



**ORBITAL<sup>®</sup>**  
**UAV**

# 2021 Annual General Meeting

16 November 2021



# Orbital Corporation Limited Business of Meeting **Resolutions**



# Item 2. Financial Statements & Report



**“To receive and consider the Financial Report, Directors’ Report and Auditor’s Report for the year ended 30 June 2021.”**

## **Further information:**

- Representatives from PricewaterhouseCoopers, the Company’s auditor, are present to answer any questions.
- Please note: There is no requirement for a resolution in relation to these reports.



# Item 3. Remuneration Report



## Resolution

**“To adopt the Remuneration Report for the year ended 30 June 2021.”**

FOR		AGAINST		OPEN	
40,539,143	95.02%	1,774,521	4.16%	352,283	0.83%

### Further information:

- The Remuneration Report can be found at pages 8 to 16 of the 2021 Annual Report.
- The Board unanimously recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- Voting restrictions apply to key management personnel and their closely related parties.
- Details of this resolution are set out at page 5 of the Notice of Meeting.



# Item 4. Re-election of Mr John Welborn



## Resolution

**“That, for the purposes of ASX Listing Rule 14.4, article 9.3 of the Company’s constitution and for all other purposes, Mr John Welborn be re-elected as a Director.”**

FOR		AGAINST		OPEN	
40,579,572	95.05%	1,736,632	4.07%	377,585	0.88%

### Further information:

- The Board (other than Mr Welborn who has an interest in the resolution) recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- Details of Mr Welborn’s skills, experience and qualifications are set out at page 5 of the Notice of Meeting.



# Item 5. Additional Capacity to Issue Securities



## Resolution

**That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities (as defined in the ASX Listing Rules, Equity Securities) of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Notes.**

FOR		AGAINST		OPEN	
40,751,241	98.65%	182,161	0.44%	376,313	0.45%

## Further information:

- The Board unanimously recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- The Company has not identified any particular persons or class of persons who would be excluded from voting on this resolution. Accordingly, no Shareholders are excluded from voting on this resolution.
- Details of this resolution are set out at pages 6-8 of the Notice of Meeting.



# Chairman's Address

## **Mr John Welborn**





**ORBITAL<sup>®</sup>**  
**UAV**

# **2021 Annual General Meeting CEO's Presentation**

16 November 2021





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



# 2021 highlights



FY21 revenue \$31.2M

Two new engine development programs with Textron Systems

First prototype engine delivered to Textron Systems for flight testing

Two engine systems delivered to Singapore customer for evaluation

New MoU with Skyways, a pioneer in US Navy unmanned cargo transport

Represented Defence West & Team Defence Australia at Land Forces and AUSA events

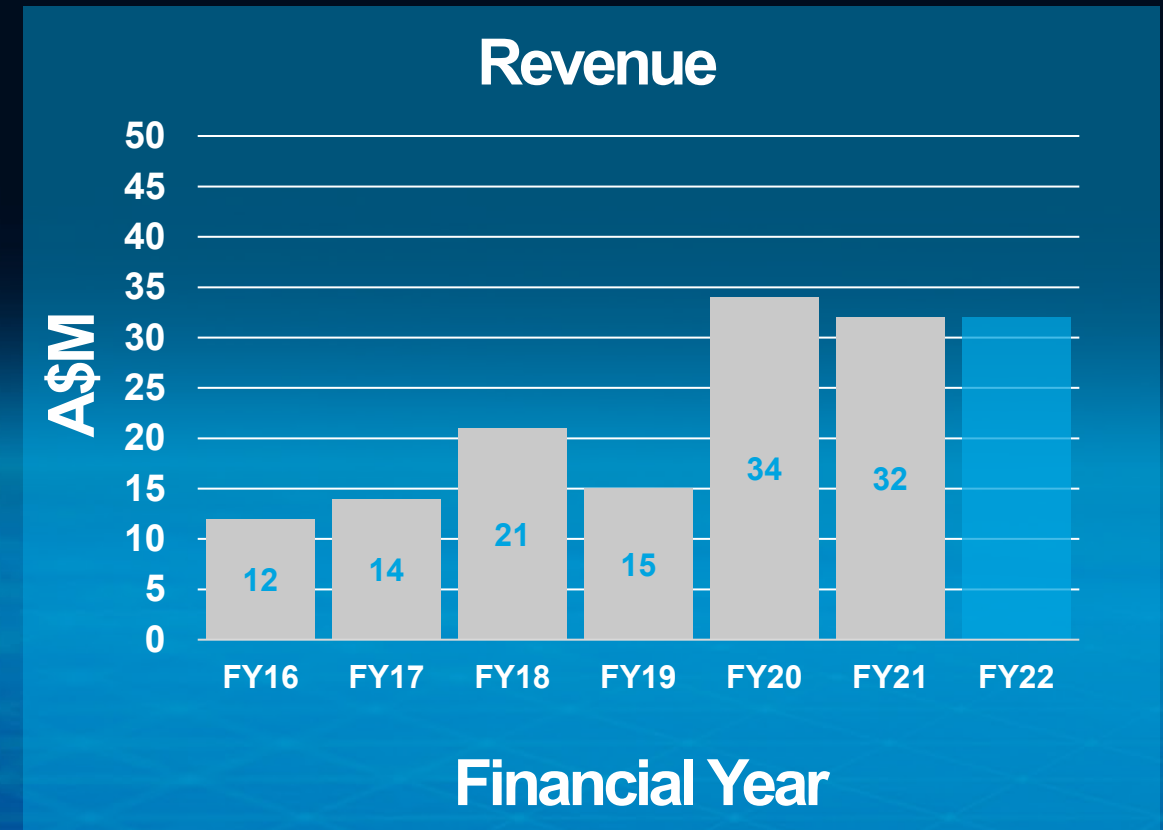
Restructure of legacy government loan (~A\$10M) for potential offset



