EVOLUTION CAPITAL

ASX:EOS
Industrials
Initiation Report

Thursday, 29 May 2025

Redefining Precision in Defence and Space

Evolution Capital initiates coverage on Electro Optic Systems ("EOS") with a fair value of A$2.41 per share, reflecting strong upside potential. EOS is a defence and space company delivering advanced weapon stations, counter-drone systems, laser technology, and Space Situational Awareness solutions. Debt-free with A$103M in cash, EOS is rapidly scaling across key global markets. In May 2025, it secured a record €31 million (~$53 million) Slinger deal – its largest yet – boosting its presence in NATO-aligned regions. The contract underscores growing demand for EOS's sovereign, combat-proven systems. It also marks a milestone in the company's shift from technology innovator to global defence prime. With fielded technologies, strategic partnerships, and accelerating commercial traction (contract pipeline of ~$136m), EOS is well-positioned to help shape the next generation of defence and space capabilities.

Tech-Led Value Through Precision and Performance

EOS delivers value through modular, AI-enabled fire control systems, scalable CUAS platforms, and proprietary laser weapons designed for the modern battlefield. Flagship products like the R400 and Slinger enable rapid, precise, and cost-efficient engagement of drones and ground threats, offering key advantages in mobility, flexibility, and survivability. Its technology stack is built on decades of optical, software, and sensor development – turning advanced innovation into deployable, combat-ready systems. The company's ability to integrate kinetic, electronic, and directed-energy layers into a unified architecture is a clear differentiator in the global CUAS race.

Scalable Platform with High-Impact Demonstrations

EOS is scaling globally, backed by successful field trials in the US, Europe, Middle East, and Indo-Pacific. Its products have been tested in 20+ major live-fire environments, including the US Army's Project Convergence, Red Sands (Saudi Arabia/US), and with the Australian Defence Force. These high-profile demos are driving growing demand and are directly linked to follow-on contract negotiations. With production facilities across Australia, Singapore, and the US, EOS is positioned to deliver at scale. The Laser Innovation Centre in Singapore further strengthens its ability to serve markets beyond US export restrictions, supporting the global roll-out of its HELW platform.

Direct Exposure to Defence & Space Megatrends

Global defence spending is accelerating - driven by geopolitical instability and the transformation of modern warfare. Demand for counter-drone systems, AI-enabled targeting, and SSA is rising sharply. EOS is positioned at the centre of this shift, offering focused exposure to high-growth verticals with limited direct competition. With proven technologies, growing international traction EOS is poised to scale as defence priorities realign around precision, speed, and autonomy.

Recommendation	**SPEC BUY**
Share Price	**$1.63**
Fair Valuation	**$2.41**

Company Profile	
Market Cap	~$315M
Enterprise Value	~$243M
Free Float	~86%
52-Week Range	$0.995 - $1.965
Cash	~157m

Price Performance

Company Overview

EOS is an Australian defence technology company specialising in advanced weapon systems, counter-drone solutions, and space domain control. Its precision platforms and targeting systems offer high performance, scalability, and cost-efficiency for modern military operations.

Notable Shareholders	
Washington H. Soul Pattinson & Co. Ltd.	9.12%
Wilson Asset Management International	2.48%
Needham Invest. Mgmt.	1.48%
Brazil Farming Pty Ltd	1.09%

Analyst

Johanna Burkhardt jb@eveq.com
Industrials Analyst

Catalyst	Timeline
Potential conversion of A$181M conditional CUAS contracts (Ukraine / donor-funded)	H2 2025
First commercial contract for High-Energy Laser Weapon (HELW)	H2 2025 – Early 2026
Contract award for R500 next-generation RWS (not operational deployment)	Early 2026
Inaugural contract award for R800 (North America)	H2 2025
Ramp-up of R800 production at U.S. facility (Huntsville, Alabama)	H2 2025
Land 400 Phase 3 contract (Australia)	2025–2026 (delivery later)
New SSA / Space Control government contract (e.g., Australia / Five Eyes)	H2 2025
Continued demonstration-linked sales of containerised Slinger CUAS platforms	Ongoing in 2025

Contents

Investment Case

Electro Optic Systems (ASX:EOS) is an Australian defence technology company operating across two principal segments: Defence Systems and Space Systems. Its portfolio includes remote weapon systems (RWS), counter-drone platforms, high-energy laser technology, and space situational awareness (SSA) infrastructure developed and operated under Australian control—supporting national capability and aligned with growing global demand in defence and aerospace.

Following the divestment of its EM Solutions business in early 2025, EOS fully repaid its debt facility and now operates on a debt-free basis with a strong cash position ($157m incl. restricted cash). This financial reset allows EOS to focus on execution and scale-up without immediate reliance on external capital.

The Defence Systems division includes the R150, R400, R800, and the newly launched R500, as well as the Slinger counter-UAS platform. These systems are in various stages of deployment, evaluation, and integration across allied markets. The High Energy Laser Weapon (HELW) has completed initial demonstrations and is now the subject of advanced commercial negotiations with prospective defence partners.

The Space Systems segment supports government programs in space situational awareness (SSA) and orbital tracking. EOS maintains active contracts in this field, including early engagements with the Australian Defence Force and international institutions.

The EOS investment thesis is best framed around four guiding questions:

1. **What's EOS's market opportunity across key domains?**
2. **Has EOS tech proven itself in operational use?**
3. **Can HELW evolve from demo to repeatable contracts?**
4. **How does EOS compare to peers on scale and execution?**

These questions form the foundation for evaluating EOS' strategic potential and are addressed in the sections that follow.

The Evolving Drone Threat

The widespread use of low-cost, agile drones is reshaping modern conflict. These systems pose a growing threat to military and civilian infrastructure alike and are increasingly deployed in swarms, often enhanced with AI-enabled targeting. Recent conflicts, particularly in Ukraine and the Middle East, have highlighted how drones enable lightly resourced forces to inflict damage on high-value assets at low cost.

In response, defence organisations are rapidly reevaluating their counter-UAS capabilities. EOS has developed two systems that directly address this challenge: the Slinger, a compact hard-kill platform already deployed operationally, and the HELW system, currently in advanced demonstration phases. These technologies are designed to operate flexibly and at scale as part of layered defence architectures.

Market Outlook Across Core Segments

EOS operates in several defence markets that are expected to experience structural growth in the coming years:

- Remote Weapon Systems (RWS): Estimated at A$5 billion globally, growing at ~7% annually. EOS' RWS platforms address diverse operational requirements across land and maritime environments.

- Counter-UAS (C-UAS): Forecast to exceed A$13 billion by 2030, driven by escalating drone threats and infrastructure protection needs. Slinger is already fielded, with further interest from allied markets.

- Directed Energy Weapons (HELW): Projected to reach A$30 billion globally by 2030. EOS is among the few non-US companies actively demonstrating HELW capabilities.

- Space Domain Awareness (SDA): Anticipated to grow to A$5.5 billion by 2030, reflecting increased investment in SSA infrastructure. EOS supports early SDA programs through optical tracking systems.

EOS generated A$176.6 million in revenue in CY2024 (continuing activity) and holds a total pipeline of over A$350 million, including A$181 million in conditional contracts under advanced negotiation. With programs active across NATO, Southeast Asia, the Middle East, and Australia, EOS is steadily expanding its market footprint across RWS, CUAS, HELW, and space system.

Operational Validation and Pipeline

EOS technologies have moved beyond the prototype stage, with several systems deployed or undergoing advanced testing. The R400 is integrated into NATO-aligned vehicle programs. The Slinger has been deployed in Ukraine via donor programs and has secured CUAS contracts in Europe, with further active tenders and evaluations underway in the Middle East. HELW has undergone live-fire demonstrations in the US, Middle East, and Australia, and is currently in evaluation for commercial deployment.

In 2025, EOS introduced the R500, its next-generation RWS with AI-supported detection and tracking. The system is under evaluation with select defence partners, and early partnerships with companies like Milrem Robotics and Calidus provide strategic access to relevant markets.

EOS' strategic pipeline includes:

- A$135 million in contracted backlog

- A$181 million in conditional contracts related to Ukraine and potential donor countries, with conversion expected from 2025 onward.

- EOS is in advanced discussions to commercialise its HELW system, with a combined opportunity of A$100–200 million

- Shortlisted participation in Australia's Land 400 Phase 3 program (A$90 million potential value)

- Ongoing engagement in space programs in Australia, the US, and with NATO-aligned partners

Valuation Thesis

We estimate a fair value of A$2.41 per share for EOS, based on a discounted cash flow model. Our model reflects:

- Execution of the current contracted backlog and partial conversion of conditional agreements

- HELW monetisation via two initial contracts

- Gradual improvement in operating margins toward 20% by FY2029

- No additional capital raise assumed beyond the A$35 million completed in early 2024

Risks remain, particularly regarding the timing and certainty of conditional contract conversions and regulatory approvals. Procurement cycles and export licensing in key regions can introduce delays and execution complexity.

Despite these risks, EOS is well-positioned:

- The company is debt-free, with over A$100 million in unrestricted cash
- EOS generates revenue from deployed systems, not just prototypes
- Its platform-agnostic architecture, sovereign design approach, and customer traction place it ahead of many local peers in terms of commercial readiness

We initiate coverage with a Speculative Buy rating and a price target of A$2.41, reflecting upside potential of approximately 48%. Execution through 2025–2026 will be key, but EOS is structurally positioned to benefit from long-term shifts in global defence investment and procurement priorities.

Technology & Product Portfolio

Overview: Precision, Modularity & Capability

Electro Optic Systems develops advanced defence and space technologies that reflect the growing demand for responsiveness, precision, and capability in an evolving global threat landscape. With over four decades of expertise in electro-optical engineering, EOS has become a vertically integrated technology provider, delivering deployable systems across land and space domains.

EOS's product offering is structured around three core technology areas:

- Remote Weapon Systems (RWS): EOS' RWS platforms support precision engagement with low system weight and stabilised fire control. Designed for integration across a variety of vehicle platforms, these systems are in operational service with NATO-aligned forces and continue to undergo evaluation in live environments.
- Counter-UAS & Directed Energy: EOS supports layered counter-drone defence with its Slinger kinetic system and a High Energy Laser Weapon (HELW) currently in advanced demonstrations. These systems are engineered for flexible deployment and integration into broader short-range air defence networks.
- Space Systems & Space Situational Awareness (SSA): EOS operates a national network of ground-based optical sensors and provides orbital monitoring, characterisation, and tasking services to government customers. Its SSA capabilities support mission assurance from low Earth orbit to deep space.

Across all platforms, EOS employs a unified system architecture designed for interoperability, adaptability, and domestic manufacturing sovereignty. Its systems are engineered to be:

- Platform-Agnostic and Upgradeable: Common fire control software and sensor packages allow for rapid deployment and configuration across diverse vehicle classes.
- Export-Oriented by Design: With engineering and production facilities in Australia, Singapore, New Zealand, the United States, and the United Arab

Emirates, EOS designs its systems to support flexible export into markets beyond traditional US-based regulatory frameworks.

- Field-Tested and Operationally Validated: EOS systems have been deployed in Ukraine, integrated into allied demonstration programs, and tested in live-fire scenarios including Red Sands, Project Convergence, and Australian Defence Force exercises.

