

Release to the Australian Securities Exchange

XTEK Presentation

Wednesday, 26 May 2021: XTEK Limited (ASX:XTE) (“XTEK” or the “Company”) is pleased to release a Corporate Presentation that will be used to provide an update to shareholders, investors, and other parties at meetings, events and conferences in the near future. The presentation includes an overview of XTEK and an update on its key business activities, including ballistics solutions, actionable intelligence, unmanned systems and advanced composite solutions for space opportunities, as well as the Company’s strategy and outlook.

Key Updates:

- XTEK commercial XTclave™ fully operational at the Adelaide Manufacturing Facility and ramping up production, with a commercial launch of new ballistic products in the US underway
- Delivery of XTclave manufactured ballistic plates to the Finish Defence Force complete
- Shortening the chain from Sensor to Shooter with XTatlas™ actionable intelligence software
- Key updates on recent partnerships and relationships across the business, including Milrem Robotics for unmanned ground vehicles, and MECANO ID for space market opportunities
- Strong outlook underpinned by investment into proprietary technologies and capabilities, with XTEK well-funded to execute its strategy and achieve near-term catalysts

The presentation is attached to this announcement.

ENDS

Announcement authorised by the XTEK Limited Board of Directors.

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
26 May 2021

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About XTEK Limited

XTEK Limited provides high-quality products to deliver tailored solutions to the government, law enforcement, military, space and commercial sectors. XTEK is focused on developing and commercialising its proprietary technologies by leveraging its established distribution network. These technologies include XTclave™ produced ballistic products and advanced composite solutions, and XTatlas™ real time contextual video, which provide unique solutions for western military forces and other government agencies. In addition, the supply and maintenance of Small Unmanned Aerial Systems (SUAS) remains a focus for XTEK. For more information visit the XTEK website at www.xtek.net.



XTEK

PHILIPPE ODOUARD, XTEK MD

26 May 2021

www.XTEK.net | ASX: XTE

WORLD CLASS SOLDIER SOLUTIONS

XTEK is focused on commercialising its proprietary products and services

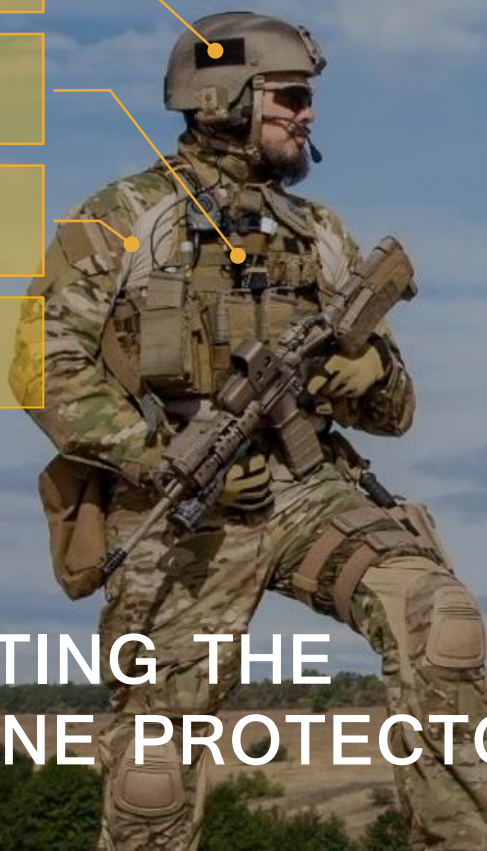
BALLISTIC SOLUTIONS

Helmet Systems

Hard Armour

Soft Armour

Ballistic shields & platform armour



ACTIONABLE INTELLIGENCE

XTatlas™

SARBI™

AirWolf: Sensor to Shooter system



UNMANNED SYSTEMS

Small Unmanned Aerial Systems (SUAS)

