



# EOS Investor Day Presentation

20 May 2024

Authorised for release by the Board of Electro Optic Systems Holdings Limited

# Disclaimer and important notices

## CONTENT OF PRESENTATION FOR INFORMATION PURPOSES ONLY

### Forward-looking Statements

This presentation may contain statements that are, or may be deemed to be, forward-looking statements. Such statements can generally be identified by the use of words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'continue', 'objectives', 'outlook', 'guidance', 'forecast' and similar expressions. Indications of plans, strategies, management objectives, sales and financial performance are also forward-looking statements. Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are outside the control of EOS. No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct. Typically, EOS and its subsidiaries (together, the Group) operate in an industry where it can take an extended period of time (including up to, and beyond, twelve months) for opportunities to be converted into signed sales contracts. Readers are cautioned not to place undue reliance on forward-looking statements in this presentation and EOS assumes no obligation to update such statements.

No representation or warranty, expressed or implied, is made as to the accuracy, reliability, adequacy or completeness of the information contained in this presentation.

### Past Performance

Past performance information in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

### Information is Not Advice

This presentation is not, and is not intended to constitute, financial advice, or an offer or an invitation, solicitation or recommendation to acquire or sell EOS shares or any other financial products in any jurisdiction and is not a prospectus, product disclosure statement, disclosure document or other offering document under Australian law or registration statement under the United States Securities Act of 1933 as amended (Securities Act) or any other law. This presentation also does not form the basis of any contract or commitment to sell or apply for securities in EOS or any of its subsidiaries. It is for information purposes only. EOS does not warrant or represent that the information in this presentation is free from errors, omissions or misrepresentations or is suitable for your intended use.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any 'U.S. persons' (as defined in Regulation S under the Securities Act of 1933). No securities have been, nor will be, registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

The information contained in this presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs and nothing contained in this presentation constitutes investment, legal, tax or other advice. The information provided in this presentation may not be suitable for your specific needs and should not be relied upon by you in substitution of you obtaining independent advice. Subject to any terms implied by law and which cannot be excluded, EOS accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error in, omission from or misrepresentation in this presentation.

# Disclaimer and important notices

## Presentation of Information

All financial information has been prepared in accordance with Australian Accounting Standards. Certain financial data included in this presentation is 'non IFRS financial information'. The Company believes that this non IFRS financial information provides useful insight in measuring the financial performance and condition of EOS. Readers are cautioned not to place undue reliance on any non IFRS financial information including ratios included in this presentation. These measures have not been subject to audit or review.

The financial data in this presentation is provided on a statutory basis but in a non-statutory presentation format (unless otherwise stated).

- Currency: all amounts in this presentation are in Australian dollars unless otherwise stated.
- Financial years: FY refers to the full year to 31 December, 1H refers to the six months to 30 June, and 2H refers to the six months to 31 December.
- Rounding: amounts in this presentation have been rounded to the nearest \$0.1m. Any differences between the amounts in this presentation and the financial statements are due to rounding. Totals may not add due to rounding.

## Product Development

This presentation includes information about potential future product developments. Users are cautioned that new product development work can take up to five years & more for new products to be developed and launched. Following the initial commercial launch, it can take a further two to three years and more for newly launched products to reach commercial maturity and achieve meaningful sales revenue. There is no guarantee that it will be possible to achieve product development launch dates or meaningful commercial sales from new products.

## Third Party Information and Market Data

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, reliability, adequacy or completeness of the information. This presentation should not be relied upon as a recommendation or forecast by EOS. Market share information is based on management estimates except where explicitly stated otherwise.

## No Liability or Responsibility

The information in this presentation is provided in summary form and is therefore not necessarily complete. To the maximum extent permitted by law, EOS and each of its subsidiaries, affiliates, directors, employees, officers, partners, agents and advisers, and any other person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, this presentation. EOS accepts no responsibility or obligation to inform you of any matter arising or coming to its notice, after the date of this presentation, which may affect any matter referred to in this presentation. This presentation should be read in conjunction with EOS' other periodic and continuous disclosure announcements lodged with the ASX.

## General Information

Statements made in this presentation are made only as at the date of this presentation. The information in this presentation should be read in conjunction with EOS's other periodic and continuous disclosure announcements lodged with ASX. The information in this presentation remains subject to change without notice. Circumstances may change and the contents of this presentation may become outdated as a result. EOS may in its absolute discretion, but without being under any obligation to do so, update or supplement this presentation.



# Welcome, Introductions and Safety

Dr Andreas Schwer - MD and CEO

Clive Cuthell - CFO & COO

# Key Speakers



**Dr. Andreas Schwer, MD & CEO**

- Over 30 years in global Defence, Manufacturing and Space
- Previously with Rheinmetall AG, Manitowoc and Airbus
- Track record in the Middle East
- German citizen, PhD in Satellite Design & System Modelling
- **Commenced August 2022**



**Clive Cuthell, CFO & COO**

- Over 15 years as CFO in global industrial businesses
- Previously with Rinker Group / Holcim 9 years, Nuplex 3 years
- British / Australian citizen and Chartered Accountant 25 years
- **Commenced September 2022**



**Ian Cook, EVP – Defence Systems Australia**

- Over 25 years of experience senior leadership roles in Australian defence industries
- Previously with Thales and General Dynamics
- British citizen, Chartered Professional Engineer, MBA
- **Commenced November 2023**



**Dr. James Bennett, EVP – Space Systems**

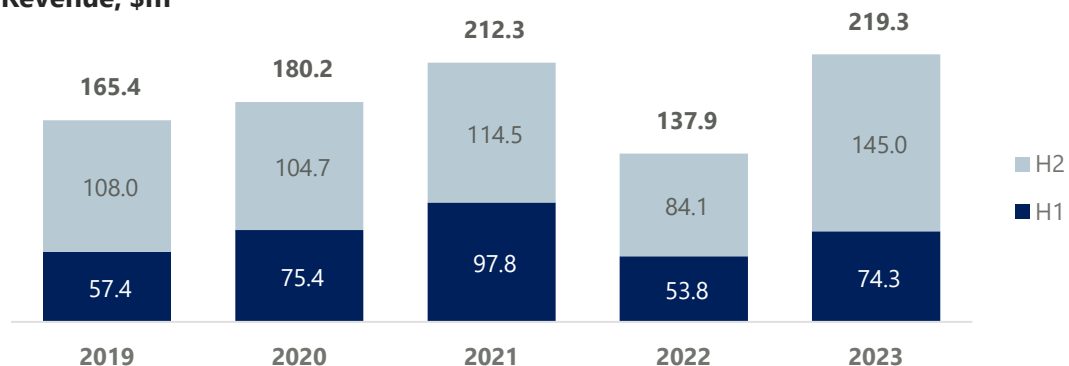
- Over 10 years in space industry, space domain awareness, space control
- Member of the International Laser Ranging Service Governing Board and Missions Standing Committee
- Australian citizen, PhD in Applied Mathematics
- **Commenced in role August 2022**

# Recap: 2023 Financial Performance

In 2023 EOS generated a positive Underlying EBITDA<sup>1</sup> result driven by record 2H Revenue and Underlying EBITDA<sup>1</sup>

\$m Continuing Operations	2023	2022	Var
Revenue	219.3	137.9	▲ 81.4
Gross Margin % <sup>2</sup>	44%	34%	▲ 10%
Underlying EBITDA <sup>1</sup>	5.7	(42.9)	▲ 48.6
EBIT	(4.6)	(48.6)	▲ 44.0
Finance Costs	(35.6)	(14.3)	▼ (21.3)
NPAT	(34.1)	(53.6)	▲ 19.5

Revenue, \$m



## Full Year 2023 Result

- Revenue increased \$81.3m (59%) on prior year, with across the board growth
- Gross Margin %<sup>2</sup> (margin on material costs) increased to 44% due to strong markets and pricing
- Underlying EBITDA<sup>1</sup> increased by \$48.6m in 2023 to a positive Underlying EBITDA of \$5.7m due to revenue and gross margin growth.
- Finance costs were \$35.6m (up \$21.3m), following Oct 2022 refinancing.
- Net Profit After Tax improved by \$19.5m on prior year

## Second Half 2023 Result

- Second half 2023 revenue of \$145.0m - the highest result ever achieved by EOS
- Second half 2023 Underlying EBITDA<sup>1</sup> was \$20.5m

1. Underlying EBITDA is a non-IFRS measure and comprises net profit after tax, adjusted to exclude significant items such as tax, net finance costs, profit/loss on disposal of assets, depreciation and amortization and foreign exchange impacts. A reconciliation between the net profit after tax and Underlying EBITDA is set out in the appendix to this presentation. The directors consider it useful as it enables readers to obtain an understanding of results from operations. Underlying EBITDA is unaudited..

2. Gross Margin % is a non-IFRS measure and represents margin on materials costs and is defined as (revenue less raw materials and changes in inventory work in progress only), divided by revenue. Gross Margin % is unaudited.

# Recap: 2023 Market, Customer & Revenue Development

Significant progress was made in 2023 in expanding and diversifying the customer base; we are working to continue this

## Key Points

- Significant progress made in 2023 in expanding and diversifying the customer base
- We are focused on continuing to develop the secured order book during 2024
- Both business segments contributed strong growth to the positive financial performance in 2023

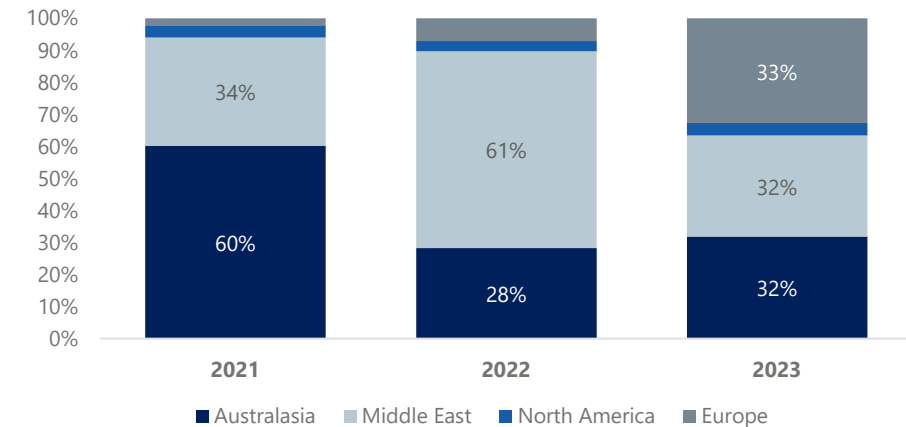
## Segment Performance (\$m)

Revenue from continuing operations	2023	2022	Var
Defence Systems	155.4	105.9	▲ 49.5
Space Systems	63.9	32.0	▲ 31.9
<b>Total</b>	<b>219.3</b>	<b>137.9</b>	<b>▲ 81.4</b>

## Contract Backlog, \$m



## Revenue by geography, %



# Recap: Our Commitments: 2022 & 2023

We delivered on our commitments made in 2022 and 2023; we are working to grow in 2024, including order book & cash flow

## We said...

Formulate new strategy

Innovate & launch core products

Grow & diversify sales

Increase efficiency & profitability

Realise working capital

Focus on cash & repay debt

## We delivered...

- Focus on core businesses and strengths of point & track
- Exit SpaceLink in 2022. Exit Australian Satellite Manufacturing proposal (2023)
- 2023 Capex focused on core business & seeking third party development funding

- Slinger counter-drone product launched and sales secured - US & Germany
- R150 lightweight RWS formal launch – marketing underway, bids submitted
- R800 heavy calibre RWS launch – marketing underway, discussions progressing

- Grew secure order book from \$312m (Dec 22) to \$441m (Dec 23), incl. counter drone
- Grew EM Solutions with contract for up to \$202m
- Diversified customer base: >30% of 2023 revenue from Europe

- Company wide restructuring program & headcount reduction in 2022
- Increased Gross Margin on Materials from 34% (2022) to 44% (2023)
- 2023 Underlying EBITDA of \$5.7m, an increase of \$48.6m on prior year

- Amended key customer contract in Feb 2023
- Reduced contract asset from \$164m (Dec 2022) to \$68m (Dec 2023)
- Secured >\$70m cash from new sales in 2023
- After year end - increased contract asset investment (Q124) - expected realisation during 2024

- Generated net operating cashflow of \$113m in 2023
- Repaid debt of \$26.9m, as planned, in Sep 2023 and Dec 23 Cash balance of \$71m
- Continue to diversify sales base so as to address inherently lumpy cash flow
- After year end – Repaid \$20.5m debt, raised capital & started investment in long lead items



Return to Profit

Drive Cash Flow

Reduce Debt



# 2024 Year-to-Date Highlights

In 2024 we have grown revenue (Q1), continued to develop growth capacity and reduced debt levels

## Financial Results Q1 2024 (unaudited)

Revenue <sup>1</sup>	\$77.3m	up \$43.3m on prior year
Cash receipts	\$52.1m	down \$10.0m on prior year
Cash balance	\$72.4m	at 31 March 2024