# Financial highlights



- **Revenue stability in FY21**
- **Significant progress on customer diversification**
- **Major development programs commenced with potential to boost future revenues**



**Positioned for profitability in FY22**



# Customer portfolio



- Long Term Agreement Signed in **2016**
- Expanded in **2018**
- Primary Supplier in **2020**



**March 2020**  
Engine design & development contract with one of Singapore's largest defence companies



- Flight critical components since **2013**
- Engine Development Program **2021**
- Engine Upgrade Program **2021**

**NORTHROP GRUMMAN**

**April 2020**  
Contract to design and develop a hybrid propulsion system for the next generation of vertical take-off and landing UAVs



**October 2021**  
MoU to supply a heavy fuel engine for US Navy unmanned cargo transport

**Expanding customer and market opportunities**



# Boeing-Insitu



## Market

1. Increasing competition within tactical UAV market



2. U.S. military withdrawal from Afghanistan impacting near-term Intelligence, Surveillance & Reconnaissance missions

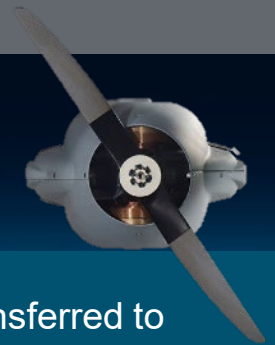
## Status of Boeing-Insitu Long Term Agreement

1.



Production volumes downgraded in February 2021

2.



Production transferred to Australia to drive efficiencies

3.



Start of production delayed due to customer design changes

Development timeframes of engines 4 & 5 identified within the LTA remain TBD

**Boeing-Insitu's engine demand remains conservative over Financial Year 2022**



# Textron Systems



## 1. Engine development program & supply agreement<sup>1</sup>

- Integration of an Orbital UAV core engine and engine control system into Textron Systems' Aerosonde program
- First engine prototype delivered for flight testing in May 2021
- Subject to satisfactory completion of the engine development program, the Agreement transitions to an engine supply contract for a minimum of five years

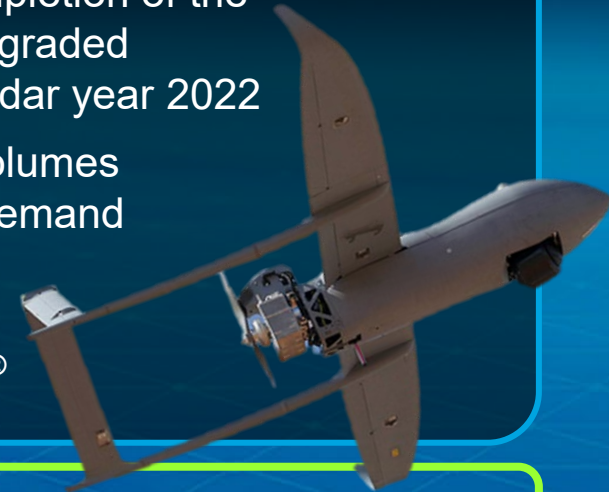
Aerosonde HQ®



## 2. Program to develop upgrades for existing fleet of UAV engines<sup>2</sup>

- Upgraded engines are targeting increased take-off power and improved real-time engine health monitoring and diagnostics capability
- Subject to successful completion of the development program, upgraded engines available in calendar year 2022
- Upgraded engine order volumes dependent on customer demand at that time

Aerosonde®



## Industry leading supplier to US defence forces

<sup>1</sup> See ASX announcement 29 March 2021 'New engine development & supply agreement signed with Textron subsidiary Lycoming Engines'

<sup>2</sup> See ASX announcement 18 October 2021 'Additional engine program with Textron Systems'

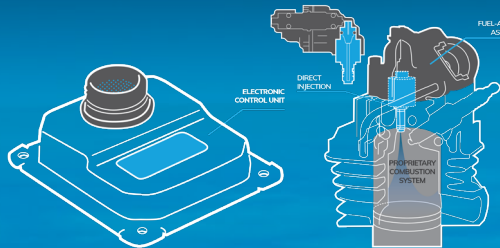


# Full value proposition

Delivering customer benefits across our value proposition



## Technology



Proprietary technology, delivers unparalleled performance in fuel delivery and engine control

