



Annual General Meeting

CEO's Address – Brian Malcolm

28 November 2014

XTEK Limited – Annual General Meeting

Aim

**To update XTEK shareholders on Company
strategic and operational progress**

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Scope

- **Strategic Context**
- **Operational Update**
- **Corporate Branding**
- **Engineering Development Update**
- **Unmanned Aerial Vehicle Update**
- **Conclusion**
- **Questions**

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Strategic Context

WHAT WE DO:

We design, make, sell and support specialist equipment and machinery to help protect and sustain defence, police, security and other agencies.

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Strategic Context

CORE VALUES:

- **Integrity** – in everything we do;
- **Pride** – in ourselves, our organisation, and the Australian values we help defend;
- **Innovation** – to be a leader in identifying and developing new products and markets;
- **Determined** – to deliver, on time and on budget;
- **Dynamic** – to adapt and provide flexible solutions for our clients; and
- **Communicative** – to understand and work effectively with our clients, partners and shareholders.

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Strategic Context

OUR CORPORATE VISION:

The preferred supplier of select sensor, security and defence related equipment, products and services, with an excellent range and quality, in Australia and abroad

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Strategic Context

HOW WE ACHIEVE THIS:

By remaining a modern, dynamic and forward-looking company whose close partnerships with its clients enables it to provide intelligent, innovative and cost-effective solutions in response to their most demanding operational requirements.

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Strategic Context

SPECIFIED STRATEGIC AIMS:

- **Sustainable Business Growth;**
- **Quality Business;**
- **Innovative and Progressive Business; and**
- **Balanced Business.**

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Strategic Context

SHORT TERM GOALS:

- Increase Agency Sales;
- Expand Logistic Engineering Capability;
- Establish UAV Services Capability;
- Market-Penetrative UAV Sales;
- Complete US DoD Project Successfully;
- Develop International Armour Joint Venture;
- Analyse Composite Manufacturing Capabilities and Opportunities;
- Develop Precision Weapon Component Capability; and
- Enhance Corporate Brand.

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Strategic Context

MEDIUM TERM GOALS:

- Further Increase Agency Sales;
- Increase UAV Sales;
- Develop UAV Services and Through Life Support Capability;
- Establish XTclave™ in Global Armour Market;
- Develop and Capitalise on Knowledge of High-End Armour Solutions;
- Develop Knowledge of Composite Consolidation Manufacturing Opportunities; and
- Establish Global Market for Precision Weapon Component Suite.

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Strategic Context

LONG TERM GOALS:

- **Develop and Diversify Agency and Logistic Engineering Operations in Line with Contemporary Requirements;**
- **Establish XTEK as a Regional Company of Choice for UAV Technology and Associated Through Life Support;**
- **Establish XTclave™ in Global Composite Consolidation Markets;**
- **Develop XTclave™ and Investigate Further Markets; and**
- **Develop XTEK Engineering Development Capability in line with Emerging Technical Requirements.**

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Operational Update

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Operational Update

- Human Resources
- New Product Lines
- **Engineering Development Update**
- **Unmanned Aerial Vehicle Update**

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Operational Update

- **Human Resources**



- **Mr Scott Jenkin – Mechanical Engineer**
 - 1st Class Honours Degree in Mechanical Engineering from University of Adelaide
 - Professional Experience in Industrial Plant and Pressure Systems
 - End-to-End Project Management Experience



- **Mrs Samantha Arthur – Marketing Manager**
 - Bachelor of Communications (PR)
 - Boutique Public Relations Consultant
 - Marketing Coordinator - Hunter Valley Tourism

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Operational Update

- Human Resources
- **New Product Lines**
- Engineering Development Update
- Unmanned Aerial Vehicle Update

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Operational Update

- **New Product Lines**
 - **Trijicon Aiming Solutions**
 - **NABCO Total Containment Vessels**
 - **Novatiq Unmanned Vehicles**
 - **ChemImage Threat Detection**
 - **OpenVision Video X-Ray**
 - **WMDTech EOD Solutions**
 - **Agisoft Photoscan**
 - **Hidden Technology Systems**
 - **Hexagon Geospatial**
 - **Scenesafe Consignment Stock**
 - **VideoRay**

