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ASX ANNOUNCEMENT

11 June 2025

Placement for the Acquisition of Aldridge Traffic Systems

FOS Capital Limited ("**FOS**" or the "**Company**") (ASX: FOS) is pleased to announce it has conducted a placement to institutional and sophisticated investors to raise A$3.7 million, at an issue price of $0.30 per fully paid ordinary share in the Company through a single tranche placement ("**Placement**").

Funds raised under the Placement will be used to fund the acquisition of street lighting business assets of Aldridge Traffic Systems from Traffic Technologies Ltd group (in Administration) (ASX: TTI), working capital and costs of the Placement.

FOS is also acquiring TTI's Deneefe, Sunny Signs, L&M and QTC business assets which are non-core to FOS' operations and will be divested or shut down following the completion of the acquisition. FOS expects circa $0.5 million to $1.0 million for these assets which will be used as additional working capital to fund the restoration and expansion of the ATS business.

Key Highlights

- FOS has conducted a placement to raise $3.7 million following strong support from new and existing institutional and sophisticated investors
- The proposed acquisition of Aldridge Traffic Systems Pty Ltd ("**ATS**") represents an attractively priced opportunity that enhances FOS's proven acquisition track record and fast-tracks the Company's strategic objectives
- Total consideration for the acquisition of ATS of $3.1 million includes plant and equipment of $0.9 million, inventory of $0.5 million and intellectual property of $1.7 million
- FOS management, through leveraging deep industry experience and a track record in successful turnarounds, are confident in restoring ATS to its former position within two years of acquisition following a period of declining sales due to limited execution, focus, and capital

Con Scrinis, FOS Managing Director, said: "The acquisition of Aldridge Traffic Systems further expands our presence in the Australian lighting solutions market. This is an attractively priced asset to which we can add significant value, further building on our track record of recent acquisitions."

Placement Overview

The $0.30 per share placement price represents a 3.2% discount to last close of A$0.31 on Friday, 6 June 2025.

The placement shares will be issued using the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A, with 6,952,720 shares being issued under Listing Rule 7.1 and 5,380,614 shares being issued under Listing Rule 7.1A.

Shaw and Partners is acting as Sole Lead Manager and Bookrunner. Settlement of Placement is conditional on satisfaction or waiver of all conditions precedent, including the vendor obtaining releases of the sale assets from secured creditors and is expected to occur on or before completion.

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Aldridge Traffic Systems Overview

ATS designs, manufactures, and distributes a range of data-enabled LED road lighting and related equipment:

- Street Lighting – Designs & manufactures energy-efficient LED road lighting and solar-powered LED luminaires for off-grid/remote locations, including:
  - V-Category streetlights for use on main roadways; and
  - P-Category streetlights for use on minor roads and pathways
- Intelligent Transport Systems – Systems that monitor traffic and display important information to motorists in a relevant & timely manner for informed decisions ahead of time

ATS has been a key player in the road lighting industry for over 60 years, with this industry characterised by high barriers to entry due to stringent product approval requirements by various road authorities and a small number of approved providers. In FY24, ATS's street lighting division generated sales of $6 million.

Acquisition Rationale

In line with FOS Capital's ongoing acquisition strategy – which includes six previous acquisitions since its establishment in 2019 – the addition of ATS allows the company to advance key strategic priorities: expanding scale, accessing new markets, generating operating leverage, and supporting ongoing government infrastructure spending. This acquisition also strengthens the Company's existing presence in the road lighting industry through its Eclatec product range, which includes P-Category products manufactured at its Brisbane facility. The acquisition completion is expected by 20 June 2025. Conditions Precedent include the vendor obtaining releases of assets from the secured creditors.

Indicative Timetable

TIMETABLE	
Trading halt and launch of Placement	Tuesday, 10 June 2025
Trading halt lifted and announcement of completion of Placement	Wednesday, 11 June 2025
Settlement of New Shares under the Placement (subject to satisfaction of vendor conditions precedent)	Expected to be Friday, 20 June 2025
Allotment and Trading of New Shares under the Placement	Expected to be Monday, 23 June 2025

Contact

Con Scrinis
Managing Director
con@foslighting.com.au

This announcement has been authorised for release to the ASX by the FOS Capital Limited Board of Directors

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About FOS Capital

FOS Capital is a founder-led manufacturer and distributor of commercial, industrial, and architectural lighting solutions. FOS owns 17 brands and 2 manufacturing facilities, located in Brisbane and Sydney. Since listing in June 2021 FOS has achieved annual revenue and EBITDA growth of 35% and 29%, respectively, and remained profitable throughout this period. FOS operates in highly fragmented markets and is committed to increasing market share from 5% to 15% in the medium-term through a combination of continued organic growth and strategic acquisitions, at an EBITDA margin exceeding 10%.

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