ORBITAL | ENGINEERED TO WIN

ASX ANNOUNCEMENT

31 August 2026 Orbital Corporation Limited | ASX: OEC

ORBITAL EXPANDS CUSTOMER AND PRODUCT BASE AS GLOBAL UAV MARKET ENTERS NEW GROWTH PHASE

HIGHLIGHTS

- **Customer base expanded to 14 across key international markets, including entry into the commercial UAV sector putting the Company on track to deliver $3.2 million of sales revenue in Q1 of FY2027**
- **Product portfolio broadened with the 350HFE and Generation 2 Power Management System, alongside development of an ICE-Electric hybrid propulsion solution**
- **Business efficiency program reduced FTE headcount by over 20% alongside engineering and supply chain initiatives targeting lower product costs**
- **Orbital enters FY2027 with exposure to growing opportunities across defence, commercial BVLOS and emerging Attritable UAV markets**

Orbital Corporation Limited (**ASX:OEC**) ("**Orbital**" or the "**Company**") has released its Annual Report for the year ended 30 June 2026, highlighting the Company's broadened customer and product base and it's improved positioning to capture the growth opportunities emerging across global defence and commercial UAV markets in FY2027.

During FY2026, Orbital expanded its customer base to 14 across key international markets and entered the commercial UAV sector through its range of Commercial Off-The-Shelf (COTS) propulsion systems.

The Company also expanded its product portfolio with the 350HFE propulsion system and Generation 2 Power Management System, while continuing development of an ICE-Electric hybrid propulsion solution designed to provide increased flight duration and range for battery-powered UAV platforms.

Orbital continued to progress customer programs across the United States, South-East Asia, India and the Middle East, while establishing a dedicated Business Development function covering the United States and Europe.

The Company also implemented a business efficiency and cost reduction program during the year, reducing FTE headcount from 54 to 42 and progressing engineering and supply chain initiatives targeting lower product costs and reduced lead times.

The Company expects $3.2 million to be delivered to customers in the US, the Middle East and India during the first quarter of FY2027.

CEO COMMENT

"Orbital enters FY2027 with a much broader customer base, an expanded product portfolio and growing exposure to some of the fastest-evolving areas of the UAV market.

"Our focus now is on converting these customer relationships and development programs into production orders. The initial orders received from new customers during the year reflect the integration of our propulsion systems into customer UAV platforms, and the conversion to production volumes has a lead time of six to eighteen months.

"The changes we have made to the business over the past year provide us with a stronger platform to pursue these opportunities and build a more diversified and scalable propulsion business, including new markets in commercial UAVs and the higher-volume Attritable market."

Stephen Pearce, CEO, Orbital Corporation Limited

FINANCIAL RESULTS

For the year ended 30 June 2026, Orbital reported revenue from continuing operations of $6.2 million (FY2025: $8.2 million), other income of $3.3 million (FY2025: $4.5 million) and a net loss after tax of $4.8 million (FY2025: $4.3 million loss).

This reflects a transitional year in which the Company completed its business efficiency program and continued to invest in its expanded product portfolio, positioning Orbital to deliver against its current pipeline of global opportunities across both the defence and commercial sectors. FY2026 revenue was adversely impacted by the cancellation of the FTUAS program by the US Government.

At 30 June 2026, the Company reported cash and receivables of $2.5 million and net assets of $6.8 million.

During the year, Orbital also received $4.1 million under the Australian Research and Development Tax Incentive program and completed a $3.0 million equity placement.

FY2027 OUTLOOK

Orbital enters FY2027 focused on converting its expanded international customer base and business development pipeline into production contracts and longer-term revenue opportunities.

The Company intends to continue growing its presence across established defence markets while further penetrating the commercial UAV sector and pursuing new opportunities emerging from changing defence procurement requirements, including the Attritable UAV segment.

Orbital will also continue development of its expanded propulsion technology portfolio to adapt to global UAV market developments as it seeks to build a broader and more diversified revenue base.