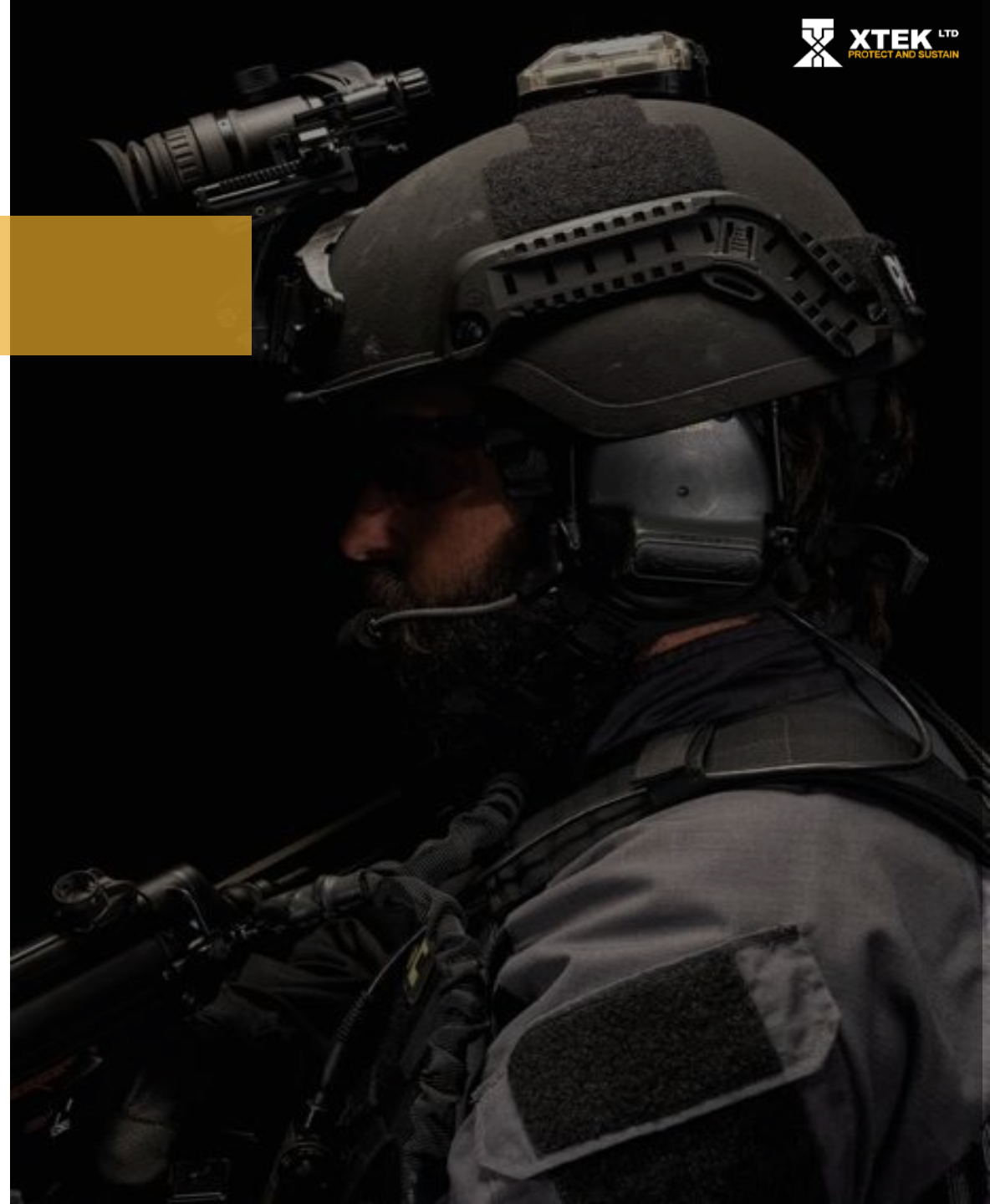
Unmanned Ground Vehicles (UGV)

Space craft parts



PROTECTING THE FRONTLINE PROTECTORS

BALLISTICS



WELL-DEFINED STRATEGY

Underpinned by the innovative state-of-the-art XTclave process technology

✓ R&D investment and strong IP in place



✓ Key products validated



✓ Manufacturing capability



✓ Distribution networks & major customers



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GLOBAL BALLISTICS NETWORK



XTEK has three facilities in Australia employing over 50 people.