- Software-Defined and Network-Enabled: All platforms are built to support remote operation, sensor fusion, and AI-enhanced targeting, enabling adaptability in multi-domain operations.

EOS' technology strategy is grounded in operational relevance. Rather than focusing solely on developmental capability, the company prioritises systems that are technically mature, logistically viable, and tactically proven—delivering an uncommon blend of precision, export agility, and field-readiness for international defence customers.

Remote Weapon Systems (RWS)

EOS offers a scalable portfolio of remote weapon systems designed for manned, unmanned, and maritime platforms. Its range includes both lightweight and heavy-calibre systems engineered to provide stabilised, turret-level accuracy while minimising system weight. Select platforms, such as the R400, have been deployed in operational environments and continue to undergo active evaluation as part of allied procurement programs.

All EOS RWS systems share a common fire control architecture and are platform-agnostic, allowing for flexible integration across a variety of vehicle types. The systems support multiple weapon calibres, sensor packages, and optional effectors, and are in service or evaluation with allied forces internationally.

R400 – Multi-Mission Remote Weapon System

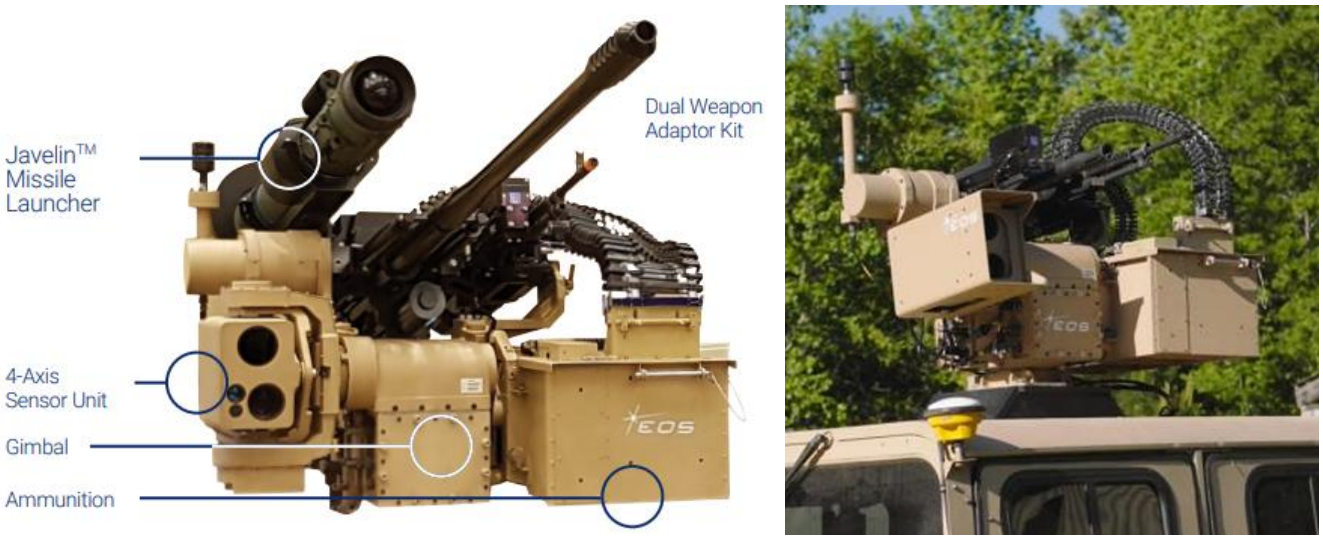
The R400 is EOS's most mature remote weapon station, designed to deliver high firepower within a compact and stabilised platform. It has been deployed on multiple NATO-aligned vehicles and has undergone operational testing and field use, including in environments such as Ukraine.

The system supports a broad range of weapon types, from heavy machine guns to full-calibre 30 mm cannons like the M230LF. It can be configured for single or dual weapon setups and optionally integrates anti-tank guided missiles, including the Javelin, enhancing its utility in infantry support and anti-armor roles.

Precision is supported by sub-milliradian accuracy, stabilised optics, and features such as programmable firing inhibit zones and video tracking. Customers can select between 3-axis and 4-axis stabilised configurations depending on vehicle dynamics and mission requirements.

Despite its wide-ranging capabilities, the R400 maintains a compact design that supports integration across various vehicle types, including both manned and unmanned platforms in land and maritime domains.

Figure 1: R400



Configuration Examples:

- Land platforms (manned and unmanned)
- Containerised and modular defence installations
- Naval vessels (R400-M marine variant)

The R400 has been adopted by the Australian Defence Force and integrated into a range of evaluation and demonstration programs across allied markets, including the US, Europe, and the Middle East. It is compatible with widely used Western vehicle platforms and supports integration into existing command-and-control systems.

Counter-UAS Systems

The proliferation of low-cost drones has fundamentally altered the character of modern conflict. Small UAVs from Group 1 to Group 3 are now regularly used for reconnaissance, targeting, and precision attacks. In response, EOS has developed scalable counter-UAS (CUAS) systems designed to provide rapid, reliable drone defeat capabilities across mobile and fixed-site defence missions.

EOS's CUAS solutions are integrated with its remote weapon systems and directed energy platforms, supporting flexible engagement concepts ranging from kinetic interception to advanced surveillance and targeting support.

Slinger – Mobile Kinetic Drone Defence

The Slinger system is EOS's primary kinetic CUAS platform, designed for short-range drone defeat with fast response times and cost-effective operation. It is based on the proven R400 remote weapon station and represents a specialised variant optimised for counter-drone operations. By integrating an onboard radar and tailored fire-control software, Slinger enhances the R400's core architecture to deliver rapid autonomous threat response in contested environments.

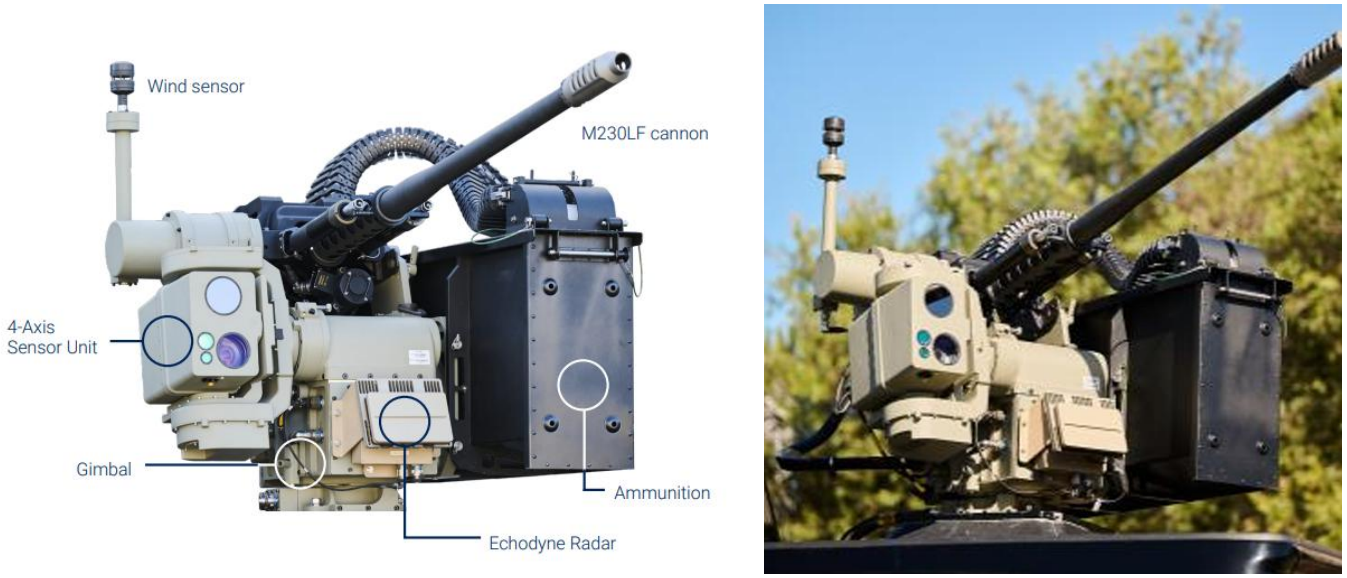
Key Features:

- 30 mm cannon integrated with radar, electro-optical, and infrared tracking
- Sub-2-second engagement cycle from detection to effect
- Operational range up to 2.5 km

- Low cost-per-shot profile

Slinger has been deployed operationally and is under evaluation with allied forces across Europe, North America, and the Middle East. The system is available in mobile and fixed formats and can be configured for use on various vehicle classes. Its compact form factor supports rapid integration into 4×4 and other light tactical platforms. Slinger is designed to operate within digital C2 networks and can function as part of a broader short-range air defence (SHORAD) system, providing reliable protection against Group 1–3 aerial threats.

Figure 2: Slinger



R150 – Lightweight Force Protection

The R150 is a fully ITAR-free[1] remote weapon station designed for mobile and unmanned force protection missions. It supports weapons up to 14.5 mm calibre while maintaining a total system weight below 100 kg (excluding weapon and ammunition), making it one of the most compact stabilised weapon stations in its class. It features a fully stabilised three-axis gimbal and is integrated with EOS's electro-optical sensor unit, including a high-resolution thermal imager and eye-safe laser rangefinder for accurate day/night engagement.

For extended-range missions or enhanced counter-UAS effects, the R150 can be optionally configured with APKWS (Advanced Precision Kill Weapon System) laser-guided rockets. In this setup, it enables precision engagement of aerial targets at distances of up to 4.5 km — significantly beyond the range of standard machine gun configurations. This capability expands its operational utility in mobile drone defence. The R150 remains interoperable with other EOS RWS platforms, sharing a common fire control architecture, software interface, and user experience.

[1] ITAR-free indicates that the product is not subject to the U.S. International Traffic in Arms Regulations (ITAR), which govern the export of defence-related materials and technologies from the United States. ITAR-free systems are developed without U.S.-controlled components, allowing for greater flexibility in international sales, fewer licensing constraints, and faster export approval processes—particularly beneficial for customers outside of U.S.-aligned defence export regimes.

Figure 3: R150

The R150 can be used standalone or as part of EOS' end-to-end counter UAS solutions

Operational Advantage:

- Developed for force protection, surveillance, and light reconnaissance
- Enables remote engagement from within the platform to minimise operator exposure
- Unified interface across the EOS RWS family supports ease of training and maintenance

The R150 is integrated into the L3Harris VAMPIRE™ system and has been configured for use with selected NATO-aligned unmanned ground platforms, particularly for kinetic counter-drone roles in mobile deployments.

