



Research Update

Dave Storms, CFA

dave@stonegateinc.com

214-987-4121

Market Statistics in AUD

Price	\$ 6.88
52 week Range	\$2.87 - \$12.58
Daily Vol (3-mo. average)	3,040,246
Market Cap (M):	\$1,526.6
Enterprise Value (M):	\$1,453.5
Shares Outstanding: (M)	221.9
Float (M)	187.5

Financial Summary in AUD

Pro-Forma Cash (M)	\$ 256.0
Cash/Share	\$ 1.15
Pro-Forma Debt (M)	\$ 182.9
Equity (M)	\$ 238.0
Equity/Share	\$ 1.07

FYE: Dec 2025 2026E 2027E

(in AUD \$ M)

Rev	\$ 126.3	\$ 290.0	\$ 357.9
Chng%	-34%	130%	23%

EBITDA	\$ (24.4)	\$ 15.6	\$ 29.0
Net Income	\$ (73.5)	\$ (8.9)	\$ 9.1
EPS	\$ 0.10	\$ (0.04)	\$ 0.04

EV/Revenue	5.0x	4.1x	0.0x
EV/EBITDA	93.0x	50.2x	0.0x
P/E	67.3x	-194.8x	168.4x



COMPANY DESCRIPTION

Electro Optic Systems Holdings Limited is a global aerospace & defense technology company with operations in Australia, United States, Middle East, Asia, and Europe. EOS develops, manufactures, and sells remote weapon systems, counter-drone systems, high-energy laser weapons, and space intelligence / space control solutions. Following the completed MARSS acquisition, EOS' defense offering is expected to include a deeper software-led command-and-control layer, expanding the Company's counter-drone capabilities beyond standalone effectors and into more integrated detect-to-defeat solutions. The Company operates across two segments: Defense Systems and Space Systems. EOS is currently headquartered in Canberra, Australia with regional offices in the United States, the United Arab Emirates, Singapore, the Netherlands, and Germany.

Electro Optic Systems Holdings, LTD. (ASX: EOS)

COMPANY UPDATES

EOS' 2Q26 activity report showed a step-up in delivery and backlog as 1H26 revenue was approximately A\$169M, up 284% y/y, the order book reached a record A\$846M, and management increased FY26 base-business revenue guidance to A\$280-300M, excluding MARSS. The balance sheet also changed materially following the MARSS acquisition and associated funding, with A\$256M of unrestricted cash at quarter-end and approximately A\$280M after the remaining strategic placement proceeds were received in July.

Quarterly Results: EOS generated A\$66.3M of customer receipts in 2Q26 and used A\$17.6M of operating cash, compared with A\$72.6M and positive A\$9.5M in 1Q26. The outflow reflected higher manufacturing activity, long-lead inventory investment, annual bonuses, and the A\$4M ASIC payment. Manufacturing and delivery activity remained high, inventory declined to A\$68.7M from A\$80.6M at year-end, and security deposits increased to A\$70.2M as the Company supported larger contracts and the Netherlands HELW program.

MARSS Integration: EOS completed the acquisition on May 21 and MARSS secured approximately A\$188M of new orders during the quarter, including the previously announced A\$160M Middle East expansion. The combined order book included A\$225M of MARSS contracts at June 30, while BAE Systems selected NiDAR for BATS and EOS secured a subsequent A\$8M integrated counter-drone order in July. EOS also delivered its first R800 integrated with NiDAR, moving the acquisition rationale from product adjacency toward early system-level integration.

Orders and Programs: EOS secured the A\$175M Gen5 Slinger order, A\$7M of U.S. counter-drone integration orders, a A\$6M ASCA Mission Syracuse contract, additional R800 orders, and a subsequent A\$23M Middle East naval R400 order. The U.S. business completed the R400 critical design review for a major Army platform, while the Netherlands MoD endorsed the 100kW HELW critical design review. The conditional Korean HELW program has been delayed and may not satisfy its conditions until 2027, while the Gen5 joint venture remains a conditional longer-term opportunity rather than part of the reported order book.

Growth Outlook: The A\$846M order book was 84% above year-end and consisted of A\$507M of RWS, A\$98M of HELW, A\$16M of Space, and A\$225M of MARSS contracts. Management raised FY26 revenue guidance for the base EOS business to A\$280-300M, excluding MARSS and future awards, and expects 1H26 underlying EBITDA to be positive. We have slightly adjusted our prior financial estimates and valuation due to these updates and expect to update our estimates further following the release of interim report which is expected in August. Management also expects to provide a MARSS revenue outlook at this time. The preliminary release nevertheless indicates upside to our prior A\$272.9M 2026 revenue estimate and materially improves liquidity and backlog visibility.

Valuation: We use both a DCF Analysis and Comparable Analysis to inform our valuation of EOS. Our DCF analysis arrives at a valuation range of AUD\$10.84 to AUD\$12.86 with a midpoint of AUD\$11.75. For the Comp Analysis we arrive at a valuation range of AUD\$8.16 to AUD\$8.81 with a midpoint of AUD\$8.49.

Business Overview

Electro Optic Systems Holdings Limited (“EOS,” “the Group”, or “the Company”) is a global aerospace & defense technology company with operations in Australia, United States, Middle East, Asia, and Europe. EOS develops, manufactures, and sells remote weapon systems, counter-drone systems, high-energy laser weapons, and space intelligence / space control solutions. Following the completed MARSS acquisition, EOS’ defense offering is expected to include a deeper software-led command-and-control layer, expanding the Company’s counter-drone capabilities beyond standalone effectors and into more integrated detect-to-destroy solutions. The Company operates across two segments: Defense Systems and Space Systems. EOS is currently headquartered in Canberra, Australia with regional offices in the United States, the United Arab Emirates, Singapore, the Netherlands, and Germany.

Company History

The Company was originally founded in 1983 from the privatization of Australia’s government space activity. In the late 1990’s and early 2000’s, EOS began expanding globally and now serves markets in Australia, the United States, Europe, the Middle East and Southeast Asia. To date, the Company’s flagship product (the RWS 400) is well established and has sold over 2,500 units over fifteen years, working with more than ten different nations. The Group has grown with exports accounting for ~90% of revenue. In 2000 the group was officially listed on the Australian Securities Exchange under the symbol “EOS.”

In recent history, EOS completed its three-year turnaround program in 2025. Since launching the plan in 2022, management exited non-core businesses, improved liquidity, repaid debt, and refocused the Company on counter-drone and space technologies. The 2Q26 activity report showed the business moving into a higher-volume execution phase, with preliminary 1H26 revenue of approximately A\$169M, an A\$846M order book, A\$256M of unrestricted cash at June 30, and approximately A\$280M after the remaining strategic placement proceeds were received in July. The completed MARSS acquisition expands EOS beyond RWS hardware into AI-enabled command-and-control capabilities through NiDAR, while the record order book provides greater visibility across RWS, HELW, Space, and MARSS. The next stage is centered on converting backlog into deliveries and cash flow, scaling manufacturing, and integrating RWS, Slinger, HELW, sensors, and C2 into broader layered counter-UAS systems.

