

FÖS
CAPITAL



Acquisition of Aldridge Traffic Systems & Equity Raising

11 June 2025



Transaction & Raising Overview

FOS to acquire street lighting business assets of Aldridge Traffic Systems from Traffic Technologies Ltd (in Administration) (ASX-TTI)

Acquisition

- FOS Lighting Pty Ltd, subsidiary of FOS Capital Limited (“**FOS**” or the “**Company**”), to acquire street lighting business assets of Aldridge Traffic Systems Pty Ltd (“**ATS**”) from ASX-listed Traffic Technologies group (in Administration) (ASX:TTI; “**TTI**”)
- ATS designs, manufactures, and distributes a range of data-enabled LED road lighting and related equipment
- Total consideration 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 is also acquiring TTI’s Deneefe, Sunny Signs, L&M and QTC assets, which are deemed non-core to FOS’s operations and will be divested or shut down following transaction completion. FOS expects circa \$0.5 million to \$1.0 million of related proceeds, which will be used as additional working capital to fund the restoration and expansion of ATS
- Acquisition completion is expected by 20 June 2025

Equity Raising

- The acquisition of ATS will be funded by a \$3.7 million equity raising via a placement (“**Placement**”) to new and existing investors at \$0.30 per share, representing a 3.2% discount to last close on Friday, 6 June 2025. Funds raised under the Placement will be used to fund the acquisition, working capital, and costs of the Placement
- Approximately 12.3 million new shares to be issued, resulting in approximately 67.1 million total shares on issue
- Settlement of placement is conditional on satisfaction or waiver of all conditions precedent, including the vendor obtaining release of assets from secured creditors and is expected to occur on or before acquisition completion
- Shaw and Partners is acting as Sole Lead Manager and Bookrunner

Transaction Highlights

ATS is an attractively-priced asset to build on FOS Capital's track record of successful acquisitions and accelerates the Company's strategic priorities

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
- The acquisition also strengthens FOS Capital's existing presence in the road lighting industry through its Eclatec product range, which includes P-Category products manufactured at its Brisbane facility

Attractive Business Model

- 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

Growth Outlook

- ATS has experienced a period of declining sales due to limited execution, strategic focus, and capital
- FOS management have significant experience both in this industry and with the TTI business (FOS MD Con Scrinis was previously MD of Traffic Technologies), and combined with experience supporting similar turnarounds, management are confident in restoring ATS to its former position within two years of acquisition

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 roads
- P-Category streetlights for use on minor roads & pathways

Intelligent Transport Systems (ITS)

Systems monitor traffic and display important information to motorists in a relevant & timely manner for informed decisions ahead of time.

Traffic’s SmartCity Technology (TST)

TST is a smart-cities platform that allows connected devices to communicate with a proprietary software system that has been developed by ATS. The system can be adapted to any customer or project-specific requirements, with controllers able to use several IoT communication routes and adapt to any local network coverages needs.

Every connected device that accesses the service generates fees for ATS, representing a **recurring revenue stream**.