R500 – AI-Enabled, Multi-Role Weapon System

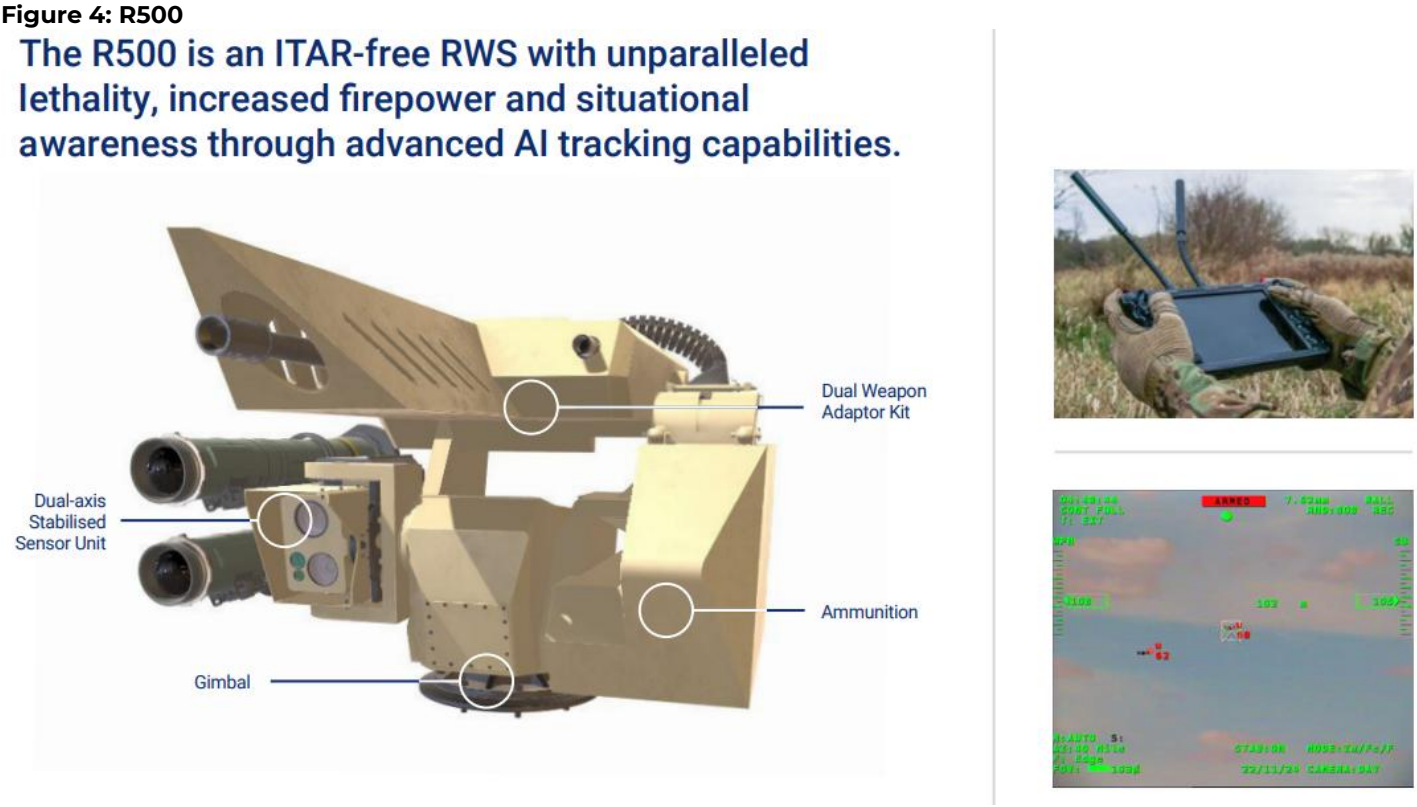
The R500 is Electro Optic Systems' next-generation remote weapon station, currently progressing toward initial contract award with operational deployment expected from 2026. Designed for autonomous ground vehicles, armoured platforms, and fixed installations, it builds upon the proven combat performance of the R400 series while introducing major capability upgrades.

Equipped with a dual-feed 30 mm or 25 mm cannon and a 7.62 mm coaxial machine gun, the R500 also supports integration of anti-tank guided missile systems such as Javelin, Spike, or TOW-class munitions. The system's open electronics architecture enables AI-assisted threat classification, sensor fusion, and automated target prioritisation—enhancing operator efficiency in high-tempo environments.

Featuring a low-latency digital interface and optional wireless control, the R500 is adaptable for use on both manned and unmanned platforms. Protection is delivered to STANAG Level 2 standards, and the platform can be integrated into networked defence ecosystems as part of layered force protection concepts. While counter-UAS functions are technically feasible, they are not part of the baseline configuration.

Crucially, the R500 is fully ITAR-free, offering export flexibility and shorter approval timelines for allied customers.

Figure 4: R500



Operational Use Cases:

- Armoured vehicles, perimeter defence, autonomous ground platforms
- Layered CUAS protection and AI-enhanced hunter-killer roles

The R500 was unveiled at IDEX 2025 and represents EOS's next-generation remote weapon system—designed for future multi-domain operations by combining kinetic firepower, AI-supported automation, and modular, multi-role adaptability.

R800 – High-Calibre Firepower in a Remote Format

The R800 is Electro Optic Systems' largest remote weapon system, developed to meet the need for high-calibre, vehicle-mounted firepower without the complexity and weight of a full turret. It is designed for integration on medium and heavy combat platforms, providing adaptable fire support in mechanised and expeditionary operations.

The system supports primary armament options such as the Bushmaster™ Mk44S or XM813 30 mm cannon, complemented by a secondary weapon mount for a MAG58 7.62 mm, M2 .50 calibre machine gun, or M134 Minigun. Depending on mission requirements, the R800 can integrate anti-tank guided missiles including Javelin and Spike, with optional configurations supporting TOW, TALON, Stinger, or loitering munitions.

Its integrated sensor suite provides high-resolution day and night targeting, with thermal imaging and a panoramic commander's sight. The platform supports digital target tracking and can incorporate video analytics for enhanced situational awareness. Electronic effectors, such as RF modules or dazzlers, may be added depending on specific customer configurations, but are not included in the baseline system.

Despite its size and armament class, the R800 maintains a low-profile architecture and offers ballistic protection up to STANAG Level 2. It is intended for users seeking turret-class performance with greater flexibility in integration and logistics.

Figure 5: R800

Performance:

- Compatible with integration on infantry fighting vehicles, unmanned ground systems, and maritime platforms
- Equipped with continuous digital zoom optics and onboard target classification support
- Designed to operate in demanding conditions with reduced maintenance burden

The R800 has been integrated on demonstrator platforms such as the WOLF-X unmanned ground vehicle and is currently under evaluation within multinational test and development programs. It is positioned as a high-capability alternative to traditional turret systems, offering reduced system weight and streamlined platform integration.

Table 1: Product Portfolio

Model	Weight Class	Key Payload	Applications
R150	Ultra-light	Machine gun / Grenade launcher	Light vehicles, UGVs, unmanned platforms
R400	Light-Medium	12.7 mm HMG / 30 mm cannon	Patrol vehicles, naval platforms
R500	Medium	30 mm / 25 mm cannon + AI-enabled sensor suite	Armoured vehicles, static defence systems
R600/800	Heavy	30–40 mm cannon + missile launcher	IFVs, APCs, fixed-site defence

EOS's family of remote weapon systems is built on a common user interface and software foundation, supporting simplified operation, training, and maintenance across platforms. Shared control logic and standardised sensor integration enable configuration flexibility across tactical UGVs, armoured vehicles, and fixed-site defence systems.

With compatibility for a wide range of NATO-standard weapons and sensors, EOS RWS platforms are designed for efficient adaptation to evolving mission requirements and deployment environments.

High Energy Laser Weapon (HELW)

As loitering munitions, drone swarms, and precision-guided threats become more prevalent, armed forces are exploring directed energy systems as a supplement to kinetic defence. High Energy Laser Weapons (HELW) offer the potential for rapid engagement and low cost per shot—key characteristics for protecting personnel and infrastructure in complex environments.

EOS is advancing an ITAR-free directed energy platform through its HELW program, developed at the Laser Innovation Centre in Singapore. The system is engineered for mobility and is designed to integrate with existing EOS remote weapon stations and command-and-control frameworks. It supports modular configurations to match specific mission requirements.

System Capabilities

EOS HELW platforms are available in multiple power classes to match mission profiles:

Table 2: System Capabilities

Power Class	Effect	Application
20 kW	Optical interference	Non-lethal ISR disruption, visual blinding
50 kW	Platform disruption	Disable small drones (Group 1–2)
100 kW	Directed energy neutralisation	Defeat larger UAVs and loitering munitions

Performance Highlights:

- Effective engagement range: 200 m to 3 km, depending on target and atmospheric conditions
- Dwell time: < 1.5 seconds on target (e.g. ~1.3 s at 35 kW against Group 1 UAVs)
- Stabilisation: 0.1 mrad, supporting high-precision targeting from mobile platforms
- Engagement depth: Over 500 shots per battery cycle; unlimited with sustained power input
- Cooling system: Active thermal management for continuous operation

Platform Integration & Control Architecture

EOS's High Energy Laser Weapon (HELW) systems are designed for flexible deployment in future operational environments. Configurations include fixed-site and relocatable platforms, optimised for autonomous operation and field-level

adaptability. The system architecture supports integration with external radar, EO tracking, and beam control elements.

HELW software is designed to be compatible with EOS fire control systems and to enable future connectivity with third-party battle management frameworks. The operator interface builds on existing user workflows from EOS kinetic systems, supporting unified control concepts across effectors.

Strategic Role and Application Context

HELW technologies offer a range of tactical and logistical advantages:

- Low cost-per-shot and high engagement throughput
- No reliance on physical munitions, reduced logistical footprint
- Silent, contactless effect with minimal visual or acoustic signature
- Applicable to urban defence, mobile force protection, and fixed-site infrastructure

HELW systems are currently undergoing live demonstrations in North America, the Middle East, and Southeast Asia. Production is centred at EOS's Laser Innovation Centre in Singapore, supporting delivery models suited for export-sensitive markets and flexible operational deployment.

Integrated Architecture: Sensors, Software, Effectors

EOS platforms are built on a shared architecture that connects sensors, fire control software, and effectors into an adaptable system framework. This integration enables flexible deployment across manned and unmanned systems, supports cross-platform interoperability, and simplifies system expansion over time.

At the core of the HELW architecture is EOS's proprietary electro-optical/infrared (EO/IR) sensor unit, which forms the foundation of the system's detection and targeting capability. Optional radar inputs can be integrated to provide supplementary threat cueing and expanded situational awareness.

Sensor data is processed by EOS's fire control software, which is designed to support future classification and engagement functions under a range of environmental conditions. Depending on configuration, the system may be enabled to support both passive and active detection modes, including wide-area drone tracking in layered CUAS architectures.

Above this lies the command-and-control layer, which manages operator interfaces, system synchronisation, and engagement workflows. It provides a consistent software environment across EOS's RWS, CUAS, and HELW platforms and is designed for compatibility with NATO STANAG standards and third-party battle management systems (BMS). AI-supported targeting and operator-assist functions are available where operationally relevant.

The effector layer includes EOS's full range of remote weapon systems (R150–R800), the Slinger CUAS platform, and high energy laser demonstrators. Depending on mission design, optional non-lethal tools such as RF effectors may be integrated. All systems operate through a unified software environment, enabling coordinated use of different effectors within a common engagement chain.

A connectivity layer enables distributed deployment. Systems can be mounted on vehicles, installed in fixed positions, or deployed as part of unmanned and remote configurations. Optional remote control features allow for tele-operated or autonomous mission profiles.