Exhibit 1: Operating Areas



Source: Company Presentation

Business Segments

EOS operates in two core segments: Counter Drones and Space Control. The Company's revenues are significantly dependent on governments ramping up their defense budgets, which could lead to major defense and space contract wins for EOS. Over the last two decades, countries have been steadily increasing their defense budgets to bolster their military strength and national security. More recently, procurement priorities have increasingly shifted toward counter-drone, remote lethality, command-and-control, and layered air-defense capabilities, which aligns with EOS' RWS, Slinger, HELW, and MARSS-enabled strategy. Rather than relying only on standalone hardware, EOS is increasingly aligned with demand for layered counter-drone architectures that combine detection, tracking, C2, and multiple effectors. For instance, counter-drone technologies are increasingly in demand and recent conflicts have demonstrated that traditional kinetic weapons have advantages as a cost effective and sustainable counter-drone measure. Space domain awareness and space control are also becoming more relevant as governments increase focus on resilient military infrastructure and the ability to detect, track, and characterize activity in orbit.

Exhibit 2: Business Segments



Source: Company Presentation

EOS Counter Drones Systems

EOS' Defense Systems segment develops and manufactures remote weapon systems, counter-drone systems, high-energy laser weapons, and integrated C2 solutions. The business remains centered on RWS, but the completed MARSS acquisition adds AI-enabled NiDAR command-and-control software and moves EOS closer to a full detect-to-destroy counter-UAS offering. During 2Q26, EOS secured the A\$175M Gen5 Slinger order, approximately A\$188M of MARSS orders, A\$7M of U.S. counter-drone integration orders, a A\$6M ASCA contract, and additional R800 demand. These awards increased the combined order book to A\$846M at June 30 and broadened the delivery base across standalone weapons, integrated systems, and software-led C2.

RWS remains the core of EOS' Defense Systems business. New contract wins show EOS gaining traction across Australia, Europe, North America, South Asia, and the Middle East, with awards tied to LAND 400-3, LAND 156, European and NATO-country Slinger programs, U.S. Army platform work, naval applications, and U.S. defense-prime integration. During 2Q26, the U.S. business completed the critical design review for an enhanced R400 on a major Army ground combat platform and moved into vehicle integration and testing. EOS also received additional R800 orders, delivered the first R800 integrated with the MARSS NiDAR C2 system, and announced a subsequent A\$23M naval R400 order from a new Middle Eastern customer.

EOS views counter-drone as one of its largest growth opportunities. Slinger has become the Company's main commercial counter-drone product, with prior wins in Australia and Europe and the A\$175M Gen5 order supporting deliveries during 2027-2028. MARSS adds the software layer through NiDAR, which coordinates sensors, effectors, and third-party equipment inside larger counter-drone deployments. During

the quarter, MARSS secured approximately A\$188M of new orders, BAE Systems selected NiDAR as the C2 platform for BATS, and EOS subsequently won an A\$8M integrated counter-drone order in the Middle East. The first R800 and NiDAR delivery provides an early integration milestone and supports EOS' move from standalone effectors toward integrated counter-UAS systems.

UGVs remain an area of interest, but not the Company's primary near-term driver. Management has highlighted the broader opportunity as autonomy, accuracy, and reliability improve across defense programs. EOS' experience in remote lethality systems across markets including the U.S., Thailand, the Netherlands, and Australia provides a relevant base if the Company expands further into unmanned platforms, particularly where RWS, sensors, and C2 can be integrated onto autonomous or semi-autonomous systems.

EOS also sees HELW as a major medium-term growth driver. In 2025, the Company won the first export contract for its 100kW laser weapon, worth approximately A\$125M, and used that program to help establish its Singapore production facility. The Netherlands MoD endorsed the project's critical design review in May 2026, with production and follow-on customer discussions continuing. The conditional Korean HELW contract remains under discussion, but management now believes the conditions may not be finalized until 2027. The proposed Gen5 joint venture adds a path for regional manufacturing of 100-150kW systems and development of a next-generation 200-300kW product family, although the related minimum-order targets remain conditional and are not included in EOS' reported order book.

EOS Space Control

EOS' Space Systems segment gives the Company exposure to space intelligence, space domain awareness, and space control. The business is centered on optical space tracking, surveillance, and related technologies that support government customers as they expand their ability to observe, understand, and defend activity in orbit. While the segment has historically produced mixed financial results, management has emphasized a disciplined investment approach focused on opportunities with credible long-term return potential. During 2Q26, market development continued through demonstrations of the Atlas Space Control product range to potential international customers, while the segment represented A\$16M of the June 30 order book.

That opportunity remains relatively early but is gaining relevance. In FY25, segment revenue rose to A\$12.7 million from A\$10.8 million in FY24, supported by commercialization progress and two Australian government contracts worth A\$6 million and A\$5 million. Though still modest relative to Defense Systems, EOS continues to frame space as one of its two core strategic domains, and continued contract delivery, customer engagement, and potential future orders could improve the segment's relevance as governments place greater emphasis on sovereign space intelligence and space control capabilities.

Growth Strategy & Funding

EOS enters its next phase with a balance sheet built for growth. Following the MARSS acquisition and associated funding package, the Company expects pro forma net cash of approximately A\$235M, excluding the SPP, providing flexibility for working capital, long-lead inventory, customer terms, bond requirements, and growth initiatives. Management recently updated FY26 revenue expectations to A\$280–300M, excluding MARSS and future contract wins, while we estimate the completed MARSS acquisition and recent Middle East order activity bring the aggregate contracted position toward A\$900M.

Looking ahead, management appears focused on organic investment, regional expansion, partnerships, and selective M&A. Near-term growth remains centered on RWS, Slinger, and integrated counter-drone systems, while HELW represents the next major platform opportunity and Space Systems remains longer duration. The Singapore facility, Dutch 100kW HELW program, and Gen5 JV support HELW's move into early commercialization, with the JV adding regional manufacturing and a path toward 100–150kW Apollo systems and next-generation 200–300kW HELW development across the UAE and selected MENA markets.

MARSS broadens EOS beyond effectors by adding NiDAR C2, AI, and sensor-fusion capabilities. This increases EOS' relevance in larger counter-drone programs where customers want integrated detection, decision support, and defeat capabilities rather than standalone hardware. Recent MARSS order activity and its selection as the C2 provider for BAE Systems' BATS system provide early support for the acquisition rationale. The focus now shifts to execution: converting the larger order base, stronger funding position, and expanded software capabilities into revenue, receipts, and cash flow.

Exhibit 3: MARSS

RECAP ON MARSS

The acquisition of MARSS is expected to transform EOS into fully integrated global counter-drone systems provider



Source: Company Presentation

Market Overview

World military expenditure has risen steadily in recent years, reaching \$2,887 billion in 2025 according to the Stockholm International Peace Research Institute (SIPRI). The recent numbers represent a growth of 2.9% year to year and 41% over the last decade. Stripping out a one-off decline in US spending, global expenditure growth is closer to 9.2%. The major driver is a structural reassessment of national security, as the wars in Ukraine and the Middle East have persuaded nations to increase spending to protect their sovereignty. Additionally, these conflicts have also reshaped the perception of the modern battlefield increasingly defined by drones. As EOS specializes in counter-drone systems, the combination of rising budgets and shifting threat profiles reveals a supportive and growing demand backdrop.

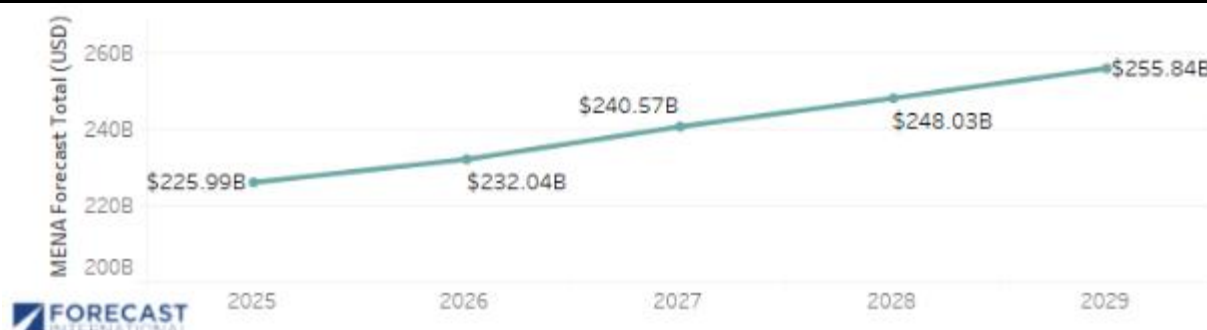
Against this backdrop, the sections that follow examine the regions most relevant to EOS's order book.

Australia is a clear example of increased defense investment toward self-reliance. Despite no direct threat having emerged against it, the government has chosen to accelerate its defense timeline. These earlier investments are made to address a rapidly deteriorating global security environment, building a 'strategy of denial'. The National Defense Strategy and Integrated Investment Program formalize those principles, setting out A\$887 billion in defense spending over the decade to 2033-34. Among its stated priorities is the fielding of counter-uncrewed air systems to protect Australian sites and critical infrastructure, which places EOS directly in the path of this spending.

Europe is responding to the same imperative, but with greater urgency. By comparison, European military spending rose 14% in 2025 to \$864 billion (SIPRI) which is the largest increase of any region, making Europe the largest regional contributor to global growth. Fueled by the Russian threat, NATO members are attempting to rebuild sovereign defense capability rather than rely on external support. Having secured a major contract with the Netherlands, EOS is positioning itself to convert Europe's rearmament into a recurring pipeline.

If Ukraine reset European defense priorities, the direct conflicts in the Middle East added a new level of urgency. Years of regional conflict, escalating drone and missile exchanges, and Gulf states' determination to harden their own defenses have made the region the Company's most important market. These tensions do not seem likely to be resolved, which will continue driving demand. All in all, ongoing instability and threats to Gulf infrastructure are driving demand for EOS's mobile air-defense systems.

Exhibit 4: Middle East & North Africa Total Defense Spending Forecast



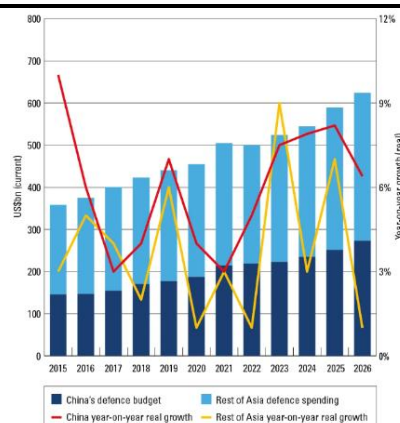
Source: Forecast International

The US anchors the global trend through a sharp upward trajectory. The U.S. federal government's FY27 defense budget request seeks roughly \$1.5 trillion in total defense resources, representing a

42% increase over FY26 and the highest single-year level since World War II. The Department of the Air Force (DAF) requested \$338 billion to modernize its armament. The direction of travel is clear and the priorities remain favorable. The request places unmanned and counter-drone systems at the center, including a new autonomous-warfare command, signaling sustained demand for the capabilities EOS provides.

The US influence extends into the Indo-Pacific, where it meets direct regional anxiety about China. Disputes over Exclusive Economic Zones (EEZs) illustrate the pressure the Chinese government places on the region, putting the sovereignty of these nations in peril. Taiwan lifted spending 14.2% to \$18.2 billion (SIPRI), its largest jump in over three decades, as Washington presses regional partners to harden their own defenses and maintain the capability to deter Beijing. EOS has moved to position itself at the center of this demand, opening a dedicated high-energy laser manufacturing facility in Singapore in February 2026 to build and sustain systems closer to regional customers.

Exhibit 5: Asian Defense Spending



Source: *milbalplus.iis.org*

Across all these regions, the same dynamic is at work. Counter drone demand is growing faster than the defense industry can supply it. The global counter UAS market is expected to expand from roughly \$6.6 billion in 2025 to \$20.3 billion by 2030 according to MarketsandMarkets, yet procurement and production cycles still move far more slowly than the threats they are designed to counter.

Two broader trends further strengthen EOS's position. Buyers increasingly prefer integrated, networked defense architectures over standalone products, while countries such as the UAE and Saudi Arabia are investing heavily in domestic defense manufacturing and regional supply chains. EOS is well positioned for both shifts. It combines end to end counter drone and laser capabilities with localized production through facilities in Singapore and Europe, helping convert a persistent supply gap into long term recurring revenue.

Risks

As with any investment, there are certain risks associated with EOS's operations as well as with the surrounding economic and regulatory environments common to the Aerospace & Defense industry and operating in foreign countries.

Highly Competitive Industry – The Aerospace & Defense industry is highly competitive with several large players. Should EOS fail to attract more customers or lose current customers to other companies, the business could suffer. Additionally, should countries begin to reduce their budgets and reduce their demand for defense solutions, competition will rise and EOS's market will decrease.

Geopolitical Change – EOS operates in an industry that is subject to high geopolitical risk. Should governments reduce their military budgets, EOS's becomes more at risk of a reduction in its revenues. Additionally, some of the markets that the Company operates in are exposed to political and economic instability, which could bring negative pressures on operations.

Regulatory Changes – The Company is exposed to regulatory changes. The risks of regulations include export licenses, security obligations, and compliance with countries' securities legislation. This subjects EOS to potential legal disputes, investigations, and sanctions from investors, governments, and customers amongst others. Any sort of legal action taken on the Company could have negative ramifications on operations.

VALUATION SUMMARY

We use a DCF Analysis and a Comparison Analysis to frame valuation.

DCF Analysis

We are modeling near-term revenue growth rates driven by continued contract wins around the globe. Our longer-term revenue growth normalizes around 5%.

For our sensitivity analysis, we used a range of discount rates from 9.75% to 10.25% and terminal growth rates between 1.50% and 2.50%. We selected this discount rate to account for EOS's smaller market cap and the current interest rate environment. This results in a valuation range of AUD\$10.84 to AUD\$12.86 with a midpoint of AUD\$11.75.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount rate	9.50%	\$11.74	\$12.24	\$12.81	\$13.46	\$14.21
	9.75%	\$11.28	\$11.74	\$12.26	\$12.86	\$13.53
	10.00%	\$10.85	\$11.28	\$11.75	\$12.30	\$12.91
	10.25%	\$10.44	\$10.84	\$11.28	\$11.77	\$12.34
	10.50%	\$10.06	\$10.42	\$10.83	\$11.29	\$11.80

Comparison Analysis

Comparative Analysis

(all figures in M, except per share information)

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap (M)	EV (M)	EV/Revenue ^(2,3)			EV/EBITDA ^(2,3)			P/E ^(2,3)		
					2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Ducommun Incorporated	DCO	\$ 177.66	\$ 2,680.1	\$ 2,980.8	3.6x	3.4x	3.1x	22.5x	19.5x	17.0x	3.1x	2.7x	2.2x
HEICO Corporation	HEI	\$363.44	\$ 42,320.0	\$ 45,316.5	10.2x	8.6x	7.8x	37.6x	30.7x	27.6x	0.5x	0.4x	0.4x
Kratos Defense & Security Solutions, Inc.	KTOS	\$ 48.64	\$ 9,111.9	\$ 7,833.0	5.9x	4.5x	3.6x	66.7x	44.1x	32.5x	0.6x	0.3x	0.2x
L3Harris Technologies, Inc.	LHX	\$305.20	\$ 56,857.2	\$ 67,624.2	3.1x	2.9x	2.7x	17.2x	16.0x	14.6x	0.2x	0.1x	0.1x
Lockheed Martin Corporation	LMT	\$581.31	\$134,161.0	\$150,908.0	2.0x	1.9x	1.8x	16.3x	13.4x	12.7x	0.1x	0.1x	0.1x
MDA Space Ltd.	MDA	\$ 29.99	\$ 4,856.3	\$ 4,740.4	4.2x	3.7x	2.4x	21.2x	19.0x	12.2x	0.2x	0.2x	0.1x
Moog Inc.	MOG.A	\$414.56	\$ 13,178.3	\$ 14,328.6	3.8x	3.3x	3.1x	27.1x	22.6x	20.7x	1.4x	1.2x	1.1x
Northrop Grumman Corporation	NOC	\$549.22	\$ 78,023.9	\$ 92,340.9	2.2x	2.1x	2.0x	15.6x	14.9x	13.9x	0.1x	0.1x	0.1x
RTX Corporation	RTX	\$218.58	\$294,593.0	\$326,911.0	3.8x	3.4x	3.2x	22.5x	20.1x	18.6x	0.0x	0.0x	0.0x
Springfield Properties Plc	SPR	\$ 1.31	\$ 156.1	\$ 215.6	0.6x	0.7x	0.7x	5.7x	8.7x	8.9x	0.1x	0.1x	0.1x
Average					3.9x	3.4x	3.0x	25.2x	20.9x	17.9x	0.6x	0.5x	0.4x
Median					3.7x	3.3x	2.9x	21.8x	19.3x	15.8x	0.2x	0.2x	0.1x
Electro Optic Systems Holdings Limite ASX: EOS					\$ 4.80	\$ 1,065.8	\$ 998.9	11.5x	5.0x	4.1x	-59.6x	93.0x	50.2x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

(4) All Values in USD at an exchange rate of \$1.43 AUD/USD

Source: Company reports, CapitalIQ, Stonegate Capital Partners

We use an EV/EBITDA multiples comparison to determine a valuation range for EOS. Given the current turnaround story, large backlog of receivables, and recent contract wins coupled with the potential for continued growth due to the favorable market outlook, we feel comfortable using FY27 estimated EBITDA to value EOS. This allows us to value EOS as compared to the above peer companies that are trading at an average of 17.9x of estimated EV/EBITDA in 2027. This is compared to EOS that is trading at 50.2x, based on our estimates.

We believe that EOS should be trading at a 2027 EV/EBITDA range of 60.0x to 65.0x, which will bring the Company in line with growth oriented peers and applies a well deserved premium over legacy peers such as LHX, LMT, and NOC. This informs a valuation range of AUD\$8.16 to AUD\$8.81 with a midpoint of AUD\$8.49.

EV/EBITDA in AUD			
2027 E	60.00x	62.50x	65.00x
Adj EBITDA	29.0	29.0	29.0
TEV	1,738.0	1,810.5	1,882.9
Cash	256.0	256.0	256.0
Debt	182.9	182.9	182.9
Mrkt Cap	1,811.1	1,883.6	1,956.0
S/O	221.9	221.9	221.9
Price	\$ 8.16	\$ 8.49	\$ 8.81

DISCOUNTED CASH FLOW

Electro Optic Systems Holdings Limited														
Discounted Cash Flow Model														
(in AUD\$M, except per share)														
Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	190.2	126.3	290.0	357.9	465.3	657.1	940.2	#####	#####	#####	#####	#####	#####	
Operating Income	(13.9)	(60.4)	(3.4)	10.0	31.5	53.2	89.3	130.7	183.1	244.4	307.8	356.5	380.3	
Less: Taxes (benefit)	3.3	5.5	(2.8)	1.8	6.3	10.6	17.9	26.1	36.6	48.9	61.6	71.3	76.1	
NOPAT	(17.2)	(65.9)	(0.5)	8.1	25.2	42.6	71.5	104.5	146.5	195.5	246.2	285.2	304.3	
Plus: D&A	12.5	19.3	19.0	19.0	28.4	36.1	42.3	45.3	48.4	56.0	54.5	62.0	62.0	
Plus: Changes in WC	(72.4)	25.2	(1.5)	(1.8)	2.3	3.3	4.7	6.5	12.8	16.6	20.2	22.9	24.2	
Less: Capex	(11.6)	(26.3)	(14.5)	(10.7)	(9.3)	(9.9)	(11.3)	(12.9)	(13.0)	(13.5)	(13.6)	(15.5)	(16.3)	
Free Cash Flow	(88.7)	(47.7)	2.5	14.6	46.6	72.1	107.2	143.3	194.7	254.7	307.3	354.7	374.1	4,770.1
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47	0.42	0.39	0.35	
PV of FCF			2.3	12.1	35.0	49.3	66.6	80.9	99.9	118.8	130.3	136.7	131.1	1,671.9
Growth rate assumptions:														
Revenue		-33.6%	129.6%	23.4%	30.0%	41.2%	43.1%	37.6%	33.5%	29.8%	21.5%	13.8%	5.3%	
Operating Income		N/A	N/A	N/A	215.6%	69.2%	67.8%	46.3%	40.1%	33.5%	26.0%	15.8%	6.7%	
EBITDA		#####	-138.1%	85.4%	106.6%	49.3%	47.3%	33.7%	31.5%	29.8%	20.6%	15.5%	5.7%	
Free Cash Flow		-46.2%	-105.3%	482.0%	218.6%	54.9%	48.6%	33.7%	35.8%	30.8%	20.6%	15.4%	5.5%	
Margin assumptions:														
Operating Income	-7.3%	-47.8%	-1.2%	2.8%	6.8%	8.1%	9.5%	10.1%	10.6%	10.9%	11.3%	11.5%	11.7%	
D&A as a % of sales	6.6%	15.3%	6.6%	5.3%	6.1%	5.5%	4.5%	3.5%	2.8%	2.5%	2.0%	2.0%	1.9%	
EBITDA	-0.7%	-32.5%	5.4%	8.1%	12.9%	13.6%	14.0%	13.6%	13.4%	13.4%	13.3%	13.5%	13.6%	
Taxes	N/A	-9.2%	84.1%	18.3%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
Changes in WC	-38.1%	19.9%	-0.5%	-0.5%	0.5%	0.5%	0.5%	0.5%	0.7%	0.7%	0.7%	0.7%	0.7%	
Capex as a % of sales	-6.1%	-20.8%	-5.0%	-3.0%	-2.0%	-1.5%	-1.2%	-1.0%	-0.8%	-0.6%	-0.5%	-0.5%	-0.5%	
Valuation:														
Shares outstanding	221.9													
PV of FCF	863.0													
PV of Terminal Value	1,671.9													
Enterprise Value	2,534.9													
less: Pro-Forma Net Debt	(73.1)													
Estimated Total Value:	2,608.0													
Est Equity Value/share:	\$11.75													
Sensitivity Analysis:														
Discount rate	Terminal Growth Rates													
		1.0%	1.5%	2.0%	2.5%	3.0%								
	9.50%	\$11.74	\$12.24	\$12.81	\$13.46	\$14.21								
	9.75%	\$11.28	\$11.74	\$12.26	\$12.86	\$13.53								
	10.00%	\$10.85	\$11.28	\$11.75	\$12.30	\$12.91								
	10.25%	\$10.44	\$10.84	\$11.28	\$11.77	\$12.34								
	10.50%	\$10.06	\$10.42	\$10.83	\$11.29	\$11.80								
Price	\$6.88													

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Electro Optic Systems Holdings Limited
Consolidated Balance Sheets (AUD\$ M)
Fiscal Year End: December

ASSETS	FY 2019	FY 2020	FY 2021	Q2 Jun-22	Q4 Dec-22	FY 2022	Q2 Jun-23	Q4 Dec-23	FY 2023	Q2 Jun-24	Q4 Dec-24	FY 2024	Q2 Jun-25	Q4 Dec-25	FY 2025
Cash and cash equivalents	77.9	65.9	59.3	13.8	21.7	21.7	42.0	71.0	71.0	52.2	41.1	41.1	90.3	106.9	106.9
Trade and other receivables	27.1	35.8	23.5	10.6	7.4	7.4	20.1	8.5	8.5	33.3	17.7	17.7	9.5	31.1	31.1
Tax Receivable	-	-	0.2	0.8	12.2	12.2	17.1	-	-	-	-	-	-	-	-
Security Deposits	-	-	-	-	-	-	-	21.1	21.1	13.9	12.7	12.7	12.1	6.9	6.9
Contract assets	44.2	124.5	106.8	109.0	127.9	127.9	68.1	29.1	29.1	44.3	57.4	57.4	5.1	9.8	9.8
Inventories	53.5	67.3	74.6	83.2	74.8	74.8	72.9	73.4	73.4	84.8	62.7	62.7	73.5	80.6	80.6
Prepayments	-	-	20.4	-	17.6	17.6	16.5	16.4	16.4	13.9	18.1	18.1	18.2	28.7	28.7
Others	14.6	13.1	-	18.6	-	-	-	-	-	-	95.2	95.2	40.0	-	-
Total Current Assets	217.2	306.7	284.8	236.0	261.7	261.7	236.7	219.4	219.4	242.4	304.9	304.9	248.7	264.0	264.0
Contract assets	-	13.4	21.5	24.3	36.5	36.5	36.7	38.9	38.9	45.4	-	-	-	-	-
Deferred tax asset	3.0	11.3	4.5	11.3	3.3	3.3	2.6	9.0	9.0	9.7	7.9	7.9	9.5	14.6	14.6
Security deposits	9.0	16.7	28.1	31.3	35.6	35.6	41.2	46.0	46.0	52.4	36.7	36.7	39.8	34.7	34.7
Loan to associate	2.6	2.4	2.5	2.5	-	-	-	-	-	-	-	-	-	-	-
Right of use assets	14.0	20.1	28.6	24.3	18.3	18.3	22.1	19.8	19.8	17.8	15.0	15.0	13.1	15.6	15.6
Goodwill	14.9	14.9	14.9	12.4	12.4	12.4	12.4	12.4	12.4	12.4	2.5	2.5	2.5	2.5	2.5
Trade and other receivable	12.1	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	17.2	19.7	17.1	13.2	12.4	12.4	11.6	18.3	18.3	28.1	18.7	18.7	20.2	22.8	22.8
Property, plant, and equipment	8.1	29.1	56.1	34.8	37.2	37.2	35.2	29.5	29.5	15.7	13.0	13.0	13.4	18.6	18.6
Other	7.2	1.0	-	-	-	-	-	-	-	-	2.2	2.2	1.7	1.9	1.9
Total Assets	\$ 305.3	\$ 437.4	\$ 458.1	\$ 390.2	\$ 417.4	\$ 417.4	\$ 398.6	\$ 393.2	\$ 393.2	\$ 423.9	\$ 401.0	\$ 401.0	\$ 348.9	\$ 374.7	\$ 374.7
LIABILITIES AND SHAREHOLDERS' EQUITY															
Trade and other payables	37.0	52.2	35.4	62.1	43.2	43.2	44.2	40.8	40.8	36.8	28.2	28.2	15.1	40.9	40.9
Contract liabilities	-	-	7.7	-	22.2	22.2	18.1	20.6	20.6	38.0	24.1	24.1	19.7	42.4	42.4
Secured borrowings	-	-	34.4	34.8	21.4	21.4	43.5	19.9	19.9	-	47.9	47.9	-	-	-
Unsecured borrowings	-	-	-	-	1.9	1.9	0.3	-	-	-	-	-	-	-	-
Lease liabilities	2.6	3.4	5.2	5.1	3.9	3.9	5.0	4.9	4.9	4.7	4.7	4.7	4.7	4.8	4.8
Current tax payable	8.4	0.0	-	-	-	-	-	3.6	3.6	4.3	4.5	4.5	2.4	0.1	0.1
Provisions	12.9	15.1	14.2	21.2	12.2	12.2	10.3	25.8	25.8	27.9	19.0	19.0	15.1	24.7	24.7
Total Current Liabilities	60.8	70.8	96.8	123.2	104.8	104.8	121.4	115.5	115.5	111.7	128.5	128.5	57.0	112.8	112.8
Secured borrowings	-	-	-	-	49.4	49.4	39.7	44.9	44.9	46.4	-	-	-	-	-
Lease liabilities	11.4	17.7	24.9	26.0	20.5	20.5	23.2	19.0	19.0	17.0	13.3	13.3	10.7	12.3	12.3
Provisions	6.5	9.3	7.2	8.8	9.6	9.6	13.1	14.7	14.7	15.2	13.5	13.5	13.2	11.5	11.5
Other liabilities	-	-	-	-	-	-	-	-	-	-	26.2	26.2	-	-	-
Total Liabilities	78.7	97.8	128.9	158.0	184.3	184.3	197.4	194.2	194.2	190.3	181.5	181.5	80.9	136.7	136.7
Issued Capital	274.3	413.5	413.7	413.7	432.2	432.2	432.2	432.2	432.2	467.6	467.2	467.2	467.3	467.5	467.5
Reserves	9.3	8.4	11.6	13.5	12.5	12.5	13.1	12.6	12.6	15.3	17.8	17.8	20.0	18.6	18.6
Accumulated losses	(56.6)	(81.0)	(94.0)	(192.4)	(208.5)	(208.5)	(240.5)	(241.8)	(241.8)	(244.8)	(260.5)	(260.5)	(213.7)	(241.9)	(241.9)
Total Parent Net Equity	227.1	340.9	331.3	234.8	236.3	236.3	204.9	203.1	203.1	238.1	224.5	224.5	273.6	244.2	244.2
Minority interest	(0.5)	(1.3)	(2.2)	(2.7)	(3.2)	(3.2)	(3.7)	(4.0)	(4.0)	(4.6)	(5.0)	(5.0)	(5.6)	(6.1)	(6.1)
Total Consolidated Equity	226.5	339.6	329.2	232.2	233.1	233.1	201.2	199.1	199.1	233.6	219.5	219.5	268.0	238.0	238.0
Total Liabilities and Shareholders' Equity	\$ 305.3	\$ 437.4	\$ 458.1	\$ 390.2	\$ 417.4	\$ 417.4	\$ 398.6	\$ 393.2	\$ 393.2	\$ 423.9	\$ 401.0	\$ 401.0	\$ 348.9	\$ 374.7	\$ 374.7
Liquidity															
Current Ratio	3.6x	4.3x	2.9x	1.9x	2.5x	2.5x	2.0x	1.9x	1.9x	2.2x	2.4x	2.4x	4.4x	2.3x	2.3x
Quick Ratio	2.7x	3.4x	2.2x	1.2x	1.8x	1.8x	1.4x	1.3x	1.3x	1.4x	1.9x	1.9x	3.1x	1.6x	1.6x
Working Capital	156.35	235.91	187.99	112.81	156.88	156.88	115.38	103.93	103.93	130.66	176.37	176.37	191.70	151.17	151.17
Leverage															
Debt to Equity	6.2%	6.2%	19.6%	28.4%	41.7%	41.7%	55.5%	44.6%	44.6%	29.1%	30.0%	30.0%	5.7%	7.2%	7.2%
Debt to Capital	5.8%	5.9%	16.4%	22.1%	29.4%	29.4%	35.7%	30.8%	30.8%	22.6%	23.1%	23.1%	5.4%	6.7%	6.7%
Profitability															
Return on Average Assets	8.3%	-6.6%	-2.9%	-23.2%	-4.0%	-26.2%	-7.8%	-0.3%	-8.2%	-0.7%	-3.8%	-4.7%	12.5%	-7.8%	4.8%
Return on Average Equity	11.2%	-8.6%	-3.9%	-35.1%	-6.9%	-40.7%	-14.7%	-0.7%	-15.4%	-1.4%	-6.9%	-8.9%	19.2%	-11.1%	8.1%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Electro Optic Systems Holdings Limited

Consolidated Statements of Income (in AUD\$ M, except per share amounts)

Fiscal Year End: December

	FY 2019	FY 2020	FY 2021	FY 2022	Q2 Jun-23	Q4 Dec-23	FY 2023	Q2 Jun-24	Q4 Dec-24	FY 2024	Q2 Jun-25	Q4 Dec-25	FY 2025	Q2 E Jun-26	Q4 E Dec-26	FY 2026E	Q2 E Jun-27	Q4 E Dec-27	FY 2027E
Revenue	\$ 165.4	\$ 180.2	\$ 212.3	\$ 137.9	\$ 74.3	\$ 145.0	\$ 219.3	\$ 142.6	\$ 33.9	\$ 176.6	\$ 44.1	\$ 84.4	\$ 128.5	\$ 166.6	\$ 119.5	\$ 286.0	\$ 171.9	\$ 181.7	\$ 353.6
Total Other Revenue	0.6	(5.6)	10.8	14.5	2.7	0.7	3.4	6.3	7.3	13.6	(3.6)	1.5	(2.2)	2.4	1.6	4.0	2.4	1.9	4.3
Total Revenues	166.0	174.6	223.1	152.4	77.0	145.6	222.7	148.9	41.3	190.2	40.4	85.9	126.3	169.0	121.1	290.0	174.4	183.6	357.9
Operating Expenses:																			
Raw materials and consumables used	84.4	77.7	117.2	87.5	46.0	82.1	128.0	105.7	(13.8)	91.9	10.8	36.3	47.1	81.9	58.7	140.7	94.4	93.4	187.8
Changes in inventory	5.7	38.3	(5.7)	3.9	2.3	(6.7)	(4.4)	(25.3)	25.3	-	-	-	-	-	-	-	-	-	-
Gross Profit	75.9	58.6	111.6	61.0	28.7	70.3	99.0	68.4	29.8	98.3	29.6	49.6	79.2	87.0	62.4	149.4	80.0	90.2	170.1
Employee benefits expense	33.7	53.2	59.1	63.0	26.9	30.4	57.3	31.1	31.4	62.5	30.8	40.4	71.2	43.1	38.4	81.5	45.9	40.5	86.5
Occupancy costs	0.5	1.7	1.7	1.9	0.8	1.2	2.1	0.9	1.1	2.0	1.1	1.5	2.6	1.1	1.5	2.6	1.1	1.6	2.7
Administration expenses	14.1	19.8	15.8	23.3	13.5	16.5	30.0	19.9	12.3	32.2	16.9	20.8	37.8	27.2	22.4	49.6	28.7	23.3	52.0
Depreciation and Amortization	4.1	9.6	10.1	11.1	7.0	5.4	12.4	7.6	4.9	12.5	9.5	9.9	19.3	9.5	9.5	19.0	9.5	9.5	19.0
Impairments	-	0.3	-	7.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1.7	2.5	2.3	3.1	-	1.9	1.9	-	2.9	2.9	-	8.7	8.7	-	-	-	-	-	-
Total Operating Expenses	54.1	87.1	89.0	109.7	48.2	55.4	103.6	59.5	52.7	112.2	58.3	81.3	139.6	80.9	71.8	152.7	85.3	74.9	160.2
Operating Income	21.8	(28.5)	22.6	(48.6)	(19.5)	14.9	(4.6)	9.0	(22.9)	(13.9)	(28.7)	(31.7)	(60.4)	6.1	(9.5)	(3.4)	(5.3)	15.3	10.0
Finance costs	(0.4)	(1.4)	(6.6)	(14.3)	(16.0)	(19.6)	(35.6)	(12.5)	(12.0)	(24.6)	(16.6)	(2.1)	(18.7)	(1.3)	(1.3)	(2.7)	(1.3)	(1.3)	(2.7)
Profit Before Taxes	21.4	(29.9)	16.0	(62.9)	(35.5)	(4.7)	(40.2)	(3.6)	(34.9)	(38.5)	(45.3)	(33.8)	(79.0)	4.7	(10.8)	(6.1)	(6.6)	13.9	7.3
Tax	(3.8)	4.7	(9.2)	9.3	3.0	3.0	6.1	0.0	3.3	3.3	0.4	5.1	5.5	(0.1)	(2.7)	(2.8)	(1.7)	3.5	1.8
Net Income	17.6	(25.2)	6.7	(53.6)	(32.4)	(1.7)	(34.1)	(3.5)	(31.6)	(35.1)	(44.8)	(28.7)	(73.5)	4.6	(13.5)	(8.9)	(8.3)	17.4	9.1
Non-Controlling Interest	(0.4)	(0.8)	(0.8)	(1.0)	(0.5)	(0.4)	(0.8)	(0.5)	(0.4)	(1.0)	(0.6)	(0.5)	(1.1)	(0.5)	(0.5)	(1.0)	(0.5)	(0.5)	(1.0)
Discontinued operations	-	-	(20.6)	(62.0)	-	-	-	-	15.4	15.4	91.0	-	91.0	-	-	-	-	-	-
Net Income To Common Stkhldrs	18.0	(24.4)	(13.0)	(114.5)	(32.0)	(1.3)	(33.3)	(3.0)	(15.7)	(18.7)	46.8	(28.2)	18.6	5.1	(13.0)	(7.9)	(7.8)	17.9	10.1
Basic EPS	\$ 0.12	\$ (0.17)	\$ (0.09)	\$ (0.78)	\$ (0.19)	\$ (0.01)	\$ (0.23)	\$ (0.02)	\$ (0.10)	\$ (0.11)	\$ 0.26	\$ (0.15)	\$ 0.10	\$ 0.02	\$ (0.06)	\$ (0.04)	\$ (0.04)	\$ 0.08	\$ 0.04
Diluted EPS	\$ 0.12	\$ (0.17)	\$ (0.09)	\$ (0.78)	\$ (0.19)	\$ (0.01)	\$ (0.23)	\$ (0.02)	\$ (0.10)	\$ (0.11)	\$ 0.26	\$ (0.15)	\$ 0.10	\$ 0.02	\$ (0.06)	\$ (0.04)	\$ (0.04)	\$ 0.08	\$ 0.04
WTD Shares Out - Basic	146.9	146.9	146.9	146.9	164.5	164.5	146.9	164.5	164.5	175.4	181.6	193.0	182.1	221.9	223.0	223.0	223.0	223.0	223.0
WTD Shares Out - Diluted	146.9	146.9	146.9	146.9	164.5	164.5	146.9	164.5	164.5	175.4	181.6	193.0	182.1	221.9	223.0	223.0	223.0	223.0	223.0
EBITDA	25.9	(2.9)	22.8	(42.9)	(14.9)	20.5	5.7	11.5	(23.1)	(11.6)	(13.4)	(11.0)	(24.4)	15.6	0.0	15.6	4.2	24.8	29.0

Margin Analysis

Gross Margin	45.7%	33.6%	50.0%	40.0%	37.3%	48.3%	44.5%	46.0%	72.3%	51.7%	73.3%	57.8%	62.7%	51.5%	51.5%	51.5%	45.9%	49.1%	47.5%
Operating Margin	13.1%	-16.3%	10.1%	-31.9%	-25.3%	10.2%	-2.1%	6.0%	-55.4%	-7.3%	-70.9%	-36.9%	-47.8%	3.6%	-7.8%	-1.2%	-3.0%	8.3%	2.8%
EBITDA Margin	16.6%	-1.7%	10.2%	-28.2%	-19.3%	13.3%	2.0%	7.7%	-52.9%	-5.4%	-33.2%	-2.0%	-12.0%	9.2%	0.0%	5.4%	2.4%	13.5%	8.1%
Pre-Tax Margin	12.9%	-17.1%	7.2%	-41.3%	-46.1%	-3.2%	-18.1%	-2.4%	-84.6%	-20.2%	-111.9%	-39.3%	-62.6%	2.8%	-8.9%	-2.1%	-3.8%	7.6%	2.0%
Net Income Margin	10.6%	-14.4%	3.0%	-35.2%	-42.1%	-1.2%	-15.3%	-2.4%	-76.6%	-18.5%	-110.8%	-33.4%	-58.2%	2.7%	-11.1%	-3.1%	-4.8%	9.5%	2.5%
Tax Rate	-17.5%	-15.7%	-57.8%	-14.8%	-8.6%	-64.5%	-15.1%	-1.0%	-9.5%	-8.7%	-1.0%	-15.1%	-7.0%	-3.0%	25.0%	46.9%	25.0%	25.0%	25.0%

Growth Rate Y/Y

Total Revenue	75.0%	5.2%	27.8%	-31.7%	25.4%	60.0%	46.1%	93.4%	-71.7%	-14.6%	-72.9%	108.1%	-33.6%	317.9%	41.0%	129.6%	3.2%	51.6%	23.4%
Total cost of revenues	48.2%	60.8%	2.2%	23.2%	-10.7%	-0.6%	-5.5%	23.4%	-4.9%	8.3%	-2.0%	54.4%	24.5%	38.8%	-11.7%	9.4%	5.4%	4.3%	4.9%
Operating Income	44.1%	-230.7%	-179.3%	-315.4%	-27.4%	-168.5%	-90.5%	-145.9%	-253.4%	201.5%	-420.2%	38.8%	334.3%	-121.2%	-70.2%	-94.4%	-187.3%	-261.5%	-395.0%
Pre-Tax Income	41.9%	-239.7%	-153.4%	-493.7%	7.6%	-84.2%	-36.1%	-90.0%	639.1%	-4.3%	1172.9%	-3.2%	105.5%	-110.5%	-68.0%	-92.3%	-240.1%	-229.0%	-220.4%
Net Income	17.0%	-242.9%	-126.7%	-895.0%	22.9%	-93.8%	-36.4%	-89.1%	1785.2%	3.0%	1173.1%	-9.2%	109.3%	-110.3%	-52.9%	-87.9%	-280.6%	-229.0%	-202.4%

Source: Company Reports, Stonegate Capital Partners estimates

Statement of Cash Flows

Electro Optic Systems Holdings Limited Consolidated Cash Flow Statements (AUD\$ M) Fiscal Year End: December																	
CASH FLOW	FY 2019	FY 2020	Q2 Jun-21	Q4 Dec-21	FY 2021	Q2 Jun-22	Q4 Dec-22	FY 2022	Q2 Jun-23	Q4 Dec-23	FY 2023	Q2 Jun-24	Q4 Dec-24	FY 2024	Q2 Jun-25	Q4 Dec-25	FY 2025
Operating Activities																	
Receipts from customers	109.1	107.6	117.0	117.0	233.9	74.5	71.4	145.9	123.3	202.2	325.5	120.3	140.8	261.1	100.8	93.8	194.6
Payments to suppliers and employees	(141.3)	(204.4)	(109.7)	(115.6)	(225.3)	(86.2)	(102.4)	(188.6)	(89.1)	(126.8)	(215.9)	(137.0)	(131.4)	(268.4)	(91.3)	(106.7)	(198.0)
Income tax paid	(1.9)	(12.0)	(0.8)	(1.9)	(2.6)	(0.9)	(0.1)	(1.0)	(0.4)	17.1	16.7	-	(0.5)	(0.5)	(3.6)	(2.4)	(5.9)
Interest and bill discounts received	0.6	0.7	0.3	(0.3)	0.0	0.0	0.2	0.2	0.1	0.9	1.0	0.8	1.4	2.2	1.1	2.2	3.3
Interest and other cost of finance paid	(0.4)	(1.0)	(2.3)	(3.6)	(5.9)	(4.5)	(3.6)	(8.0)	(3.2)	(11.0)	(14.2)	(14.7)	(10.1)	(24.8)	(16.2)	(1.9)	(18.1)
Cash flow generated/(absorbed) from operating Activities	(33.8)	(109.2)	4.6	(4.3)	0.2	(17.1)	(34.5)	(51.6)	30.7	82.4	113.1	(30.6)	0.2	(30.4)	(9.2)	(15.0)	(24.2)
Investing Activities																	
Payment for property, plant, and equipment	(4.6)	(24.6)	(9.0)	(20.0)	(29.0)	(16.1)	(3.2)	(19.3)	(1.4)	(1.6)	(2.9)	(1.4)	(4.7)	(6.2)	(6.2)	(7.9)	(14.0)
Security deposit for performance bond	-	(7.3)	(8.4)	(0.3)	(8.7)	(7.1)	(4.1)	(11.2)	(4.7)	(27.1)	(31.8)	2.1	(8.0)	(5.9)	(5.5)	(0.8)	(6.3)
Repayment of loan by associated entity	(2.8)	-	-	-	-	-	2.6	2.6	-	-	-	-	-	-	-	-	-
Payment to acquire a business	(1.3)	-	-	-	-	(0.4)	0.0	(0.4)	-	-	-	-	-	-	-	(6.3)	(6.3)
Payment for intangible assets	-	(5.2)	-	-	-	-	-	-	-	-	-	-	(5.4)	(5.4)	(4.1)	(2.0)	(6.0)
Proceeds from Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	21.1	21.1	0.3	10.2	10.6
Cash flow generated by Investing Activities	(8.6)	(37.0)	(17.3)	(20.4)	(37.7)	(23.6)	(4.7)	(28.3)	(6.1)	(28.7)	(34.7)	0.7	3.0	3.7	97.9	33.4	131.3
Financing Activities																	
Drawdown non-current bank loans and borrowings	-	-	-	-	-	-	14.6	14.6	-	-	-	-	-	-	-	-	-
Repayment non-current bank loans and borrowings	-	-	0.2	0.0	0.2	-	-	-	(1.6)	1.6	-	(20.5)	-	(20.5)	(48.2)	-	(48.2)
Net changes in current and non-current financial assets and liabilities	(1.7)	(3.2)	(2.1)	(1.7)	(3.9)	(2.6)	(2.5)	(5.0)	(2.3)	(2.4)	(4.6)	(2.5)	(2.8)	(5.2)	(2.7)	(2.4)	(5.1)
Non-monetary change	-	-	-	35.0	35.0	-	75.7	75.7	-	-	-	-	-	-	-	-	-
Distribution of Dividends	-	-	-	-	-	-	(35.8)	(35.8)	-	(24.4)	(24.4)	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	(0.8)	(0.8)	-	(4.1)	(4.1)	-	-	-	-	-	-	-	-	-
Transaction Costs Related to Issues of Shares	-	-	-	-	-	-	-	-	-	-	-	(1.5)	(0.4)	(2.0)	-	-	-
Proceeds from issue of new shares	81.3	139.2	-	-	-	-	-	-	-	-	-	36.9	-	36.9	0.1	0.2	0.3
Cash flow generated/(absorbed) by financing Activities	79.6	135.9	(1.9)	32.5	30.6	(2.6)	47.9	45.4	(3.9)	(25.2)	(29.1)	12.4	(3.2)	9.2	(50.8)	(2.2)	(53.0)
Effect of exchange rate changes on cash	0.2	(1.7)	(0.2)	0.4	0.2	(2.2)	(0.9)	(3.0)	(0.4)	0.4	(0.0)	(1.3)	0.1	(1.2)	0.1	0.5	0.5
Net Cash flow in the year	37.3	(11.9)	(14.8)	8.1	(6.7)	(45.4)	7.8	(37.6)	20.3	29.0	49.3	(18.8)	0.1	(18.7)	38.0	16.6	54.6
Cash and Cash Equivalents																	
Beginning Cash balance	40.5	77.9	65.9	51.1	65.9	59.3	13.8	59.3	21.7	42.0	21.7	71.0	52.2	71.0	52.3	90.3	52.3
Ending Cash balance	77.9	65.9	51.1	59.3	59.3	13.8	21.7	21.7	42.0	71.0	71.0	52.2	52.3	52.3	90.3	106.9	106.9

Source: Company Reports, Stonegate Capital Partners

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For Additional Information Contact:

Stonegate Capital Partners, Inc.

Dave Storms, CFA

Dave@stonegateinc.com

214-987-4121

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