## Key Developments in 2024




<b>Jan 24</b>	New Slinger counter-drone contract (\$15m) Diehl Defence in Germany
<b>Mar 24</b>	Carried out a fully underwritten \$35m placement and SPP to invest in long lead items and accelerate growth
<b>Apr 24</b>	Repaid \$20.5m working capital facility, on schedule, continuing deleveraging
<b>Apr 24</b>	New sales contracts (\$24m) including EM Solutions (\$19m) & Space Technologies (\$5m) signed to help diversify sales base and address inherently lumpy cash flow
<b>Apr/May 24</b>	Upgraded leadership capabilities <ul style="list-style-type: none"> <li>• New EVP Defence Australia</li> <li>• New EVP Defence International</li> <li>• New CEO for USA business</li> <li>• CFO/COO Role</li> <li>• Other key roles (Sales, Supply Chain, Company Secretary)</li> </ul>
<b>May 24</b>	Continued work to <ul style="list-style-type: none"> <li>• Secure (long lead) cannon supply agreement and invest in other long lead items</li> <li>• Secure new sales – particularly in Europe (incl Ukraine)</li> </ul>



1. Represents unaudited revenue for Q1 2024 - given the lumpy nature of EOS' revenue, quarterly figures should not be used to imply full year estimates

# Recent Business Wins

We recently demonstrated a track record in winning contracts - including for new products; we are working to continue this

Contract announcement	Contract	Revenue	Expected Revenue	
13 Nov 2023	R600 RWS customer in Southeast Asia	\$28m	2024-26	
27 Dec 2023	RWS follow-on order Western European Government customer	\$25m	Q1 2024	
29 Jan 2024	Slinger counter-drone systems Diehl Defence in Germany	\$15m	2024	
15 Apr 2024	EM Solutions secures follow orders from European and East Asian Navy; Space Technologies secures contract with the ADF Joint Capabilities Division	\$24m	2024-25	

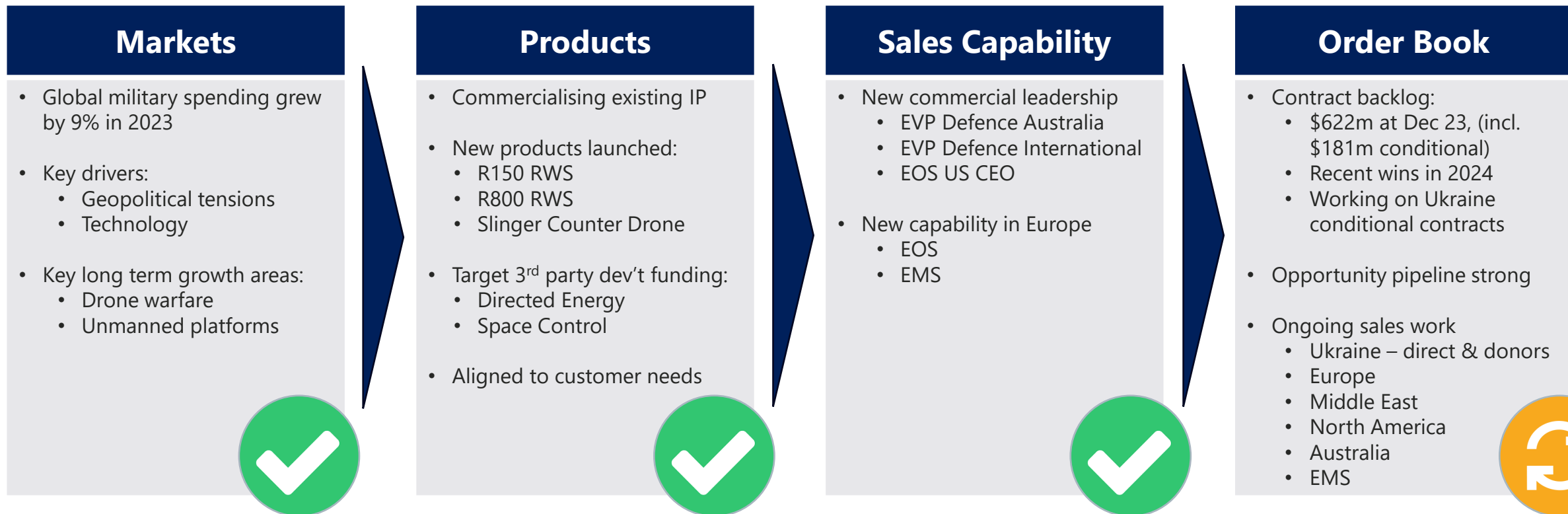


# Global Markets & Growth

Dr. Andreas Schwer - MD & CEO

# EOS is focused on organic growth opportunities

Growing the order book is our key focus for 2024 - several opportunities are developing positively; European growth is targeted



Traditional sales lead times are 1-3 years - several opportunities continue to develop positively

# Market Update

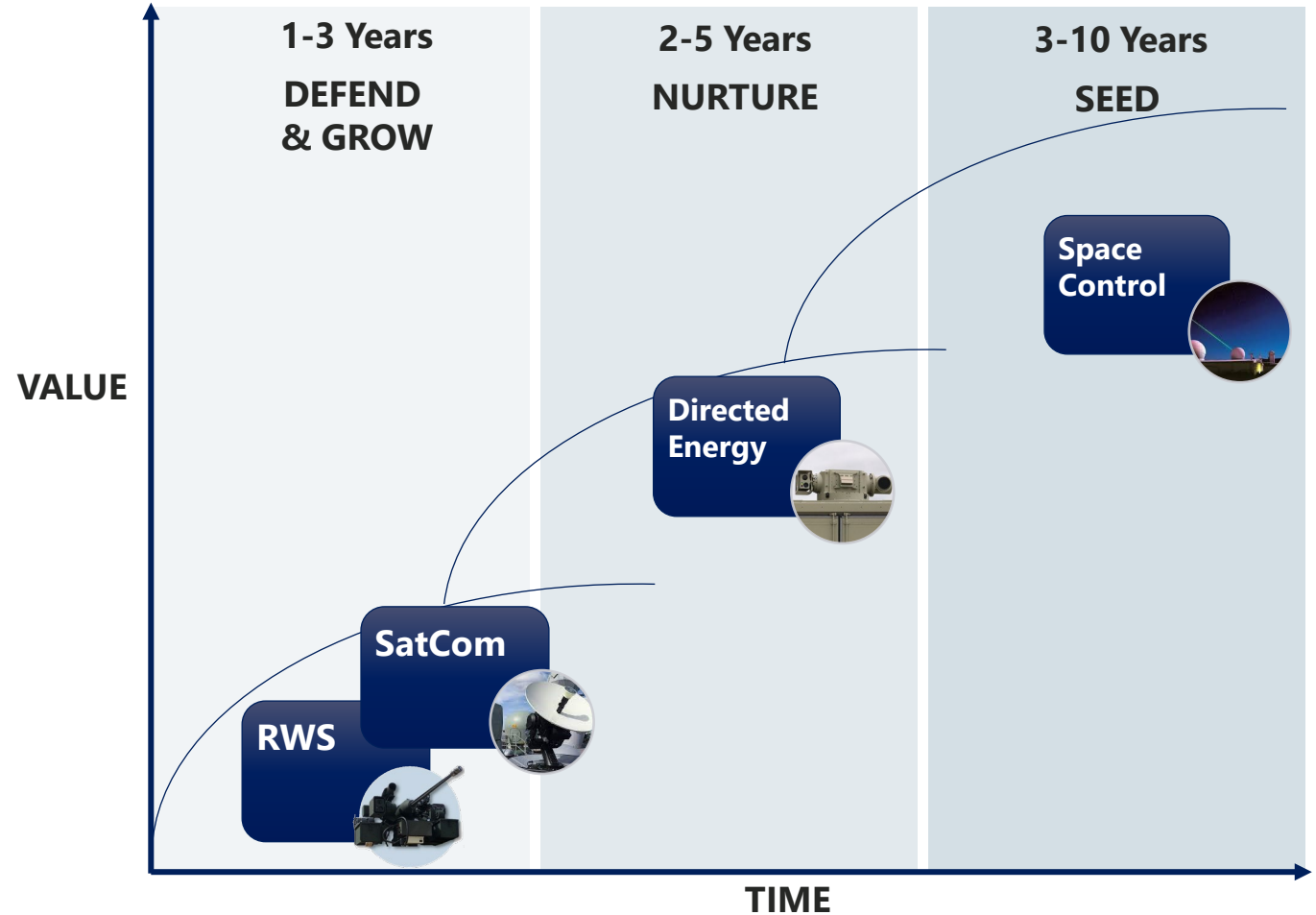
Global defence markets are buoyant and this is expected to continue

