



## ASX ANNOUNCEMENT

14 November 2024

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# ORBITAL UAV LAUNCHES FULLY UNDERWRITTEN RENOUNCEABLE ENTITLEMENT ISSUE TO RAISE APPROXIMATELY A\$2M

Funding to support additional engine development, structure balance sheet for growth and to centralise supply chain

### KEY HIGHLIGHTS

- Renounceable Entitlement Offer of one new share for every eight shares held at an issue price of A\$0.11 per new share to raise up to ~A\$2.0M.
- The Entitlement Offer is fully underwritten by major shareholders, UIL Limited and Boneyard Investments Pty Ltd, who have each agreed to underwrite 50% of the renounceable Entitlement Offer. Their respective underwriting will be reduced to the extent they or their associates take up their entitlements under the Entitlement Offer.
- The Directors of Orbital UAV have also indicated their intention to take up full Entitlements.
- Funds are proposed to be directed towards new engine class development, expanding on the current product offering, and providing additional working capital ahead of forecast production ramp.

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company' or 'OEC') is pleased to announce a fully underwritten one for eight renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company ('New Shares') at an issue price of A\$0.11 per New Share ('Offer Price') to raise gross proceeds of approximately A\$2.0 million before costs ('Entitlement Offer').

Under the Entitlement Offer, eligible shareholders (as detailed in the Entitlement Offer Booklet to be dispatched by OEC) are entitled to acquire one New Share for every eight existing fully paid ordinary shares in the Company ('Shares') held on the record date, being 4:00pm (Perth time) on 19 November 2024 ('Record Date').



The Offer Price represents a premium of approximately 22% to the Company's closing price of Shares on 13 November 2024 of \$0.09, being the last trading day prior to the announcement of the Entitlement Offer. The Offer Price represents a discount of approximately 6% to the volume weighted average market price (as defined in the ASX Listing Rules) of Shares of \$0.117 for the thirty trading days prior to 13 November 2024.

The Entitlement Offer is fully underwritten by existing major shareholders of Orbital UAV. In particular, each of UIL Limited and Boneyard Investments Pty Ltd have separately agreed (via underwriting agreements entered into with OEC) to underwrite part of the Entitlement Offer to the extent of 50% of the total Entitlement Offer, being approximately \$1.0 million each (less, in each case, the aggregate Offer Price for any entitlements they and any of their associates respectively take up under the Entitlement Offer). Consequently, the maximum participation of each of UIL Limited (together with its associates) and Boneyard Investments Pty Ltd (together with its associates) in the Entitlement Offer (including shortfall) is 50% each.

Further, the Directors of Orbital UAV, have indicated their intention to take up their full entitlements under the Entitlement Offer.

### Use of proceeds from the Entitlement Offer

Orbital UAV develops and supplies unmanned aerial vehicle ('UAV') propulsion systems and flight critical components to Tier 1 UAV suppliers. The Company has expanded its customer and product base over the past two years, and is currently producing engine variants to:

- Textron Systems, a wholly owned subsidiary of Textron Inc.;
- DSO National Laboratories, one of Singapore's largest defence companies;
- Dynamic Technologies, South Asia's leading manufacturer of aerospace materials; and
- a Vietnamese security and technology company.

### Funds raised from the Entitlement Offer are proposed to be directed towards:

- expanding contracted production programs;
- driving product research and development into a new engine model;
- repatriating key supply chain componentry from international suppliers; and
- facilitating general working capital.

The Orbital UAV directors reserve the right to reallocate funds for different purposes, as they consider prudent or as required.

### FTUAS - Textron engine demand

Orbital UAV is the primary engine partner to Textron Systems for their supply of the Aerosonde 4.8 quad UAS into the Future Tactical Uncrewed Aircraft System (FTUAS) program to replace the US Army's existing fleet of tactical unmanned aerial vehicles. Through this long-term partnership, Orbital has successfully designed, integrated, and field tested a series of 150cc class engines and are now primed for volume orders at award of the program. Indicative demand from Textron suggests initial orders could value between A\$15m and A\$20m per annum for propulsion units, parts and support.

### Other development programs & outlook

Orbital is currently in production across four engine models for its existing client base. Through the success of the diversification strategy, Orbital has met and exceeded milestones to repay its WA Government loan, and has submitted a claim for full repayment by 31 December 2024. This milestone award will mean Orbital will be debt free from the second half of FY25.

Orbital UAV continues to expand its product range with an additional engine development program. The new engine design has already received prototype orders from its major Singapore customer, DSO National Laboratories, and will address UAS needs with maximum take-off weight targets up to 180kg.



Orbital UAV continues to target revenue in FY25 in line with the financial year ended 30 June 2024.

## Key Terms of the Entitlement Offer

Key terms of the Entitlement Offer are set out in the following table.

Nature of Entitlement Offer	Renounceable pro rata entitlement offer of New Shares
New Share issue price	A\$0.11
Offer ratio	1 New Share for every 8 Shares
Estimated maximum number of New Shares to be issued (subject to rounding)	Approximately 18,257,115 New Shares
Estimated maximum amount to be raised under the Entitlement Offer (subject to rounding)	Approximately A\$2.0 million
Underwriters	UIL Limited Boneyard Investments Pty Ltd

The Entitlement Offer will be made to persons registered as shareholders of Orbital UAV at 4:00pm (Perth time) on the Record Date who have a registered address in Australia, Bermuda, Germany, Malaysia or New Zealand and are determined to be eligible in accordance with the Offer Booklet for the Entitlement Offer (which is being announced to the ASX with this announcement). Orbital UAV has appointed Westar Capital Limited to act as nominee for the ineligible shareholders, to arrange for the potential sale of the entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer.

