



**ORBITAL**<sup>®</sup>  
UAV

**ORBITAL CORPORATION LIMITED**

**ACN 009 344 058**

## **RENOUNCEABLE ENTITLEMENT OFFER BOOKLET**

**For a renounceable pro-rata entitlement offer on the basis of one New Share for every eight Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.11 per New Share, to raise up to approximately \$2.0 million (before costs).**

**The Entitlement Offer is fully underwritten by UIL Limited and Boneyard Investments Pty Ltd. Refer to Section 5.1 for more information.**

**THE ENTITLEMENT OFFER OPENS ON FRIDAY, 22 NOVEMBER 2024 AND CLOSSES AT 2:00PM (PERTH TIME) ON TUESDAY, 3 DECEMBER 2024. VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

**PLEASE READ THE INSTRUCTIONS IN THIS ENTITLEMENT OFFER BOOKLET AND ON THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDING THE ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE ENTITLEMENT OFFER.**

**THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER.**

**THIS ENTITLEMENT OFFER BOOKLET IS NOT A PROSPECTUS. IT DOES NOT CONTAIN ALL OF THE INFORMATION THAT AN INVESTOR WOULD FIND IN A PROSPECTUS OR WHICH MAY BE REQUIRED IN ORDER TO MAKE AN INFORMED INVESTMENT DECISION REGARDING, OR ABOUT THE RIGHTS ATTACHING TO, THE NEW SHARES OFFERED BY THIS ENTITLEMENT OFFER BOOKLET.**

**AN INVESTMENT IN THE SECURITIES OFFERED UNDER THIS ENTITLEMENT OFFER BOOKLET SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE.**

*This Entitlement Offer Booklet may not be released to U.S. wire services or distributed in the United States.*

# IMPORTANT NOTICES

## General

The Entitlement Offer is being made pursuant to provisions of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows entitlement offers to be made without a prospectus. This Entitlement Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to carefully read and understand the information on Orbital Corporation Limited ACN 009 344 058 (**Orbital** or **Company**) and the Entitlement Offer made publicly available, prior to accepting all or part of your Entitlement, applying for Shortfall Shares, trading in all or part of your Entitlement or doing nothing in respect of your Entitlement. In particular, please refer to this Entitlement Offer Booklet, Orbital's half year and annual reports, Appendices 4D and 4E and other announcements lodged by Orbital with the Australian Securities Exchange (**ASX**) (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet).

By receiving this Entitlement Offer Booklet, you will be taken to have acknowledged and agreed that:

- determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Orbital;
- Orbital and each of its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law; and
- the information in this Entitlement Offer Booklet remains subject to change without notice.

## Future performance and forward-looking statements

This Entitlement Offer Booklet contains certain forward-looking statements including but not limited to projections, guidance on future revenues, earnings, estimates, the outcome and effects of the Entitlement Offer and the use of proceeds and the future performance of Orbital. 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, expected financial performance and Orbital's debt arrangements. Any forward-looking statements, opinions and estimates provided in this Entitlement Offer Booklet 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 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 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. Except as required by law or regulation (including the ASX Listing Rules), Orbital undertakes no obligation to update these forward-looking statements or to provide any other additional or updated information whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, Orbital 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 any forward-looking statements, or the likelihood of fulfilment of any forward-looking statement, and disclaim all responsibility and liability for the forward-looking statements (including, without limitation, liability for negligence). Refer to the "Key Risks" section of the Investor Presentation in

Section 4 of this Entitlement Offer Booklet for a summary of certain risk factors that may affect Orbital. 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 as at the date of this Entitlement Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Orbital undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

### **Financial information**

All financial information in this Entitlement Offer Booklet is in Australian dollars (\$) unless otherwise stated. For more detail, please refer to this Entitlement Offer Booklet, Orbital's half year and annual reports, Appendices 4D and 4E and other announcements lodged by Orbital with the Australian Securities Exchange (**ASX**) (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet).

The financial information provided in the Investor Presentation is based on financial statements for the year ended 30 June 2024, unless otherwise stated.

### **Past performance**

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Orbital performance including future share price performance.

### **Foreign Acquisitions and Takeovers Act**

For the purposes of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), the Company is a "national security business". As such, any proposed investment in the Company by an applicant for New Shares who is a "foreign person" or a "foreign government investor" for the purposes of the FATA may have additional compliance requirements under the FATA. Please refer to Section 6.1 for further information. It is the responsibility of each applicant to confirm whether the FATA applies to them before accepting the Entitlement Offer, acquiring additional Entitlements (given the Entitlement Offer is renounceable) and/or applying for Shortfall Shares and to comply with the FATA.

### **Foreign Jurisdictions**

The information in this Entitlement Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia.

The distribution of this Entitlement Offer Booklet outside of Australia may be restricted by law. If you come into possession of this Entitlement Offer Booklet, you should observe such restrictions, including those set forth in Section 6.17 and in the "International Offer Restrictions" section of the Investor Presentation that is included in this Entitlement Offer Booklet.

Because of legal restrictions, you must not send copies of this Entitlement Offer Booklet or any material in relation to the Entitlement Offer to any person outside Australia. Failure to comply with these restrictions may result in violations of applicable securities laws.

See Section 6.17 for further information.

### **No offer in the United States**

This Entitlement Offer Booklet, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the

United States. The Entitlements and the New Shares may only be offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the US Securities Act. None of the Entitlement Offer Booklet, any accompanying ASX announcements or the Entitlement and Acceptance Form may be distributed in the United States.

### **Speculative investment**

An investment in New Shares should be considered highly speculative. You should read this Entitlement Offer Booklet and the Company's ASX announcements (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet) carefully before deciding whether to invest.

This Entitlement Offer Booklet does not take into account the investment objectives, financial or taxation or particular needs of any applicant. Before making any investment in the Company, each applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

### **Website**

No document or information included on the Company's website is incorporated by reference into this Entitlement Offer Booklet.

### **Times and dates**

Times and dates in this Entitlement Offer Booklet are indicative only and subject to change. All times and dates refer to Perth, Australia time. Refer to Section 1 "Indicative Timetable" of this Entitlement Offer Booklet for more details.

### **Currency**

Unless otherwise stated, all dollar values in this Entitlement Offer Booklet are in Australian dollars (\$ or A\$).

### **Rounding**

Any discrepancies between totals and sums and components in tables contained in this Entitlement Offer Booklet are due to rounding.

### **Glossary**

Defined terms and abbreviations used in this Entitlement Offer Booklet are detailed in the glossary of terms in Section 7.

### **Trading New Shares**

Orbital will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements for New Shares, whether on the basis of confirmation of the allocation provided by Orbital or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional adviser.

Refer to Section 6 "Important Information" for details.

### **Eligible Shareholders**

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This Entitlement Offer Booklet is relevant to you if you are an Eligible Shareholder.

In this Entitlement Offer Booklet, references to “you” are references to Eligible Shareholders and references to “your Entitlement” (or “your Entitlement and Acceptance Form”) are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Eligible Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 4:00pm (Perth time) on Monday, 18 November 2024;
- have a registered address, on the Orbital share register, in Australia, Bermuda, Germany, Malaysia or New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate;
- are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or disclosure document to be lodged or registered.

Refer to Section 6 "Important Information" for further details.

## CORPORATE DIRECTORY

### Directors

Mr John Welborn – Non-Executive Chairman

Mr Steve Gallagher – Non-Executive Director

Mr Kyle Abbott — Non-Executive Director

Dr Grant Lukey – Non-Executive Director

### Chief Financial Officer & Company Secretary

Mr Thomas Spencer

### Registered Office

4 Whipple Street Balcatta  
Balcatta WA 6021  
Telephone: +61 (08) 9441 2311

### Auditor\*

Nexia Perth Audit Services Pty Ltd  
Level 3, 88 William Street  
Perth WA 6000

### Share Registry\*

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: +61 1300 554 474

### Website

[www.orbitaluav.com](http://www.orbitaluav.com)

Corporate information and the Orbital Annual Report can be found via the Orbital website at [www.orbitaluav.com](http://www.orbitaluav.com)

**ASX Code:** OEC

**\*This party is named for informational purposes only and was not involved in the preparation of this Entitlement Offer Booklet.**

# CHAIRMAN'S LETTER

14 November 2024

Dear Shareholder,

On behalf of the Board of Orbital, I am delighted to invite you to participate in a 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 up to approximately A\$2.0 million (**Entitlement Offer**).

Under the Entitlement Offer, Eligible Shareholders 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 Tuesday, 19 November 2024 (**Record Date**). New Shares issued under the Entitlement Offer will rank equally with existing Shares.

The Entitlement Offer may raise up to approximately A\$2.0 million (before costs).

Refer to Section 4 for the Offer Launch Announcement and Investor Presentation which contain further details regarding the Entitlement Offer and the intended use of net proceeds.

## Underwriters

The Entitlement Offer is fully underwritten by UIL Limited (**UIL**) and Boneyard Investments Pty Ltd (**Boneyard**) (together, the **Underwriters**) to the extent of \$1.0 million each, less the aggregate Offer Price for any Entitlements taken up by the applicable Underwriter and their associates under the Entitlement Offer.

As at the date of this Entitlement Offer Booklet, UIL has current voting power in the Company of 31.0% and this may potentially increase to up to approximately 33.98% pursuant to the UIL's participation in the Entitlement Offer and the terms of their Underwriting Agreement.

As at the date of this Entitlement Offer Booklet, Boneyard has current voting power in the Company of 15.33% and this may potentially increase to up to approximately 18.31% pursuant to the Boneyard's participation in the Entitlement Offer and the terms of their Underwriting Agreement.

For more details regarding the Underwriters, the control implications of the Entitlement Offer and the terms of the Underwriting Agreement, please refer to Sections 5.1, 5.2, 5.3 and 6.4.

The Directors of Orbital have committed to taking up their Entitlements under the Entitlement Offer.

## Entitlement Offer details

Eligible Shareholders who take up their entitlements to subscribe for New Shares pursuant to the Entitlement Offer (being their Entitlements) in full may also apply for additional New Shares in excess of their Entitlements at the Offer Price (subject to compliance with applicable laws and to the terms set out in this Entitlement Offer Booklet) (**Top Up Facility**). The availability of additional New Shares under the Top Up Facility will be limited to the Entitlements which are not taken up for the issue of New Shares (including any Ineligible Shares as detailed in Section 6.1) and will be subject to the Board's discretion in relation to the allocation of the Shortfall Shares. No Eligible Shareholder will be permitted to increase their voting power in the Company above 20% through the allocation of Shortfall Shares through the Top Up Facility. Any Shortfall Shares not allocated to Eligible Shareholders will be allotted in accordance with the underwriting by the Underwriters.

The Entitlement Offer to which this Entitlement Offer Booklet relates closes at 2:00pm (Perth time) on Tuesday, 3 December 2024 (unless extended).

Accompanying this Entitlement Offer Booklet is your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). It details your Entitlement and can be completed in accordance with the instructions provided on the form and the instructions in this Entitlement Offer Booklet under "How to Apply".

To participate, you must ensure that you have completed your application by paying application monies by BPAY®, or alternatively for Eligible Shareholders registered outside of Australia by paying via Electronic Funds Transfer (**EFT**), so that it is received by Link Market Services (Orbital's registry provider) before 2:00pm (Perth time) on Tuesday, 3 December 2024.

If you do not wish to take up any of your Entitlement, you do not have to take any action. Entitlements are renounceable, which means that Eligible Shareholders may sell or transfer all or any part of their Entitlement in order to seek to realise the value which may attach to their Entitlement. Entitlement trading is expected to commence on Monday, 18 November 2024 and conclude on Tuesday, 26 November 2024. If you do not take up your full Entitlement and do not trade the Entitlements which you do not take up, those Entitlements that you do not take up or trade will lapse and you will not receive any payment or value for them.

Orbital has appointed Westar Capital Limited to act as nominee (the **Ineligible Holder Nominee**) for the Ineligible Shareholders, to arrange for the sale of the Entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer (as detailed in Section 6.1).

