



ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

ABN 95 092 708 364

Lvl 2, 1 Taubman Street Symonston, ACT 2609

PO Box 252, Queanbeyan, NSW 2620, Australia

+61 2 6222 7900

[www.eos-aus.com](http://www.eos-aus.com)

10 February 2026

ASX RELEASE

## RESPONSE TO GRIZZLY RESEARCH REPORT

Electro Optic Systems Holdings Limited ("EOS" or the "Company") (ASX:EOS), notes that on 6 February 2026, Grizzly Research LLC ("Grizzly") released a report making various allegations pertaining to EOS ("Grizzly Report"). EOS requested a trading halt to ensure that trading did not take place in an uninformed or false market.

EOS rejects the misleading, manipulatory and pejorative conclusions contained in the Grizzly Report. The Grizzly Report was published by prolific short seller, Grizzly, without any prior enquiry of EOS.

EOS notes that Grizzly has disclosed that it holds a short position in EOS securities and therefore stands to profit from a decline in EOS' share price. The global defence sector is highly competitive and EOS questions whether there may be other motives of the Grizzly Report.

EOS understands that Grizzly has been the subject of legal action, including defamation suits from XP Inc. (2025) and Trulieve Cannabis Corp (2020) over allegations deemed false and harmful by the companies.

EOS notes that the publication of the Grizzly Report has already had a significant adverse effect on the EOS share price.

EOS is concerned that Grizzly may have acted unlawfully and breached corporations laws in Australia and Germany (where EOS trades on the Frankfurt Open Market). EOS has directed legal advisers in Australia and Germany to consider all available legal remedies.

Notwithstanding the misleading, manipulatory and pejorative nature of the conclusions contained in the Grizzly Report, given the matters raised and the response in the EOS share price, EOS has set out below its responses to the principal allegations raised in order to protect EOS shareholders from Grizzly's conduct.

The global defence industry is experiencing strong growth due to a dynamic geopolitical environment and disruptions in the technological landscape.

EOS management has worked hard to successfully turn around the company from 2022, including strengthening the balance sheet, commercialising latent intellectual property, bolstering sales and marketing capabilities amongst other things, EOS has seen increased order intake in recent months.

## EOS Share Price Movements

EOS notes that the EOS share price increased from \$1.31 on 2 January 2025 to a high of \$11.02 on 13 January 2026, and has experienced periods of volatility throughout this period. On 5 February, before the release of the Grizzly Report, the EOS share price was \$7.17.

EOS rejects entirely the statements made by Grizzly regarding the reasons for movements in the EOS share price. EOS believes that changes in the EOS share price are due to a wide range of factors, including, but not limited to:

- Changes in global defence spending, driven by conflicts and changes in geopolitics;
- Changes in technology, including the growth in drone warfare;
- Announcements made by EOS to the ASX about changes in EOS business, including new contract wins (detailed below); and
- Changes in global macroeconomic conditions and other factors.

World military expenditure reached USD 2.718 trillion in 2024, an increase of 9.4% in real terms from 2023 and the steepest year-on-year rise since at least the end of the Cold War, according to the Stockholm International Peace Research Institute.

At the 2025 NATO Summit in The Hague, virtually all NATO members made a commitment to investing 5% of Gross Domestic Product annually on core defence requirements and defence-and security-related spending by 2035.

## Goldrone

In response to the specific allegations in relation to Goldrone Inc ("Goldrone"), EOS notes that:

