinary Shares to which the offer relates who has not accepted the offer can by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises its rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

No sell-out process has been undertaken in relation to the Company.

8. CONTROL

The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

9. DIRECTORS' AND OTHER INTERESTS

9.1 The interests of the Directors and persons connected to them (within the meaning of section 252 of the Act) (all of which are beneficial unless otherwise stated) in the issued share capital of the Company which have been notified to the Company pursuant to section 324 and 328 of the Act (or are required to be disclosed in the register of Directors' interests pursuant to Section 325 of the Act) and the interests of connected persons of a Director within the meaning of section 346 of the Act which would, if the connected person were a Director, be required to be disclosed in accordance with the foregoing and the existence of which is known to or could with reasonable diligence be ascertained by that Director, as at the date of this document and as expected to be immediately following Admission are as follows:

9.1.1 Prior to, and on, Admission, interests in the Ordinary Shares are, and will be, as follows:

	Prior to Admission		*On Admission*	
Name	*Number of Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of Enlarged Share Capital*
Simon Deacon	91,500,000	91.5	80,600,000	46.3
Andrew Hempsall	–	–	250,000	0.1
Jim Snooks	–	–	1,000,000	0.6
Myles Halley	–	–	500,000	0.3
Lisa Clement	–	–	–	–
Robert Naylor	–	–	2,500,000	1.4
Rory James-Duff	–	–	150,000	0.1
Intuitive Investments Group plc*	–	–	13,280,000	7.6
LSTH Trustee**	–	–	8,900,000	5.1

* Rob Naylor, a director of the Company, is the CEO and a shareholder of Intuitive Investments Group plc.

** The current holders of employee options over the Ordinary Shares held by LSTH Trustee are set out in paragraph 5.12 of this Part IV.

9.1.2 The options over Ordinary Shares which are outstanding at Admission are set out above in paragraph 5.12 of this Part IV.

9.2 Save as set out in paragraphs 12, 13 and 15 of this Part IV, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group during the current or immediately preceding financial year and which was affected by the Group and remains in any respect outstanding or unperformed.

9.3 There are no loans made or guarantees granted or provided by the Group to or for the benefit of any Director which are outstanding.

9.4 Neither the Directors nor any major Shareholders have different voting rights to the other Shareholders.

9.5 None of the Directors or members of their family has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

10. ADDITIONAL INFORMATION ON THE DIRECTORS

10.1 In addition to their directorship with the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Simon Deacon	141516 Ltd	131415 Ltd
	Callow Capital 2 Limited	151617 Ltd
	Design Conformity Ltd	161718 Ltd
	Fire Barrier International Ltd	AL Realisations Limited
	Fire Barrier Services Limited	Callow Capital Ltd
	Fusion Digital Services Ltd	Eminence Lighting Limited
	Hulland Capital 4 Limited	On-Time Communications Ltd
	Hulland Capital 5 Limited	
	Hulland Capital Developments Ltd	
	Hulland Partnership Ltd	
	Light Science Technologies Ltd	
	S M Property Development Ltd	
	UK Circuits and Electronics Solutions Holdings Limited	
	UK Circuits and Electronics Solutions Limited	

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Andrew Hempsall	AHM Special Projects Consulting Limited	Peterborough Council for Voluntary Service* Sterling POS Solutions Limited
Jim Snooks	Ashland New Homes Ltd Spring Farm Investments Limited	None
Myles Halley	Airhop Germany Limited Broadthorpe Limited Brownhills Motorhomes Limited Davis(Forest Field)Limited Hosting Developments Limited LSTH Trustee Limited William Davis & Co. (Loughborough) Limited William Davis Limited Wrexham Wire Limited	Airhop Holdings Limited Halley Financial Ltd NMC Eugin Delaware LLC** NMC Eugin UK Limited** NMC Health plc**
Lisa Clement	Everything But The Cow Limited LSTH Trustee Limited	Harworth Group plc
Robert Naylor	Intuitive Investments Group plc	None
Rory James-Duff	Groundworks Services Limited	Peel Hunt LLP

Notes:

* UK Companies House records indicate that Mr Hempsall is still a director of Peterborough Council for Voluntary Service, however he formally resigned in July 2021 and steps are being taken to make/update the relevant filings.

** UK Companies House records indicate that Mr Halley was not a board member of NMC Health plc, however he held such directorship from April 2020 to May 2020 and, accordingly, steps are being taken to make/update the relevant filings. His appointment to the board of NMC Health plc (and certain companies within the group), along with three other directors, on 14 April 2020 was at the Joint Administrators' request following NMC Health plc being placed into administration on 9 April 2020.

10.2 Simon Deacon is a director of Fire Barrier Services Limited ("FBSL"). FBSL was placed into administration on 17 December 2018 (with such administration still ongoing) by an out of court appointment by Beyond Working Capital Ltd, the lender which funded the FBSL group. Beyond Working Capital Ltd served notice to withdraw from the marketplace unexpectedly nearly five months after the three-year term facility was provided to FBSL in October 2017 and demanded repayment of the monies lent. At the time of FBSL being placed into administration, it owed creditors a total of c. £2.9 million, including c. £1.2 million to the lender.

As a result of FBSL's administration, 131415 Ltd (previously called Callow Capital 3 Limited) and 161718 Ltd (previously called Fire Barrier Limited), which were other companies in the FBSL group of which Mr Deacon was a director, were also placed into administration on 17 December 2018, with an aggregate total of c. £400,000 owed to associate creditors. Both these companies were dissolved on 11 March 2021.

As part of the administration of the FBSL group, the business, assets and the majority of trade creditor claims were sold as part of a pre-pack administration to Fire Barrier International Limited ("FBIL"), with such acquisition completing on 25 January 2019. FBIL remains an active company, with Simon Deacon as the sole director and shareholder.

10.3 Simon Deacon was a director of Advance Lighting Limited ("ALL"), which went into administration on 6 March 2012, and was dissolved on 12 December 2019, with a creditor shortfall of c. £314,000. As part of the administration, ALL changed its name to AL Realisations Limited ("ARL"), and the business and assets were sold on 6 March 2012 as part of a pre-pack administration to Ash 117 Limited, which changed its name to Advance (International) Limited ("AIL").

Simon Deacon was a director of AIL until 27 September 2019. AIL changed its name to 151617 Ltd on 28 November 2019 and entered administration on 19 December 2019. Such administration was moved to a dissolution on 12 August 2021 with an estimated non-preferential unsecured creditor shortfall of c. £1,700,000. Mr Deacon understands a pre-pack administration deal was agreed on 19 December 2019 to sell the business and assets of AIL to LED Group Ltd ("LGL"), which remains an active company. Simon Deacon is neither a director nor a shareholder of LGL.

10.4 Simon Deacon is a director of 141516 Ltd (formerly named Callow Capital Limited), which entered creditors voluntary liquidation on 22 October 2019 owing creditors a total of c. £360,000. Such liquidation remains ongoing.

10.5 Myles Halley is a director of Wrexham Wire Limited (CRN: 08869479), a company backed by Rcapital Partners LLP (which Mr Halley was Chairman of until the end of 2019) which was placed into administration on 5 August 2020 having become insolvent following a collapse of its revenues mainly due to the COVID-19 pandemic and associated restrictions. At the time of being placed into administration, the amount of shortfall to creditors was estimated at £6.3 million. Such administration remains ongoing.

10.6 Save as disclosed above, none of the Directors has:

10.6.1 any unspent convictions in relation to indictable offences;

10.6.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

10.6.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

10.6.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or has been the subject of a partnership voluntary arrangement or within the 12 months after he ceased to be a partner in that partnership;

10.6.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.6.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

10.6.7 been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

11. SIGNIFICANT SHAREHOLDERS

11.1 Insofar as is known to the Company and the Directors, as at the close of business on 8 October 2021 (being the latest practicable date prior to the publication of this document), the following persons are, and will following Admission be interested directly or indirectly, in 3 per cent. or more of the Ordinary Shares or the Company's issued share capital (as applicable):

	Prior to Admission		*On Admission*	
Name	*Number of Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of Enlarged Share Capital*
Simon Deacon	91,500,000	91.5	80,600,000	46.3
Gordon Hall	8,500,000	8.5	8,500,000	4.9
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

* David Evans is a founder and substantial shareholder of Intuitive Investments Group plc. Rob Naylor (a director of the Company) is the CEO and a shareholder of Intuitive Investments Group plc.

11.2 No significant holder of Ordinary Shares, as listed above in paragraph 11.1 has voting rights different to other Shareholders.

11.3 So far as the Directors are aware, save as disclosed in paragraph 11.1 of this Part IV, there are no persons who, immediately following Admission, will, directly or indirectly, be interested in three per cent. or more of the Enlarged Share Capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

12. DIRECTORS' AGREEMENTS AND LETTERS OF APPOINTMENT

12.1 ***Executive Directors' Service Agreements***

12.1.1 *Simon Deacon*

On 11 October 2021, the Company entered into a service agreement with Simon Deacon pursuant to which Mr Deacon was, conditional upon but with effect immediately prior to Admission, employed on a full time basis as the Chief Executive Officer of the Company. Under the terms of the agreement, Mr Deacon is paid a gross annual salary of £220,000 per annum or such other rate as may be agreed with Mr Deacon from time to time by the Board. Mr Deacon is eligible to participate in the Company's bonus scheme in an amount to be determined by the Remuneration Committee at its absolute discretion. Mr Deacon is eligible to be enrolled in the Company's occupational pension scheme and to participate in the Company's private medical insurance scheme.

The employment of Mr Deacon may be terminated by either party giving 6 months' written notice to the other. In addition, the Company may terminate Mr Deacon's employment without notice in certain circumstances, including in the case of serious or repeated breaches of any provisions of the agreement. The agreement contains provisions which allow for a payment to be made in lieu of notice in event that the agreement is terminated by the Company. The Company has retained the right to place Mr Deacon on garden leave at any time after notice to terminate is served by either party.