Further information and application instructions for the Entitlement Offer, as well as key risks associated with investing in the Entitlement Offer are set out in this Entitlement Offer Booklet (including in the "Key Risks" section of the Investor Presentation) which you should read carefully and in its entirety, along with Orbital's other ASX announcements (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet).

If you have any questions in relation to the Entitlement Offer, please contact the Company on 08 9441 2135 (within Australia) or +61 8 9441 2135 (outside Australia) from 5:30am to 2:30pm (Perth time), Monday to Friday during the Entitlement Offer Period. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Board of Orbital, I invite you to consider this investment opportunity.

Yours faithfully,



John Welborn

Non-Executive Chairman



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## 1. INDICATIVE TIMETABLE

Event	Date
Announcement of the Entitlement Offer	14 November 2024
Shares quoted on an “ex” basis and trading of Entitlements starts on a deferred settlement basis	18 November 2024
Entitlement Offer Record Date (4:00pm Perth time)	19 November 2024
Dispatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	22 November 2024
Entitlement Offer opens	22 November 2024
Entitlements trading ends	26 November 2024
New Shares under the Entitlement Offer commence trading on ASX on a deferred settlement basis	27 November 2024
Entitlement Offer closes (2:00pm Perth time)	3 December 2024
Notification of shortfall of Entitlement Offer	5 December 2024
Anticipated date for the issue of New Shares under the Entitlement Offer	6 December 2024
New Shares under the Entitlement Offer expected to commence trading on ASX on a normal settlement basis	9 December 2024
Despatch of holding statements for New Shares under the Entitlement Offer	10 December 2024

Note: This timetable is indicative only and subject to change. Orbital reserves the right to amend the timetable for the Entitlement Offer without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Orbital reserves the right to extend the Closing Date of the Entitlement Offer at any time, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application for New Shares once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to pay their application monies by BPAY® or EFT as soon as possible after the Entitlement Offer opens.

### Enquiries

If you have any questions, please contact the Company on 08 9441 2135 (within Australia) or +61 8 9441 2135 (outside Australia) from 5:30am to 2:30pm (Perth time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

## 2. KEY DETAILS OF THE ENTITLEMENT OFFER

### 2.1 Overview of the Entitlement Offer

The Entitlement Offer is a renounceable pro rata entitlement offer on the basis of one New Share for every eight Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.11 per New Share (being the Offer Price) to raise up to approximately \$2.0 million (before costs).

The Offer Price represents a premium of approximately 22% to the Company's closing price of Shares on 12 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 12 November 2024.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

Shareholders who:

- are registered as a holder of Shares as at the Record Date, being 4:00pm (Perth time) on Tuesday, 19 November 2024;
- have a registered address, on the Orbital share register, in Australia, Bermuda, Germany, Malaysia or New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate;
- are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or disclosure document to be lodged or registered,

are eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

Please refer to the Investor Presentation accompanying the Entitlement Offer Booklet for further information regarding the purpose of the Entitlement Offer and proposed use of net proceeds, as well as the key risks associated with an investment in Orbital. You should also consider the ASX announcements and other publicly available information about Orbital at [www.asx.com.au](http://www.asx.com.au) and [www.orbitaluav.com/](http://www.orbitaluav.com/) (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet).

### 2.2 Eligibility to participate in the Entitlement Offer

Eligible Shareholders (as defined in Section 2.1) are being invited to subscribe for one New Share for every eight existing Shares held as at the Record Date of 4:00pm (Perth time) on Tuesday, 19 November 2024, at the Offer Price of \$0.11 per New Share.

You should note that not all Shareholders will be eligible to participate in the Entitlement Offer of New Shares. Please read Section 6 for further information.

The Entitlement Offer opens on Friday, 22 November 2024 and will close at 2:00pm (Perth time) on Tuesday, 3 December 2024 (unless extended).

## **3. HOW TO APPLY**

### **3.1 Your Entitlement**

Your Entitlement is set out on the accompanying personalised entitlement and acceptance form available online at <https://events.miraqle.com/OEC-Offer> (**Entitlement and Acceptance Form**) and has been calculated as one New Share for every eight Shares held by you as at the Record Date of 4:00pm (Perth time) on Tuesday, 19 November 2024. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares on issue.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up (see the definition of Eligible Shareholder in Section 2.1).

#### **Nominees**

The Entitlement Offer is being made to all Eligible Shareholders (as defined in Section 2.1). Orbital does not undertake to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares. See Section 6.10 for further information.

### **3.2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances**

The Entitlement Offer is being made pursuant to provisions of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows entitlement offers to be made without a prospectus. This Entitlement Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to carefully read and understand the information on Orbital and the Entitlement Offer made publicly available and other Orbital ASX announcements, prior to accepting or trading all or part of your Entitlement or doing nothing in respect of your Entitlement. In particular, please refer to this Entitlement Offer Booklet, Orbital's half year and annual reports, Appendices 4D and 4E and other announcements lodged by Orbital with ASX (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet).

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Key Risks" section of the Investor Presentation released to ASX on Thursday, 14 November 2024 which is included in Section 4 of this Entitlement Offer Booklet.

### **3.3 Options available to you**

If you are an Eligible Shareholder, you may do any one of the following:

- take up all of your Entitlement and apply for additional New Shares, in excess of your Entitlement, under the Top Up Facility;
- take up all of your Entitlement but not apply for additional New Shares under the Top Up Facility;

- sell all or a proportion of your Entitlement on ASX (or other than on ASX) and allow any balance to lapse;
- take up a proportion of your Entitlement and sell the balance on ASX (or sell the balance other than on ASX);
- take up a proportion of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

(a) **If you wish to take up all of your Entitlement and also apply for additional New Shares in the Top Up Facility or if you wish to take up all of your Entitlement only**

If you decide to take up all of your Entitlement, or take up all of your Entitlement and participate in the Top Up Facility, please either:

- pay your application monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- if you are a Shareholder registered outside of Australia, pay your application monies via EFT to the Offer Bank Account detailed on your personalised Entitlement and Acceptance Form,

so that your application monies are received by the Share Registry by no later than 2:00pm (Perth time) on the Closing Date.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility (subject to compliance with applicable laws and to the terms set out in this Entitlement Offer Booklet). Amounts received by Orbital in excess of the Offer Price multiplied by your Entitlement may be treated as an application to apply for as many additional New Shares as your application monies will pay for in full.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up all of your Entitlement (and if you apply for additional New Shares under the Top Up Facility) and if your application is successful (in whole or in part) you will be issued your New Shares on or about Friday, 6 December 2024. Orbital's decision on the number of New Shares to be issued to you will be final. With the exception of the partial underwriting of the Entitlement Offer by each of the Underwriters pursuant to the Underwriting Agreements, the Directors will seek to ensure that no person will be issued Shortfall Shares if such issue will result in that person's voting power in the Company exceeding 20% or increasing at all, if they already hold voting power in the Company above 20%.

If you apply for additional New Shares under the Top Up Facility, there is no guarantee that you will be allocated any additional New Shares. You may alternatively be allocated zero additional New Shares or less additional New Shares than you applied for. Refer to Section 6.4 for details in respect to the shortfall allocation policy)

Any New Shares not taken up by 2:00pm (Perth time) on Tuesday, 3 December 2024 (the Closing Date) may be made available (in whole or in part) to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility (or may be made available each Underwriter pursuant to the Underwriting Agreements or to other investors at the Board's discretion). There is no guarantee that such Shareholders will receive the number of New Shares applied for

under the Top Up Facility, or any. Additional New Shares under the Top Up Facility will only be allocated to Eligible Shareholders if available and to the extent that the Board so determines, in its absolute discretion.

The Board also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if the Board believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Board's satisfaction.

**(b) If you wish to take up part of your Entitlement**

If you decide to take up part of your Entitlement, please either:

- pay your application monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- if you are a Shareholder registered outside of Australia, pay your application monies via EFT to the Offer Bank Account detailed on your personalised Entitlement and Acceptance Form,

so that it is received by the Share Registry by no later than 2:00pm (Perth time) on the Closing Date.

Orbital will treat you as applying for as many New Shares as your payment will pay for in full. If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up and pay for part of your Entitlement before the close of the Entitlement Offer you will be issued your New Shares on or about Friday, 6 December 2024. Orbital's decision on the number of New Shares to be issued to you will be final.

The Board also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if the Board believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Board's satisfaction.

Eligible Shareholders who do not participate fully in the Entitlement Offer are expected to have their percentage holding in Orbital reduced by the Entitlement Offer (including by the issues of New Shares pursuant to Entitlements taken up and by the issues of Shortfall Shares).

**(c) Selling all or a proportion of your Entitlement on ASX**

The Entitlements under the Entitlement Offer are renounceable which means that all or part of an Eligible Shareholder's Entitlements under the Entitlement Offer may be traded on ASX. If you wish to sell part or all of your Entitlement on ASX, you should provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on Monday, 18 November 2024 and will cease on Tuesday, 26 November 2024.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for any Entitlements sold on ASX.

**(d) Selling all or a proportion of your Entitlement other than on ASX**

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the issuer sponsored sub-register and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry), to the Share Registry by delivery or by post at any time after the issue of this Entitlement Offer Booklet and on or before the Closing Date (provided it is received by no later than 2:00pm (Perth time) on the Closing Date) at the following address:

Orbital Corporation Limited  
C/- Link Market Services Limited  
Lockbox 14A  
Sydney South NSW 1235

The relevant transferee of your Entitlement will need to make the applicable EFT payment (by no later than 5:00pm (Sydney time) on the Closing Date) of the Offer Price for the New Shares for which they wish to subscribe (refer to Section 3.4). To obtain the EFT payment details please email [CapitalMarkets@linkmarketservices.com.au](mailto:CapitalMarkets@linkmarketservices.com.au).

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS sub-register you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf by no later than 2:00pm (Perth time) on the Closing Date.

(e) **Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enables Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement as detailed above.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, your Entitlement will lapse and you will not receive any value for your Entitlement.

Eligible Shareholders who do not participate fully in the Entitlement Offer are expected to have their percentage holding in Orbital reduced by the Entitlement Offer.

### **3.4 Payment**

The method of acceptance of the Entitlement Offer will depend on your method of payment being:

- by BPAY® (all Eligible Shareholders); or
- by EFT (for Eligible Shareholders registered outside of Australia).

Cheque or cash payments will not be accepted. Receipts for payment will not be issued.

Orbital will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement plus (if applicable) additional New Shares under the Top Up Facility.

Any application monies (greater than A\$2.00) received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any application monies received or refunded.

## Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and in this Section 3 and Section 6 of this Entitlement Offer Booklet; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 2:00pm (Perth time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Please make sure you use the specific Biller Code and your unique Customer Reference Number on your personalised Entitlement and Acceptance Form. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

Any application monies (greater than A\$2.00) received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid on any application monies received or refunded.

## Payment by Electronic Funds Transfer (EFT)

For payment by EFT, you should make your payment in accordance with the instructions on the personalised Entitlement and Acceptance Form and complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and email it to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).

Your EFT payment must be:

- for an amount equal to A\$0.11 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars, nor in other foreign currencies. Shareholders must arrange for payment to be made in Australian dollars. Shareholders should also consider any fees that may be deducted in making an EFT payment from overseas.

If the amount of your EFT payment received is insufficient to pay for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form in full, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted. Whilst not emailing your Entitlement and Acceptance Form to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au) may not necessarily render your application invalid, any EFT application monies that cannot be identified and reconciled due to not emailing your Entitlement and Acceptance Form to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au) may be considered an incomplete application with



your application monies returned to you after the Entitlement Offer has been completed. Please note that if you pay application monies by EFT but do not submit your personalised Entitlement and Acceptance Form you are still taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and in this Section 3 and Section 6 of this Entitlement Offer Booklet.

Any application monies (greater than A\$2.00) received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid on any application monies received or refunded.

