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ASX RELEASE

NEW COUNTER DRONE ORDER (US$124m) AND MIDDLE EAST JV FOR LASER WEAPONS AND REMOTE WEAPON SYSTEMS

Electro Optic Systems Holdings Limited (together with its subsidiaries, "EOS" or the "Company") (ASX:EOS), is pleased to provide the following updates.

UNITED ARAB EMIRATES SLINGER ORDER

EOS has secured a US$124m (~A$175m) order for its Slinger Counter-Drone Remote Weapon System ("RWS"), to be supplied to Generation 5 Holding L.L.C ("Gen5"). Gen5 is a 100% United Arab Emirates ("UAE") owned provider of defence equipment, technology and services headquartered in Abu Dhabi in the UAE.

The order includes the RWS, cannon, spares, training and other supplies. EOS understands that the systems are intended to strengthen defence systems in light of ongoing regional tensions in the Middle East. The Slinger RWS is EOS' market leading cannon-based counter-drone defence system.

The systems are expected to be manufactured in Australia and the UAE, and be delivered during 2027 and 2028. The order is subject to Gen5's customary terms and will be subject to export approvals requirements.

The order further strengthens the relationship between EOS and Gen5 following the announcement on 20 May 2026 that EOS had received a commitment from Generation 5 Holding L.L.C to subscribe, as part of EOS' strategic placement, for A$30m of fully paid ordinary shares in EOS. This is conditional on shareholder approval under ASX listing rule 7.1 being sought at EOS' Extraordinary General Meeting on Friday, 26 June 2026.

CONDITIONAL JOINT VENTURE SHAREHOLDERS AGREEMENT FOR HIGH ENERGY LASER WEAPONS AND RWS

EOS has worked closely with the UAE Government for many years to provide a range of high technology counter-drone systems. EOS is recognised for its innovative counter-drone technology, including:

- → **Slinger,** EOS' counter-drone kinetic RWS; and
- → **Apollo,** EOS' High Energy Laser Weapon (HELW) product.

EOS and Gen5 have entered into a binding, conditional, joint-venture shareholders agreement ("JVA") to establish an incorporated joint venture ("JV") for:

- → the development, manufacturing and global distribution of a 200-300kW next generation HELW;
- → the manufacturing and distribution of EOS' existing 100-150kW HELW in the UAE (including for the "UAE - Korean Offset Program" arising between the UAE and the Republic of Korea) and certain other Middle East and North Africa ("MENA") countries; and
- → the manufacturing and distribution of certain existing EOS RWS including the R400, R500 and R800 in UAE and certain other MENA countries.

This JV is a strategic growth initiative, formed to capitalise on EOS technology and establish advanced manufacturing capability in the UAE. The JV provides the potential to allow EOS to:

- → Accelerate the development, manufacturing and sale of the next generation, 200kW-300kW HELW technology;
- → Produce 100-150kW HELW in the UAE for local market (including for the "UAE - Korean Offset Program" arising between the UAE and the Republic of Korea) and regional markets, embed a deep partnership with EOS' longstanding Middle Eastern customer, and secure market access to the important MENA region;
- → Further strengthen its global technology leadership in the highly strategic HELW technology market; and
- → Potentially secure an increase in the order book including through development and production orders for a 200-300kW HELW product family as well as orders for 100kW HELW systems. There is no guarantee that these orders will be secured.

The JVA includes terms requiring the incorporation of the JV, finalisation of necessary ancillary agreements, appointment of directors and management of the JV (including operational support services from EOS and Gen5) and other customary terms and arrangements (including customary provisions relating to the transfer of equity into the JV).

It is anticipated that the JV will be based in Abu Dhabi and will have a 50/50 equity contribution and profit sharing between Gen5 and EOS, subject to relevant UAE laws and government approvals. EOS believes the JV could, subject to fulfilment of the conditions of, and compliance with the requirements of, the JVA, start contributing to EOS results from 2027 or 2028 onwards.

The key terms and conditions of the JVA are set out below:

- → The JVA is conditional on final EOS and Gen5 board approvals for the JV, and the finalisation of and entry into agreements under which EOS grants intellectual property ("IP") rights to the JV, (for EOS' laser and RWS technology). The JVA requires the parties to obtain necessary import and export approvals in applicable jurisdictions;
- → Gen5 is obligated to contribute US$40m of equity to the JV;
- → EOS is obligated to contribute to the JV existing IP as mentioned above to support the activities of the JV and its equity position;
- → Each of Gen5 and EOS will use reasonable endeavours to:
    - Within 12 months, secure for the JV, a minimum US$250m order for the development of a 200-300kW HELW product family, subject to satisfaction of the above conditions and obligations and to other customary commercial terms and constraints;
    - Within 9 months, secure for the JV a contract for work inside the JV for a contract for several 100kW HELW for a minimum aggregate amount of US$290m; and
    - Within a reasonable timeframe, progress a solution with Tawazun (a government agency of the UAE) to grant EOS a certain amount of offset credit benefits. This has the potential to extinguish in full or in part the obligation that arose from a previous contract for EOS to contribute to economic development in the country. Further details regarding this obligation are disclosed in note 31 to the 2025 annual financial statements.
- → The JV will not be obliged to pay ongoing royalties for the use of IP contributed by EOS. The JV will also become the owner of IP created under any contract awarded to the JV for the development of a 200-300kW HELW product family which may be licenced back to each of the JV partners {subject to royalty payments) in certain circumstances; and
- → EOS and Gen5 may choose to extend the scope of the JV in the future if it is deemed desirable, for example, to include elements of command and control systems or space control capabilities.

EOS expects work to proceed on the JV formation, condition satisfaction and other activities during 2026 and into the future. There is no guarantee that the key steps to establish the JV will be completed and no guarantee that any orders will be received by the JV in future.

This document was authorised for release by the EOS Board of Directors.

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Managing Director and Chief Executive Officer

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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), fully integrated and modular counter-UAS and C2 and C4 systems. C2 Systems include Command and Control Systems such as MARSS' software-led counter-drone and critical infrastructure protection capabilities, centred on the NiDAR platform.

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.

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