The agreement contains restrictions on Mr Deacon being engaged, concerned or interested in any business or undertaking in competition with the Group unless it is a permitted interest. There are also restrictions on Mr Deacon engaging with a competitor or soliciting employees of the Group for 12 months respectively after termination. For reasons linked to enforceability, a payment of £100 is being paid to Mr Deacon subject to the usual deductions for income tax and employees' national insurance contributions in return for entering into them.

In connection with his engagement with the Company, Mr Deacon has entered into an agreement to opt out of the maximum weekly working time limit imposed by regulation 4(1) of the Working Time Regulations 1998.

12.1.2 *Andrew Hempsall*

On 11 October 2021, the Company entered into a service agreement with Andrew Hempsall pursuant to which Mr Hempsall was, conditional upon but with effect immediately prior to Admission, employed on a full time basis as the Chief Operating Officer of the Company. Under the terms of the agreement, Mr Hempsall is paid a gross annual salary of £150,000 per annum or such other rate as may be agreed with Mr Hempsall from time to time by the Board. Mr Hempsall is eligible to participate in the Company's bonus scheme in an amount to be determined by the Remuneration Committee at its absolute discretion. Mr Hempsall is eligible to be enrolled in the Company's occupational pension scheme and to participate in the Company's private medical insurance scheme.

The employment of Mr Hempsall will continue until terminated by either party giving 6 months' written notice to the other. In addition, the Company may terminate Mr Hempsall's employment without notice in certain circumstances, including in the case of serious or repeated breaches of any provisions of the agreement. The agreement contains provisions which allow for a payment to be made in lieu of notice in event that the agreement is terminated by the Company. The Company has retained the right to place Mr Hempsall on garden leave at any time after notice to terminate is served by either party.

The agreement contains restrictions on Mr Hempsall being engaged, concerned or interested in any business or undertaking in competition with the Group unless it is a permitted interest. There are also restrictions on Mr Hempsall engaging with a competitor or soliciting employees of the Group for 12 months and 12 months respectively after termination. For reasons linked to enforceability, a payment of £100 is being paid to Mr Hempsall subject to the usual deductions for income tax and employees' national insurance contributions in return for entering into them.

In connection with his engagement with the Company, Mr Hempsall has entered into an agreement to opt out of the maximum weekly working time limit imposed by regulation 4(1) of the Working Time Regulations 1998.

12.1.3 *James (Jim) Snooks*

On 11 October 2021, the Company entered into a service agreement with James (Jim) Snooks pursuant to which Mr Snooks was, conditional upon but with effect immediately prior to Admission, employed on a full time basis as the Chief Financial Officer of the Company. Under the terms of the agreement, Mr Snooks is paid a gross annual salary of £150,000 per annum or such other rate as may be agreed with Mr Snooks from time to time by the Board. Mr Snooks is eligible to participate in the Company's bonus scheme in an amount to be determined by the Remuneration Committee at its absolute discretion. Mr Snooks is eligible to be enrolled in the Company's occupational pension scheme and to participate in the Company's private medical insurance scheme.

The employment of Mr Snooks will continue until terminated by either party giving 6 months' written notice to the other. In addition, the Company may terminate Mr Snooks' employment without notice in certain circumstances, including in the case of serious or repeated breaches of any provisions of the agreement. The agreement contains provisions which allow for a payment to be made in lieu of notice in event that the agreement is terminated by the Company. The Company has retained the right to place Mr Snooks on garden leave at any time after notice to terminate is served by either party.

The agreement contains restrictions on Mr Snooks being engaged, concerned or interested in any business or undertaking in competition with the Group unless it is a permitted interest. There are also restrictions on Mr Snooks engaging with a competitor or soliciting employees of the Group for 12 months and 12 months respectively after termination. For reasons linked to enforceability, a payment of £100 is being paid to Mr Snooks subject to the usual deductions for income tax and employees' national insurance contributions in return for entering into them.

In connection with his engagement with the Company, Mr Snooks has entered into an agreement to opt out of the maximum weekly working time limit imposed by regulation 4(1) of the Working Time Regulations 1998.

12.2 ***Non-Executive Director's letters of appointment***

12.2.1 *Myles Halley*

On 11 October 2021, the Company executed an appointment letter with Myles Halley pursuant to which Mr Halley has been appointed, conditional upon but with effect immediately prior to Admission, as the independent non-executive chairman of the Company and chairman of the Audit and Risk committee for an initial term of three years. Mr Halley is entitled to a director's fee of £50,000 per annum, payable monthly in arrears, and is required to devote at least 24 days per annum to working for the Company. The appointment letter is governed by English law and contains customary confidentiality obligations.

The appointment can be terminated by either party giving the other three months' notice. The Company can also terminate the appointment with immediate effect on written notice in certain circumstances, including where Mr Halley becomes unable to perform his duties to the reasonable satisfaction of the Board.

12.2.2 *Rory James-Duff*

On 11 October 2021, the Company executed an appointment letter with Rory James-Duff pursuant to which he has been appointed, conditional upon but with effect immediately prior to Admission, as an independent non-executive director of the Company for an initial term of three years. Mr James-Duff is entitled to a director's fee of £35,000 per annum payable monthly in arrears and is required to devote at least 24 days per annum to working for the Company. The appointment letter is governed by English law and contains customary confidentiality obligations.

The appointment can be terminated by either party giving the other three months' notice. The Company can also terminate the appointment with immediate effect on written notice in certain circumstances, including where he becomes unable to perform his duties to the reasonable satisfaction of the Board.

12.2.3 *Lisa Clement*

On 11 October 2021, the Company executed an appointment letter with Lisa Clement pursuant to which Ms Clement has been appointed, conditional upon but with effect immediately prior to Admission, as an independent non-executive director of the Company and chair of the Nominations and Remuneration committees of the Board for an initial term of three years. Ms Clement is entitled to a director's fee of £35,000 per annum, plus an additional £5,000 per annum in respect of the committees of which she is a member, payable monthly in arrears and is required to devote at least 24 days per annum to working for the Company. The appointment letter is governed by English law and contains customary confidentiality obligations.

The appointment can be terminated by either party giving the other three months' notice. The Company can also terminate the appointment with immediate effect on written notice in certain circumstances, including where Ms Clement becomes unable to perform her duties to the reasonable satisfaction of the Board.

12.2.4 *Robert Naylor*

On 11 October 2021, the Company executed an appointment letter with Robert Naylor pursuant to which Mr Naylor has been appointed, conditional upon but with effect immediately prior to Admission, as a non-executive director of the Company for an initial term of three years. Mr Naylor is entitled to a director's fee of £35,000 per annum payable monthly in arrears and is required to devote at least 24 days per annum to working for the Company. The appointment letter is governed by English law and contains customary confidentiality obligations.

The appointment can be terminated by either party giving the other three months' notice. The Company can also terminate the appointment with immediate effect on written notice in certain circumstances, including where Mr Naylor becomes unable to perform his duties to the reasonable satisfaction of the Board.

12.3 ***General***

12.3.1 Save as disclosed in this paragraph 12, the Company has not amended or entered into any service agreements with any Director within the last 6 months and no Director has a service agreement which has more than 12 months to run.

12.3.2 Save as disclosed in this paragraph 12, there are no service contracts or service agreements existing or proposed between any Director, or parties in which they are interested, and the Company.

12.3.3 There are no proposals existing in connection with the Admission whereby any member of the administrative or management bodies of the Company or any other person and the Company which provide for benefits upon termination of employment or in connection with retirement from office.

12.3.4 Simon Deacon, Jim Snooks and Andrew Hempsall have all been remunerated for the services they have provided whilst engaged by the Group in the run up to Admission on the terms of their service agreements as described above save that, prior to Admission, Mr Deacon's salary was £300,000 per annum. Save as disclosed in this document, no remuneration has been paid, including pension contributions and benefits in kind, to any of the Directors.

12.3.5 It is estimated that under the arrangements in force at the date of this document, the maximum aggregate remuneration and benefits in kind which will be paid for the services of the Directors for the financial period ending 30 November 2021 will be approximately £650,000.

13. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been: (i) entered into by a member of the Group during the two years immediately preceding the date of this document and are, or may be, material; or (ii) entered into by a member of the Group and contain any provision under which any member of the Group has any obligation or entitlement which is, or may be, material to the Group at the date of this document:

The Company

13.1.1 *Placing Agreement between the Company, the Directors, Simon Deacon, Strand Hanson and Turner Pope*

The Company, the Directors, Simon Deacon (as Selling Shareholder), Strand Hanson and Turner Pope have entered into a placing agreement pursuant to which, conditional, among other things, on certain documents being delivered to Strand Hanson and Turner Pope and Admission taking place on or before 15 October 2021 (or such later date as the Company, Strand Hanson and Turner Pope may agree, being not later than 29 October 2021): (i) Turner Pope has agreed, as agent for the Company and the Selling Shareholder, to use its reasonable endeavours to procure placees for the Placing Shares in connection with the Placing and (ii) Strand Hanson has agreed, as agent for and in its capacity as nominated adviser to the Company, to do all things which may be reasonably necessary or desirable in connection with Admission.

The Placing Agreement contains indemnities, undertakings and warranties from the Company, the Directors and the Selling Shareholder in favour of Strand Hanson and Turner Pope together with provisions which enable either Strand Hanson or Turner Pope to terminate the Placing Agreement in certain circumstances prior to Admission, including circumstances where any of the warranties are in the reasonable opinion of Strand Hanson or Turner Pope untrue or inaccurate which Strand Hanson or Turner Pope considers is material in the context of Placing or Admission. The Company has agreed to pay to Strand Hanson a corporate

finance fee, of which £40,000 is to be satisfied by the issue to Strand Hanson, at the Placing Price, of the Fee Shares. The Company has agreed to pay to Turner Pope a corporate finance fee as well as commission on the gross value of funds raised in the Placing.

