

ASX ANNOUNCEMENT

10 February 2023

FY23 H1 PRELIMINARY RESULTS

Orbital UAV announces unaudited half-year revenue and other income of \$13.1M for the six months ended 31 December 2022

Key highlights

- Improved first half revenue performance
- Increasing revenue diversification
- Full-year revenue guidance maintained
- Balance sheet strengthened through \$5M capital raising & accelerated WA Government loan offset program

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') announces unaudited preliminary revenue of \$11.6M and other income of \$1.5M (\$13.1M in total) for the first six months of financial year 2023 ('FY23').

"Last year our team set about diversifying Orbital UAV's revenue portfolio. I am pleased to see this first half's result coming from a broader base of customers, products, and services," said Todd Alder, CEO and Managing Director of Orbital UAV.

"The shift away from our performance being tied to one customer's engine demand was challenging. However, to see revenue now coming from multiple customers across multiple products and services such as engine production, maintenance and overhaul work, engine development programs, and customer driven research and development is extremely pleasing and lays the foundation for the growth that this Company's technology and knowhow deserves," said Mr Alder.

Planned engine production,
maintenance & overhaul work



Engine development programs
progressing to production

TEXTRON Systems



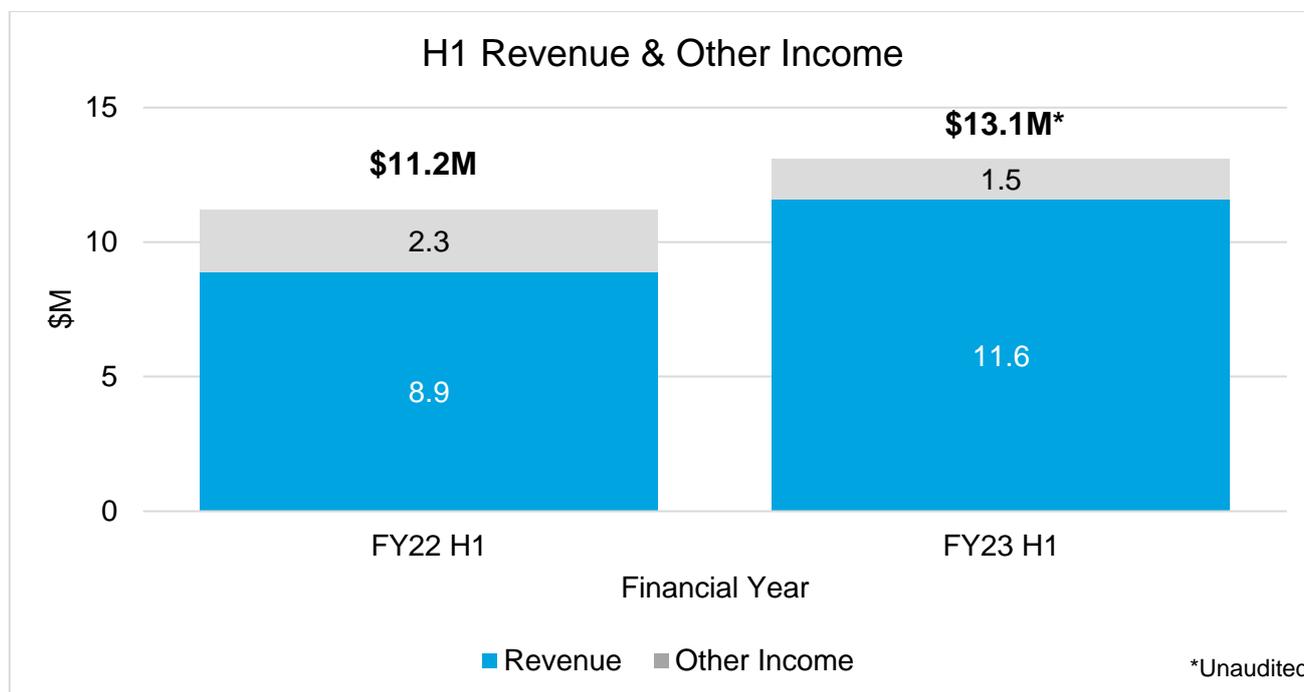
Next phase MoJ work
& R&D activities



Orbital UAV's diversified revenue portfolio spans across multiple customers & multiple products & services

Improved first half revenue performance

Revenue in FY23 H1 increased on the corresponding FY22 period by \$2.7M. The Company anticipates an improved revenue position to be reflected again at 30 June 2023.