Operational Advantages

- System Flexibility: Components are designed for selective upgrades and can be configured according to mission-specific requirements.
- Training Continuity: Shared interface logic reduces operator learning curves across platforms.
- Coalition Compatibility: EOS platforms support integration into multinational systems and existing C2 networks.

Future Vision: Integrated CUAS Node

EOS is developing a future counter-UAS architecture that integrates radar and EO/IR-based detection with sensor fusion and AI-assisted tracking. In this envisioned configuration, operators would engage targets through the EOS command-and-control interface, enabling kinetic responses via systems such as the Slinger or, where appropriate, high-energy laser weapons (HELW).

The system is being designed for full interoperability with existing battlefield management platforms, supporting integration into broader force structures. This concept enables a layered and scalable response to aerial threats—offering flexibility in both tactical capability and export configuration.

Space Systems & SSA Capabilities

Space has become an increasingly important domain in national defence strategy. The growth of orbital activity, greater congestion in low Earth orbit, and rising geopolitical tensions have led to a corresponding increase in demand for SSA capabilities.

EOS addresses this demand with a suite of ground-based technologies designed to detect, track, and analyse space objects in real time. Its SSA offering is based on domestically-controlled infrastructure and includes precision telescopes, laser tracking systems, and supporting software — developed and manufactured in Australia and New Zealand.

EOS maintains a vertically integrated approach to SSA, combining sensor hardware, software platforms, and observatory operations under one framework. This enables the company to provide tailored support for both defence and civil applications, including satellite tracking, conjunction analysis, object characterisation, and mission assurance.

Core Sensor Locations: Stromlo and Lemnos

EOS's primary observatory sites are located at Mount Stromlo (Australian Capital Territory) and Lemnos (Victoria), forming the foundation of its sovereign SSA infrastructure. These locations support high-precision optical tracking and autonomous tasking across key orbital regimes. Together, they enable persistent surveillance and data acquisition in the Southern Hemisphere—supported by mobile units when needed. A visual overview of both sites is provided below to illustrate their geographic positioning and operational scope.

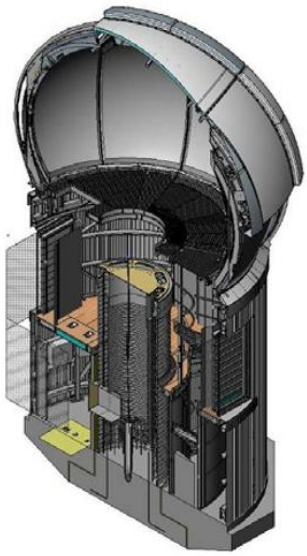
Figure 6: EOS Space Technologies

Observatory Platforms: Tempest and Typhoon

EOS operates a series of optical and laser tracking stations designed for continuous monitoring of space objects in low Earth orbit (LEO), medium Earth orbit (MEO), geostationary orbit (GEO), and cis-lunar space. These systems are optimised for autonomous operation and are engineered to perform reliably under diverse environmental conditions.

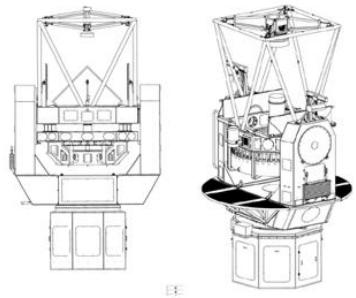
The infrastructure supports persistent object tracking, orbital behaviour analysis, and predictive modelling, offering real-time data streams and analytic outputs. EOS's SSA capabilities are intended to be export-compatible and are currently used in collaboration with international agencies and defence partners.

Figure 7: EOS observatory infrastructure

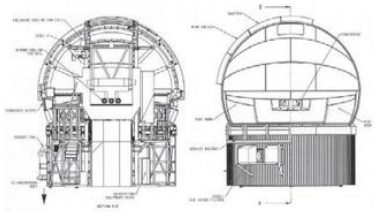


Tempest observatory system with standard EOS design and supply options.

Typhoon observatory system is fully enclosed.



2 Metre Class can be used for apertures from 1.8m to 2.4m



Dome Schematic showing the three floors.

EOS' observatory infrastructure includes advanced tracking domes (Tempest, Typhoon), high-precision 2-metre-class telescopes, and vibration-isolated sensor mounts. These systems support autonomous and secure space domain awareness (SSA) operations across all orbital regimes. Designed and manufactured outside of US export jurisdictions, they offer flexibility for deployment in a range of international environments.

EOS observatory systems are designed for flexible deployment and robust performance across a range of environmental conditions. The Tempest system is a mobile, compact tracking unit suitable for rapid field deployment and multi-sensor integration. The Typhoon dome serves as a hardened, fixed-site observatory engineered to house high-value optics in remote or high-wind environments.

Both platforms feature internal climate control, adaptive optics, and on-board data processing systems. Each is built around a large-aperture telescope — typically between 1.8 and 2.4 metres — capable of high-resolution optical and laser tracking of space objects.

EOS's observatory infrastructure supports continuous monitoring of a growing catalogue of orbital objects. These systems are capable of detecting unplanned manoeuvres, orbital drift, and other patterns that may indicate mission-relevant anomalies or changes in satellite behaviour. They are operated autonomously and contribute to real-time space domain awareness for government and commercial partners.

SSA Software and Operational Services

In addition to its sensor infrastructure, EOS provides a software-driven suite of space domain awareness (SSA) capabilities. These tools support real-time monitoring, orbital modelling, and autonomous sensor tasking. Defence and civil customers can access features such as satellite characterisation, overpass prediction, and time-to-event calculations through a secure data interface.

EOS's SSA platform is designed to help customers move beyond passive observation, enabling a more responsive and informed orbital awareness posture based on independently acquired data.

In-House Optical Manufacturing by KiwiStar

EOS's optical manufacturing capabilities are delivered through its New Zealand-based subsidiary, KiwiStar Optics. The company designs and produces high-precision mirrors, telescope assemblies, and custom lens systems for both defence and scientific applications.

KiwiStar components have supported international programs, including collaborations with NASA and the European Southern Observatory. The ability to design and manufacture optics internally supports EOS's development flexibility, mission-specific system integration, and export-focused delivery timelines—while reducing reliance on external supply chains.

Strategic Role and Market Positioning

EOS's SSA offering reflects the growing demand for sovereign orbital intelligence capabilities. Its systems are designed to support national defence autonomy while remaining interoperable with multilateral frameworks such as NATO, the Five Eyes alliance, and other trusted strategic partners across Europe and the Indo-Pacific.

As interest in SSA continues to grow globally, EOS is positioned to contribute through deployable observatory infrastructure, software-based analytics, and its sustained investment in high-precision optical technologies.

What is the total market opportunity?

Strategic Context: Demand Shift in Global Defence

The global defence sector is entering a phase of structural realignment. Defence strategies are evolving from static, platform-centric models toward more flexible, software-enabled, and export-conscious systems. This transformation is shaped by rising asymmetric threats, the proliferation of unmanned aerial systems, and the strategic importance of space as an operational domain.

EOS's Space Domain Awareness (SSA) capabilities address the increasing demand for sovereign orbital intelligence. Its systems are built to enhance national defence autonomy while ensuring interoperability with allied frameworks such as NATO, the Five Eyes network, and other trusted defence partners, including those in Europe, the Indo-Pacific, and the Middle East (e.g., the UAE).

Procurement frameworks are shifting accordingly, with growing emphasis on:

- Interoperable, C2-integrated weapon systems
- Digitally enabled counter-drone solutions
- Directed energy technologies for layered defence
- SSA and tasking capabilities
- Supply chain control and ITAR-resilient platforms

EOS operates at the centre of this strategic transformation, delivering deployable and export-ready solutions across land, counter-UAS, and space domain applications.

EOS Focus Segments

EOS targets four high-growth domains aligned with these evolving requirements:

- Remote Weapon Systems (RWS): The company's RWS family (R150 to R800) is deployed or under evaluation in NATO-aligned programs. Demand for stabilised, platform-agnostic weapon stations is being driven by vehicle modernisation and unmanned integration. EOS's systems support day/night targeting, missile loadouts, and digital control interfaces, and are active in programs such as Australia's Land 400 Phase 3 and export bids in Europe and the Middle East.

- Counter-UAS (CUAS): Small drones have become a core threat in modern theatres. In response, kinetic CUAS capabilities are being prioritised by defence forces. EOS's Slinger system has demonstrated live-fire effectiveness against Group 1–3 UAVs and has been trialled by partners in North America, Europe, and the Indo-Pacific. Its low logistical burden and compatibility with mobile, static, and containerised configurations make it suitable for layered short-range air defence (SHORAD) systems.

- Directed Energy Systems (HELW): EOS is progressing toward field deployment of high energy laser systems. With output classes between 20 and 100 kW, the company's HELW technology addresses both non-lethal and destructive roles. Developed at the Laser Innovation Centre in Singapore, the platform is designed for mobility and flexible export. While commercial deployment is pending, ongoing customer demonstrations and contract negotiations position HELW as a mid-term revenue driver.

- Space Situational Awareness (SSA): EOS provides sovereign, ground-based SSA systems comprising tracking telescopes, laser ranging infrastructure, and analytics software. These capabilities are critical for monitoring satellite trajectories, predicting orbital conjunctions, and safeguarding vital space assets. Early commercial traction includes contracts with the Australian Defence Force and the U.S. National Oceanic and Atmospheric Administration (NOAA). Through its optics subsidiary, KiwiStar, EOS maintains an internal supply of space-grade mirrors and lenses, supporting export reliability and accelerating system development.

Execution Catalysts (CY2025–2026)

EOS is entering a phase of execution, with several strategic contracts, milestones, and industrial initiatives expected to support its growth trajectory. Key short-to-mid-term drivers include:

- Finalisation of two directed energy (HELW) contracts currently in advanced negotiations (combined value: A$150–200 million)
- Potential conversion of A$181 million in conditional Ukrainian CUAS contracts—either directly or via European donor funding
- Decision on Australia's Land 400 Phase 3 RWS program (approx. A$90 million scope), with deliveries expected from 2026
- Award of initial contracts for the R500 next-generation RWS following its unveiling at IDEX 2025; operational deployment targeted from 2026
- Ongoing demonstration-linked Slinger CUAS deployments in Europe and potential donation-driven orders for Ukraine
- Growth in space systems revenue through collaboration with Five Eyes nations and allied governments across Europe and the Indo-Pacific
- Localisation and co-production agreements with OEM partners in the UAE, South Korea, and Eastern Europe

Market Positioning

EOS is well aligned with the current and future trajectory of defence procurement. Its core differentiators — sovereign production, export-oriented design, platform adaptability, and software-enabled control systems — resonate strongly with allied customers seeking long-term capability without regulatory complexity.

Unlike many peers focused on development-stage concepts, EOS offers deployable systems across multiple domains. With a clean balance sheet, expanding international footprint, and ongoing validation through trials and early contracts, the company is transitioning from niche supplier to mid-tier capability provider — able to scale into programs of record.