13.1.2 *Deleted agreement*

Deleted agreement.

13.1.3 *Turner Pope Warrant Instrument*

The Company has executed a warrant instrument creating warrants to subscribe for, in aggregate, 2,391,000 Ordinary Shares (being 1.4 per cent. of the Company's issued share capital at Admission) at an exercise price of £0.10 per share ("**TP Warrants**"). The TP Warrants have been issued to Turner Pope conditional upon Admission.

Under the terms of the warrant instrument the TP Warrants become exercisable on the first anniversary of Admission and, subject to certain limited exemptions, shall lapse on the fourth anniversary of Admission.

The TP Warrants can be exercised, in whole or in part by the warrant holder submitting a completed exercise notice and the relevant exercise monies. A request to exercise the TP Warrants is irrevocable once submitted to the Company, save with the consent of the Company.

The number of Ordinary Shares which would be granted upon exercise of the TP Warrants and/or the applicable subscription price may be adjusted in the event that changes are made to the Ordinary Shares (including sub-division and consolidation of the Ordinary Shares).

13.1.4 *Lock-in and orderly market undertakings between each of the Locked-In Persons, the Company, Strand Hanson and Turner Pope*

Lock-in undertakings have been entered into between each of the Locked-in Persons, the Company, Strand Hanson and Turner Pope. Pursuant to the terms of the agreements:

(a) the Group A Locked-in Persons have agreed: (i) not to dispose of any interest in Ordinary Shares before the first anniversary of Admission, except in certain very limited circumstances; and (ii) for a further period of 12 months following the expiry of the initial period: (a) only to dispose of an interest in Ordinary Shares with the prior consent of Strand Hanson and Turner Pope; and (ii) to effect such a disposal through Turner Pope in such manner as they may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares; and

(b) the Group B Locked-in Persons have agreed: (i) not to dispose of any interest in Ordinary Shares before the date falling 6 calendar months after Admission, except in certain very limited circumstances; and (ii) for a further period of 6 months following the expiry of the initial period: (a) only to dispose of an interest in Ordinary Shares with the prior consent of Strand Hanson, Turner Pope and the Company; and (6) to effect such a disposal through Turner Pope in such manner as they may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares.

13.1.5 *Relationship Agreement between the Company, Simon Deacon and Strand Hanson*

On 11 October 2021 the Company and Strand Hanson entered into a relationship agreement with Simon Deacon who, following Admission, will be a substantial shareholder in the Company.

The Relationship Agreement is intended to ensure that the Company will at all times be capable of carrying on its business independently of Mr Deacon and his associated persons, that the Group's business shall be managed for the benefit of the Shareholders as a whole and that all transactions and activities between the parties are conducted on an arm's length and normal commercial basis.

The Relationship Agreement grants Mr Deacon the right, whilst he and his associates continue to hold 10 per cent. or more of the rights to vote at a general meeting of the Company, to

nominate one director for appointment to the Board (provided Mr Deacon is not himself already in office as a director).

Save as regards Mr Deacon's right to appoint a director as described above, the Relationship Agreement shall terminate automatically if, among other things, the aggregate voting rights of Mr Deacon and his associates falls below 15 per cent. of the total rights to vote at a general meeting of shareholders or if the Company enters administration or similar proceedings. The Relationship Agreement will also terminate in the event that the Ordinary Shares cease to be admitted to trading on AIM.

13.1.6 *Nominated Adviser Agreement*

A nominated adviser agreement dated 11 October 2021 and made between (1) the Company and (2) Strand Hanson pursuant to which the Company has appointed Strand Hanson to act as nominated adviser to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Strand Hanson an annual fee for its services as nominated adviser under this agreement. The agreement contains certain undertakings, warranties and indemnities given by the Company to Strand Hanson. The agreement is for a fixed initial term of 9 months and thereafter is terminable upon not less than 3 months' prior written notice by either the Company or Strand Hanson.

13.1.7 *Broker Agreement*

A broker agreement dated 11 October 2021 and made between (1) the Company and (2) Turner Pope pursuant to which the Company has appointed Turner Pope to act as broker to the Company for the purposes of the AIM Rules for Companies. The Company has agreed to pay Turner Pope an annual fee for its services under this agreement. The agreement contains certain undertakings, warranties and indemnities given by the Company to Turner Pope. The agreement is for a fixed initial term of 9 months and thereafter is terminable upon not less than 3 months' prior written notice by either the Company or Turner Pope. The agreement is governed by English law and any disputes are to be settled in the English courts.

13.1.8 *Registrar Agreement between the Company and Neville Registrars Limited*

Pursuant to an agreement dated 21 January 2021, the Company has engaged Neville Registrars Limited to provide registration services to the Company and its shareholders.

13.1.9 *Convertible loan agreement between the Company and Intuitive Investments Group plc*

On 11 January 2021, the Company entered into a convertible loan agreement with Intuitive Investments Group plc ("**IIG**") pursuant to which IIG made available to the Company a convertible loan of a total principal amount of £1,000,000. The convertible loan agreement was amended by a letter dated 25 March 2021 (as amended the "**IIG Convertible Loan Agreement**").

Under the terms of the IIG Convertible Loan Agreement, the loan, to the extent not converted, is repayable on the 3rd anniversary of the date of the agreement (unless IIG agree to an extension).

Immediately prior to Admission, the principal amount of the loan which remains outstanding will be converted automatically into Ordinary Shares at a 20 per cent. discount to the Placing Price. The principal amount of the loan which remains outstanding at the date hereof is £1,000,000 which is expected to convert into 12,500,000 Ordinary Shares immediately before Admission. All unpaid interest which has accrued on the loan up to the date of Admission will be payable in full and in cash on Admission. The interest rate under the IIG Convertible Loan Agreement is 7.25 per cent. per annum and the amount of interest expected to be payable at Admission is £56,557. The Ordinary Shares to be acquired by IIG on conversion of the loan are subject to orderly market restrictions of one year following Admission. This is separate from and in addition to the lock-in undertaking (which is described further in paragraph 13.1.4 of part IV of this document) given by IIG as a Group B Locked-in Person.

13.1.10 *Advance subscription agreement between the Company and David Evans*

On 6 October 2020, the Company entered into an advance subscription agreement with David Evans pursuant to which Mr Evans made available to the Company advance subscription funds in aggregate amount of £250,000. The advance subscription agreement was amended by letters dated 29 March 2021, 18 June 2021 and 17 September 2021.

The advance subscription funds will automatically convert into Ordinary Shares in the event of Admission or on 16 October 2021 ("**Long Stop Date**") (if Admission has not occurred on or prior to the Longstop Date) or in the event of an insolvency occurring before Admission or the Long Stop Date. The advance subscription funds are expected to convert, at the Placing Price, into 2,500,000 Ordinary Shares immediately prior to Admission.

David Evans is a director and significant shareholder of IIG.

13.1.11 *Convertible loan agreement between the Company and Andrew Hempsall*

On 30 March 2021, the Company entered into a convertible loan agreement with Andrew Hempsall pursuant to which Mr Hempsall made available to the Company a convertible loan of a total principal amount of £25,000 ("**AH Convertible Loan Agreement**").

Under the terms of the AH Convertible Loan Agreement, the loan, to the extent not converted, is repayable on the 1st anniversary of the date of the agreement (unless Mr Hempsall agrees an extension).

Immediately prior to Admission, the principal amount of the loan which remains outstanding will be converted automatically into Ordinary Shares at the Placing Price. The principal amount of the loan which remains outstanding at the date hereof is £25,000 which is expected to convert into 250,000 Ordinary Shares immediately before Admission. All unpaid interest which has accrued on the loan up to the date of Admission will be payable in full and in cash on Admission. The interest rate under the AH Convertible Loan Agreement is 5.5 per cent. per annum and the amount of interest expected to be payable at Admission is £761. The Ordinary Shares acquired on conversion will be subject to the lock-in and orderly market agreement entered into by Mr Hempsall as a Group A Locked-in Person (as described at paragraph 13.1.4 above).

13.1.12 *Convertible loan agreement between the Company and James Snooks*

On 30 March 2021, the Company entered into a convertible loan agreement with James Snooks pursuant to which Mr Snooks made available to the Company a convertible loan of a total principal amount of £100,000 ("**JS Convertible Loan Agreement**").

Under the terms of the JS Convertible Loan Agreement, the loan, to the extent not converted, is payable on the first anniversary of the date of the agreement (unless Mr Snooks agrees an extension).

Immediately prior to Admission, the principal amount of the loan which remains outstanding will be converted automatically into Ordinary Shares at the Placing Price. The principal amount of the loan which remains outstanding at the date hereof is £100,000 which is expected to convert into 1,000,000 Ordinary Shares immediately before Admission. All unpaid interest which has accrued on the loan up to the date of Admission will be payable in full and in cash on Admission. The interest rate under the JS Convertible Loan Agreement is 5.5 per cent. per annum and the amount of interest expected to be payable at Admission is £3,044. The Ordinary Shares acquired on conversion will be subject to the lock-in and orderly market agreement entered into by Mr Snooks as a Group A Locked-in Person (as described at paragraph 13.1.4 above).

13.1.13 *Settlement agreement with Cenkos Securities plc*

On 20 January 2021, the Company entered into a settlement agreement with Cenkos Securities plc ("**Cenkos**") in relation to an engagement letter from Cenkos to the Company dated September 2020 and countersigned by the Company on 24 September 2020

("**Engagement Letter**") pursuant to which Cenkos agreed to act as the Company's nominated adviser, sole broker and placing agent in relation to the Placing and Admission.

