

22 December 2025

FOS 1H26 Trading & Acquisitions Update

FOS Capital Limited (ASX: FOS, “FOS” or the “Company”) is pleased to provide the following update in relation to trading for the first half of FY26.

1H26 Trading

Sales for 1H26 are expected to be in the range of \$12-12.2m, compared with \$14m in the pcg and \$11.5m in 2H25. EBITDA (excluding ATS restructuring costs) for 1H26 is expected to be in the range of \$600-700k, compared with \$1.4m in the pcg and \$700k in 2H25.

Soft trading conditions in recent months have resulted in orders taking longer than usual to secure. FOS expects half-on-half improvement in sales to continue in 2H26, based on the makeup of the current Order Book (\$9m), Quote Book (\$110m), and contributions from the recent ATS and Glowing Structures acquisitions.

Following recent acquisition integrations (detailed below), FOS management have identified opportunities to further reduce operating expenses. A combination of head count reduction and import replacement of certain products is expected to drive annualised savings and Gross Profit improvements totalling \$1.5m per annum. These changes will begin taking effect from 3Q26.

Aldridge Traffic Systems (ATS) Update

Further progress has been made with the ATS business, which was acquired in late June 2025. As announced at the time of acquisition, ATS required a turnaround following a period of declining sales due to limited execution, strategic focus, and capital. The Company is pleased to advise that this turnaround is well underway and that the ATS business is on target to achieve profitability by June 2026.

Key highlights include:

- ATS now has a dedicated team of eight staff, most of whom are in sales functions and all of whom have significant experience in the transport & road sector;
- Since acquisition sales and orders procured to date stand at \$1m;
- Active quotes stand at \$5.5m;
- The sale of non-core assets has been completed, achieving a total of \$0.7m;
- Transfer of product certification and approvals to FOS Lighting completed;
- Key suppliers have been engaged and replenishment stock orders have arrived;
- Restructuring costs incurred to date stand at \$600K; and
- 2H26 sales are expected to be in the range of \$1.5-2.0m.

Glowing Structures Update

FOS acquired specialist lighting design consultancy Glowing Structures in May 2025, with the acquisition significantly expanding FOS' presence in the lighting services industry and providing a significant opportunity to convert a high percentage of Glowing Structures' sales specifications into sales of the lighting products FOS manufactures and distributes. In FY24 Glowing Structures' lighting product sales specifications were \$14m.

Since acquisition, Glowing Structures has been successfully integrated into the broader FOS Capital group. While there has been no material earnings impact to FOS financials in 1H26, a total of \$2m in orders and specifications were generated which will contribute to FOS sales in 2H26.

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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%.