

31 October 2025

ASX RELEASE

QUARTERLY ACTIVITY REPORT & APPENDIX 4C

FOR THE QUARTER ENDED 30 SEPTEMBER 2025

The consolidated entity consisting of Electro Optic Systems Holdings Limited and the entities it controls ("EOS" or the "Group") has filed its Appendix 4C and provides the following update on its activities for the quarter ended 30 September 2025.

1. KEY ACTIVITIES

Customer Order Activity

- As announced on 5 August 2025, EOS secured a world-first export order for a 100kW High Energy Laser Weapon from a Western European NATO member state, valued at €71.4m or approximately A\$125m. The order is expected to be fulfilled during 2025-2028 by EOS in Singapore.
- As announced on 27 August 2025, EOS was named as part of the Leidos Australia team that has been awarded the Systems Integration Partner contract as part of the Australian Defence Force's ("ADF") Project LAND 156 Counter-small Uncrewed Aerial Systems. An initial contract was secured by EOS for \$2m during the quarter, for the provision of an EOS Slinger Counter-Drone remote weapon system ("RWS") and other items for demonstrations.
- During the quarter, EOS' US business received US\$8.5m in orders for RWS systems including both (1) a US customer order for Slinger counter-drone development work and (2) an inaugural order for one R800 heavy-calibre RWS.
- In July, EOS Space Systems secured a \$5.8m contract with the Commonwealth of Australia to further collaborate on research priorities, and in August, secured an additional \$5m to further develop space capabilities. KiwiStar Optics signed a contract with a European customer for precision optical equipment, valued at €\$3.0m (approx. A\$5.3m).
- After the quarter end, on 6 October 2025, EOS announced that it had secured a contract for the delivery of RWS to Hanwha Australia for the ADF LAND 400-3 Project valued at \$108m. Under this contract, EOS expects to deliver an enhanced R400 RWS (to suit specific ADF requirements) which is planned to be fully integrated with Hanwha's Redback Infantry Fighting Vehicle.



Order Book Development Activity

- Following the signing of the Land 400-3 contract on 6 October 2025 noted above, the contract backlog was approximately \$415m which represents a \$279m or 206% increase from 31 December 2024.

Contract Backlog – 6 October 2025 (\$mil)



- In October, EOS USA announced that it is developing enhanced capabilities for the Slinger Counter-Drone RWS, incorporating capabilities to meet the growing challenge of drone attack, such as aided target recognition and selectable autonomy. This development work is customer funded and is linked to the order intake mentioned above. EOS is optimistic that this could lead to increased order intake in the future.
 - Several Ukrainian donation opportunities continue to mature. While direct sales into Ukraine have proved challenging due to customer budget constraints, allied countries remain committed to supporting the Ukrainian war effort through ongoing donation programs.
 - Following the announcement of the world-first export contract of a 100kW High Energy Laser Weapon in August, there has been a demonstrable increase in enquiry from new potential customers interested in the capability.
 - During the quarter, EOS launched the product branding for this new market-leading product, under the name "Apollo".
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- In October, EOS and Diehl Defence (Germany) signed an additional Teaming Agreement for a new opportunity and jointly submitted a bid in response to a German request for approximately 3,000 light RWS. The next stage of proposal down-selection is expected to occur in late 2025 or early 2026.
 - During the quarter, EOS Space Systems continued to work to develop orders with existing customers and potential new customers. This included demonstrations and detailed discussions with senior military personnel from several countries in relation to a range of products and services, including Space Control.

There is no guarantee that any of the above opportunities will be realised in the form of binding sales contracts or any guarantee regarding the timing of revenue recognition and cash flows that may ultimately arise, if any.

Manufacturing and Delivery Activity

- During the quarter, EOS in Australia continued the manufacture and delivery of container-based RWS for a European customer. In addition, work continued on the manufacture of R400 and R150 RWS to support customers in Europe and the US respectively.
- During the quarter, EOS Space Systems continued to deliver on the backlog of contracts with the ADF and Commonwealth of Australia. One of these contracts was successfully completed in the quarter.
- The US business continued to manufacture and deliver R600 RWS for Singapore end customers.