The parties have agreed, on the terms set out in the settlement agreement, to terminate the Engagement Letter and release each other from its terms to allow the Company to appoint another nominated adviser in relation to the Transaction. Pursuant to the terms of the settlement agreement, each party confirmed to the other party that it had no claim against the other party arising out of or in connection with the Engagement Letter and, to the extent that it had any such claim, irrevocably and unconditionally waived such claim and agreed not to enforce the same.

Furthermore the settlement agreement provides that, if Admission is achieved by 20 January 2022, the Company will pay a fee of between £40,000 and £60,000 to Cenkos determined by reference to the market capitalisation of the Company at Admission. If the market capitalisation of the Company at Admission is more than £20 million then no such fee will be payable. The fee payable to Cenkos, based on the market capitalisation at the Placing Price, is £40,000.

13.1.14 *Loan agreement between the Company and Simon Deacon*

The Company entered into a loan agreement with Simon Deacon on 30 April 2021. Under the terms of a loan agreement dated 30 April 2021, Mr Deacon has made a loan available to the Company in the amount of £50,412.68. The loan agreement was varied on 29 June 2021.

The loan is unsecured and is to be used by the Company for general working capital purposes. The Company is required to repay the loan on the earlier of Admission and 15 October 2021. The Company can repay this loan early. The principal amount of the loan will carry interest at the rate of 5.5 per cent. per annum accruing daily. The Company has repaid part of this loan and the current loan balance is £20,518.

13.1.15 *Share for share exchange agreement – LST*

On 23 June 2021, the Company entered into a share exchange agreement with Simon Deacon pursuant to which the Company acquired all the shares of LST in exchange for the issue to Simon Deacon of 399,600 ordinary shares of £1 each in the Company (the "**LST Share Exchange Agreement**"). The LST Share Exchange Agreement contains, *inter alia*, customary covenants and warranties from Simon Deacon as to title to the shares sold and his capacity and authority to sell them.

13.1.16 *Share for share exchange agreement – UK Circuits Holdings*

On 23 June 2021, the Company entered into a share exchange agreement with Simon Deacon pursuant to which the Company acquired all the shares of UK Circuits Holdings (which in turn owns a 90 per cent. stake in UK Circuits) in exchange for the issue to Simon Deacon of 599,400 ordinary shares of £1 each in the Company (the "**UKCH Share Exchange Agreement**"). The UKCH Share Exchange Agreement contains, *inter alia*, customary covenants and warranties from Simon Deacon as to title to the shares sold and his capacity and authority to sell them.

13.1.17 *Second advance subscription agreement between the Company and David Evans*

On 18 June 2021, the Company entered into an advance subscription agreement with David Evans pursuant to which Mr Evans made available to the Company advance subscription funds in aggregate amount of £250,000.

The advance subscription funds will automatically convert into Ordinary Shares in the event of Admission or on 18 December 2021 ("**Long Stop Date**") (if Admission has not occurred on or prior to the Longstop Date) or in the event of an insolvency occurring before Admission or the Long Stop Date. The advance subscription funds are expected to convert, at the Placing Price, into 2,500,000 Ordinary Shares immediately prior to Admission.

David Evans is a director and significant shareholder of IIG.

13.1.18 *Deed of guarantee and indemnity between the Company and Close Invoice Finance Limited*

On 18 June 2021, the Company entered into a deed of guarantee and indemnity with Close Invoice Finance Limited in respect of the Debt Purchase Agreement (which is defined in paragraphs 13.1.29) and the Term Loan (which is defined in paragraph 13.1.30) pursuant to which UK Circuits' performance of obligations under those agreements and any other agreement between UK Circuits and Close Invoice Finance Limited ("**All Agreements**") is guaranteed by the Company.

Under the terms of the deed of guarantee and indemnity the Company has given an indemnity to Close Invoice Finance Limited in respect of any losses suffered as a result of UK Circuits' failure to perform its obligations under All Agreements.

13.1.19 *Third advance subscription agreement between the Company and David Evans*

On 16 August 2021, the Company entered into an advance subscription agreement with David Evans pursuant to which Mr Evans made available to the Company advance subscription funds in aggregate amount of £250,000.

The advance subscription funds will automatically convert into Ordinary Shares in the event of Admission or on 16 January 2022 ("**16 January Long Stop Date**") (if Admission has not occurred on or prior to the 16 January Longstop Date) or in the event of an insolvency occurring before Admission or the 16 January Long Stop Date. The advance subscription funds are expected to convert, at the Placing Price, into 2,500,000 Ordinary Shares immediately prior to Admission.

David Evans is a director and significant shareholder of IIG.

13.1.20 *Agreement to issue warrants between the Company and David Evans*

In consideration for Mr Evans' continued financial support of the Company in the run up to Admission and pursuant to the terms of a letter from the Company to Mr Evans dated 16 August 2021, the Company has executed a warrant instrument and, conditional upon Admission, issued warrants created thereunder ("Warrants") to David Evans allowing him to subscribe for up to 6,000,000 Ordinary Shares at a price 12.5 pence per Ordinary Share (being 125 per cent. of the Placing Price).

Under the terms of the warrant instrument the Warrants become exercisable on the first anniversary of Admission shall lapse on the fourth anniversary of Admission.

The warrants can be exercised, in whole or in part by the Warrant holder submitting a completed exercise notice and the relevant exercise monies. A request to exercise the warrants is irrevocable once submitted to the Company, save with the consent of the Company.

The number of Ordinary Shares which would be granted upon exercise of the Warrants and/or the applicable subscription price may be adjusted in the event that changes are made to the Ordinary Shares (including sub-division and consolidation of the Ordinary Shares).

13.1.21 *Fourth advance subscription agreement between the Company and David Evans*

On 18 August 2021, the Company entered into an advance subscription agreement with David Evans pursuant to which Mr Evans made available to the Company advance subscription funds in aggregate amount of £250,000.

The advance subscription funds will automatically convert into Ordinary Shares in the event of Admission or on 18 January 2022 ("**18 January Long Stop Date**") (if Admission has not occurred on or prior to the 18 January Long Stop Date) or in the event of an insolvency occurring before Admission or the 18 January Long Stop Date. The advance subscription funds are expected to convert, at the Placing Price, into 2,500,000 Ordinary Shares immediately prior to Admission.

David Evans is a director and significant shareholder of IIG.

13.1.22 *Tax indemnity between Gordon Hall and the Company*

On 7 September 2021 Gordon Hall and the Company entered into a tax indemnity pursuant to which Mr Hall has agreed to indemnify the Company in the terms set out therein in respect of any Liability to Taxation (such term as defined therein) and associated costs which the Company may incur as a result of the transfer of 8,500,000 Ordinary Shares in the capital of the Company made by Simon Deacon to Gordon Hall ("**GH Transfer**"). The GH Transfer was completed on 7 September 2021.

UK Circuits Holdings

13.1.23 *All Assets Debenture between UK Circuits Holdings and Close Brothers*

On 22 October 2020, UK Circuits Holdings entered into an all assets debenture with Close Brothers Limited (CRN: 00195626), as a security trustee for Close Invoice Finance Limited (CRN: 00935949), pursuant to which UK Circuits Holdings agreed to discharge all obligations and liabilities and pay all the monies which now or at any time in the future may be owing due and/or payable (but remaining unpaid) by UK Circuits Holdings to Close Brothers and/or Close Invoice Finance Limited in any manner and for any reason on any account in accordance with any agreement between UK Circuits Holdings and any member of the Close Group (as defined in the all assets debenture).

As security for the payment of the secured monies and the discharge of the secured liabilities, UK Circuits Holdings has granted the mortgage and charges noted in the all assets debenture in favour of Close Brothers which include a fixed charge on all goodwill, unpaid and/or uncalled capital of UK Circuits Holdings, all of UK Circuits Holdings' intellectual property.

UK Circuits Holdings cannot create any encumbrance over the charged assets without the consent of Close Brothers.

Close Brothers and Close Invoice Finance Limited is entitled to make demand for payment of the secured monies at any time after the occurrence of certain events including UK Circuits Holdings disposing or attempting to dispose of its principal undertaking or a substantial part of it without the prior written consent of Close Brothers, UK Circuits Holdings changing the nature of its business or trading in any way which Close Brothers considers prejudicial to the security given or UK Circuits Holdings undergoes a change of control without Close Brothers' consent.

UK Circuits

13.1.24 *Agreement between UK Circuits and Libcus Limited ("**Libcus**")*

On 24 February 2020, Libcus, a firm of ICAEW chartered accountants, were appointed by UK Circuits to provide advice and prepare UK Circuit's R&D tax relief claims for the financial years 2019 through to 2022. A success fee of 12.5 per cent. (plus VAT) is charged on the benefit received by UK Circuits under each successful claim. The benefit being a reduction in tax liability or tax credit repayment. Both parties can terminate this agreement on one month's written notice.

13.1.25 *Loan agreement between UK Circuits and Funding Circle Ltd ("**Funding Circle**")*

On 13 September 2017, UK Circuits entered into a loan agreement with Funding Circle pursuant to which UK Circuits borrowed £260,000 from various investors via the Funding Circle platform ("**Investors**") which is to be repaid over a period of 60 months in equal monthly repayments of £5,982.56. The last monthly instalment is due to be made by UK Circuits on 19 September 2022. UK Circuits has the right to repay the loan (and any interest accrued) in full early.

Funding Circle (on behalf of the Investors) can terminate the loan agreement and demand repayment of the full loan amount in certain circumstances including if UK Circuits ceases to carry on its business or a substantial part of its business or its membership of Funding Circle is terminated for any reason under the Funding Circle Terms and Conditions.