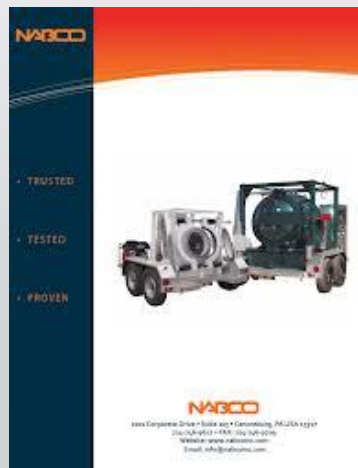
Operational Update

Trijicon Aiming Solutions



Operational Update

NABCO Total Containment Vessels



Operational Update

Novatiq Unmanned Vehicles



Operational Update

ChemImage Threat Detection



Operational Update

OpenVision Video X-Ray



Operational Update

WMDTech EOD Solutions



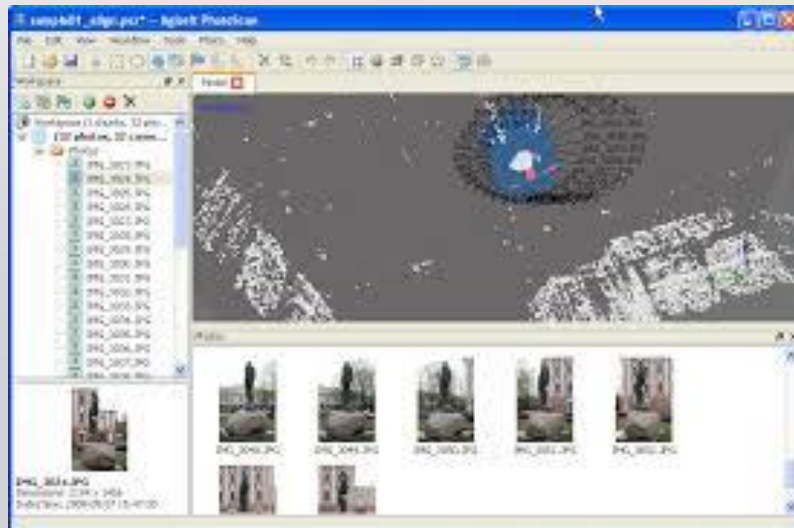
Operational Update

AgiSoft Photoscan

Agisoft

3D Modeling and Mapping

Topographic Surveying



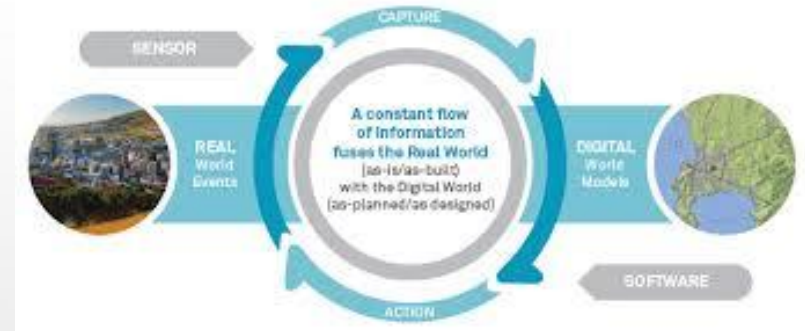
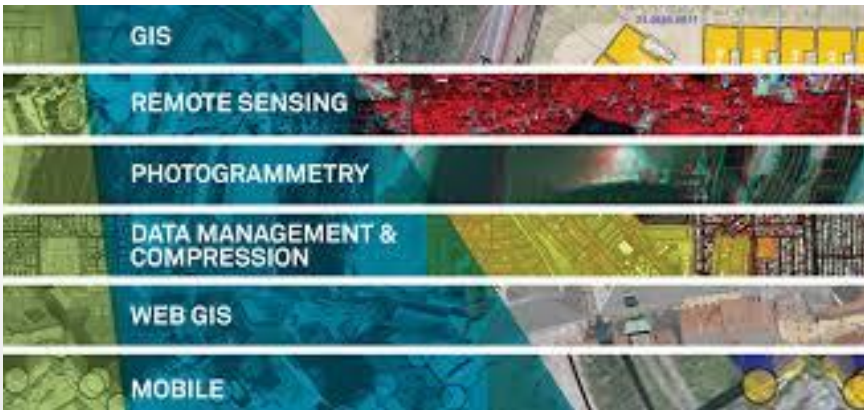
Operational Update

Hidden Technology Systems



Operational Update

Hexagon Geospatial



Operational Update

Scenesafe Consignment Stock

scenesafe™
evidence recovery systems



Operational Update

VideoRay



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Corporate Branding

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Corporate Branding

- Formal Public Relations Program
- Dedicated Marketing Manager
- Focused Media Campaign
- Market Updates
- Shareholder Newsletters
- Technical Articles

= Enhanced Corporate Brand



XTEK LTD
PROTECT AND SUSTAIN
*Leading Provider of Solutions for
Military, Law, Government and
Commercial Clients*



- TACTICAL SOLUTIONS
- HIGH RISK SECURITY SOLUTIONS
- FORENSICS
- EOD/IEDD
- WEAPONS & ANCILLARIES
- Sales
- Repair & Maintenance
- Engineering Development
- Integrated Logistics Support
- Registered Training Organisation

Proudly supporting Police in our region

25 Yallourn Street, Fyshwick, ACT
P: (02) 6163 5588 www.xtek.net

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Media Coverage

- Canberra Times
- The Age
- The Sydney Morning Herald
- The Australian
- The Business Spectator
- Brisbane Times
- WA Today
- Australian Financial Review
- Australian Defence Magazine
- Switzer Report
- Alan Kohler
- AIDN Newsletter
- Director Institute
- Australian Manufacturing Technology
- Hot Copper
- Invest to Gain
- Australian Business News



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Operational Update

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- New Product Lines
- **Engineering Development Update**
- Unmanned Aerial Vehicle Update



Adelaide Team

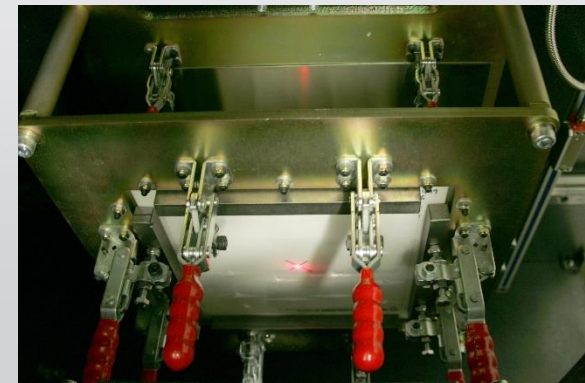
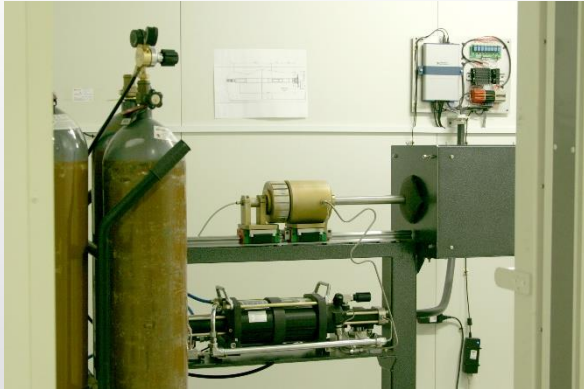
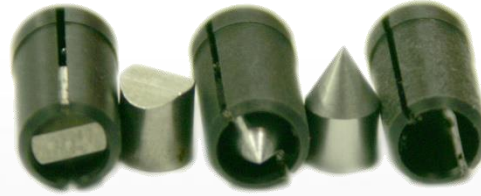
XTEK LIMITED, 2014

