



ASX ANNOUNCEMENT

01 February 2021

FY21 H1 PRELIMINARY RESULTS & REVENUE GUIDANCE UPDATE

Orbital UAV announces unaudited half-year revenue of A\$19M for the six months ended 31 December 2020 and updated full-year revenue guidance of A\$30M to A\$40M

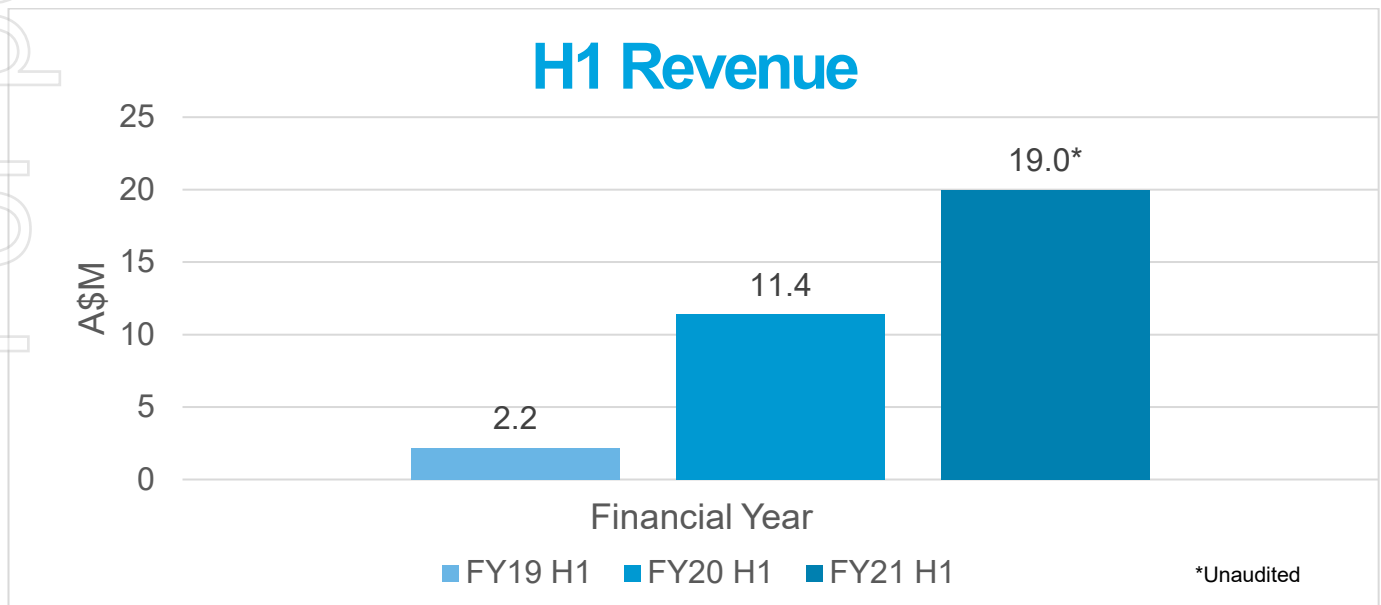
PERTH, AUSTRALIA: Orbital Corporation Ltd ("Orbital UAV", "the Company") announces unaudited preliminary revenue of A\$19 million for the first six months of financial year 2021 ("FY21").

Revenue for the period was underpinned by output from two engine production lines, in operation under the Company's Long Term Agreement ("LTA") with Insitu Inc., a wholly owned subsidiary of The Boeing Company.

Production has continued from Orbital UAV's operations in Australia and the USA throughout the Coronavirus pandemic ("COVID-19").

"Throughout 2020 we proactively managed the additional risks brought about by COVID-19, managing our global supply chain and distribution network and implementing measures within our operations to keep our teams safe while continuing to manufacture.

"With the outstanding commitment of our people in Perth and Hood River, we have been able to deliver a solid financial result for the half-year, an increase of 67% on the same period last year," said Todd Alder, CEO and Managing Director of Orbital UAV.



Revenue Guidance

Orbital UAV has been advised by primary customer Boeing-Insitu that there will be a reduction in the required volumes of one of the two engine models the Company currently has in production because of prevailing market conditions. In response, Orbital UAV has revised production targets for the period January to June 2021 and consequently adjusted FY21 full-year revenue guidance to a range between A\$30 million and A\$40 million.












“Taking into consideration reduced customer requirements, we have revised our forecast production targets for the second half of FY21,” said Mr Alder.

“While this adjustment to our production schedule is regrettable, we continue to manufacture and progress our deliverables under the existing long term supply agreement with Insitu.”

Orbital UAV has two of five engine model production lines in operation under the Insitu LTA, with the third engine model in development. The Company’s third production line will be located at its Western Australia facility and is scheduled for production to commence in the final quarter of FY21.

Primary Supplier to Boeing Insitu

Orbital UAV designated Boeing Insitu’s primary engine supplier

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New customer development programs

Customer diversification remains a key strategy for Company growth. As previously announced, Orbital UAV is progressing additional engine development programs with Northrop Grumman and one of Singapore’s largest defence companies. Engine prototypes for both programs are scheduled for delivery to customers in 2021, as planned.

“We continue to make good progress with our existing engine development programs and are advancing negotiations on additional Tier 1 defence opportunities,” said Mr Alder.

“With our superior heavy fuel patented technology and the current market opportunities that exist, we are confident in our ability to build our global customer base and create an exciting platform for long term growth in the rapidly evolving UAV industry.”

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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.

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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