



EOS awarded \$34m contract as Prime Contractor by the Commonwealth of Australia for the C4 EDGE program

Canberra, 14 December 2020

Electro Optic Systems Holdings Limited (“EOS”) (ASX: EOS) is pleased to announce a A\$34.4m contract award by the Commonwealth of Australia for the Command Control Communications and Computers – Evolutionary Digital Ground Environment (“C4 EDGE”) program, with EOS Defence Systems (“EOS DS”) as the Prime Contractor for an all-Australian industry consortium to demonstrate a sovereign Battlegroup and Below Battlefield Command System (“BG-BCS”).

This commitment by the Morrison Government and the Australian Army will support the development of innovative local businesses capable of providing our armed forces with the critical, world-leading communications solutions they will require into the future.

EOS DS will lead 18 Australian businesses in the C4 EDGE program to demonstrate local industry’s ability to provide battle critical communications solutions for the land domain.

The program will leverage the expertise and cutting-edge technologies of the all-Australian industry team that includes small and medium enterprises from across the nation. As the prime contractor, EOS DS will integrate these components to demonstrate a sovereign BG-BCS for the Army in November 2021.

The C4 EDGE solution will see EOS DS incorporate locally-sourced combat radios, satellite terminals, cryptography, networking middleware, command applications, user interfaces, batteries and power management into a coherent system. The program will utilise Australian design, production, workforce, intellectual property and supply chain in the development and demonstration of this capability.

A successful C4 EDGE capability will help address the Army’s significant future requirements for sovereign communications systems. The Government’s *2020 Defence Strategic Update* lays out an investment pipeline for battlefield communications and command systems of between A\$5.0bn and \$7.5bn¹ over the next 20 years.

EOS welcomes this opportunity to prime a complex project that incorporates highly-capable local businesses into Australia’s defence industry – introducing industry best practices and advanced technologies from parallel sectors and supporting business diversification. EOS will assist those companies new to the industry to understand and respond to Defence contracting accreditation requirements.

¹ https://www1.defence.gov.au/sites/default/files/2020-11/Factsheet_Land.pdf

The Commonwealth contract will create approximately 53 new fulltime jobs across the country over the next 12 months. EOS will begin executing subcontracts before the end of 2020 to enable payments to flow to these businesses quickly, supporting their ability to invest, scale and access export opportunities.

Announcing the contract, Grant Sanderson, CEO of EOS Defence Systems, said:

“The C4 EDGE team represents the collaborative effort of world-class Australian companies for the benefit of the Australian Defence Force.

The design, development and demonstration of the C4 EDGE solution over the next year will showcase the ability of Australian companies to produce high-tech materiel which EOS will integrate with its own technologies into world-class military systems.

The program provides a model to continue growing a capable, connected and resilient sovereign defence industry that employs more Australians.”

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

Further information:

Dr Ben Greene:
Group CEO
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Grant Sanderson:
CEO Defence Systems

C4 EDGE Australian Industry Participants

Acacia Systems (SA): Defence software and systems engineers engaged primarily in developing advanced mission management systems and tactical support applications.

Barrett Communications (WA): Designer and manufacturer of HF and VHF radio equipment for specialised, autonomous, medium and long-distance radio communications.

Codan (SA): Leading international designer and manufacturer of premium communications solutions.

ECLIPS (ACT)*: Systems engineering and project management company that designs, fabricates and delivers logistics platforms and deployable technical shelters.

Etherstack (NSW): Provider of wireless communications software including wireless protocol stacks, IP-based communication networks, cryptographic communication solutions and software defined radio.

EM Solutions (QLD): Satellite communications component company involved in the research, design, and production of differentiated microwave and radiofrequency products and systems for satellite and broadband communications. (A 100%-owned subsidiary of EOS.)

GME (NSW): Designer and manufacturer of radio communications equipment and emergency locating beacons within Australia and globally.

Insitec (ACT): Provider of ICT solutions for critical systems, focused on the tactical and operational environments for military, intelligence and space.

Penten (ACT): Cyber-security business offering sovereign capability through advanced hardware and software products and services, supporting clients with secure mobility and applied AI solutions.

CBG Systems (TAS): Designer and manufacturer of radio frequency antenna systems.

Solinov (SA): Provider of embedded signal processing in communications, electronic warfare and radar applications.

Tectonica (VIC): Leading Defence and security systems integrator, developing fully integrated systems for armoured vehicles, ground stations and soldiers.

XTEK (ACT): Designer and manufacturer of advanced solutions for defence, law enforcement and other government agencies to protect and sustain personnel.

Outlander Solutions (ACT): Builds innovative research and concepts into practical products and solutions to meet current and future customer needs ahead of the pack.

3ME (NSW): Leading developer and integrator of battery and energy storage systems for specialist applications.

4Design (NSW)*: Multidisciplinary team of designers and engineers delivering industrial design, 3D CAD engineering, prototyping and manufacturing services.

Kord Defence (ACT): Developer of innovative control and shot counting technologies for the military, law enforcement, homeland security and commercial shooting markets.

1LM (ACT)*: Specialist resourcing expertise.

CISTECH (QLD): Provider of intelligent multi-purpose devices with a sound architecture that scales.

Skykraft (ACT): Space services company specialising in conceptualisation, design, manufacture and operations of SmallSat constellations for the delivery of global services through the development and deployment of waveform capabilities.

* Note: ECLIPS, 4Design and 1LM are Time & Materials suppliers rather than sub-contractors to the project.

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.

This announcement contains 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 contains 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.