FCT Project – Task 1

- XTclave™ consolidated HB210, HB212, SR3124, SR3136, XF23 and HSBD 30A
- 293x293mm flat panels @ 4.9kgsm
- Thickness, elongation, stiffness, opacity and FSP V50

FCT Project – Task 1, Ballistic Testing

- 400+ Panels Tested
- .22cal FSP V50 (MIL-STD-662F)



FCT Project – Task 2, ESAPI / XSAPI



LABORATORY TEST REPORT
BALLISTIC RESISTANCE OF PERSONAL BODY ARMOUR
NIJ STANDARD 0101.04 REVISION B
(ABBREVIATED)



CLIENT DETAILS

David Thompson
XTEK LTD RSD Centre
P.O. Box 525
Elizabeth, SA 5112
AUSTRALIA

Date rec'd: 12-Nov-11
Counter: Australia Post
Comp File: XTEK-RSD/244K/11
Sample Designation: Body Armour Plate
Purchase Order: David Thompson

Job Number: 8446/21
Test Date: 13-Jan-11
Report Number: 8446/21

SOFT ARMOUR DETAILS

Sample ID: 1
Manufacturer: Armor Australia
Model: Not Supplied
Batch: Not Supplied
Serial No: 1
Panel Description: 400x400
Material Type: aramid
No. of Layers: 24
Weave Count: Not applicable
Weight (g): 962
Stitching Details: Edge tack
Stitching Intervals: Not applicable
Insert Corner (Y/N): Yes

BALLISTIC THREAT

Protection Level: **Level IV**
Calibre: **.30-06 Springfield**
Obliquity: **Zero Degrees**
Projectile Weight: 16g grain
Projectile Type: AP M2
Canister Markings: Not applicable
Production Factory: Not known
Head Stamp Details: Not applicable
Barrel Length: 26 Inch
Barrel Serial No.: R25126
Specification: NIJ STD 0101.04
Required Min. BL: N/A
Required Velocity: 2680 +/- 30fps (878 m/s)

RANGE

Range Used: **Range 1**
Muzzle to Target: **15 metres**
No. of Screens: 3
Screen Spacing: 5.0 ft
Midpoint to Target: 2.0 metres
Chronograph Number: Chrono 2
Chronograph Serial: Not applicable
Chronograph Model: Sabre Iris
Screen Type: Skyscreen 400
Screen Light Source: DC LED

TEST CONDITIONS

Temperature: 22.9 C
Relative Humidity: 56.7 %
Conditioning: Wet

ROMP PLASTILIN AND 1 DETAILS

Plastilina Id Number: Box 2
1. Clay Temp Pre Test: 39.9 C
2. Clay Temp Post Test: 39.8 C
3. Clay Calibration Test Average: 19.2

TEST PERSONNEL

Data Recorder: James Sutherland
Gunner: James Sutherland
Witness: Nil

Sample Number	Ballistic Threat	Weight (g)	Shot No.	Velocity U/s Chrono 1	Velocity U/s Chrono 2	Average Velocity ft/s	Notes	Panel Penetration	Back Face Signature (BFS)
10001-001	26 above	21.82	1	2881	2889	2892	P	RF	31mm
			2	2976	2877	2926	P	RF	35mm

- Footnotes:**
- a. Excessive velocity
 - b. Insufficient velocity
 - c. Too close to prior impact
 - d. Too close to edge
 - e. 30 degree impact
 - f. Stop in hole
 - g. Partial Pen of Plate
 - h. Stop in Filler
 - i. Complete Penetration

- Remarks:**
- 1. Maximum Back Face Signature (BFS) allowed is 46mm
 - 2. Clay calibration test requires 5 drop average of 150m +/- 2mm
 - 3. Spray calibration test requires 1.0 inch +/- .2 Inch for 15min Interval

Model compliance
Passed: Yes

B. Tu
(Approved signatory)
Accreditation No.: 13310

.30-06 M2 AP ESAPI Example

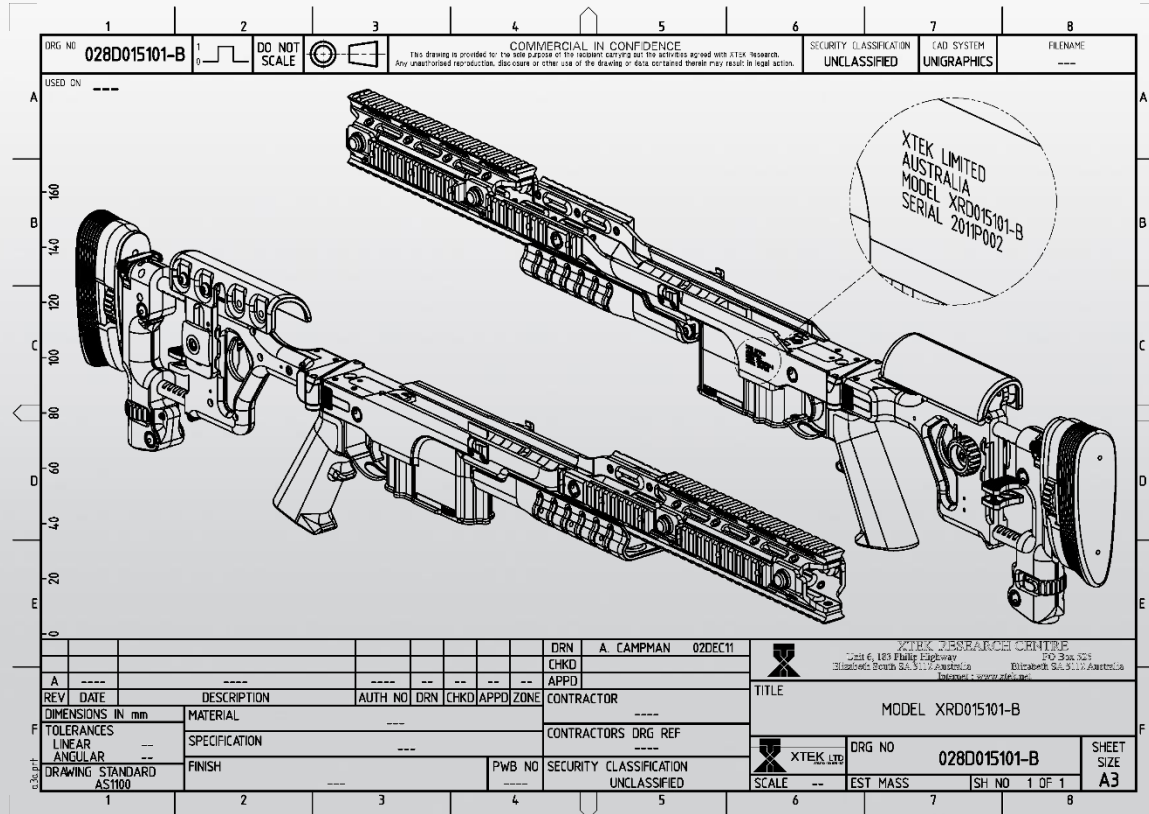
.30-06 M2 AP

SHOT 1 (2,890fps) – BFD 31mm

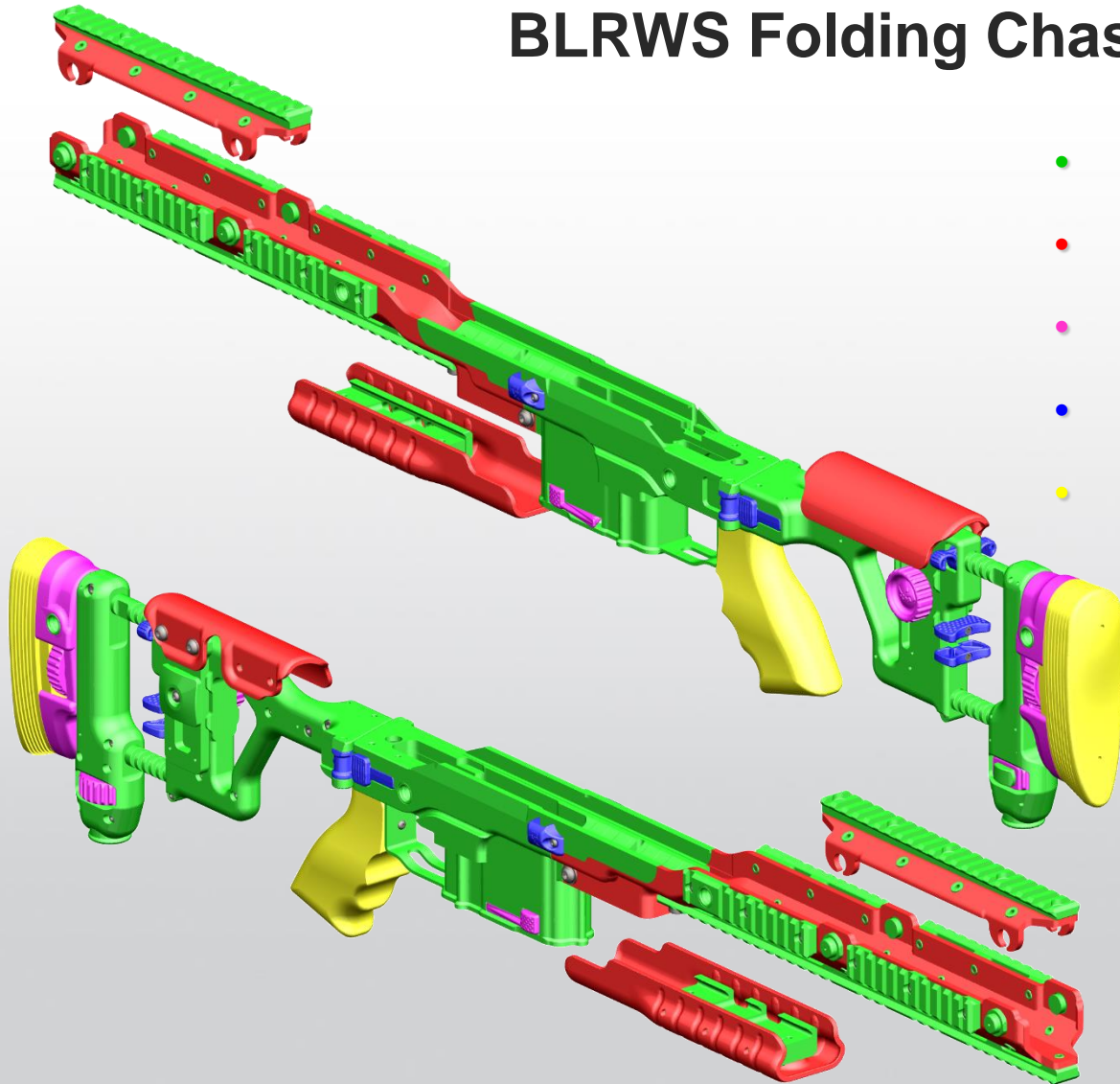
SHOT 2 (2,878fps) – BFD 35mm

BLRWS Folding Chassis

- XTEK has designed and manufactured a lightweight folding chassis for the Blaser Tactical 2 Long Range Weapon System (LRWS) (.338LM & 7.62NATO)



