

# Strategy.

Our products are sold throughout the world. The Group management team is passionate about developing the business for the benefit of the shareholders, employees and customers. With the energy and ability of our staff we look forward to the future with enthusiasm. Our aim is to create shareholder value through market leadership in the design, manufacture and supply of professional lighting systems.

Our focus is for long-term growth and stability, achieved through the following priorities:

## Overview of strategy

- Strategy was designed to build on the values that have been at the core of the company since its inception. FWThorpe has been built on product innovation – design and product development is fundamental.
- The Group is product led. This enables us to maintain competitive advantage with marketing-leading products, utilising technology to retain and attract new customers.
- Sustainable growth is key to our stakeholders – targeting new customers in existing or new territories, using our product portfolio to drive into new sectors.
- Control of the manufacturing processes is of utmost importance – key processes are kept in-house with targeted investment in new machinery as required.
- Family principles and how we treat our people is fundamental to our success. The Group prides itself on the development of people from within the organisation, providing training and experience as well as maintaining our core values.

### 1 Focus on high quality products and good leadership in technology

Customers continually require new and innovative ways in which to reduce the operating costs of their lighting installations. There is also the requirement to reduce their environmental impacts.

#### Progress to date

- Continued enhancement of features for the SmartScan wireless system
- Shared product development between certain companies within the Group
- Electric vehicle charging and road safety products now to be marketed by a number of Group companies

#### Future opportunities

- Further development of SmartScan
- Continuous research and development
- Targeted acquisition

#### Associated risks C

- Product acceptance
- Initial product introduction

#### Strategy in action



See more on pages 48 to 51

### 2 Continue to grow the customer base for Group companies

With the continued investment in the product portfolio and the broad range of sectors we can service, the focus will be on expanding our customer base in new markets and territories.

#### Progress to date

- Targeted approach in the Netherlands and France with Thorlux industrial product and controls portfolio
- Introduce Famostar product portfolio to territories where the Group has a presence
- Introduce Zemper product portfolio to territories where the Group has a presence

#### Future opportunities

- Consider further sales offices overseas
- Potential business development investment
- Investment in sales personnel in the UK and Europe
- Targeted acquisition

#### Associated risks A C D J

- Short-term cost increase without immediate return
- Prolonged time required to establish FWThorpe brands

#### Strategy in action



See more on pages 32 to 33

### Risk key

- |  |  |
|--|--|
| <b>A</b> Adverse economic conditions                 | <b>G</b> Movements in currency exchange                              |
| <b>B</b> Changes in government legislation or policy | <b>H</b> Cyber security  |
| <b>C</b> Competitive environment                     | <b>I</b> Exit from the European Union                                |
| <b>D</b> Price changes                               | <b>J</b> Impact of Ukraine conflict on domestic and global economies |
| <b>E</b> Business continuity                         | <b>K</b> Sustainability & climate-related risk                       |
| <b>F</b> Credit risk                                 |  |

### 3 Focus on manufacturing excellence

Along with continued product development, the need to innovate the production process is essential.

#### Progress to date

- Famostar facility extension project successfully completed
- Completed solar investment at Thorlux
- Expanded injection moulding facility at Zemper Spain to support the manufacture of select components for the Group

#### Future opportunities

- Continued development of manufacturing facilities and processes for Ratio EV products in the UK at the Target Park facility
- Continual investment in facilities and processes across the Group

#### Associated risks **C** **E**

- Reduced productivity while changes are implemented
- Learning curve on introduction of new products and processes

#### Strategy in action



See more on pages 34 to 35

### 4 Continue to develop high quality people

One of our main sources of competitive advantage, it is imperative we continually develop and retain talent within the business.