### **3.5 Representations by acceptance**

By making a payment by BPAY® or EFT payment, you will be deemed to have represented to Orbital that you are an Eligible Shareholder and (among other things set out in this Entitlement Offer Booklet) you will be deemed to:

- acknowledge that you have read and understand this Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Entitlement Offer Booklet, and Orbital's constitution (as amended or replaced from time to time);
- authorise Orbital to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Orbital receives your payment of application monies via BPAY® or EFT, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY® or EFT, at the Offer Price per New Share;
- authorise Orbital the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that the determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Orbital;
- acknowledge and agree that Orbital and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;

- acknowledge that the information contained in this Entitlement Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Entitlement Offer Booklet is not a prospectus, product disclosure statement or other disclosure document, does not contain all of the information that you may require in order to assess an investment in Orbital and is given in the context of Orbital's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation included in Section 4 of this Entitlement Offer Booklet, and that investments in Orbital are subject to risk;
- acknowledge that none of Orbital, its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Orbital, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Orbital to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant that you have confirmed whether the FATA applies to you, and if required, complied with the FATA before accepting the Entitlement Offer, acquiring additional Entitlements and/or applying for Shortfall Shares;
- represent and warrant that you are an Eligible Shareholder; and
- represent and warrant that the law of any place does not prohibit you from being given this Entitlement Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer.

By making a payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted personally, and on behalf of each person on whose account you are acting (if any), that:

- you and each person on whose account you are acting are not in the United States;
- you and each person on whose account you are acting understand and acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and accordingly that such securities may not be offered, sold or otherwise transferred to, persons in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- you are subscribing for or purchasing Entitlements and New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act;
- you have not and will not send this Entitlement Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any person acting for the account or benefit of a person in the United States or any other country outside Australia (except nominees and custodians

may forward such documents to eligible shareholders of the Company in Australia, Bermuda, Malaysia or New Zealand); and

- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are making an application is (i) a beneficial shareholder of the Company in Australia, Bermuda, Malaysia or New Zealand, and (ii) is not in the United States and is not acting for the account or benefit of a person in the United States.

Acceptance of any applications for New Shares by the Company is subject to compliance with the Corporations Act, FATA and other applicable laws.

### **3.6 Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Company on 08 9441 2135 (within Australia) or +61 8 9441 2135 (outside Australia) from 5:30am to 2:30pm (Perth time), Monday to Friday. Alternatively, you can access information about the Entitlement Offer online at <https://www.orbitaluav.com>. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

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## **4. ASX OFFER ANNOUNCEMENTS**

**Offer Launch Announcement dated Thursday, 14 November 2024**



## ASX ANNOUNCEMENT

14 November 2024

*Not for release to US wire services or distribution in the United States*

# 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;
- Dynamatic 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

Announcement authorised by:

**John Welborn**

**Chairman**

**Tel:** +61 8 9441 2311

**Email:** [contact@orbitalcorp.com.au](mailto:contact@orbitalcorp.com.au)

For further information, contact:

**Thomas Spencer**

**CFO & Company Secretary**

**Tel:** +61 8 9441 2135

**Email:** [tspencer@orbitalcorp.com.au](mailto:tspencer@orbitalcorp.com.au)





### 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.

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**Investor Presentation dated Thursday, 14 November 2024**



**ORBITAL**<sup>®</sup>  
UAV

# Investor Presentation

14 November 2024

Not for release to the US wire services or distribution in the United States

# Disclaimer



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# Disclaimer



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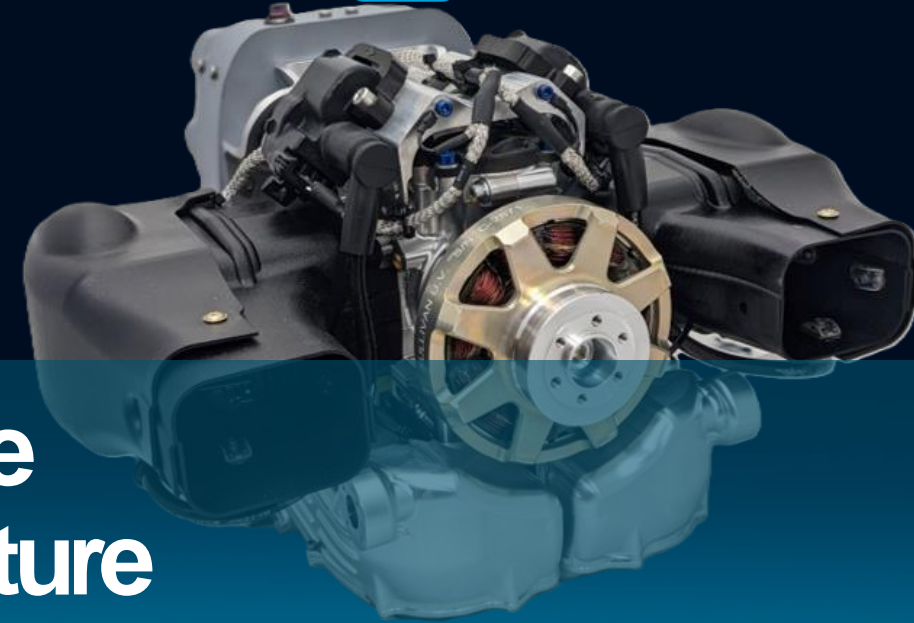
**Forward looking statements:** This Presentation contains certain forward looking statements including but not limited to projections, estimates, guidance on future revenues, earnings, the outcome and effects of the Entitlement Offer and the use of proceeds and the future performance of Orbital UAV. 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 Presentation 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.

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**World leader in the  
design and manufacture  
of integrated engine systems  
for military drones\***



(\* Tactical Unmanned Aerial Vehicles 'UAVs')

# At a glance



FY24 revenue \$12.6M

Now producing 4 different engine models for 4 major clients

Orbital UAV's production expansion expected to double over the next 24 months

Primary Engine supplier to Textron Systems (Aerosonde 4.8 HQ) for supply to FTUAS program

DSO National Laboratories recent upgrade of initial orders now totals \$7m in first 24 months of production cycle

Revenue forecast in line with previous financial year and on track to be debt free from January 2025



# Orbital UAV export revenues

Sovereign capability and export revenue

**Exporting  
~\$15m p.a<sup>1</sup>  
To customers including:**



# FTUAS Program

The US Army is replacing its tactical drone (Textron 'Shadow'). The Shadow has been in operation over the last 15 years. The replacement is being evaluated under the Future Tactical Unmanned Air System program (FTUAS) and sees a transition from fixed wing systems to runway independent VTOL systems.

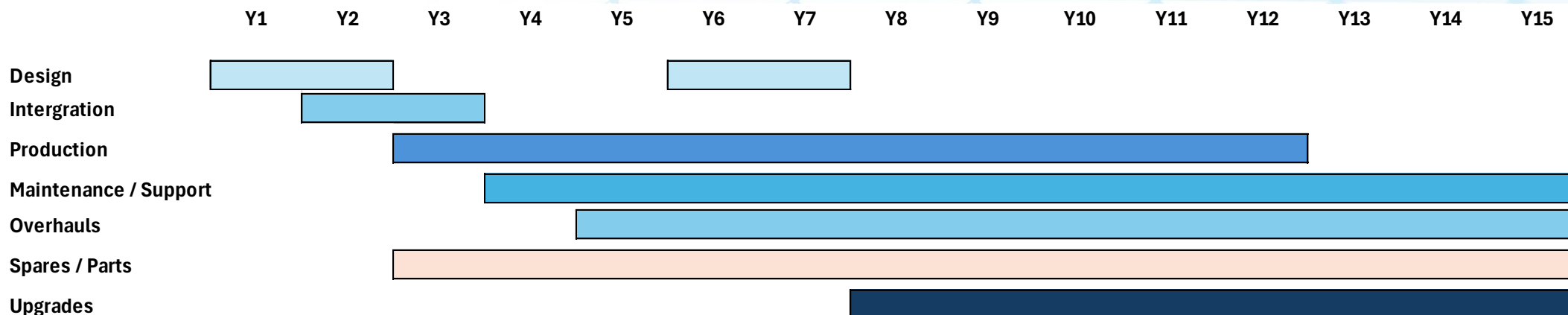
After 4 years of review and testing, two bidders remain. Orbital's 150cc engine is the only heavy fuel solution available from the two remaining bidders and Textron is the incumbent supplier for UAS technology, parts, maintenance and upgrades. Orbital's 150 HFE has successfully completed production readiness and the first 10 engines have been built and shipped to the client to demonstrate the advanced solution to the US Army.

The final contract award is due in Q4'FY25  
 Orbital expects pre-funding of volume orders by April 2025.  
 Initial volumes expected at 64 units pa before expansion into full rate production of up to 165 units pa



### Size of the FTUAS Opportunity

- FTUAS represents annual engine sales & service support of between \$15 - \$25m p.a expanding the total contract value as more units enter service
- Service life of the Aerosonde HQ will be in the order of 10 to 15 years, leveraging Orbital's support, maintenance and overhaul capabilities.
- Annual Overhauls, Support and Parts revenues expected to grow from \$1.8m pa to \$5.5m p.a in Y5 of the long-term contract



# Propulsion Capabilities



Orbital has over 40 years experience in developing advance combustion engine solutions, and over 15 years experience in heavy fuel systems. Our technology has been proven in theatre with over 800,000 hours flight times recorded. After successfully producing two smaller engine models for Boeing Insitu for the previous 8 years, orbital now has an additional three Commercial Off the Shelf (COTS) engines available to address power output requirements ranging from 3hp to 250hp+.

New Engine development on the Orbital 350cc model has already garnered interest from DSO (Singapore) who have placed orders for 2 prototype units. There is also solid interest in a propulsion system of this size from other existing and prospective clients.

There is currently an unmet need in this UAV engine capacity across the globe. MTOW of up to 180kg enters a different class of system better suited to logistics solutions in both military and commercial settings. Orbital plans on being first to market with a multi-fuel, hybrid integrated and modular design to continue to lead the market in aerospace efficiency and durability.

## CERTIFICATIONS & AWARDS

- ISO9001:2015
- ITAR compliant
- 52 global UAV patents
- Australian Defence Industry Awards 2020 – SME of the Year Award

# Defence & UAV market

## Expanding investments

### Rising global Defence budgets

- In 2024, global defence spending is expected to reach record highs, with the United States leading the way at around US\$967 billion (increase 5.5%)

### Increased UAV adoption

- Worldwide UAV production forecast to increase at 9.9% CAGR
- UAVs becoming an increasingly strategic component within global defence forces  
Technological advancements has led to increased deployment in the field

### Technological advancements require upgraded power train systems

- UAV manufacturers require advanced propulsion systems for increased payload delivery and extended durability
- European market is poised to assign considerable resources to security in region with ongoing conflicts

**Strong Defence spending globally presents longer term growth opportunities**

# Corporate overview

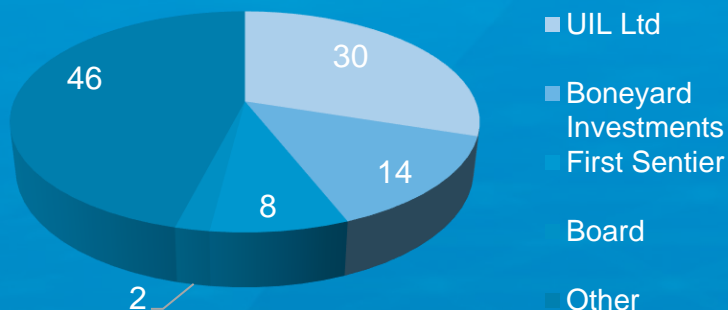
## Share Capital *As at 12 November 2024*

Fully Paid Ordinary Shares	146.0M
Closing share price	\$0.09
Market Capitalisation	\$13.14m

## Our FY25 Objectives

- Expand production
- Generate positive operational cashflows
- Investment in new engine development
- Repatriate key supply chain components

## Top Shareholders



### John Welborn Chairman



- Appointed Chairman March 2015
- MD & CEO of Fenix Resources

### Steve Gallagher Non-Executive Director



- Board member since 2017
- 30 years experience as a CEO and director of global businesses

### Kyle Abbott Non-Executive Director



- Experienced aerospace and defence industry executive
- MD of WA Specialty Alloys 1996-2015

### Grant Lukey Non-Executive Director



- Experienced industry executive with PhD in minerals processing
- CEO & MD of Coogee Chemicals

# Entitlement Offer Details



<b>Entitlement Offer Structure</b>	A one for eight renounceable pro rata entitlement offer of New Shares at an issue price of A\$0.11 per New Share to raise gross proceeds of up to approximately A\$2.0 million (before costs). The Entitlement Offer is underwritten and is available to eligible shareholders as detailed in, and subject to the terms and conditions of, the Entitlement Offer Booklet.
<b>Offer Price</b>	All Shares under the Entitlement Offer will be issued at \$0.11, representing a 6% discount to the Company's 30 day VWAP.
<b>Ranking</b>	New Shares issued under the Entitlement Offer will rank pari passu with existing Shares
<b>Underwriters</b>	UIL Ltd Boneyard Investments
<b>Director Participation</b>	All Directors intend taking up their full entitlements
<b>Record Date</b>	19 November 2024
<b>Indicative use of Proceeds<sup>1</sup></b>	<ul style="list-style-type: none"><li>• Working capital to reinforce balance sheet during production ramp-up period</li><li>• 350cc Engine Development Program. New engine model designed to meet the market demand of 180kg MTOW. Orders for Prototypes already in hand.</li><li>• Supply chain management. Reduce dependence on international suppliers (sovereign risk) and transition select components to internal supply and manufacture.</li></ul>
<b>Further information</b>	Refer to the Entitlement Offer Booklet and Orbital's other ASX announcements.