Contracts, Demonstrations & Pipeline

Rebuilding Commercial Traction

Following a multi-year reset, EOS is now progressing with a more focused commercial strategy and a growing portfolio of export and domestic engagements. In calendar year 2024, the company recorded A$176.6 million in revenue from continuing operations — up 9% year-on-year — supported by increased deliveries across its Remote Weapon Systems (RWS), counter-drone platforms, and space-based tracking solutions.

As of December 2024, EOS had secured an unconditional order backlog of A$135.6 million. In addition, the company held A$181.0 million in conditional contracts, primarily related to counter-UAS (CUAS) deployments for Ukraine, pending regulatory approvals and funding confirmation. These contracts represent a significant conversion opportunity for the second half of 2025.

EOS reaffirmed its outlook for positive EBITDA in CY27 and reported a cash balance of A$103 million, providing headroom for continued execution. The result reflects the timing of milestone-based deliveries and ongoing progress across key programs.

Key Contracts Secured in 2024–2025

EOS recorded significant contract wins across multiple segments and regions, highlighting the company's growing relevance in global defence markets:

- Germany (Diehl Defence): A €9 million (~A$15 million) contract announced in January 2024 for the supply of "Slinger" counter-drone systems—EOS's first formal entry into the European layered air defence ecosystem.

- Thales Australia: Follow-on Remote Weapon System (RWS) orders valued at A$19.3 million for integration into domestic vehicle programs, reinforcing EOS's position as a sovereign-capable defence supplier supporting Australian industry.

- European Export Customers: Containerised RWS orders worth A$34 million, including systems for NATO-aligned base protection, were secured in late 2024 and are being delivered through 2025.

- United States Government: Orders for the R400 and R150 gimbal systems (combined A$13.5 million) for integration into VAMPIRE and other counter-drone platforms. EOS systems have been actively deployed in Ukraine via donor programs from Australia, the Netherlands, Germany, and the U.S..

- European Naval Market: In May 2025, EOS signed a €31 million (~A$53 million) contract with a European naval systems integrator for the supply of Slinger systems. This is the company's largest naval-focused order to date, with deliveries scheduled across 2025 and 2026

Demonstrations & Procurement Alignment

Live operational demonstrations remain a core part of EOS's commercial approach. While not directly predictive of contract awards, they serve to validate performance and accelerate evaluation cycles.

Key programs in 2024 included:

- Project Convergence (US): Live-fire trials of Slinger and R600 platforms focused on counter-drone response speed and autonomous targeting.

- Red Sands (Middle East): Joint US–Saudi exercises featuring integrated CUAS and HELW systems under live-fire conditions.

- Stryker Integration Demo: R600 tested on US Army Stryker vehicle in partnership with Leonardo DRS.

- ADF Remote Integration Trials: Performance testing of RWS systems within Australia's Remote Operations Centre (RICO) environment.

These trials are designed to inform procurement decisions and system evaluations, with multiple demos transitioning into formal tender participation.

Building the CY25 Pipeline

EOS maintains an active pipeline of funded and conditional opportunities across NATO, MENA, Southeast Asia, and Australia. Key near-term developments include:

- Ukraine/Donor Country Conditional Contracts: A$181 million in CUAS orders progressing through regulatory processes and funding pathways, with conversion potential in 2025.

- NATO-Aligned Tenders: Ongoing CUAS and HELW evaluation processes in multiple jurisdictions, supported by EOS's participation in coalition exercises.

- Space Systems: Negotiations with Five Eyes-aligned agencies for ground-based orbital tracking and SSA infrastructure.

- Australian Robotics and RWS Programs: R500 and Slinger positioned for integration into future autonomous and manned vehicle programs.

EOS expects a material portion of its 2025 revenue to be weighted toward the second half, consistent with the timing of expected contract conversions and tender outcomes.

Outlook

EOS enters the remainder of CY25 with a healthy balance sheet, an established order base, and several maturing pipeline opportunities. While timing risks remain a feature of defence contracting, the combination of secured backlog, progressing demonstrations, and multi-region procurement engagement offers a clear roadmap for revenue growth.

Execution in the second half of the year — particularly across CUAS contract delivery, initial R500 contract awards, and prospective HELW agreements — will be key to sustaining commercial momentum and demonstrating EOS's ability to scale operational output across core business lines.

EOS's Competitive Landscape

EOS operates in a dynamic defence market driven by unconventional conflict scenarios, autonomous platforms, and rising demand for modular, export-ready systems. To assess EOS's competitive positioning, it is helpful to benchmark against select peers active in similar domains — including remote weapon systems (RWS), counter-UAS (CUAS), electro-optical (EO/IR) sensors, and fire control platforms.

Below is a curated set of comparable companies with overlapping technologies or market focus:

DroneShield Ltd (ASX: DRO)

DroneShield is an Australian defence technology company specialising in counter-UAS (CUAS) and electronic warfare systems. Its product suite includes modular RF sensors, AI-based detection tools, and integrated command interfaces, deployed across both mobile and fixed platforms.

- Overlap with EOS: Direct competition in the CUAS domain. While DroneShield focuses primarily on soft-kill and electronic disruption, EOS offers hard-kill solutions (e.g., Slinger) and kinetic integration with fire control systems.

- Export Orientation: Over 70% of revenue generated internationally, with a presence in the US, Europe, and Middle East.

- Market Positioning: An agile CUAS specialist with complementary technologies. As both firms scale, overlap is expected to increase — particularly in defence exports and NATO-aligned procurement.

Elbit Systems Ltd (NASDAQ: ESLT)

Headquartered in Israel, Elbit is a diversified global defence contractor with offerings across RCWS, UAVs, EO/IR systems, C4ISR, and full mission integration.

- Overlap with EOS: Competitor in RWS, fire control, and EO/IR systems — particularly in Asia-Pacific and Middle Eastern markets.

- Export Orientation: More than 70% of revenue is export-driven.

- Market Positioning: A global systems integrator with a broad product base. While much larger in scale, Elbit and EOS often intersect in modular battlefield technologies and export-driven tenders.

Leonardo S.p.A. (BIT: LDO)

Leonardo is a European aerospace and defence firm producing RWS (Hitrole), EO fire control systems, and C2 solutions for land and naval environments.

- Overlap with EOS: Competes directly in RWS and command integration platforms. The Hitrole series serves similar mission profiles as EOS's R150 and Titan offerings.
- Export Orientation: High – active in over 80 countries.
- Market Positioning: A mid-sized European integrator with expanding cyber and systems offerings. EOS competes on agility, cost-efficiency, and integration flexibility.

Thales Group (EPA: HO)

Thales is a multinational defence supplier with strength in EO/IR sensors, C4ISR, and secure communications.

- Overlap with EOS: Moderate — particularly in sensor systems, CUAS components, and battlefield command software.
- Export Orientation: Extensive global presence, serving more than 50 countries.
- Market Positioning: A large-scale systems player. EOS's opportunity lies in specific tenders where smaller, modular, export-friendly solutions are favoured.

Kongsberg Gruppen ASA (OSL: KOG)

Kongsberg is a global leader in RWS, best known for its Protector series, and also active in C4I, strike systems, and naval defence.

- Overlap with EOS: High in RWS — particularly in export markets for light and medium vehicle integration.
- Export Orientation: Over 60% of defence revenue from exports.
- Market Positioning: Market leader in remote weapon systems. EOS positions itself as a flexible and lower-cost alternative in targeted export programs, especially in lightweight and unmanned configurations.

While EOS operates at a smaller scale than most listed defence primes, its focus on export-aligned, modular systems gives it clear differentiation — particularly in CUAS and RWS segments. Its ability to integrate kinetic and EO/IR capabilities in lightweight architectures provides a credible alternative to more established firms in selective tenders.

Strategic Partnerships and Contractual Positioning

The competitive success of a defence technology firm is shaped not only by product capability, but also by how effectively those technologies are embedded into long-term procurement frameworks. EOS operates in a space between institutionalised primes and agile tech firms — combining product-level innovation with growing integration capability in RWS, CUAS, and space systems.

Contract Models: Agile Export vs Institutional Frameworks

While large defence integrators like Leonardo, Thales, and Elbit Systems are often embedded in multi-decade, government-backed programs, firms like EOS and DroneShield typically engage through shorter-cycle, export-driven contracts.

- Traditional Primes (e.g., Leonardo, Thales) operate within long-cycle procurement environments, where contracts include development, sustainment, and lifecycle support. These are structured with complex offset terms, political alignment, and often benefit from influence over national procurement strategies.

- Agile Players like EOS and DroneShield focus on modular systems, typically delivered via direct export agreements, discretionary government orders, or limited-term frameworks. This model enables faster deployment, lower integration risk, and quicker procurement in regions prioritising speed and flexibility.

EOS's recent contracts in the Middle East and Europe, and DroneShield's soft-kill CUAS programs in NATO countries, exemplify this more tactical, response-driven procurement track. While it offers less long-term visibility than institutional contracts, it aligns well with the company's product and go-to-market model.

Government Alignment and Sovereign Participation

EOS is not yet deeply institutionalised in national defence architectures like some larger peers, but is building momentum in sovereign-aligned programs. This includes:

- Participation in Australia's Land 400 Phase 3 vehicle program

- RWS and robotics demonstrations with the Australian Defence Force (ADF)

- Collaborative activities with Indo-Pacific primes

Firms like Thales and Leonardo benefit from being embedded within state-funded modernisation plans, with direct involvement in roadmap planning and defence industrial base policy. EOS is moving in this direction by aligning with sovereign capability goals — especially as supply chain diversification and allied sourcing become priorities in Five Eyes and NATO procurement.

Export Strategy and Localisation

EOS is steadily expanding its export base, particularly in the Middle East and Southeast Asia, where modular, rapidly deployable systems are in demand. While larger firms such as Elbit Systems and Kongsberg have long-established international frameworks — often supported by license production and localised assembly — EOS is at an earlier stage of building structured partnerships and in-country support models.

The company's flexibility and lower integration burden have helped secure traction in markets where quick adaptation, system modularity, and platform compatibility outweigh multi-decade entrenchment.

Strategic Collaborations and Vertical Integration

EOS increasingly acts as a flexible subsystem provider to larger defence integrators. It has collaborated on optical payloads, satellite sensors, and remote weapon system upgrades — often through partnerships that reduce risk for end customers and primes alike.

By contrast, firms like Leonardo and Thales benefit from vertical integration and deeper entrenchment in defence ecosystems, which provide both contractual stability and influence over capability development.

To scale further, EOS will likely need to deepen regional manufacturing relationships, pursue lifecycle service models, and align more closely with sovereign industrial strategies. Initial steps in this direction are evident — particularly through

collaboration with primes in Australia and Europe — but a broader framework for embedded participation is still evolving.