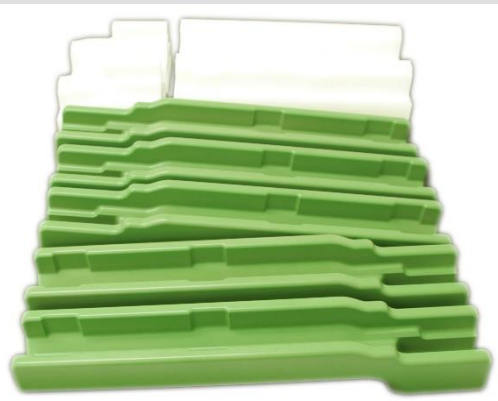
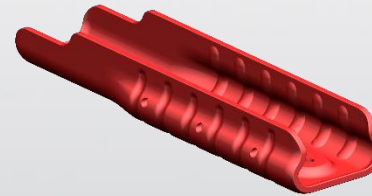
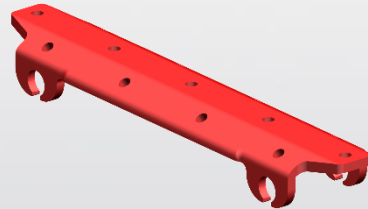
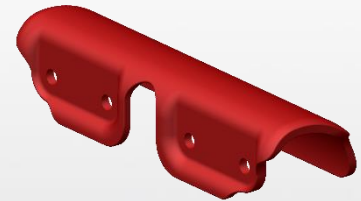
BLRWS Folding Chassis – Composition



- **CNC machined**
- **XTclave™ + CNC Machined**
- **Plastic Injection Moulded**
- **Metal Injection Moulded (MIM)**
- **Purchased**

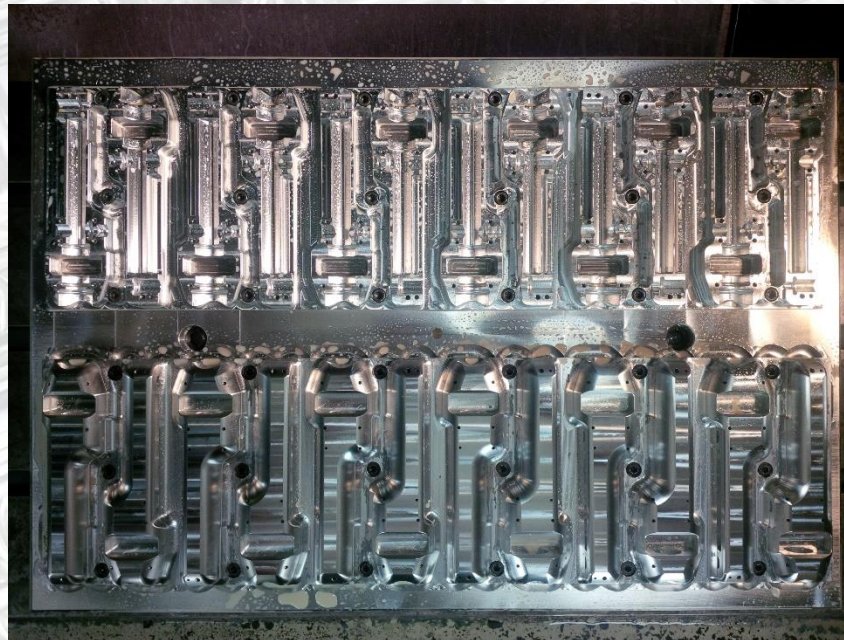
BLRWS Folding Chassis – XTclave™ Carbon Composite

- Laminates use 9 plies of 350gsm UD carbon/epoxy sandwiched between ‘face coats’ of 200gsm woven carbon/epoxy (black pigmented and UV stabilised)
- 3.8mm laminate total thickness