#### Progress to date

- Apprentice scheme continues
- Investment in management training
- Training and development

#### Future opportunities

- Continued investment in training and personnel development
- Inter-company collaboration teams to develop a broader understanding of the whole business

#### Associated risks **C** **I**

- Ability to retain staff in competitive local job markets
- Potential loss of UK personnel from the EU

#### Strategy in action



See more on page 63

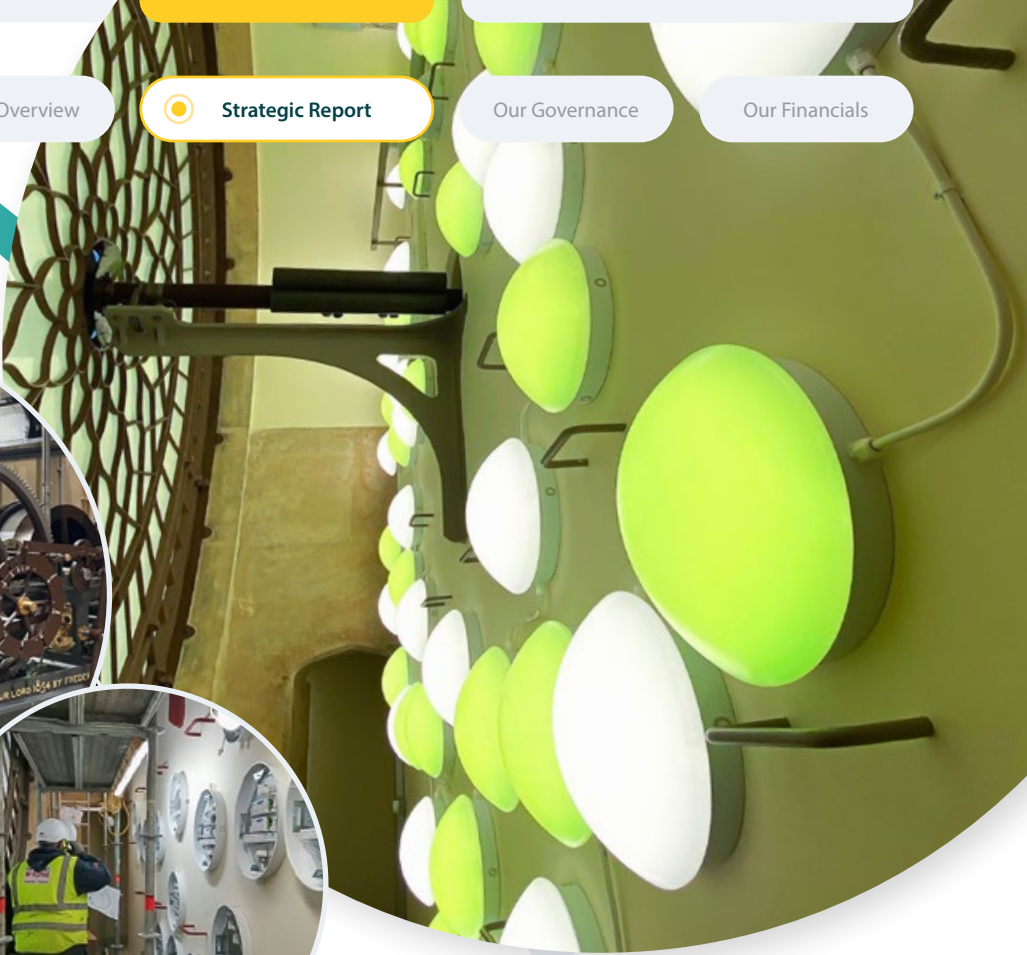
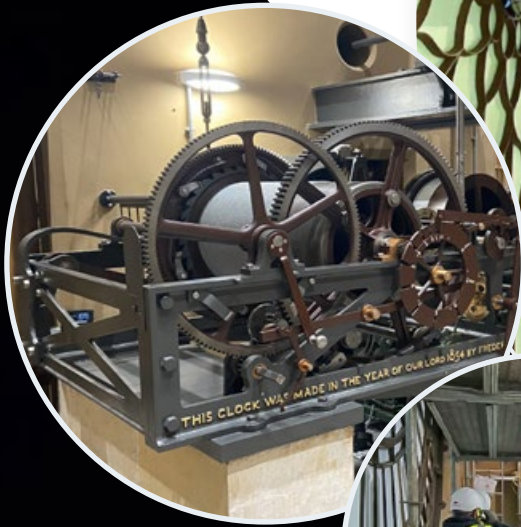
STRATEGY IN ACTION

# Thorlux illuminates London landmark.

**The Elizabeth Tower, better known as Big Ben, is one of the most instantly recognisable landmarks in the world. Standing at 96 metres (316 feet) high, the famous clock tower overlooks the River Thames at the north of the Palace of Westminster.**

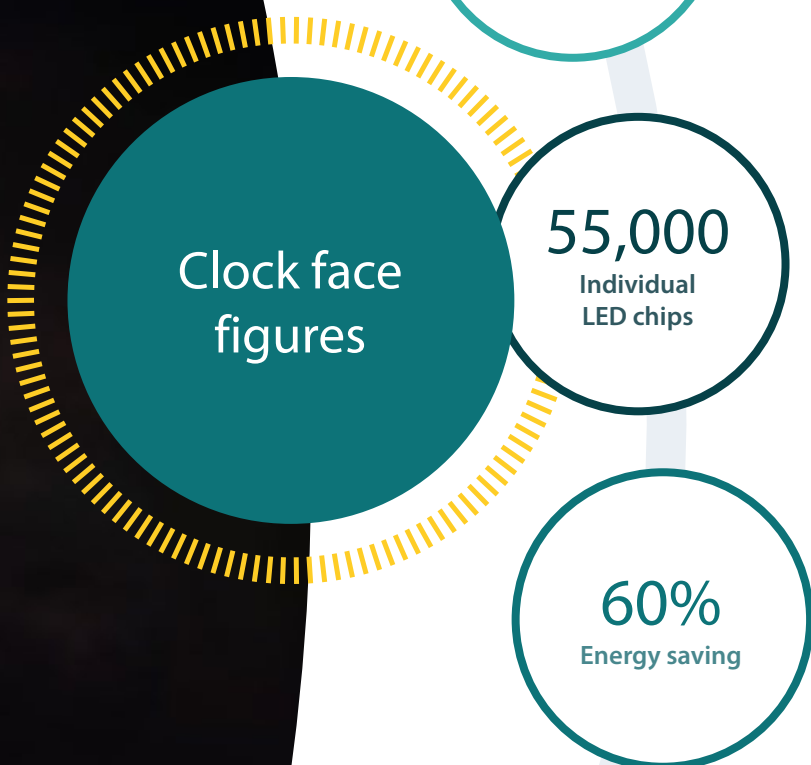
The tower is topped with the Ayrton Light, which was installed in 1885 and is a lantern-like structure which serves as an illuminating beacon. It is thought that Queen Victoria requested to see from Buckingham Palace when members of either the Commons or the Lords were sitting after dark. Initially the Ayrton Light was powered by gas jets and was then converted to electricity in 1903.





Thorlux is proud to have been involved with the five-year programme of essential renovations to conserve the tower, supplying luminaires and wireless lighting controls. In 2016, building services consulting engineers S I Sealy approached Thorlux to support them with the engineering and development of new lighting to the rooms and service areas of the tower, as well as bespoke fixtures for the clock faces and Ayrton Light.

SmartScan wireless controls were utilised in the rooms of the tower: wall-mounted switches provide wireless commands to the luminaires, resulting in less cabling and therefore less damage to the historic building fabric.





## Illuminating the Great Clock faces

Surveys were first carried out to validate the existing lighting provision before Thorlux worked with S I Sealy to develop a solution that met the specification.

Site trials were undertaken to prove the solution, which involved replacing 12 of the existing luminaires in the south clock face with prototypes of the new LED fixtures. The trials were a huge success and proved that the LED solution would make no difference to the appearance of the clock faces, which are enjoyed by visitors from all over the world.

The final design was developed and supplied, with the four clock faces being illuminated by 228 luminaires and over 55,000 individual LED chips. All this was achieved whilst also providing a 60% energy saving.

99

I think it is fair to say that Thorlux has provided a fantastic service, carrying out various different iterations of the clock face lighting and Ayrton light designs until the aesthetics were approved by the client. Their contribution began at the outset of the project, working directly with the team to develop the light fitting designs, and being involved in fine tuning of the lighting controls of the clock face to match the original gaslight colour."

