



EM Solutions Divestment

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Approved for release by the Board of Directors

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Executive Summary (1 / 2)

The announced divestment of EM Solutions (EMS) represents an important step in the evolution of EOS and provides the ability to recycle capital into opportunities aligned with EOS' core competencies and high growth markets

Evolution of EOS

- EOS' business was originally founded on electro-optics and space surveillance, and this is where our core technical and commercial competencies lie
 - The SpaceLink venture represented a strategic pivot into the communication domain and the acquisition of EMS in 2019 formed part of that
 - EOS terminated the SpaceLink venture in 2022
- EOS is well progressed in implementing its strategy and transforming operations, building a platform for profitable growth

Core business

- EOS sees very strong market growth in counter-drone applications and the opportunity to secure global product leadership
- The defence sector is rapidly evolving, driven by the geopolitical environment and technological developments. Key megatrends include drones, automated and unmanned platforms, and space control – all segments where EOS has significant experience and a differentiated offering
- EOS' strategic intent is to focus on market segments aligned with its core technical competencies and where there is a strong growth thematic
 - Technologies – remote weapon systems ("RWS"), directed energy and space control
 - Application domains – ground-to-ground, counter-drone and space

Capital discipline

- A culture of cost discipline and cash generation has been established, enabling EOS to improve its profitability and repay debt
- Order book of \$386m at 30 June 2024 - excludes conditional Ukraine contracts and inclusive of contribution from EMS (represents \$165m on a pro forma basis excluding EMS). See slide 20 for more details on business development activity

Executive Summary (2 / 2)

The announced divestment of EM Solutions (EMS) represents an important step in the evolution of EOS and provides the ability to recycle capital into opportunities aligned with EOS' core competencies and high growth markets

Transaction rationale	<ul style="list-style-type: none">Over the past year EOS has undertaken a review of its portfolio and identified EMS as a high performing but non-core asset providing a significant opportunity to recycle capital to support growth in EOS' focus areas
Proposed transaction	<ul style="list-style-type: none">Following a market sounding process, EOS received a compelling offer for the acquisition of 100% of EMSEOS has entered into a binding agreement with a wholly-owned subsidiary of Cohort plc (Cohort) to affect the sale of 100% of the issued capital of EMS for an enterprise value of \$144m (subject to customary adjustments)
Use of sale proceeds	<ul style="list-style-type: none">The transaction is expected to provide EOS with the funding flexibility and operational focus to pursue growth opportunities for both RWS and High Energy Laser Weapons in the counter-drone market
Background to Cohort	<ul style="list-style-type: none">Cohort is a UK-based, AIM listed company, that supports entrepreneurial businesses to grow and innovate in defence technology, products and services. It is the parent company of six businesses that provide technology-based services and products for international defence and security customers in government and industry
Transaction timing	<ul style="list-style-type: none">The transaction is subject to satisfaction of conditions customary for a transaction of this nature including counterparties under certain material contracts providing consents, waivers or amendments in connection with the Proposed Transaction and the non-occurrence of any material adverse changesGiven FIRB approval has been obtained by Cohort for the Proposed Transaction, completion is expected within six months
Capital management	<ul style="list-style-type: none">The sale will automatically trigger the requirement to repay the debt facility with WHSP in full (which EOS would have otherwise repaid in October 2025 from organic cash flows). The total repayable is currently \$64.4mFollowing this repayment, EOS will have no borrowings and have the balance sheet strength to support future growthIt is anticipated that capital gains tax generated by the Proposed Transaction will be largely offset by existing tax losses in the EOS group

Market Conditions – Geopolitical Backdrop

Geopolitical uncertainty continues to create very supportive market conditions

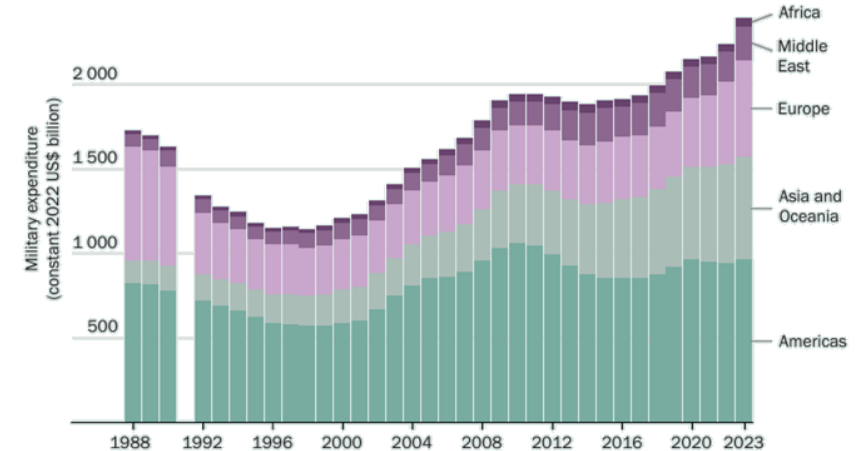
Entrenched conflict in Ukraine and broadening conflict in Middle East