Simon Deacon has given a personal guarantee in relation to the Funding Circle loan agreement which is limited to £260,000. In addition to guaranteeing UK Circuits' debt that is

due under the Funding Circle loan agreement, Mr Deacon has also agreed to indemnify and keep indemnified the Investors and/or Funding Circle against all losses and claims, damages and liabilities incurred by them as a result of UK Circuits' debt not being recoverable or any failure by UK Circuits to perform its obligations or discharge its liabilities to the Investors and/or Funding Circle.

13.1.26 *Hire purchase agreement between UK Circuits and Close Brothers dated 30 July 2018*

On 30 July 2018, UK Circuits entered into a hire purchase agreement with Close Brothers which covers certain plant and equipment. The total amount payable by UK Circuits under this agreement is £285,200.16 which is due in 48 equal instalments of £5,941.67.

The agreement is for a term of 48 months ending on 28 August 2022.

13.1.27 *Hire purchase agreement between UK Circuits and Close Brothers dated 30 October 2020*

On 30 October 2020, UK Circuits entered into a hire purchase agreement with Close Brothers for the following goods: water treatment system, 6 conviron chambers and the supply and installation of new laboratory furniture and fume cupboard.

The total amount payable by UK Circuits under this agreement is £185,315.40 which is due in 36 equal instalments of £5,147.65. The agreement is for a term of 36 months ending on 30 November 2023.

In relation to this agreement, UK Circuits entered into a Coronavirus Business Interruption Loan Scheme Side Letter which was incorporated into the hire purchase agreement pursuant to which UK Circuits applied for Business Interruption Payment and a guarantee from the UK Government under CBILS was provided to cover Close Brothers should UK Circuits default on repaying the amounts under the hire purchase agreement. Furthermore, UK Circuits Holdings has given a guarantee and indemnity in favour of Close Brothers to guarantee UK Circuits' obligations owed to Close Brothers under the hire purchase agreement.

13.1.28 *Hire purchase agreement between UK Circuits and Close Brothers dated 30 November 2020*

On 23 November 2020, UK Circuits entered into a hire purchase agreement with Close Brothers for the following goods: Camlab – Lab Equipment, Pro-Light, Lab Equipment and Li-core- Lab Equipment.

The total amount payable by UK Circuits under this agreement is £149,721.84. which is due in 36 equal instalments of £4,158.94. The agreement is for a term of 36 months ending on 23 December 2023.

In relation to this agreement, UK Circuits entered into a Coronavirus Business Interruption Loan Scheme Side Letter which was incorporated into the hire purchase agreement pursuant to which UK Circuits applied for Business Interruption Payment and a guarantee from the UK Government under CBILS was provided to cover Close Brothers should UK Circuits default on repaying the amounts under the hire purchase agreement. Furthermore, UK Circuits Holdings has given a guarantee and indemnity in favour of Close Brothers to guarantee UK Circuits' obligations owed to Close Brothers under the hire purchase agreement.

13.1.29 *Debt Purchasing Agreement*

On 8 October 2020 UK Circuits entered into a debt purchase agreement with Close Invoice Finance Limited (CRN: 00935949) (the "**Debt Purchase Agreement**"). The Debt Purchase Agreement is supplemented by the standard terms and conditions of Close Invoice Finance Limited and CBILS side letter dated 2 October 2020 and covers all UK debts of UK Circuits and export debts in USA, EU and EEC (up to a maximum of 5 per cent. per approved Country) for a minimum period of 30 months.

13.1.30 *Term Loan*

UK Circuits entered into a term loan with Close Invoice Finance Limited on 22 October 2020 pursuant to which £975,000 was borrowed to support the business with general working capital which had been impacted by COVID-19 ("**Term Loan**"). This loan is payable in 53

equal monthly instalments of £18,055.55 (from 6 months of commencement of the loan) and one final payment of £18,055.56.

13.1.31 *Legal charge between UK Circuits and Close Brothers*

Pursuant to the legal charge dated 22 October 2020 and entered into between UK Circuits and Close Brothers), as a security trustee for Close Invoice Finance Limited (CRN: 00935949), UK Circuits has charged, with full title guarantee and by way of legal mortgage, the property known as Unit A1 – A3, Greengate Industrial Estate, Greenside Way, Middleton, Manchester and contained in title number MAN243117 which is registered at Land Registry (the "**Greengate Property**") as a continuing security for the payment and discharge of all obligations and liabilities now or at any time in the future due owing or incurred by UK Circuits to Close Brothers or to Close Invoice Finance Limited when the same become due for payment or discharge.

The legal charge contains a negative pledge. UK Circuits cannot, without Close Brothers's consent, deal with the property including granting any lease, parting with possession or sharing occupation of the Greengate Property or conferring any licence, right or interest to occupy it or, if the Greengate Property is leasehold, to grant any licence or permission to assign, underlet or part with possession of the Greengate Property or permit any person.

13.1.32 *All Assets Debenture between UK Circuits and Close Brothers*

On 22 October 2020, UK Circuits entered into an all assets debenture with Close Brothers, as a security trustee for Close Invoice Finance Limited, pursuant to which UK Circuits agreed to discharge all obligations and liabilities and pay all the monies which now or at any time in the future may be owing due and/or payable (but remaining unpaid) by UK Circuits to Close Brothers and/or Close Invoice Finance Limited in any manner and for any reason on any account in accordance with any agreement between UK Circuits and any member of the Close Group (as defined in the all assets debenture).

As security for the payment of the secured monies and the discharge of the secured liabilities, UK Circuits has granted the mortgage and charges noted in the all assets debenture in favour of Close Brothers which include a fixed charge on all goodwill, unpaid and/or uncalled capital of UK Circuits, all of UK Circuit's intellectual property.

UK Circuits cannot create any encumbrance over the charged assets without the consent of Close Brothers.

Close Brothers and Close Invoice Finance Limited is entitled to make demand for payment of the secured monies at any time after the occurrence of certain events including UK Circuits disposing or attempting to dispose of its principal undertaking or a substantial part of it without the prior written consent of Close Brothers, UK Circuits changing the nature of its business or trading in any way which Close Brothers considers prejudicial to the security given or UK Circuits undergoes a change of control without Close Brothers' consent.

The all assets debenture is governed by English Law and the English courts have non-exclusive jurisdiction.

13.1.33 *Shareholders agreement between Paul Moran, Joanne Moran and UK Circuits and Electronics Solutions Holdings Limited in respect of UK Circuits*

On 25 August 2016 a shareholder agreement was entered into between Paul Moran, Joanne Moran and UK Circuits and Electronics Solutions Holdings Limited in respect of UK Circuits. This agreement contains (*inter alia*) the following restrictions:

13.1.33.1 except with the prior written consent of the shareholders, no allotment or share transfer can take place unless at the time of or prior to such allotment or transfer the allotee or transferee (who is not already a party to the shareholders agreement) enters into a deed of adherence to this shareholders agreement;

13.1.33.2 a restriction on variation of the share capital of the company without unanimous written consent of all the shareholders;

13.1.33.3 a restriction on variation of the rights attached to the shares of any class in the capital of the company without unanimous written consent of all the shareholders;

13.1.33.4 a restriction on amending the articles without unanimous written consent of all the shareholders (to the extent the amendment alters the rights or restrictions attached to the A ordinary shares);

13.1.33.5 a restriction on liquidation or winding up of the company without unanimous written consent of all the shareholders; and

13.1.33.6 restrictive covenants which apply to Paul Moran and Joanne Moran for a period of two years following the date on which they cease to hold their shares.

LST

13.1.34 *Collaboration agreement entered into between LST and Nottingham Trent University ("**NTU**")*

On 29 June 2020 LST entered into a collaboration agreement with NTU pursuant to which the parties have agreed to collaborate on a research project entitled "Assessing the feasibility of all-in-one growing sensor and innovative transmission node for vertical farms – driving energy efficiency, productivity and commercial viability" ("**Project**").

The Project began on 1 October 2020 and will continue until the earlier of the withdrawal of any external funding received for the Project and the completion of the Project (this is 31 December 2021) or any later date agreed in writing between the parties.

If the performance by a party of any of its obligations under this agreement (except a payment obligation) is delayed or prevented by circumstances beyond its reasonable control, that party will not be in breach of this agreement because of that delay in performance. If the delay in performance lasts more than 3 months, the other party may terminate this agreement with immediate effect by giving written notice to the other party.

In connection with this agreement, Innovate UK has made a grant in the sum of £208,725 (which is at a rate of 83.50 per cent. in comparison to the total project costs) in respect of the Project which is subject to the funding conditions set out in the collaboration agreement which are also set out in the grant offer letter ("**Grant**"). The Grant is subject to a condition that the project must end by 31 March 2023.

There is no consideration payable pursuant to this agreement (other than the Grant funding).

UK Circuits is involved in this Project and is providing technology lead on the microelectronics and PCB for the All-In-One VF Floating Sensor.

13.1.35 *Collaboration agreement entered into between LST and the University of Derby ("**UoD**")*

The agreement was dated 13 April 2020 and became effective from 29 June 2020.

In connection with this agreement the UoD have agreed to pay the a grant (i.e the grant contribution paid to the Company for its participation in the CEA Project) in the sum of £6,900 (which shall be used as a contribution by LST for the salary payment of the product engineer) in respect of the "**CEA Project**" (which is described in the schedule to the agreement) which is subject to the terms and conditions of the Grant Offer Letter dated 10 April 2020 ("**Offer Letter**"). The grant has been provided by UoD through the European Regional Development Funding Project – Productivity Through Innovation project.

The aim of the CEA Project is to develop a patented app-based control system that is tuneable across a Controlled Environment Agriculture ("**CEA**") site, controlling light, air and water to optimise yields and reduce energy usage. Under the terms of the collaboration agreement, the CEA Project began on 1 July 2020 and ran for a period of 12 months (completion being June 2021). The Grant received by the LST is subject to LST's compliance with the terms of the agreement and the Offer Letter.