Under the Entitlement Offer, Orbital UAV will issue a maximum of up to approximately 18,257,115 New Shares (subject to rounding of entitlements), resulting in the total share capital of Orbital UAV after the completion of the Entitlement Offer increasing to up to approximately 164,314,030 Shares. New Shares issued under the Entitlement Offer will rank equally with Shares already on issue.

Please refer to the Offer Booklet for the Entitlement Offer for further information.

Eligible shareholders who do not take up their entitlements will have their proportional interest in Orbital UAV diluted.

Further, eligible shareholders who take up all of their entitlements under the Entitlement Offer will also be afforded the opportunity to apply for New Shares in excess of their entitlement under a top up facility, for the Board of Orbital UAV to consider when allocating any shortfall of the Entitlement Offer (refer to the Offer Booklet for the terms and conditions of the top up facility). The allocation of the shortfall will be at the Board's discretion and, to the extent of such allocation, will occur in priority to the underwriting.

## Key Dates

Key dates for the Entitlement Offer are set out in the following table. The dates are indicative only and Orbital UAV reserves the right to vary them, subject to the Corporations Act and ASX Listing Rules.

Action	Date
Announcement of the Entitlement Offer	Thursday, 14 November 2024
Shares quoted on an "ex" basis and entitlements trading starts on a deferred settlement basis	Monday, 18 November 2024
Record Date to determine entitlements to participate in the Entitlement Offer	Tuesday, 19 November 2024 (4:00pm Perth time)



Offer Document and Entitlement and Acceptance Form dispatched	Friday, 22 November 2024
Entitlement Offer opens	Friday, 22 November 2024
Entitlements trading ends	Tuesday, 26 November 2024
Entitlement Offer closes	Tuesday, 3 December 2024 (2pm Perth time)
Announcement of outcome of the Entitlement Offer	Thursday, 5 December 2024
Anticipated date for the issue of New Shares under the Entitlement Offer	Friday, 6 December 2024

### Indicative capital structure on completion of the Entitlement Offer

The exact number of New Shares to be issued may vary and will be dependent on (among other things) the rounding of entitlements.

If the Company completes the Entitlement Offer and issues the estimated maximum number of New Shares, the Company's capital structure will be as follows (subject to rounding and subject to no further issues having occurred, for example from the conversion of Options into Shares):

	Number of Shares (subject to rounding)	Number of Options
<b>Balance as at the date of this announcement</b>	146,056,915	17,500,000
<b>Entitlement Offer</b>	18,257,115	-
<b>Total upon completion of the Entitlement Offer (assuming no Options are exercised)</b>	164,314,030	17,500,000

Note: For the avoidance of doubt, the Company reserves the right to issue further securities from time to time.

### Additional Information

Additional information regarding the Entitlement Offer is detailed in the Investor Presentation and Offer Booklet to be released to the ASX today. The Investor Presentation and Offer Booklet detail important information including key risks and Australian and foreign legal restrictions with respect to the Entitlement Offer.

-ENDS-

## CONTACTS

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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.

### Future performance and forward-looking statements

This announcement contains certain forward-looking statements including but not limited to projections, estimates, guidance on future revenues, the outcome and effects of the Entitlement Offer and the use of proceeds and the future performance of Orbital UAV. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may" "intends", "guidance", "project", "forecast", "target", "likely", "continue", "objectives" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer and the use of proceeds, certain plans, strategies and objectives of management and expected financial performance. Any forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Orbital UAV and its officers, employees, agents, associates and advisers. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Orbital believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied in such statements.

To the maximum extent permitted by law, Orbital UAV and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Refer to the "Key Risks" section of the Investor Presentation accompanying this announcement for a summary of certain risk factors that may affect Orbital UAV. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The forward-looking statements are based on information available to Orbital UAV as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Orbital UAV undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

### Investment Risk

An investment in OEC is subject to known and unknown risks, some of which are beyond the control of OEC, including possible loss of principal invested. OEC does not guarantee any return on investment, any particular rate of return or the performance of OEC, nor does it guarantee any particular tax treatment. Investors should have regard (amongst other things) to the risk factors outlined in the Key Risks section of the Investor Presentation accompanying this announcement for certain risks relating to an investment in OEC.

### Not an offer of securities

This announcement is not a prospectus, product disclosure document or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This announcement is for information purposes only and should not be considered as an offer, solicitation, inducement recommendation or an invitation to acquire securities in OEC or any other financial products and neither this document nor any of its contents will form the basis of any contract or commitment. Offers of securities in OEC will only be made in places in which, or to persons to whom, it would be lawful to make such offers. This announcement must not be disclosed to any other person and does not carry any right of publication.

### Not an offer in the United States

This announcement does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. This announcement may not be released to U.S. wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

### Not financial advice



This announcement is not financial product advice, investment advice, legal, tax or other advice or a recommendation to acquire, hold or sell OEC securities. This announcement has been prepared without taking into account the objectives, financial situation or needs of any particular recipient. Each recipient of this announcement should make its own enquiries and investigations regarding all information in this announcement including, but not limited to, the assumptions, uncertainties, risks and contingencies which may affect future operations of OEC and the impact that different future outcomes may have on OEC. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. OEC is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of OEC securities. Each investor must make its own independent assessment of OEC before acquiring any securities in the Company.

#### Past performance

Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

#### Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this announcement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this announcement.