

**XTEK** LTD  
**PROTECT AND SUSTAIN**

26 March 2015



# 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.



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# XTEK Management



## Chairman: Uwe Boettcher

- Chairman - Kord Defence and Group of Companies, Greenmag Group Pty Limited, Taggle Holdings Pty Limited and Manuka Corporate Pty Limited.
- Fellow of the Australian and New Zealand College of Notaries.
- Past Chairman of the National Health Sciences Centre Limited, GPSports Systems Pty Limited and the Australasian Legal Alliance.
- Director and Foundation Member Capital Angels Pty Limited.
- Alternate Director - Mineral Carbonation International Pty Limited.
- Director - Principal of the law firm, Boettcher Law.



## CEO: Brian Malcolm

- Extensive military experience with the British and Australian Armies.
- Awarded the Queen's Commendation for Valuable Service in the 2004 Operational Honours List.
- Graduate of the United Kingdom Joint Services Advanced Command and Staff Course.
- MA in Defence Studies from Cranfield University, Graduateship of the City and Guilds Institute of London in Military Technology and Managing Successful Programs Qualification from the Bristol Management Centre.
- Member of the Institute of Explosives Engineers and the International Association of Bomb Technicians and Investigators.
- Appointed by the XTEK Ltd Board of Directors as the Chief Executive Officer effective from 4 February 2011.



# Who we are

## Australian Homeland Security Specialist

- Established in 1978
- Located in Canberra (Head Office), Sydney and Adelaide
- Australian Defence Force Recognised Supplier
- Australian Defence Technical Support Network
- Registered Training Organisation

XTEK Ltd (ASX: XTE)	
Shares on issue	20.1m
Share price @ 24 Mar	40¢
52 week range*	4¢-61¢
Market cap	\$8.05m

\* 52 week range – XTEK underwent a 10 for 1 share consolidation in December 2014

# What we do

XTEK designs, makes, sells and supports specialist equipment and machinery to help protect and sustain Defence, police, security and other agencies. This is done through three key divisions:

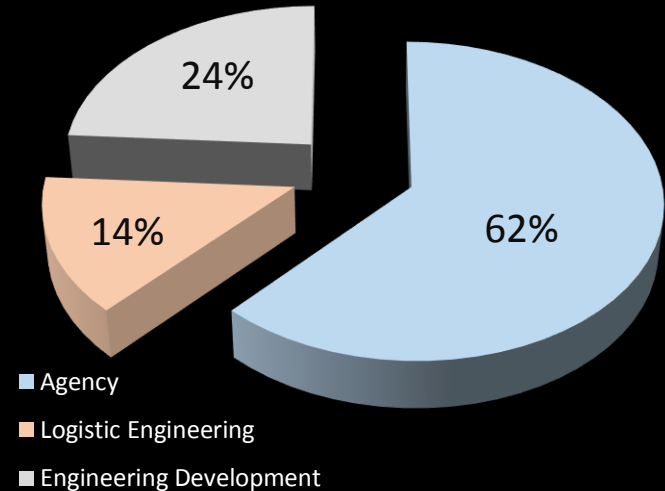
- An Agency Business;
- A Logistic Engineering & Training Division;
- An Engineering Development Division



# Divisions

- Agency Business: Many exclusive regional agency distribution agreements such as AeroVironment unmanned aerial vehicles (UAVs) and Cobham Telerob (RPVs).
- Logistic Engineering: Customised maintenance & repair solutions, and Through Life Support across sales portfolios. More recently, UAV commercial services.
- Engineering Development: The development and commercialisation of XTEK proprietary products (XTclave™)

Revenue breakdown FY14 (%)



# Financial Year Highlights

- Secured \$7.7m UAV order from the Australian Defence Force (ADF) to be delivered in May 2015
- Will book further \$579k from supply of weapon components to ADF
- US Dept of Defence (DoD) exercised option to extend US\$1.5m Foreign Comparative Testing program utilising XTclave™ for second year
- Sales pipeline worth over \$10m for FY15
- Expect to deliver profit FY15
- Profitability anticipated to be sustained beyond FY15



