



**ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED**

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## **Export Finance Australia issues USD\$80 million letter of support for SpaceLink**

**Canberra, 29 March 2022**

Electro Optic Systems Holdings Limited (“EOS” or “Company”) (ASX: EOS) today announced that it had received conditional finance support from Export Finance Australia (EFA) for up to USD\$80 million of debt funding for the initial satellite communications constellation (Block-0a) to be launched by EOS’ wholly owned subsidiary, SpaceLink Corporation Inc. (“SpaceLink”).

On 25 February 2022, EOS announced Block-0a as a lower-cost design solution for the initial constellation of SpaceLink, reducing the initial funding requirement from USD\$700 million to USD\$240 million and bringing the projected launch date in line with Federal Communications Commission licensing requirements.

The non-binding letter of support provided by EFA represents one third of SpaceLink’s total initial funding requirements of USD\$240 million for its initial Block-0a constellation. The funding is consistent with EFA’s mandate of supporting the Australian Government’s Defence Export Strategy.

EFA’s funding is contingent on EOS and SpaceLink meeting EFA’s requirements in respect of:

- An independent technical review of SpaceLink’s feasibility, including satellite technology, launch arrangements, pre-launch customer procurement strategy as well as a review of SpaceLink’s pre and post-launch insurances;
- A comprehensive funding plan for SpaceLink including an agreed minimum amount of equity and an acceptable level of contingency funds;
- Meeting EFA’s eligibility criteria, credit and risk requirements, including, but not limited to, “know your customer” and anti-bribery requirements and checks;
- Satisfactory ongoing financial and trading performance for EOS; and
- SpaceLink complying with EFA’s environmental and social risk policies, including SpaceLink receiving the required regulatory and environmental approvals for its on-ground infrastructure.

EOS announced on 17 March 2022 a strategic review to include future funding options for the Company’s SpaceLink, Defence and Space businesses. This conditional support from EFA will add funding options to that process.

On 27 October 2021, EOS notified the market of USD\$700 million funding requirement for Block-1 of SpaceLink. EOS also advised that its partner OHB Systems AG intended to invest USD\$25 million in the form of a SpaceLink Pre-IPO Convertible Note. As a consequence of the large reduction in the funding requirement for SpaceLink's Block-0a satellite constellation, EOS advises that it is not proceeding with the previously communicated capital raising approach.

This announcement has been authorised for release to the ASX by Dr Ben Greene, Director.

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## **ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS)**

EOS operates in two divisions: Space Systems and Defence Systems:

- Space Systems includes all EOS space and communications businesses, and operates as three entities – SpaceLink, EM Solutions and Space Technologies. SpaceLink is developing a constellation of Medium Earth Orbit satellites to create the communications superhighway for the space economy. EM Solutions provides global satellite communications services and systems. Space Technologies specialises in applying EOS-developed optical sensors to detect, track, classify and characterise objects in space and remains integral to research and development across the group.
- 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 are next-generation remote weapon systems, vehicle turrets, counter-UAS and C4 systems.

## **ABOUT EXPORT FINANCE AUSTRALIA**

Export Finance Australia (EFA) is Australia's export credit agency. EFA provides financial solutions to support Australian exporters, including loans, guarantees, bonds and insurance, and supports infrastructure development in the Pacific region and beyond. EFA also administers the Australian Government's USD\$3 billion Defence Export Facility.

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.