MARKET DEVELOPMENT ACTIVITY

Key Events in Markets

- After the end of the quarter, in mid-October, the European Commission released its "Preserving Peace Defence Readiness Roadmap 2030". This forms part of the European Union's broader ReArm Europe programme, which aims to mobilise €800 billion in spending to strengthen Europe's sovereign defence capabilities. This included the "European Drone Defence Initiative" (commonly known as the "drone wall") and "European Space Shield". These are expected to support increased defence spending in Europe.

Conferences and Trade Shows

- In September, EOS attended the DSEI trade show in London and (as noted above) formally launched the "Apollo" High-Energy Laser Weapon system. This included the marketing of our capability from 50kW to 150kW. EOS believes this is a significant milestone in the commercialisation of EOS' longstanding directed energy intellectual property and product capability.
- In September, EOS formally launched its "Atlas" Space Control product and brand at the International Astronautical Congress (IAC) 2025 in Sydney. The Atlas family of ground-based high-energy laser space control assets is designed to counter growing space threats in an increasingly contested space domain.
- In September, EOS participated in the U.S. Army Manoeuvre Conference at Fort Benning, Georgia, reinforcing the operational relevance of the Slinger Counter-Drone RWS to key U.S. stakeholders.
- In September, EOS exhibited at the Taipei Aerospace & Defence Technology Exhibition (TADTE) in Taiwan, promoting our Slinger CUAS capabilities to regional partners. After the end of the quarter, in October, EOS showcased the Slinger Counter-Drone System at the AUSA exhibition in Washington, D.C.



2. FINANCIAL SUMMARY

EOS' total cash holdings (including term deposits) at 30 September 2025 was \$91.5m, representing a \$38.8m decrease from 30 June 2025. The total cash holdings includes cash balances of \$71.5m and \$20.0m of term deposits with an initial term of greater than three months that mature in November and December 2025.

In addition to the total cash holdings at 30 September 2025, the Group had a further \$52.0m of cash security deposits held with banks to support bank guarantees and bonds.

OPERATING CASH FLOWS

The Net Cash outflow from Operating Activities for the quarter was \$34.3m, compared to a Net Cash inflow of \$30.5m in Q2 2025.

Receipts from Customers totalled \$16.5m during the quarter. This was \$61.6m lower than Q2 2025, when a large contract finalisation receipt arose under a longstanding contract in the Middle East.

Customer Receipts during the quarter were lower than in previous periods because of a timing gap between the completion of legacy orders and the start of work (and cash receipts) under new orders.

As noted above, as at 6 October 2025 the new order Contract Backlog was \$415m, an increase of \$279m on the position at the start of the year. EOS expects in future to benefit from cash receipts arising from this growth in order book.

Other cashflows from operating activities (excluding cash receipts from customers) amounted to net payments of \$50.8m during the quarter, an increase of \$3.2m compared to Q2 2025. Other cashflows during the quarter included payments for manufacturing and operating costs of \$23.8m, and payments for staff costs, administration costs and other items of \$27.0m.

Payments made during the quarter are expected to support future customer deliveries and cash receipts, including activity expected in Q4 2025 and in 2026.

OTHER CASH FLOWS

The Net Cash inflow from Investing Activities for the quarter was \$16.2m, compared to an outflow of \$2.2m in Q2 2025. This primarily relates to the maturity of a \$20m term deposit during Q3 2025.

The Net Cash outflow from Financing Activities for the quarter was \$1.0m, compared to an outflow of \$1.4m in Q2 2025. Financing Activities includes receipts of \$0.1m arising from the issuance of equity securities, which represents receipts from the exercise of share options under EOS Omnibus Employee Incentive Plan ('OEIP'). More details on the EOS OEIP are included in the EOS Financial Report filed on 25 February 2025.

3. BORROWING SUMMARY

All amounts borrowed from WHSP in 2022 were repaid in Q1 2025 and EOS currently has no borrowings.

The Group continues to be required to comply with quarterly covenants under bond facility agreements with Export Finance Australia, which facilitates the issuance of performance bonds and guarantees to support supply arrangements where required. For the quarter ended 30 September 2025, and in the period up to the date of this announcement, the Group complied with its obligations under the various facility agreements.