- In the defence industry, it is common for contracts to mature in stages over time, including with conditions, as the commitment of counterparties is finalised. In addition, the use of legal entities where a project may become its main activity is also common.
- EOS did not include the conditional Korean contract in its headline total "Secured Order Book" of \$459 mil.
- Goldrone is a legal entity with modest financial capacity. EOS believes that a Goldrone office was previously at a location included in the Grizzly Report but understands the address has recently changed.
- EOS assessed Goldrone and its key personnel as potentially having strong capability to secure market access and sales contracts with government customers in Korea.
- Goldrone management indicate that they believe that they can source investor and customer funding for a high energy laser weapon product for the Korean market.
- EOS considered the commercial risks of contracting with Goldrone and therefore negotiated and signed a conditional contract for US\$80 mil to become effective if/when Goldrone pays a deposit of some US\$18 mil and provides EOS with a Letter of Credit for remaining amounts due under the contract.
- EOS was required by the ASX listing rules to disclose entry into the contract with Goldrone and has disclosed the conditional nature of the contract and has provided regular updates to the market on the status of the conditions.
- EOS has consistently stated that the Goldrone contract may or may not ultimately become a binding unconditional contract. Work continues with the objective of converting the conditional contract to a binding unconditional contract.
- As is common in the defence industry, the name of the customer was not disclosed in the ASX announcement made on 15 December 2025.
- EOS has not incurred any significant expense on this project to date and (as normal) will not do so until commercially appropriate.

Further information on EOS' Korean business developments in the information provided below.

### Business overview - Recent EOS Contract Wins

During 2023 and 2024 EOS completed the final deliveries under a longstanding, multi-year contract with a key customer in the Middle East valued at approximately US\$332 mil. At that time, EOS had a high level of customer and product concentration.

As a result of delivering on that contract, the size of the order book for the core EOS business (excluding EM Solutions) reduced progressively during 2022, 2023 and 2024.

EOS adopted a new sales approach in September 2022 which included:

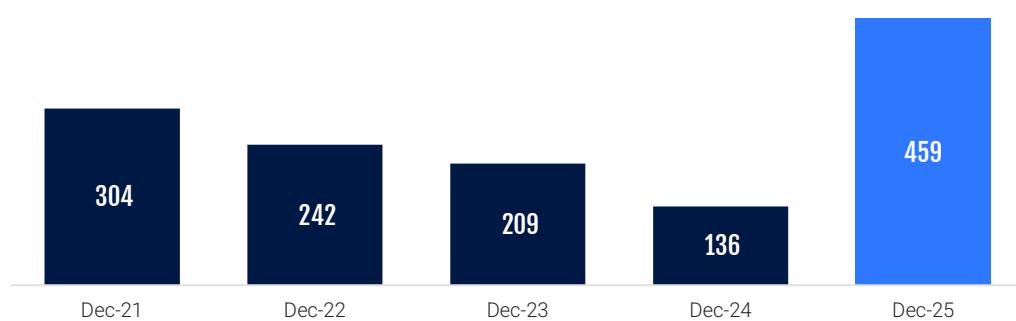
- Implementing a fundamental change in the go-to-market approach, notably, EOS has decided to enter into strategic partnerships with local champions.
- Opening an EOS Office in the Netherlands and recently establishing EOS legal entities in the UK and in France.
- Commercialisation of new products i.e. High-Energy Laser Weapons: EOS commercialised its Laser technology into a leading CUAS effector product line, branded APOLLO.

EOS notes that in the defence industry, sales lead times are traditionally one to three years in length. This means that new growth initiatives, including new products (such as high energy laser weapons) or new market entry activities (such as sales initiatives in Europe or North America) can take time to translate into increased sales orders, revenue and cash flow.

EOS has developed a substantial pipeline of future sales opportunities. Detailed information on the sales pipeline was published on 25 February 2025. As noted in previous announcements, there is no guarantee that potential additional contracts or other growth noted above or below will arise.

Following the change in sales approach and further work during 2025, EOS secured several additional sales contracts during 2025 and EOS announced an increase in its unconditional contract order book from \$136 mil at 31 December 2024 to \$459 mil at 31 December 2025:

Contract Backlog – Dec 2025  
Unconditional Contracts, Excludes EM Solutions (divested Jan 25)  
\$ mil



The increase in the order book is attributable to several recent contract wins, previously announced to the ASX. These contracts are secured and unconditional.

EOS is strongly of the view that the increased intake of unconditional orders over the course of 2025 is one of the key drivers of the share price appreciation recently observed.

The order book total of \$459 mil does not include the conditional Korean High Energy Laser Weapon contract which is valued at US\$80 mil (A\$120 mil).

Key recent contract awards are detailed below:

#### ***Slinger Counter-Drone Remote Weapon Systems (A\$53 mil)***

***May 2025***

On 19 May 2025, EOS announced a Slinger counter-drone order for €31 mil (~A\$53 mil).

