



ASX ANNOUNCEMENT

29 March 2021

NEW ENGINE DEVELOPMENT & SUPPLY AGREEMENT SIGNED WITH TEXTRON SUBSIDIARY LYCOMING ENGINES

- **Orbital UAV signs engine development and supply agreement with Lycoming Engines, an unincorporated operating division of Avco Corporation, a subsidiary of Textron Inc., to supply engines to Textron Systems Corporation, a world leader in unmanned aerial vehicles ('UAVs') for aerospace and defence customers.**
- **Major expansion of Orbital UAV's business relationships and future revenue opportunities.**
- **New collaboration commences with a 12-month engine development and vehicle integration program and, based on success, transitions to the supply of engines for up to 10 years.**

PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV') is pleased to announce it has signed a new engine development and supply agreement with Textron subsidiary, Lycoming Engines.

The new agreement includes a 12-month engine development program, which will enable the integration of an Orbital UAV-designed core engine, including proprietary fuel and engine control systems, into Textron Systems' Aerosonde program. Textron subsidiary Textron Systems is a world leader in unmanned aircraft systems and one of the largest suppliers of tactical UAVs to the U.S. armed forces.

Upon satisfactory completion of the engine development program, the Agreement transitions to an engine supply contract. The supply agreement includes the provision of engines, spare parts and support services and will run for a minimum of five years. Lycoming then has the discretion to call for five additional one-year extensions to complete the full 10-year term.

Delivery of production engines under the agreement will be no earlier than quarter four of Financial Year ending 30 June 2022. Consequently, Orbital UAV's revenue guidance for the current financial year (12 months to 30 June 2021) remains unchanged at A\$30 million to A\$40 million. The potential impact of the agreement on future revenues will not be certain until the completion of the engine development program and the scheduling of any committed engine deliveries under the engine supply contract.

"We are delighted to announce this major new collaboration with Lycoming and to be working with Textron Systems on a joint development program," said Todd Alder, CEO and Managing Director of Orbital UAV.

"This relationship further enhances our status within the global UAV defence industry and provides the opportunity to increase our market share and deliver on our strategic growth objectives" said Mr. Alder.



Wayne Prender, Senior Vice President, Air Systems at Textron Systems, said: “For more than four decades, Textron Systems has been designing, manufacturing, operating and supporting some of the world’s most reliable and trusted multi-mission unmanned aircraft, including the Aerosonde® and Shadow® systems.

“Orbital UAV’s heavy fuel technology and design expertise coupled with Lycoming Engines’ World Class reputation further supports Textron Systems’ industry-leading UAV mission readiness rates and reputation for reliability and durability,” said Mr. Prender.

-ENDS-

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About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical unmanned aerial vehicles (UAVs). The Company is uniquely placed to meet the performance requirements of the growing UAV market through revolutionary technology and proven operational experience. 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 a growing international 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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