The parties have entered into the collaboration agreement to: (i) set out the terms and conditions upon which the CEA Project (being the development of an app-based control

system that is tuneable across a CEA site, controlling light, air water to optimise yields and reduce energy usage) is carried out; and (ii) to define the parties' respective rights in relation to intellectual property and confidentiality in the CEA Project.

If either party's performance of their obligations are delayed or prevented by circumstances beyond its reasonable control, that party will not be in breach of this agreement because that delay. If the delay in performance is more than 3 months, the other party may terminate this agreement with immediate effect by giving written notice to the other party.

There is no consideration payable pursuant to this agreement. However, UoD has a right to royalties or like arrangements in relation to the exploitation of the results from the CEA Project.

13.1.36 *PR agreement between LST and Contenta Services ("**Contenta**")*

In November 2020, LST retained the services of Contenta, a PR services provider, to assist with marketing campaigns for LST concerning, inter alia, the Project referenced in paragraph 13.1.33 of Part IV of this document and LST's lab launch. LST pays a monthly retainer of approximately £600-£900 (2-3 days a week) and approximately £2,000-£4,000 per marketing campaign. There is no written contract in place with Contenta.

13.1.37 *Agreement between LST and Freshplaza B.V. t/a Hortidaily ("**Freshplaza**")*

In February 2021, LST retained the services of Freshplaza to assist with advertising for the Group on the websites and/or newsletters of Hortidaily and Verticalfarmdaily. The annual fees associated with this agreement and payable by LST are approximately €23,000. There is no written contract in place with Freshplaza.

13.1.38 *Agreement between LST and Tatton Consulting Limited ("**Tatton**")*

On 23 January 2020, Tatton was appointed LST's funding advisor pursuant to the terms of a written agreement entered into between the parties on 23 January 2020. This agreement was subsequently replaced by a new written agreement entered into between Tatton and LST on 31 March 2021. Under the engagement agreement dated 31 March 2021, Tatton has agreed to provide 12 months' ongoing public funding consultancy to LST, help identify opportunities in regard to the attainment of funding to support research, development and growth activities within LST's business (with an indicative timeline to achieve this of 12 months from 31 March 2021) and support and contribute towards relevant Innovate UK grant applications (submissions and resubmissions). An annual engagement fee of £3,500 is payable by LST for the consultation, advice and identification of relevant public funding opportunities by Tatton over the contract period. An application success fee, which is calculated on the total amount of funding applied for in each funding application which is approved, and a loan success fee, which is a fixed fee of £25,000 for each successful Innovate UK loan application, are also payable by LST to Tatton under the terms of this agreement.

13.1.39 *Deed of guarantee and indemnity between LST and Close Invoice Finance Limited*

On 18 June 2021, LST entered into a deed of guarantee and indemnity with Close Invoice Finance Limited in respect of the Debt Purchase Agreement (which is defined in paragraph 13.1.29) and the Term Loan (which is defined in paragraph 13.1.30) pursuant to which UK Circuits' performance of obligations under those agreements and any other agreement between UK Circuits and Close Invoice Finance Limited ("**All Agreements**") is guaranteed by LST.

Under the terms of the deed of guarantee and indemnity LST has given an indemnity to Close Invoice Finance Limited in respect of any losses suffered as a result of UK Circuits' failure to perform its obligations under All Agreements.

13.1.40 *Project agreement between LST and Zenith Nurseries Ltd ("**Zenith Nurseries**")*

In connection with the development of the LED grow-lighting cloche/rig solution referenced in paragraph 5.4 of Part I of this document, LST entered into an agreement with Zenith Nurseries on 8 June 2021 pursuant to which LST has agreed to develop the LED grow-

lighting cloche/rig solution which will involve completion of the following development stages within the prescribed time periods (the "**Project Gateways**"):

(a) gateway 1: LST will develop the cloche lighting system and demonstrate that 18 cuts can be achieved per annum and deliver a set of 3 rolling cloches run from 1 100KwH battery within 6 months. The revenue generation for the Group associated with this gateway is £51,000 (this figure being subject to certain adjustments agreed between the parties under the terms of the contract);

(b) gateway 2: subject to successful completion of gateway 1, LST will scale the cloche over a larger area (50 per cent. of glasshouse 3/4), ensuring that 18 cuts per annum can be achieved and deliver 34 rolling cloches plus 15 100kwH batteries within 6 months. The potential revenue generation for the Group associated with this gateway is £558,000;

(c) gateway 3: subject to successful completion of gateway 2, LST will complete the remaining 50 per cent. of glasshouse 3/4 not completed in gateway 2 and bring in a set of semi-automated harvesting tools to increase the growing space and improve efficiency, thereby reducing the payback period and deliver 34 rolling cloches, 15 100kwH batteries and a prototype set of semi-automated harvesting tools to fit onto same channel system as the rolling cloche within 9 months. The potential revenue generation for the Group associated with this gateway is £675,000 (this figure being subject to certain adjustments agreed between the parties under the terms of the contract); and

(d) gateway 4: subject to successful completion of the previous 3 Project Gateways to both parties' satisfaction and Zenith Nurseries having sufficient funding, Zenith Nurseries plan to roll out the rolling cloche and semi-automation systems to the remainder of its site (89,000 mtr.sq) and have delivered 806 rolling cloches, 332 100KwH batteries and six semi-automation machines within a 2 – 3 years period following completion of the previous three Project Gateways, to be provided by LST (and consequently the Group). The potential revenue generation for the Group, with no guarantee or commitment on Zenith Nurseries part, associated with this potential gateway is £12,562,271.

Based on the costs for each Project Gateway, the overall value to the Group of this agreement with Zenith Nurseries is up to £13.85m (taking into account the costs adjustments agreed by the parties) but this value is dependent on all the Project Gateways being completed to both parties' satisfaction within the relevant time periods and Zenith Nurseries having sufficient funding.

The agreement can be terminated early by LST giving not less than four weeks' notice in writing to Zenith Nurseries. Either party may terminate the agreement at any time if, *inter alia*, the other party commits a material breach of the agreement and such breach is not remediable, or if the other party is properly deemed insolvent.

13.1.41 *Smashbot Development Support Agreement with 42 Technologies Ltd ("**42 Technologies**")*

LST has recently engaged 42 Technologies to scope possible air and earth zone sensor components and 3D CAD engineer air and earth zone sensors for the sensor technology which is being developed by LST. The fee payable to by LST to 42 Technologies under this agreement is £23,000 (excluding VAT).

14. TAXATION

14.1 ***UK taxation***

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HM Revenue and Customs ("**HMRC**") as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and, in the case of individual Shareholders, domiciled) for UK tax purposes in (and only in) the UK, who hold their Shares as an investment (other than under tax exempt arrangements

such as individual savings accounts), and who are the absolute beneficial owners of both their Shares and any dividends paid on them.

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company or the Group, persons holding Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.

Any person who is in any doubt about his or her position should contact their professional adviser on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

14.2 ***Taxation of Dividends***

14.2.1 *Withholding tax on dividends*

Under current UK tax legislation, no tax is required to be withheld from dividend payments made by the Company.

14.2.2 *UK tax resident individual Shareholders*

UK resident individual Shareholders have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent., but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.

Dividend income in excess of the annual dividend allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for the fiscal period ended 5 April 2022: 7.5 per cent. to the extent it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for the additional rate band.

For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate amount) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

14.2.3 *UK discretionary trustees*

The annual dividend allowance is not available to UK resident trustees of a discretionary trust. UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent., which mirrors the dividend additional rate.

14.2.4 *UK tax resident corporate Shareholders*

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti avoidance rules and provided all conditions are met). It is anticipated that dividends should fall within one of such exempt classes but shareholders should seek independent advice to confirm their position (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, then the corporate Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

14.3 ***Taxation of Chargeable Gains***

For the purpose of UK tax on chargeable gains, the purchase of Shares on a placing is regarded as an acquisition of a new holding in the Company's share capital. To the extent that a Shareholder acquires Shares allotted to them, the Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Shares will generally constitute the tax base cost of a Shareholder's holding.

A disposal of all or any of the Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the relevant shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

14.3.1 *UK tax resident individual Shareholders*

Where a UK tax resident individual Shareholder disposes of Shares at a gain, Capital Gains Tax ("**CGT**") will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.

For such individuals, CGT will be charged at 10 per cent. where the individual's taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the income tax basic rate band, CGT will be charged at 20 per cent.

For trustees and personal representatives of deceased persons, CGT on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.

Shareholders who are individuals and who are temporarily non resident in the UK may, under anti avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

14.3.2 *UK resident corporate Shareholders*

Where a Shareholder is within the charge to UK corporation tax, a disposal of Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.

The corporation tax rate applicable to a UK resident corporate Shareholder on such taxable gains is currently 19 per cent.

14.3.3 *"Transactions in securities"*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

14.4 ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Stock Exchange.

The Company anticipates that this exemption will apply to dealings in the Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Shares.

Absent an exemption from stamp duty and SDRT, any dealings in Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to de a minimis limit and relevant anti-avoidance provisions.

The above comments are intended as a guide to the general stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THIS SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

15. RELATED PARTY TRANSACTIONS

Save as set out in this paragraph 15, there are no related party transactions that the Group has entered into during the period covered by the historic financial information set out in Part III up to the date of this document:

15.1.1 *Consultancy agreement between LST and AMH Special Projects Consultancy Ltd*

Prior to employment in the Company as COO, Andrew Hempsall was contracted on a consultancy basis to LST through Mr Hempsall's own company, AMH Special Projects Consultancy Ltd (CRN: 11890104), to provide operational and management consultancy services. No written consultancy agreement was put in place at the time. The agreement with AMH Special Projects Consultancy Ltd has now been terminated.

