

ASX Announcement

Field Solutions Holdings Limited (ASX: FSG)

ASX Limited

Company Announcements Office

9 November 2023

FY23 – AGM - Address By the Chairman, Dr Ken Carr

Dear Shareholders,

2022/23 was a year of growth, in the core business, although we did need to adjust our expectations early and identify splitting the business metrics for better visibility. Having said that, the core business performed well and grew at a rate of 3% revenue per month and continues with strong EBITDA performance.

Moving into some operational vertical segmentation in terms of Mining, Agriculture, Wholesale and Government has helped focus our business into high margin verticals and we can apply the full gamut of our skills and resources from previous acquisitions to drive strong long term growth opportunities.

Significant wins in Mining have secured companies such as Ravenswood Gold, Kestrel Coal, with a top tier (top 5) mining win to be announced in the coming weeks, giving us a strong position and is a catalyst for further expansion into this vertical.

The construction side of the business we separated the metrics

- ☐ for accounting purposes, to recognise income as the project obligations are delivered, this means that the income passes through the P&L over time and there may be differences in timing with expenses (with some expenses recognised before associated income)
- ☐ to increase transparency, enabling shareholders more visibility of the action of growth drivers and allow them to attribute value appropriately.

We intend to further enhance understanding of your company's value by more frequent and detailed reporting.

Unfortunately, the construction delays we foreshadowed crystallised, with the underlying reasons being:

- ☐ Initially it took longer to finalise contracts with government (some 8 months).
- ☐ Natural Disasters impacted all east coast networks.
- ☐ Ongoing the identification of land and purchase negotiations have been delayed by an abnormally long approvals process traversing three levels of government which, whilst normal, have been impacted by the remote nature of the networks.

Financing was not an impediment during the reporting period. Ongoing we are seeking debt facilities to cover project and working capital needs.

Ms Wendy Tyberek has decided to step aside from the CFO role. Recognising the company has matured significantly and now needs different and diverse skills, we have initiated a search process - with an expanded scope - predicated on the significant growth we expect. Wendy remains available as a consultant to support the transition.

In the interim we have engaged additional financial control resources and will be augmenting the finance function in consultation with candidate identified during the search process.

I would like to thank Wendy for all her efforts from the initial start-up. She will remain on the board (subject to the shareholder's vote today) and assist the board in this transition over the next few months.

Our core business is growing strongly across its core and verticals and is profitable and cash generative.

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The construction segment of our infrastructure business continued as planned, with all June 30 2023 construction plans achieved. The business is on track to meet its reforecast H1 FY24 construction plan.

We are conscious of the impact that these construction concerns are weighing on the market's mind and asymmetrically impacting our valuation.

We remain grateful for the resilience and patience of our top 20 shareholders and seek to reward their trust through improved performance over the coming months.

This announcement has been authorised for release by the Board of FSG..

About FSG

FSG provides, builds and operates “true broadband networks” specifically for rural, regional and remote Australia. FSG is a licensed Australian telecommunications carrier, providing services via its own telecommunications network (trading under the brands ‘JustISP’ TasmaNet and “Ant Communications) and a NBNco Retail Service Provider.

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