New Customer Segments

The Company has substantial opportunities within two new market segments:

- The rapidly evolving commercial segment – the key driver being the regulatory changes in the US to allow the use of unmanned flights in commercial air space.
- The new Attritable segment within the US defence sector – this is characterised by lower unit costs, shorter development cycles and substantially higher potential production volumes than traditional defence aviation programs

Global UAV Market Developments

Increased payload requirements are driving demand for higher-capacity engines capable of supporting larger aircraft and more complex mission profiles. This trend supported Orbital's development of the 350HFE and continues to inform the Company's future product roadmap.

The growing adoption of Vertical Take-Off and Landing (VTOL) configurations is also increasing demand for onboard electrical power generation and high-voltage battery charging. Orbital is addressing this requirement through its Generation 2 Power Management System and ICE-Electric hybrid propulsion technology.

First Customer Deployment of Orbital Gen 2 PMS

The Company has received an initial order from a new Indian engineering, defence and aerospace customer comprising the new 350HFE propulsion system along with Orbital's Gen 2 PMS, which have been earmarked for integration into a new high-altitude tactical UAS for military applications in India. A further order for an additional two 350HFE propulsion systems and PMS units is expected to support integration and flight testing.

Building Long-Term Volume Production Opportunities

Orbital's strategy is to establish long-term customer relationships that progress from engineering evaluation through integration, ground testing, flight testing and qualification before advancing to potential large-scale production programs.

For defence programs, this commercialisation pathway typically spans six to eighteen months, reflecting the rigorous qualification and testing requirements of military customers.

Commercial UAV programs generally progress more rapidly, providing the potential for shorter sales cycles and earlier production opportunities.

Orbital's expanded customer base reflects the continued execution of its strategy to build a stronger platform for growth across defence and commercial UAV markets in FY2027.

This growing portfolio of customer programs spans North America, Europe, the Middle East, India, Singapore and Australia, and includes new customers ST Engineering, AATI, MightyFly, Sky Front, Freespace Operations, IGG and Callen-Lenz (BAE Systems).

As these programs mature, Orbital expects to generate propulsion system production and spare parts orders, enter into in-service support agreements and implement the Power by the Hour model in line with its strategy to develop multiple and recurring revenue streams.

ABOUT ORBITAL CORPORATION LIMITED (ASX: OEC)

Orbital Corporation Limited (ASX: OEC) is a Perth, Western Australia-based designer and manufacturer of integrated heavy fuel propulsion systems for Group 2 and Group 3 unmanned aerial vehicles (UAVs) for both defence and commercial applications.

The Company has over 40 years of engineering heritage and more than 1.2 million proven in-field service hours across multiple Tier 1 defence customers including Boeing Insitu and Textron Systems, OEC is a recognised global leader in UAV heavy fuel engine technology.

AUTHORISATION

This announcement has been authorised for release to the ASX by the Board of Directors of Orbital Corporation Limited.

This announcement should be read in conjunction with Orbital's FY2026 Annual Report and audited financial statements released separately today.

For further information, please contact:

Stephen Pearce	**Mark Wege**
Chief Executive Officer	**CFO & Company Secretary**
Orbital Corporation Limited	**Orbital Corporation Limited**
T: +61 8 9441 2233	T: +61 8 9441 2135

E: investors@orbitalcorp.com.au

W: www.orbitaluav.com

Follow us on LinkedIn

Join us on Investor Hub https://investors.orbitaluav.com/link/r6wOwP

FORWARD-LOOKING STATEMENT DISCLAIMER

This announcement contains certain forward-looking statements and information. Forward-looking statements are inherently subject to significant uncertainties, risks and contingencies, many of which are outside the control of OEC. Actual outcomes may differ materially from that forecast. OEC undertakes no obligation to update or revise forward-looking statements after the date of this announcement except to the extent required by applicable law or the ASX Listing Rules. Nothing in this announcement constitutes investment advice.