Evolving geopolitical situation and increasing tensions between nations in several regions

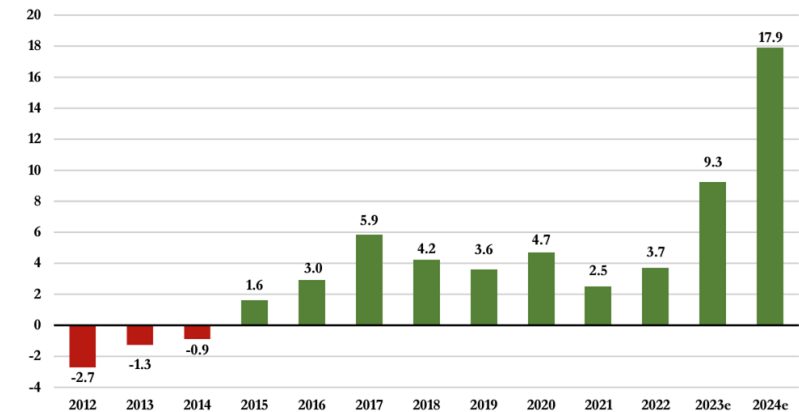


Global defence spending increased by 9% to a record US\$2.4tn in 2023



Source: SIPRI Military Expenditure Database, Apr. 2024.

NATO Defence Expenditure annual change (%)



Source: NATO Press Release June 2024

Market Conditions - Technological

Wide-ranging technological shifts in the defence industry are expected to continue

THEME

DESCRIPTION

RECENT MEDIA

Mass manufactured drones

- Low-cost, mass-produced drones
- Readily available and easy to operate
- Difficult to detect and defeat with conventional defences
- Asymmetric conflict – cheap to deploy, expensive to defeat

AIR WARFARE: GLOBAL

European coalition bids to deliver 1 million drones to Ukraine

AI and autonomous swarms

- Autonomous swarms of drones function in groups
- Communication within swarm allows a cohesive unit operation
- Technology can quickly respond to changing battlefield conditions

DoD Announces First Tranche of Replicator Capabilities for Autonomous Systems

BY INSIDE UNMANNED SYSTEMS

Innovative counter-drone solutions e.g. laser weapons

- Drone proliferation creates counter-drone demand
- Drone innovation drives counter-drone development
- Requires evolution from traditional rocket and missile air defence

South Korea to Deploy Laser Weapons to Intercept North Korean Drones

Space as a contested domain

- Space critical to surveillance, navigation and communication
- Space capabilities provide an asymmetric military advantage
- Protection/Disruption of Space capabilities now seen as critical

Russia, China catching up to U.S. in space weaponry, new report finds

Key Megatrend – Drone Warfare

Drone Warfare has been a disruptive force in recent conflicts and is evolving at an accelerating pace

The age of drone warfare is disrupting the defence industry

Rapidly evolving technology designed by smaller players is challenging the dominance of sluggish industry giants

Drone Swarms Are About to Change the Balance of Military Power

On today's battlefields, drones are a manageable threat. When hundreds of them can be harnessed to AI technology, they will become a tool of conquest.

The Washington Post
Democracy Dies in Darkness

Drones are crowding Ukraine's skies, largely paralyzing battlefield

Iron Beam: Israel's 'new era of warfare' defence system to use high-power lasers

WORLD NEWS

The threat Israel didn't foresee: Hezbollah's growing drone power

Significant Ongoing Growth in Drone Warfare

- Creating asymmetric conflicts, favouring more agile forces
 - Easy to attack high value targets – infrastructure, munitions, ships, HQ etc
 - Low-cost method of attack
 - Difficult to defend against
- Used by all sides

Ongoing Technological Development

- Diverse technologies – short and long range, FPV etc.
- Developments in shielding and inertial/visual navigation making impervious to Electronic Warfare (EW) countermeasures
- Future includes autonomous, swarm attacks capable of oversaturating the airspace