	Market Update	EOS Focus
<b>Defence</b>		
<b>Australia</b>	<ul style="list-style-type: none"> <li>Defence spending priorities now more certain following '22/'23 delays</li> <li>DSR, NDS and IIP completed and announced</li> <li>Land 400-3 continuing at 129 vehicles. Other smaller opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Continue Hanwha negotiations for Land 400-3 (RWS for 129 x IFVs)</li> <li>Continue development work, secure other opportunities</li> </ul>
<b>Middle East</b>	<ul style="list-style-type: none"> <li>Ongoing tension and conflict driving defence spending</li> <li>Increased demand for counter-drone solutions</li> </ul>	<ul style="list-style-type: none"> <li>Nurture and leverage existing relationships in UAE and other countries</li> <li>Increased sales capability and representation</li> <li>Increase future work with US prime partners where relevant</li> </ul>
<b>Europe</b>	<ul style="list-style-type: none"> <li>Ongoing tension and conflict driving defence spending</li> <li>Increased demand for counter-drone solutions</li> </ul>	<ul style="list-style-type: none"> <li>Continue to secure conversion of conditional Ukraine orders</li> <li>Leverage demand from European nations for donations to Ukraine</li> <li>Develop deeper customer relationships in Eastern Europe</li> </ul>
<b>North America</b>	<ul style="list-style-type: none"> <li>Large untapped market and large opportunities</li> <li>Support for allied nations continues to drive spending</li> <li>New realities e.g. drone-warfare driving reprioritisation</li> </ul>	<ul style="list-style-type: none"> <li>Upgrading leadership capability to drive commercialisation</li> <li>Finding profitable niches, e.g. vehicle refit and Ukraine donations</li> <li>Continued development partnering – eg NG AGT</li> </ul>
<b>Asia</b>	<ul style="list-style-type: none"> <li>Continued geopolitical tensions – especially naval and air</li> <li>Continued developing interest in RWS and Counter Drone</li> <li>Recent tender for R150 in Singapore (in progress)</li> </ul>	<ul style="list-style-type: none"> <li>Leverage historical relationships and opportunities</li> <li>Continue focus on Singapore, Thailand plus South Korea &amp; Japan</li> <li>Start developing new relationships &amp; opportunities Taiwan &amp; Indonesia</li> </ul>
<b>EM Solutions</b>	<ul style="list-style-type: none"> <li>Positive evolution in Australian market (more / smaller / USV)</li> <li>Buoyant global naval SatCom market</li> <li>Key driver is bandwidth demand and upgrade cycles</li> </ul>	<ul style="list-style-type: none"> <li>Australian customer relationship and delivery</li> <li>New existing &amp; new European customers</li> <li>New customers in Asia</li> </ul>
<b>Space Technologies</b>	<ul style="list-style-type: none"> <li>Continued evolution &amp; growth in tracking and data - SDA</li> <li>Large embryonic / emerging demand in Space Control</li> </ul>	<ul style="list-style-type: none"> <li>Secure modest growth in SDA</li> <li>Continue Space Control relationship &amp; product development</li> </ul>

# Growth Strategy

EOS is positioned to grow sustainably in the short, medium and longer terms

- Significant organic growth opportunities:
  - Remote Weapons Systems (RWS)
  - Counter-Drone Products (specialised RWS)
  - Naval Satcom (EM Solutions)
- Supporting two large strategic opportunities:
  - Directed Energy
  - Space Control
- Key focus areas:
  - Commercialising our significant IP assets
  - Maintaining capital discipline





# Defence Systems

Ian Cook – EVP, Defence Systems Australia

Dr Andreas Schwer – MD & CEO

# Remote Weapon Systems Product Range

EOS has a wide range of RWS products on the market and in development

Sensor Unit



Ultralight RWS  
R150



Light RWS  
R400



Medium RWS  
R600



Heavy RWS  
R800



Light Turret  
T1600



Multi-Mission  
Sensors



## Common Range of Platforms and Applications

Truck



Protected Vehicle



UGV



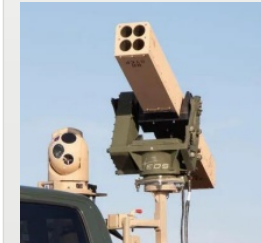
Counter Drone



## Common Control Interfaces



MLRS





# Identified Growth Opportunities

Current market demand expected to be filled through the innovative products launched by EOS during 2023

Indicative revenue timing \*

## R150 Lightweight System

- **Formal production launch in 2023**
- Suitable for light vehicles
- Future UGV opportunity

2023-25



## Counter-Drone Kinetic System

- **Launched "Slinger" in 1H 2023**
- Proven, world-leading accuracy
- Initial evaluation order received

2024-25



## Large R800 Remote Weapon System

- Continued to develop and test
- Low cost and heavy firepower
- **Launched in 2023, market intro in 2024**

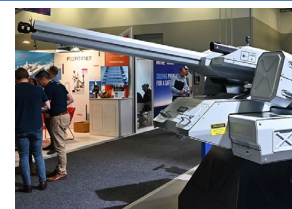
2024-26



## Integrated Counter-Drone Laser Dazzler

- **Launched in October 2023**
- Capable of disrupting incoming drones
- First to market

2024-25



\* The global defence industry supports innovation – product development can take five years and more, with commercial launches taking two-three years or more to reach maturity.