This contract is for the supply of products to a prime contractor that is providing vessels to the Netherlands Ministry of Defence. The prime contractor is a turnkey naval shipyard related systems integration company from Europe. The identity of the customer was not disclosed at the time as EOS assessed this information as not material. Initial work has been undertaken and revenue has been recognised in accordance with progress made.

Work under this contract occurred during 2025 and is expected to continue into 2026.

#### ***High Energy Laser Weapon (A\$125 mil)***

***Aug 2025***

On 5 August 2025, EOS announced a €71.4 mil (~A\$125 mil) order for a 100kW High Energy Laser Weapon system placed by a European NATO Member State. This contract is with the Ministry of Defence of the Netherlands.

The contract is for a first production unit incorporating EOS proprietary High Energy Laser Weapon Technology. This technology was demonstrated using a 36kW power configuration to prospective customers during a live-fire field event in Australia in August 2023.

EOS has not identified this product as a prototype because it is based on proven technology at the 36kW level and accordingly this represents a scale-up of existing technology, rather than a prototype of new technology.

On 6 February 2026 EOS' new Laser Weapon manufacturing facility was opened in Singapore by the Australian Ambassador to Singapore, His Excellency Allaster Cox and by Brigadier General Marc van Ockenburg from the Royal Netherlands Army, EOS High Energy Laser Weapon launch customer.

The Singaporean facility is a 20,000 square foot leased facility, able to support increased production levels in future. The facility has been scaled to allow for the production of up to 20 High Energy Laser Weapon systems per year.

During 2025 and early 2026, EOS completed design approval work with the customer, recognised part of the revenue for the contract and received progress payments under the contract. EOS expects work to continue under this contract during 2026, 2027 and 2028.

During January and February 2026, at the request of the Ministry of Defence of the Netherlands, EOS has taken part in discussions regarding changes that could amend and potentially increase the scope of the project.

#### ***LAND 400-3 Remote Weapon Systems (A\$108 mil)***

***Oct 2025***

On 6 October 2025, EOS announced a A\$108 mil Remote Weapon Systems Contract for Australian Defence Force LAND 400-3 Project.

This contract is with Hanwha Defence Australia, the prime contractor to the Commonwealth of Australia for the supply of 129 Redback Infantry Fighting Vehicles.

EOS' contract is for the supply of EOS R400 Remote Weapon Systems. The contract follows several contracts over more than 20 years for EOS to supply Remote Weapon Systems to the Commonwealth of Australia. During 2025 and early 2026, EOS has undertaken design and initial delivery work for the customer, recognised part of the revenue for the contract and received progress payments under the contract.

Following an assessment of changes to this contract pricing completed in February 2026, EOS now expects the total value of this contract to be approximately A\$113 mil, an increase of \$5 mil on the previously announced contract size. EOS expects work to continue on this contract during 2026, 2027 and 2028.

#### ***Slinger Counter-Drone Remote Weapon Systems (A\$20 mil)***

***Nov 2025***

On 17 November 2025, EOS announced a Slinger counter-drone order for €11 mil (~A\$20 mil). This contract is for products manufactured in Canberra, Australia and the customer is the Ministry of Defence of the Netherlands.

During 2025, EOS has undertaken manufacturing work for the customer, recognised part of the revenue for the contract and received progress payments under the contract. EOS expects work to continue on this contract during 2026.

#### ***R400 Remote Weapon Systems North America (A\$32 mil)***

***Dec 2025***

On 19 December 2025, EOS announced it had secured a new order for its R400 Remote Weapon System valued at US\$21mil (~A\$32mil) to a customer in North America.

This contract is for the supply of R400 Remote Weapon Systems to be installed on a vehicle platform manufactured by a North American prime contractor, for an end-user in South America. This contract is the start of new relationship with a leading North American prime contractor which manufactures a well-regarded military vehicle. We believe this contract has the potential to lead to further growth.

The contract was secured following a demonstration to the end-user of the EOS Remote Weapon System at a US Army Firing Range during mid-2025. EOS expects to commence manufacture during 2026.