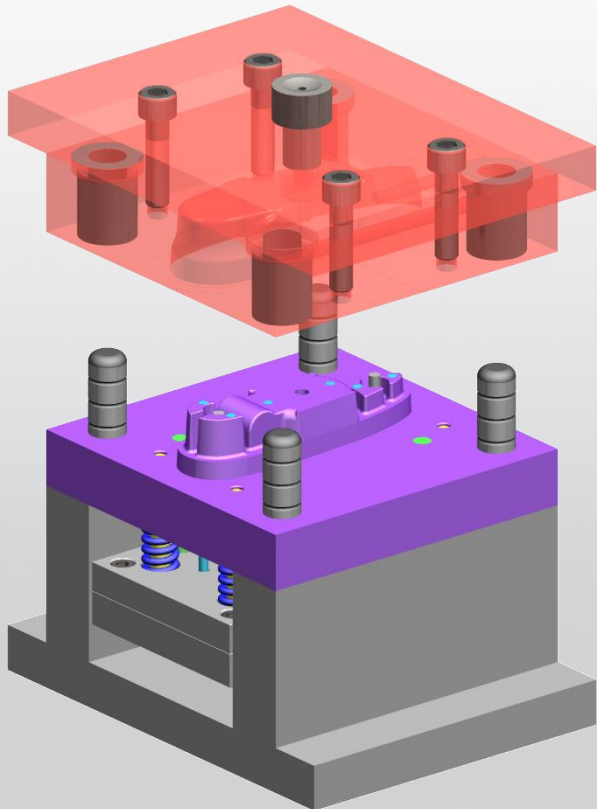
BLRWS Folding Chassis – CNC Machining

- Computer Numerical Controlled (CNC) machining of steel and aluminium alloys



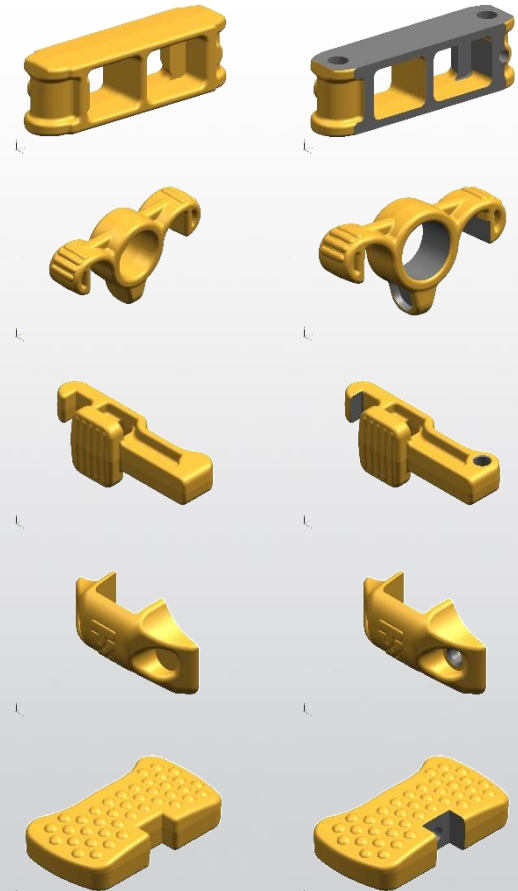
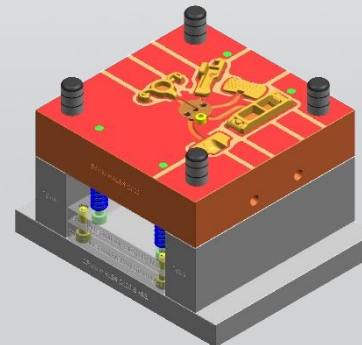
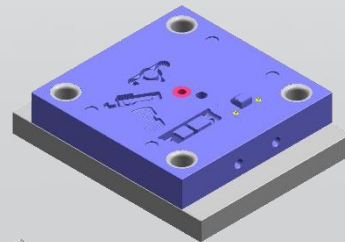
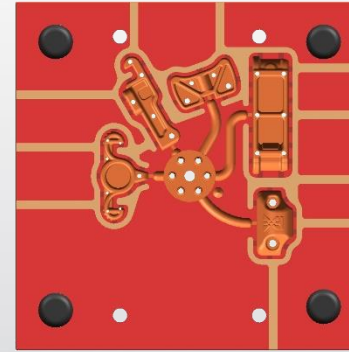
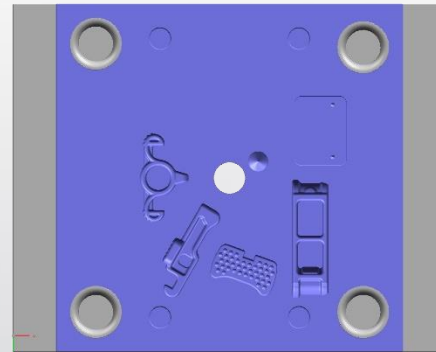
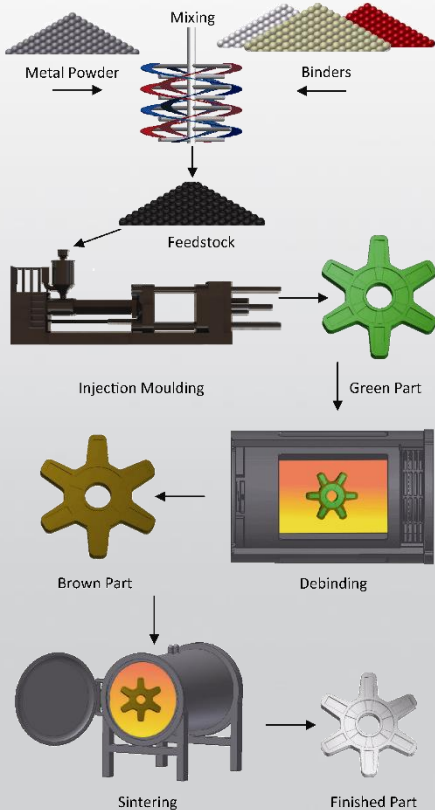
BLRWS Folding Chassis – Plastic Injection Moulding

