



ORBITAL®
UAV

Investor Roadshow

March 2018

orbitalcorp.com.au



Emerging world leader in tactical
UAV propulsion systems and
flight critical components

Recent Highlights



- Secured exclusive lease over facility in the US
- Divested REMSAFE for an unconditional cash payment of A\$2.2 million
- Initial A\$12 million N20 batch order delivery to Insitu-Boeing completed
- Cash and receivables balance of A\$20.9 million
- Maintains full year revenue guidance of ~A\$22 million
- Exceeded the N20 Mark II power and weight improvements targets re the A\$800k engineering project with Insitu-Boeing
- On track to ramp production of the enhanced Mark II N20 propulsion systems

REVENUE &
GROSS MARGIN %

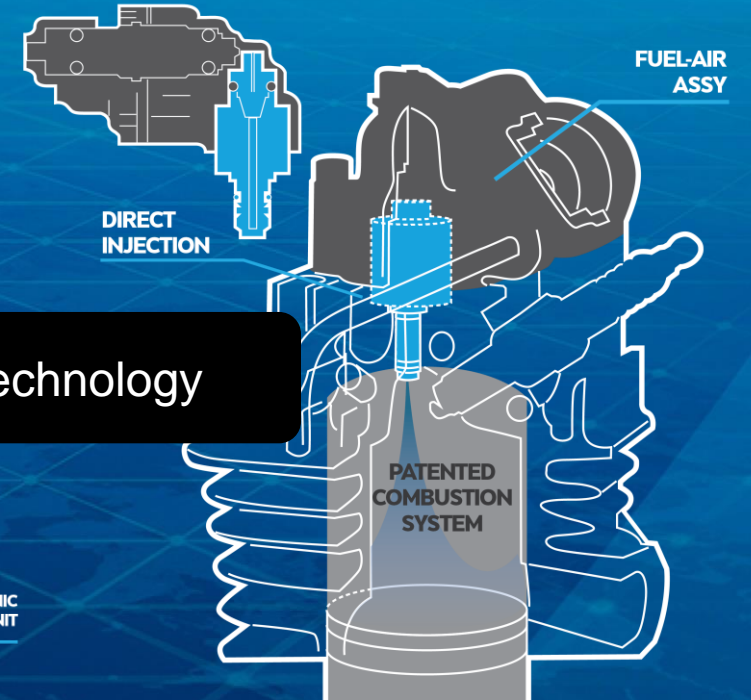


Our Focus



N2O INTEGRATED
PROPULSION SYSTEM

Integrated
Propulsion Systems



FUEL-AIR
ASSY

DIRECT
INJECTION

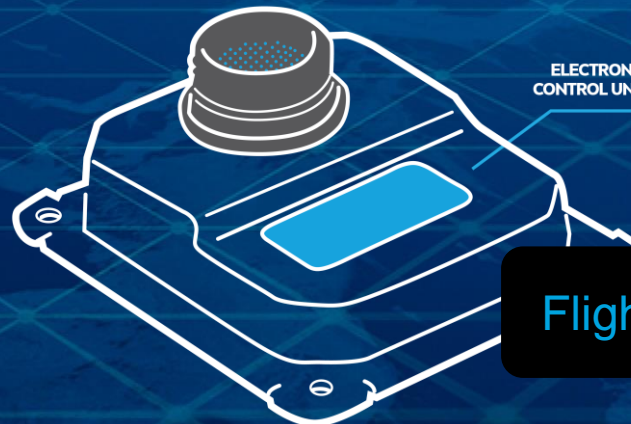
PATENTED
COMBUSTION
SYSTEM

Patented Technology

ELECTRONIC
CONTROL UNIT

Design Thinking

Flight Critical Components



Market Opportunity: Military UAVs



Combat UAV

- **Price per aircraft:** \$55 million - \$65 million*
- **Payload:** up to 1,700kg
- **Length:** up to 11 m
- **Wingspan:** up to 20 m
- **Max endurance:** 27 hours
- **Max altitude:** 50,000 ft

Example: **MQ-9 Reaper**



Tactical UAV

- **Price per aircraft:** \$2.5 million - \$4 million per system**
- **Payload:** up to 5kg
- **Length:** up to 2m
- **Wingspan:** up to 5m
- **Max endurance:** 24 hours
- **Max altitude:** 20,000 ft

Example: **ScanEagle**



Mini UAV

- **Price per aircraft:** ~\$180,000 per system***
- **Payload:** up to 3.5kg
- **Length:** up to 0.9 m
- **Wingspan:** up to 1.5 m
- **Max endurance:** 60-90 minutes
- **Max altitude:** 500 ft

Example: **The Raven**



CURRENT FOCUS

* Includes aircraft, sensors, ground control stations, and communications | ** Includes air vehicles or AVs, a ground control station, remote video terminal, launch system and recovery system