**Patrick Busby**  
Head of Building Services (South)  
for Sir Robert McAlpine Ltd



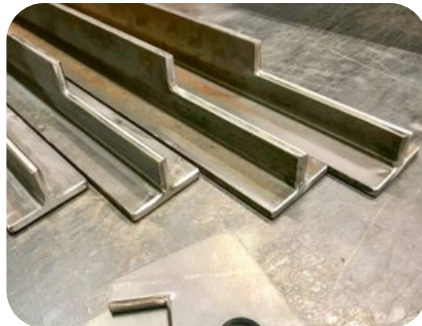


## Upgrading the Ayrton Light

**The challenge was to provide a solution in keeping with the history of the structure while modernising the light and reducing its environmental impact.**

Thorlux developed a bespoke fixture using energy-saving LED technology with highly efficient lenses to control and distribute the light, providing an intense downward beam of light through 360 degrees. The optics are a modern-day equivalent of the original Fresnel lenses used to control and distribute the light. A series of 'light rings' stacked on top of

each other provide the visual effect required in a compact size to fit inside the lantern structure. The modern optics also significantly reduce the amount of upward light. A prototype was produced and a site trial was conducted to validate the principle and observe the effects. Different locations throughout the city were used as test sites for viewing and evaluation purposes. The final solution was then designed and engineered with a bespoke mounting bracket to utilise existing fixing points within the structure.







STRATEGY IN ACTION

INTELLIGENT LIGHTING

**SCHAHLED**

## Company profile...

**In September 2022, FW Thorpe acquired 80% of the share capital of SchahlLED Lighting, solidifying its business in Germany and providing further growth opportunities.**

- SchahlLED is a leading turnkey provider of intelligent LED lighting systems for industrial and logistics applications in the DACH region (Germany, Austria and Switzerland)
- The company's roots date back to 2006, when it was established through a spin-off from Richard

Schahl GmbH & Co KG, a German distributor of speciality lamps.

- In 2019, financial investor Active Capital Company acquired a majority stake in SchahlLED to support the company in its strategic growth plan.
- SchahlLED has since successfully enlarged its sales network through organic growth and two add-on acquisitions of betterLeds in North Germany and LED Technics in West Germany.

- The company conceptualises projects, delivers the lighting systems, oversees installation and assists in software integration and data analysis.
- SchahlLED and Thorlux have worked together since 2019, distributing SmartScan products primarily into the German market.



## Locations and sales network...

- SchahLED is headquartered in Unterschleißheim/Munich.
- In addition to its headquarter, the company has installed two sales hubs in the North (Weyhe/Bremen) and West (Cologne) of Germany.
- SchahLED has a sales network of six internal salespeople and 19 external sales partners.
- It is active throughout the DACH region, Poland and Czechia.



## History...

Foundation of Richard Schahl GmbH & Co. KG

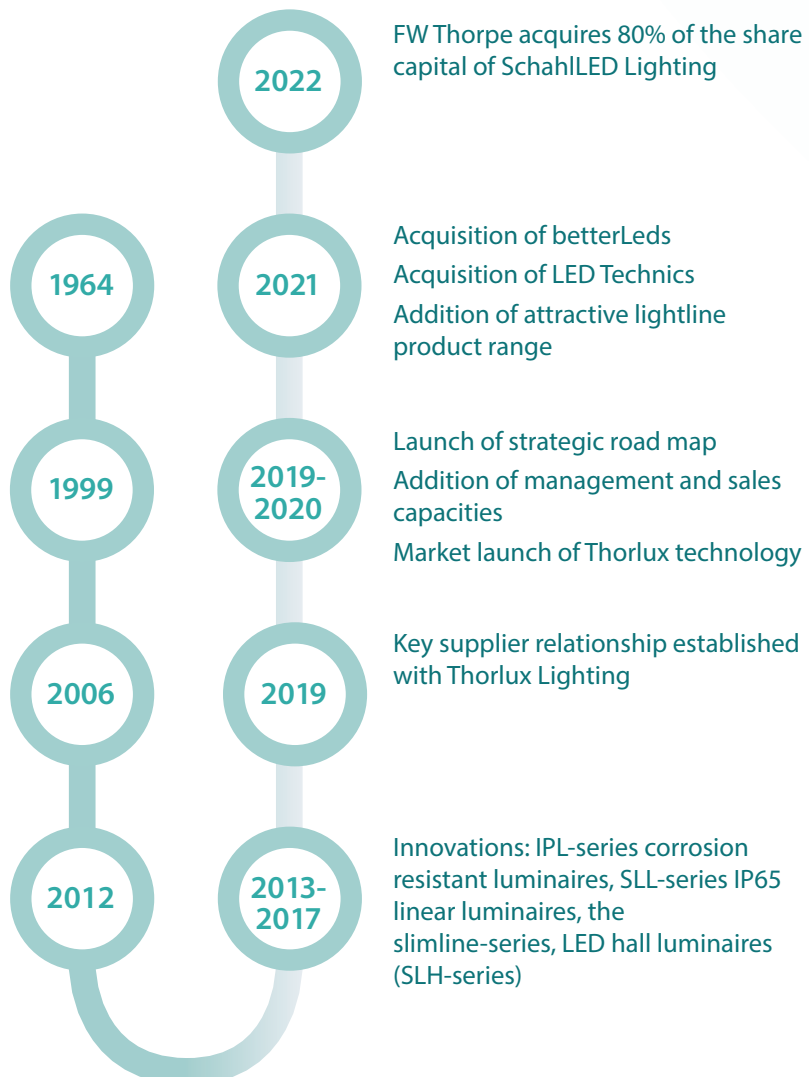
Distribution of special lamps for photography, film and television

