

30 April 2026

ASX RELEASE

QUARTERLY ACTIVITY REPORT & APPENDIX 4C

FOR THE QUARTER ENDED 31 MARCH 2026

The consolidated entity, consisting of Electro Optic Systems Holdings Limited and the entities it controlled during the quarter, ("EOS" or the "Group") has filed its Appendix 4C and provides the following update on its activities for the quarter ended 31 March 2026.

1. KEY ACTIVITIES

Manufacturing and Delivery Activity

- During the quarter, EOS in Australia and the United States continued the manufacture and delivery of Remote Weapon System ("RWS") for customers in the United States, Europe, the Middle East, South East Asia and Australia. Activity levels during the quarter remained high, in line with Q4 2025.
- During February 2026, EOS formally opened its new facility in Singapore, which includes a RWS service and support centre and a High Energy Laser Weapon manufacturing facility.
- During the quarter, EOS Space Systems continued to deliver on contracts with the Australian Defence Force (ADF) and Commonwealth of Australia.

Customer Order Activity

- In January 2026, EOS' KiwiStar Optics business secured a contract to produce critical optical elements for the World's largest ever optical/infrared telescope: Europe's Extremely Large Telescope (ELT). KiwiStar's workshare for the program is **~€3m/~A\$5m** and is expected to occur mainly during 2026 and 2027.
- On 2 March 2026, EOS announced that it had secured an order valued at **US\$12m/~A\$17m** for R400 RWS, with 30mm cannons. The sale was to an established customer which is the government of a Middle Eastern GCC country. The first deliveries have occurred and more systems and related support are expected to be delivered in 2026 and 2027.
- On 2 March 2026, EOS announced that it had secured an order for a naval R800 RWS to a large established prime contractor in India. The order includes an RWS, platform/weapon integration services and demo/trial support. The order value is between **A\$1m-A\$2m**.
- On 13 March 2026, EOS announced that it had secured a **US\$42m/~A\$59m** order for its Slinger Counter-Drone RWS. This sale is to an established customer country in the Middle East and the customer is a large, established defence prime contractor with several large-scale government and export contracts. The systems are expected to be manufactured in Australia and delivered during 2026.



- On 13 March 2026, EOS announced that its US business had secured orders totalling **US\$3m/~A\$5m** for integration into a counter-drone weapon system. The customer is a large established US Defence contractor, the product will be manufactured in Australia and the order is expected to be fulfilled during 2026.
- On 31 March 2026, EOS announced that it had been awarded two new US contracts for a total of **US\$12m/~A\$17m** for (1) RWS with enhanced capability for US Army requirements, and (2) for counter -drone applications for the Northrop Grumman Agnostic Gun Truck.

Order Book Development Activity

- The Contract Backlog at 31 March 2026 was \$518m, representing a \$59m or 13% increase from 31 December 2025.
- The Contract Backlog only includes unconditional contracts and does not include any conditional contracts nor does it include contract backlog in relation to the announced acquisition of MARSS.



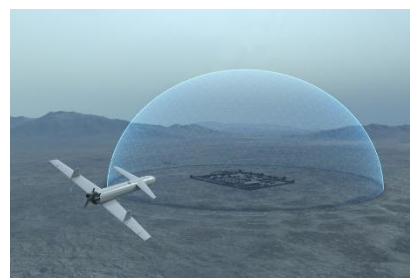
Market and Business Development Activity

- During February, March and April 2026, EOS continued to have constructive discussions with a counterparty (Goldrone) regarding a conditional US\$80m contract to manufacture and supply a 100kW High Energy Laser Weapon. As announced on 31 March 2026, EOS believes this opportunity could be converted to an unconditional contract in Q2 2026 however there is no certainty that this will occur.
- During the quarter, EOS engaged in several discussions with prospective customers for High Energy Laser Weapon products. This included discussions with representatives from Germany, France, Italy, Turkey, Saudi Arabia, UAE, India, Korea, Australia and the United States. The discussions have variously included 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.
- EOS continued a wide range of market development activities for its RWS, including work in North America, Europe, the Middle East, South East Asia and Australasia.
- In February 2026, EOS announced a teaming agreement with KNDS to jointly identify business opportunities in new markets and customer segments of mutual interest. KNDS is a leading pan-European defence company delivering advanced, interoperable mission solutions for the land domain.
- In February 2026, EOS announced a strategic partnership agreement with ROKETSAN to collaborate on future opportunities involving integrated defence capabilities in selected markets. ROKETSAN, founded in 1988 and based in Ankara, Turkey, designs, develops and manufactures rockets, missiles, guided munitions and weapon systems.

- In February 2026, EOS signed a teaming agreement with Milrem Robotics to jointly pursue new business opportunities and advance network centric collaborative combat robotics.
- During the quarter, EOS Space Systems continued to work to develop potential future 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.