#### ***Remote Weapon Systems for US Army***

***2025 & 2026***

During January 2026 the US Army exhibited a new version of the M1 Abrams Main Battle Tank, incorporating an EOS Remote Weapon System.

EOS' United States business, based in Huntsville, Alabama, has worked closely with personnel from the US Army and General Dynamics Land Systems to address evolving customer requirements.

EOS previously announced a major US Army platform contract in 2025 and believes that there is the potential for further contracts to be received in due course from the US Army.

## EM Solutions Divestment

During 2024 EOS decided to pursue a strategy focused on core growth areas of counter-drone solutions (including High Energy Laser Weapons) and space control solutions.

The EM Solutions business designs, builds, deploys and maintains on-the-move satellite communication equipment systems for defence forces. EOS notes that under EOS management, the revenue of EM Solutions grew from \$29 mil in 2022 to over \$80 mil in 2024.

As a result of the decision to pursue the strategic growth areas noted above, EOS determined that the EM Solutions business was non-core and initiated a sale process. The Grizzly Report states that this decision was made to pay down debt. That is manifestly incorrect.

On 21 November 2024, EOS announced that it had entered into a binding agreement to divest EM Solutions for an enterprise value of \$144 mil. On 31 January 2025, EOS announced that the transaction had completed and the final amount received after customary adjustments was \$158 mil. The announcement stated “The Proposed Transaction aligns with EOS’ transformation strategy to focus on commercialising its substantial intellectual property and growing its core product offerings in the areas of Remote Weapon Systems, High Energy Laser Weapons and Space Control”.

As announced on 31 January 2025, following the sale of EM Solutions, EOS repaid borrowings owing to lenders in full. As stated in the EM Solutions divestment announcement on 21 November 2024, completion of the EM Solutions sale automatically triggered the repayment of EOS’ outstanding debt facility with Washington H. Soul Pattinson and Company Limited in full.

EOS expects to report a gain on the disposal of EM Solutions of \$91 mil in the audited 31 December 2025 financial statements.

## Balance Sheet

Following completion on 31 January 2025, and after full repayment of the debt facility, on 31 January 2025, EOS had approximately \$128 mil of cash balances on its balance sheet.

EOS notes that under the current management of EOS, the financial position of the group substantially improved from having borrowings with a total required repayment of \$127 mil in 2022, (when the current management was appointed) to having nil borrowings and \$128 mil of cash balances on 31 January 2025.

As noted above, the divestment of EM Solutions was driven by the strategic refocusing of the company, not by the need to repay debt. As announced on 30 June 2025, EOS received a payment of \$60 mil on finalisation of an existing customer contract in the Middle East. EOS believes that it had sufficient cash and funding availability to repay all debt on schedule, irrespective of the disposal of EM Solutions.

EOS reported in its latest Quarterly ASX 4C announcement (published on 27 January 2026) that it had \$107 mil of cash holdings at 31 December 2025 and had no drawn debt. In addition to the total cash holdings at 31 December 2025, the Group had a further \$42 mil of cash security deposits held with banks to support bank guarantees and bonds.

On 12 January 2026, EOS announced that it had secured a commitment for a \$100 mil two-year secured term loan facility. The facility is intended to be available if required to support growth and provide liquidity buffers including working capital, across the expanded business and if required to support payments for the acquisition of MARSS.

## **MARSS Acquisition**

On 12 January 2026, EOS announced that it had entered into an agreement to acquire the assets and business of MARSS. This acquisition is subject to customary conditions including customer consents and certain regulatory requirements. EOS will continue to keep the market informed regarding the status of this acquisition.

The statements made by Grizzly in relation to MARSS are based on manifest errors.

To assist investors in assessing this matter, EOS has set out below detailed information in relation to the acquisition of MARSS, including information on the historical revenue of MARSS.

### **Background to MARSS Acquisition**

As noted above and as disclosed previously, EOS growth strategy includes a focus on counter-drone solutions.

Through its strategic review processes, EOS identified that it should update and strengthen its capability in the software layer of integrated counter-drone solutions. EOS believes that given the increasing size, complexity and autonomy of drone swarms, the software layer, including the need for intelligent command and control ("C2") systems, is likely to become critical to the effective defeat of drones in future.

