



## ASX ANNOUNCEMENT

13 November 2020

# CHAIRMAN'S ADDRESS TO AGM

## Mr John Welborn's address to Orbital Corporation Limited's Annual General Meeting - 13 November 2020

PERTH, AUSTRALIA: Before I hand over to Orbital UAV CEO Mr Todd Alder for a Company update, I'd like to provide my comments and review of what has been a remarkable year for our Company.

The social and economic impacts of the global Coronavirus pandemic have fundamentally changed how we all live and work. As with all businesses, COVID-19 has posed significant new risks and challenges for Orbital UAV. It is important to acknowledge the unique environment in which the world and our business has been operating over the past nine months and the strength and resilience of our people and systems.

I am enormously pleased and proud that the pandemic has had minimal impact on Orbital UAV's people and business from a health, operational and financial perspective.

We have established, and continue to expand, our ability to manufacture in both Australia and the United States. Our ability to maintain international operations, while ensuring our people remain safe and well, has resulted in positive financial performance.

Orbital UAV exports state of the art propulsion solutions to some of the world's leading defence prime contractors. As a defence industry supplier, our business has been largely shielded from the significant economic downturn driven by COVID-19. The defence sector has remained resilient through the pandemic and demand for our products remains strong.

The delivery of \$33.8M in revenue in FY20 is an excellent outcome which was at the top end of our public guidance. This result not only demonstrates the good progress the Company has made in our strategy to transform from an engineering company to an aerospace manufacturer, but also marks a significant positive step in our plans for ongoing sustainable growth.

The Orbital UAV team continues to deliver against our strategic objectives, especially in the key areas of product development and customer diversity.

In January, the Company successfully commenced production of the second engine model under the Insitu-Boeing Long Term Supply Agreement. This achievement was followed by Orbital UAV being designated as Insitu-Boeing's primary engine supplier. This will increase Orbital UAV's share of Insitu designed engine orders and provide the Company with opportunities to increase production volumes under the Long Term Supply Agreement.

While Insitu-Boeing remains Orbital UAV's foundational customer, further progress has been made during the 2020 financial year to diversify our customer base. Earlier this year, new engine development contracts were announced with one of Singapore's largest defence companies and leading aerospace and defence technology company Northrop Grumman. These new Tier 1 defence customers highlight the industry's demand for the most efficient and reliable propulsion solutions and Orbital UAV's growing, global reputation to deliver on this demand.



It is very pleasing to see Orbital UAV's progress and success in 2020 reflected in positive performance in the Company's share price. I thank Shareholders for their support and, in many cases, their perseverance. Orbital has a long history as a Western Australian engineering and technology company. The Board and Management are dedicated to completing the Company's transformation as a globally leading aerospace manufacturer and delivering on our growth agenda to increase profitability and build a sustainable business that will reward shareholders.

The progress made over the past year has required a clear vision, effective strategy and an aligned and focused management team capable of executing on that strategy. I commend my fellow Directors for their commitment and effort. Orbital UAV's Board has, in my view, an excellent and enjoyable balance of experience and expertise that provides an appropriate level of both challenge and support for management and the business.

Most importantly, I thank Todd Alder, his senior management team, and all of our employees and contractors for their exceptional efforts and performance during 2020.

Orbital UAV is well placed to continue our growth strategy and capitalise on the immediate opportunities in the tactical unmanned aerial vehicle market.

I will now hand over to our CEO and Managing Director who will provide further details on the Company's performance, progress and opportunities.

-ENDS-

## CONTACTS

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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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