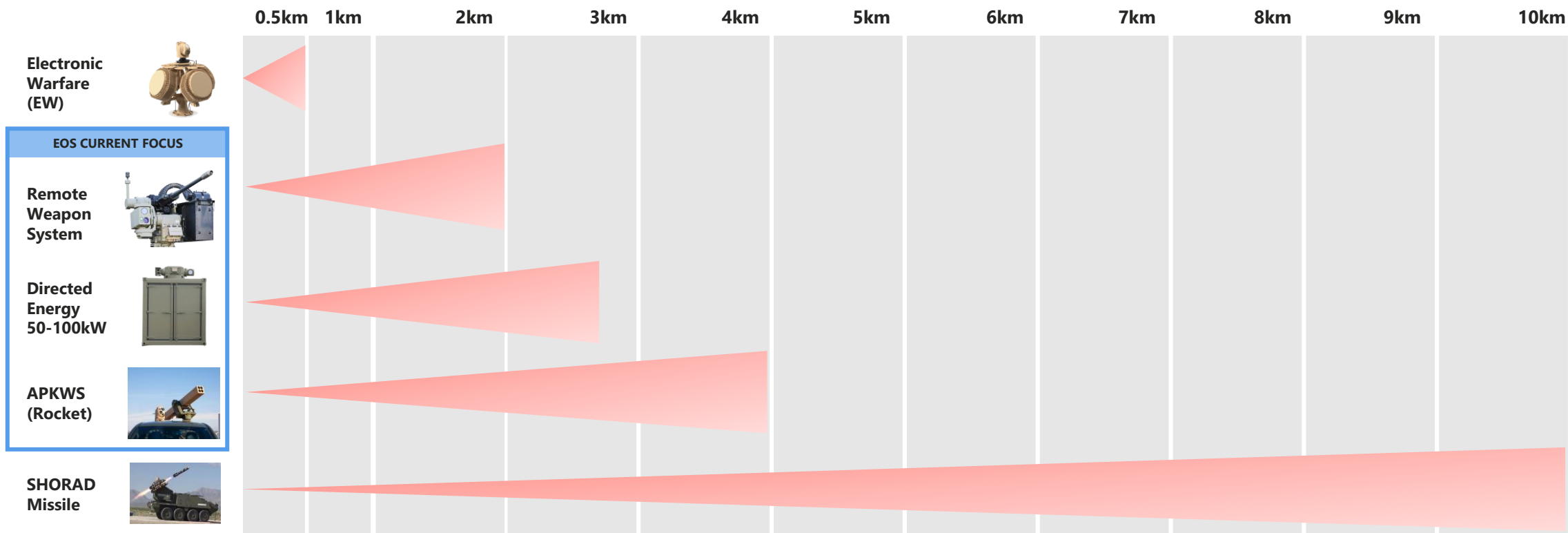
Wide Threat Recognition

- *"The D.O.D. has been doing things the same way since World War Two. Occasionally, when we have a conflict, we innovate. But what we're looking at here is being able to change the culture to keep up with not this strategic competition but also modern technology. We can't be on these ten-to-twenty-year development cycles. That's not going to work"* – Eric Pahon, Office of the Deputy Secretary of Defense (USA)



Effective counter-drone strategies require a layered response

EOS is developing products that form part of comprehensive, layered, counter-drone systems



