

EOS: Laser Technology to Counter Drone attacks

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|--------------------------|--|
| Company/ASX Code | Electro Optic Systems Holdings Limited (EOS) |
| AGM time and date | Tuesday, 19 May 2026 at 10.00am |
| Location | MinterElison, Level 40, Governor Macquarie Tower 1 Farrer Place, Sydney NSW |
| Registry | MUFG Corporate Markets |
| Type of meeting | Annual General Meeting – In person only |
| Monitor | Dan Steiner |
| Pre-AGM Meeting | YES, on 11 May 2026 with the Chairman and CFO/COO |

Monitor Shareholding: The individual involved in the preparation of this voting intention has a shareholding in this company.

1. How we intend to vote

| No. | Resolution description | |
|-----|---|-----|
| 2 | Remuneration Report | For |
| 3 | Re-election of Mr Garry Hounsell (Chairman) | For |
| 4 | Re-election of Mr David Black, Independent NED | For |
| 5 | Grant of Share Rights to Dr Adreas Schwer, CEO and Managing Director | For |
| 6 | Grant of Options to Dr Andreas Schwer, CEO and MD | For |
| 7 | Grant of Deferred shares to Dr Andreas Schwer, CEO & MD | For |
| 8 | Approval of increase to Non-executive Directors' remuneration | For |
| 9 | Renewal of proportional takeover provision | For |
| 10 | Ratification of prior issue of performance rights in connection with acquisition of MARSS | For |

2. Summary of Issues and Voting Intentions for AGM

2.1 – Company summary

- EOS business is based on its globally recognised expertise in laser technology. It first listed on the ASX in 2000 and has built several business units based on that expertise.
- In 2022 EOS decided to re-focus its business on two units: counter-drone and space control. It divested three other units and received sufficient funds to fully repay 100% of its debt and have funds to commercialising these two units. EOS transformed its Board and Executive, secured contracts for its counter-drone laser targeting system and developed a high energy laser weapon system. EOS headquarters are based in Canberra.
- By the end of FY2025, it had secured AUD \$459m in new contracts, expanded its operations to the USA, UK, Germany, The Netherlands, Singapore, the UAE, New Zealand. Its share price rose from A\$1.20 to a peak of A\$10+ by December 2025.
- The company has indicated that FY2026 revenue is expected to benefit from completion of existing contracts and ongoing marketing activity.
- While the company remains in an underlying loss position, ASA considers the TSR-based incentives provide alignment with shareholder outcomes during a significant strategic transition period. ASA will continue monitoring whether operational performance and cash generation improve over time
- Its Space Control business is capable of real time monitoring of the space environment through precise tracking of the speed, movement, and behaviour of object in orbit.
- Two EOS Directors are up for election at the 2026 AGM, including the Chairman, Gary Hounsell, and David Black.
- EOS holds an in-person-only AGM. The ASA would prefer a hybrid AGM and will engage with EOS to ensure shareholders are given equitable access to AGMs, especially as the retail shareholder base may continue to increase.

2.2 - Voting Intentions for AGM

Resolution 2 – Remuneration Report

The Remuneration Report provide for STI and LTI incentives for the CEO and Managing Director and for the CFO/COO. There two criteria used to calculate the STI and LTI:

- Continuing employment (25%%) and
- Performance incentives are based on Total Shareholder Return criteria:
 - If EOS TSR equals the TSR of the ASX Emerging Companies Index (the Index), then 50% of the Options will vest; and
 - If EOS TSR is 200% of the Index, then 100% of the Options will vest.
- The options can be exercised at the Exercise Price set when they are granted. The vesting period is three years with 1/3 of the Options vesting each year and, subject the Testing Criteria will be applied at the end of each vesting period.

The EOS Remuneration Policy is created using TSR as the sole performance criteria. Key Executive incentives are closely linked to shareholder benefit.

Resolution 3 – Re-Election of Mr Garry Hounsell (appointed November 2022)

Gary Hounsell, Chair of the Board has led the successful EOS transition to the successful performance improvement of the Company and setting the foundation for continued growth. His qualifications include B Bus, FCA and FAICD and extensive experience and an NED and has experience in major accounting firms as well as being NED and Chair for major Australian companies and organisations. He is currently Chair of Helloworld Travel Limited and an NED of Treasury Wine.

ASA proposes to support his re-election.

Resolution 4 – Re-election Mr David Black (appointed January 2021)

David Black BA (hons), FCA, MBA, GAICD. His experience includes 25 years with Deloitte in the UK and Australia. He provided services to clients including in the Defence, Manufacturing and Government sectors. He is experienced with growing start-up businesses, multinational corporations, and boards of ASX listed companies. His qualifications and broad experience are valuable to the Group. He serves on several EOS committees: Audit and Risk (chair) Data Security and Data Governance, Nomination, Joint Venture/M&A and on the People and Culture Committee.

ASA proposes to support his re-election.

Resolution 5 & 6 – Grant of Share Rights and Options to Dr Andreas Schwer

The remuneration arrangements for Dr Schwer are closely aligned with shareholder's interest and provides a material long term incentive toward delivering EOS' long-term success.

Dr Schwer is an executive leader with deep international experience-including in Asia, the Middle East. Europe and America. He has a varied career in the defence and space domains. It includes senior positions in the global defence industry, including fourteen years at Airbus Group and five years at German defence company Rheinmetal AG. He thoroughly understands the company's global operations through his role as President of EOS EMEA (Europe, Middle East, and Africa). He hold a PhD in the field of system modelling and satellite engineering.

He has led the company through attracting key executives essential; to the Group's achievements over the past 3 years.

Share Rights vest over three years (1/3rd each year). Options granted are subject to the TSR criteria set out above. When vested, the exercise price of \$9.01 is payable on each option.