XTEK's wholly owned subsidiary in the US, HighCom Armor, is a fully integrated armour company employing over 60 people.

XTEK has representatives and agents in Europe; 2 people.

KEY BALLISTIC PRODUCTS

XTclave™ products:



Ballistic plates

- *Up to 30% lighter¹*
- *Increased product life and added buoyancy*
- *Use our own well known Guardian brand*



Composite helmets

- *Lightweight composite*
- *Can stop common AK-47 bullets²*



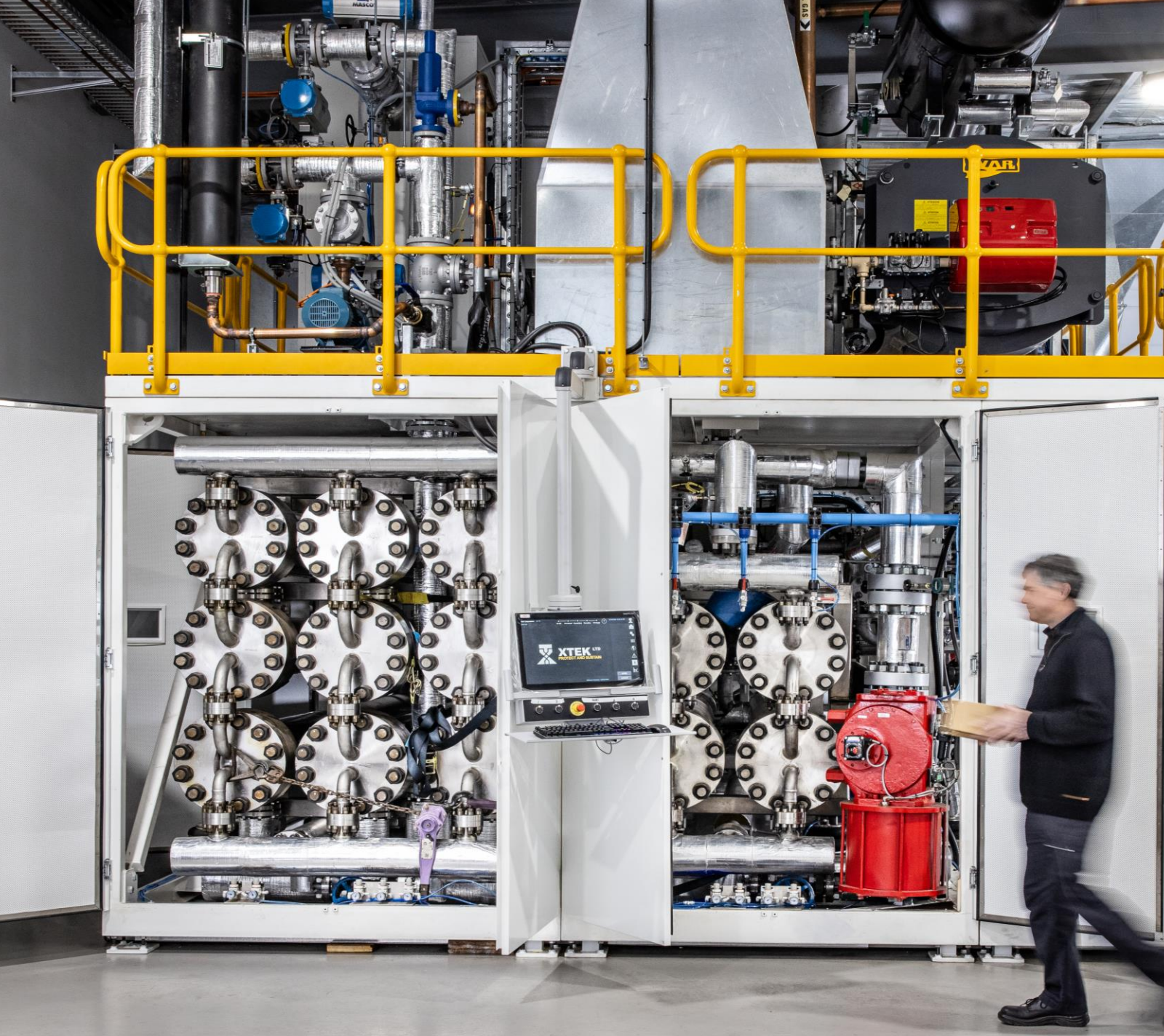
Allows sale of complete systems: Helmet, soft armour, hard armour, carrier or for large markets sell helmet shells for final integration by a local prime