Furthermore, EOS believes that capability in software, including intelligent C2 systems, will become a potential enduring source of competitive advantage for companies like EOS in the future. EOS disclosed the need for intelligent C2 systems in a presentation published on 25 February 2025.

During 2024 and 2025, EOS commenced a review of suitable acquisition targets and identified several potential acquisition targets, with intelligent C2 systems.

During 2025 EOS conducted detailed discussions with several potential targets. One of these potential acquisition targets was MARSS. EOS has worked with MARSS during 2025 and previous years. During 2025, EOS used MARSS' C2 technology to participate in counter-drone live-fire exercises in the United States and the Middle East. After various discussions, offers and negotiations, EOS agreed terms for the acquisition of MARSS and terminated discussions with other targets.

During the second half of 2025, EOS conducted due diligence on the acquisition of MARSS. While due diligence is not a guarantee that all material issues will be identified, EOS' due diligence of MARSS included reviews by expert advisors in France, the UK, Saudi Arabia and other countries. The advisors included legal firms, accounting firms, tax advisors and software experts.

Following the due diligence, EOS concluded that MARSS was a complementary business acquisition for EOS.

## Historical Revenue of MARSS

As part of its due diligence, EOS reviewed the revenue earned by MARSS companies in the United Kingdom, Monaco and Saudi Arabia.

Importantly, and in contrast to Grizzly's analysis, EOS notes that commercial activity with customers has been undertaken by each of these companies over recent years.

The MARSS business generates revenue from the setup of new systems and from ongoing maintenance and operational support. Revenue from the setup of new systems can include both hardware (including sensors such as radar and optical cameras and effectors, such as weapon systems sourced from third parties) as well as its proprietary NiDAR software and as such there has been variability in MARSS' historic revenue profile.

In due diligence, EOS obtained detailed financial information from MARSS, as well as reports from external advisory firms engaged by EOS that indicated the total revenue of MARSS was as follows:

€ million	Revenue
MARSS UK	129
MARSS Other	114
<b>Total 2020 - 2025</b>	<b>243</b>

## Future Revenue of MARSS

EOS has agreed, subject to satisfaction the transaction's conditions, to acquire MARSS because it believes that the future of effective counter-drone defeat requires intelligent C2 systems.

Currently, the MARSS business is pursuing sales opportunities valued at a total of over €300m with existing and new customers in the Middle East, Europe and other markets (noting that there can be no guarantee of such opportunities leading to binding contracts and that in the defence industry, it can take one to three years for sales opportunities to be converted into signed contracts).

EOS believes that the MARSS acquisition represents an important strategic acquisition for EOS.

The Grizzly Report's assertions with regards to historical MARSS revenue are fundamentally flawed because they ignore revenue earned by MARSS entities in Monaco and Saudi Arabia and only record revenue from the UK business.

## High Energy Laser Weapons - Business Development Update

EOS believes that:

- the global market for High Energy Laser Weapons is growing quickly and that growth is expected to continue; and
- levels of competition in the non-US, non-ITAR market are currently modest albeit this may change in the future

EOS seeks to secure a material share of this high growth market, and believes it is well positioned, particularly because of:

- the signed €71.4 mil (A\$125 mil) contract for a single 100kW High Energy Laser Weapon with the Netherlands Ministry of Defence; and
- EOS' new High Energy Laser Weapon manufacturing facility, which was officially opened in Singapore on 6 February 2026.

During the second half of 2025, EOS held discussions with representatives of government departments and agencies and/or established defence companies from several countries with regards to its High Energy Laser Weapon. Each of these countries has published ambitions to develop and/or procure High Energy Laser Weapons and have the financial capability to procure such systems.

These discussions have included counterparties from Germany, France, Italy, the UAE, Saudi Arabia, Turkey, India, Korea, Australia and the United States. Several of these discussions have continued during the first five weeks of 2026.

EOS notes that the time taken to secure a contract with the Netherlands included a two year period between a 2023 product demonstration and the signing of a binding contract in 2025.