Rapidly evolving threat technology



Key criteria

Range	Acquisition Cost
Accuracy	Operating Cost
Effectiveness	Cost per Drone Kill

High Energy Laser Weapon Update

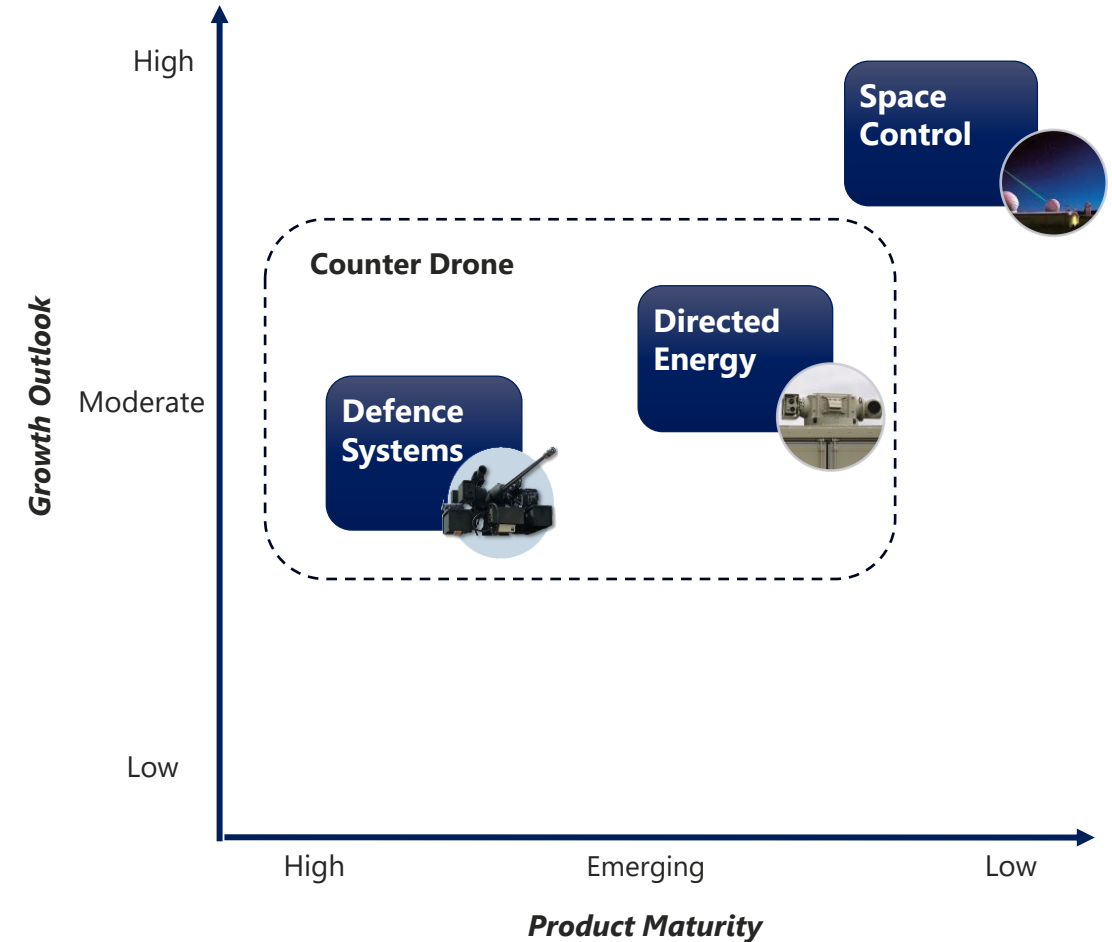
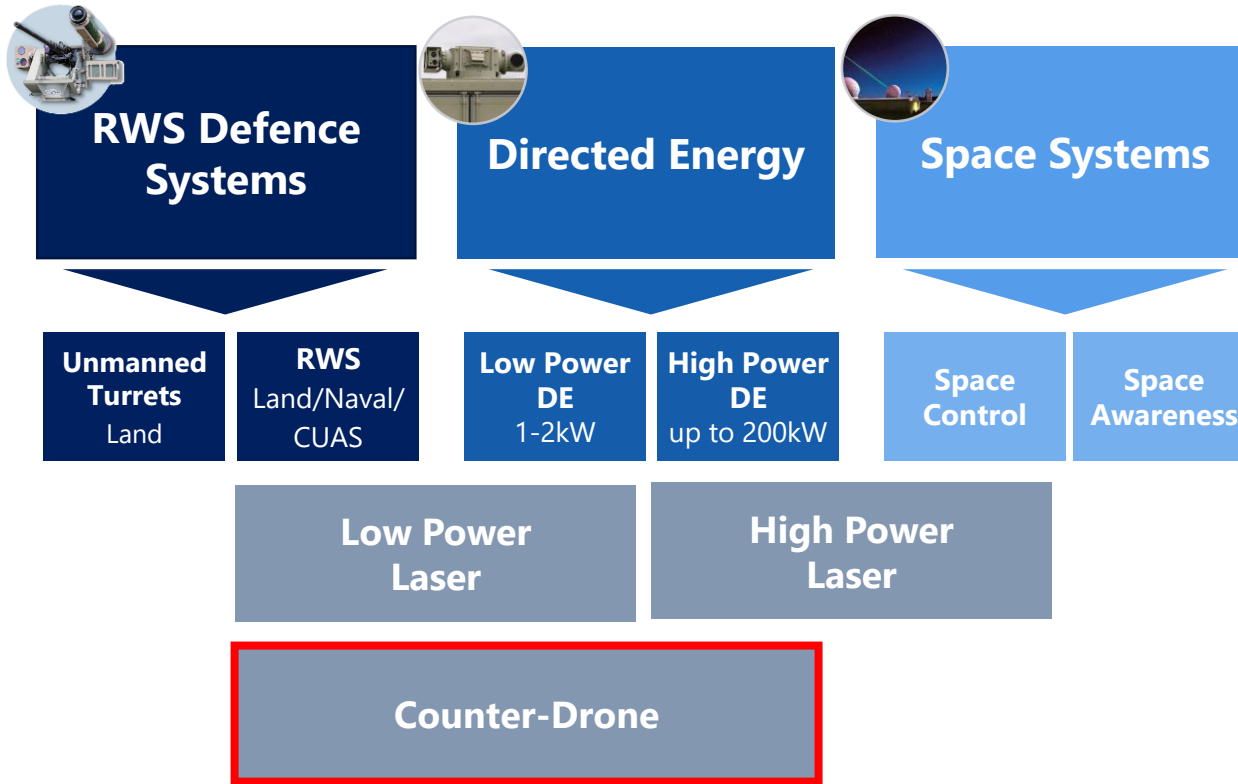
EOS continues to pursue significant opportunities in the High Energy Laser Weapon market