15.1.2 *Consultancy agreement between LST and Design Conformity Ltd*

Prior to employment in LST as Sales Director, Adam Hamilton-Fletcher was contracted on a consultancy basis to LST through Design Conformity Ltd to provide sales consultancy services. There was no written consultancy agreement put in place. Mr Hamilton-Fletcher owns 45 per cent. of Design Conformity Ltd (CRN: 10578710) and the remaining 55 per cent. is held by Simon Deacon who is also a director of Design Conformity Ltd. The agreement with Design Conformity Ltd has now been terminated. Mr Hamilton-Fletcher is no longer employed by LST.

15.1.3 *Arrangement between UK Circuits and 151617 Ltd*

LED Group Ltd (CRN: 12223369) acquired the business and certain assets of 151617 Ltd (CRN: 07133609) (formerly Advance (International) Limited) which was in administration.

UK Circuits had a trading relationship with 151617 Ltd for the manufacture of PCBs for lighting products. These companies are currently associated entities as Simon Deacon is an ultimate beneficial owner of both. Simon Deacon was a director of 151617 Ltd until 27 September 2019 and remains an active director of UK Circuits. No written agreement was entered into between UK Circuits and 151617 Ltd to govern the trading relationship between the two companies. There is an outstanding balance of £155,384.30 due to be paid by LED Group Ltd by instalments over a period of time to UK Circuits.

Craig Price is engaged by LST as an Operations Director and has an interest in Advance LED (director) and LED Group Ltd (CRN: 12223369) (director and shareholder 33 per cent.). LST is considering subcontracting some of its work concerning the build of its luminaire products to Advance LED which is the trading subsidiary of LED Group Ltd. Part of the amount due to UK Circuits from LED Group Ltd will be off-set against amounts due to Advance LED from LST pursuant to this arrangement.

15.1.4 *Inter-company loan between UK Circuits and Callow Capital Limited*

There is an inter-company loan between UK Circuits and Callow Capital Limited on account of credit card expenditure by Simon Deacon that is not a genuine business expense of the Group but properly relates to Callow Capital Limited. All such expenditure is contra-charged against amounts owed by UK Circuits Holdings. There is no written agreement between UK Circuits and Callow Capital Limited concerning this inter-company loan. This inter-company loan has now been settled.

15.1.5 *Inter-company loans between Group companies*

There are a number of intercompany loans between the Group companies as detailed further below:

(a) An intercompany loan between UK Circuits and UK Circuits Holdings which currently stands at £3,257,557.51. This intercompany loan is governed by the terms of a purchase loan agreement dated 25 August 2016 and made between UK Circuits and UK Circuits Holdings.

(b) An intercompany loan between the Company and UK Circuits which currently stands at £319,463. There is no written agreement between the Company and UK Circuits which governs this intercompany loan account.

(c) An intercompany loan between the Company and UK Circuits Holdings which currently stands at £740,560. There is no written agreement between the Company and UK Circuits Holdings which governs this intercompany loan account.

(d) An intercompany loan between the Company and LST which currently stands at £702,196. There is no written agreement between the Company and LST which governs this intercompany loan account.

(e) An intercompany loan between UK Circuits and LST which currently stands at £294,419. There is no written agreement between UK Circuits and LST which governs this intercompany loan account.

15.1.6 *Rental agreement between LST and Advance LED*

Since 1 February 2021, LST has been renting a space of 933 sq ft from Advance LED's factory in Stretton Business Park, Staffordshire. The monthly rent (including VAT) is £929.09. There is no rental written agreement in place between the parties. The balance up to 31 May 2021 was contra charged against the UK Circuits debt referenced in paragraph 15.1.3 of Part IV of this document and the Group intends to do the same with the H2 2021 rental charges, which currently stand at £3,716.36 (including VAT) (i.e. four months from June through September).

16. NO GOVERNMENTAL, LEGAL OR ARBITRATION PROCEEDINGS

There are no governmental, legal or arbitration proceedings active, pending or threatened against, or being brought by, any member of the Group, which are having, or may have or have had during the 12 months preceding the date of this document a significant effect on the Group's financial position or profitability.

17. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

18. INTELLECTUAL PROPERTY

Save as disclosed in Part I of this document and this Part IV, there are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Group's business.

19. EMPLOYEES

The number of persons employed in the UK by the Group (including the Directors), as at 30 November in each of the years below, analysed by category, was as follows:

	Number of Employees		
	2018	*2019*	*2020*
Directors*	2	2	4
Production	64	53	50
Sales	1	3	2
Admin	6	6	9
TOTAL	73	64	65

* The figures include key management personnel bearing the title of Director (or similar) and only the statutory directors employed and remunerated by a Group company during the relevant financial year.

As at the date of this document the number of persons employed in the UK by the Group (including the Directors) is 78.

20. ACCOUNTING MATTERS

20.1 Save as disclosed in this document, there has been no significant change in the financial position or financial performance of the Group since 31 May 2021, the date to which the combined historical financial information set out in Section B of Part III has been prepared.

20.2 The combined historical financial information set out in this document relating to the Group does not constitute statutory accounts. RSM UK Audit LLP, of Suite A, 7th Floor, East West Building, 2 Tollhouse Hill, Nottingham NG1 5FS, have been the auditors of the Company since 15 April 2021. RSM UK Audit LLP is a member firm of the Institute of Chartered Accountants of Scotland.

20.4 The accounting reference date of the Company is 30 November.

21. QUALIFICATIONS ON COMBINED HISTORICAL FINANCIAL INFORMATION

The accountant's report on the Group's combined historical financial information for the financial years ended 30 November 2018 on 2019 and 2020 contains qualified opinions. Full details of the qualified opinions and the reasons for these are set out in Section A of Part III of this document.

22. CONSENTS

22.1 Strand Hanson has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

22.2 Turner Pope has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

22.3 RSM Corporate Finance LLP has given and not withdrawn its written consent to the inclusion in this document of its report set out in Section of A of Part III of this document in the form and context in which it appears and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules for Companies.

23. GENERAL

23.1 Strand Hanson Limited is registered in England and Wales under number 2780169 and its registered office is at 26 Mount Row, London W1K 3SQ. Strand Hanson is regulated by the FCA and is acting in the capacity of nominated adviser and financial adviser to the Company.

23.2 Turner Pope Investments (TPI) Limited is registered in England and Wales under number 09506196 and its registered office is at 8 Frederick's Place, London EC2R 8AB. Turner Pope is regulated by the FCA and is acting in the capacity of broker to the Company.

23.3 The expenses payable by the Company in connection with the application for Admission are estimated to be £1.1 million, excluding VAT.

23.4 In the 12 months preceding the date of this document:

23.4.1 LST has engaged (i) Rethink Business Advisors Limited to provide advice on intellectual property matters concerning the Group on a consultancy basis and their fees (including disbursements) as at 7 September 2021 were £10,000 or more and (ii) Hoxby Ltd to produce two investor videos to be used by the Company in connection with the Placing and their fees (including VAT) as at 7 September 2021 were £10,000 or more;

23.4.2 the Company engaged (i) BDO to provide tax advice on matters concerning the Group and their fees (including VAT) were £10,000 or more and (ii) Cooper Parry to provide advice on conversion of the Group's historic accounts into IFRS and their fees (including VAT) were £10,000 or more.

23.5 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

23.5.1 received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or

23.5.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

23.5.3 fees totalling £10,000 or more;

23.5.4 securities in the Company with a value of £10,000 or more calculated by reference to the expected price of an Existing Ordinary Share or New Ordinary Share at Admission; or

23.5.5 any other benefit with a value of £10,000 or more at the date of Admission.

23.6 Save as set out in this document, there are no principal investments in progress or principal future investments on which the Board has made a firm commitment. There are no mandatory takeover bids outstanding in respect of the Company and none has been made either in the last financial year or the current financial year of the Company.

23.7 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23.8 The new Ordinary Shares issued pursuant to the Placing will represent a dilution to existing Shareholders who do not participate in the Placing of 33.3 per cent.

24. Environmental

24.1 Asbestos containing materials have been identified at the property known as Units A1-A3 and Units A4 – A5 Greengate Industrial Estate, Greenside Way, Middleton, Manchester, M24 1SW. Unit A1 – A3 is registered at Land Registry with title number MAN243117 and is occupied by UK Circuits and Electronics Solutions Ltd under a lease dated 17 December 2014 with a term of 2,000 years less 10 days from 28 January 2002. Unit A4-A5 is occupied by UK Circuits and Electronics Solutions Ltd under a lease dated 11 September 2014 with a term of 7 years from and including 11 September 2014 to and including 10 September 2021. This lease is not registered at the Land Registry and it has come to an end. The Company is currently negotiating with the landlord the terms of a new lease.

A report dated 19 July 2019 states that the asbestos containing materials identified at Units A1-A3 and Units A4-5 Greengate Industrial Estate, Greenside Way, Middleton, Manchester, M24 1SW are considered to be in good condition. Both Units A1-A3 and Units A4-A5 are brick built, steel framed industrial manufacturing facility. To enable the Directors to manage the risks from the asbestos containing materials, asbestos management surveys have been carried out at Units A1-A3 and Units A4-A5 and an asbestos management policy and plan have been implemented to ensure that the necessary steps are taken by the Company to re-inspect the asbestos containing materials at 24 monthly intervals as recommended by the asbestos management survey.

Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

25. AVAILABILITY OF DOCUMENT

Copies of this document will be available for inspection normal business hours on any day (except Saturdays, Sundays and UK public holidays) at the registered office of the Company and on the Company's website at https://lightsciencetechnologiesholdings.com from the date of this document until the date which is one month after Admission.