Business Combinations

- On 12 January 2026, EOS announced that it had entered into a conditional agreement to acquire the MARSS business. MARSS is a Europe-based provider of AI-enabled command and control (C2) systems which are critical for effectively countering drones.
- During the quarter EOS worked on the various steps required to support completion of this transaction. There is no guarantee that the acquisition of MARSS will be completed. More details are included in the announcement of 12 January 2026.



Financing Activity

- Also on 12 January 2026, EOS announced that it had secured a commitment to a \$100m two-year secured term loan facility. More details are set out at section 3 below.

2. FINANCIAL SUMMARY

EOS' unrestricted cash holdings at 31 March 2026 were \$95.1m, representing an \$11.8m decrease from the unrestricted cash holdings at 31 December 2025.

In addition at 31 March 2026, the Group had a further \$54.3m of cash security deposits held with banks to support bank guarantees and bonds, representing a \$12.7m increase from 31 December 2025.

OPERATING CASH FLOWS

The Net Cash inflow from Operating Activities for the quarter was \$9.5m, compared to a Net Cash inflow of \$19.3m in Q4 2025.

Receipts from customers totalled \$72.6m for the quarter, representing a decrease of \$4.7m compared to Q4 2025. The movement primarily reflects the timing of milestone completions achieved on customer contracts during the quarter, resulting in slightly lower cash receipts.

Compared to the previous year, activity levels in Q1 2026 were significantly higher than in Q1 2025, due to the increase in Contract Backlog (as previously announced). As a result, Q1 2026 receipts from customers of \$72.6m represents a \$49.9m increase on the \$22.7m for Q1 2025.

As noted above, as at 31 March 2026 the Contract Backlog was \$518m, an increase of \$59m 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.

At 31 March 2026, EOS had received a total of A\$69.7m from customers as advance payments under customer contracts, compared to \$42.4m at 31 December 2025. These advance payments will be recognised as revenue when the necessary work is completed and the relevant revenue recognition milestones have been achieved.

Other cashflows from operating activities (excluding cash receipts from customers) amounted to net payments of \$63.1m during the quarter, an increase of \$5.1m compared to Q4 2025. Other cashflows during the quarter included payments for manufacturing and operating costs of \$34.6m (which was higher from Q4 due to higher manufacturing activity levels), and payments totalling \$28.5m for staff costs and administration costs and other items.

Payments made during the quarter supported customer deliveries in the quarter, and future deliveries and associated cash receipts later in 2026.

OTHER CASH FLOWS

The Net Cash outflow from Investing Activities for the quarter was \$21.6m, compared to an inflow of \$17.1m in Q4 2025 (which included a receipt arising from the maturity of a \$20m term deposit during that quarter). The movement primarily relates to net payments of \$13.4m for security deposits supporting bank guarantees issued for customer contracts (net of deposits returned to EOS for completed contracts), and payments of \$8.2m from acquisitions of property, plant equipment, and intangibles.

The Net Cash outflow from Financing Activities for the quarter was \$1.3m, compared to an outflow of \$1.3m in Q4 2025. Financing Activities includes a \$1m loan establishment fee incurred as part of the finalisation of the \$100m secured loan facility announced on 2 March.

3. GROWTH FUNDING SUMMARY

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

On 2 March 2026, EOS announced that it has finalised the \$100m two-year secured term loan facility with Washington H. Soul Pattinson and Company Limited ("Soul Patts"). As at 31 March 2026 and the date of this announcement, prior to the drawing of any amounts under this facility, EOS has no borrowings. Further details including the terms of the loan facility are set out in the announcement on 2 March 2026.

The Group continues to be required to comply with covenants under bond facility agreements with Export Finance Australia, which facilitates the issuance of performance bonds and guarantees to support certain supply arrangements. For the quarter ended 31 March 2026, and in the period up to the date of this announcement, the Group complied with its covenants and other obligations under the various facility agreements.

4. OFFSET CREDIT OBLIGATION

As outlined in the Financial Report for the year ended 31 December 2025 (lodged on 23 February 2026), 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\$24.8m) which is guaranteed by Export Finance Australia. In respect of this bond, a cash security amount of US\$16.9m (A\$24.8m) has been placed on deposit. This is 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, to 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 continued to take 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. As at the date of this announcement, the JV had not been established.

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\$7.5m) in cash to the JV by 1 July 2026 unless otherwise agreed with the offset authority. As at the date of this report, EOS has not yet contributed any cash.

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. SETTLEMENT OF ASIC INVESTIGATION

On 26 November 2025, EOS announced that it has settled ASIC's investigation in relation to certain disclosure matters in 2022. Following a hearing on 2 April 2026 before the Federal Court, the Court handed down its judgment. The Court determined that the appropriate penalty was \$4m and made an order for payment by EOS. This penalty was previously sought by ASIC with EOS support, and the amount had been provided for in the 31 December 2025 financial statements. Further details are included in the announcement on 8 April 2026. The payment will be made in May 2026 in accordance with the Court's order.