1. The above proposed use of net proceeds is indicative only and will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the "Key Risks" in the Appendix A of this Presentation, actual use of net proceeds may differ significantly to the above estimates.

# Appendices

# Appendix A: Key Risks (1 of 7)



## INTRODUCTION

This section discusses some of the risks associated with an investment in Orbital. Orbital's business is subject to a number of risk factors both specific to its business and of a general nature which may impact on its future performance. Before subscribing for New Shares, prospective investors should carefully consider and evaluate Orbital and its business and whether the New Shares are suitable to acquire having regard to their investment objectives and financial circumstances and taking into consideration material risk factors. The below list of risk factors ought not to be taken as exhaustive of the risks faced by Orbital or by investors in Orbital. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of Orbital and the value of Shares. Please refer also to Orbital's previous ASX announcements.

Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares (including the New Shares). Potential investors should consider the investment carefully and should consult their professional advisers before deciding whether to apply for New Shares, or to otherwise trade in Shares.

## RISKS SPECIFIC TO THE COMPANY:

**Reliance on key contracts and relationships:** The Company's business relies on business relationships, including its relationships with its suppliers and key customers. For the Company's financial year ended 30 June 2024, the Company's long term agreement (**LTA**) with Boeing Insitu accounted for approximately 70% of the Company's revenue. The LTA has now been completed and current year relationships anticipate that DSO National Laboratories and Textron Systems will become the key clients. Clients may terminate contracts for convenience, default or force majeure. If any key contract is terminated, varied or not renewed, this may have a material adverse effect on the financial performance, financial position and/or reputation of the Company.

As at the date of this Presentation, other than as detailed in this document and in Orbital's other ASX announcements, Orbital is currently unaware of any reason for existing clients terminating their respective or indicative orders. There is a risk that clients may not request follow-on orders in future periods or existing agreement may not be renewed or replaced.

**Reliance on key suppliers:** The Company depends on key suppliers for the supply of critical and unique components for use in engines and engine management systems sold by the Company to its customers. There are also certain components for which Orbital has a single or limited source of supply. Accordingly, there is a risk that, if any of the Company's key suppliers cease or reduce supply (or if a supplier fails to meet commercial and operational requirements), this could cause a disruption to the Company's ability to deliver its products and consequently cause the Company to default on scheduled timing and obligations to provide engines and engine management systems. Key suppliers may become insolvent or cease operating for various other reasons. Supply chain interruptions have the capacity to adversely impact upon production forecasts and shipments and the Company's financial performance.

Moreover, the Company may have difficulty in sourcing alternative suppliers for certain components which are only available from a single source. The Company has undertaken supply chain initiatives to seek to de-risk supply interruptions. However, supply chain interruptions remain a risk item for the Company.

Further to this, there is a risk that, if any of the Company's key suppliers increase prices, this could cause a disruption to the Company's ability to deliver its products or adversely impact on the Company's financial results. The Company is seeking to manage this risk through, continuous cost control, alternative part sourcing where possible, price locks in critical supplier agreements, inventory (stock on hand), and annual sale price negotiation with key clients.



# Appendix A: Key Risks (2 of 7)



**Manufacturing facilities:** The Company operates from aerospace manufacturing facilities. The Company is reliant on third parties in relation to the supply of parts and the ongoing maintenance, repair and calibration of such facilities or their replacement in case of catastrophic failure. If the Company is unable to source suitable equipment and parts, or is unable to procure parts and services within the required lead times, its ability to perform existing contracts or commence new contracts may be adversely affected. The performance of contractual obligations is dependent on the continued availability of facilities in working order with sufficient capacity to meet demand and design specifications.

**Industry cycle:** The Company currently operates predominantly in the aerospace sector. The level of activity in this sector will be influenced by external factors including supply and demand, exchange rates, competitiveness of manufacturing operations and technology and availability and cost of key resources including people, equipment and critical consumables (among other things). Variations in such factors, which are beyond the control of the Company, may have an adverse effect on future operating results of the Company.

**Future Performance:** There is no guarantee that the Company will receive future revenues in line with its forecasts. Further, the Company gives no guarantee of whether it will become profitable, including following the Entitlement Offer.

**Occupational Health and Safety Risks:** Manufacturing activities may expose the Company's staff to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

**Organisational Capability Risks:** The Company must effectively manage the Company's skills, knowledge and resources to provide quality products to its customers. The Company has taken measures to address these threats to seek to mitigate risks to organisational capability, such as a focus on technological innovation, in house and external training, succession planning and employee incentive plans for the grant of performance rights, options and/or Shares to eligible employees that meet pre-determined benchmarks.

**Uncertainty of market acceptance:** The Company develops technology for use by customers in the aerospace and defence sectors. It is not yet known whether the Company's technology and products (including engines, and engine management systems, for tactical UAVs) will be widely accepted in the market or the rate of any market acceptance. The degree of market acceptance will depend on a number of factors, including the establishment and demonstration of the need, safety, efficacy and cost-effectiveness of the Company's technology and products, and the technology's advantages over existing technologies. The Company cannot be certain that current levels of spending by its key customers will be maintained, that its existing customer contract will be renewed or that the Company will win contracts from other customers. For example, Orbital cannot confirm whether it will ultimately receive contracts for the sale of its products to Textron Systems, to DSO National Laboratories or to Dynamatic Technologies mentioned in Orbital's ASX announcements.

**Product faults and research and development:** There is a risk of the engines and engine management systems sold by the Company being faulty or otherwise breaching product specification requirements and contractual obligations. These matters could adversely affect the Company's financial performance, financial position and reputation. Orbital's business activities and operations involve research and development, which has inherent risk, such as infringing third party intellectual property, non-compliance with laws and potentially wasted resources.

**Insurance:** The Company has taken out insurance to seek to cover its current business operations. However, the Company's insurance policies, in some circumstances may not provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

**Disputes:** The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, suppliers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.

**Reliance on key personnel:** The Company's success depends to a significant extent upon key management personnel, as well as other management and technical personnel, including those employed on a contractual basis. The loss of the services of certain personnel could materially adversely affect the Company and its activities.

# Appendix A: Key Risks (3 of 7)



**Intellectual property protection:** The Company principally relies upon patents, trade secrets, copyright and contract law to protect its intellectual property in its proprietary technology. The protective measures taken by the Company may not be adequate to protect its intellectual property in its proprietary technology. Many of the laws of foreign countries treat the protection of proprietary rights differently from, and may not protect proprietary rights to the same extent as do, laws in Australia. In addition, the laws of many countries, including Australia, provide governments with the ability to control or restrict the export of defence-related technologies and products developed from such technologies. Patent matters involve complex legal and factual questions. Accordingly, the Company cannot predict the availability and breadth of claims sought in relation to patents applied for. Statutory differences in patentable subject matter between countries may limit the protection the Company can obtain for some of its inventions, or prevent it from obtaining patent protection, in some countries. Additionally, the enforceability of a patent is dependent on a number of factors, which may vary between jurisdictions. These factors may include the novelty of the invention, the requirement that the invention not be obvious, the utility of the invention, the extent to which the patent clearly describes the best method of working the invention, and whether the patent's claims are fairly based on its specification.

The Company has obtained and continues to seek patent protection for its technology. Furthermore, the Company cannot be certain that patents held by third parties will not prevent the commercialisation of products incorporating its technology or that third parties will not challenge or seek to narrow, invalidate or circumvent any of its issued, pending, or future patents. The Company may need to litigate to enforce patents, or to determine the scope and validity of third party proprietary rights. It is possible that the Company could incur substantial costs and be diverted from its efforts to commercialise products. The Company relies on unpatented trade secrets, know-how and proprietary technological innovation and expertise, which are protected, in part, by confidentiality. There is a risk of the loss of that confidentiality or of other events occurring which may compromise the Company's competitive position.

**Development timeline:** In specialised fields such as engine development, unanticipated issues may arise for which it is not possible to expediently solve the issue or obtain the appropriate expertise. Design and construction of the Company's engine models may be slower than expected, due to the novelty of the design, lack of experience in its construction, or other factors. However, the Company has established processes for the control and traceability of all products and consumables to mitigate this risk.

**Competing technologies:** The aerospace industry market is highly competitive and can be subject to significant technological change. Large, well-established aerospace companies are engaged in research and development and have considerably greater resources than the Company to develop applications for aerial surveillance technology. The aerospace industry market is characterised by changing technology, evolving industry standards, introductions and enhancements and changing customer demands. Normal business risks associated with the current state of market conditions for the aerospace industry and possible change in customer requirements which cannot reasonably be foreseen are a significant risk for the Company. Accordingly, the Company's success may depend on its ability to adapt to change.

The Company's commercial success depends in part upon whether its products can compete successfully against both existing and new engine technologies, including new technologies that are similar to the Company's technologies. The Company's products may not be able to compete in the market and they may become obsolete.

**Adverse events involving facilities, technology or products:** Any technology that involves tactical UAVs presents a risk of catastrophic failure and other adverse events occurring. Any accident or failure involving the Company's technology, products or facilities, whether during manufacture or in use by the Company or its customers, and whether being used in the correct manner or not, could damage the Company's reputation and marketing ability and expose the Company to the risk of litigation, legal penalties and other adverse impacts, such as in relation to loss of life, property damage, spillage of toxic substances and other environmental pollution.

# Appendix A: Key Risks (4 of 7)



**Government regulation:** The Company develops products for use in the aerospace and defence sectors, which are subject to extensive regulation. Products manufactured using the Company's technology may also be subject to government regulation, including regulations governing use, specification, manufacture, handling, disposal, packaging, labelling, transport and import/export in Australia and in each of the countries into which such products are exported. Failure to comply with government regulations could result in the Company being unable to sell its products in those jurisdictions. Further, the withdrawal of any regulatory permits or exemptions currently enjoyed by the Company could have a material adverse effect on the Company and its activities.

**Contract negotiation:** The Company depends on contracts and memoranda of understanding (MOU) to grow its business. A failure to negotiate contracts and MOUs effectively could threaten the Company's success. Poor negotiations by the Company may mean that contractual obligations are not achieved due to onerous terms and conditions imposed by customers and contractual obligations not being adequately controlled with suppliers. To mitigate this risk, all significant contracts and agreements are reviewed and approved by multiple senior executives of the Company. Additionally, executives are empowered to engage external legal counsel to assist in the review and negotiation of complex / high-value agreements.