# FY14 Financial Results

Revenue from sale of goods and services \$'000	4,366	4,326	5,318
Gross profit from sales of goods and services \$'000	1,697	1,856	2,488
Gross profit %	39%	43%	47%
Other Income	151	507	391
Net profit \$'000	(1,087)	(773)	(230)

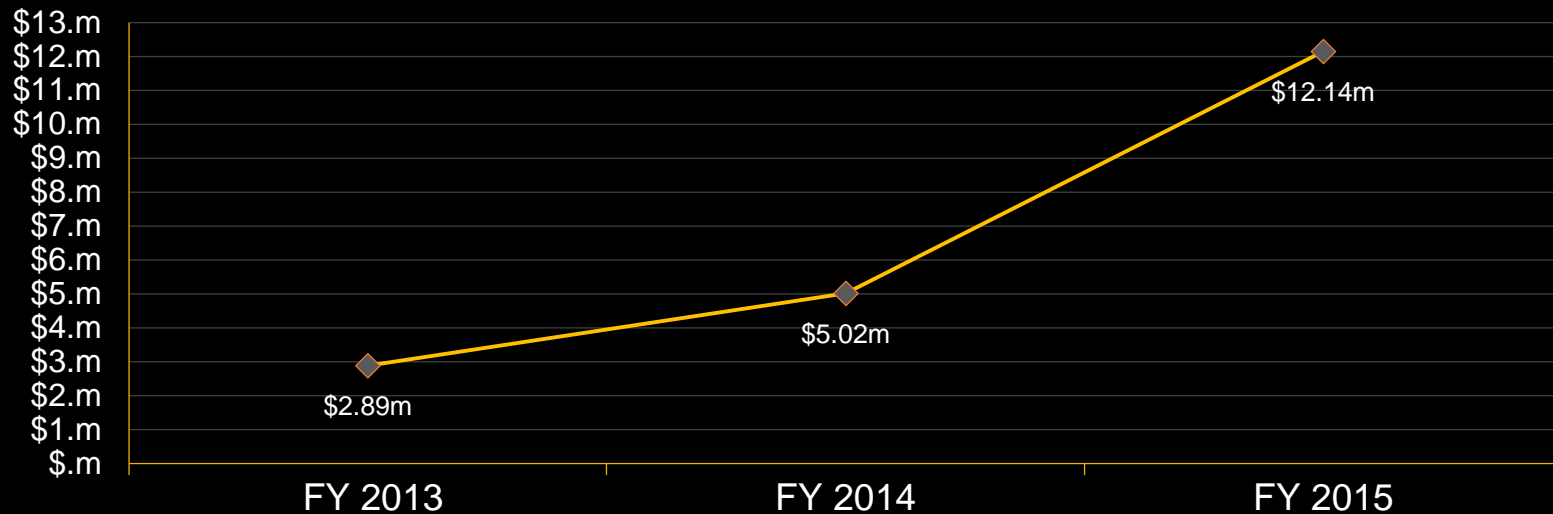
## Total Income





# FY15 Invoice & Orders in Hand

## Orders in hand – As at 31 December 2014



# XTEK Innovations



*Australian made, worldwide potential*



# XTEK Engineering

XTclave™

Intellectual property

Bespoke weapon ancillaries



Adelaide Team

XTEK LIMITED, 2015

# XTclave™ – Game Changer

- XTEK took the XTclave™ technology from the laboratory to a commercial scale production plant in just five years
- XTEK has completed the first large scale XTclave™ CCT production plant
- Production plant has manufactured body armour for the Danish Army
- Unique process using circulating fluids at high temperature and high pressure to achieve excellent and even bonding