4. OFFSET CREDIT OBLIGATION

As outlined previously in the Financial Report for the year ended 31 December 2024 (lodged on 25 February 2025), the Group is obligated as part of its contract to supply a customer in the Middle East, to contribute to economic development in the country as an offset against purchases of its products and services (“Offset Program”).

The obligation commitment is secured by an offset bond of US\$16.9m (A\$25.7m) which is guaranteed by Export Finance Australia. In respect of this bond, a cash security amount of US\$16.9m (A\$25.7m) has been placed on deposit. These are included in the cash security deposits identified in section 2 above.

As part of the offset program, EOS was required to develop, agree and submit an approved business plan, which will generate offset credits, to the offset credit authority. On 20 February 2025, the Group received approval from the offset credit authority for the business plan.

During the quarter, in accordance with various approvals from the offset authority, EOS took steps to formally establish a 49% EOS owned JV with Shielders Advanced Industries. The intention of both parties is that this JV will set up local manufacturing and assembly of EOS’ R150 Remote Weapon System product in the Middle East.

Under the approved business plan, EOS has from 1 July 2026 until 1 July 2033 to set up the JV and earn the relevant offset credits. This includes in kind contributions including the licensing of EOS owned IP, and providing technical data packages and manufacturing knowhow to the JV.

Under the approval from the offset credit authority, the final form of the various agreements necessary for the JV to manufacture and assemble EOS product in the Middle East, require the approval of the offset credit authority. As at the date of this announcement, EOS expects to achieve the necessary approvals. Under the approved business plan in order to earn offset credits EOS must contribute not less than AED 18.4m (approximately A\$7.8m) in cash to the JV by 1 July 2026 unless otherwise agreed with the offset authority.

EOS considers that it is currently in compliance with its obligations. In the event that EOS does not comply with its obligations in future, the Offset Credit authority is entitled to demand payment under the guarantee outlined above. EOS intends to continue to work to ensure it complies with its obligations.

5. TRADING UPDATE

On 29 September 2025, EOS issued a Full Year 2025 Outlook that restated that (as previously announced) it expected 2025 revenues to be biased towards the second half of the 2025 year.

In addition, EOS announced that, based on currently available information, it expected full year revenue for 2025 from existing contracts to be \$115-125m.

In addition, EOS noted that it continues to pursue a range of new orders, which if signed in sufficient time to enable delivery in 2025, have the potential to contribute up to an additional \$25m of revenue in 2025.

EOS will keep the market informed as and when material new orders are secured.

6. MANAGEMENT CHANGES

On 11 August 2025, Lee Kormany joined EOS as Executive Vice President of Defence Systems (Australia). Lee succeeds Ian Cook, who left EOS in October 2025 to return to Adelaide. Lee has over thirty years leadership and engineering experience, including in the defence industry in Europe and Australia.

7. RELATED PARTY TRANSACTIONS

Payments to related parties of the entity and their associates totalled \$333,374 for the quarter.

These amounts include:

- payments of \$189,624 paid to CEO Dr Schwer, representing salary paid during the quarter; and
- \$143,750 paid in directors' fees and superannuation to non-executive directors and entities associated with non-executive directors during the quarter.

8. SUBSEQUENT EVENTS

Other than the items discussed above, there are no material subsequent events.

9. AUDITED RESULTS

All information included in this announcement is unaudited.

This announcement has been authorised for release to the ASX by the Board of Directors.
All amounts are in Australian dollars unless stated.

Further information:

DR ANDREAS SCHWER

Managing Director and Chief Executive Officer

ir@eos-aus.com

EOS INVESTOR HUB

Questions relating to this announcement can be posted on our Investor Hub at the link below:

<https://investorhub.eos-aus.com/link/yzj5by>

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ABOUT ELECTRO OPTIC SYSTEMS

(ASX: EOS)

EOS operates in two divisions

DEFENCE 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 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

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.

EOS CUSTOMER IDENTITIES

EOS deals with a number of customers in the defence and security industries and has not disclosed the identity of all of these customers in this announcement. EOS confirms that:

- it does not consider the identity of such customers to be information that a reasonable person would expect to have a material effect on the price or value of EOS securities; and
- this announcement contains all material information relevant to assessing the impact of the matters referred to in this announcement on the price or value of EOS securities and is not misleading by omission.