Balance sheet strengthened

Orbital UAV continues to work closely with both Federal and State Governments on their defence initiatives and in particular their goals towards increasing Australia's sovereign capabilities. To this end, the Company is extremely pleased to advise that a new agreement has been adopted in which the Government of Western Australian has provided a pathway for the full offset of the Company's legacy State Government loan over the next two years.

"This significant initiative enables Orbital UAV to accelerate the working capital deployment on both joint customer development programs and research projects that will further expand our customer, product and service revenue streams," said Mr Alder.

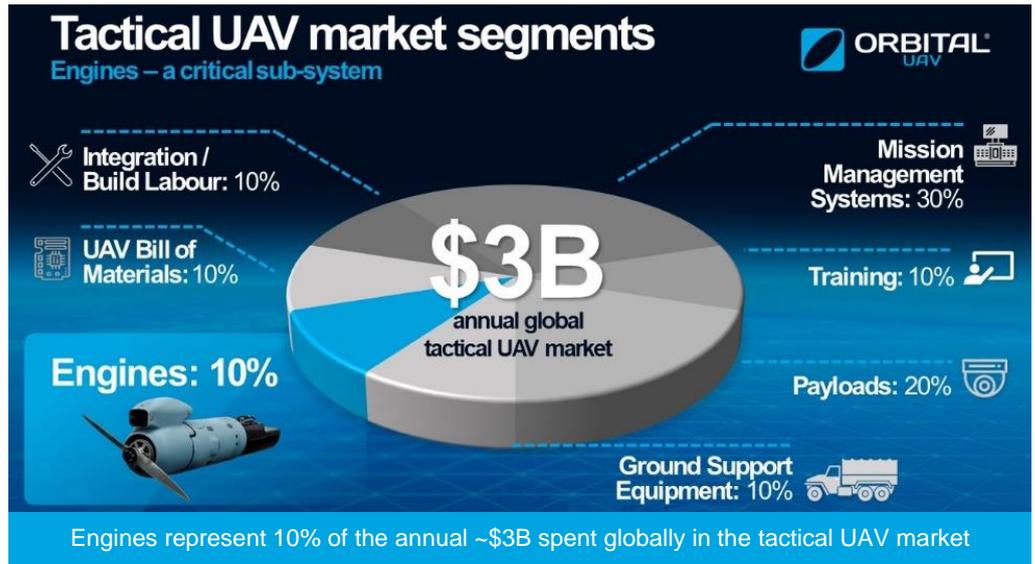
"Orbital UAV's R&D investment ensures the Company remains at the forefront of the growing tactical UAV market. We continue to work closely with new and existing customers to understand their future requirements and inform our long-term engine and technology roadmap," he said.

During the six months ended 31 December 2022, the Company also announced a \$5M capital raise that was supported by existing cornerstone shareholders UIL Ltd and First Sentier Investors, new institutional and sophisticated investors, and Orbital UAV Directors. The placement was conducted across two tranches, with the second tranche completed on 1 February 2023. Proceeds from the placement will support the transition of existing engine development programs into production opportunities across the Company's expanding global defence portfolio.

Accelerating product development

Orbital UAV's investment in customer diversification and new products and services has been a driving force in the Company's growth strategy and has continued to build the Company's reputation as a global leader in the design and manufacture of propulsion systems for tactical UAVs. With complimentary capabilities and core competencies relevant to the broader ~\$3B tactical UAV market, the Company sees opportunities to expand its competitive advantages in this sector.

“Orbital UAV is targeting 20% of the global tactical UAV engine market by 2027 – equivalent to ~\$60M in revenue. The Company’s successful \$5M placement will support our ability to address the increasing demands within this market and expand the Company’s customer base by accelerating investment in new engine development programs and complimentary capabilities,” said Mr Alder.



Forecast revenue for the full 2023 financial year remains between \$20M-\$25M.

-ENDS-

CONTACTS

Announcement authorised by:

Todd Alder

CEO & Managing Director

Tel: +61 8 9441 2311

Email: contact@orbitalcorp.com.au

For further information, contact:

Ian Donabie

GM Marketing, Strategy & Investor Relations

Tel: +61 8 9441 2165

Email: idonabie@orbitalcorp.com.au

About Orbital UAV

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

Forward-looking statements

This release includes forward-looking statements that involve risks and uncertainties. These forward-looking statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements. Actual results and events may differ significantly from those projected in the forward-looking statements as a result of a number of factors including, but not limited to, those detailed from time to time in the Company's Annual Reports. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

Follow us:

