

ASX Release

27 September 2021

ACQUISITION OF ECOPOINT LED LIGHTING NZ

FOS Capital Ltd ASX:FOS via its subsidiary FOS Lighting Pty Ltd is pleased to announce it has entered into a binding agreement to acquire 100% of the shares in Ecopoint Ltd a New Zealand based commercial lighting company. The transaction is expected to complete within 2 weeks.

Transaction Highlights:

- Ecopoint FY21
 - Sales NZ\$2.76M
 - NPBT NZ\$311K
- NTA NZ\$1.3M including:
 - Cash & cash equivalents of NZ\$1.1M.
 - No debt
- Purchase price NZ\$1.87M comprised of
 - Cash NZ\$1.49M
 - FOS shares NZ\$380K. Issue of approximately 1,304,914 new ordinary shares issued at AU28c per share subject to exchange rate at completion.
- Acquisition EPS accretive and underpins FY22 profitability.
- Expands FOS's New Zealand presence & provides platform for growth.
 - Provides avenue to distribute FOS's 14 product ranges.

Ecopoint Overview

Ecopoint based in Wellington New Zealand is an LED lighting specialist that was established in 2009. The company has 11 employees and services the commercial lighting market with representation in Wellington, Auckland and the South Island. Ecopoint has developed its own range of LED lighting products and goes to market by designing and specifying its products with electrical engineers, architects, and end user clients.

Strategic Rationale for the Acquisition

This acquisition creates a solid base for FOS to expand its New Zealand operations. We believe we can rapidly grow the business using FOS's extensive industry experience and the introduction of FOS's 14 exclusive product ranges to the NZ market. Ecopoint will also benefit from having access to the FOS Brisbane based manufacturing facility providing custom product with shorter lead times. FOS will also market the Ecopoint range in Australia via its extensive distribution network.

The acquisition of Ecopoint is the first since FOS's ASX listing in June 2021 and delivers on the company's stated growth by acquisition strategy. We look forward to working with the Ecopoint team to grow and expand the business whilst we seek out further acquisition opportunities in the sector.

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