# Drones & Counter Drone Warfare

Global demand for drones and counter-drone solutions is growing rapidly

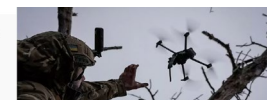
- **The rise of drones** in modern warfare in recent years is well documented – media attention is expected to continue.
- **Low Cost** - Drones provide both state and non-state actors the opportunity to disrupt traditionally more powerful opponents.
- **Autonomous “swarms”** of drones in future will provide militaries with a highly adaptable and potentially decisive tool on the battlefield
- **Existing solutions are expensive & less effective** - counter-drone (C-UAS) solutions are either highly costly i.e. missile-based defences or easily thwarted i.e. electronic warfare
- **“Hard-kill” or “kinetic” counter-drone solutions, like EOS’ Slinger product, are both economical and highly-effective**
- In the future militaries will likely move to “directed energy” solutions which are likely to prove even more economical on a per-shot basis

How the Drone War in Ukraine Is Transforming Conflict

Drone technology has been used extensively in twenty-first century ground conflicts, but the Russia-Ukraine war is driving innovations in autonomous warfare not seen in other battlefields.

Article by Kristian D. Thompson  
February 16, 2024 2:12 pm (EST)

COUNCIL ON FOREIGN RELATIONS



US says it foiled Houthi drone, missile attack at US Navy ship in Red Sea

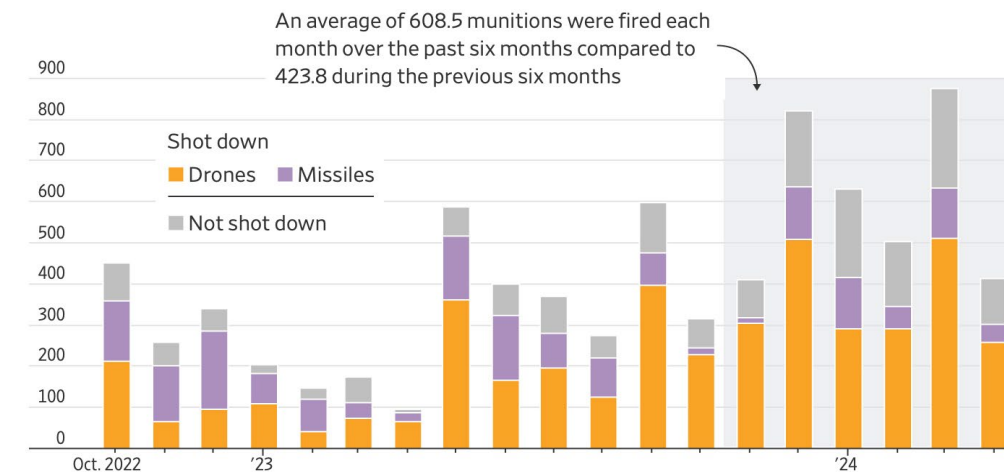
Small, cheap and numerous: a military revolution is upon us

22 Jan 2024 | Bradley Perrett

Russia Uses Iranian Drones In Intense Air Campaign Against Ukraine

Outgunned Ukraine bets on drones as Russian invasion enters third year

Munitions fired by Russia into Ukraine



Note: As of April 30  
Source: Ukrainian Air Force Command

# Slinger Counter-Drone System

The Ukraine conflict demonstrates the drone threat and the need for counter-drone solutions. We are pursuing a range of opportunities

## Context

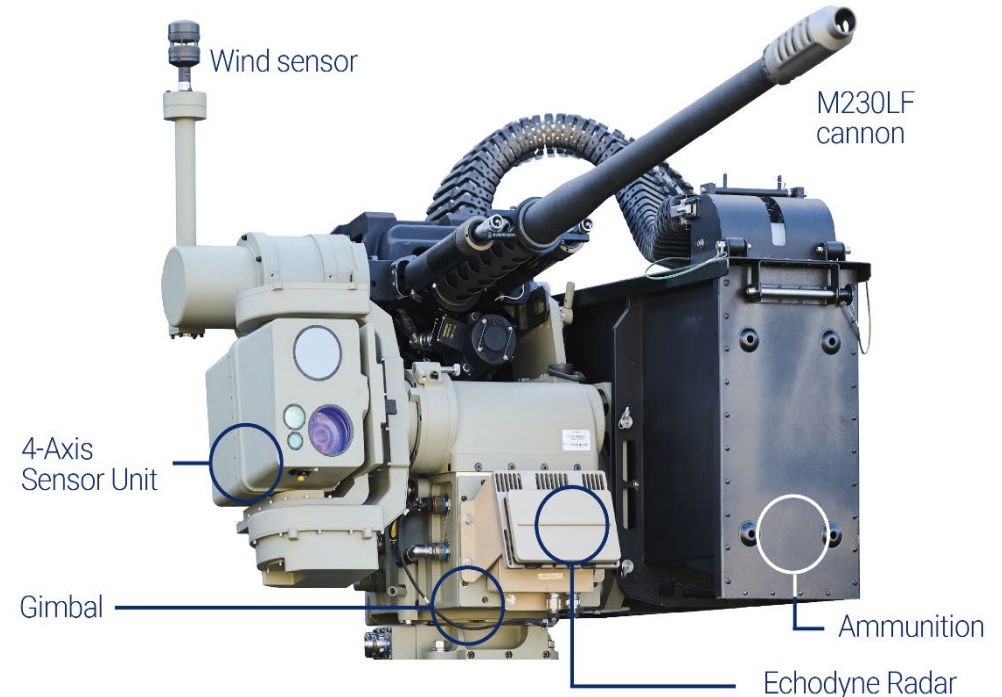
- Reported >10,000 Ukraine drone launches / month
- Limited defence options:
  - technical requirements
  - economic sustainability

## EOS "Slinger" Product

- Traditional Kinetic drone kill
- High accuracy - proven US trials
- Initial evaluation orders received

## Recent Sales

- €9m contract to supply Diehl Defence in Germany announced Jan-24
- 10 Slinger systems ordered by the US Department of Defense in 2023 for use on "30mm gun trucks" and subsequently donated to Ukraine



# R150 Remote Weapon System

Lightest system on the market capable of deploying 12.7mm/14.5mm heavy machine guns

## Product

- Ultra lightweight system
  - Under 150kg with 12.7mm machine gun and full ammunition load
- Can be operated remotely
- Non-ITAR

## Wide Range of Weapons, including:

- 14.5 mm and 12.7 mm heavy machine guns
- 7.62 mm and 5.56 mm light machine guns
- APKWS laser guided rocket launcher
  - Drone defeat at 4500m

## Market

- Growing demand for lightweight protection systems
- Deployed to Ukraine in CUAS configuration



# R800 Heavy Calibre System

EOS recently launched a heavy calibre R800 system, with an integrated counter-drone laser dazzler

## Product

- Turret-level, heavy-calibre hitting lethality
- Lightweight system
- Operated remotely