- Black Nylon 6, 30% Glass Fibre, UV Stabilised



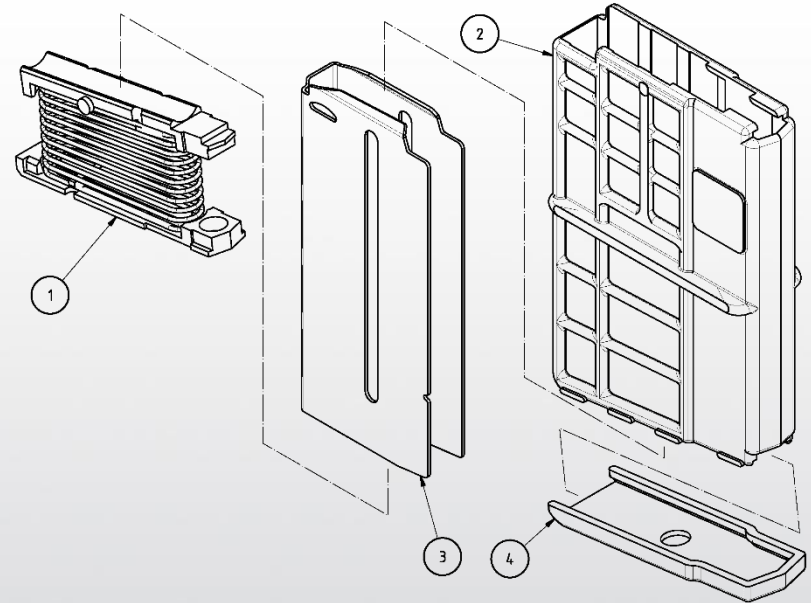
BLRWS Folding Chassis - MIM

- Metal Injection Moulding (**MIM**) is an advanced, additive-type manufacturing technology
- Australian Industry Partner – Advanced Metallurgical Solutions Pty Ltd (Lonsdale, SA)



BLRWS Magazines

- XTEK has designed, manufactured and supplied 5rnd & 8rnd .338LM magazines for the Blaser LRWS... **6 and 10rnd 7.62NATO next**



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Operational Update

- Human Resources
- New Product Lines
- Engineering Development Update
- **Unmanned Aerial Vehicle Update**

UAV Revenue Streams

- AeroVironment Agency Account
- UAV Services
- UAV Manufacturing
- UAV Training

AeroVironment Agency Account

- Family of Systems
- Military
- Law Enforcement
- Commercial



UAV Services

- Mapping
- Surveying
- 3D Modelling
- Photography
- Asset Inspection



XTEK UAV Manufacturer

- Entry Commercial Products
- Aim under \$20,000 per system
- Fixed wing & multi-rotor
- Currently in R&D stage of development
- Prototyping mapping from live video solution for emergency services



UAV Training

- How to do mapping & modelling with a drone
- Aimed at existing GIS professionals
- Aimed at general public that have never used a drone before
- No previous experience required 5 day course
- Under \$2,000 per student

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Conclusion

- **Continuing to Move in Right Direction**
- **Growing in Reputation and Strength**
- **Contemporary Strategy with Clear Focus**
- **Achievable Goals**
- **Significant Potential**
- **Exciting Time for Company**
- **XTEK – Good Feeling**

Chairman's Address

Uwe Boettcher

AGM 28 November 2014

Forward Looking Statements

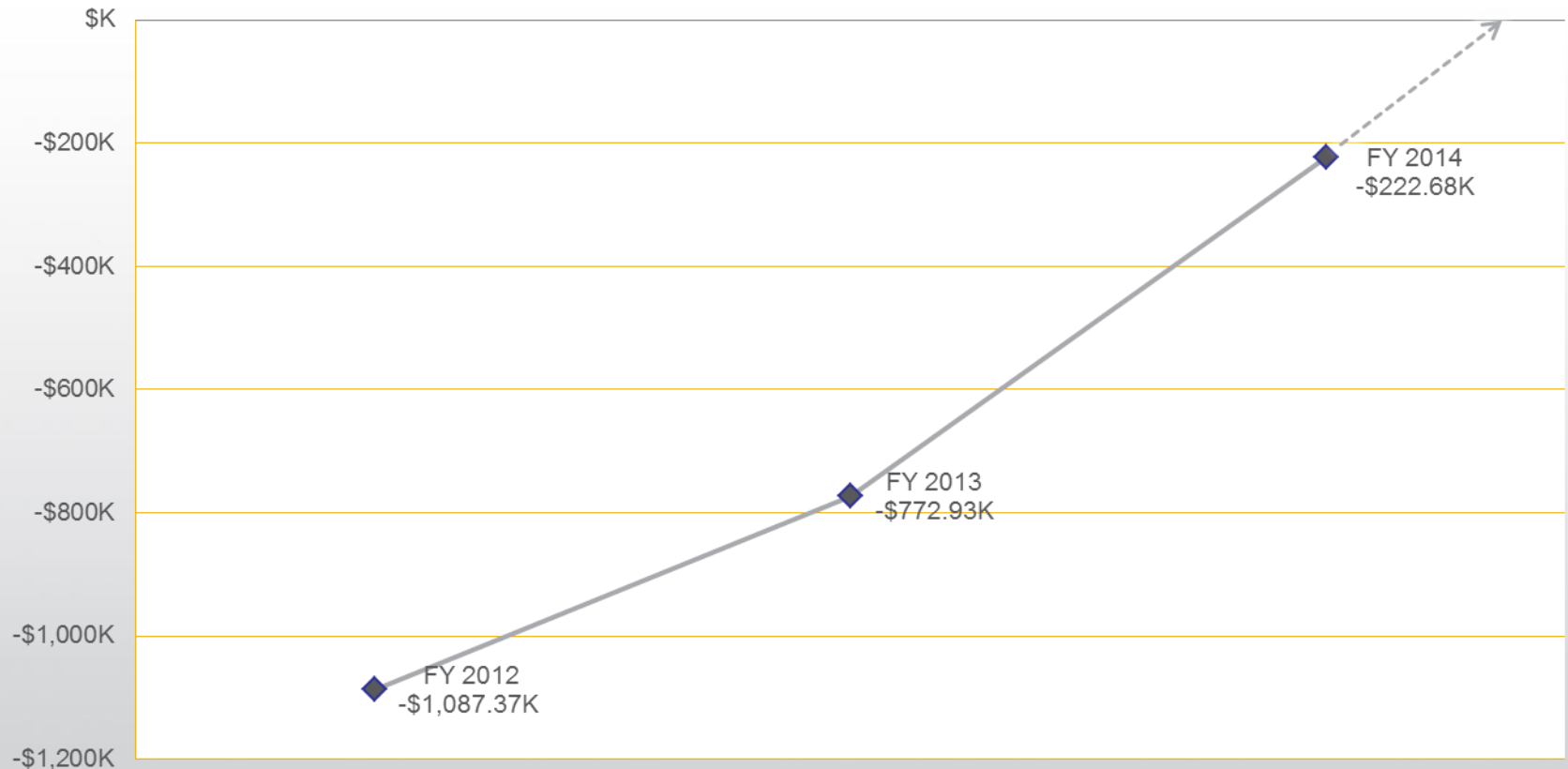
This presentation includes forward-looking statements that are subject to many risks and uncertainties. The risks are discussed in XTEK's ASX announcements and risks associated with economic conditions, movement in exchange rates, industry risk, undersubscribed Rights issue as well as law, regulatory and policy risk. XTEK disclaims any obligation to update information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

