

ORBITAL[®]
UAV

Investor Presentation

FY21 Half-Year Financial Results

25 February 2021

Cautionary statement

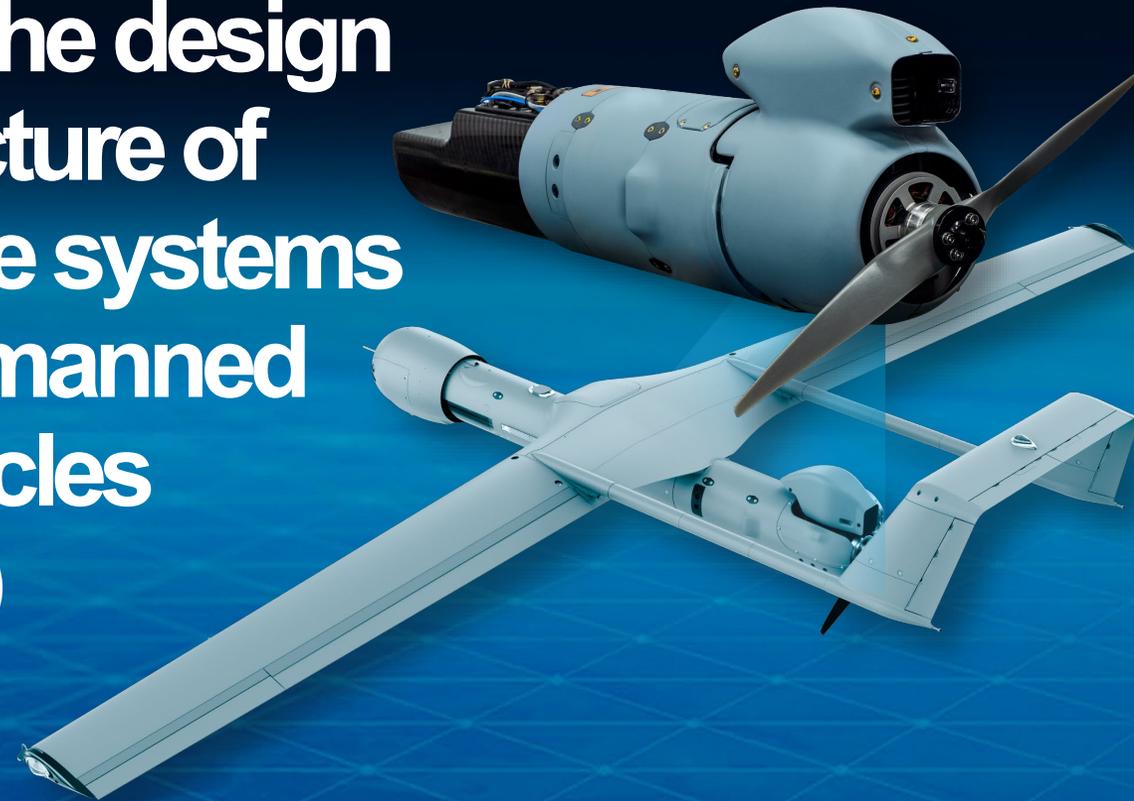


This presentation includes statements looking-forward that involve risks and uncertainties. These statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside 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. Orbital UAV makes no undertaking to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this release.

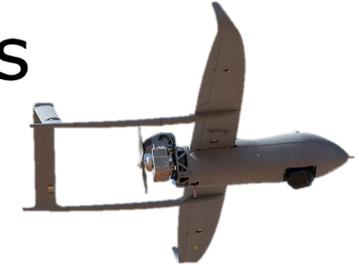
What we do



**World leader in the design
and manufacture of
integrated engine systems
for tactical unmanned
aerial vehicles
(UAVs)**



Tactical UAV market



Tactical UAV
Production
US\$15.7Bn*



Corporate overview



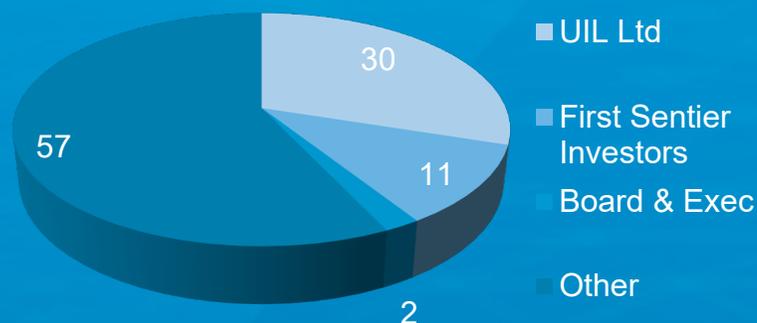
Capital Structure *As at 24 February 2021*

Fully Paid Ordinary Shares	77.66M
Closing share price	\$0.825
Market Capitalisation	\$64.07M

Our Financial Focus

- Year-on-year revenue growth
- Transition to sustainable underlying earnings
- Commitment to ongoing profitability
- Strong balance sheet to fund growth
- Deliver shareholder value

Top Shareholders



John Welbom
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

At a glance



Half-year revenue of \$19M (2019: \$11.4M)

