

19 December 2022

COMPANY UPDATE

FY23 revenue forecast on track as new customer opportunities and contracted engine development programs present positive outlook

7global customers –
three added in 2022**\$3M**removed in overhead
& remuneration costs**\$5M**capital raise
to support growth strategies**\$20M-\$25M**FY23 revenue forecast
remains on track

PERTH, AUSTRALIA: During 2022, Orbital Corporation Ltd ('Orbital UAV', 'the Company') has:

- Reset the Company's cost base and strengthened its balance sheet;
- Continued to execute on its customer diversification strategy; and
- Positioned itself to target expansion in the ~\$3 billion tactical UAV market.

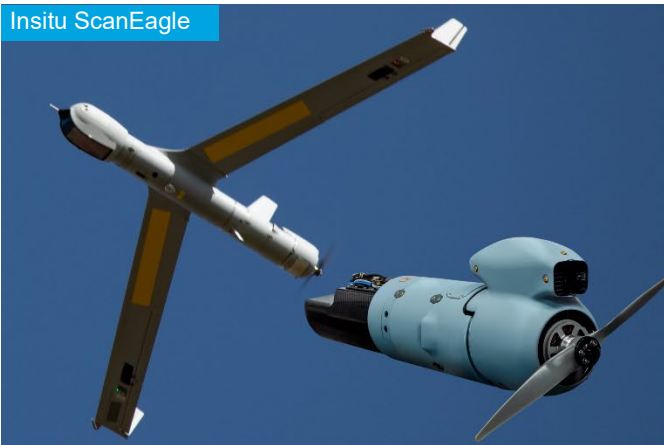
Contracted work

Orbital UAV's contracted work covering engine models in production or moving from development into production are currently spread across three global customers.

Insitu Inc. & Insitu Pacific

The Company continues to operate two engine model production lines for Boeing subsidiaries Insitu Inc. and Insitu Pacific Pty Ltd from its Balcatta manufacturing facility. In November 2022 Orbital UAV commenced shipping of engines directly to Queensland-based Insitu Pacific, in support of the Australian Army's LAND 129 Phase 3 tactical UAV program.

Insitu ScanEagle



Insitu Integrator



Textron Systems

Orbital UAV has two engine programs in development with Textron Systems, the world’s largest supplier of tactical UAVs to the US Army.

The two engines will support vehicles in Textron Systems’ Aerosonde® program and are scheduled to enter production in calendar year 2023.



Textron Systems Aerosonde® Mk.4.8 Hybrid Quad



Textron Systems Aerosonde® SUAS

Singapore customer

Earlier this year the Company signed the next phase contract with its major Singapore defence customer, worth \$3.5M. The contract progresses the development of an Orbital UAV designed engine to be integrated into the customer’s tactical UAV application and sets out a clearly defined pathway through to production.

Production of the engine is scheduled to commence in calendar year 2023.

Development opportunities

Over the course of 2022, Orbital UAV has developed relationships with four additional unmanned aircraft system (‘UAS’) specialists: AeroVironment Inc., Animal Dynamics, Anduril and Skyways. All relationships are being progressed under MoUs (Memorandum of Understanding), with defined programs of work and deliverables being executed.

AeroVironment

A global leader in UAS and services, AeroVironment acquired Arcturus UAV, a leading provider of Group 2 and 3 UAS, in 2021.

AeroVironment now offers a complete set of Group 1 through 3 UAS, including the JUMP® 20 platform.

In August, the US Army awarded the JUMP® 20 platform Increment 1 of the Future Tactical Unmanned Aircraft System (FTUAS) Program. The FTUAS Program is being conducted to replace the RQ-7B Shadow UAS currently fielded in selected Brigade Combat Teams.

Under the current MoU, Orbital UAV will supply a heavy fuel engine for testing on the JUMP® 20 platform.

US ARMY - FTUAS PROGRAM

- The value of the US Army’s Future Tactical Unmanned Aircraft System (FTUAS) Program has been put as high as US\$1 billion. *Article via Inside Unmanned Systems*
- The Program has been split into two increments, with Army awarding AeroVironment the Increment 1 phase in August 2022. *Article via US Army*



Animal Dynamics

Orbital UAV's newest partner is Animal Dynamics, a UK-based unmanned aerial logistics company aiming to accelerate the commercial rollout of Stork, its family of resilient, multi-purpose UAS designed to carry large payloads beyond visual line of sight.

The companies are initially exploring concepts for a heavy fuel engine system applicable to Stork-STM, an autonomous, heavy lift parafoil capable of carrying cargo of 135kg up to 400km.

Anduril Industries

Anduril Industries and Orbital UAV signed a broad scope MoU in May 2022 to work on concepts, products and technical solutions in the unmanned domain.

The Company conducted an initial contract of engineering work in September to support engine development work for Anduril's latest UAS program and continues to explore further collaboration opportunities.

Skyways

Having supplied Skyways with a prototype engine at the start of 2022, Orbital UAV continues to support the company as it competes for the [US Navy's Blue Water Logistics UAS \(BWUAS\) program](#).

BWUAS has the objective of accelerating the identification and evaluation of UAS capable of performing autonomous logistical replenishment from shore-to-ship, ship-to-ship, and ship-to-shore. Navy is focused on systems that do not require dedicated launch and recovery equipment and can deliver critical equipment supporting distributed maritime operations.

Outlook

Orbital UAV's diversified portfolio of customers presents a positive outlook for the Company in 2023 and continues to demonstrate a growing global reputation within the unmanned aerospace domain.

"Despite challenges outside of our control over the past 12 months, I am pleased with the progress we have made to build a more robust and sustainable business," said Todd Alder, CEO and Managing Director of Orbital UAV. "Our proven engine technology and manufacturing capability within the tactical



UAS domain continues to set the industry benchmark, as demonstrated by our existing contracted production and development programs. While an increasing number of new business opportunities highlight the growth and opportunity that remains in this market.”

The Company maintains its financial year 2023 full year revenue forecast of \$20-\$25 million.

-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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