

AGM Presentation 2022



FOS Lighting Overview

- FOS was established April 2019
- FOS designs, manufactures and distributes quality LED lighting solutions to the commercial construction industry with sectors including offices, hospitals, schools, warehouses, railway, galleries & museums
- FOS is led by an experienced management team with a proven industry track record
- FOS has completed 4 acquisitions since inception to create an ANZ operation
- FOS is profitable, cashflow positive, debt free and has built the foundations to launch the business into its next expansion phase
- FOS paid a fully franked dividend of 0.5c per share in its first year as a listed company.
- FOS's medium term stated intentions are to grow organically and by acquisition to create a +\$50M revenue group that can produce net profit margins in excess of 10%

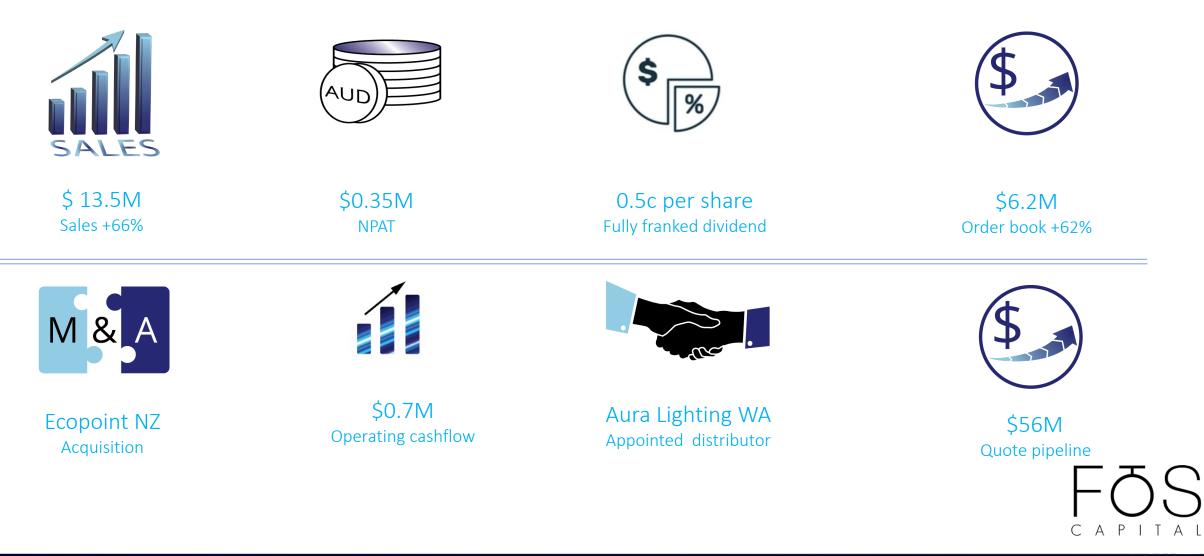








FY22 Highlights



FY22 Operational Update

- Impressive sales growth to \$13.5M +66%
- Record Order Book \$6.2M +62% (increasing pipeline)
- NPAT \$0.35M
- Declared maiden fully franked Dividend 0.5 cents per share
- Acquired Ecopoint Lighting New Zealand
 - Integration complete, additional sales resources added
- Rationalized product ranges from 16 to 14
- Operational efficiencies resulted in staff levels reducing from a high of 59 to 50
- FOS appointed exclusive distributor for iCore Smart poles
- Aura Lighting appointed as FOS exclusive distributor in WA
- Expanded FOS VEKTA range, now our biggest selling product line
- Have exited the last of JSB property's (Melb & Sydney)
- Successfully navigated covid disruptions and supply chain issues











Hawko Lighting Acquisition

- Hawko Lighting Group
- Established over 30 years, based on Sunshine Coast, Queensland
- Manufactures an extensive range of LED linear lighting
- Services the Australian market through distributors
- 14 employees
- FY22 Sales \$3.3M
- FY22 normalised EBIT \$300K
- Synergy benefits \$500K (previously announced \$250K) (to be realised over 12 months)
- Purchase price \$1M cash upfront \$300K deferred 12 months linked to sale of stock
- FOS Capital raised \$1.5M via a sophisticated investor placement @20c per share
- Hancock & Gore (ASX:HNG) and associated entities subscribed to \$1M of the placement





Acquisition Rationale

- Hawko linear lighting range similar to FOS Vekta
- Expands FOS's market share in linear lighting
- Linear lighting is FOS's fastest growing product range
- Hawko has products and tooling that fills gaps in FOS's range
- Significant synergies available through shared manufacturing with FOS Brisbane facility
- Increases production capacity
- Hawko will benefit from FOS distribution network in Australia and NZ
- Continues consolidation of lighting manufacturing sector
- Earnings per share accretive
- Continues FOS's stated objectives of growth through acquisition





