



ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

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EOS Resolves Dispute With Lender WHSP

Canberra, 22 December 2023

Electro Optic Systems Holdings (“EOS” or “the company”) has resolved the dispute with its lender, Washington H. Soul Pattinson (“WHSP”).

Background

EOS previously announced on 9 October 2023 that EOS had received a claim for payment of a \$4.5 million fee within 7 days, from its primary lender WHSP. The fee claim was with respect to consent previously provided by WHSP for EOS to issue guarantees supporting an attractive, cash generative sale, announced on 13 June and 7 July 2023.

EOS announced that it had disputed the fee claim and was in commercial discussions with WHSP to review the matter, and to consider options to explore a mutually agreeable commercial outcome. As noted in subsequent announcements by EOS, as part of these discussions, WHSP agreed not to pursue collection of the disputed amount until 22 December 2023.

Update – 22 December 2023 – Amendment to Support Business Growth

EOS has finalised an agreement with WHSP regarding the fee claim and amended the debt facilities to support business growth.

The key terms of the agreement, which take the form of an amendment to the facilities provided to EOS by WHSP, require EOS to pay \$4.5 million (inclusive of all fees and excluding GST) to WHSP in full and final settlement of the fee claim.

Under the amendment, WHSP has agreed to relax certain restrictions included in the WHSP facilities. The flexibility afforded by this relaxation is expected to allow EOS to take advantage of future business growth opportunities as they arise.

The amendment is conditional on approval by another finance provider to EOS. This is expected to be finalised during Q1 2024, although there is no guarantee that such approval will be secured. EOS expects to issue further announcements as required to comply with its continuous disclosure obligations.

Further information:

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ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS)

EOS operates in two divisions: Defence Systems and Space 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), as well as fully integrated and modular counter-UAS and C4 systems.

Space Systems includes all EOS space and communications businesses, and operates as two entities – Space Technologies and EM Solutions. Space Technologies 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 and space warfare. EM Solutions delivers world-leading RF and optical space communications technology. Its core product range centres around the development and production of high-end, broadband radio transceivers for satellite communications as well as satellite communications-on-the-move terminals for defence and government customers.

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.