## Wide range of weapons, including:

- 1 x Javelin or 2 x Spike (pod)
- Mk44S 30 x 173mm cannon
- 7.62 mm machine gun or chain gun
- Counter-Drone Laser Dazzler

## Market

- Growing demand
- Low cost/weight vs armoured turret





# EM Solutions

Dr. Andreas Schwer - MD & CEO

# EM Solutions

EM Solutions is a market leader in Naval SatCom achieving strong growth in Australia and Europe. We are targeting continued growth

## Summary

- Multiband frequency
  - Multiband Satcom (X, Ku, Ka Band Com, Ka Band Mil)
  - Ship-to-Shore E Band (70/86GHz)
- Continued delivery and growth to six navies including Australia and Europe
- Manufacturing in Brisbane, Australia
- Targeting further growth opportunities in Europe and Asia

## Recent performance

- ~40% CAGR of Revenue over last 4 years
- Standalone Underlying EBITDA margin of 33% in 2023
- New sustainment contract for Royal Australian Navy, up to A\$202m over seven years (2023 – 2030)
- European office now established in Netherlands





# High Energy Laser Weapons

Dr. James Bennett - EVP Space Systems

Dr. Andreas Schwer - MD & CEO



# High Energy Laser Weapons - Background

The US Government spends >US\$1bn per annum on developing high energy laser weapon technology

- **Emerging and urgent market need** for laser-based drone, rocket, artillery, mortar, air and missile defense
- **The rapid proliferation of drones** and other unmanned warfighting systems has created:
  - Significant new market for affordable counter-drone capabilities
  - To protect military assets from these low-cost asymmetric threats.
- **High energy laser weapons emerging** for defending against large numbers of inexpensive drones due to:
  - **Ability to engage** targets instantly (at the speed of light) with high precision, limiting collateral damage
  - **Unlimited ammunition** magazines based on power supply
  - **Low cost per shot**
- **Many governments** and defense contractors are reviewing system development opportunities



# High Energy Laser Weapons – Market

EOS is focused on the 30-150kW power level and related use cases, particularly counter drone








- High Energy Laser Weapons are extremely versatile, with emerging markets across a wide range of applications
- The total addressable market for affordable solutions is expected to be very large
- **EOS' current focus is in 30-150kW class power range**, and may widen this in the future

Laser Power	Use Case
<30kW	<ul style="list-style-type: none"><li>• Counter-IED</li><li>• Drone dazzling</li><li>• ISR sensor denial</li></ul>
30-150kW	<ul style="list-style-type: none"><li>• Drone swarm kill</li><li>• ISR denial</li><li>• CRAM</li><li>• VSHORAD</li></ul>
150kW+	<ul style="list-style-type: none"><li>• Air and missile defense</li><li>• CRAM</li><li>• CUAS</li></ul>



# High Energy Laser Weapons – Competitive Landscape

The significant technical barriers mean that the global market is still relatively uncompetitive

			Competitive Threat
	<b>United States</b>	<ul style="list-style-type: none"> <li>Invest &gt;\$1bn per annum in laser weapons, including prototypes for Army, Navy &amp; Air Force</li> <li>Strict restrictions prohibit exports</li> </ul>	Low
	<b>Israel</b>	<ul style="list-style-type: none"> <li>Rafael and Elbit have collaborated in the development of 50-100kW class for CUAS/CRAM applications</li> <li>Supported by culture of Israeli technological innovation &amp; success, but limited access to some markets</li> </ul>	Medium
	<b>France</b>	<ul style="list-style-type: none"> <li>Desires to be leader laser technology in Europe.</li> <li>Effort is distributed amongst companies such as CILAS (controlled by Safran &amp; MBDA)</li> </ul>	Low
	<b>Germany</b>	<ul style="list-style-type: none"> <li>Long standing efforts by Rheinmetall and MBDA</li> <li>Limited progress to date</li> </ul>	Low
	<b>United Kingdom</b>	<ul style="list-style-type: none"> <li>UK focus on naval platforms</li> <li>QinetiQ working on 50kW capability over recent years</li> <li>Recent UK 'Dragonfire' tests with consortium (MBDA, Leonardo and QinetiQ)</li> </ul>	Medium
	<b>China</b>	<ul style="list-style-type: none"> <li>Major Chinese companies offer a 50kW+ system - focused on cost competitive product</li> <li>Unlikely to grow in Western allied/NATO nations</li> </ul>	Low
	<b>Australia (EOS)</b>	<ul style="list-style-type: none"> <li>EOS developed an architecture serving the power range from 30-100kW</li> <li>completed 9 nation life firing demonstration in 2023</li> <li>In advanced negotiations with two clients for 50-100kW systems</li> </ul>	

Source: Competitor websites and announcements

# High Energy Laser Weapons - Summary

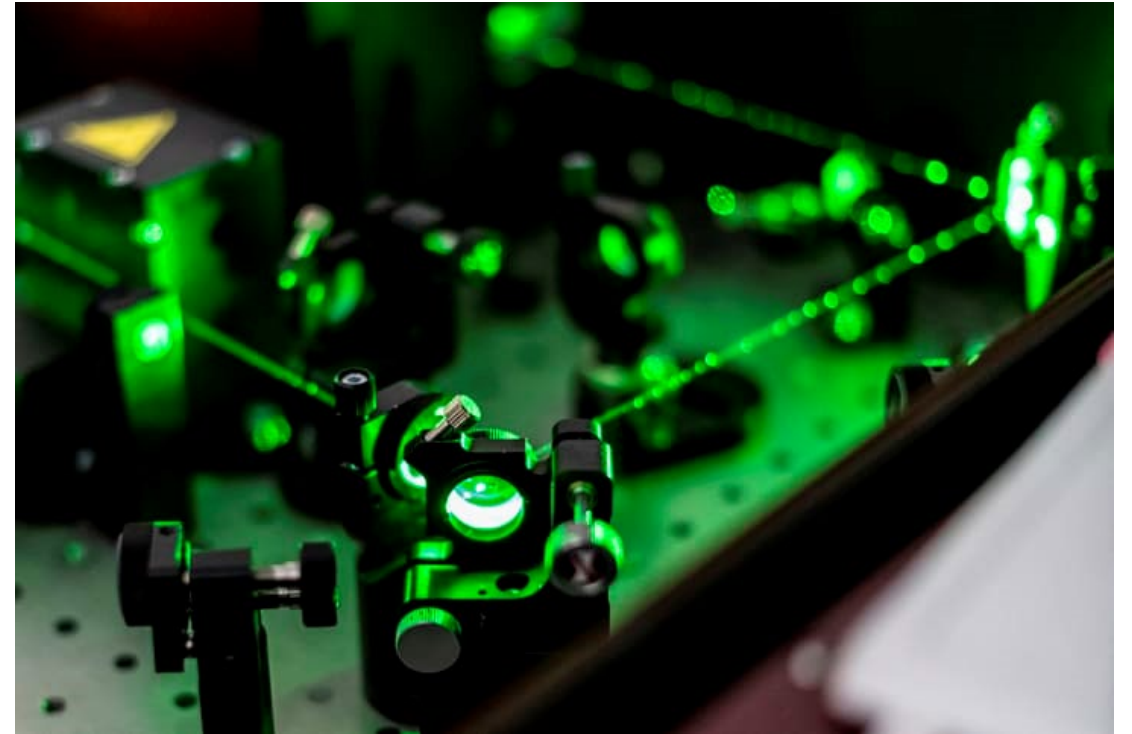
We see significant market opportunity over the next 5 years. We will exercise capital discipline.