Total Income



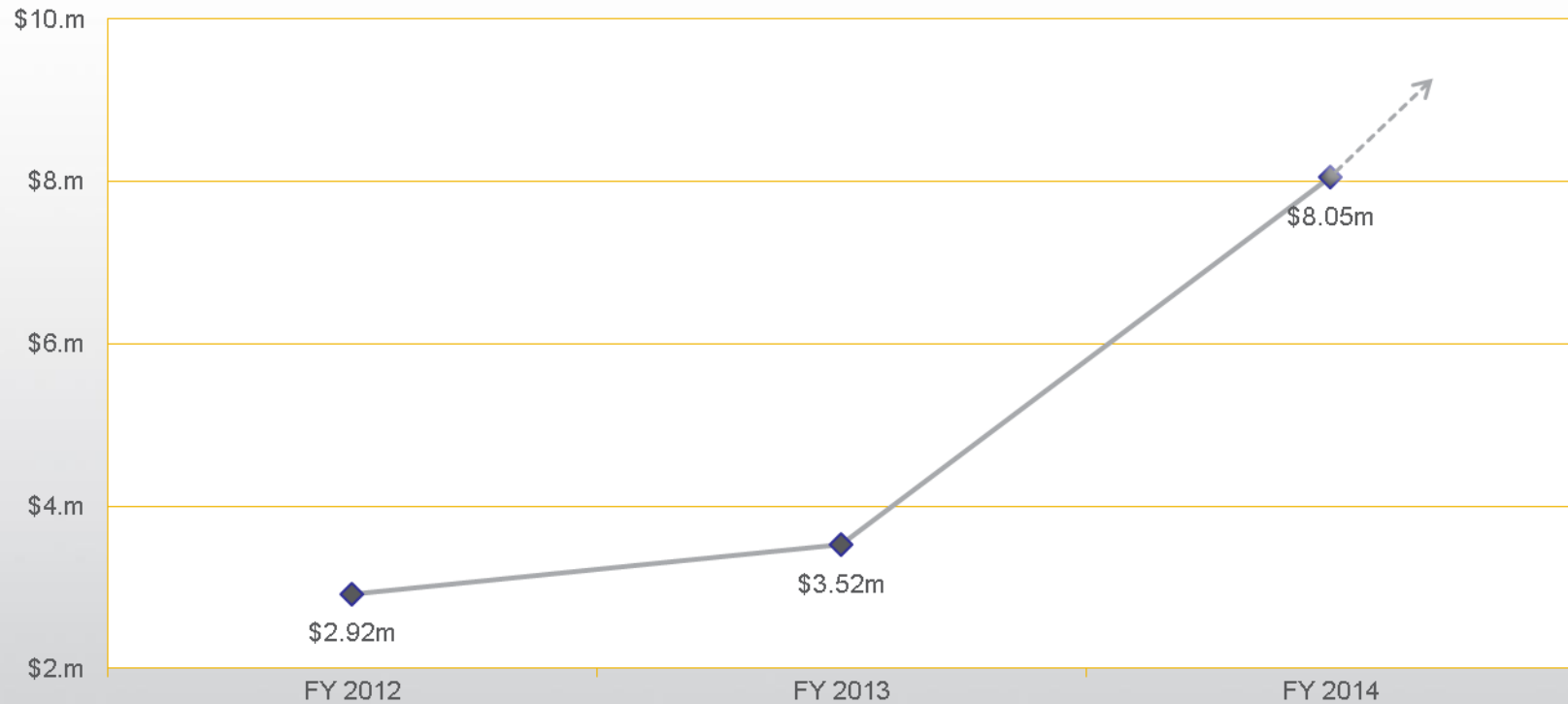
-----> Trend line only not actual forecast

The Improving Bottom Line



-----> Trend line only not actual forecast

Market Capitalisation



-----> Trend line only not actual forecast

Increasing Sales and OIH –YTD



-----> Trend line only not actual forecast

Significant Short Term Prospects

- Weapons and Ancillaries Sales over \$10m*
- Unmanned Aerial Vehicle Sales over \$8m*
- Bomb Disposal Sales over \$8m*

* Not orders but significant prospects