Revenue	FY24
ITS	\$3m
Street Lighting	\$3m
Total	\$6m



ersonal use only

Aldridge Traffic Systems – Clients¹



Notes: (1) Before TTI entered into voluntary administration on 23 April 2025

ersonal use only

FOS Capital – Growth Strategy

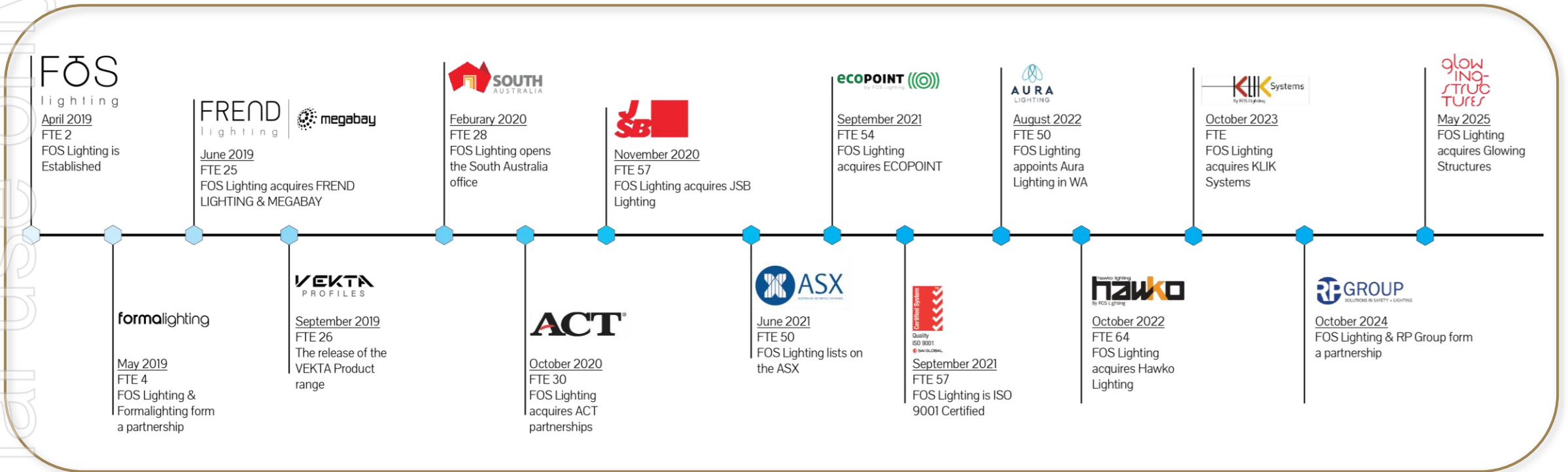
ATS acquisition to drive further growth across fragmented markets

- As a leader in highly fragmented markets, FOS is able to acquire businesses and realise significant synergies, providing a base to take further market share
- The six acquisitions executed to date have been **successfully integrated and optimised**, with the recent integration of KLIK Systems transformational for FOS Capital’s operations. Subsequent business optimisation included the closure of the Sunshine Coast manufacturing facility and relocation of production to Brisbane and Sydney, **improving gross margins through scale and purchasing power**
- These acquisitions, along with ongoing core business growth, have resulted in significant scale advantages and the **resulting operating leverage** has allowed strong top line growth to generate stronger earnings growth
- This approach means FOS is well placed to support ongoing government infrastructure spending and remain a key provider of choice for our customers

The upside from decisions and investments to date continue to accrue, with FOS Capital’s strong focus on accretive & strategic acquisitions evidenced by the proposed acquisition of ATS

Key Acquisitions & Agreements

Track record of strategic and accretive acquisitions



Equity Raising Overview

Offer Structure	<p>The Company has secured binding commitments to raise approximately A\$3.7 million via the issue of approximately 12.3 million new ordinary fully paid shares in the Company (“New Shares”) by way of a single tranche placement to professional and sophisticated investors (“Placement” or the “Offer”).</p> <p>The Offer will fall within the Company’s available placement capacity under ASX Listing Rules 7.1 and 7.1A. Settlement of the Placement is conditional on satisfaction of vendor conditions precedent on the acquisition of ATS.</p>
Offer Price	<p>The Offer Price of A\$0.30 per New Share represents a:</p> <ul style="list-style-type: none">• 3.2% discount to last close of A\$0.31¹• 6.0% discount to 5-day VWAP of A\$0.32
Ranking	<p>New Shares issued under the Offer will be listed on the ASX and will rank pari-passu with the existing fully paid ordinary shares in the Company.</p>
Use of Proceeds	<p>To fund the acquisition of ATS, working capital and Offer costs.</p>
Lead Manager	<p>Shaw and Partners is acting as sole lead manager and bookrunner to the Offer.</p>

Notes: (1) As at Friday, 6 June 2025

Sources & Uses of Funds

Sources of Funds

Sources of Funds	A\$m
Placement Proceeds	3.7
Total	3.7

Uses of Funds

Uses of Funds	A\$m
Acquisition of ATS	3.1
Working capital and offer costs	0.6
Total	3.7

Equity Raising Timetable

Indicative Timetable¹

DATE (AEST)

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

Notes: (1) Timetable is subject to change at the discretion of the Lead Manager and the Company



FOS

C A P I T A L

Contact

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Chadstone Shopping Centre's Australian-first Grid Shell Roof features 643 Viento RGBW linear LED luminaires, supplied by Megabay