

LPA GROUP PLC

("LPA", the "Company" or the "Group")

Product Line Acquisition

LPA Group plc, the high reliability LED lighting, electronic and electro-mechanical system designer and manufacturer, is pleased to announce the conditional purchase of a product line from Amphenol Limited ("Amphenol") (the "Acquisition"). The product line is Amphenol's UK historic range of railway inter-carriage electrical connectors (inter-car jumpers), complementing LPA Connection Systems' existing product range.

The Acquisition, effective 24 March 2023, replaces a ten year licensing agreement between LPA and Amphenol, signed in May 2021, whereby LPA undertook the manufacture and supply of Amphenol connectors to the UK rail aftermarket customer base, and the profits from the product line were shared on a 50:50 basis between the two parties. The Acquisition enables LPA to continue to manufacture and supply the railway inter-carriage electrical connectors direct to the customer, and now retaining all associated profits.

Paul Curtis, CEO, commented: *"This is an excellent agreement for all parties, assisting both in their strategies of development and growth for the coming years. The aftercare market is a key focus for LPA and these products provide access to nearly 3,000 existing vehicles, to which we can offer our excellent levels of quality and support over the coming decade. This product line will support the Group's delivery of FY23 results in line with existing Board expectations."*

The Acquisition, now agreed and signed, is conditional on formal approval from our customer. The terms of the Acquisition have been discussed with the customer, no problems are envisaged, and formal approval is expected to be obtained within the coming weeks.

The revenue for this product line for the year ended 30 September 2022 was £388,000, with a total PBT of £115,000 split between the two parties. LPA is acquiring all product line intellectual property and tooling. Consideration paid for the Acquisition is £500,000 satisfied in cash from existing cash resources. As at 28 February 2023, LPA had cash of approximately £1.6m (unaudited) and bank debt of £2.1m (unaudited).

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About LPA

LPA Group plc (AIM: LPA) is a market leading designer, manufacturer and supplier of high reliability LED lighting, electronic and electro-mechanical systems, and a distributor of engineered components.

Focused on transport (rail and aviation), defence, infrastructure and industrial markets and supplying into hostile and challenging environments, LPA is known for engineering solutions to improve product reliability, reducing maintenance and life cycle costs.

The Group has three sites across the UK, selling to customers in the UK and overseas. Two of these are design and manufacturing sites: LPA Connection Systems - electro-mechanical systems for rail, aviation and industrial, and LPA Lighting Systems - LED lighting and electronic systems for rail and infrastructure. The third site is LPA Channel Electric - a value added distributor of engineered components for rail, aerospace and defence.

With over 160 years of UK design and manufacture, and with origins in the first ever light installed in 'Electric Avenue', Brixton; innovation is core to LPA and to the products and services supplied to our customers worldwide.

For more information visit www.lpa-group.com

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.