FOS Group Inclusive of Hawko



FY22 Financials

P&L (\$m)	FY22	FY21	Balance She
Sales	13.5	8.1	Cash & Rece
Gross Profit	5.7	3.3	Stock, P&E,
Other income	0.4	1.4	Total Assets
Expenses	5.7	3.9	Payables
PBT	0.41	0.79	Other
NPAT	0.35	0.74	Total Liabilit
Operating cashflow	0.7	(0.9)	Net Assets
Dividends per share	0.5c	0	

Balance Sheet (\$m)	June 22	Dec 21	June 21
Cash & Receivables	3.7	3.9	5.3
Stock, P&E, Other	8.1	8.7	5.7
Total Assets	11.8	12.6	11
Payables	1.8	1.6	1.6
Other	2.4	3.5	2.4
Total Liabilities	4.2	5.1	4.1
Net Assets	7.6	7.5	6.9

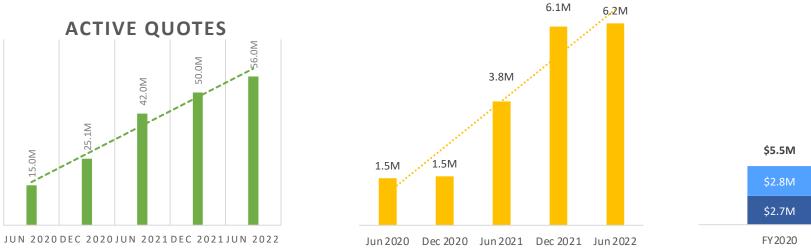
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FY22 Comparative analysis

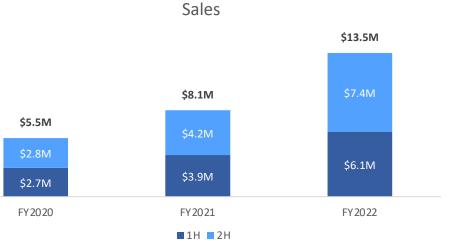
50.0M

42.0M

15.0M



Orders on Hand



CAPITAL

Outlook & trading update

- Q2 sales forecast approximately \$5M up 43% (Hawko contribution \$350K)
- 1H sales forecast approximately \$8m up 31%
- Significant momentum in all sales locations with increasing order book
- ANZ operation with 64 staff now in place well poised for further growth
- Acquisition of Hawko represents significant manufacturing synergies and increased manufacturing capacity.
- New revenues streams from expanded geographical presence with the addition of 6 new distributors
- Growing pipeline of projects with active quotes now at \$60m
- Commercial construction industry robust and benefiting from Gov't stimulus
- Continued focus on product development and rationalisation
- Strong balance sheet, debt free, no material capex requirements
- Actively pursuing multiple value accretive acquisition opportunities



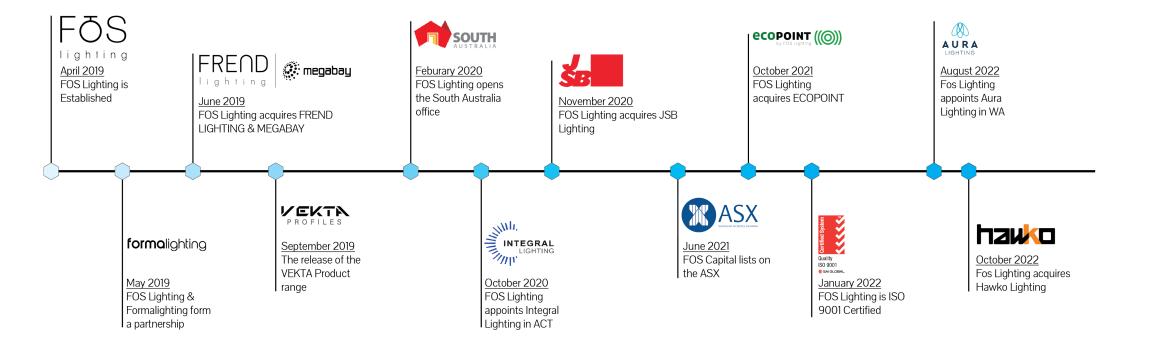








FOS Timeline



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FOS at a glance

Capital Structure	ASX:FOS	Directors		
Shares on Issue*	53.8m	Non-Executive Chairman	Sandy Beard	
Share price (29/11)	19.5c	Managing Director	Con Scrinis	
Market Cap	\$10.5m	Executive Director	Michael Koutsakis	
Dividends/share	0.5c	Non-Executive Director	Michael Monsonego	
Cash (June 2022)	\$1.9m	Employees	64	
Net Assets	\$7.6m	Brands	15	
NA per share	16c	Offices	6	
EPS	0.76c	Manufacturing plants	2	

Major Shareholders: SKM Investment Group (associated with executive directors) 57%

: Hancock & Gore Ltd 16.95%

* Includes shares to be issued subject to shareholder approval

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