- Emerging and urgent market need for laser-based drone, rocket, artillery, mortar, air and missile defence
- The rapid proliferation of drones and other unmanned warfighting systems has created significant new markets for affordable counter-drone capabilities to protect military and other strategic 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
- EOS has deep expertise with weapons systems, tracking and laser-optics
- EOS has developed a 36-54kW prototype laser weapon and demonstrated it during August 2023
- EOS is now in advanced negotiations with 2 parties to manufacture and commercialise 50-150kW systems



EOS Future Strategic Focus Areas

The emergence of drone warfare on the battlefield is supporting a generational shift for counter-drone solutions.



Summary of Investment Opportunities

EOS has several attractive opportunities to accelerate business growth. These will be funded through EM Solutions divestment, and as far as possible, customer partnerships. We will continue to exercise strategic and capital discipline

Opportunity	Focus	\$m	Investment Timeframe
RWS Counter Drone	<ul style="list-style-type: none"> • Artificial Intelligence (AI) and Advanced Software development • Develop products with longer range, better accuracy and lower costs <ul style="list-style-type: none"> • Improved passive and active detection capabilities • Integrate wider array of weapons and effectors to improve range of use-cases, range, accuracy and choice • Invest in demonstration models and global demonstrations for market development and growth • Continue to target cash flow positive customer projects • Increase working capital reserves to provide flexibility • Continue to partner with customers on product development spend 	40 - 60	1-3 years
High Energy Laser Weapon	<ul style="list-style-type: none"> • Invest in demonstrator unit/s to accelerate market development and growth • Further improve software integration including detect, identify, track and fire • Increased investment in laser component inventory • Continue to partner with customers on product development spend 	40 - 70	2-5 years
M&A	<ul style="list-style-type: none"> • Consider bolt-on acquisitions where investment criteria are met • M&A to be used to fill capability gaps and/or de-risk supply chain 	20 - 70	
Total		100-200	

Conclusion

EOS aims to become a global leader in Counter-Drone, High Energy Laser Weapons and Space Control. We will continue to exercise discipline

Future Outlook

- EOS is a growth business with a focus on value creation by capitalising on high growth opportunities
- EOS will be in a strong financial position post divestment of EMS to accelerate focused transformation of the company
- EOS is a disciplined allocator of capital (utilise capital to support core growth initiatives whilst continuing to evaluate opportunities for partnering and third-party funding)

Conclusion

- Discussion / Q&A
- Thank you for your support

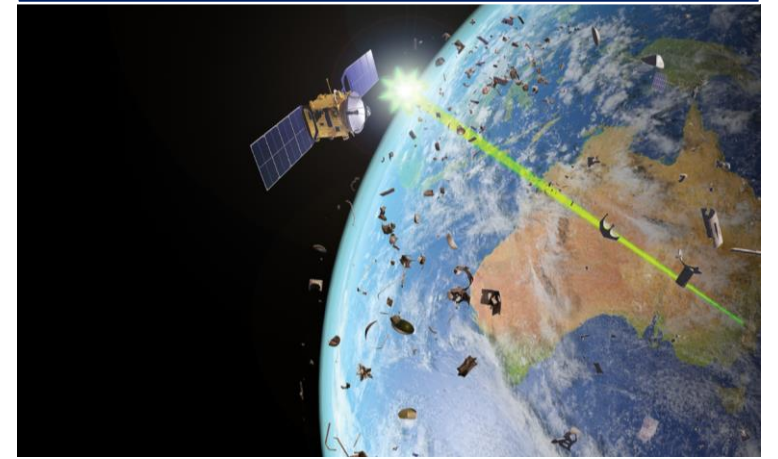
RWS Defence Systems



High Energy Laser Weapons



Space Control





Appendix 1 – Background to EMS

Background to EMS

EMS primarily designs, builds, deploys and maintains on-the-move satellite communication equipment systems for defence forces

