



## ASX ANNOUNCEMENT

22 February 2019

# 2019 HALF-YEAR FINANCIAL RESULTS

Engine development programs position Orbital UAV  
for production ramp-up in second half

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') today publishes its audited half-year financial report for the six months ended 31 December 2018.

The Group's audited accounts presents half-year revenue at \$2,229,000 for a net loss after tax of \$4,024,000 and cash and receivables at \$18,909,000.

As previously announced (ASX Announcements 07/02/2019), Orbital UAV has revised its revenue guidance for financial year 2019 ('FY19') to A\$20 million.

"Orbital UAV's financial results for the six months ended 31 December 2018 reflect a period of engine development and investment in growth," said Todd Alder, CEO and Managing Director of Orbital UAV.

"Our earnings for the half-year are in line with our internal expectations as we look forward to production ramp-up in the second half of FY19,"

In September 2018, Orbital UAV officially opened its purpose built production facility in Oregon, USA – a critical step in the Company's long term growth strategy.

Orbital UAV's expanded Long Term Agreement (LTA) covering five engines and worth up to A\$350 million over five years with Insitu Inc., a wholly owned subsidiary of The Boeing Company, was confirmed in October, along with the launch of the Modular Propulsion Solution (MPS) – Orbital UAV's revolutionary response to the increasing requirements of the tactical unmanned aircraft system market.

The first engine under the Insitu LTA will begin production in Q2 2019, as planned. All five engines under the LTA are scheduled to be in production during FY20.

"Over the past six months we have continued to invest in our business's near-term growth through internal capacity expansion and continued internal capability improvements.

"This investment has been undertaken with the clear strategic focus of delivering the targets set out within our LTA with Insitu and our longer term growth strategy," said Mr Alder.

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#### About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical unmanned aerial vehicles (UAVs). Our design thinking and patented technology enable us to meet the long endurance and high reliability requirements of the UAV market. We have offices in Australia and the United States to serve our prestigious client base.

#### Forward-looking statements

*This release includes forward-looking statements that involve risks and uncertainties. These forward-looking 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. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.*