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ORBITAL UAV SIGNS MOU WITH UK CUSTOMER

Orbital UAV and Animal Dynamics to explore advanced propulsion system for new aerial autonomous solution



Stork-STM is an autonomous, heavy lift parafoil designed to carry heavy cargo weighing 135kg up to 400km

Highlights:

- Orbital UAV and Animal Dynamics sign MoU to explore advanced propulsion system for uncrewed aircraft system, Stork-STM
- Highly performant, reliable and maintainable engine for wide range of environmental conditions Stork-STM will fly in
- Opportunity to take Orbital UAV's patented engine technology into the European market
- Manufacturing capabilities of Orbital UAV will accelerate the commercial deployment of Stork-STM

PERTH, AUSTRALIA: Orbital Corporation Ltd. (Orbital UAV, the Company), a world leader in the design and manufacture of integrated propulsion systems, and Animal Dynamics, an uncrewed aerial logistics company have signed a Memorandum of Understanding (MoU), the first formal step in building a partnership that will foster collaboration and drive innovation.

Heavy cargo capability

The agreement will explore initial concepts for heavy fuel engine systems applicable to Stork-STM, a heavy lift uncrewed aircraft system (UAS) being developed by Animal Dynamics. It will result in a highly performant, reliable and maintainable engine that will excel across the wide range of environmental conditions Stork-STM will fly in.

Stork STM is an autonomous, heavy lift parafoil built from first engineering principles. It is a new autonomy solution designed to carry heavy cargo weighing 135kg up to 400km (the distance between London and Amsterdam). Operational beyond visual line of sight and able to take off and land across short distances on unprepared ground, it is ideally suited for military resupply, humanitarian aid and emergency response missions.

Accelerating commercial deployment

Orbital UAV's industry leading engine performance and proven ability to operate in extreme temperatures, from -30°C up to 49°C, will play a crucial role in the strategic deployment of Stork-STM, bringing a potential global operating domain to a vehicle designed to work in the harshest and most austere environments

Orbital UAV's rapid in-house prototyping and cradle-to-grave product lifecycle capabilities enable the Company to take an engine from concept and definition, through to full rate engine production and in-service support, and will help to accelerate the commercial deployment of Stork-STM.

“Animal Dynamics represents an exciting opportunity to take Orbital UAV's patented engine technology into the European market and expand our global reach,” said Todd Alder, CEO and Managing Director of Orbital UAV. “Stork-STM is a ground-breaking UAS, that will create a unique solution for the defence sector, and beyond.”

Kevin Allington, CEO of Animal Dynamics, added: “Orbital represent our first choice to develop the best possible powertrain for our vehicle. We're confident our customers will be able to rely on their performant and reliable technology in the most difficult operating environments.”

As well as powering Stork-STM vehicles, which are being developed for the UK, USA and other allied countries, this engine work will also power a sovereign Australian vehicle, Pelican, being developed in conjunction with Animal Dynamics and Omega Dev Group in Sydney.

“Orbital's world class engineering is another good reason for the Australian Defence Force to be confident that our Pelican UAV brings class leading performance and value for money,” said Blair Hickey CEO of Omega Dev.



Orbital UAV's in-house development capabilities will help accelerate the commercial deployment of Stork-STM

Heavy fuel's global demand

Heavy fuel engine capability continues to be a growing requirement for the global UAS market. As more of the market's players look to meet this requirement, Orbital UAV's unique technology and industry leading engine performance continues to expand the Company's customer portfolio.

"The logistical and safety benefits of heavy fuel – combined with Orbital UAV's patented technology and proven capability – continue to drive our global growth opportunity," said Mr Alder. "We already have established contracts with prime contractors in the USA and our major Singapore defence customer. This opportunity with Animal Dynamics expands our global reach and builds on a number of other near-term opportunities."

The MoU will not impact Orbital UAV's forecast revenue for FY23 of \$20-\$25 million at this stage.

About Animal Dynamics

Animal Dynamics builds intelligent hardware and software autonomy solutions that assure delivery and protect human life in dangerous environments.

Headquartered in Oxford, with an international reach, the company is accelerating the commercial rollout of Stork, its family of resilient, multi-purpose Uncrewed Aircraft Systems, designed to carry large payloads over long distances.

An early generation product, Stork ST-25, is already operational today and available for customer evaluation trials. The current focus is on the mass manufacture and commercial rollout of Stork STM, an autonomous heavy lift powered parafoil.

www.animal-dynamics.com



As well as powering Stork-STM vehicles, Orbital UAV's engine work will also power a sovereign Australian vehicle, Pelican

Additional Information

<p>Significance of the MoU</p>	<ul style="list-style-type: none"> The purpose of this MOU is to define a program of work and commercial framework in which Animal Dynamics and Orbital UAV will collaborate to progress initial concepts for heavy fuel propulsion systems (HFE) applicable to the Stork model uncrewed aerial vehicles (UAVs).
<p>Key responsibilities / obligations of Orbital UAV and Animal Dynamics ('the Parties') under the MoU</p>	<p>Orbital UAV will:</p> <ul style="list-style-type: none"> dedicate resources to the development of Animal Dynamics' initial HFE concepts for the Stork model UAV; identify key stakeholders within Animal Dynamics and collaboratively: <ul style="list-style-type: none"> collect technical and non-technical requirements applicable to the HFE solutions for the Stork model UAVs; define indicative HFE product development and HFE production approval, schedules and costs; and look at innovative commercial solutions for the Stork UAV HFE development deliver initial HFE concepts including: <ul style="list-style-type: none"> documented HFE design requirements; HFE targets for time between overhauls, service life, reliability, operating boundaries, quality/manufacturability, power, weight, package size and noise; HFE maintenance schedules, parts and activities; preliminary statement of work and project plan for the development and production approval for the initial HFE concepts; and a proposal for Orbital UAV to develop and produce HFEs for the Stork UAV. Complete this initial program of work on or before 31 December 2022. <p>Animal Dynamics will:</p> <ul style="list-style-type: none"> allocate resources to assist Orbital UAV's information requirements; and provide Orbital UAV with the relevant technical and non-technical requirements for the development of initial concepts for the Stork UAV HFE.
<p>Costs that could occur as part of the MoU and the source of funding</p>	<ul style="list-style-type: none"> Each Party will bear its own costs under the MoU. The MoU does not create any other financial or funding obligations on either Party at this stage.
<p>Intellectual Property</p>	<ul style="list-style-type: none"> All intellectual property owned by a Party prior to entering into this MOU and any intellectual property disclosed or introduced to the other Party in connection with this MOU and all materials in which such intellectual property resides ("Background IP") and which is disclosed or introduced to the other Party and any adaptations and improvements based on such Background IP shall be owned by the disclosing Party.

Material Terms	<ul style="list-style-type: none">• The MoU is effective from December 2022.• The MoU shall remain valid until terminated by either Party by giving at least one (1) week's written notice, with or without cause and without any liability to the other Party.• There are no current performance-based terms under the MoU.• Termination of the MoU shall not affect the validity of any Purchase Order(s) and/or Contract(s) already implemented, or the work commenced thereunder, before the termination of the MoU.
Economic Impact	<ul style="list-style-type: none">• The MoU will not impact Orbital UAV's forecast revenue for FY23 of \$20-\$25 million at this stage.

-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.

Notes to editor

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