*** Includes UAVs, ground control stations and spare parts

Existing Relationships



ORBITAL UAV has existing relationships with the largest players in the tactical UAV market



TEXTRON Systems

Long term agreement
A\$120M

Total sales to date
~A\$18M

Market Opportunity: Tactical UAV



participants include:

INSITU

TEXTRON Systems

Elbit Systems

LOCKHEED MARTIN

NORTHROP GRUMMAN

Military UAV

Tactical UAV

Propulsion systems
15-25%

\$14.6Bn[#]

Forecast growth at
>30% over the next
5 years*

Market Opportunity: Tactical UAV - Defence



- **Military spend continues to increase**

- Capabilities of tactical UAVs are advancing through new communication, sensor and camera technologies, added to the payloads of existing systems
- Longer endurance times for intelligence, surveillance and reconnaissance (ISR) missions
- US Special Operations Command (SOCOM) contract of \$475 million to provide mid-endurance UAVs – Insitu-Boeing and Textron

- **Growth in US Navy contracts with UAVs**

- Insitu and Textron provide contractor-owned and operated small unmanned aerial systems (UAS) for its sea-based missions
- UAS operating on ships must use the same aviation fuel already aboard Navy ships
- US Naval Air Systems Command (Navair) awarded \$1.73 billion contract for intelligence, surveillance and reconnaissance (ISR) – awarded to 4 companies including Insitu-Boeing and Textron



Market Opportunity: Tactical UAV - Commercial



- The civil government and agricultural sectors are predicted to grow exponentially due to technological developments, loosened regulatory requirements and influx of investment
- Recent US Coast Guard requests are for UAVs that can fly in bad weather, at high altitudes, for long periods
- Insitu Pacific providing Queensland Gas Corporation (QGC) with Beyond Visual Line of Sight (BVLOS) operations for infrastructure monitoring and inspection tasks



Our Approach



Orbital UAV's growth strategy is founded on our industry leading capability to produce high performance propulsion systems for the expanding tactical UAV market.

Our Action Plan



Building our presence in the United States marked by the establishment of an operational facility in Oregon, and joining the growing cluster of drone technology companies established in the area

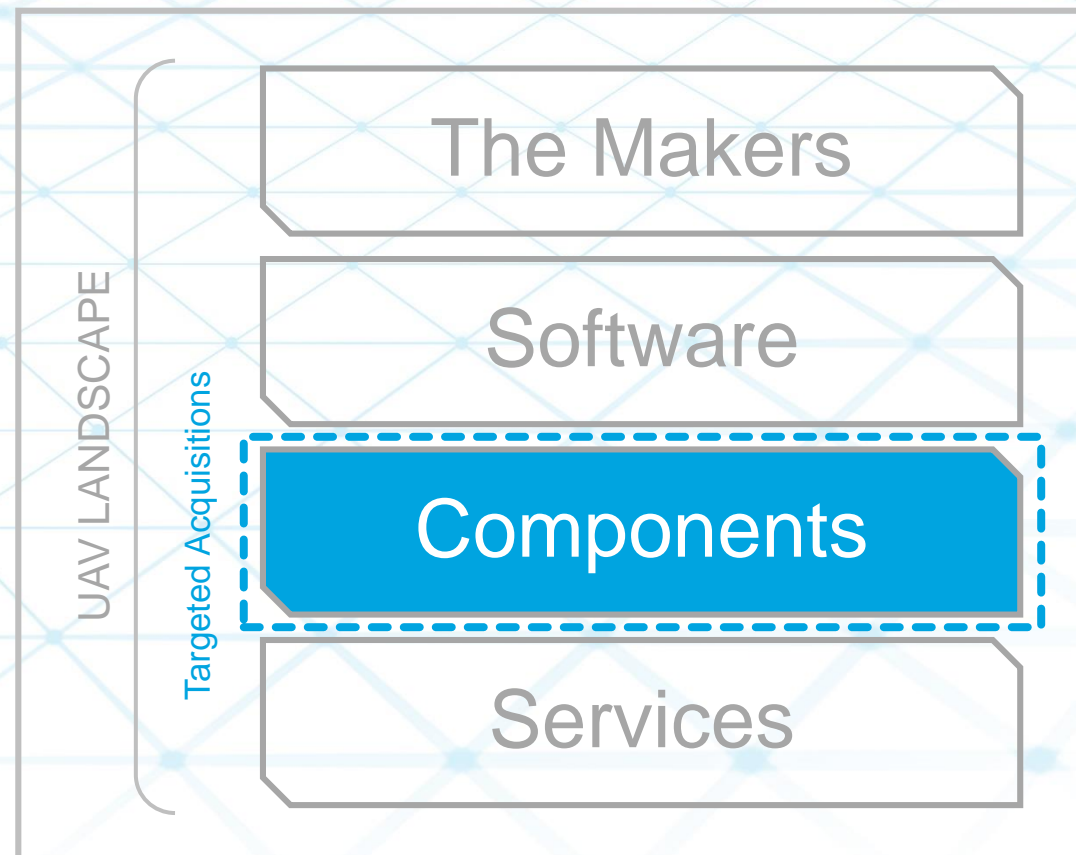
Our Future



Leveraging our tier one customer base to grow and diversify our revenue streams



Targeted acquisitions of high value component players



Case Study: Insitu ScanEagle[®] Propulsion System



ORBITAL UAV supplies the complete, fully assembled and mission-ready ScanEagle[®] propulsion system