1. 30% weight saving applies to some products in the ballistic plates range (but not to all). 2. XTclave™ helmets are comparable in weight to service helmets and protect at muzzle velocity

ADELAIDE MANUFACTURING CENTRE

**An advanced composite materials
manufacturing centre to support
commercial scale production;
now fully operational**

-  People
-  Products
-  Production
-  Processes
-  Plant



XTclave™ HARD ARMOUR PROCESS

①

Ply Cutting



Materials are cut into specific shapes for products

②

Consolidation



Curing and consolidation at high pressure and temperatures

③

Quality Assurance



Ensure high performing lightweight products through control & inspection

④

Covering



Coating with water and dust repellent, sealing and labelling

AMC COMMERCIAL XTclave™

XTEK's commercial-scale XTclave machine is an ultra-high isostatic pressure composite curing and consolidation technology, and is currently ramping up production of hard armour plates and helmets

DELIVERY OF XTCLAVE PRODUCTS

Now in production with large commercial XTclave

Successfully completed first contract with Finland - \$2m using commercial XTclave

Delivering XTclave manufactured plates to the US Law Enforcement market

FOCUS ON US SALES

Full commercial launch started in the US in March 2021

FUTURE CAPACITY

Forecast revenue capacity of up to A\$40m p.a. at the AMC;

