

30 January 2018

# PhotonStar LED Group Plc

## Disposal of Camtronics Vale Limited

PhotonStar LED Group plc (AIM: PSL, "PhotonStar" or the "Group"), the British designer and manufacturer of smart LED lighting solutions, is pleased to announce that it has agreed to sell its wholly owned subsidiary Camtronics Vale Limited ("Camtronics Vale"), that specialises in the manufacture of electronic components, to Camtronics Vale (holding) Company Limited ("CVH"), a private company controlled by certain members of the Camtronics management team, for a total cash consideration of £150,000 (the "Transaction").

### Transaction Highlights:

- Total consideration of £150,000 with £40,000 being paid at completion, a further £10,000 payable by 31 March 2018 and £100,000 to be received in monthly instalments;
- Approximately £0.46million reduction in the Group debt, which represents approximately 55% of the Group's debt prior to the Transaction; and
- A further step towards PhotonStar's strategy of transforming the Group into a software and services business, focused on lighting and building management as a service.

### Key Terms of the Transaction

Pursuant to the Sale and Purchase Agreement that the Group has entered into with CVH (the "Agreement"), the Group will shortly receive an initial payment of £40,000 and a further £10,000 payable by 31 March 2018. The balance of £100,000 will be paid by CVH to the Group over a 24 month period, in equal monthly instalments of £4,166.66 starting on 28 February 2018. The remaining monthly instalments will be received by the Group on the 28<sup>th</sup> day of each subsequent month.

In addition, James McKenzie, who was the sole Director of Camtronics, will stand down from the board of Camtronics with immediate effect, in order to focus solely on the PhotonStar's strategy of transforming the group into a software and services business focused on lighting and building management as a service.

All shares in Camtronics Vale Ltd will be sold to CVH Ltd. The circa £460,000 reduction in the Group's debt, which represents approximately 55% of the Group's debt prior to the Transaction, includes part of the Group's ABN Amro commercial finance invoice discounting service, which is being transferred to CVH along with an equipment financing loan of £95,000.

### Information on Camtronics

Camtronics manufactures electronic assemblies for use in the scientific, medical, industrial, automotive, and LED lighting industries, specialising in technically and logistically demanding manufacturing projects.

For the year ended 31 December 2016, Camtronics generated revenue of £1.7million and recorded a loss after tax of £0.1million. Unaudited results for the year ended 31 December 2017 show that Camtronics generated £1.75million of revenue and recorded a loss after tax of £0.01million.

At 31 December 2016 Camtronics had total assets of £1.75million and unaudited results for the year ended 31 December 2017 show that Camtronics' total assets had increased marginally to £1.78million.

### Impact of the Transaction on PhotonStar

PhotonStar will use the proceeds from the Transaction to fund the continued development of the halcyon cloudBMS™ platform. The monthly instalments will also provide PhotonStar with additional working capital as the Group continues its transformation programme in 2018. The impact on PhotonStar's balance sheet is expected to be minor and will be reported as part of the Group's interim results for the period ending 30 June 2018.

The Transaction will result in an overall reduction in the Group's creditors as CVH will inherit the liabilities, both intercompany and external, that were previously owed by Camtronics pursuant to the terms of the Agreement. These liabilities will be transferred with immediate effect.

PhotonStar Group will continue to use Camtronics Vale Limited as a valued supplier.

**Information on CVH ltd**

CVH is a private company that was incorporated in the UK in January 2018 by Paul Macleur, the former Managing Director of Camtronics, for the purposes of executing the Transaction.

**James McKenzie**, Chief Executive of PhotonStar, said:

“I am pleased to announce this transaction as it represents a further step along the path of the Group’s transformation into a software and services business. On a personal level having worked with Paul Macleur for a number of years I believe this is a sensible step that benefits both parties. In addition, I am grateful for the continued support of ABN Amro commercial finance who have agreed to transfer part of their invoice discounting service to CVH as part of this Management Buy Out.”

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**For further information:**

**PhotonStar LED Group Plc** ([www.photonstarled.com](http://www.photonstarled.com))

+44 (0)2381 230381

James McKenzie – Group Chief Executive

**Northland Capital Partners**

+44 (0)20 3861 6625

David Hignell/Jamie Spotswood (Corporate Finance)

John Howes/Rob Rees (Corporate Broking)

**About PhotonStar LED Group Plc**

PhotonStar LED Group Plc is a leading British designer and manufacturer of intelligent lighting & building control solutions. The Group's proprietary technology Halcyon™ is a scalable, secure wireless IoT platform for retrofit into commercial buildings, for energy reduction, asset monitoring & control, and real time environmental, behavioral and energy insights.

PhotonStar is based in Romsey, Hampshire.