



ASX ANNOUNCEMENT

16 November 2022

CHAIRMAN'S ADDRESS TO AGM

Mr John Welborn's address to Orbital Corporation Limited's Annual General Meeting – 16 November 2022

PERTH, AUSTRALIA: Before I hand over to our Managing Director and CEO for an update, I'd like to provide my own comments on our Company and its performance over the past 12 months.

It is worth noting that we meet here in Balcatta in a facility that was established several decades ago in order to build a world class engine manufacturer, capable of revolutionising the global automotive industry.

Today, Orbital UAV is that world class engine manufacturer – albeit in a much different domain.

Orbital UAV's propulsion systems for tactical unmanned aerial vehicles incorporate unique patented technologies and deliver industry leading performance to some of the world's largest defence Prime contractors.

Put simply, Orbital UAV is a global leader in the design and manufacture of engine systems for military drones.

Since our last annual shareholder meeting, unmanned aerospace has continued to prove itself to be a dynamic and evolving market. The strategic relevance and commercial significance of UAVs has continued to increase, and tactical UAVs specifically are firmly established as a critical defence capability. It's within this market that Orbital UAV's revolutionary technology and world class manufacturing capability offers unique differentiators and the ability to meet the growing requirements of major defence Primes and their end customers.

As geopolitical tensions continue to rise in many areas of the world, the work of tactical UAVs and the persistent ISR capability they provide is unrelenting. Ensuring these vehicles have the most reliable, efficient, and advanced engine product to power them is Orbital UAV's immediate mission.

The Company's proven capability and strong reputation has been further demonstrated in 2022 with the progression of our two development programs for Textron Systems, the next phase contract with our major Singapore defence customer and new agreements with AeroVironment and Anduril Industries.

This progress has been underpinned by the two engine production lines we have in operation for Boeing subsidiary Insitu. Proudly for us, one of these production lines is now shipping directly to Insitu Pacific in Queensland, which will support the Australian Army's next generation tactical UAV program.

As has been well communicated, our engine growth pathway with Boeing Insitu was disrupted earlier this year with the cancellation of the third engine production line.

At a time when the business continues to progress other major development programs and R&D, the impact of this cancellation was material and was reflected in our FY22 full year revenue and other income result of \$18.3 million.



While challenging, what has been heartening is management's ability to take action, reset the business and continue to progress those additional development programs and opportunities that will help us deliver on our FY23 revenue guidance of \$20-\$25 million.

In addition – and as Todd will talk to – thanks to our customer diversification strategy we have strong foundations to build on and a positive opportunity pipeline to drive future growth.

The Company's opportunity remains well supported by its cornerstone investors, UIL Limited and First Sentier Investors. This commitment has been further demonstrated today, with the announcement for a capital raising of \$5 million that both parties are supporting.

In addition, the importance of Orbital UAV's work, the sovereign capability it enables, and the export opportunity it represents has been underlined by strong government support. Facility and capability reviews by Prime Minister Scott Morrison, Minister for Defence Peter Dutton and WA Premier Mark McGowan earlier this year strengthened Orbital UAV's position and reputation as a major Australian defence industry supplier and exporter.

In closing, I would like to acknowledge and thank the entire Orbital UAV team for their efforts and commitment over the past year. Our technical and manufacturing credentials are built on the passion, skills and capability of our people and it is they that will enable our Company to deliver on our future opportunities in the unmanned aerospace sector.

-ENDS-

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About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical uncrewed 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.

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