**Obtaining sufficient funding:** The Company requires significant capital amounts to conduct its business. In the past, these costs have been paid with a combination of operating revenues, equity injections, debt and other financing. However, there can be no assurance that the Company will have sufficient operating revenues to fund future costs or that outside financing will be available at affordable prices, or at all. A failure to obtain sufficient financing for ongoing costs could prevent the Company from carrying out business plans on time and give an advantage to competitors with greater financial resources. A shortage of financing may cause long delays in, or prevent, the further development and commercialisation of the Company's technology, and customers could choose to use competing technologies. This could have a material adverse effect on the Company's business, results of operations and financial position.

**Foreign currency:** Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate as a result of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to the Company's operating activities, in which sales and purchases are denominated in foreign currencies. Orbital is specifically exposed to currency risk on financial assets and liabilities held in the United States of America. Orbital's expenditure obligations in America are primarily in the United States Dollar and as a result Orbital is exposed to fluctuations between the United States Dollar and the Australian dollar. Orbital is also exposed to foreign exchange risk arising from the translation of its operations in the United States. The Company manages its exposure to foreign currency risk by regularly monitoring and performing sensitivity analysis on the Company's financial position and performance as a result of movements in foreign exchange rates. The Company holds bank accounts in foreign denominated currencies which are converted to Australian dollars through rate orders for targeted exchange rates. The Company has foreign currency hedging facilities available as part of its bank facilities. Currently the Company does not directly hedge against its foreign currency exchange risk to a material extent. There is a risk that the Company's financial performance and financial position may be adversely impacted by fluctuations in currency exchange rates.

Orbital is also exposed to variability in foreign exchange rates due to the material value of sales revenue invoicing being denominated in USD, whilst the Australian operating entity represents a material cost base denominated in AUD with obligations such as payroll, inventory purchases and operating overheads. The operating risk is a loss in AUD due to exchange rate fluctuations (USD:AUD), with an adverse impact on cash flow.

# Appendix A: Key Risks (5 of 7)



**Liquidity risk management:** Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay financial liabilities as and when they fall due. The liquidity position of the Company is managed to seek to ensure sufficient liquid funds are available to meet its financial commitments in a timely and cost effective manner. The Company's liquidity position is managed by the Board of Directors who regularly review cash flow forecasts prepared by management, which includes the Company's short and long-term obligations, cash position and forecast liability position to maintain appropriate liquidity levels. A reduction in the Company's working capital threatens the Company's ability to manufacture and develop its products and its financial position. The Company aims to address this risk through optimised supplier delivery and payments, effective inventory management, seeking to ensuring customer receipts are returned on time and oversight of the effect of delays in project deliverables (although there are no guarantees such efforts will succeed).

**Interest rate risk management:** Interest rate risk is the risk that the Group's financial position will fluctuate due to changes in the market interest rates. The Company's exposure to market interest rates relates primarily to the Company's cash and term deposits with financial institutions. The primary goal of the Company is to maximise returns on surplus cash, using deposits with maturities of 90 days or less. Management continually monitors the returns on funds invested.

**Credit risk management:** Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating and investing activities, including trade receivables and short-term deposits with financial institutions. The significant concentration of credit risk within the Company relates to receivable balances from the Company's major customer, Insitu.

It is Company policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

Key individual customer receivable balances are monitored on an ongoing basis. The significant concentrations of credit risk within the Company relate to receivable balances from the Company's major customer and cash held with investment grade financial institutions. The investment of surplus cash in short-term deposits is only invested with a major financial institution to minimise the risk of default of counterparties.

**Capital risk management:** When managing capital, management's objective is to ensure the entity continues as a going concern. In order to maintain or adjust the Company's capital structure from time to time, the Company may issue new shares (in addition to the Entitlement Offer) or other securities or borrow funds.

**Product liability exposure:** There is no assurance that unforeseen adverse events or manufacturing defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages and other remedies being awarded against the Company. There is also a risk of the Company failing to deliver on customer contract technical requirements. In such events, the Company's liability may exceed the Company's insurance coverage, if any.

**Cyber Security:** The Company relies heavily on its information technology systems including its networks, equipment, hardware, software, telecommunications and other information technology, including in the engines and engine management systems sold by the Company, (collectively, (IT systems), and the IT systems of third-party service providers, to operate its business as a whole. The Company's operations depend on the timely maintenance, upgrade and replacement of its IT systems, as well as pre-emptive efforts to mitigate cybersecurity risks and other IT system disruptions. IT systems are subject to an increasing threat of continually evolving cybersecurity risks from sources including computer viruses, cyber-attacks, natural disasters, power loss, defects in design, security breaches and other manipulation or improper use of the Company's systems and networks, resulting in, among other things, unauthorized access, disruption, damage or failure of the Company's IT systems (collectively, IT Disruptions). Although to date the Company has not experienced any material data losses or financial impost relating to such IT disruptions, there can be no assurance that it will not incur such losses in the future. The occurrence of one or more IT Disruptions could have effects such as damage to the Company's products and equipment, manufacturing downtimes, operational delays, destruction or corruption of data, increases in capital and operating expenditures, loss of assets, expensive remediation efforts, distraction of management, damage to the Company's reputation or events of noncompliance which could lead to regulatory fines or penalties or ransom payments. Any of the foregoing could have a material adverse effect on the Company's results of operations and financial performance.

# Appendix A: Key Risks (6 of 7)



**Climate change risk:** Climate change is a risk the Company has considered, particularly related to its operations in the aerospace industry. The emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation may adversely impact the Company and its business. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company and its operations will not be impacted by these occurrences. Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industries in which the Company operates and materially adversely affect the value of Shares. Insurance cover availability against the risks of climate change is subject to the similar conditions and restraints noted above.

**Control risks:** UIL Limited and its associates (together the **UIL Parties**) currently hold voting power in approximately 30.0% of the Shares in the Company.

The potential consequences of the effect which the issue of New Shares pursuant to the Entitlement Offer may have on the control of the Company is that the UIL Parties may increase their abilities to influence the composition of the Company's board and the Company's management and strategic direction and to impact the outcome of resolutions of shareholders of the Company. The UIL Parties' interests may not align with those of all other OEC shareholders. The UIL Parties hold voting power in more than 25% of the Shares in the Company. This means that they have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution).

**Additional requirements for capital:** The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts proposed to be raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

If Orbital is unable to successfully complete the Entitlement Offer, the Company may have to consider alternative funding options for the purpose of funding the Company's ongoing operations, which may or may not be available on acceptable terms or may result in dilution to OEC shareholders.

## GENERAL RISKS:

**Economic Risks and Market Conditions:** Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of the Company's shares regardless of the Company's operating performance. Factors that may contribute to that general economic climate include, but are not limited to:

- the level of direct and indirect competition against the Company and demand for the Company's products;
- general economic conditions;
- uncertainty in the Australian, US (and global) economies or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- increases in expenses (including the cost of goods and services used by the Company and general commodity prices);

# Appendix A: Key Risks (7 of 7)



- changes in government policies, taxation and other laws (including variations to existing taxes and the introduction of new taxes);
- the strength of, and fluctuations in, the equity and share markets in Australia and throughout the world;
- movement in, or outlook on, exchange rates, interest rates and inflation rates;
- industrial disputes in Australia and overseas;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- natural disasters, social upheaval, terrorism or war.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor its Directors warrant the future performance of the Company or any return to OEC shareholders.

**Litigation Risks:** The participation by the Company in the aerospace industry may expose the Company to possible litigation risks, including (without limitation) customer claims, environmental claims, occupational health and safety claims and employee claims. The Company may also be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not presently involved in material litigation and the Company's Directors are not aware of any basis on which any material litigation against the Company may arise.

**Taxation and government regulations:** Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

**Risks associated with an investment in shares:** As with all stock market investments, there are risks associated with an investment in Orbital. Securities listed on the ASX have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Orbital shares regardless of Orbital's performance. There is no assurance that the price of Shares will increase in the future. The price of Shares might trade below or above \$0.11, being the offer price for the New Shares.

**Unforeseen Expenses:** While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

**Broader General Risks:** There are also a number of broader general risks which may impact the Company's performance. These include (without limitation):

- abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, terrorism, infrastructure failure or industrial disruption; and
- higher than budgeted costs associated with the provision of product and service offerings.

**Accounting standards:** Australian accounting standards are set by the Australian Accounting Board and are outside of Orbital's control. Changes to accounting standards could materially adversely affect the financial performance and position reported in Orbital's financial statements.

# Appendix B: International Offer Restrictions (1 of 1)



**This document does not constitute an offer of Entitlements and New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.**

**Bermuda:** No offer or invitation to subscribe for Entitlements and New Shares may be made to the public in Bermuda. The Entitlements and New Shares will be offered in Bermuda only to existing shareholders of the Company. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for Entitlements and New Shares.

**Malaysia:** No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Entitlements and New Shares. The Entitlements and New Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Entitlements and New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

**New Zealand:** The Entitlements and New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The Entitlements are renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

**Germany:** This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Entitlements and New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Entitlements and New Shares in Germany is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

## 5. ADDITIONAL INFORMATION

### 5.1 Underwriting Agreements

Orbital has entered into separate underwriting agreements with the Underwriters, who have agreed to each partially underwrite the Entitlement Offer to the extent of \$1.0 million, less any Entitlements which are taken up by the relevant Underwriter under the Entitlement Offer (**Underwritten Amount**) pursuant to the underwriting agreement between the relevant Underwriter and the Company (**Underwriting Agreements**).

Each Underwriter is obligated to subscribe (at the Offer Price per Shortfall Share) for the number of Shortfall Shares remaining after the allocation of the Shortfall Shares under the Top Up Facility (**Remaining Shortfall Shares**) up to the Underwritten Amount (the **Underwritten Shares**).

No fee, commission or other consideration is payable by the Company to the Underwriters for the underwriting pursuant to the Underwriting Agreements.

Each Underwriter or the Company may terminate its obligations under the relevant Underwriting Agreement if the Company withdraws the Entitlement Offer or indicates that it does not intend to proceed with the Entitlement Offer. In addition, the Company may terminate the relevant Underwriting Agreement if the relevant Underwriter breaches its obligations or if a representation, warranty or undertaking of the Underwriter that becomes untrue or incorrect.

The Underwriting Agreements also contain a number of representations and warranties from the Company and each Underwriter, that are considered standard for an agreement of this type.

### 5.2 Substantial holders and Directors' interests in Securities

As at the date of this Entitlement Offer Booklet, the Company has the following substantial holders (based on the substantial holder notices that have been provided to the Company and released to the ASX and information from the Share Registry):

Substantial holders of the Company	Number of Shares	Voting Power
UIL Limited and its associates <sup>1</sup>	45,278,204	31.10%
Boneyard Investments Pty Ltd and its associates <sup>2</sup>	22,385,925	15.33%

**Note:**

1. UIL (which is one of the Underwriters) has additionally agreed to underwrite a portion of the Entitlement Offer pursuant to the Underwriting Agreement as detailed in Section 5.1. Refer to Section 5.3 for further information in relation to the potential increase in UIL's voting power in the Company as a result of the Entitlement Offer and the underwriting.
2. Boneyard (which is one of the Underwriters) has additionally agreed to underwrite a portion of the Entitlement Offer pursuant to the Underwriting Agreement as detailed in Section 5.1. Refer to Section 5.3 for further information in relation to the potential increase in Boneyard's voting power in the Company as a result of the Entitlement Offer and the underwriting.

As at the date of this Entitlement Offer Booklet, the Directors' interests in the Company are detailed below:

Director	Shares	Options
Mr John Welborn	2,216,785	500,000
Dr Grant Lukey	730,726	-
Mr Frederick (Kyle) Abbott	105,000	25,000



Mr Steve Gallagher	366,668	50,000
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The Directors have confirmed that they intend to take up their full Entitlements under the Entitlement Offer, and to procure that the persons or entities through which they hold the above interests in Shares take up their full Entitlements (comprising, in total 427,397 New Shares for the Directors).

### 5.3 Effect on Control

The potential effect that the Entitlement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, including investor demand, existing shareholdings and the extent to which Shortfall Shares are available and ultimately taken up by the Underwriter pursuant to the Underwriting Agreement (in accordance with the shortfall allocation policy detailed in Section 6.4).

