



ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

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EOS announces A\$35 million fully underwritten institutional placement and up to A\$5 million share purchase plan

Canberra, Friday, 22 March 2024

Key Highlights

- **Electro Optic Systems is raising A\$35 million via a fully underwritten Placement in order to capitalise on near-term organic growth opportunities**
- **Electro Optic Systems is also undertaking a SPP to raise up to a further A\$5 million, providing the opportunity for all shareholders to participate in the equity raising**
- **Electro Optic Systems' strong, recent financial performance and robust execution allows the Company to focus on acceleration of organic growth**
- **Geopolitical uncertainty is creating supportive market conditions for remote weapon systems, particularly for counter-drone products, and Electro Optic Systems has recently demonstrated a strong track record in winning contracts, which is expected to drive momentum for the future**
- **Post equity raising pro forma cash and short-term deposits balance of ~A\$73 million to support future sales growth in key global markets through investment in critical weapons supplies (specifically RWS cannons), other long lead time equipment components and security deposits for bank guarantees**

Electro Optic Systems Holdings Limited (ASX: EOS) (**EOS** or **Company**) is pleased to announce that it is raising A\$35 million via a fully underwritten institutional placement (**Placement**) of new fully paid ordinary shares in EOS (**New Shares**). Following completion of the Placement, the Company will offer a share purchase plan (**SPP**) to certain eligible existing shareholders of EOS to raise up to A\$5 million. Net proceeds from the Placement and SPP will be applied to support future sales growth in key global markets, through investment in long lead time critical weapon supplies, specifically RWS cannons, investment in other long lead time equipment components and security deposits for bank guarantees.

Dr Andreas Schwer, Managing Director & Chief Executive Officer of EOS said: "The equity raising enables EOS to better capitalise on near-term growth opportunities by investing in long-lead items particularly cannons and other items. EOS has significant near-term opportunities in RWS and particularly those with counter-drone applications, driven by geopolitical uncertainty and the changing nature of warfare. EOS' customer base has widened and this equity raising will support servicing market demand for EOS' innovative products. In 2023, EOS delivered record revenue and operating cash flow as well as implemented a number of initiatives to focus on the acceleration of organic group."

Details of the Placement

The Company is undertaking a fully underwritten placement of New Shares to eligible institutional investors to raise approximately A\$35 million.

The Placement will result in the issue of approximately 20.6 million New Shares to institutional investors at an issue price of A\$1.70 per New Share (**Placement Price**), representing 12% of EOS current issued capital and pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.

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The issue price of A\$1.70 per New Share represents a 18.3% discount to the last traded price of the Company's ordinary shares (**Shares**) on ASX of A\$2.08 and a 11.9% discount to the 5-day volume weighted average price of the Company's ordinary shares as traded on ASX of A\$1.93 over the period up to and including Wednesday, 20 March 2024.

The New Shares issued under the Placement will rank equally with existing Shares on issue with effect from their date of issue.

Bell Potter Securities Limited and Canaccord Genuity are acting as joint lead managers, bookrunners and underwriters to the Placement.

Further information on the Placement and use of proceeds can be found in the presentation lodged on the ASX platform today.

Details of share purchase plan

Following the completion of the Placement, EOS will offer its existing holders of Shares (**Shareholders**) with a registered address in Australia and New Zealand as at 7.00pm (Sydney, Australia time) on the record date of Wednesday, 20 March 2024 (**Record Date**), who are not in the United States or acting for the account or benefit of a person in the United States, (**Eligible Shareholders**) the opportunity to participate in a non-underwritten share purchase plan. The SPP will provide each Eligible Shareholder with the opportunity to apply for up to A\$30,000 worth of New Shares at the Placement Price.

EOS intends to target a raising of up to A\$5 million via the SPP, however the board of directors of EOS (**Board**) reserves the right in its absolute discretion to accept applications from Eligible Shareholders in excess of A\$5 million or to scale back applications that exceed that amount. In the event of a scale back occurring, Eligible Shareholders who participate may not receive the full number of New Shares applied for under the SPP and the difference in any application monies will be refunded to those Eligible Shareholders (without interest) following the issue of New Shares under the SPP. EOS expects to announce the final outcome of the SPP, including any scale-back, on Wednesday, 17 April 2024.

The SPP offer booklet (**SPP Offer Booklet**) containing further details of the SPP will be released separately and will be despatched to all Eligible Shareholders and is expected to be lodged with the ASX on Tuesday, 2 April 2024 and Eligible Shareholders wishing to participate in the SPP should carefully read the SPP Offer Booklet.

Each New Share issued under the SPP will rank equally with existing Shares with effect from its date of issue and EOS will seek quotation of the New Shares issued under the SPP on the ASX.

Shareholder approval is **not** required for the issue of New Shares under the SPP.

All of the Directors of EOS who are Eligible Shareholders intend to participate in the SPP.

For further information regarding the SPP, please contact the EOS Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney, Australia time) from the date the SPP opens, being Tuesday, 2 April 2024.

Key dates for the Placement and the SPP

Event	Date
Record date for Eligible Shareholders to subscribe for New Shares under the SPP	7.00pm (Sydney, Australia time) on Wednesday, 20 March 2024
Announcement of Placement and SPP	Friday, 22 March 2024
Placement bookbuild	Friday, 22 March 2024
Announcement of completion of Placement – trading halt lifted and trading resumes on ASX	Monday, 25 March 2024
Settlement of New Shares to be issued under the Placement	Thursday, 28 March 2024
Issue and commencement of trading on ASX of New Shares under the Placement	Tuesday, 2 April 2024
Despatch of SPP Offer Booklet to Eligible Shareholders	Tuesday, 2 April 2024
Opening date of SPP	9.00am (Sydney, Australia time) on Tuesday, 2 April 2024
Closing date of SPP	5.00pm (Sydney, Australia time) on Tuesday, 16 April 2024
Announcement of SPP results	Wednesday, 17 April 2024
Issue of New Shares under the SPP	Monday, 22 April 2024
Commencement of trading of New Shares issued under the SPP	Tuesday, 23 April 2024
Despatch of holding statements in respect of New Shares issued under the SPP	Wednesday, 24 April 2024

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Placement and the SPP is subject to confirmation from ASX. EOS reserves the right to alter the dates at its discretion and without prior notice, subject to ASX Listing Rules and the *Corporations Act 2001* (Cth). In particular, EOS reserves the right to extend the closing date for the SPP, accept late applications under the SPP (either generally or in particular cases) and to withdraw or vary the Placement or SPP without prior notice. Any extension of the closing date for the SPP will have a consequential effect on the date for the issue of New Shares.

Advisers

Flagstaff Partners is the Financial Adviser and Minter Ellison is the Legal Adviser to the Company with respect to this equity raising.

This announcement has been authorised for release to ASX by the board of directors of EOS.

Further information:

Clive Cuthell

Chief Financial Officer & Chief Operating Officer

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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 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 includes all EOS space and communications businesses, and operates as two entities – Space Technologies and EM Solutions. Space Technologies 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 and space warfare. EM Solutions delivers world-leading RF and optical space communications technology. Its core product range centres around the development and production of high-end, broadband radio transceivers for satellite communications as well as satellite communications-on-the-move terminals for defence and government customers.

Not an offer in the United States

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Forward-looking statements disclaimer

This announcement contains 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 and financial position and performance are also forward-looking statements. Forward-looking statements in this announcement include statements regarding the outcome and effects of the Placement and the SPP and statements regarding EOS' future financial performance and results. 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 contains 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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