FORWARD LOOKING STATEMENTS

This announcement may contain certain "forward-looking statements" including statements regarding EOS' intent, belief or current expectations with respect to EOS' business and operations, market conditions, results of operations, financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position and performance, establishment costs and capital requirements are also forward-looking statements.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This announcement may contain such statements that are subject to risk factors associated with an investment in EOS. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of EOS to be materially different from future results, performances or achievements expressed or implied by such statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

ABN

95 092 708 364

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	16,514	117,293
1.2 Payments for		
research and development	(2,017)	(6,872)
product manufacturing and operating costs	(23,803)	(65,192)
advertising and marketing	(748)	(5,110)
leased assets	-	-
staff costs	(16,604)	(44,210)
administration and corporate costs	(6,560)	(19,694)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,163	2,252
1.5 Interest and other costs of finance paid	(328)	(16,510)
1.6 Income taxes paid	(1,901)	(5,465)
1.7 Government grants and tax incentives	4	15
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(34,280)	(43,493)

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2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2,521)	(8,686)
	(d) investments	-	-
	(e) intellectual property	(895)	(4,955)
	(f) other non-current assets	-	-
	(g) term deposits	(20,000)	(60,000)
2.2	Proceeds from disposal / maturity of		
	(a) entities	-	-
	(b) businesses	-	159,975
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
	(g) term deposits	40,000	40,000
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Security Deposits	(354)	(5,525)
2.6	Cash balance disposed of in disposal of business	-	(3,366)
2.7	Transaction costs arising from disposal of business	-	(3,294)
2.8	Net cash from / (used in) investing activities	16,230	114,149

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	113	230
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(48,219)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Repayment of lease liabilities	(1,060)	(3,751)
3.10	Net cash from / (used in) financing activities	(947)	(51,740)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	90,289	52,304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(34,280)	(43,493)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	16,230	114,149
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(947)	(51,740)
4.5	Effect of movement in exchange rates on cash held	203	275
4.6	Cash and cash equivalents at end of period	71,495	71,495

Quarterly cash flow report for entities subject to Listing Rule 4.7B

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	71,495	90,289
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	71,495	90,289
Note	Not included in the cash figure above are:		
	• Term deposits	20,000	40,000
	• Current and non-current cash security deposits securing performance bonds, premises and guarantees.	51,989	51,900

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	333
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>These amounts included in item 6.1 relate to salary and bonus payments to the executive director during the quarter and payments for directors' fees and superannuation to non-executive directors and entities associated with non-executive directors during the quarter.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Export Finance Australia	76,395	76,047
7.4	Total financing facilities	76,395	76,047
7.5	Unused financing facilities available at quarter end		348

7.6	Export Finance Australia Bond Facility:	
	<ul style="list-style-type: none"> The Group continues to maintain a performance bond in respect of a contract in Defence Systems of US\$33.2m (A\$50.4m). The performance bond was provided by Export Finance Australia under a Bond Facility Agreement and is secured by a cash Security Deposit of US\$15.8m (A\$24.0m) and a fixed and floating charge over the assets of the Group. The costs of this facility are included in Item 1.5 as other costs of finance paid. Under the terms of a contract in Defence Systems, the Group signed an offset agreement with the relevant overseas Government Authority on 12 February 2021 for an amount of US\$16.9m (A\$25.7m). The offset bond was provided by Export Finance Australia under the same Bond Facility Agreement and is secured by a cash Security Deposit of US\$16.9m (A\$25.7m) and a fixed and floating charge over the assets of the Group. The costs of this facility are included in Item 1.5 as other costs of finance paid. Following the Term Loan repayment to WHSP in January 2025, the Group continues to be required to comply with quarterly covenants under facility agreements with financiers, including guarantee facilities provided by Export Finance Australia 	
8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(34,280)
8.2	Cash and cash equivalents at quarter end (item 4.6)	71,495
8.3	Unused finance facilities available at quarter end (item 7.5)	348
8.4	Total available funding (item 8.2 + item 8.3)	71,843
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.1
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	n/a	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	n/a	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	n/a	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

Authorised by the Board of Directors.

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