**NORTHROP  
GRUMMAN**

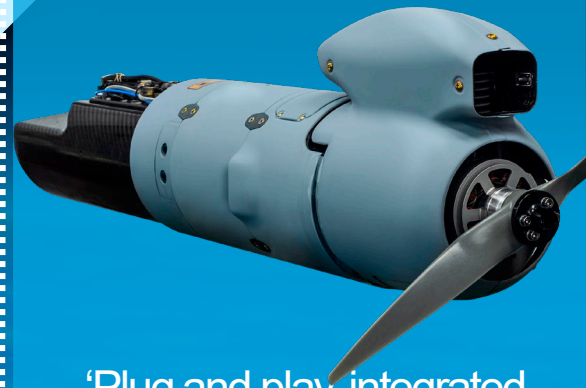
## Core Engines



Bespoke engines meet increasing requirements and rigorous functional performance specifications

**TEXTRON** Systems  
SKYWAYS

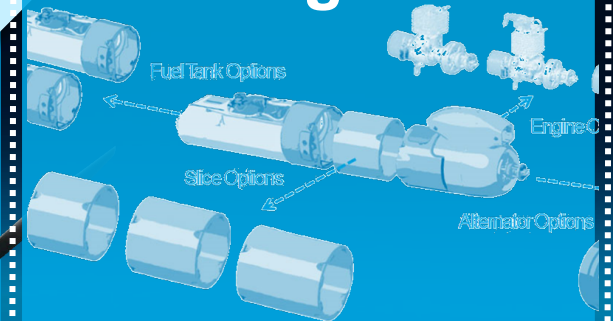
## Integrated Sub-Systems



'Plug and play' integrated systems reduce maintenance and deliver simplified end-user interaction



## Modular Family of Engines



Modular approach offers customer flexibility and rapid system deployment. Inventory and supply chain advantages return cost and quality benefits





# Production line investment



## TEXTRON Systems



FY21

FY22

FY23

\* For illustrative purposes only

**Successful \$A6.5M equity raise to support contracted development programs**



# Future market opportunities



## United States Army Future Tactical UAS Program

TEXTRON Systems



AU  
AeroVironment



NORTHROP  
GRUMMAN



L3HARRIS

- FTUAS requirements approved by Army Oversight Council in August 2021
- Increment 1 white papers submitted in September 2021
- Industry product pitches due by September 2022
- Initial fielding expected in the 2023 fiscal year



## US Navy Mi2 Technology Demonstration



## US Navy & Commercial Unmanned Cargo Transport

- Long-range ship-to-ship & ship-to-shore cargo transport

SKYWAYS



## Royal Australian Navy SEA129 Phase 5

INSITU PACIFIC  
A Boeing Company

TEXTRON Systems

AUSTRALIA

NORTHROP  
GRUMMAN

Raytheon  
Australia

BAE SYSTEMS



## Australian Army LAND129 Phase 3

INSITU PACIFIC  
A Boeing Company

TEXTRON Systems

AUSTRALIA



**US & Australian Defence programs represent mid-term growth opportunities**



# Supporting Sovereign Capability



Positioned to support Sovereign Industrial Capability Priorities (SCIPs)

\$2 billion identified for ISR & tactical UAV programs

Collaboration with industry & university partners to support R&D opportunities

Developing local supply chains to drive capability and efficiencies



**Sovereign Capability drive presents opportunities in wider Defence industry**



# Closing remarks



Continued execution on customer diversification strategy

Delivering a growing tier 1 customer portfolio

Strong State and Federal Government support to grow sovereign capability

Growth opportunities nationally and globally

Positioned for profitability in Financial Year 2022



# Corporate overview



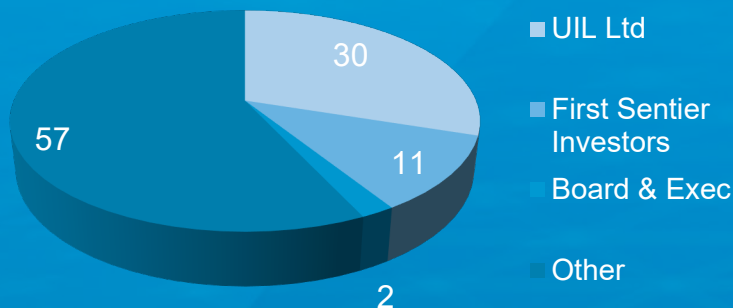
## Share Capital *As at 15 November 2021*

Fully Paid Ordinary Shares	90.9M
Closing share price	\$0.50
Market Capitalisation	\$45.5M

## Our FY22 Objectives

- Return to profitability
- Investment in new production lines
- Generating positive operational cash flows
- Deliver shareholder value

## Top Shareholders



### John Welborn

Chairman  
Non-Executive Director



- Appointed Chairman March 2015
- MD & CEO of Equatorial Resources Ltd

### Todd Alder

Managing Director  
& CEO



- Appointed CEO & MD in 2017
- Focusing on: financial discipline; strategy alignment; and operational efficiency

### 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





*Ready to fly...*<sup>TM</sup>

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