FlexDI™

Revolutionary fuel delivery and engine management components

Proprietary Combustion System

Compact Engine Package

High power-to-weight ratio



Electronic Control Unit

Light weight military specification

Ultra-light Weight Fuel & Oil Tank System

Specialised Muffler

Minimizes noise and temperature signatures



Case Study: Insitu ScanEagle® Propulsion System



- **Faster installation time:** fully integrated system significantly decreases onsite installation time
- **Leading power-to-weight solution:** heavy fuel application
- **Proven cold start and cold operation:** capability to -30°C
- **High reliability and durability:** demonstrated FAR33.49 endurance test
- **Fuel efficient:** up to 40% more fuel efficient than today's conventional engine
- **Proprietary engine:** designed for smooth, low vibration operation
- **Lowest cost flight time:** dollars per hour in the air (high time between overhaul & low maintenance)



Board of Directors and Management



Board of Directors



John Welborn
Chairman
Non-executive Director



Todd Alder
Chief Executive Officer &
Managing Director



Steve Gallagher
Non-executive Director



Terry Stinson
Non-Executive Director

Management



Todd Alder
Chief Executive Officer &
Managing Director



Roulè Jones
Chief Financial Officer &
Company Secretary



Dr Geoff Cathcart
VP Chief Technical Officer



Dr Alastair Bacon
VP Program Delivery

Corporate Overview



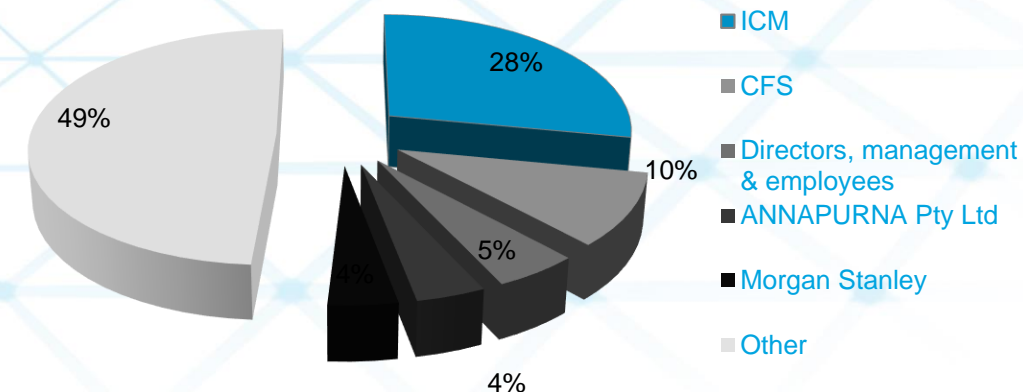
Capital Structure		
Share Price (28 Feb 18)	\$	0.37
Fully Paid Ordinary Shares	M	77.3
Market Capitalisation	\$m	28.6
Cash (31 Dec 17)	\$m	15.2
Debt (31 Dec 17)	\$m	8.4
Net Assets (31 Dec 17)	\$m	17.8
Revenue Guidance	\$m	22.0

Share Price



HY18 Results	HY18
Revenue	5,941
EBIT (Loss)	(1,323)
NPAT	(1,587)
Cash	15.2M
Cash & Receivables	20.9M
Debt	8.4M
Net Assets	17.8M

Top Shareholders



Emerging world leader in tactical UAV propulsion systems and flight critical components



The only fully integrated propulsion system to address evolving performance and mission-critical requirements of the tactical UAV market

Existing relationships with the most significant market participants including Insitu-Boeing (LTA ~A\$120 million) and Textron Systems (Total sales to date ~A\$18 million)

Accelerating revenue growth through our purpose-built UAV facility, Oregon, USA, operational in H1 2018

Building a global UAV business through targeted acquisitions of high value component players, concentrated within the tactical UAV industry

Immediate growth targets fully funded with cash and receivables of A\$21 million

Cautionary Statement



This presentation includes statements looking-forward that involve risks and uncertainties. These statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, that could cause actual results to differ materially from such statements. Actual results and events may differ significantly from those projected in the forward-looking statements as a result of a number of factors including, but not limited to, those detailed from time to time in the Company's Annual Reports. Orbital makes no undertaking to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this release.



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UAV

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