Background

- Acquired by EOS in 2019 in a scrip-based transaction which valued EMS at ~\$26m
- It has operated predominantly as a standalone business that supported the EOS SpaceLink venture which was terminated in 2022
- EOS portfolio review confirmed EMS to be a high performing, but non-core asset
- No connections or operating synergies with other EOS operations

EMS today

- Supported by rapid pace of industry development
- Growing naval SatCom demand with near term performance underpinned the SEA 1442 contract
- High growth business with strong cash flow generation
- Total LTM Jun-24 revenue of \$74m with largest ever order book of diversified revenue secured over 2024-2029

Diversified market offering

Products		Services	
SATCOM Terminals	RF Subsystems	Contract Manufacturing & Design	Sustainment
<i>Designed for clients who demand resilient and assured communications operating in high threat environments</i>	<i>Assembly of radio components such as microwave filters, oscillators, mixers and power amplifiers</i>	<i>Tailored design, engineering and contract manufacturing of electronic components</i>	<i>Repairs and maintenance across product life cycles</i>

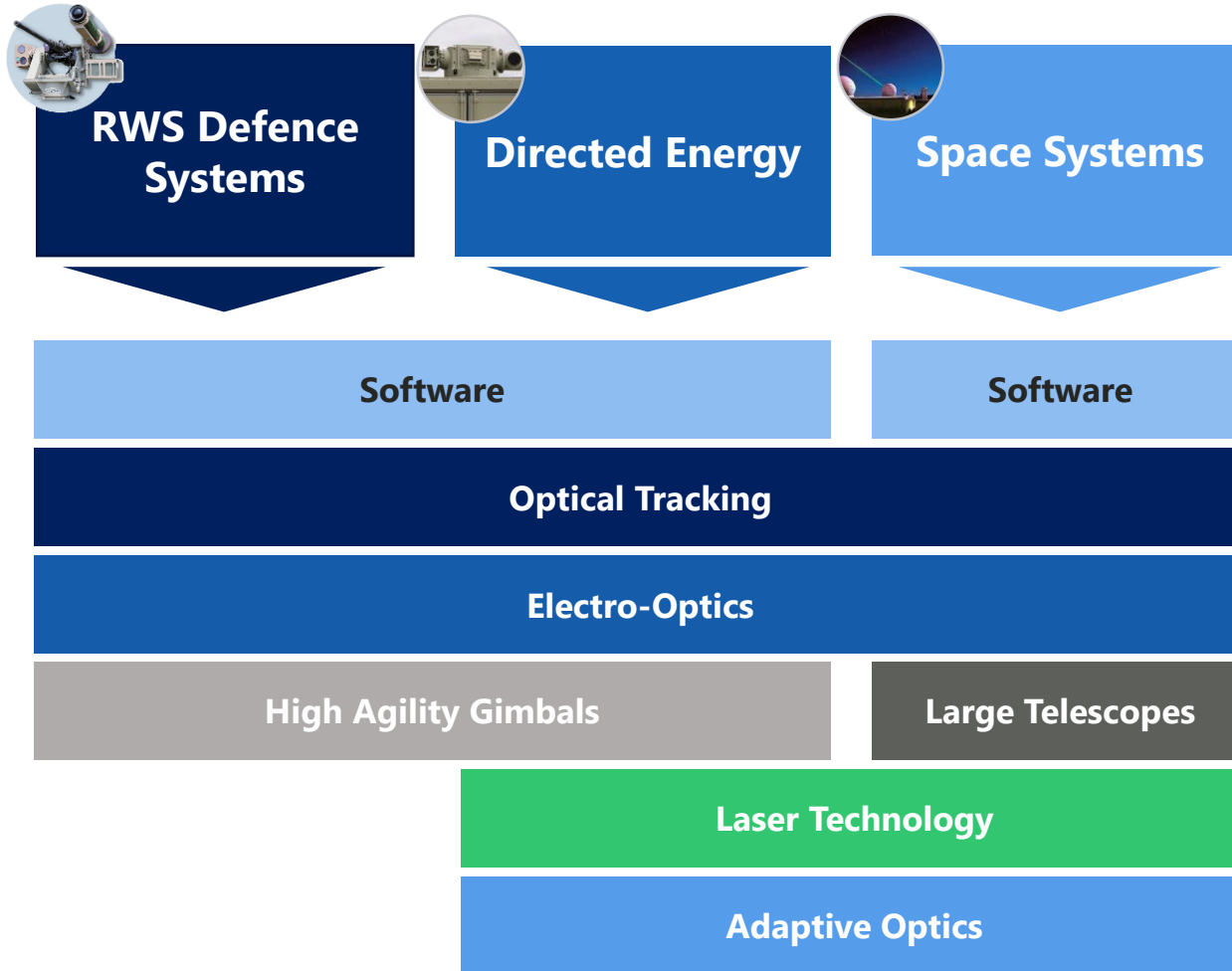




Appendix 2 – EOS Background

Enabling Technologies and Synergies

Software and Artificial Intelligence, closely integrated with complex hardware and optical solutions, will become key differentiators



- EOS' go-forward businesses share common technology platforms and create compelling synergies
- Software and increasingly, artificial intelligence will become a key differentiator and competitive advantage