Table 3: Competitive Contract Landscape in Defence Markets

Company	Contract Type	Sovereign Integration	Export Share	Strategic Partners	Platform Role
Electric Optic Systems (ASX:EOS)	Modular export contracts, short-mid term	Moderate (growing with AUS policy)	High & increasing	Thales, Hanwha, regional integrators	Subsystem provider
Droneshield (ASX:DRO)	Long-cycle govt. contracts	Deep US integration	Moderate	Govt-only, large primes	Prime contractor
Leonardo S.p.A. (BIT: LDO)	Platform-centric, JV and G2G deals	German defence pillar, high political support	High	Leonardo JV, Anduril, NATO partners	Platform and subsystem builder
Elbit Systems (NASDAQ: ESLT)	Export-led, with license and offset deals	Israeli MoD-aligned, global reach	Very High	Local industry, NATO buyers	Subsystem integrator
Thales Group (EPA: HO)	Export frameworks, lifecycle support	Norwegian gov-backed, NATO-aligned	High	US Army, European OEMs	RWS leader, subsystem focus
Kongsberg Gruppen (OSL: KOG)	Short-cycle export and tactical programs	Low sovereign integration	Very High	ADF, U.S. integrators	Specialist module provider

Financial Performance Comparison

A review of EOS alongside global and regional defence peers—including DroneShield, Leonardo, Elbit Systems, Thales, and Kongsberg—reveals marked differences in scale, cost structure, capital efficiency, and financial strategy. These metrics are key to evaluating EOS's trajectory within a competitive landscape dominated by much larger, often less agile defence contractors.

All figures have been normalised to Australian dollars (AUD) as of May 2025, using the following exchange rates:

- USD → AUD: 1.59
- EUR → AUD: 1.66
- NOK → AUD: 0.15

This standardisation enables a consistent comparison across the peer group.

Revenue Development in Strategic Context

With A$259 million in CY2024 revenue, EOS ranks near the lower end of its peer group in absolute terms. However, despite its relatively modest scale, the company demonstrates a high degree of operational sophistication and technological capability. It is among the few companies at this size to have fielded a kinetic CUAS system, tested a high-energy laser prototype, and delivered modular, export-ready RWS platforms under real-world conditions.

This is particularly notable in comparison to DroneShield. Despite having a market cap more than five times larger (A$1.07 billion vs A$315 million), DroneShield reported only A$57.5 million in revenue—less than a third of EOS's. While DroneShield focuses on RF-based drone detection and soft-kill disruption, EOS offers a broader solution stack combining kinetic, optical, and emerging directed energy systems.

At a global level, larger peers such as Thales (A$91 billion), Leonardo (A$52 billion), Kongsberg Gruppen (A$45.9 billion), and Elbit Systems (A$28.4 billion) benefit from long-standing integration into sovereign defence ecosystems and established

legacy platforms. EOS pursues a differentiated strategy—focusing on modularity, cost-effectiveness, and export agility tailored to rapidly evolving, asymmetric conflict environments.

While traditional primes often require multi-year procurement cycles, EOS has shown the ability to deliver solutions in shorter windows—serving governments that prioritise responsiveness, cost-efficiency, and operational autonomy. Unlike many RWS peers focused on heavy, vehicle-bound systems, EOS's platforms are chassis-agnostic and optimised for deployment across a broader range of tactical settings.

Net Profitability and Operating Leverage

In CY2024, EOS reported a net loss of A$18.7 million—reflecting continued investment in demonstrations, inventory, and delivery readiness. While still negative, the result marks a material improvement and reflects an underlying shift toward commercialisation.

DroneShield, by comparison, reported a loss before ITB[2] of A$6.8 million on A$57.5 million in revenue, supported by equity raisings totalling A$235 million. Its operating expenses reached A$39.2 million—roughly 68% of revenue—while total cash burn for the year amounted to A$62.2 million. EOS, with A$176.6 million in operational revenue, maintained opex at A$95 million (53.8%)—a more disciplined cost base despite operating at over three times the scale.

Larger peers such as Leonardo (A$953 million net profit), Thales (A$2.32 billion), Elbit (A$603 million), and Kongsberg (A$756 million) benefit from stable, multi-year defence programs and embedded positions in national defence ecosystems. These structures provide consistent order flow, long-term customer relationships, and reduced revenue volatility—advantages not yet available to smaller peers like EOS.

EOS's current loss should not be seen as structural. Rather, it reflects its growth stage and investment into real systems. Its losses are linked to execution—not concept-stage risk or lack of demand.

P/B Ratio and EV/Revenue-Multiple

As of May 2025, EOS trades at a P/B ratio of 1.4—just above the book value of its assets. This conservative valuation implies a gap between operational performance and investor sentiment. The company holds A$157 million in cash, no debt, and a backlog of more than A$300 million across RWS, CUAS, and SSA categories.

DroneShield trades at a P/B of 3.4, despite lower revenue. Leonardo (3.5), Elbit (5.2), Thales (7.3), and Kongsberg (1.5) trade at higher multiples due to institutional scale and sovereign embedment—but also operate with legacy burdens and slower innovation cycles.

EOS, with a lean structure and shorter delivery cycles, offers exposure to faster-growth defence segments. Its valuation does not yet reflect its execution pipeline or field readiness.

In a peer comparison, EOS trades at a low EV/Revenue multiple of 1.46x, placing it well below the sector average. This is particularly notable when compared to DroneShield's 7.94x, despite EOS generating nearly 4.5 times higher revenue.

Relative to international peers such as Leonardo (1.03x), Elbit Systems (1.87x), and Thales (1.53x), EOS is positioned at the lower end of the valuation spectrum,

[2] Income Tax Benefit

suggesting a potential valuation discount despite operating at a comparable revenue scale.

This multiple, alongside a relatively low P/B ratio of 1.19x, reflects subdued market expectations, but may offer upside potential if operational improvements or revenue growth materialize.

Liquidity and Operational Discipline

EOS exited Q1 2025 with A$103.1 million in unrestricted cash and A$53.8 million in restricted cash, following the EM Solutions divestment and repayment of A$61.1 million in debt. It now operates entirely debt-free, with available liquidity of A$156.9 million.

Cash outflows in Q1 (A$26.8 million) were front-loaded, driven by procurement and mobilisation. However, EOS expects conversion and revenue recognition to ramp up significantly in H2. A material portion of the A$53.8 million in restricted cash is expected to be released in the second half of the year, primarily linked to the close-out of a major Middle Eastern contract. The company's liquidity runway of 11.5 months (based on unrestricted cash) provides room for continued execution.

EOS's inventory equals 30.6% of annual revenue—compared to DroneShield's 116%. This supports readiness without tying up excess capital.

EOS is financially stable, commercially active, and operationally lean. It continues to transition from technology demonstration to scalable delivery—balancing capital discipline with execution growth. The current valuation does not yet reflect that momentum. As contract conversions accelerate and gross margins improve, the company may emerge as one of the more resilient, export-driven defence technology providers at its scale.

Table 4: Financial comparison

Company	MCap (m)	Inventories (m)	NPAT (m)	Revenue (m)	P/B ratio	OPEX (m)	R&D Expenses (m)	Quick Ratio	Cash Burn (m p.a.)	Cash Runway (months)	EV/Revenue
Electric Optic Systems (ASX: EOS)	315	54.1	-18.73	258.7	1.4	-112.17	-4.02	1.74	-30.4	11.5	1.46
Droneshield (ASX: DRO)	1,070	66.8	-6.79[3]	57.53	3.43	-117.1	-7.44	5.67	-62.2	33	7.94
Leonardo S.p.A. (BIT: LDO)	51,960	628	374	5,674	3.5	-755.3	-500	1.11	positive	n/a	1.03
Elbit Systems (NASDAQ: ESLT)	28,352	2,359	321	6,828	5.24	-1,879.9	-474	0.52	positive	n/a	1.87
Thales Group (EPA: HO)	91,016	8,093	2,328	33,745	7.34	-5,906.5	-1,857	0.5	positive	n/a	1.53
Kongsberg Gruppen (OSL: KOG)	45,940	1,087	686.4	81,130.7	1.49	-40,924.6	-498.4	1.21	positive	n/a	4.42

Figures represent trailing twelve months (TTM) performance. Market data is as of 28/05/2025. All values are in AUD millions unless otherwise stated.

Strategic Positioning and Investment Outlook

EOS occupies a distinct position in the evolving defence landscape — bridging the gap between early-stage agility and the delivery capabilities of mid-tier industrial firms. Its portfolio spans modular remote weapon systems (RWS), kinetic counter-

[3] Loss Before Income Tax Benefit

UAS platforms, and high-energy laser demonstrators, each aligned to the growing operational focus on mobility, interoperability, and cost-effective lethality.

What sets EOS apart is not only its product scope, but the way it is structured to deliver. The company is lean, export-oriented, and operates without financial leverage. It holds over A$100 million in cash, maintains control over key elements of its supply chain, and supports customers across ground, aerial, and space-based mission domains. Unlike many small-cap defence peers still in pre-revenue or prototype phases, EOS has qualified systems, delivered platforms, and active customer deployments underway.

Despite this operational maturity, EOS remains significantly undervalued by traditional market measures. Its price-to-book ratio of 1.19 reflects little premium over net asset value — a stark contrast to peers such as DroneShield (3.5x), Leonardo (3.4x), Elbit Systems (5.5x), and Kongsberg Gruppen (5.6x). Yet EOS's systems are already in service or in late-stage evaluation, and its financial profile is free of debt, supported by a de-risked balance sheet and growing commercial traction.

Strategically, EOS is also well-positioned relative to its peer group:

- Compared to DroneShield, EOS provides a broader solution stack that includes hard-kill effectors and integrated fire-control systems—while maintaining export-ready architecture and manufacturing capabilities.

- Compared to larger primes such as Leonardo, Elbit, or Thales, EOS benefits from faster development cycles and lower capital intensity — enabling responsiveness in fast-moving procurement environments.

- EOS is not dependent on domestic industrial policy or long-cycle national programs, giving it greater flexibility to serve non-aligned or mid-tier nations where procurement cycles are shorter and agility is valued.

The company's advantage lies in its ability to offer fieldable systems — not just design concepts — that meet today's operational realities. Its modularity enables integration into both NATO-standard and hybrid defence ecosystems, while its production model supports delivery without extensive infrastructure or offset requirements. This makes EOS a relevant partner for governments seeking practical solutions to asymmetric threats, drone proliferation, and tactical mobility challenges.

With more than A$350 million in contracted and conditional pipeline — including over A$180 million related to drone-defence solutions in Ukraine — the focus now turns to execution. Key contracts are already in late-stage negotiation or awaiting final funding, and their conversion will define the revenue ramp and market perception over the next 12–24 months.

EOS's challenge is not building credibility — it already has fielded systems, established partnerships, and operational demonstrations. The challenge is scale: moving from a project-by-project supplier to a recognised mid-tier provider with repeatable delivery capability.

If the company succeeds in this transition, the current market valuation may prove temporary. As defence procurement increasingly rewards modularity, export agility, and speed to deployment, EOS's structure — unencumbered, interoperable, and field-ready — may prove to be its most durable advantage.

Financial Analysis and Valuation

Strategic Execution on a Reset Platform

EOS's valuation reflects the company's transition from a capital-constrained systems developer into a debt-free, execution-ready prime contractor, structurally positioned

to scale in defence and space programs. The combination of accelerating revenue, improving operating leverage, and exposure to long-cycle programs across CUAS, directed energy, RWS, and SSA underpins a credible multi-year value creation outlook.

Balance Sheet and Capital Allocation

A cornerstone of EOS's transformation was the divestment of EM Solutions in January 2025 for A$158.6 million, enabling the complete repayment of all secured borrowings. The company now holds over A$100 million in unrestricted cash, with no secured or unsecured debt, and an additional A$53.8 million in restricted cash allocated to performance bonds. A significant portion of this restricted balance is expected to be released in the second half of 2025, primarily linked to the close-out of a major Middle Eastern contract.