Accordingly, EOS emphasises that

- it could take some time for further opportunities to be secured under binding contracts; and
- there is a wide range of risks relevant to future growth and as a result there is no guarantee that such opportunities will be secured or will generate future revenue, profit or cash flow.

EOS believes that the High Energy Laser Weapon market could provide significant growth opportunities for EOS in the future. There is a wide range of opportunities and future growth is not exclusively dependent on the conversion of the Korean contract from conditional to unconditional.

## Calidus and EOS Collaboration

Calidus is a UAE-based company that specialises in the development, manufacturing and provision of advanced armoured vehicles, turrets, missiles, rockets and military aircraft ("Calidus"). EOS and Calidus have been in collaboration discussions since 2024.

These discussions between EOS and Calidus assessed the opportunity for the parties to create a joint venture, for production in the UAE, of a range of EOS products, including remote weapon systems, high energy laser weapons as well as other products and services.

On 20 February 2025, EOS signed a strategic collaboration agreement with Calidus. The agreement is a non-binding commitment to establish a UAE-based Centre of Excellence for EOS' medium-calibre remote weapon system family, including the next-generation R500.

During 2025 and 2026 EOS and Calidus have and are collaborating on developing opportunities to jointly manufacture and sell products to Korea. More details are included below.

### Discussions With Calidus Pertaining to High Energy Laser Weapons

Various opportunities are subject to ongoing discussions between EOS and Calidus, including high energy laser weapon opportunities.

On 27 January 2026, EOS stated in its Quarterly Activity Report that it was engaged in several discussions with prospective customers for high energy laser weapon products.

This included potential customers in Europe, the Middle East (including Calidus) and Asia and related both to EOS' 100kW laser weapon product and also to potentially future development projects for higher power levels. The discussions have covered a wide range of subjects about potential future arrangements including product capability requirements and potential demonstrations, scope and timing of supply, supply agreements, local manufacturing joint venture arrangements, strategic partnerships and strategic investments.

Discussions are ongoing and there is no guarantee of what form any future arrangements may take or that any of the above may eventuate.

## Republic Of Korea High Energy Laser Contract

From September 2025 onwards EOS entered discussions with representatives from the Republic of Korea ("Korea") regarding Korea's interests in counter-drone defence products.

The discussions were organised by Goldrone and held in Seoul, Korea and included representatives from:

- Korean government representatives;
- A military end user, the prospective end client;
- Goldrone; and
- EOS.

The discussions related to Korea's potential need for EOS' remote weapon systems and high energy laser weapon systems. During September 2025, a Korean delegation of military and technical experts visited EOS in Canberra, Australia to review EOS' capabilities. The visit included technical discussions and demonstrations of high energy laser weapon technologies, as well as reviews of other products including Space Control capabilities (to the limited extent permitted by relevant security restrictions).

During various discussions, Korean representatives indicated that they were particularly interested in EOS supplying products that could ultimately be manufactured by EOS and its partners in the United Arab Emirates.

As at the date of this announcement, no contracts, joint ventures or other binding arrangements have been executed in relation to the potential supply of EOS products from the UAE to Korea.

As part of the work to develop Korean market opportunities, including those that may in future be supplied from the UAE, and in line with EOS previously announced go-to-market strategy, during 2025 EOS sought to engage a local Korean partner.

### Assessment of Potential Korean Partners

As part of its assessment of potential partners, EOS considered various Korean defence companies. As part of this process, EOS became aware of Goldrone Inc.

EOS assessed Goldrone and its key personnel as potentially having strong capability to secure market access and sales contracts with government customers in Korea. Goldrone management, indicated that they believe that they could source investor and customer funding for a high energy laser weapon product for the Korean market, using EOS technology.

While Goldrone has consistently declared that it has the ability to source the funding for this contract (including recently on 7 February 2026), EOS was cognisant of the fact that Goldrone is not a large stand-alone business and lacked significant financial capability in its own right. As such, EOS determined that any contracts between EOS and Goldrone would need to be commercially appropriate.

## High Energy Laser Weapon Contract

From September to December 2025, EOS and Goldrone conducted intensive commercial negotiations focused on arrangements to develop the Korean market for high energy laser weapons.