11 October 2021

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

Admission	the admission of the Enlarged Share Capital to trading on AIM, becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
AIM	The AIM market operated by London Stock Exchange;
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM;
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
Articles or **Articles of Association**	the articles of association of the Company adopted on 1 July 2021, a summary of certain provisions of which is set out in paragraph 6 of Part IV of this document;
ASAs	those agreements detailed in paragraphs 13.1.10, 13.1.17, 13.1.19 and 13.1.21 of Part IV of this document;
Board	the board of Directors of the Company on Admission;
Brexit	the UK's exit from the European Union, commonly referred to as 'Brexit';
certificated or **in certificated form**	in relation to an Ordinary Share, recorded on the Company's register as being held in certificated form (that is not in CREST);
CLN Agreements	those agreements detailed in paragraphs 13.1.9, 13.1.11 and 13.1.12 of Part IV of this document;
Close Brothers	Close Brothers Limited (CRN: 00195626);
Companies Act	the Companies Act 2006 (as amended);
CREST	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by Euroclear UK & Ireland Limited, in accordance with the CREST Regulations;
CREST Regulations or **Regulations**	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
Directors	the directors of the Company on Admission, whose names appear on page 11 of this document or the directors of the Company from time to time as the context may require;
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under Part 6 of FSMA;
EBITDA	earnings before interest, tax, depreciation and amortisation;
EBT	the LSTH Employee Benefit Trust, held in LSTH Trustee;
EEA	the European Economic Area;

EIS	Enterprise Investment Scheme under the provisions of Part 5 of the Income Tax Act 2007;
EMI Options	enterprise management incentive Options, which qualify for favourable tax treatment under the provisions of Schedule 5 to ITEPA;
Enlarged Share Capital	the issued share capital of the Company on Admission, comprising the Existing Ordinary Shares, the Fee Shares and the new Ordinary Shares issued pursuant to the Placing;
EU	the European Union;
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST;
Executive Director	the executive directors of the Company on Admission;
Existing Ordinary Shares	the 100,000,000 Ordinary Shares in issue as at the date of this document;
Far East	a geographical region including the countries of East Asia, including China, Japan, North and South Korea, and Indonesia
FCA	the Financial Conduct Authority of the United Kingdom;
FSMA	the Financial Services and Markets Act 2000, as amended;
Government	UK Government;
Group	the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Companies Act);
Group A Locked-in Persons	each of the Directors;
Group B Locked-in Persons	Intuitive Investment Group plc, David Evans and Gordon Hall;
Group Company	any member of the Group;
Historical Financial Information or **HFI**	the audited consolidated financial information of the Company for the three and a half years ended 31 May 2021, as set out in Part III of this document;
HMRC	Her Majesty's Revenue and Customs;
IFRS	International Financial Reporting Standards as endorsed by the European Union;
IIG	Intuitive Investments Group plc (CRN. 12664320)
IP	intellectual property;
ITEPA	the Income Tax (Earnings and Pensions) Act 2003;
Light Science Technologies or **LST**	the Group's CEA division;
Locked-in Persons	the Group A Locked-in Persons and the Group B Locked-in Persons;
London Stock Exchange	London Stock Exchange plc;

LSTH or the **Company**	Light Science Technologies Holdings plc (CRN: 12398098), whose registered office it at 1 Lowman Way, Hilton Business Park, Hilton Derbyshire, United Kingdom, DE65 5LJ;
LSTH Trustee	LSTH Trustee Limited (CRN: 13539390), the employee benefit trust established for the benefit certain of the Executive Directors and senior management, further details on which are contained in paragraph 5 of Part IV of this document;
MAR	the EU Market Abuse Regulation (2014/596/EU) and associated delegated acts, implementing acts, technical standards and guidelines (as it applies in the UK by virtue of the European Union (Withdrawal) Act 2018);
MBE	Member of the Order of the British Empire;
Member State	a member state of the EEA;
MSOP	the management share option plan to be adopted by the Company with effect from Admission;
Non-Executive Directors	the non-executive Directors of the Company on Admission;
Official List	the Official List of the FCA;
Options	options granted under the MSOP (being either EMI Options or non-qualifying options);
Ordinary Shares	the ordinary shares of £0.01 each in the capital of the Company;
Placing	the conditional placing of the Placing Shares by Turner Pope as agent for and behalf of the Company and the Selling Shareholder at the Placing Price pursuant to the Placing Agreement;
Placing Agreement	the conditional agreement entered into on or about the date of this document between the Company, the Selling Shareholder, Strand Hanson, Turner Pope and the Directors in relation to the Placing of the Placing Shares and Admission, details of which are set out in paragraph 13.1.1 of Part IV of this document;
Placing Price	10 pence per Placing Share;
Placing Shares	52 million new Ordinary Shares to be issued by the Company and the Sale Shares to be sold by the Selling Shareholder, in each case at the Placing Price pursuant to the Placing;
Proposed Directors	Myles Halley, Andrew Hempsall, Jim Snooks, Rory James-Duff and Lisa Clement, all of whom shall be appointed to the Board on Admission;
Prospectus Regulation	EU Prospectus Regulation (Regulation (EU) No 2017/1129);
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under Part VI of the FSMA, as amended;
QCA	the Quoted Companies Alliance;
QCA Code	The Corporate Governance Code for Small and Mid-Size Quoted Companies published by the QCA, as updated from time to time;

Relationship Agreement	the relationship agreement entered between (i) Simon Deacon, (ii) Strand Hanson and (iii) the Company, details of which are set out in paragraph 13.1.5 of Part IV of this document;
Rentokil	Rentokil Initial plc;
Restricted Jurisdiction	Australia, New Zealand, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America;
RIS	Regulatory Information Service;
Sale Shares	2 million Existing Ordinary Shares being sold on behalf of the Selling Shareholder pursuant to the Placing;
Securities Act	the United States Securities Act of 1933, as amended;
Selling Shareholder	Mr Simon Deacon (the Company's CEO whose business address is the registered office address of the Company);
Shareholder(s)	person(s) who is/are registered as holder(s) of Ordinary Shares from time to time;
Strand Hanson or **Nominated Adviser**	Strand Hanson Limited (CRN: 02780169), whose registered office is at 26 Mount Row, London, W1K 3SQ, Nominated and Financial Adviser to the Company;
Takeover Code	the City Code on Takeovers and Mergers published by the Takeover Panel, as amended from time to time;
Takeover Panel	the UK Panel on Takeovers and Mergers;
Turner Pope	Turner Pope Investments (TPI) Ltd (CRN: 09506196), whose registered office is at 8 Frederick's Place, London, England, EC2R 8AB, broker to the Company;
UK or **United Kingdom**	United Kingdom of Great Britain and Northern Ireland;
UK Circuits	UK Circuits and Electronics Ltd (CRN: 03301172) whose registered office is at 1 Lowman Way, Hilton Business Park, Hilton, Derby, England, DE65 5LJ, the Group's CEM business;
UK Circuits Holdings	UK Circuits and Electronics Solutions Holdings Limited (CRN: 09955364) (formerly (formerly Callow Capital 1 Limited) whose registered office it as 1 Lowman Way, Hilton Business Park, Hilton Derbyshire DE65 5LJ, United Kingdom;
UK Prospectus Regulation	the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;
uncertificated or **in uncertificated form**	Ordinary Shares recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST;
US$	United States Dollar;
USA or **United States**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

VAT	value added tax;
Warrant Instruments	the instruments governing the Warrants issued to Turner Pope and David Evans, as set out in paragraphs 13.1.3 and 13.1.20 of Part IV of this document;
Warrants	the warrants to subscribe for 8,391,000 Ordinary Shares, created pursuant to the Warrant Instruments;
Zenith Nurseries	Zenith Nurseries Ltd;
£ or **p** or **sterling**	United Kingdom pounds Sterling and pence, respectively; and
€	Euro.

GLOSSARY

ºC	degree Celsius;
3D	three-dimensional;
Automated Optical Inspection	the automated visual inspection of printed circuit board manufacture where a camera autonomously scans the device under test for both catastrophic failure and quality defects;
blue chip	an established, well-recognised corporation;
CAGR	compound annual growth rate;
CE	the European Union's mandatory conformity marking for regulating the goods sold within the EEA;
CEA	controlled environment agriculture;
CEM	contract electronics manufacturing;
conventional (through-hole) assembly	using leads on components that are inserted into holes drilled in PCB and soldered to pads on the opposite side;
FY	financial year;
H1 or **H2**	first or second half of said financial year;
IPC-A-610 Class 2	the certification of electronic assembly authorised by IPC International Inc.;
IPC-A-610 Class 3	the highest standard of electronic assembly authorised by IPC International Inc.;
ISO 9001:2015	the quality management system certification authorised by the International Organisation for Standardisation;
LED	light emitting diode;
nurturGROW Luminaire	Light Science Technologies' grow lights;
nurturGROW Sensor	Light Science Technologies' CEA sensor;
OEM	original equipment manufacturers;
pH	quantitative measure of the acidity or basicity of aqueous or other liquid solutions;
PCB	printed board circuit;
PPAP	production part approval process;
RoHS	a product level compliance based on the European Union's Directive 2002/95/EC, the restriction of the use of certain hazardous substances in electrical and electronic equipment;
SMT	surface mount;
surface mount assembly	is a method in which electrical components are mounted directly onto the surface of a PCB;

Tier 1	crop growers, ranging from individual customers to large organisations;
Tier 2	companies that provide equipment for CEA farms; and
WEEE	the Waste Electrical and Electronic Equipment Regulations 2013.

Light Science
Technologies Holdings

Light Science Technologies Holdings plc

1 Lowman Way

Hilton Business Park

Hilton

Derbyshire

DE65 5LJ

lightsciencetechnologiesholdings.com

STRAND HANSON

Strand Hanson Limited

Nominated & Financial Adviser

TURNER POPE INVESTMENTS

Turner Pope Investments (TPI) Ltd.

Broker