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EOS and SpaceLink select OHB as preferred tenderer for satellite manufacturing contract

Canberra, 13 October 2021

Electro Optic Systems Holdings Limited ("EOS" or "Company") (ASX: EOS) and its wholly-owned US subsidiary, SpaceLink Corporation ("SpaceLink"), are pleased to announce that they have reached a significant milestone in the manufacture and launch of the initial constellation of four high-capacity optical relay satellites. Following a comprehensive tender process, leading satellite manufacturer, OHB Systems AG ("OHB"), has been selected as the preferred tenderer for the initial constellation.

The parties are currently in advanced negotiations in relation to a contract for the manufacture and delivery of the initial constellation ("Contract") and expect to sign an "Authorization to Proceed" next week. An Authorization to Proceed is the legal basis for the commencement of the project, and the finalisation of the Contract. The total value of the Contract is expected to exceed USD 300 million and the relevant terms and conditions of the Contract are expected to be legally finalized in the coming week (although there can be no guarantee that any agreement will be reached).

The parties have already commenced collaborative work on the basis of terms expected to be reflected in that Contract. The terms of the Contract are expected to require that OHB deliver the four high-capacity relay satellites in Q1 2024, ahead of the regulatory "Bring-Into-Use" deadline of June 2024. Payments to OHB under the Contract are expected to be based on the achievement of milestones over the 30 month term. It is expected that, on signing of the Contract, there will be no material conditions precedent outstanding.

The satellites to be manufactured by OHB include multiple subsystems and components, roughly half of which will be provided by selected US suppliers. The four MEO spacecraft have digital payload processing, electric propulsion, and state of the art optical inter-satellite links. Special emphasis has been placed on US cybersecurity requirements enabling SpaceLink to provide a robust and secure transport layer for critical communications.

In addition, OHB intends to invest USD 25 million into SpaceLink as the cornerstone investor in the first tranche of financing for the project, expected to be in the form of a SpaceLink Pre-IPO Convertible Note.

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

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ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS)

EOS operates in three sectors: Defence, Space and Communications

- EOS Defence Systems specialises in technology for weapon systems optimisation and integration, as well as ISR (Intelligence, Surveillance and Reconnaissance) for land warfare. Its key products are next-generation remote weapon systems, vehicle turrets and counter-UAS systems.
- EOS Space Systems specialises in applying EOS-developed optical sensors to detect, track, classify and characterise objects in space. This information has both military and commercial applications, including managing space assets to avoid collisions with space debris, missile defence, space control and space protection.
- EOS Communications Systems provides global satellite communications services and systems. It specialises in innovative optical, microwave and on-the-move radio and satellite solutions that deliver high speed, resilient and assured satellite communications anywhere in the world.

ABOUT OHB System AG / OHB SE (ETR: OHB)

OHB System AG is one of the leading space companies in Europe. It is a member of listed high-tech group OHB SE, where around 2,400 specialists and system engineers work on key European space programs. With two facilities, in Bremen and Oberpfaffenhofen near Munich, and more than 35 years of experience, OHB System AG specialises in high-tech solutions for space. These include small and medium-sized satellites for Earth observation, navigation, telecommunications, science and space exploration as well as systems for human space flight, aerial reconnaissance and process control systems.

This announcement may contain certain "forward-looking statements" including statements regarding EOS' intent, belief or current expectations with respect to EOS' business and operations, market conditions, results of operations, financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings, financial position and performance, establishment costs and capital requirements are also forward-looking statements. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement may contain such statements that are subject to risk factors associated with an investment in EOS. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of EOS to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement.