

THEON announces new strategic US and European investments and partnerships to build global leadership in Digital and Augmented Reality defense optronics domain under the THEON NEXT initiative

Bloomberg (THEON:NA) / Reuters (THEON.AS)

- **Strategic Investment and Partnership with KOPIN Corporation - Augmented Reality System Development**
- **Long-Term Supply Agreement with eMagin Corporation – OLED Displays**
- **Strategic Industrial Partnership with ALEREON – Wireless Communication**
- **Extending AR-MR-VR Capability via Investment in VARJO**

11 August, 2025 – Theon International Plc (THEON) is proud to announce new strategic investments and strategic partnerships as part of its **THEON NEXT initiative**, building a platform to drive the development of next-generation soldier systems through targeted investments, collaborations, and co-development initiatives.

With a focus on the creation of innovative **Digital and Augmented Reality (AR) solutions** THEON NEXT aims to onboard best-in-class partners in their field of expertise to help shaping the future of operational dominance in modern warfare environments. To this end, THEON is announcing four major investments / strategic cooperations in the United States and Europe, marking a significant milestone in its journey to continue being a global leader in man-portable electro-optics. These transactions reinforce THEON's commitment to innovation, supply chain security, and transatlantic cooperation in defense technologies.

Following the establishment of a leading position in night vision systems, THEON has successfully expanded into thermal and digital solutions with its new A.R.M.E.D. product family. Similarly to the approach adopted for traditional Night Vision systems, favoring vertical integration and long-term supply agreements, THEON is now proactively stepping further into the rapidly growing Digital and AR domain, which relies on three critical technologies:

1. **Augmented and Virtual Reality Software** – the foundation of next-generation soldier systems, enabling immersive situational awareness, enhanced decision-making, and digital overlays in real-world environments.
2. **Micro-displays** – essential for next generation visual augmentation systems, with a strategic focus on developing a US-European microLED technology.
3. **Near-Range Wireless Connectivity** – enabling seamless, cable-free integration of soldier gear with real-time data transmission.

To successfully face these challenges, THEON announces four major initiatives and agreements that not only constitute relevant milestones in its technological roadmap but also deepen the US-European industrial cooperation:

First, THEON is investing a total of \$15 million in **Kopin Corporation (KOPIN, NASDAQ: KOPN), a US-based defense micro-display and sub-system specialist** with operations in the US and Scotland, UK. This comprises a \$7 million interest bearing loan, convertible in preferred stock of KOPIN at a share price range of \$3 to \$4.5 in THEON's option, and \$8 million capital increase for the acquisition of a 49% stake in KOPIN's Scottish subsidiary, which will serve as the foundation for a new European joint venture acting as the global (non-US) conduit for the production and distribution of AR-enabled systems co-developed between KOPIN and THEON and microLED display production. The whole investment in KOPIN of \$15 million, is geared towards the co-development of products and reflects the belief by THEON, that the already extensive R&D investments that KOPIN has undertaken have established the necessary foundation, for a cooperation that can promptly translate into cost efficient, AR-enabled products.

This strategic partnership will also see THEON US subsidiary (T-Industries) moving their relevant industrial and product development operations at KOPIN's facility in Reston, VA, which shall become the US manufacturing hub for THEON's AR-enabled and future digital electro-optic products. As part of T-Industries' normal course of business, THEON, over the next five years, will be investing \$8 million to support its US operations, as well as the new KOPIN -THEON co-development efforts. This new cooperation will not affect THEON's two existing partnerships in the night vision domain.

Secondly, THEON has signed a renewable minimum two-year supply agreement with **eMagin, a US-based manufacturer of OLED micro-displays and virtual imaging technologies**. eMagin specializes in high-resolution displays for military aviation, night vision, AR/VR, and other near-eye imaging applications. eMagin is a strategic supplier to THEON, providing most OLED displays used in THEON's products, including A.R.M.E.D. products, including foremost IRIS-C.

Thirdly, THEON has entered into a strategic partnership with **ALEREON, a U.S.-based leader in Ultra-Wide-Band (UWB) wireless technology**. ALEREON provides battle-proven UWB solutions that form the established Intra-Soldier communication protocol for the U.S. Army, enabling secure, jam-resistant communication between devices such as between THEON's THERMIS, THEA, IRIS-C, and ORION. Unlike conventional protocols like Wi-Fi or Bluetooth, ALEREON's UWB technology delivers unparalleled security, low latency, and resilience in battlefield conditions. Through this partnership, THEON will fully integrate UWB into its A.R.M.E.D. product line, **produce it in Greece and will promote this unique solution in Europe and the Middle East as ALEREON's primary partner in the regions.**

Lastly, THEON announces a strategic minority investment in **Varjo Technologies Oy (VARJO), a Finnish deep-tech company specializing in Virtual Reality (VR) and Mixed Reality (MR) headsets and applications**, deepening THEON's reach into the European innovation ecosystem. VARJO was founded in 2016 and supplies the most relevant aerospace and defense companies globally, delivering advanced military-grade VR/MR technology for training and simulation. The strategic collaboration between THEON and VARJO will combine THEON's technological know-how with VARJO'S advanced virtual and mixed reality hardware and software, with the companies having agreed to collaborate closely on multiple product and business initiatives. The agreement envisages an investment in VARJO via a €5 million convertible loan, structured to be converted into VARJO share capital upon the occurrence of defined events. THEON also holds an option to invest an additional €5 million under the same terms. This investment will support VARJO'S continued development of immersive technologies and reinforce THEON's digital expansion strategy under the THEON NEXT initiative, particularly on the development of high-tech products for defense applications.

Christian Hadjiminias, CEO of THEON, stated: "Following the recent significant KAPPA acquisition, THEON has managed to sign such pioneering agreements, ensuring it retains its leading position in man-portable electro-optics. We are very proud that these arrangements bring the US and Europe closer together to develop the next generation of soldier-borne systems. The partnership initially involves operations in the United States, the United Kingdom, Finland as well as Greece and will be eventually enlarged into Germany and Belgium where our EU thermal/digital hub is being established. Together, we are pushing the frontier of Augmented Reality defense capabilities. These initiatives and investments will be further expanded upon during our announced Capital Markets Day to be held in Athens in November 2025 (details to be publicized). I am very proud of our commercial and R&D teams that have helped secure these agreements in a short time frame following a thorough review of essential technologies and potential partners over the past 12 months."

Dimitrios Mandridis, CTO of Theon Sensors stated: "THEON has managed to establish an advanced global technical cooperation framework combining all key technologies of the new inter-connected AR-capable-soldier era, as can be seen by the introduction of THEON's A.R.M.E.D. product line and its ever-growing adoption by modern armies. Every piece of this cooperation ensures that THEON will be at the forefront of new developments in the digital and AR technology space which further evolve THEON's A.R.M.E.D. product line for the benefit of our final customers. THEON's R&D department has been expanded and restructured to enable the integration of all these partnerships."

Dimitris Parthenis, CFO of THEON, stated: "Obtaining key technologies—especially when these relate to large companies also operating in the civil sector—through such agreements represents a flexible and financially efficient investment and rapid outcome

for all our stakeholders. THEON's option to convert such development funds into equity positions would positively affect its future financial results. The current investment, totaling €25 million over two to five years, is expected to be paid back quickly, through enhancing the features and the price positioning of our current offer and also via the future growth of these companies that have some of the most promising civil and defense technologies. We are proud to be looking to the future with these compelling partners who share our leading entrepreneurial spirit."

Michael Murray, CEO of KOPIN, stated: "With defense investments accelerating globally, especially among European NATO allies, strategic partnerships have become critical to delivering next-generation, mission-ready technologies. We are proud to collaborate with THEON in a partnership that exemplifies innovation, agility, and shared purpose. By integrating KOPIN's cutting-edge micro-displays and application-specific optical subassemblies with Theon's advanced expertise in night vision, thermal imaging, and Electro-Optical ISR systems, we are not only meeting the evolving demands of modern defense operations, but we are also actively shaping the future of battlefield awareness and operational effectiveness."

Amal Ghosh, CEO of eMagin stated: "We are excited to partner with Theon, a leader in advanced optics and imaging systems, to integrate eMagin's state-of-the-art OLED microdisplay technology into their next generation of products. This collaboration underscores our shared commitment to delivering unmatched image quality, performance, and reliability for mission-critical applications. By combining eMagin's innovation in microdisplays with Theon's expertise in precision optics, we are poised to create solutions that set a new standard in the field and deliver exceptional value to customers worldwide."

David Shoemaker, CEO of ALEREON, stated: "We're excited to partner with THEON and be part of this forward-looking initiative. THEON'S proven expertise in electro-optics and extensive international business development network make them an ideal ally in expanding the reach and implementation of ALEREON's UWB technology. With THEON as our key partner in Europe and the Middle East, we look forward to bringing our battle-proven communication solutions into the hands of many more allied soldiers."

Timo Toikkanen, CEO of VARJO, added: "We are proud to welcome THEON as a strategic investor in VARJO. Since our inception, VARJO has been creating the most advanced VR/XR military systems globally. THEON's extensive experience and leadership in the defense sector make them an ideal partner as we expand our impact in mission-critical training and simulation, enabling unprecedented levels of realism, readiness, and operational effectiveness."

For inquiries, please contact:

Investor Relations

Nikos Malesiotis

E-Mail: ir@theon.com

Tel: +30 210 6772290

Media Contact

Elli Michou

E-Mail: press@theon.com

Tel: +30 210 6728610

About THEON GROUP

THEON GROUP of companies develops and manufactures cutting-edge night vision and thermal Imaging systems for Defense and Security applications with a global footprint. THEON GROUP started its operations in 1997 from Greece and today occupies a leading role in the sector thanks to its international presence through subsidiaries and production facilities in Greece, Cyprus, Germany, the Baltics, the United States, the Gulf States, Switzerland, Denmark, Belgium, Singapore and South Korea. THEON GROUP has more than 220,000 systems in service with Armed and Special Forces in 71 countries around the world, 26 of which are NATO countries. THEON INTERNATIONAL PLC has been listed on Euronext Amsterdam (AMS: THEON) since February 2024.

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