Following the Entitlement Offer and upon completion of the underwriting pursuant to the Underwriting Agreements, the voting power in the Company held by:

- UIL and its associates (together, the **UIL Parties**) could increase from the current level of 31.00% to up to a maximum of 33.98%; and
- Boneyard and its associates (together, the **Boneyard Parties**) could increase from the current level of 15.33% to up to a maximum of 18.31%.

The UIL Parties may increase their voting power to this extent by relying on the exception contained in item 9 of section 611 of the Corporations Act:

- in respect of taking up their Entitlements under the Entitlement Offer; and
- in respect of UIL acquiring any Shortfall Shares in its capacity as the underwriter of part of the Entitlement Offer pursuant to the Underwriting Agreement (as summarised in Section 5.1).

No forecast is made on whether the Underwriters' voting power in the Company will otherwise change in the future, whether pursuant to other acquisitions or disposals of Shares or otherwise (for example relying on any other applicable items in section 611 of the Corporations Act).

Each Underwriter has also agreed with the Company that each Underwriter will not, and will procure that its associates do not:

- subscribe for any Shortfall Shares under the Top Up Facility; and
- purchase any Entitlements from other Shareholders.

The following tables show the indicative number of Shares to be held by, and the approximate indicative voting power in the Company of, the Underwriters upon completion of the Entitlement Offer and the underwriting, under certain pro forma scenarios:

(a) **Entitlement Offer is fully subscribed:**

Shareholder(s)	At the Announcement Date		If the Entitlement Offer is fully subscribed	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
UIL Parties	45,277,133	31.00%	50,936,775	31.00%

Shareholder(s)	At the Announcement Date		If the Entitlement Offer is fully subscribed	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
Boneyard Parties	22,385,925	15.33%	25,184,166	15.33%

**Note:** The voting power of the UIL Parties and the Boneyard Parties (which are the Underwriters) if the Entitlement Offer is fully subscribed is subject to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer. See Note 1 of the table immediately below.

(b) **Entitlement Offer is not fully subscribed and no Shortfall Shares are taken up except for by the Underwriter pursuant to the Underwriting Agreement:**

Shareholder (s)	75% acceptance of Entitlements		50% acceptance of Entitlements		0% acceptance of Entitlements	
	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)	Number of Shares	Voting Power (%)
UIL Parties	52,161,679	31.75%	53,386,583	32.49%	55,836,391	33.98%
Boneyard Parties	26,409,070	16.07%	27,633,974	16.82%	30,083,782	18.31%

**Notes:**

- In calculating the potential outcomes in the two tables immediately above, the Company has included the issue of any New Shares which would have been offered to Ineligible Shareholders (had they been Eligible Shareholders), on the assumption that those Entitlements are sold by the Ineligible Holder Nominee and taken up by the transferees of those Entitlements not associated with the Underwriters (except for in the case of "0% acceptance of Entitlements", in which case it is assumed those New Shares are taken up by the Underwriters pursuant to the Underwriting Agreements). No forecast is made of whether any such Entitlements will be sold, as this inclusion is made for pro forma illustrative purposes only.
- In calculating the potential outcomes in the table immediately above, given that the Underwritten Amount in relation to each Underwriter would be reduced by any Entitlements which are taken up by each Underwriter under the Entitlement Offer, when calculating the total percentage of Entitlements assumed to be accepted in each column of the table, the Company has assumed that each Underwriter takes up its Entitlements in full.

In aggregate, the commitments of the major Shareholders above (and of the Directors detailed in Section 5.1) represent approximately 48.67% (or ~A\$0.97 million) of the maximum approximate Entitlement Offer raising of A\$2.0 million.

Based on these confirmations the potential effect which the issue of New Shares pursuant to the Entitlement Offer (including the Shortfall Shares) will have on the control of the Company is as follows:

- if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the New Shares issued under the Entitlement Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer;
- in the more likely event that there is a shortfall in the Entitlement Offer, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Entitlement Offer (such as those who sell their Entitlements under the Entitlement Offer) will be diluted relative to those Eligible Shareholders who subscribe for some or all of their Entitlement, and will be diluted by any take up of Shortfall Shares;
- the voting power held in the Company by the UIL Parties could increase from the current level of 31.00% to up to a maximum of 33.98% (assuming that the only Entitlements taken up under the Entitlement Offer are the Entitlements of UIL Parties and the Boneyard Parties and assuming UIL takes up the maximum number of

10,102,282 New Shares pursuant to their Underwriting Agreement and Boneyard takes up the maximum number of 7,240,881 New Shares pursuant to their Underwriting Agreement); and

- the voting power held in the Company by the Boneyard Parties could increase from the current level of 15.33% to up to a maximum of 18.31% (assuming that the only Entitlements taken up under the Entitlement Offer are the Entitlements of Boneyard Parties and the UIL Parties and assuming Boneyard takes up the maximum number of 7,240,881 New Shares pursuant to their Underwriting Agreement and UIL takes up the maximum number of 10,102,282 New Shares pursuant to their Underwriting Agreement).

Consequently, the potential consequences of the effect which the issue of New Shares pursuant to the Entitlement Offer may have on the control of the Company is that the UIL Parties and/or the Boneyard Parties may increase their respective abilities to influence the composition of the Board and the Company's management and strategic direction and to impact the outcome of resolutions of Shareholders.

For example, UIL may have the ability to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution) and may have the de facto ability to pass ordinary resolutions of the Shareholders, or to prevent ordinary resolutions from being passed, given that less than 100% of the Shareholders are expected to vote at any general meeting.

Control will ultimately be affected by the level of applications under the Entitlement Offer. The final percentage interests held by Shareholders of the Company are dependent on, among other things, the extent to which Eligible Shareholders take up their Entitlements.

With the exception of the issue of Shortfall Shares to the Underwriters pursuant to the Underwriting Agreements, no Shortfall Shares will be issued to an Eligible Shareholder if, in the view of the Directors, to do so would increase that Eligible Shareholder's voting power in the Company above 20%. Additionally, the Directors reserve the right to refuse to approve a particular issue of Shortfall Shares if (without limitation) such issue would, in the view of the Directors, result in a breach of the ASX Listing Rules, the Corporations Act, FATA or any other applicable law.

The information in this Section 5.3 is the Company's estimates only, based on the information available to it. Actual outcomes may vary.

## 5.4 Potential Dilution Effect

If you do not participate in the Entitlement Offer, your holdings in the Company will be diluted as a result of the Entitlement Offer (compared with your position before the Entitlement Offer), after the issue of New Shares under the Entitlement Offer.

The following are examples of how any dilution may impact you if you do not participate in the Entitlement Offer, assuming the maximum number of New Shares are issued:

Example Shareholder	Holdings as at Record Date	% as at Record Date	Entitlements Under the Entitlement Offer (subject to rounding)	Holdings if Entitlement not taken up	% if the maximum number of New Shares is issued pursuant to the Entitlement Offer (subject to rounding) <sup>1</sup>
Shareholder 1	10,000,000	6.85%	1,250,000	10,000,000	6.09%
Shareholder 2	5,000,000	3.42%	625,000	5,000,000	3.04%
Shareholder 3	1,000,000	0.68%	125,000	1,000,000	0.61%
Shareholder 4	100,000	0.07%	12,500	100,000	0.06%

Shareholder 5	10,000	0.01%	1,250	10,000	0.01%
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**Notes:**

1. The dilutionary effect shown in the table assumes that any Entitlements not taken up are dealt with as Shortfall Shares and are placed by the Company or taken up by the Underwriters pursuant to the Underwriting Agreements. It also assumes the issue of any New Shares which would have been offered to Ineligible Shareholders (had they been Eligible Shareholders), on the assumption that those Entitlements are sold by the Ineligible Holder Nominee and taken up by the transferees of those Entitlements, or are dealt with as Shortfall Shares and are placed by the Company or taken up by the Underwriters pursuant to the Underwriting Agreements.

## 5.5 Capital structure on completion of the Entitlement Offer

On the basis that 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 exercise of Options into Shares):

	Number of Shares (subject to rounding)	Number of Options
<b>Balance as at the date of this Entitlement Offer Booklet</b>	146,056,915	17,500,000
<b>Entitlement Offer</b>	73,028,458	-
<b>Total upon completion of the Entitlement Offer<sup>2</sup></b>	219,085,373	17,500,000

**Notes:**

1. The Options are quoted on the ASX and are exercisable at \$0.35 each on or before 7 February 2026.
2. For the avoidance of doubt, the Company reserves the right to issue further securities from time to time.

## 6. IMPORTANT INFORMATION

This Entitlement Offer Booklet and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Orbital. This Information is current as of Thursday, 14 November 2024. This Information remains subject to change without notice and Orbital is not responsible for updating this Information.

There may be additional announcements made by Orbital after the date of this Entitlement Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Orbital (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your application to take up your Entitlement.

No party other than Orbital has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

**This Information is important and requires your immediate attention.**

You should read this Information and Orbital's other ASX announcements carefully and in their entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risks" section of the Investor Presentation (a copy of which is included in this Entitlement Offer Booklet) any of which could affect the operating and financial performance of Orbital or the value of an investment in Orbital.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

### Trading of New Shares

It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk.

Orbital disclaims all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statement for New Shares, whether on the basis of confirmation of the allocation provided by Orbital or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other independent professional adviser.

### Disclaimer

No party other than Orbital has authorised or caused the issue of this Entitlement Offer Booklet, or takes any responsibility for, or makes any statements, representations or undertakings in this Entitlement Offer Booklet.

For the avoidance of doubt, to the maximum extent permitted by law, the Underwriters (including its affiliates, related bodies corporate, officers, employees, agents and advisers) disclaim all liability including (without limitation) liability arising from fault or negligence, for any loss howsoever and whenever arising from the use of any of the information contained in this Entitlement Offer Booklet.

### 6.1 Eligible Shareholders and Ineligible Shareholders

This Information contains an offer of New Shares to Eligible Shareholders and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73). Accordingly, neither this Entitlement Offer

Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating a possible investment in Orbital. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

If you are a Shareholder who does not satisfy each of the criteria to be an Eligible Shareholder (as defined in Section 2.1), you are an **"Ineligible Shareholder"**. Where the Entitlement Offer Booklet has been despatched to Ineligible Shareholders, the Entitlement Offer Booklet is provided for information purposes only. Orbital reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By making a payment by BPAY® or EFT, you will be taken to have represented and warranted that you satisfy each of the criteria listed in Section 2.1 to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Orbital has decided that it is unreasonable to make offers under the Entitlement Offer to Ineligible Shareholders, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. In considering compliance with applicable securities laws, Orbital may (in its absolute discretion) extend the Entitlement Offer to Shareholders who have registered addresses outside Australia, Bermuda, Germany, Malaysia or New Zealand.

#### **Foreign Shareholders and Ineligible Holder nominee**

This Entitlement Offer Booklet and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such offers.

The Company has appointed Westar Capital Limited to act as nominee (the **Ineligible Holder Nominee**) for the Ineligible Shareholders, to arrange for the sale of the Entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer.

If there is a viable market for those Entitlements and a premium over the expenses of their sale can be made, the Ineligible Holder Nominee's role is to arrange the sale of the Entitlements which would have been attributable to Ineligible Shareholders. The Ineligible Holder Nominee will distribute to the Share Registry or to the Company directly the net proceeds (if any) of the sale of Entitlements of Ineligible Shareholders (after deducting costs and expenses), to be distributed to the Ineligible Shareholders in proportion to their respective Entitlements at the Record Date. The Ineligible Holder Nominee will charge the Company an administration fee of \$5,000 (plus GST) and 2.5% of the proceeds from the sale of Entitlements in its capacity as nominee of Ineligible Shareholders and the Company will reimburse to the Ineligible Holder Nominee the expenses of the Ineligible Holder Nominee. The Company has also agreed to indemnify the Ineligible Holder Nominee and its related bodies corporate and directors, employees and agents against certain losses, claims and other customary matters.