Preparations underway for the new US machine

ACTIONABLE INTELLIGENCE AND UNMANNED VEHICLES

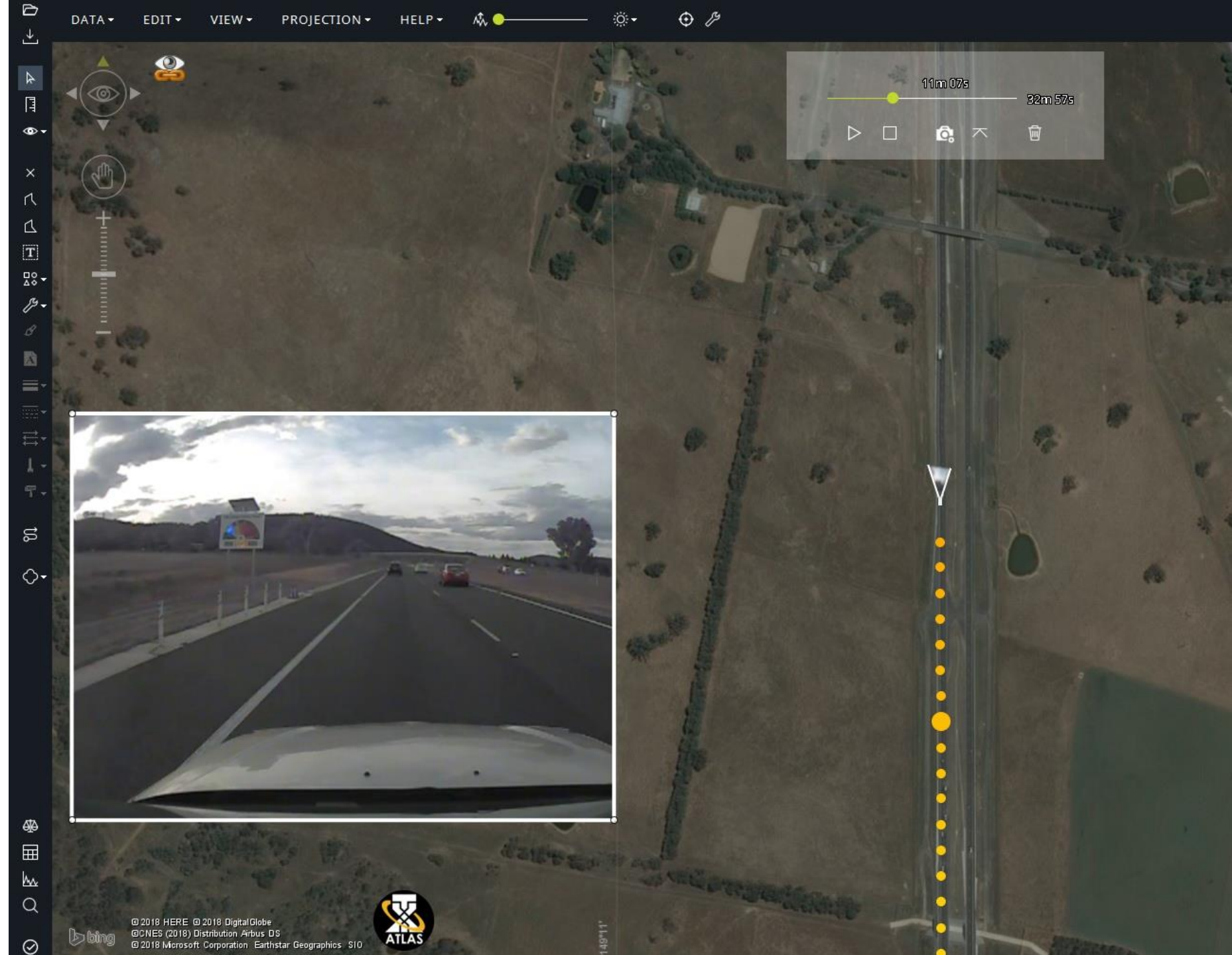


XTatlas™

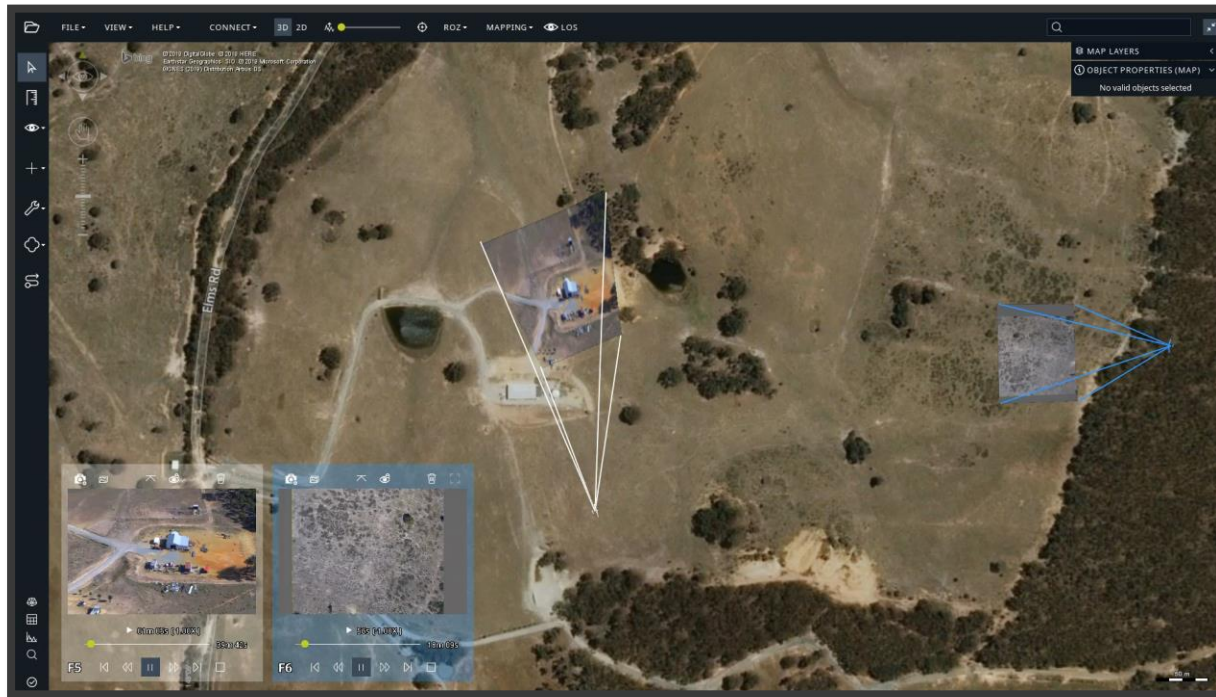
ACTIONABLE INTELLIGENCE SOLUTION

Rapid production of real time, accurate, geo-referenced 3D mapping from a video feed

- ✓ **Compare** with previous data
- ✓ **Real time, enhanced** situational awareness
- ✓ **Interfaced** to existing hardware



XAtlas™ MAPPING AND MODELLING



: https://youtu.be/VWJnX_zoDss



: <https://youtu.be/1FMKqHsZIkE>

XTatlas™ TRACKING AND TARGETING



XTatlas™
AIRWOLF

AirWolf is a software module for the XTatlas™ platform shortening the chain from sensor to shooter by connecting unmanned aerial systems with unmanned remote weapon stations.



<https://youtu.be/qmKzBmtjslA>

KEY RELATIONSHIPS ACROSS CHANNELS

Mission Targeting



- **C4 Evolutionary Digital Ground Environment** is a defence industry cooperative program
- First phase completed, with a **~A\$1m contract secured** by XTEK for the next phase



SUAS



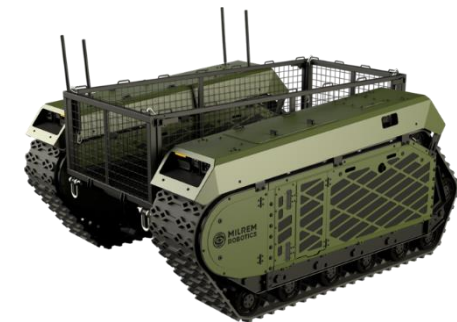
- **AeroVironment™** is a defence contractor specialising in unmanned aerial vehicles, based in the US
- XTEK has an exclusive regional agency distribution agreement with AeroVironment for SUAS¹



Ground Vehicles



- **Milrem Robotics** is the leading robotics and autonomous systems developer in Europe