## Market

- Drone threat demonstrated in Ukraine & Middle East
- Growing & new market interest in laser weapons
- Significant market growth expected

## EOS

- EOS advantages - experience with weapons systems, tracking and laser-optics
- Next EOS steps
  - Develop/commercialise 50kW+ systems
  - Complete advanced discussions/negotiations
  - Secure product development agreements
- Overall Aim
  - Develop and commercialise IP
  - Maintain capital discipline – use 3rd party funding
  - May seek direct investments (eg JV's) in future



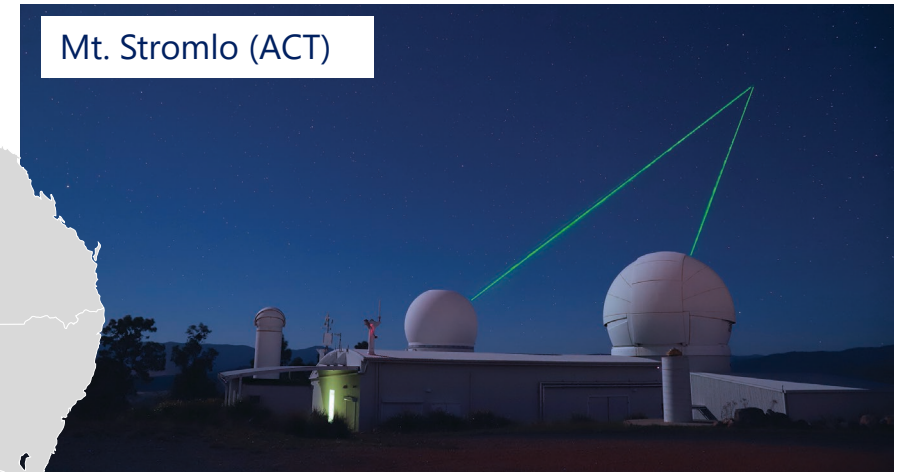


# Space Technologies

Dr. James Bennett, EVP – Space Systems

# EOS Space Technologies

EOS operates two Australian facilities, covering Australia, adjacent oceans & related space territory



# EOS Space Technologies

EOS specialises in applying EOS developed optical sensors & effectors to detect, track and characterise objects in space

## Summary

- EOS designs and manufactures bespoke world-leading beam director telescopes
- EOS has decades of experience in Satellite Laser Ranging (SLR), Debris Laser Ranging (DLR) and Space Domain Awareness (SDA)
- World leader in accuracy, using laser technology to track objects in space:
  - Hardware
  - Software
  - Data
  - Domain expertise - people
- EOS produces highly accurate beam directors suitable for passive and high energy laser applications

## Demonstrated Capability





# Space Control

Dr. James Bennett - EVP Space Systems

Dr. Andreas Schwer - MD & CEO

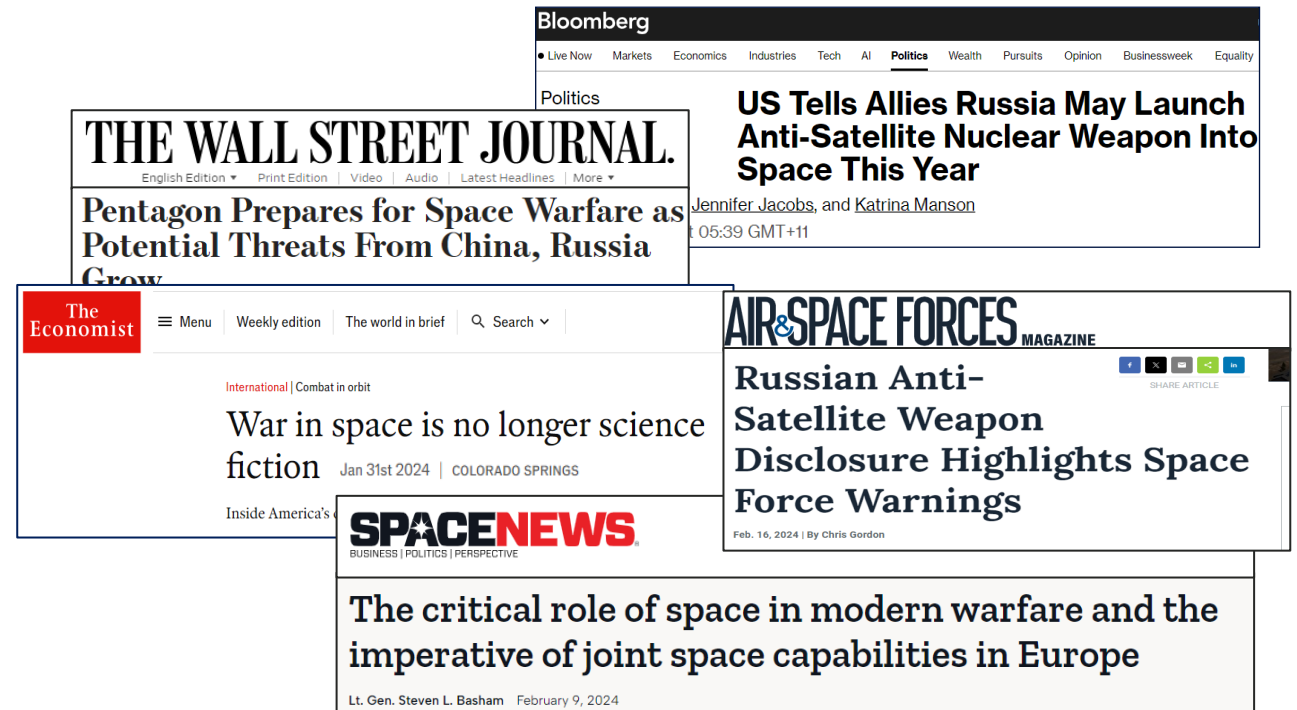


# Space Control - Background

The space domain is now the most critical and contested environment for governments and militaries

## Conflict and the Space Domain

- Modern conflict is highly reliant on surveillance and communications satellites
- Market need for advanced defence systems that can detect, track, and neutralize hostile activities in space
- **Geopolitical context of increased defence spending worldwide**
- **Space Domain expected to be the next battlefield**
- Global **Space Militarization market**: US\$53.7bn in 2023, projected to reach **US\$88.6bn by 2030, CAGR of 7.4%**<sup>1</sup>