Remote Weapon Systems Product Range

EOS is developing a wider range of RWS products to meet evolving needs

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



CUAS



Common Control Interfaces

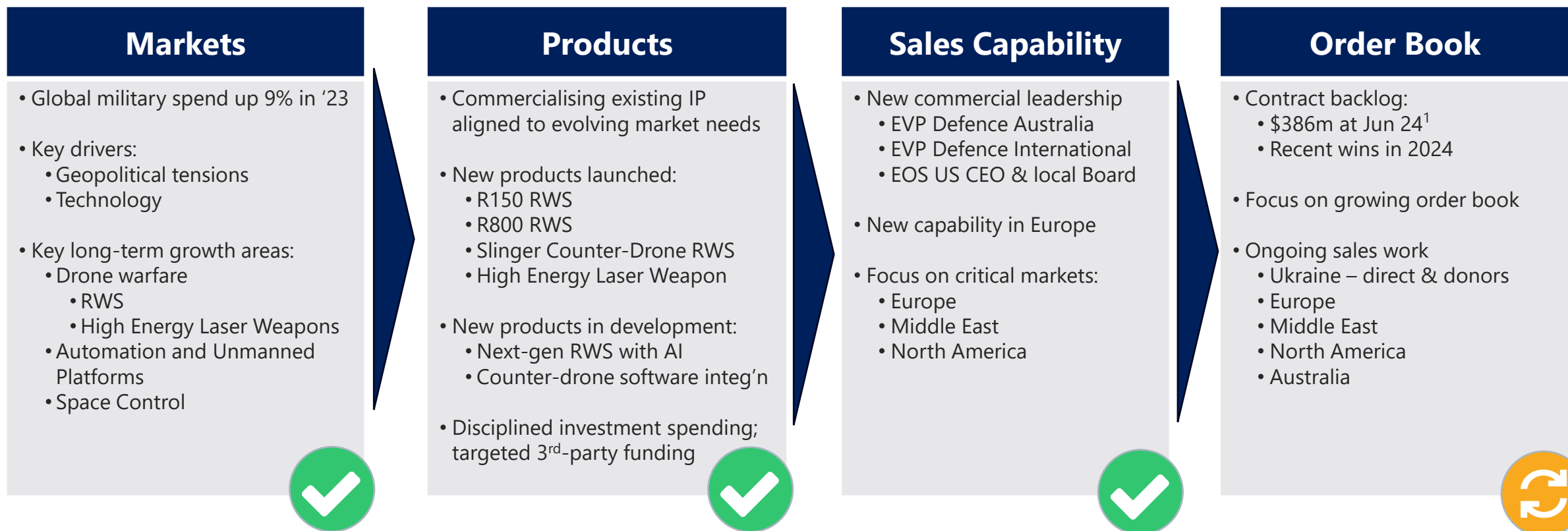


MLRS



Update on EOS Transformation

Strong markets have supported our turnaround and continue to create significant future growth opportunities for EOS.
Ongoing Ukraine and Middle East conflicts and need for NATO militaries to rearm creating an enduring growth driver



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

Recent Product Developments and Growth Opportunities

EOS has recently launched several products to capitalise on key macro drivers and enable future growth

Macro Drivers	Product	Recent activity	Forecast Indicative revenue timing *
C-UAS Autonomy UGV	R150 Light-weight System 	<ul style="list-style-type: none"> Formal production launch in 2023 Suitable for light vehicles Bids currently submitted in SE Asia and EU NATO 	2024-25
C-UAS	Counter-Drone Kinetic System 	<ul style="list-style-type: none"> Launched "Slinger" in 1H 2023 Proven, world-leading accuracy Evaluation orders including to Diehl Germany Demonstrations underway in N. America and Middle East 	2024-25
Economic	Large R800 Remote Weapon System 	<ul style="list-style-type: none"> Launched in 2023 Low-cost and heavy firepower Negotiations currently underway with potential launch customer 	2024-26
C-UAS	Integrated Counter-Drone Laser Dazzler 	<ul style="list-style-type: none"> Launched in October 2023 Capable of disrupting incoming drones Demonstrated at recent 2024 NATO Sandbox event 	2025-27