This capital position eliminates refinancing risk and interest burden, and provides EOS with self-financing capacity for working capital and delivery infrastructure. No further equity is assumed in the model, and the business is expected to remain cash self-sufficient from CY2025 onward.

DCF Model

The valuation is anchored in a conservative, contract-backed revenue build-up across EOS's two divisions: Defence Systems and Space Systems.

Defence Systems

Defence remains EOS's core business, contributing over 85% of group revenue in CY2024. While the A$181 million in Ukraine-related conditional contracts largely impacted CY23–24, future growth is driven by a new set of contracts and product rollouts. Revenue projections for these programs incorporate a probability-weighted model based on EOS's internal contract maturity framework. Opportunities under advanced negotiation are assumed at a 75% realisation probability, provided customer evaluation exceeds 40%. Preliminary opportunities are weighted at 20%, while early-stage or emerging engagements are included at 10%, reflecting interest without formal qualification.

Key drivers include:

- Commercialisation of HELW: EOS is engaged in advanced discussions with international defence customers regarding high-energy laser opportunities, with a combined potential contract value of A$100–200 million. Successful conclusion would mark a key milestone toward operational adoption, with potential revenue impact from 2025 onward.

- R800 traction in North America: A A$30M contract decision is expected in H2 2025; if awarded, this would mark the platform's first commercial adoption.

- Land 400 Phase 3 program: A A$90M+ tender decision is anticipated in 2026, with deliveries likely to follow into 2027.

- Record Slinger naval contract: In May 2025, EOS secured a €31 million (~A$53 million) order from a European naval integrator—its largest-ever naval RWS deal—supporting deployment of cannon-equipped counter-drone systems through 2026.

- New export contracts: EOS is expanding its RWS and CUAS presence in Southeast Asia, Europe, and the Middle East, supported by production capabilities and system designs intended to minimise export restrictions.

- Product mix: Volume deliveries assumed across R150/R400 (A$200k–600k), Slinger (~A$800k), and R800 (~A$1.2M) platforms.

Space Systems

While currently contributing less than 15% of revenue, the division is positioned to scale steadily:

- Active space domain awareness contracts with the Australian Defence Force (e.g. a A$9 million project), as well as ongoing projects with the United States National Oceanic and Atmospheric Administration, which is responsible for civilian space and atmospheric monitoring.

- Growing demand for space domain awareness and laser ranging capabilities

Financial Forecast Summary

The financial forecast for EOS from CY2025 to CY2030 is built on a combined foundation of market-driven topline modelling, contract visibility, and improving operational leverage. Following the divestment of EM Solutions in early 2025, the company's financial base has been reset to focus exclusively on its core Defence and Space Systems divisions.

Revenue is projected to grow from A$164.5 million in CY2025 to A$497.8 million by CY2030, driven by EOS's expanding role in three strategically important verticals: Counter-UAS, Directed Energy Weapons, and Space Situational Awareness. This growth reflects not only market expansion, but also several key structural drivers: increasing total addressable market size across all three verticals; EOS's position as a trusted and credible supplier to sovereign customers; high levels of revenue retention from repeat contracts; and steady conversion of conditional orders into deliverables.

In parallel, rising defence budgets in core markets—particularly Australia, Europe, and the Indo-Pacific—provide a favourable macro environment for long-cycle procurement programs.

EOS's assumed market share increases modestly over the forecast period:

- Counter-UAS: from 1.56% to 1.66%

- Directed Energy Weapons: from 0.45% to 0.7%

- Space Situational Awareness: from 0.56% to 1.23%

These assumptions reflect a conservative yet credible growth trajectory, supported by a growing installed base, maturing product platforms, and alignment with sovereign procurement priorities. Innovation-led development—including compact laser systems, AI-enabled fire control, and domestically developed orbital tracking software—offers additional upside beyond the baseline scenario.

As of March 2025, EOS maintains a contract pipeline valued at A$316.6 million, comprising A$135.6 million in firm orders and A$181.0 million in conditional contracts, many of which are expected to convert in the second half of CY2025. EOS's contracts are primarily awarded through direct government tenders, sovereign acquisition programs, and strategic bilateral partnerships—underscoring its role as a trusted prime contractor for mission-critical defence and space systems. This robust pipeline, combined with disciplined conversion probability assumptions, underpins the top-down revenue forecast.

The derived revenue profile is layered over a credible cost structure. Gross margins are forecast to remain between 45% and 50%, benefitting from the scaling of software-enabled systems such as laser targeting and space tracking. Cost of sales scale proportionally with revenue, while operating expenses remain tightly controlled, increasing only modestly from A$95 million in CY2025 to A$142 million by CY2030.

Table 5: Revenue Forecast

Market	CY25	CY26	CY27	CY28	CY29	CY30
Counter-UAS	4,420.00	5,440.00	6,800.00	8,500.00	10,626.00	13,278.00
EOS Market Share	1.56%	1.56%	1.59%	1.60%	1.64%	1.66%
Revenue	68.95	84.86	108.12	136.00	174.27	220.41
Directed Energy Weapons (DEW)	16,150.00	18,360.00	20,740.00	23,460.00	26,503.00	29,997.00
EOS Market Share	0.45%	0.53%	0.64%	0.66%	0.67%	0.70%
Revenue	72.68	97.31	132.74	154.84	177.57	209.98
Space Situational Awareness (SSA)	4,080.00	4,420.00	4,675.00	4,930.00	5,197.00	5,478.00
EOS Market Share	0.56%	0.90%	1.14%	1.19%	1.22%	1.23%
Revenue	22.85	39.78	53.30	58.67	63.40	67.38
Total Revenue	**164.48**	**221.95**	**294.15**	**349.50**	**415.24**	**497.77**

Market size forecasts (2025–2030) based on the average of three sources per segment. Sources: GMI, MarketsandMarkets, Polaris (C-UAS); MarketsandMarkets, Research and Markets, Mordor (DEW); Coherent, Allied, GMI (SSA). Figures in AUD at 1 USD = 1.70.

As per forecast, EOS is perceived to report negative EBITDA of –A$21 million in CY2025, reflecting transitional revenue softness and the absorption of fixed costs as the business shifts from reset to execution. This year represents the trough in earnings performance: from CY2026 onward, EBITDA turns positive at A$10 million and scales meaningfully to reach A$140 million by CY2030.

This recovery is mirrored in EBIT, which breaks even in CY2026 and expands to A$125 million by the end of the forecast horizon. The improvement is driven by increasing contract conversions, a favourable product mix (HELW, RWS, SSA), and strong gross margin retention across scalable software-enabled systems.

The company's capital structure has materially strengthened following the full repayment of secured debt in early 2025, funded through the EM Solutions divestment. As a result, finance costs decline sharply — from A$35.6 million in CY2023 to just A$2 million in CY2025, and are forecast to stabilise at A$1 million annually from CY2028 onward.

With zero debt, over A$100 million in unrestricted cash, and no assumed equity issuance beyond the A$35 million raise in early 2024, EOS enters the growth phase with ample financial flexibility and no refinancing risk.

Net profit before tax (NPBT) turns positive in CY2027 and is followed by net profit after tax (NPAT) of A$33 million in the same year. By CY2030, NPAT is forecast to reach A$87.0 million, with a stable upward trajectory expected beyond the forecast period.

This transformation is underpinned not by speculative assumptions but by the structured execution of a visible and contract-backed revenue roadmap. With margin expansion, cost control, and increasing order conversion, EOS is positioned to deliver consistent earnings and free cash flow in the second half of the decade.

Valuation

This potential is captured in a comprehensive discounted cash flow (DCF) model, which reflects the company's reset cost base, conservative capital deployment, and

clear delivery visibility. The model applies a WACC of 9.93% and a terminal growth rate of 3.0%, consistent with EOS's alignment to sovereign defence programs and its exposure to structurally supported global defence spending. The terminal growth rate reflects anticipated long-term demand in counter-unmanned aerial systems (CUAS), high-energy laser weapons (HELW), and space systems—driven by allied nations seeking to strengthen their domestic industrial capabilities.

The model generates a present value of A$388 million and a terminal value of A$685 million. This supports an enterprise value (EV) of A$335 million. The resulting equity value is A$423 million, implying a target price of A$2.41 per share based on a fully diluted share count of 175.41 million.

Table 6: Valuation

EOS Valuation (A$M)	
Terminal Growth Rate	3%
Discount Rate	9.93%
Terminal Value (TV)	685.00
Present Value of TV	388.15
Enterprise Value	**335.06**
Net Debt	-87.91
Equity Value	**422.97**
Fully Diluted Shares	175.41
Implied (Target) Price	**$2.4114**

WACC	
Beta	1.11
Rf	4.10%
Re	10%
Rd	9%
E	314.51
D	62.19
1-T	70%
WACC	**9.93%**

This represents a material disconnect from the current trading range, suggesting that the equity market has not yet re-rated the company for its transformed balance sheet, improved program execution capacity, and embedded defence positioning.

Dilution and Valuation Sensitivity

The valuation assumes a fully diluted share count of 175.41 million, with no in-the-money options or additional equity issuance modelled. This reflects a conservative and realistic base-case dilution profile, with no further financing activity anticipated under current forecasts.

The model remains resilient under a range of terminal value and discount rate sensitivities. Even under a 3% terminal growth rate or 9.93% WACC, the equity valuation remains materially above current trading levels.

Table 7: Sensitivity Analysis

		WACC						
	2.41	8.5%	9.0%	9.5%	9.9%	10.0%	10.5%	11.0%
Terminal Growth	1.5%	2.55	2.33	2.14	1.99	1.97	1.82	1.69
	2.0%	2.74	2.49	2.28	2.11	2.09	1.93	1.78
	2.5%	2.96	2.68	2.43	2.25	2.22	2.04	1.88
	3.0%	3.23	2.90	2.62	**2.41**	2.38	2.18	2.00
	3.5%	3.54	3.15	2.83	2.60	2.56	2.33	2.13
	4.0%	3.93	3.47	3.08	2.81	2.77	2.50	2.28
	4.5%	4.42	3.84	3.39	3.06	3.02	2.71	2.45

Strategic Positioning and Execution Capacity

EOS is deeply integrated into multi-year defence priorities across the Indo-Pacific, NATO, and allied SSA environments. Its portfolio spans mission-critical CUAS platforms, qualified RWS systems, and high-precision space optics—all fields

characterised by high certification thresholds, long sales cycles, and elevated switching costs.

The company benefits from:

- A make-to-order business model with low working capital intensity,
- Embedded relationships with major defence ministries,
- In-house delivery readiness and IP.

Execution capacity is no longer a gating factor. EOS has realigned its supply chain, scaled production capability, and positioned itself to deliver high-throughput contracts without structural delays.

EOS enters the next phase of its evolution with a clean balance sheet, highly visible contract pipeline, and the operational maturity to convert backlog into free cash flow. The valuation gap between execution readiness and market pricing is significant.