- MoU for XTEK to act as Milrem's unmanned ground vehicles (UGV) representative in Australia and New Zealand



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1. Exclusive long-term support services contract to mid 2022, with multiple options to extend through to mid 2025, expected to be worth up to A\$35m



OTHER OPPORTUNITIES



SPACE ADVANCED COMPOSITE SOLUTIONS

XTclave technology has unique technical advantages that can be leveraged into space applications

Key XTclave advantages for space applications:

- ✓ Produce materials with **higher specific strength to weight ratio**
- ✓ Ultra-high process pressure can **reduce composite outgassing¹**



XTEK's commercial partnerships



Partnership to design **small spacecraft and launcher systems**, with recent ASA grant² awarded



Australian Space Agency

Joint Statement of Strategic Intent signed to develop Australian space capabilities

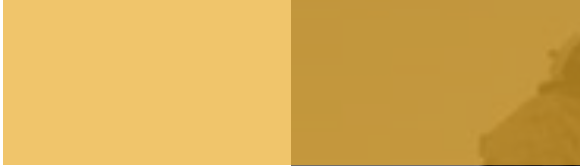


MoU with French space system supplier MECANO ID to pursue international & AUS space market opportunities

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1. Often a limiting factor for use of composites in space

2. Australian Space Agency International Space Investment grant, for a total of ~A\$880k with \$400k to XTEK (Source: Business.gov.au);