1. Source: Markets and Markets <<https://www.marketsandmarkets.com/PressReleases/space-militarization.asp>>

# Space Control - Market Need

Governments are assessing options. EOS has all the key components to develop & provide solutions

## Market Need

**Decisive advantage  
in the space domain**

## Planned EOS Solution

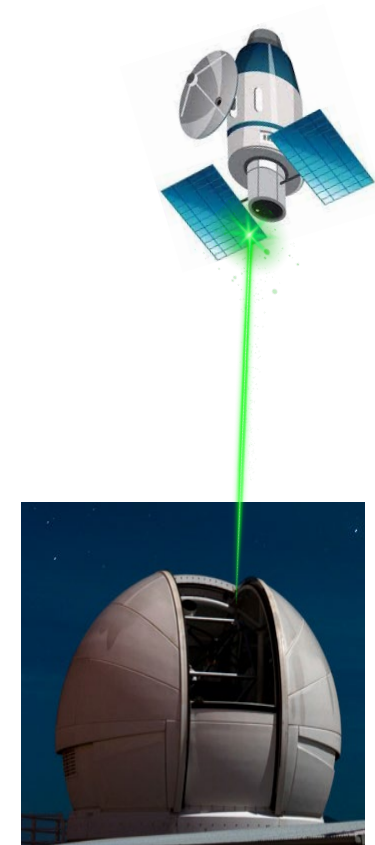
### Earth-to-Space laser capabilities

#### Key features of the developing EOS solutions

- Space Intelligence - Optical tracking from ground
- High energy laser with adaptive optics
- "Soft kill" solutions (no debris) – dazzle, disrupt and disable

#### Roadmap

- Demonstrations, pilot sites, scale ups, fixed and mobile
- Development of business case allowing for 3rd-party investments
- Capital discipline – customer/third-party funding



# Space Control - EOS Competitive Advantage

EOS has a unique mix of expertise required to develop this solution

Telescopes & Enclosures



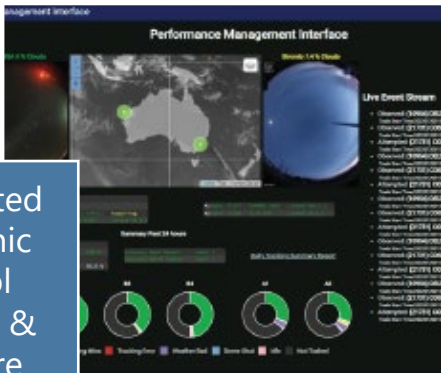
High Energy Lasers



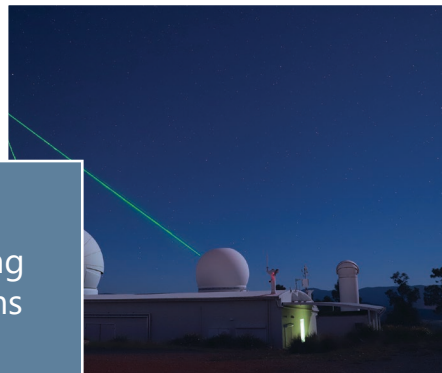
Adaptive Optics



Automated electronic control systems & software



Tracking Systems



Mission systems software



# Space Control - Summary

The market opportunity is large and will take time to develop. EOS will exercise capital discipline

- Space control is expected to be a significant market - strategic advantage during conflict
- Opportunity expected to mature over 3 – 10 years
- EOS uniquely offering a compelling technical solution
- Next Steps
  - **Product roadmap** includes capability demonstrations; proof of concepts, pilot sites and scale ups
  - **Development costs** to be funded by governments and customers
  - **Discussions ongoing** with several interested parties/nations
  - **Lead time** for significant sales is 1-3 years
- EOS may seek direct investments (eg JV's) in future





# Appendices



# Glossary

Term	Description	Term	Description
<b>ADF</b>	Australian Defence Force	<b>ISR</b>	Intelligence, surveillance and reconnaissance
<b>Adaptive Optics</b>	Technique of precisely deforming a mirror in order to compensate for (atmospheric) light distortion	<b>kW</b>	Kilo Watts
<b>APKWS</b>	Advanced Precision Kill Weapon System	<b>MLRS</b>	Multiple Launch Rocket System
<b>CRAM</b>	Counter Rocket, Artillery and Mortar	<b>NDS</b>	National Defence Strategy
<b>CUAS</b>	Counter Unmanned Aerial System	<b>NG AGT</b>	Northrop Grumman Agnostic Gun Truck
<b>DE</b>	Directed Energy	<b>RWS</b>	Remote Weapon System
<b>DLR</b>	Debris Laser Ranging	<b>SatCom</b>	Satellite Communications
<b>DSR</b>	Defence Strategic Review	<b>SDA</b>	Space Domain Awareness
<b>EVP</b>	Executive Vice President	<b>SLR</b>	Space Laser Ranging
<b>HELW</b>	High Energy Laser Weapon	<b>UGV</b>	Unmanned Ground Vehicle
<b>IED</b>	Improvised Explosive Device	<b>USV</b>	Unmanned Surface Vehicle
<b>IFV</b>	Infantry Fighting Vehicle	<b>V SHORAD</b>	Very Short Range Air Defence System
<b>IIP</b>	Integrated Investment Program		
<b>ITAR</b>	International Traffic in Arms Regulations		

# Reconciliation of Statutory Profit / (Loss) and Non-GAAP measures

Total Operations (Continuing & Discontinuing) \$m	2023	2022 Continuing	2022 Discontinuing	2022 Total
<b>Loss for the year</b>	<b>(34.1)</b>	<b>(53.6)</b>	<b>(81.7)</b>	<b>(135.3)</b>
Gain on assignment and effective disposal of SpaceLink	-	-	19.7	19.7
<b>Net loss for the year attributable to discontinued operations</b>	<b>(34.1)</b>	<b>(53.6)</b>	<b>(62.0)</b>	<b>(115.6)</b>

Continuing Operations \$m	2023	2022
<b>(Loss) for the year from continuing operations</b>	<b>(34.1)</b>	<b>(53.6)</b>
Income tax (benefit)	(6.1)	(9.3)
<b>(Loss) before tax</b>	<b>(40.2)</b>	<b>(62.9)</b>
Finance costs	35.6	14.3
Impairment of assets	-	7.3
Foreign exchange (gain)	(0.9)	(12.7)
<b>Underlying EBIT (loss) (before impairment and foreign exchange gains)</b>	<b>(5.5)</b>	<b>(54.0)</b>
Depreciation & amortization & other	12.4	11.1
Other one-off adjustments	(1.2)	-
<b>Underlying EBITDA gain/(loss) (before impairment and foreign exchange gains)</b>	<b>5.7</b>	<b>(42.9)</b>

EOS