The DCF-derived target price of A$2.41 per share reflects this upside potential—driven not by speculative optionality, but by contractual visibility, capital discipline, and expanding program delivery. As margin recovery accelerates and FCF turns positive, EOS is positioned for re-rating as a cash-generative, strategically aligned defence and space systems company.

Key risks and challenges

Operational Execution and Fulfilment Risk

As EOS moves from prototyping to full-scale execution, it must ramp production while ensuring system reliability and software certification across its multi-domain portfolio. Delays in procurement, assembly, or testing—especially on large MENA and Eastern European contracts—could affect timelines, raise costs, or delay milestone payments. While inventories (A$54.1 million) support near-term readiness, sustained fulfilment will test EOS's coordination across suppliers, integrators, and export channels.

Conditional Contract Dependence

As of January 2025, EOS holds A$135.6 million in firm orders and A$181 million in conditional awards. A significant share of near-term revenue depends on regulatory clearance, export licences, or funding approvals. Delays—particularly in Ukraine or Southeast Asia—may impact cash flow and planning, despite strong demand.

Technology Adoption and Market Maturity

While Slinger and RWS systems are operationally deployed, HELW remains in the demo phase. Broader adoption depends on doctrinal fit, procurement frameworks, and budgets—especially in NATO-aligned markets that still favour kinetic systems.

Supply Chain Exposure

EOS depends on critical subsystems—thermal optics, laser diodes, ruggedised electronics—from global suppliers. Disruptions in availability, export rules, or quality could delay fulfilment and increase working capital needs. Coordination across Australia, the US, Singapore, and partners adds complexity.

Liquidity and Capital Deployment

EOS ended CY24 with A$176 million in liquidity (A$128 million unrestricted), and no debt. With an implied burn of ~A$30.4 million and 11.5 months of runway, timely contract conversion is key. Delays may require tighter capital management or funding decisions—especially if multiple programs scale simultaneously.

Regulatory and Sovereign Risk

International sales are subject to export controls, end-use limits, and changing alliances. EOS's non-ITAR design and Australian base are advantages, but expansion into US and Indo-Pacific programs requires full compliance with allied standards (e.g., STANAGs, cybersecurity, AI weapons). Certification delays could impact contract eligibility.

Competitive Pressure

EOS competes with DroneShield and major primes (Elbit, Rheinmetall, Leonardo, Kongsberg), who benefit from scale, bundled offerings, and deep defence ties. Larger rivals may apply pricing pressure or bundle CUAS into platform bids, challenging EOS to maintain its edge in modularity, deployment speed, and cost-efficiency.

Organisational Scalability

With hubs in Australia, Singapore, the US, and UAE, EOS gains global reach but faces greater execution complexity. Scaling internal infrastructure—especially in program delivery and compliance—is essential. Weakness here could delay fulfilment or affect customer confidence.

Appendix

Financial Statements

Income Statement *A$'000s*	CY23a	CY24a	CY25e	CY26e	CY27e
Revenue	219.25	258.70	164.48	221.95	294.15
Cost of sales	-116.15	-130.31	-90.46	-110.98	-150.02
Gross Profit	**103.11**	**128.39**	**74.01**	**110.98**	**144.13**
Other Income	2.52	2.75	-	-	-
Foreign Exchange	0.89	12.04	-	-	-
Expenses	-98.74	-118.16	-95.00	-96.90	-101.75
EBITDA	6.88	12.98	-20.99	14.08	42.39
D&A	-12.38	-15.32	-10.31	-8.90	-7.82
EBIT	-5.50	-2.35	-31.30	5.17	34.57
Finance Costs	-35.58	-24.81	-2.00	-2.00	-2.00
NPBT	-41.09	-27.15	-33.30	3.17	32.57
Tax expense	6.09	-4.57	-	-	-
Underlying NPAT	-35.00	-31.72	-33.30	3.17	32.57
Reported NPAT	-35.00	-19.69	-33.30	3.17	32.57

Balance Sheet *A$'000s*	CY23a	CY24a	CY25e	CY26e	CY27e
Cash	71.00	41.08	34.32	8.31	14.92
Trade and Receivables	8.47	17.73	16.45	22.20	38.24
Security deposits	21.09	12.75	11.68	18.11	26.05
Contract asset	29.09	57.38	36.18	48.83	64.71
Other	89.78	175.97	140.78	143.59	152.21
Current assets	219.42	304.91	239.40	241.03	296.12
Contract asset	38.95	-	11.68	22.20	29.42
Security deposits	45.97	36.73	27.20	29.04	31.77
Right of use assets	19.78	15.02	15.72	12.26	9.56
Receivables	-	-	8.18	15.54	17.65
PPE	29.51	13.05	9.13	9.13	10.53
Intangible assets and Other	39.61	31.31	22.33	19.21	14.37
Non-current assets	173.81	96.11	94.24	107.38	113.31
Total assets	393.23	401.01	333.64	348.41	409.43
Trade and other payables	40.80	28.21	42.75	43.61	47.82
Contract liabilities	20.59	24.13	14.80	19.98	29.42
Provisions	25.77	19.04	18.08	17.18	16.32
Borrowings	8.46	35.40	-	-	-
Other	8.46	35.40	39.64	39.68	47.62
Current liabilities	115.50	154.71	115.28	120.44	141.18
Borrowings	44.95	-	-	-	-
Other liability	33.72	26.79	32.15	38.58	46.30
Non current liabilities	78.67	26.79	32.15	38.58	46.30
Total Liabilities	194.16	181.51	147.43	159.03	187.48
Net Assets	199.07	219.51	186.21	189.38	221.95
Contributed Equity	432.25	467.19	467.19	467.19	467.19
Accumulated Losses	-241.77	-260.51	-293.80	-290.63	-258.06
Reserves and Non-controlling int.	-241.77	12.82	12.82	12.82	12.82
Total equity	199.07	219.51	186.21	189.38	221.95

Statement of Cashflows *A$'000s*	CY23a	CY24a	CY25e	CY26e	CY27e
Net profit for period	-35.00	-31.72	-33.30	3.17	32.57
Depreciation & Amortisation	12.38	15.32	10.31	8.90	7.82
Changes in working capital	46.27	76.19	-19.31	22.47	27.75
Other	-124.43	-83.99	-67.19	-67.26	-68.60
Operating cash flow	-100.78	-24.19	-109.49	-32.70	-0.46
Payments for PPE	-2.93	-6.17	-	-	-2.00
Payments for Intangibles and other asse	-	-5.38	-	-	-
Change in security deposit	-31.79	15.24	-10.60	8.28	10.67
Other	0	0	158.60	0	0
Investing cash flow	-34.73	3.68	148.00	8.28	8.67
Equity Raised	-	36.92	-	-	-
Transaction costs	-	-1.97	-	-	-
Lease liability payments	-	-	-	-	-
Borrowings	-24.40	-20.51	-61.10	-	-
Other	-4.65	-5.23	-1.57	-1.58	-1.60
Financing cash flow	-29.05	9.21	-62.67	-1.58	-1.60
Free cash flow	**-135.51**	**-20.52**	**38.51**	**-24.43**	**8.21**
Cash flows	**-164.56**	**-11.31**	**-24.16**	**-26.01**	**6.61**
Effects of exchange rate	0.03	-1.22	-	-	-
Cash year end	71.00	58.48	34.32	8.31	14.92

Investment Fundamentals	CY23a	CY24a	CY25e	CY26e	CY27e
Liquidity					
Quick Ratio	1.3	1.7	1.8	1.9	2.0
Solvency					
Debt to Equity	0.3	0.2	0.0	0.0	0.0
Debt to Assets	0.1	0.1	0.0	0.0	0.0
LT Debt to Assets	0.1	0.0	0.0	0.0	0.0
Profitability					
Net Margin	n/a	n/a	n/a	1%	11%
ROA	-9%	-8%	-9%	1%	9%
ROE	-18%	-15%	-16%	2%	16%
Valuation					
P/E	n/a	n/a	n/a	n/a	n/a
EV/EBITDA	n/a	n/a	n/a	n/a	n/a
P/B	n/a	1.19	1.16	1.17	1.00
Growth					
Gross Margin	47%	50%	45%	50%	49%
NPAT Margin	-16%	-8%	-20%	1%	11%
EBITDA Margin	3%	5%	-13%	6%	14%
Weighted Avg Shares Outstanding	159.23	175.41	175.41	175.41	175.41

Leadership Team

Dr. Andreas Schwer Group CEO/MD	Dr. Andreas Schwer brings more than 25 years of international leadership experience in defence and aerospace. He was appointed Group CEO in August 2022 and Managing Director in December 2023. Prior to joining EOS, he held executive roles at Airbus, Rheinmetall, and served as President of EOS EMEA, leading its expansion across NATO and the Middle East. Dr. Schwer holds a PhD in Systems Engineering and is recognised for his expertise in international defence markets, industrial transformation, and sovereign capability development.
Clive Cuthell CFO & COO	Clive Cuthell joined EOS in September 2022 and serves as both CFO and COO. He brings over 25 years of executive finance and operational leadership, having led the company's capital restructuring, including the divestment of EM Solutions and a successful capital raise in CY24. His focus has been on restoring financial stability, optimising supply chains, and building execution resilience. Prior to EOS, he held senior roles in industrial tech firms across public and private sectors.
Christian Tobergte EVP – International Defence Systems	Christian Tobergte leads EOS's international defence business, overseeing sales, capture, and program delivery across Europe, the Middle East, and Asia. With more than two decades of experience in defence exports—particularly with MBDA—he is driving EOS's growth in NATO-aligned markets and advancing demonstration-driven campaigns for CUAS, RWS, and HELW systems.
Ian Cook EVP – Australian Defence Systems	Ian Cook oversees all defence programs within Australia, including delivery to the ADF and sovereign industry support. He plays a central role in national execution, program coordination, and capability sustainment. His background includes over 15 years in defence program management and operational leadership, with expertise in land systems and customer delivery.
James Bennett EVP – Space Systems	James Bennett leads EOS's space division, which includes observatory infrastructure, space domain awareness software, and tracking solutions. He has a strong background in aerospace systems engineering, government program leadership, and commercial space services. Under his guidance, EOS has expanded its role in sovereign SDA and strategic partnerships across allied space markets.
Garry Hounsell NEC	Garry Hounsell is an experienced ASX chairman and former CEO with extensive board leadership across major public companies. He has held chair and directorships at Treasury Wine Estates, Helloworld, DuluxGroup, and ANZ. A Chartered Accountant by background, Mr. Hounsell brings high-level financial governance, stakeholder engagement, and M&A experience to the board during a crucial stage of commercial scale-up and market repositioning.
Air Marshal (Ret.) Geoff Brown AO NED	Air Marshal Geoff Brown is a former Chief of Air Force (RAAF) and one of Australia's most senior military leaders. He provides strategic oversight on operational defence priorities, joint force integration, and sovereign capability planning. He also sits on multiple defence-related boards and is a trusted voice across government and national security stakeholders.
The Hon. Kate Lundy NED	Kate Lundy is a former Australian Senator and government minister with deep experience in public policy, digital transformation, and industry development. She serves on several public and private sector boards and provides critical governance and regulatory expertise to EOS. Her insight supports the company's alignment with national interests and ethical technology frameworks.

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