Feature	Armour Piercing Threat Protection Insert Ceramic Tile with PE backing			NIJ III Protection Insert 100% PE	
	Axial Pressing	Autoclave	XTclave™	Axial pressing	XTclave™
High ballistic mass efficiency	✓	✗	✓	✓	✓
Suitable for developing lightweight solutions	✓	✗	✓	✓	✓
Uniform consolidation pressure, even on curved surfaces (isostatic pressure)	✗	✓	✓	✗	✓
Produces homogeneous through-thickness composition	✗	✓	✓	✗	✓
Laminates and bonds all materials in a single step	✗	✓	✓	✓	✓
Batch type manufacturing process	✗	✓	✓	✗	✓
Ability to sustain high production rates	✗	✓	✓	✗	✓
Significant magnitude of consolidation pressure	✓	✗	✓	✓	✓
Efficiency in application of very high consolidation pressures	✗	N/A	✓	✗	✓
Precise control of ceramic/backing adhesive thickness	✗	✓	✓	N/A	N/A
Ability to simultaneously bond a front-spall face material to ceramic	✗	✓	✓	N/A	N/A
High heat transfer rate within process	✓	✗	✓	✓	✓
Adaptability to easily fabricate alternate geometries	✗	✓	✓	✗	✓
Reduced risk of air inclusion within laminate	✗	✓	✓	✗	✓
Small equipment footprint per insert	✗	✓	✓	✗	✓
Low capital cost per insert	✗	✓	✓	✗	✓
Inexpensive tooling	✗	✓	✓	✗	✓
Low energy consumption per insert	✗	✓	✓	✗	✓
Process safety (expansive energy of processing volume)	N/A	✗	✓	N/A	✓



# XTclave™

Applicable to a wide range of lightweight armour applications (including NIJ Levels 3 & 4). Has the ability to form large complex shapes and panel joiners for vehicle protection (STANAG 4569).

Potential for:

- Lighter weight equipment and technology to reduce weight for soldiers
- Lighter weight hard armour protection for reducing the weight of armour without compromising protection and combat performance
- Lighter weight hard armour protection for aircraft and vehicles
- Lighter, stronger or stiffer composite articles that can be used in other industries - aerospace, aviation, automotive and marine

# US DoD FCT Program

- United States DoD Comparative Testing Office (CTO) awarded XTEK a contract for approximately US\$1.5m
- Purpose - to develop advanced lightweight hard armour plate solutions using XTEK's novel XTclave™ isostatic composite consolidation technology
- This program is potentially key to future body armour contracts for the US Army and validates the XTclave™ technology
- Great potential. The US armour market is the largest armour market in the world for high quality body armour plates and other armour requirements



# XTEK's IP Powerhouse

- XTEK lodged an Australian Patent application in July 2011 to protect XTclave™ technology and a Patent Cooperation Treaty (PCT) lodgement followed.
- Patent application accepted in US this year
- These patents are key to XTEK's unrivalled competitive advantage and future financial success
- Bespoke weapon ancillary design and manufacturing



# Blaser Chassis



# Blaser Chassis

- Bespoke chassis for Blaser Tactical 2 Long Range Weapon System.
- Tailored to the current needs of modern snipers with enhanced functionality, performance and reduced weight.
- Ambidextrous folding rear-section that captivates a closed bolt handle and reduces system bulk.
- Ergonomic user interfaces, optimised optics mounts and higher capacity magazines.
- Chassis incorporates traditional in-house CNC machining, injection moulding and XTclave™ capabilities that offer increased strength and stiffness.

# Unmanned Aerial Vehicles

# UAV Revenue Streams

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





# AeroVironment Agency Account

- 85% of the Pentagon's fleet
- Family of Systems
- Military
- Law Enforcement
- Commercial





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# XTEK 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





# XTEK UAV Training

- Mapping and 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

# Building XTEK Portfolios

# New Product Lines 2014

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



# Conclusion

- FY15 is an Inflection Point for XTEK
- Continuing to Trend Upwards
- Growing in Reputation and Strength
- Contemporary Strategy with Clear Focus
- Achievable Goals
- Significant Potential
- Exciting Time for Company

# Questions