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

Market Development Update

Growing the order book continues to be our key focus; several opportunities are developing positively; European growth is targeted

Geography	Potential Size (A\$m)	Maturity	Remote Weapon Systems
Australia	>100	Advanced	Contract negotiations continue with Hanwha in relation to the supply of RWS for the Land 400 Phase 3 project.
Ukraine	~181	Advanced	Discussion continues with Ukrainian end-users and customers. Local situation is fluid and subject to changing battlefield priorities and evolving donor attitudes. Ukrainian budget funding remains a challenge.
Europe	50- 100	Evaluation	Continuing to work on opportunities to leverage demand from European countries for donation to Ukraine.
N. America	10 – 50	Evaluation	Working with a North American company looking to integrate EOS' R800 onto Stryker vehicles for potential donation to Ukraine.
N. America / Middle East	<10	Evaluation	Evaluation orders for Slinger product received from customers in North America and Middle East.
Europe	>100	Preliminary	Ongoing interest from European customers for light-weight R150 solution for protection of logistics vehicles.
Middle East	>500	Preliminary	Work continues on upcoming bid for follow-on order of next-generation R400 in Middle East.

Note: there is no certainty that any particular outcome or transaction will result from these discussions and negotiations

Geography	Potential Size (A\$m)	Maturity	High Energy Laser Weapon
International	50 - 100	Advanced	<ul style="list-style-type: none"> Commercial discussions continued with a number of potential customers for its High Energy Laser Weapon system. In particular, discussions with two potential international customers are at a more advanced stage. These discussions are ongoing and could result in new customer agreements being signed during 2024 or later.
			Space Technologies
Australia	<10	Evaluation	Continue to build on recently announced contracts with ADF Joint Capability Division.

Maturity Definition

- Advanced: Contract under negotiation or negotiated and conditional
- Evaluation: Customer is performing assessments of product and/or discussions are underway
- Preliminary: Bid being prepared or submitted as part of initial customer discussions

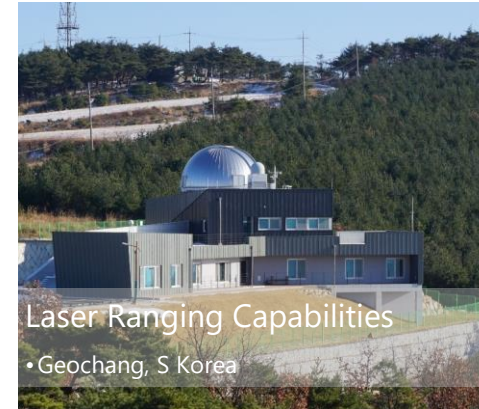
EOS Space Technologies

EOS specialises in applying EOS developed optical sensors and 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



Glossary

Term	Description	Term	Description
ADF	Australian Defence Force	ISR	Intelligence, surveillance and reconnaissance
Adaptive Optics	Technique of precisely deforming a mirror in order to compensate for (atmospheric) light distortion	kW	Kilo Watts
APKWS	Advanced Precision Kill Weapon System	LCMP	Low-cost, mass-produced
CRAM	Counter Rocket, Artillery and Mortar	MLRS	Multiple Launch Rocket System
CUAS	Counter Unmanned Aerial System	NATO	North Atlantic Treaty Organization
DE	Directed Energy	NDS	National Defence Strategy
DLR	Debris Laser Ranging	NG AGT	Northrop Grumman Agnostic Gun Truck
D.O.D	Department of Defence	RWS	Remote Weapon System
DSR	Defence Strategic Review	SatCom	Satellite Communications
EMS	EM Solutions Pty Ltd	SDA	Space Domain Awareness
EVP	Executive Vice President	SLR	Space Laser Ranging
FPV	First Person View	UGV	Unmanned Ground Vehicle
FIRB	Foreign Investment Review Board	USV	Unmanned Surface Vehicle
HELW	High Energy Laser Weapon	V SHORAD	Very Short Range Air Defence System
IED	Improvised Explosive Device		
IFV	Infantry Fighting Vehicle		
IIP	Integrated Investment Program		
ITAR	International Traffic in Arms Regulations		

EOS