The Ineligible Holder Nominee will have absolute and sole discretion to determine the price for which the Entitlements of Ineligible Shareholders may be sold, as well as the timing and manner of such sale (if any). Neither the Company nor the Ineligible Holder Nominee will be subject to any liability to Ineligible Shareholders (or any other party) for failure to sell the Entitlements of Ineligible Shareholders or for failure to sell them at a particular price.

If, as a result of the Ineligible Holder Nominee offering to sell or being invited to sell the Entitlements of Ineligible Shareholders, the Ineligible Holder Nominee forms the reasonable opinion that there is not a viable market for the Entitlements or a surplus of sale proceeds over expenses from the sale cannot be obtained for the Entitlements that would otherwise have been offered to the Ineligible Shareholders then those Entitlements will be allowed to lapse. In such circumstances, no money will be payable to Ineligible Shareholders.

To the extent that any Entitlements that would have been offered under the Entitlement Offer to Ineligible Shareholders (had they been entitled to participate in the Entitlement Offer) are not taken up for the issue of New Shares (including pursuant to the Ineligible Holder Nominee process above) (**Ineligible Shares**), those Ineligible Shares will be Shortfall Shares which are subject to the shortfall allocation policy detailed in Section 6.4. The price at which those Ineligible Shares would be issued is the same as the Offer Price. Accordingly there will be no net proceeds from those issues in excess of the Offer Price under the Entitlement Offer and Ineligible Shareholders will not receive any payment or value in connection with those Ineligible Shares.

### ***Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) and Australian Government Foreign Investment Policy***

For the purposes of the *Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA)*, the Company is a "national security business".

Generally, the FATA applies to acquisitions of a "direct interest" in an Australian national security business by a "foreign person" and its associates (or by a "foreign government investor" and its associates), irrespective of the acquisition value. A "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor is in a position to influence or participate in the management and control or policy of the entity.

Where the FATA requires notification of the proposed acquisition (i.e. an exemption does not apply), the acquisition may not occur unless notice of it has been given to the Federal Treasurer (via the Foreign Investment Review Board (**FIRB**)) and the Federal Treasurer has either notified that there is no objection to the proposed acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting. An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a no objection notification or expiry of a statutory period without objection, has occurred.

There are exemptions or different criteria which can apply to certain acquisitions, such as the rights issue exemption for an Eligible Shareholder participating in this Entitlement Offer by taking up their Entitlements (but such rights issue exemption does not apply to the acquisition of additional Entitlements or Shortfall Shares). Where an investor relies upon that rights issue exemption to acquire a "direct interest" in a "national security business" without notification under the FATA, the Federal Treasurer retains the right to "call-in" that acquisition for review at any time until 10 years after the acquisition occurs, if the Federal Treasurer considers that the acquisition raises a national security concern. As noted above, for the purposes of the FATA, the Company is a "national security business".

If an investor voluntarily notifies the Federal Treasurer (via FIRB) of the proposed acquisition of a "direct interest" in a "national security business" (instead of relying on an exemption), then the "call-in" power is extinguished. However, even if the Federal Treasurer confirms that there is no objection to the proposed acquisition (with or without conditions), the Federal Treasurer retains a "last resort power" under the FATA to review the acquisition again in certain limited situations.

It is the responsibility of each applicant for New Shares to confirm whether the FATA applies to them and (as applicable) to comply with the FATA before accepting the Entitlement Offer, acquiring additional Entitlements and/or applying for Shortfall Shares. Failure to comply with the FATA may result in civil and/or criminal penalties.

For completeness, if a sufficient proportion of the Company's issued securities are held by "foreign persons" (or "foreign government investors"), then the Company itself (and its subsidiaries) will become a "foreign person" (or a "foreign government investor") for the purposes of the FATA and the Company and its corporate group would then be subject to regulatory compliance requirements under the FATA.

## 6.2 Ranking of New Shares

New Shares issued under the Entitlement Offer will rank equally with existing Shares. New Shares will be entitled to any dividends on ordinary shares with a record date after the issue of the New Shares (although no forecast is made of whether, or when, any dividends may be declared). The rights and liabilities attaching to the New Shares are set out in Orbital's constitution, a copy of which is available at [www.asx.com.au](http://www.asx.com.au). Orbital is seeking Shareholder approval, at its upcoming annual general meeting, to adopt a new constitution, a copy of which forms part of Orbital's notice of annual general meeting which it announced to the ASX on 11 October 2024.

## 6.3 Minimum Subscription

There is no minimum subscription for the Entitlement Offer.

## 6.4 Shortfall allocation policy

Unless otherwise determined by the Company, to the extent of any New Shares (including Ineligible Shares as detailed in Section 6.1) for Entitlements not taken up under the Entitlement Offer (together the **Shortfall Shares**) the Company proposes to allocate Shortfall Shares according to the following priority (subject to the Board's discretion detailed below):

- (a) firstly, to each Eligible Shareholder who has applied for Shortfall Shares through the Top Up Facility (subject to compliance with applicable laws and to the terms set out in this Entitlement Offer Booklet); and
- (b) then, each Underwriter will be allocated the Remaining Shortfall Shares (if any) pursuant to the relevant Underwriting Agreement up to the Underwritten Amount. If, as the result of the Underwriters failure to comply with their obligations under their Underwriting Agreement, there remains unallocated Shortfall Shares, the Shortfall Shares will be allocated to sophisticated or professional investors, at the Board's discretion (including as may be introduced to the Company by one or more stockbrokers).

This shortfall allocation policy has been structured to allow each Eligible Shareholder to apply to participate in priority to third parties and to seek to disperse the Shortfall Shares across a potentially broad number of Eligible Shareholders (if Shortfall Shares are applied for through the Top Up Facility). The Company reserves the right to issue, at its sole discretion, to an Eligible Shareholder who has applied for Shortfall Shares a lesser number of Shortfall Shares than the number applied for (or no Shortfall Shares), issue part or all of the Shortfall Shares to new investors, reject an application or not proceed with the issuing of the Shortfall Shares or part thereof.

In the event it is necessary to scale back applications for Shortfall Shares by Eligible Shareholders, then the scale back will be on a pro rata basis, based on the Entitlements of Eligible Shareholders.

The Directors also reserve, subject to compliance with applicable laws and the ASX Listing Rules, the right to place (for example, as detailed above) any or all of the Shortfall Shares to one or more investors within three months of the Closing Date at a price not less than the Offer Price. Such investors may include professional or sophisticated investors, or other investors identified by the Company (or potentially identified by stockbrokers for a fee).

The Directors reserve the right to issue the Shortfall Shares at their discretion and to pay fees to stockbrokers and others as part of that issue, at the Directors' discretion.

The Directors are not entitled to participate in the Top Up Facility.

The Directors will seek to ensure that no person (other than the Underwriters, to the extent that each Underwriter is issued Shortfall Shares pursuant to the relevant Underwriting Agreement) will be issued Shortfall Shares if such issue will result in that person's voting power in the Company exceeding 20% or increasing at all, if they already hold voting power in the Company above 20%.



## **6.5 Reconciliation and the rights of Orbital**

The Entitlement Offer is a complex process and, in some instances, investors may believe that they own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Orbital may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these additional New Shares would be issued would be the Offer Price.

Orbital also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders or other applicable investors, if Orbital believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Orbital may, in its discretion, require the relevant Shareholder to transfer excess New Shares to a third party, such as a stock broker, at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Orbital in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Orbital to require any of the actions set out above.

## **6.6 Taxation**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under the Entitlement Offer. The implications associated with participation in the Entitlement Offer will vary depending upon the individual circumstances of individual Eligible Shareholders.

Orbital, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares.

## **6.7 No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an application once it has been accepted.

## **6.8 Entitlements Trading**

The Entitlements under the Entitlement Offer are renounceable. Accordingly, there will be trading of Entitlements (including on ASX) and you may dispose of your rights to subscribe for New Shares comprising part or all of your Entitlement to any other party (subject to compliance with applicable laws). Entitlement trading is expected to commence on Monday, 18 November 2024 and conclude on Tuesday, 26 November 2024. If you do not take up your full Entitlement and do not trade the Entitlements which you do not take up, those Entitlements that you do not take up or trade will lapse and you will not receive any payment or value for them. See Section 3 for further details.

There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlements on ASX and the price you may be able to achieve.

## **6.9 Risks**

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Orbital and an investment in Shares (including New Shares). Please refer to the "Key Risks" section of the Investor Presentation for details. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

## **6.10 Notice to nominees and custodians**

Nominees and custodians may not distribute this Entitlement Offer Booklet, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, Bermuda, Malaysia and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

## **6.11 Continuous Disclosure**

Orbital is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Orbital is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, Orbital has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of Shares. That information is available to the public from ASX.

## **6.12 Not investment advice**

This Information is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Orbital is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Orbital's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au) (including announcements which may be made by Orbital after publication of this Entitlement Offer Booklet).

Prospective investors should conduct their own independent investigation and assessment of the Entitlement Offer and the information contained in, or referred to in, this Entitlement Offer Booklet. An investment in Orbital is subject to investment risk such as possible loss of principal invested. Before deciding whether to apply for New Shares, you should consider all materials sent to you in relation to the Entitlement Offer and all relevant materials lodged with ASX (including materials which may be lodged with ASX after publication of this Entitlement Offer Booklet), and whether the New Shares are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues) and having regard to the merits or risks involved (including the "Key Risks" set out in the Investor Presentation). If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser or call the Company on 08 9441 2135 (within Australia) or +61 8 9441 2135 (outside Australia) from 5:30am to 2:30pm (Perth time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser during the Entitlement Offer period.

## **6.13 Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## **6.14 Quotation and trading**

Orbital will apply to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rules requirements. Application money will be held on trust in a subscription account until

allotment. No interest earned on application monies will be paid by Orbital, irrespective of whether allotment takes place.

If ASX does not grant quotation of the New Shares, Orbital will repay all application monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Entitlement Offer will commence on or around Monday, 9 December 2024.

## **6.15 Information availability**

Eligible Shareholders in Australia, Bermuda, Malaysia and New Zealand can obtain a copy of this Information during the period of the Entitlement Offer on the Orbital website at <https://www.orbitaluav.com> or by calling Orbital. Eligible Shareholders in Australia, Bermuda, Malaysia and New Zealand who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the Orbital website will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be obtained by downloading a copy from <https://events.miraqle.com/OEC-Offer> during the period of the Entitlement Offer or by calling the Company on 08 9441 2135 (within Australia) or +61 8 9441 2135 (outside Australia) from 5:30am to 2:30pm (Perth time), Monday to Friday during the Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

## **6.16 Governing law**

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer (including pursuant to the personalised Entitlement and Acceptance Forms) are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

## **6.17 Foreign jurisdictions**

This Entitlement Offer Booklet does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Entitlement Offer Booklet may not be distributed to any person, and the Entitlements and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **Bermuda**

No offer or invitation to subscribe for Entitlements and New Shares may be made to the public in Bermuda. The Entitlements and New Shares will be offered in Bermuda only to existing shareholders of the Company. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for Entitlements and New Shares.

### **Germany**

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Entitlements and New Shares be offered for sale, in Germany except in

circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Entitlements and New Shares in Germany is limited:

- to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation

### **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Entitlements and New Shares. The Entitlements and New Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Entitlements and New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

### **New Zealand**

The Entitlements and New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The Entitlements are renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **6.18 Privacy**

As a Shareholder, Orbital and the Share Registry have already collected certain personal information from you. If you apply for New Shares, Orbital and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Orbital and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation for the distribution of shareholder information and for handing of mail, or as otherwise permitted under the *Privacy Act 1988* (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Orbital or the Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning the Share Registry on +61 1800 502 355.

## **6.19 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Orbital, or its related bodies corporate in connection with the Entitlement Offer. None of Orbital, or any other person, warrants or guarantees the future performance of Orbital or any return on any investment made pursuant to this Information or its content.

## **6.20 Withdrawal of the Entitlement Offer**

Orbital reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Orbital will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to Orbital will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to Orbital.

Persons considering acquiring Entitlements during the period of Entitlement trading should be aware of the risk that in the event that the Board withdraws the Entitlement Offer, the holders of such Entitlements will not be able to exercise those Entitlements and consequently may receive no value for those Entitlements (and will not be able to recover the funds they paid to acquire those Entitlements).

