



ASX ANNOUNCEMENT

27 June 2023

ORBITAL UAV DELIVERS H2 MILESTONES TO SECURE \$1.5M GRANT FUNDING

Strengthened balance sheet supports future growth

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') is pleased to advise it has received a \$1.5 million grant from the Department of Jobs, Tourism, Science & Innovation (the Department), following the successful achievement of performance milestones during the six months ending 30 June 2023.

The performance milestones were agreed with the Department in January 2023, under a Deed of Variation to the Company's interest free legacy loan with the Western Australia government. The \$1.5 million grant reduces Orbital UAV's loan balance and improves the Company's Net Asset position by the same amount.

"Orbital UAV is part of a growing WA defence industry, supporting critical sovereign capability. We are grateful to the WA government for its continued support as we strengthen our position as a global leader in the design and manufacture of propulsion systems for military UAVs," said Todd Alder, CEO and Managing Director of Orbital UAV.

WA Government Legacy Loan

The interest free loan was established in January 2010 with a term through to 30 May 2025 and represents the Company's only current borrowings.

Under the Deed of Variation, the Department agreed to amend the Repayment Schedule to allow the Company to offset its debt to the State through the achievement of various performance milestones.

The amended Repayment Schedule provides a potential pathway for the Company to offset the entire value of the remaining loan by December 2024.

"Performance Milestones agreed under the Deed of Variation include the delivery of new business, increased capability and the recruitment and upskilling of defence industry personnel – all of which make a contribution to enhancing WA's defence industry capability," said Mr Alder.

"Delivery of the performance milestones also provides a significant opportunity to further strengthen the Company's balance sheet and position Orbital UAV for future growth." he said.

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About Orbital UAV

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

Forward-looking statements

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

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