On 15 December 2025, as required by the ASX listing rules, EOS announced that it had signed a binding conditional agreement with a customer in the Republic of Korea. ("EOS enters into conditional High Energy Laser Contract (US\$80m)").

Under the section of the announcement titled "Key Terms and Conditions of the Contract" EOS stated that:

*"The conditions of the Contract include the payment by the customer of the initial deposit (US\$18 million), the customer procuring the issuance of a Letter of Credit for the remaining amount of the contract, and the customer inspecting and being satisfied with EOS' Singapore Facility. The customer expects these to be completed prior to 31 January 2026. "*

EOS notes that its disclosures in relation to the Goldrone contract were not voluntary. Rather, they were all required by the ASX listing rules and carefully disclosed the relevant conditions and risks. As is common in the defence industry, the name of the customer was not disclosed in the ASX announcement.

Subsequently in its Quarterly Activity Report released on 27 January 2026, EOS provided an update on the progress of meeting these conditions:

*"A customer inspection of EOS' Singapore facility has occurred and the customer has indicated it has no further requirements in this regard. The customer has indicated that further work is required to finalise the arrangements, including the initial deposit and letter of credit, and that this work will continue during February 2026. Based on discussions with the customer, EOS believes this could be concluded in February or March 2026."*

## ASIC Matter

The Grizzly Report wrongly characterises the recent settlement of the ASIC investigation into EOS. That settlement, which relates to matters that took place in 2022, does not include assertions or admissions of dishonesty. As part of the settlement with ASIC, EOS accepted ASIC's conclusion that it breached its Continuous Disclosure Obligations in the period from 25 July 2022 to 31 October 2022. The proposed \$4 mil penalty was agreed between ASIC and EOS and remains subject to the Court's approval.

## Summary

EOS strongly rejects the misleading, manipulatory and pejorative conclusions contained in the Grizzly Report.

The global defence industry is experiencing strong growth due to a dynamic geopolitical environment and disruptions in the technological landscape.

EOS management has worked hard to successfully turn around the company from 2022, including strengthening the balance sheet, commercialising latent intellectual property, bolstering sales and marketing capabilities amongst other things.

As a result, EOS has seen increased order intake during 2025 and grew the order book to \$459m at 31 December 2025.

EOS is in full compliance with its continuous disclosure obligations and has sought to be and will continue to be highly transparent with its shareholders.

## Grizzly Research

EOS draws the attention of shareholders, particularly retail investors, to the significant conflict of interest disclosed by Grizzly Research:

*"Grizzly Research states in its report that "Grizzly Research along with our clients and/or investors has a direct or indirect short position in the stock (and/or options, swaps, and other derivatives related to one or more of these securities) of the company covered herein, and therefore stands to realize significant gains in the event that the price of EOS' stock declines"*

Shareholders should be aware that Grizzly has a direct financial incentive for EOS' share price to decline. The timing and content of the Grizzly Report, combined with this disclosed short position, raises serious concerns about the true purpose of the publication. EOS is also considering whether other parties, including competitors of EOS, may have had involvement in the preparation or dissemination of the Grizzly Report.

EOS understands that Grizzly Research is currently and has previously been the subject of legal proceedings brought by companies in response to its published research, including proceedings commenced in the United States by XP Inc. in 2025 and by Trulieve Cannabis Corp. in 2020, in each case in relation to research publications that those companies alleged to be false and harmful.

## Investing in EOS

EOS notes that investing in EOS shares involves risk. EOS business is subject to several Material Business Risks and draws attention to these, as disclosed in the EOS Annual Report, published on 17 April 2025.

This announcement was prepared following EOS' review of ASIC's Information Sheet 255 on Activist Short Selling Campaigns in Australia.

EOS confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

This document was authorised for release by the EOS Board of Directors.

**GARRY HOUNSELL**

Chairman of the Board of Directors

[ir@eos-aus.com](mailto:ir@eos-aus.com)

For Personal Use Only

# ABOUT ELECTRO OPTIC SYSTEMS

## (ASX: EOS)

EOS currently 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.

### 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.