

FOR IMMEDIATE RELEASE

Dialight PLC
28 January 2025

Dialight plc ("Dialight" or the "Company")
Q3 trading update
&
Sanmina litigation - settlement discussions

Q3 trading update

Trading performance for the 3-month period ended 31 December 2024 was slightly ahead of our expectations. The business traded profitably and generated positive operating cash flow. Group net debt (excluding leases) at 31 December 2024 was \$14.8m (30 September 2024: \$15.4m). The Board remains confident that further progress will be made during the rest of the financial year.

The early Transformation Plan progress reported with the Interim Results in November continued to gain momentum in the third quarter which has allowed us to introduce our 5th Transformation Pillar of creating a platform for future growth. This will provide a strategy and innovation platform for future products and services that, together with the other four pillars, will provide a solid sales and operational base for future, profitable growth. We will also continue to explore opportunities to accelerate our Transformation Plan to focus on delivering our medium-term ambitions.

Sanmina litigation - settlement discussions

On 25 September 2024, Dialight announced the details of the jury verdict in the trial relating to the litigation with its former manufacturing partner, Sanmina Corporation (NASDAQ: SANM) (**Sanmina**) and confirmed that a definitive judgment would be handed down once certain post-trial motions had been filed. Those post-trial motions have now been filed.

The Company is pleased to announce that, following constructive discussions with Sanmina, agreement has now been reached in principle to resolve the dispute. Under the settlement terms, Dialight will pay Sanmina \$12m in full and final settlement of all claims between the parties. This amount will be paid in instalments, with the first payment of \$4m due by 31 March 2025, followed by 8 instalments (the **Deferred Instalments**) of \$1m paid at the end of each subsequent calendar quarter through to 31 March 2027.

The amount of any outstanding Deferred Instalments will be automatically increased from \$1m to \$1.5m if Dialight's market capitalisation exceeds £100m for 30 consecutive days, subject to total cumulative instalment payments not exceeding \$8m. A letter has been filed with the New York Southern District court requesting that judgment is deferred pending agreement on a final definitive settlement and the parties will work together to agree a final definitive settlement agreement.

The Board is confident that the initial payment of \$4m and the Deferred Instalments totalling \$8m will be met from the operational cashflow of the business and that the Group has sufficient headroom to meet its ongoing business needs. In the highly remote event of payment default under the settlement agreement following the initial payment, Sanmina will be entitled to enforce the full judgment (less payments already made) in the ordinary course following a 90-day cure period ⁽¹⁾.

Steve Blair, Dialight CEO, commented: *"I am pleased that we have been able to reach a settlement that allows us to put this long running issue behind us. I would particularly like to thank Jure Sola and Jon Faust of Sanmina for their openness and willingness to agree the settlement. Our focus remains on our Transformation Plan for Dialight, for the benefit of all our stakeholders."*

Note 1: The full judgment, equating to the total claims by Sanmina (as previously disclosed), would amount to \$22.9m comprising the jury award of \$8.6m, interest of \$6.3m and legal costs of \$7m.

Contacts:

Dialight plc
Tel: +44 (0)203 058 3542
Steve Blair, CEO
Mark Fryer, CFO

Investec Bank plc (Financial Adviser and Corporate Broker)

Tel: +44 (0)207 597 5970
Christopher Baird / James Rudd

Dialight plc

About Dialight:

Dialight (LSE: DIA.L) is a global leader in sustainable LED lighting for industrial applications. Dialight's LED products are providing the next generation of lighting solutions that deliver reduced energy consumption and create a safer working environment. Our products are specifically designed to provide superior operational performance, reliability and durability, reducing energy consumption and ongoing maintenance and achieving a rapid return on investment. The company is headquartered in the UK with operations in Australia, Dubai, Germany, Malaysia, Mexico, Singapore, the UK and the USA. www.dialight.com.

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