Primary engine supplier to Insitu Inc. (a Boeing Company)

Two of five engine models in production for Boeing-Insitu, third engine model in development

Engine development contracts with Northrop Grumman and one of Singapore's largest defence companies

Customer diversification strategy

FY21 revenue guidance of \$30M - \$40M

FY21 Half-Year Financials

Profit & Loss

For the half-year ended 31 December 2020



\$ million	FY21 H1	FY20 H1
Revenue	19.0	11.4
Gross Profit	7.5	4.2
Overheads	(7.0)	(6.1)
Operational Profit¹	0.6	(1.9)
EBITDA	(1.3)	(1.1)
Net Profit / Loss After Tax	(3.9)	(2.5)

- **Year-on-year revenue growth**
- **Improved operating performance**
- **Net loss includes unrealised foreign exchange loss of \$2.4M & US Deferred Tax Asset write down of \$1.3M**

¹Operational Profit of \$0.6M excludes Depreciation & Amortisation, Other Income, Unrealised FX, Finance & Tax expenses.

Balance sheet

As at 31 December 2020



\$ million	FY21 H1	FY20 H1
Total current assets	25.3	24.8
Total non-current assets	11.0	13.1
Total assets	36.3	37.8
Total current liabilities	14.8	12.9
Total non-current liabilities	6.5	6.8
Total liabilities	21.3	19.7
Net Assets	15.0	18.1

- Cash, term deposits and trade receivables of \$12M (2019: \$13.6M)
- Sufficient working capital to deliver strategic objectives

Cash flows

For the half-year ending 31 December 2020



\$ million	FY21 H1	FY20 H1
Net cash from operating activities	(5.0)	(2.9)
Net cash from investing activities	(1.0)	(0.3)
Net cash in financing activities	(0.7)	1.7
Net decrease in cash & cash equivalents	(6.6)	(1.5)
Cash & cash equivalents	1.5	5.7

- **Increased inventory holdings \$12.1M (2019: \$9.4M) to support H2 ramp-up¹**
- **\$0.4M capex on Australia facility upgrades for third engine production line**

¹Boeing-Insitu subsequently reduced volumes on one production line, see ASX Announcement 1 February 2021

Outlook & Growth Strategy

Revenue guidance FY21



Targeting Revenue of **\$30M - \$40M** in FY21

Continued sale of propulsion systems
under Boeing-Insitu Long Term Agreement



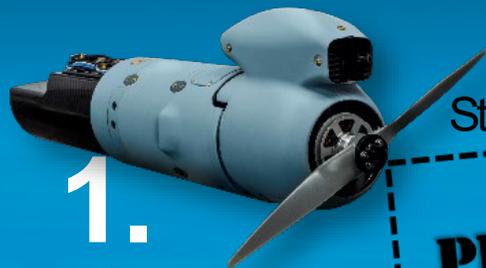
Additional customer
development programs



Delivering on the Boeing-Insitu Long Term Agreement (LTA)



Orbital UAV is Boeing-Insitu's primary engine supplier.
The current LTA includes the manufacture of 5 different engine models.



1.

Status:

IN PRODUCTION

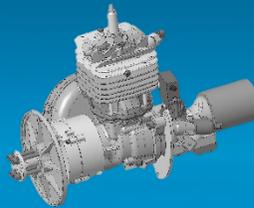


2.

Status:

IN PRODUCTION

3.



Status:

IN DEVELOPMENT

4.



Status:

Development timeline TBD

5.



Status:

Development timeline TBD

Images stylised for confidentiality reasons

To power Insitu's entire UAV fleet



ScanEagle2



Integrator™



ScanEagle®



ScanEagle3

Customer diversification



Primary engine supplier to power Insitu's entire fleet of UAVs



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



Delivering flight critical components since 2013



SINGAPORE DEFENCE COMPANY

New engine design & development contract with one of Singapore's largest defence companies

Our unique service offering



Tactical UAV

Fully assembled and mission ready **propulsion systems**

	Orbital UAV	Others
Time between overhaul	500 hrs	~50 hrs
Cold start to launch	2 min	>20 min
x3 U.S. FAR33.49 endurance test	Yes	No



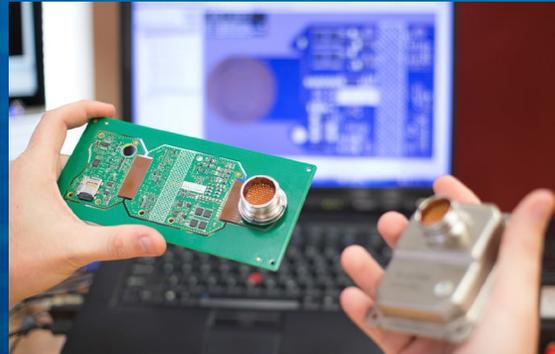
Image: ScanEagle3, courtesy Insitu Inc.

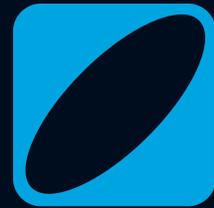
Next steps



Third engine production line operational (Boeing-Insitu)

Accelerated customer diversification





ORBITAL[®]
UAV

Ready to fly...

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