

ASX Release

25 September 2023

## TRANSFORMATIVE ACQUISITION OF KLIK SYSTEMS

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 Sydney based linear lighting manufacturer KLIK Systems. FOS is funding the acquisition with existing cash and debt facilities. The transaction is expected to be completed within two weeks.

### Transaction Highlights:

- KLIK FY23 sales \$8 million
- Adds \$1.5 million to FOS EBITDA\*
- Increases EPS from 1.09c to 2.49c \*
- \*unaudited proforma 2023 assumes relocation and restructured business under FOS
- Purchase price: \$3 million
  - \$2 million cash on completion
  - \$1 million cash 12 months from completion
- Platform to drive cost restructure and reduction
- Expands FOS's market share in linear lighting
- Introduces significant export markets
- Condition of sale is to relocate KLIK factory by December 2023

### KLIK Systems Overview

KLIK was established over 40 years ago and is based in Sydney NSW. It manufactures an extensive range of commercial, industrial & architectural LED linear and handrail lighting. The company has 31 employees and services the Australian commercial lighting market with sales offices and distributors in all capital cities. KLIK derives 25% of its income from export markets with a significant presence in the USA.

### Strategic Rationale for the Acquisition

This acquisition expands FOS's market share in linear lighting and provides a platform to consolidate manufacturing operations for our fastest growing product line. There will be significant operational benefits with the increased volumes and the ability to further rationalise fixed costs as we share knowledge and resources across the group. KLIK also provide FOS with its first substantial export market outside of New Zealand with the ability to increase export sales of our broader product range.

"This transformative acquisition of KLIK is the next chapter in establishing FOS as the pre-eminent Australian lighting manufacturer." said Managing Director Con Scrinis.

This Announcement has been authorised for release to ASX by the board of FOS Capital Ltd.

Con Scrinis

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