



ASX ANNOUNCEMENT

21 August 2025

ORBITAL UAV TO RAISE \$3.0 MILLION TO FUND INCREASED BUSINESS DEVELOPMENT ACTIVITY AND UPGRADE INTERNAL MANUFACTURING & TEST CAPABILITIES

PERTH, AUSTRALIA: Orbital Corporation Ltd ACN 009 344 058 (**'Orbital UAV'** or **'Company'**) is pleased to announce that it has received firm commitments for a capital raising of A\$3.0 million (before costs), to be completed via the issue of ~14.2 million new fully paid ordinary shares in Orbital UAV (**'New Shares'**) at an issue price of A\$0.21 per New Share (the **'Placement'**).

Placement overview

The Placement involves the issue of 14,285,714 New Shares, which will rank equally with the Company's existing fully paid ordinary shares. The new shares are expected to be issued on or about 28 August 2025 under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

The Placement was strongly supported by a number of new institutional and sophisticated investors, together with existing investors, reflecting confidence in the Company's strategy. The funds raised will provide the Company with the financial strength to support its next phase of growth and execution of its business plan.

Peloton Capital Pty Ltd (AFSL 406040) acted as Lead Manager.

Indicative use of funds

Orbital UAV is a world leader in the design and manufacture of integrated propulsion systems for military drones.

The Placement is intended to upgrade and increase the Company's existing manufacturing and test facilities, with approximately \$2 million allocated to upgrading of internal component manufacturing technology (5-axis milling and Metal 3D printing) and test equipment upgrades to support both product development activities and pre-delivery product acceptance testing.

A portion of the funds raised (approximately \$0.3 million) is proposed to be allocated to increased global Business Development activity, both to support the recent appointment of Steven Osborne as Business Development Manager in the US as well as on-going business development activities in the Asia Pacific & Middle East regions.

A further \$0.5 million has been allocated to enable accelerated product development to address opportunities that may arise from the recently announced US Drone Dominance Policy (refer below).

The Company's Board reserves the right to reallocate funds for alternative purposes, as may be deemed necessary by the Board.



US Drone Dominance Policy (Executive Order 14307)

The U.S. Drone Dominance policy, launched under Executive Order 14307 in June 2025, is a strategy aimed at accelerating American leadership in both military and commercial UAVs. There is over USD 47B projected for autonomous combat UAVs by 2032 and USD 107B for commercial UAV market expansion through FAA BVLOS (Beyond Visual Line Of Sight) regulatory changes by 2026.

The policy mandates domestic sourcing and adversary-state vendors bans by September 2025 and provides federal funding to scale trusted U.S. made UAV components. These measures create a protected and rapidly expanding market for propulsion suppliers that meet “Blue/Green UAS” compliance.

For Orbital UAV, this translates into near-term opportunities across multiple growth segments. From lower-cost, fleet scalable ISR and combat UAV programs identified by the DoD in 2025 - 2026, to the surge in commercial logistics and infrastructure drones enabled by FAA changes to BVLOS regulations by late 2025.

Orbital has dual production capability in Australia and Oregon (USA).

Comments from the Chairman, Mr Kyle Abbott

“We are delighted to welcome a range of new Institutional and High Net Worth investors to our Share Register.

“The funds raised will be applied towards seeking to achieving Orbital’s desired revenue growth via an increased investment in business development activities and to attempt to capitalise on new opportunities arising from the U.S. Drone Dominance Policy detailed above. The first step in this process was the recent appointment of Texas based Steven Osborne as our Business Development Manager - USA & Europe.

The Company is also focussed on upgrading our existing internal manufacturing capability and engine development and test facilities to reduce both engine component costs and product development timeframes.

The Company’s objective is to increase shareholder value by the implementation of these measures and our disciplined approach to the addressable market.

The recent appointment of Stephen Pearce as CEO is leading to a re-shaping of our product range and new business targets, including the high-end Tier 1 Commercial UAV market”.



For further details of the Company's operations, please refer to the Orbital Corporation Limited Business Overview lodged with ASX today.

Peloton Capital Pty Ltd (AFSL 406040) acted as Lead Manager for the Placement and will receive a fee of 6% of the funds raised plus 3 million unlisted options exercisable at \$0.40 with an expiry of 31 December 2026.

This announcement is intended to lift the trading halt over the shares in the Company and is authorised for release by the board of Orbital Corporation Limited.

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About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical unmanned aerial vehicles (UAVs). Our design thinking and patented technology enable us to meet the long endurance and high reliability requirements of the UAV market. We have offices in Australia and the United States to serve our prestigious client base.

Future performance and forward-looking statements

This announcement contains certain forward-looking statements including but not limited to projections, estimates, the outcome and effects of the Placement and the use of proceeds and the future performance of Orbital UAV. 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 Placement and the use of proceeds and certain plans, strategies and objectives of management.

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 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, Orbital UAV undertakes no obligation to update these forward-looking statements whether as a result of new information, future events or results or otherwise.

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). 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.

Not of an offer of securities

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