## 7. GLOSSARY

In this Entitlement Offer Booklet, unless the context requires otherwise:

**\$ or A\$** means the lawful currency of Australia.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 or where the context requires, the financial market operated by it known as the Australian Securities Exchange.

**ASX Listing Rules** or **Listing Rules** means the listing rules of the ASX as amended from time to time.

**Board** means the board of Directors of the Company.

**Boneyard Investments** means Boneyard Investments Pty Ltd ACN 161 625 734.

**Boneyard Parties** has the meaning given to that term in Section 5.3.

**Closing Date** means 2:00pm (Perth time) on 3 December 2024 (or such other time and date as the Board may determine).

**Company** or **Orbital** means Orbital Corporation Limited ACN 009 344 058.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**EFT** means Electronic Funds Transfer.

**Eligible Shareholder** has the meaning given to that term in Section 2.1.

**Entitlement** means an Eligible Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

**Entitlement and Acceptance Form** has the meaning given to that term in the Chairman's Letter in this Entitlement Offer Booklet.

**Entitlement Offer** has the meaning given to that term in the Chairman's Letter in this Entitlement Offer Booklet.

**Entitlement Offer Booklet** means this Entitlement Offer Booklet.

**FATA** has the meaning given to that term in Section 6.1.

**FIEL** has the meaning given to that term in Section 6.17.

**FIRB** has the meaning given to that term in Section 6.1.

**FPO** has the meaning given to that term in Section 6.17.

**FSMA** has the meaning given to that term in Section 6.17.

**Ineligible Holder Nominee** means Westar Capital Limited.

**Ineligible Shareholder** has the meaning given to that term in Section 6.1.

**Ineligible Shares** has the meaning given to that term in Section 6.1.

**Information** has the meaning given to that term in Section 6.

**Investor Presentation** means the Company's Investor Presentation, which was announced to the ASX on 14 November 2024 and has been reproduced in Section 4 of this Entitlement Offer Booklet.

**New Share** means a Share offered under the Entitlement Offer (including any Shortfall Shares).

**Offer Launch Announcement** means the Company's initial announcement in relation to the Entitlement Offer, which was announced to the ASX on 14 November 2024 and has been reproduced in Section 4 of this Entitlement Offer Booklet.

**Offer Price** has the meaning given to that term in the Chairman's Letter in this Entitlement Offer Booklet, being A\$0.11 per New Share.

**Option** means an option to acquire a Share.

**Record Date** means 4:00pm (Perth time) on 19 November 2024.

**Section** means a section of this Entitlement Offer Booklet.

**SFA** has the meaning given to that term in Section 6.17.

**Share** means a fully paid ordinary share in the capital of Orbital.

**Shareholder** means a registered holder of one or more Shares.

**Share Registry** means Link Market Services Limited.

**Shortfall Shares** has the meaning given to that term in Section 6.4.

**Top Up Facility** has the meaning given to that term in the Chairman's Letter in this Entitlement Offer Booklet.

**UIL** means UIL Limited.

**UIL Parties** has the meaning given to that term in Section 5.3.

**Underwriters** means UIL and Boneyard Investments.

**Underwriting Agreements** has the meaning given to that term in Section 5.1.

**Underwritten Amount** has the meaning given to that term in Section 5.1.

**Underwritten Shares** has the meaning given to that term in Section 5.1.

**US Securities Act** means the US Securities Act of 1933, as amended.

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**8. ENTITLEMENT AND ACCEPTANCE FORM**





**Orbital Corporation Limited**  
ACN 009 344 058

All Share Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 853 816  
From outside Australia: +61 1300 853 816  
ASX Code: OEC  
Website: www.linkmarketservices.com.au

**IID:**  
**SRN/HIN:**  
**Entitlement Number:**  
**Number of Shares held as at the Record Date, 4:00pm (Perth time) on 19 November 2024:**  
**Entitlement to New Shares (on a 1 New Share for 8 basis):**  
**Amount payable on full acceptance at A\$0.11 per New Share:**

**Entitlement Offer Closes 2:00pm (Perth time): 4 December 2024**

**ENTITLEMENT AND ACCEPTANCE FORM**

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 8 existing Shares that you hold on the Record Date, at an Offer Price of A\$0.11 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Entitlement Offer is being made under the Entitlement Offer Booklet dated 14 November 2024. The Entitlement Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Entitlement Offer Booklet and Orbital Corporation Limited's other ASX announcements. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer Booklet.

**PAYMENT by BPAY® only (No cheque payments)**

**PAYING BY BPAY®**

Paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return this acceptance form when you make payment by BPAY®.** Payment must be received via BPAY® before 2:00pm (Perth time) on 3 December 2024. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of New Shares the subject of your application monies.



**Biller Code:**  
**Ref:**

**Telephone & Internet Banking – BPAY®**

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au  
® Registered to BPAY Pty Ltd ABN 69 079 137 518

**A** Number of New Shares applied for and accepted (being not more than your Entitlement shown above)  
**B** Number of additional New Shares applied for above your Entitlement out of a shortfall  
**C** Total number of New Shares applied for (add Boxes A and B)

[ ] + [ ] = [ ]

**YOUR CONTACT DETAILS**

Telephone Number ( )  
Telephone Number – after hours ( )  
Contact Name (PRINT)

See overleaf for details and further instructions. If you do not take up or sell your Entitlements, you will not receive any value for them. It is important that you decide whether to accept or sell your Entitlements in accordance with the Entitlement Offer Booklet.



# ORBITAL CORPORATION LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, Bermuda, Germany, Malaysia or New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire New Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment by BPAY® to the Share Registry, or by just making payment by BPAY®:

- you represent and warrant that you have read and understood the Entitlement Offer Booklet and that you acknowledge the matters, and make the declarations, warranties and representations contained in it;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Orbital Corporation Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. PAYING BY BPAY®

In order to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY® you can access: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.11.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART ON THE ASX

If you wish to sell all of your Entitlements on the ASX or if you wish to sell part of your Entitlements on the ASX and accept or reject the balance, you should contact your stockbroker and provide details as requested which appear overleaf. Also see Section 3.3 of the Entitlement Offer Booklet.

### 3. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN ON THE ASX

A renunciation form must be used for all other transactions. These forms may be obtained from the Orbital Corporation Limited Share Registry or your stockbroker. Also see Section 3.3 of the Entitlement Offer Booklet.

### 4. OVERSEAS SHAREHOLDERS

The Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia, Bermuda, Hong Kong, Japan, Malaysia, New Zealand, Singapore or the United Kingdom or to any person to whom it would not be lawful to issue the Entitlement Offer Booklet. By applying for New Shares under this Entitlement and Acceptance Form (regardless of whether you return this form), you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Orbital Corporation Limited Offer Information Line on 08 9441 2135 (within Australia) or +61 8 9441 2135 (from outside Australia) between 5:30am and 2:30pm (Perth time) Monday to Friday.**



Orbital Corporation Limited  
ACN 009 344 058

All Share Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 853 816  
From outside Australia: +61 1300 853 816  
ASX Code: OEC  
Website: www.linkmarketservices.com.au

**ID:**  
**SRN/HIN:**  
**Entitlement Number:**  
**Number of Shares held as at the Record Date, 4:00pm (Perth time) on 19 November 2024:**  
**Entitlement to New Shares (on a 1 New Share for 8 basis):**  
**Amount payable on full acceptance at A\$0.11 per New Share:**

**Entitlement Offer Closes 2:00pm (Perth time): 4 December 2024**

## ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 8 existing Shares that you hold on the Record Date, at an Offer Price of A\$0.11 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

**IMPORTANT:** The Entitlement Offer is being made under the Entitlement Offer Booklet dated 14 November 2024. The Entitlement Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Entitlement Offer Booklet and Orbital Corporation Limited's other ASX announcements. This Entitlement and Acceptance Form should be read in conjunction with the Entitlement Offer Booklet.

### PAYMENT OPTIONS - BPAY® or EFT (No cheque payments)

**OPTION 1: PAYING BY BPAY®**  
Paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return this acceptance form if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 2:00pm (Perth time) on 3 December 2024. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of New Shares the subject of your application monies.

**OPTION 2: ELECTRONIC FUNDS TRANSFER (EFT)**  
If paying by EFT, complete and return your Entitlement and Acceptance Form to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).  
Your application monies must be received by the Share Registry by 2:00pm (Perth time) on 3 December 2024. By paying by EFT, you will be deemed to have completed an Entitlement and Acceptance Form for the number of New Shares the subject of your application monies. Your application monies must be received in Australian Dollars. Please ensure you allow for any fees that the bank(s) may deduct.  
The Offer Bank Account to make payment to is outlined below:  
**Bank:**  
**Account Details:**  
**Account Name:**  
**Swift Code:**  
**Branch Address:**  
**Payment Reference:**  
**If you choose to make an EFT payment then you must use your Entitlement Number as the payment reference.** If you do not use the Entitlement Number as your payment reference then your application may not be reconciled and may be considered an incomplete application, in which case your application may be rejected.



**Bill Code:**   
**Ref:**

**Telephone & Internet Banking – BPAY®**  
Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)  
® Registered to BPAY Pty Ltd ABN 69 079 137 518

**A** Number of New Shares applied for and accepted (being not more than your Entitlement shown above)

**B** Number of additional New Shares applied for above your Entitlement out of a shortfall

**C** Total number of New Shares applied for (add Boxes A and B)

+  =

### YOUR CONTACT DETAILS

Telephone Number

Telephone Number – after hours

Contact Name (PRINT)

See overleaf for details and further instructions. If you do not take up or sell your Entitlements, you will not receive any value for them. It is important that you decide whether to accept or sell your Entitlements in accordance with the Entitlement Offer Booklet.



# ORBITAL CORPORATION LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, Bermuda, Germany, Malaysia or New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire New Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

## ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment by BPAY® or EFT to the Share Registry, or by just making payment by BPAY® or EFT:

- you represent and warrant that you have read and understood the Entitlement Offer Booklet and that you acknowledge the matters, and make the declarations, warranties and representations contained in it;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Orbital Corporation Limited.

## HOW TO APPLY FOR NEW SHARES

### 1. IF PAYING BY BPAY®

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY® you can access: [www.bpay.com.au](http://www.bpay.com.au)

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.11.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

### 2. IF PAYING ELECTRONIC FUNDS TRANSFER

If paying by EFT, make payment to the Offer Bank Account and use your Entitlement Number as the payment reference. Both the Offer Bank Account details and Entitlement Number are detailed on the front of this Entitlement and Acceptance Form. **If you do not use your Entitlement Number as your payment reference then your application may not be reconciled and may be considered an incomplete application, in which case your application may be rejected.**

Once your payment is made, complete and return your Entitlement and Acceptance Form via email to [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).

Your application monies must be received in Australian Dollars and ensure you allow for any fees that the bank(s) may deduct from your payment. By paying by EFT, you will be deemed to have completed an Entitlement and Acceptance Form for the number of New Shares the subject of your application monies.

### 3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART ON THE ASX

If you wish to sell all of your Entitlements on the ASX or if you wish to sell part of your Entitlements on the ASX and accept or reject the balance you should contact your stockbroker and provide details as requested which appear overleaf. Also see Section 3.3 of the Entitlement Offer Booklet.

### 4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN ON THE ASX

A renunciation form must be used for all other transactions. These forms may be obtained from the Orbital Corporation Limited Share Registry or your stockbroker. Also see Section 3.3 of the Entitlement Offer Booklet.

### 5. OVERSEAS SHAREHOLDERS

The Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia, Bermuda, Germany, Malaysia or New Zealand or to any person to whom it would not be lawful to issue the Entitlement Offer Booklet. By applying for New Shares under this Entitlement and Acceptance Form (regardless of whether you return this form), you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

**If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Orbital Corporation Limited Offer Information Line on 08 9441 2135 (within Australia) or**

**+61 8 9441 2135 (from outside Australia) between 5:30am and 2:30pm (Perth time) Monday to Friday.**

