

TRADING UPDATE – DECEMBER QUARTER TO DATE

K-TIG Limited expects sales of more than \$400,000 for the December Quarter

Operational Highlights

- The USA market expansion goes from strength to strength through the MOU with Key Plant and the establishment of an on-the-ground sales force
- The company makes its first sales into the USA nuclear decommissioning industry
- The company achieves its first sales to the defence sector and continues to grow the market opportunity both here in Australia as well as globally
- The company increases the size of its R&D department, with the employment of Zhenyu Fei to lead the research into new industry solutions for defence and civil welding applications
- The company proves its technology can automatically weld high hardness armoured steel, which is a significant step towards being utilised by domestic and global defence fabricators

K-TIG Limited (ASX: KTG) (“K-TIG” or the “Company”), a technology company deploying a fully commercialised industry-disruptive high-speed welding technology provides the following trading update for the December 2020 Quarter to date.

The December quarter has seen significant traction across the company’s four strategic pillars, with the Company seeing a significant improvement in the pipeline size as well as quality. This has resulted in the company expecting to secure sales of more than \$400,000 for the December quarter.

The USA expansion is bearing fruit with sales already being achieved through the Memorandum of Understanding (“MOU”) with automatic welding and robotics welding provider Key Plant Automation (“Key Plant”) as well as the on the ground sales force. This includes the company’s first sale into the USA Nuclear Decommissioning Sector, which demonstrates the strength of the on the ground sales force partnering with Key Plant’s turnkey solution. The scaling of both sales channels is expected to increase in the coming quarters, with the establishment of the Key Plant demonstration site, on the ground spares parts and technical support, and the ever-expanding pipeline being driven by K-TIG’s USA employees.

KTG has also seen traction in the defence/aerospace strategic pillar, with the company proving the weldability of High Hardness Armoured, HHA, steel using the technology and achieving its first defence sector revenue. The company continues to work with Australian and Global defence industry participants to further increase this market opportunity and expects to make further announcements in this area.

The strategic employment of Zhenyu Fei as the Manager Welding Research & Development will position the company well to bring new and innovative industry solution to market. This will expand the company's offering and allow customers to use the technology on more materials with differing specifications.

K-TIG Managing Director, Mr Adrian Smith said: *"This current quarter has been pleasing with strong sales achieved during the quarter to date. The recent establishment of the USA operations is driving increasing interest in K-TIG technology and customer enquiries which we are confident will result in additional sales over coming months."*

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This announcement was authorised for issue by the Chairman of K-TIG Limited.

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About K-TIG Limited

K-TIG is a transformative, industry disrupting welding technology that seeks to change the economics of fabrication. K-TIG's high speed precision technology welds up to 100 times faster than traditional TIG welding, achieving full penetration in a single pass in materials up to 16mm in thickness and typically operates at twice the speed of plasma welding. K-TIG works across a wide range of applications and is particularly well suited to corrosion resistant materials such as stainless steel, nickel alloys, titanium alloys and most exotic materials. It easily handles longitudinal and circumferential welds on pipes, spooling, vessels, tanks and other materials in a single pass. Originally developed by the CSIRO, K-TIG owns all rights, title and interest in and to the proprietary and patented technology and has been awarded Australian Industrial Product of the Year and the DTC Defence Industry Award.

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of K-TIG Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.