



ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

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ASX RELEASE

2025 Annual General Meeting – Chair’s Address

Melbourne, 20 May 2025

Electro Optic Systems Holdings Limited (**EOS** or **Company**) (ASX: EOS) provides the attached Chair’s address to be delivered at today’s Annual General Meeting commencing at 10.00am AEST at the offices of MinterEllison, Level 20, Collins Arch, 447 Collins Street, Melbourne VIC 3000.

Authorised for release by the Chair of the board of Electro Optic Systems Holdings Limited.

Further information:
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ABOUT ELECTRO OPTIC SYSTEMS (ASX:EOS)

EOS operates in two divisions: Defence Systems and Space Systems

Defence Systems specialises in technology for weapon systems optimisation and integration, as well as ISR (Intelligence, Surveillance and Reconnaissance) and C4 systems for land warfare. Its key products offered include next-generation remote weapon systems, vehicle turrets, high-energy laser weapons (directed energy), as well as fully integrated and modular counter-UAS and C4 systems.

Space Systems specialises in applying EOS-developed optical sensors and effectors to detect, track and characterise objects in space. It includes capabilities in the domain of space control.

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Electro Optic Systems Holdings Limited

Annual General Meeting – 2025

Chair's Address – Mr Garry Hounsell

Thank you and good morning.

I welcome you all to this meeting. I am pleased to address shareholders following another encouraging 12-month period for EOS.

The war in Ukraine continues and geopolitical tensions in the Middle East and in other regions remain very high. While this is unfortunate for the world, these themes continue to provide a supportive background for EOS.

2024 marked the second full year of execution of the EOS turnaround plan. It was a busy year.

2022 and 2023 were characterised by the development of a new strategy, a right-sizing of the business and the embedding of new senior personnel.

In 2024, EOS focussed on implementing the new strategy, selling to new markets, improving profitability, optimising the business' portfolio, and strengthening the balance sheet.

I am pleased to advise that in 2024, EOS generated its highest ever revenue of \$259 million and an underlying EBITDA result of \$13 million. This included both continuing operations and the EM Solutions business.

This record performance is an indicator of what EOS can achieve.

During 2024, we decided to sell our non-core EM Solutions division of the business. While EM Solutions is a great business focussed on naval satellite communications, it became apparent to the Board that it was no longer a critical component of the EOS go-forward growth strategy and as such, a process was initiated to divest the business.

The Board believes that the outcome, realising \$158 million of cash proceeds after customary adjustments, was very positive.

In January 2025, the cash proceeds were received by EOS. This in turn triggered the full repayment of our outstanding loans from Soul Patts, for some \$61 million.

Following this debt repayment to Soul Patts, EOS now has no debt.

Soul Patts supported our company in difficult times, by way of both debt and equity, and we would like to once again thank them for this support. Soul Patts remains a significant equity holder of EOS shares and we look forward to their ongoing involvement with the company.

The last few years have been very challenging for EOS, but with this debt now repaid, the company today is in an excellent position to grow.

While much good work has been done, we have a lot more to do.

We need to look to the future and to ensure that we consolidate and build upon the progress we have made to date.

We are positioning EOS for a future in which it is a truly global business, operating at the very top of its field.

Strategic Growth Outlook

As mentioned, significant increases in defence spending are arising globally. This is being driven by the global geopolitical situation, by conflicts in various parts of the world and by technological change. In addition, the change of strategic direction seen in the second Trump-led administration is causing an increase in local defence spending in Europe and other places.

Militaries and other institutions face an ever-growing threat from drones. The market is demanding reliable and cost-effective solutions. EOS' skills in building highly accurate tracking and weapons systems means we are perfectly situated to meet the current market demand.

While the market backdrop is strong, it can sometimes take a long time to convert the opportunities into signed contracts.

This is the nature of the defence industry.

Fortunately, the industry also provides significant growth opportunities – when you have the right product, you can grow very quickly. We have seen that before at EOS and we believe it can be done again.

In order to grow sustainably into the future, EOS has determined to focus its strategic growth on the following:

- Capturing the current market demand for counter-drone solutions through our world-renowned remote weapon systems;
- Growing into markets where we see large opportunities and growth, such as, Europe, the Middle East and North America;
- Monetising decades of research by commercialising our prototype high energy laser weapon system; and
- Nurturing our Space Systems business as it converts from a Space Domain Awareness business to a Space Control business.

EOS Products

In 2024 our Defence Systems division continued to market the “Slinger” counter-drone solution and we have seen some commercial success with orders from Germany for donation to Ukraine. We continue to see strong interest for this system as the counter-drone threat continues to evolve.

In February of this year, the business announced the launch of its next-generation R500 remote weapons system. As well as increased range and lethality, this cutting-edge system will also include the latest AI developments to ensure EOS remains at the forefront of the remote weapon system market.

Contract Outlook

The EOS Board is mindful of the need to grow the business by winning more contracts. We are confident with the initiatives that have been put in place by management to achieve this.

This includes the hiring of new senior sales resources and the implementation of a focussed, regionally specific, sales strategy. We have stepped up our participation in trade shows and continue to participate in key demonstrations to ensure that our product remains at the forefront of the customer’s mind.

Andreas will talk more about our commercial and operational outlook shortly, but the Board believes that all the key elements are in place.

There is strong market demand, we have the right products and the right sales team.

We remain confident that the new orders will be forthcoming in due course.

Closing

Your Board believes that the EOS business has the right elements in place to capture the significant future growth opportunities ahead of it.

The Board has confidence that persistence will ensure EOS continues to turn into a growing and profitable business.

I thank investors for their ongoing support as we continue that journey.

I will now hand over to Andreas, our CEO, who will talk in more detail about our current financial position and outlook, as well as the product areas and commercial opportunities that we are focusing on.