6. ISSUANCE OF EQUITY SECURITIES

Cash receipts of \$0.9m arose during the quarter from the issuance of equity securities, representing receipts from the exercise of share options issued under EOS Omnibus Employee Incentive Plan ('OEIP').

As part of the proposed acquisition of MARSS, (see section 1 above), on 12 January 2026, EOS announced the proposed issue of performance rights to MARSS management shareholders upon completion of the transaction as consideration for the earnout component of the acquisition. More details are included in the announcement made on 12 January 2026.

7. RELATED PARTY TRANSACTIONS

Payments to related parties of the entity and their associates totalled \$388,501 for the quarter.

These amounts include:

- payments of \$178,501 paid to CEO Dr Schwer, representing salary paid during the quarter; and
- \$210,000 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 items disclosed above, including the court confirmation of the ASIC investigation in April 2026 (section 5), there were no other material subsequent events.

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/epzKBP>

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.

EOS CUSTOMER IDENTITIES

EOS deals with a number of customers in the defence and security industries and in some instances 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.

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")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	72,576	72,576
1.2 Payments for	-	-
research and development	(3,843)	(3,843)
product manufacturing and operating costs	(34,592)	(34,592)
advertising and marketing	(1,421)	(1,421)
leased assets	-	-
staff costs	(17,987)	(17,987)
administration and corporate costs	(10,376)	(10,376)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6,426	6,426
1.5 Interest and other costs of finance paid	(1,219)	(1,219)
1.6 Income taxes paid	(106)	(106)
1.7 Government grants and tax incentives	5	5
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	9,463	9,463

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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	(3,347)	(3,347)
	(d) investments	-	-
	(e) intellectual property	(4,855)	(4,855)
	(f) other non-current assets	-	-
	(g) term deposits	-	-
2.2	Proceeds from disposal / maturity of	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	8	8
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
	(g) term deposits	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Security Deposits	(13,405)	(13,405)
2.6	Cash balance disposed of in disposal of business	-	-
2.7	Transaction costs arising from disposal of business	-	-
2.8	Net cash from / (used in) investing activities	(21,599)	(21,599)

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3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	946	946
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(1,000)	(1,000)
3.8	Dividends paid	-	-
3.9	Repayment of lease liabilities	(1,261)	(1,261)
3.10	Net cash from / (used in) financing activities	(1,315)	(1,315)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	106,916	106,916
4.2	Net cash from / (used in) operating activities (item 1.9 above)	9,463	9,463
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(21,599)	(21,599)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,315)	(1,315)
4.5	Effect of movement in exchange rates on cash held	1,618	1,618
4.6	Cash and cash equivalents at end of period	95,083	95,083

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	95,083	106,916
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)	95,083	106,916
Note	Not included in the cash figure above are: <ul style="list-style-type: none"> Current and non-current cash security deposits securing performance bonds, premises and guarantees. 	54,279	41,586

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	389
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
These amounts included in item 6.1 relate to salary 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.		

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	100,000	-
7.2	Credit standby arrangements	-	-
7.3	Other – Export Finance Australia	48,134	48,134
	Other – Westpac	10,810	10,810
7.4	Total financing facilities	158,944	58,944
7.5	Unused financing facilities available at quarter end		100,000

- 7.6 **Export Finance Australia Bond Facility:**
- The Group maintains a warranty bond in respect of a contract in Defence Systems of US\$16.0m (A\$23.4m). The warranty bond was provided by Export Finance Australia under a Bond Facility Agreement and is secured by a cash Security Deposit of US\$5.6m (A\$8.2m) 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. The warranty bond is expected to be released upon completion of the warranty period in 2028.
 - 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\$24.8m). The offset bond was provided by Export Finance Australia under the bond facility agreement noted above and is secured by a cash Security Deposit of US\$16.9m (A\$24.8m) and a fixed and floating charge over the assets of the Group. The costs of the offset bond are included in Item 1.5 as other costs of finance paid.
 - The Group continues to be required to comply with covenants under facility agreements with financiers, including guarantee facilities provided by Export Finance Australia

Other Facilities

- On 14 January 2026, the Group entered into an agreement with Westpac Banking Corporation to issue a A\$10.8m bank guarantee to a customer in Australia. The bank guarantee was fully secured by cash deposits. The guarantee amount, together with the required cash security, reduces progressively as key contractual milestones are achieved during the contract period.
- On 2 March 2026, EOS announced that it has finalised the \$100m two-year secured term loan facility with Washington H. Soul Pattinson and Company Limited ("Soul Patts"). As at 31 March 2026 and the date of this announcement, prior to the drawing of any amounts under this facility, EOS has no borrowings. See section 3 of the quarterly activity report.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	9,463
8.2	Cash and cash equivalents at quarter end (item 4.6)	95,083
8.3	Unused finance facilities available at quarter end (item 7.5)	100,000
8.4	Total available funding (item 8.2 + item 8.3)	195,083
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	n/a
	n/a because net cash from operating activities was positive.	
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

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

Date: 30 April 2026

Authorised by the Board of Directors.

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