Formation of LED segment with acquisition of LED team of Elite Inc, a LED distributor

First German distributor of high-performance LED technology

Formation of SchahLED GmbH & Co. KG via a spin-off of the LED components and luminaire business

Start of intelligent LED technology sales





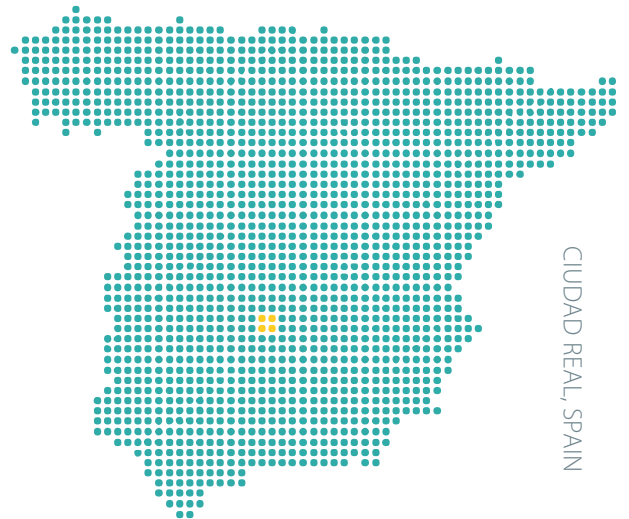


120.5kW  
Photovoltaic system

50%  
Increased production capacity

Two  
Additional cutting-edge machines

830m<sup>2</sup>  
Newly built factory



CIUDAD REAL, SPAIN

STRATEGY IN ACTION

# Zemper injection moulding factory.

To address the challenges faced by several Group companies in sourcing plastic moulded components externally, a strategic decision was taken to leverage the expertise and production facilities of Zemper. However, Zemper’s plant in Almagro had insufficient production capacity and space to meet the increased demand.

The most viable solution was to construct a new factory adjacent to Zemper’s main facility in Ciudad Real, to produce all Zemper’s plastic components. As well as providing the necessary space to manufacture plastic components for other Group companies, this approach also eliminated the need for daily

transportation of components from Almagro to Ciudad Real.

The newly built 830m<sup>2</sup> factory now accommodates six machines, including two cutting-edge automated production machines and CNC machining capabilities for efficient mould production. Plastic production capacity has increased by 50%, which is a significant improvement.

In line with a commitment to sustainable practices, a noteworthy addition to the new factory is the installation of a 120.5kW photovoltaic system on its roof. This renewable energy infrastructure further reinforces the company’s efforts to reduce its carbon footprint and operate in an environmentally responsible manner.



## STRATEGY IN ACTION

# New warehouse facility for Famostar.

Famostar recently unveiled its state-of-the-art warehouse facility in the Netherlands. With the previous warehouse operating at maximum capacity, the company had resorted to utilising off-site storage facilities. The newly constructed building offers an additional 1,076m<sup>2</sup> of space, eliminating the need for external storage and streamlining the movement of goods within the company's operations.

The design of the new warehouse prioritises energy efficiency. Natural light floods the interior space through large windows, reducing the reliance on artificial lighting. In addition, on the roof, 266 photovoltaic panels are projected to generate approximately 110,000kWh of energy per year, resulting in a significant reduction of 52 tonnes of CO<sub>2</sub>e emissions.



266  
photovoltaic  
panels to generate  
110,000kWh  
of energy  
per year

38%  
increase in space

1,076m<sup>2</sup>  
additional  
space