OUTLOOK

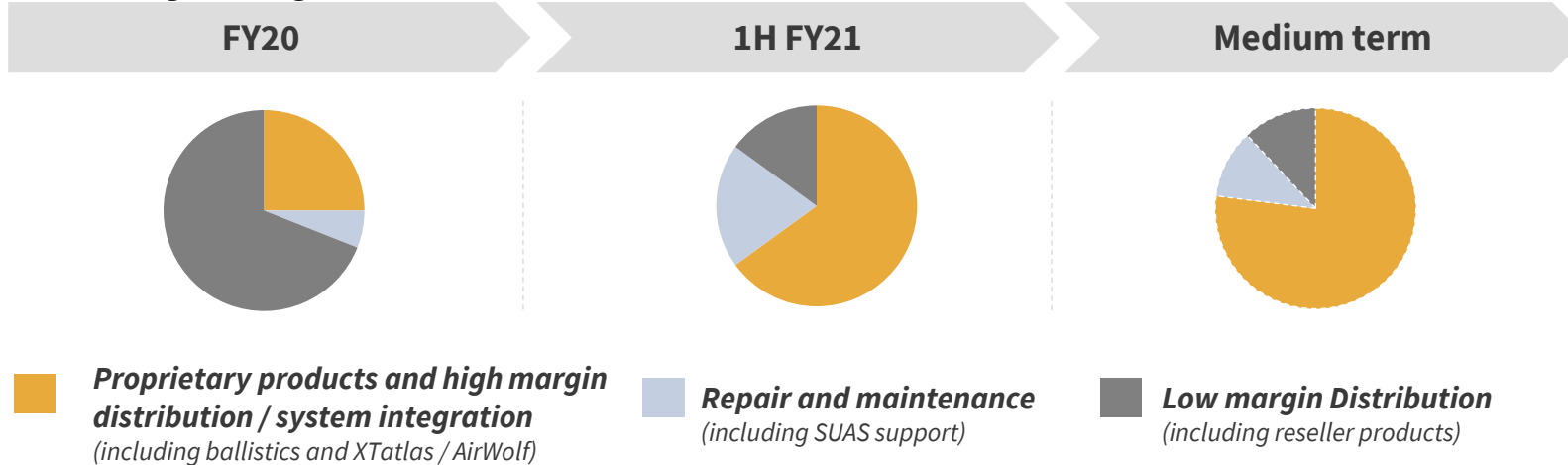


INCREASING MARGINS

Future margins to increase further, underpinned by investment into the AMC and shift to higher margin products – own products, distributed or integrated as a larger system:

- Ballistic sales directly into the US market (via HighCom)
- Sales of high margin ballistic solutions through global network
- Sales of actionable intelligence solutions
- Repair and maintenance revenue streams, including servicing ADF’s growing SUAS fleet
- Increasing opportunities in leveraging XTclave for advanced composite solutions

Shift to higher margin revenue mix:



Strong Financial Outlook, with a medium to long term target of:

Revenue
A\$100m

Gross Margin
~30%

XTEK is well funded through equity raised in 2020 and debt

KEY UPCOMING CATALYSTS

XTEK is well funded with A\$10.1m cash¹ to execute its strategy

- ✓ Completed delivery of ballistic plates to Finnish Defence
- ❑ US ballistic orders, with launch and marketing of additional ballistic products ongoing
- ❑ Delivery of final phase of C4 EDGE Program (end CY21)
- ❑ Order key parts for US XTclave machine (CY21)
- ❑ Installation, commissioning and optimisation of US XTclave machine (CY22)
- ❑ Completion of space project in partnership with Skykraft and international parties (2H CY21)
- ❑ Achieve further commercial orders for XTclave products and supply & maintenance of SUAS

1. Cash as at 31 December 2020

KEY INVESTMENT HIGHLIGHTS

XTEK is well positioned for growth, underpinned by high value proprietary solutions and a favourable market sentiment within the domestic and global defence industry



**Favourable
defence market
sentiment**



**Focused on market
leading soldier
solutions**



**US expansion
accelerating ballistic
solutions strategy**



**Actionable
intelligence software
interfacing with
unmanned systems**



**Strong pipeline of
opportunities and
near-term catalysts**

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