



Electro Optic Systems Holdings Limited

A.C.N. 092 708 364

Suite 3, Level 12, 75 Elizabeth Street, Sydney NSW 2000

Tel +61 2 9233 3915 Fax +61 2 9232 3411

<http://www.eos-us.com>

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The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Oversubscribed placement raises \$20.9m

Electro Optic Systems Holdings Ltd (ASX: EOS) is pleased to announce that it has successfully completed a \$20.9m placement to secure funding for the fulfilment of the \$170m Orbital ATK contract. The placement of 9.1m shares at a price of \$2.30 per share was oversubscribed and received strong participation from new and existing shareholders. The placement is within the 15% limit under ASX Listing Rule 7.1 and shareholder approval is not required for the placement. The price represents a discount to last close of \$2.70 per share of 14.8% and a discount to the 5 day VWAP of \$2.66 per share of 13.5%. Petra Capital acted as the Lead Manager and Book Runner to the placement.

As previously announced on 14 September 2017, the Company's new RWS has been selected as the preferred bidder for contract negotiations in every competitive tender in which it has competed. Inclusive of the \$170m Orbital ATK contract, EOS expects to exceed \$500m in 2017 orders for its new R-400S-Mk2 weapon system.

Use of Funds

The funds raised from the placement will primarily be used to fulfil the Orbital ATK contract, specifically towards the following:

- Hume facility fit out: \$5.0m
- Prepayments and offer costs: \$4.0m
- Vendor supply chain payments and working capital: \$11.9m

Chief Executive Officer, Ben Greene said:

“This is an exciting time for EOS as we approach the commencement of deliveries for the Orbital ATK contract and have been selected as “preferred” bidder in every competitive tender in which we have competed in 2017. We are delighted with the level of support that EOS received in this placement from new investors as well as current shareholders. There continue to be numerous additional RWS supply opportunities in the market, and in the EOS Space Division, a third tracking site is proposed to be established in central Queensland.”

Yours faithfully

Fred Bart
Chairman

ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS; OTC: EOPSY)

Based in Canberra, Australia, EOS employs approximately 145 staff in two sectors: Space Systems and Defence Systems.

Space Systems sector specialises in obtaining space information using EOS-developed optical sensors to detect, track, classify and characterise objects in space. This information is used for both military and commercial space applications, and in particular for managing space assets to avoid collisions in space with space debris.

The EOS Defence Systems sector specialises in technology for weapon systems optimization and integration, as well as ISR (intelligence, surveillance and reconnaissance) for land warfare. Its key products are next-generation armored vehicle turrets and remote weapon systems.