ASA Proposes to support this resolution.

Resolution 7 – Grant of deferred shares to Dr Andreas Schwer

Under the Remuneration arrangements in relation to FY2025 STI award, 25% of the amount of the STI award would be deferred until 31 December 2026 (deferred shares) and settled with 13,095 shares. Under ASX Listing Rule the Company is required to get shareholder approval.

ASA proposes to support this resolution.

Resolution 8 – Approval of increase to non-executive Directors Remuneration

Shareholders must approve the amount for the Board's Fee Pool. This amount was last set in 2020 at \$1,000,000. This proposal is to increase the total amount for the Fee Pool to \$1,400,000. Within the above limit the Board decides the amounts paid to the Chairman and to each of the Non-Executives Directors.

ASA notes that the proposed increase reflects that the fee pool has remained unchanged since 2020, while EOS has expanded its international operations and governance responsibilities. The increase is also intended to provide flexibility for any future changes to Board composition, additional director appointments, and evolving capability requirements.

ASA Proposes to support this resolution.

Resolution 9 – Renewal of proportional takeover provision

This resolution is periodically renewed to provide for stability of ownership of the company.

It prohibits EOS from registering a transfer of share under a proportional takeover bid unless the bid is approved resolution passed by Shareholders in a General Meeting.

ASA Proposes to support this resolution.

Resolution 10 – Ratification of prior issue of performance rights in connection with acquisition of MARSS

EOS has negotiated the acquisition of MARSS and it includes the transfer of EOS shares at a couple of times during the earnout period. Shareholder approval is needed to satisfy ASX rules. This resolution enables that.

ASA Proposes to support this resolution.

3. Matters Considered

Accounts and reports

Financial performance

| (As at FYE) | 2025 | 2024 | 2023 | 2022 | 2021 |
|--------------------------------------|------------------------|---------------------|---|-------------------|-------------------|
| NPAT (\$m) | +18.6 [^] | -18.7 | -33.3 | -7.0to-10* | -13.8 |
| UPAT (\$m) | -5 to -10 [#] | -15 to -20 | -20 to -25 | -5 to -10 | -10 to -15 |
| EBITDA (\$m) | -24.4 | -29.5 | -118.7 | -180.2 | -53.9 |
| Share price (\$) | 2.85 | 1.56 | 0.765 | 1.04 | 4.31 |
| Dividend (cents) | 0 | 0 | 0 | 0 | 0 |
| Simple TSR (%) | 5.76 | 38.67 | 22.57 | -26.51 | 20.31 |
| EPS (cents) | +0.10 | -0.10 | -0.20 | -0.71 | -0.08 |
| CEO total remuneration, actual (\$m) | 3.8 Dr A. Schwer | 2.6 Dr A. Schwer | 2.1 Ben Greene transition to Dr Schwer | 1.7 Ben Greene | 1.6 Ben Greene |

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

The cumulative Total Shareholder Return (TSR) from 2021-2025 is +58.9%

NOTES:

^ positive NPAT influenced by a one-off divestment gain

** based on reported earnings trend and half-year data*

underlying still negative; statutory profit boosted by EM solutions sale

EOS Governance and culture

The EOS board and Executive team have successfully transitioned the company into one focused on its two business units and built a foundation for future growth. The executive team has been largely renewed with the range of experience and skill for success in aligning the company toward growth of its business.

Key events

During FY2025 (1 January to 31 December) EOS expanded its product range and achieved substantial new contracts (+459m), largely through its counter drone development. Its share price has risen because of these contracts, and the investment market's focus will be on product delivery and revenue growth.

In early 2026, EOS expanded its manufacturing capability in Singapore to provide High Energy Laser Weapons.

On January 2026, EOS entered an agreement to acquire the MARSS Group for an upfront cash payment (\$36m) and a potential earnout of up to EURO100m performance rights linked to new contract orders during the earnout period, payable as a mix of cash or EOS shares.

MARSS is a Europe-based supplier of command and control (C2) systems. EOS Group's benefit is expected to:

- when coupled with the Group's existing product range create an integrated end-to-end solution for countering drone attacks;
- expand the Group's geographic footprint and broaden its end market presence and scope to leverage MARSS' defence, homeland security, and civil relationships.
- significantly strengthen the Group's in-house AI/software development capability.

In January 2026, the Group announced that it has secured a commitment to a \$100m two-year secured term loan facility (exercisable at EOS option). This is subject to legal, as well as other customary terms and conditions.

Key board or senior management changes

EOS Board and Senior Management team are unchanged and continue its focus on growth of the two business units.

Sustainability/ESG

EOS disclosures are generally high-level and embedded rather than presented as a fully structured, stand-alone Sustainability report aligned to frameworks like GRI/TCFD/ISSB.

Compare to other ASX companies EOS Sustainability reporting has historically been relatively limited and qualitative. In discussions with EOS, the company appears open to enhancing its Annual Report content.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

Disclose individual NED Skills to strengthen board accountability.

EOS disclose the qualifications and experience of its Board to strengthen board accountability. They also present the Committee membership and meeting attendance record. The Group is open to the suggestion that a matrix presentation will be considered.

Improve Shareholder engagement with HYBRID AGM participation.

EOS AGMs are currently physical only with attendance generally about 50 shareholder representatives. In general, the cost of a hybrid meeting, whether video or audio, is such that it does not appear warranted as nearly 89% of its shares are held by 6% of its shareholders.

Strengthen Board Oversight of AI and cybersecurity risks.

EOS already has a board committee monitoring these risks and is further examining additional means of monitoring and mitigating cybersecurity. The company is using AI and is well aware of the rapidly changing AI environment.

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