

ASX Announcement | 19 February 2021

K-TIG set to enter the global carbon steel market significantly growing its addressable market

K-TIG Limited successfully welds high strength carbon steel

Highlights:

- K-TIG is set to enter the \$USD 800 billion global carbon steel market and has identified the carbon steel vessel market \$USD 43 billion and the carbon pipe market \$USD 60 billion as its natural entry points to the market.
- K-TIG successfully develops welding procedures for A516 Grade 70 Carbon Steel - one of the world's most in-demand high strength, low alloy materials.
- K-TIG will now accelerate efforts to develop welding procedures for more types of carbon steel.

K-TIG Limited (ASX: KTG) ("K-TIG" or the "Company"), has announced it has successfully developed welding procedures for A516 Grade 70 Carbon Steel - a high strength, low alloy steel plate used globally to make critical components for heavy industries.

K-TIG's advanced keyhole welding technology was adapted for single pass butt welding and multi pass welding using A516 material, with the successful results independently verified and certified to globally recognized American Society of Mechanical Engineers (ASME) standards.

"A516 is one of the most commonly used carbon steels globally and particularly in the USA. Demonstration of K-TIG achieving ASME Code certified welds is an exciting milestone that further expands the market opportunity for our technology," said K-TIG Managing Director Adrian Smith.

This certification opens up the opportunity for K-TIG to tap into the global market for carbon steel, which is eight times the size of the stainless steel market and was valued at USD 887.7 billion in 2019, and anticipated to have a CAGR of 3.4% from 2020 to 2027. The Company has identified the carbon steel pipe and vessel market as its entry point (\$USD 60 billion and \$USD 43 billion respectively).

With procedures now proved for welding A516 Grade 70 Carbon Steel, K-TIG's program to develop certified welding procedures for other carbon steels will be accelerated, drawing upon the experiences learnt from developing the A516 procedures.

"This independently verified A516 steel result proves that K-TIG technology can be successfully used to weld the many other carbon steels with similar chemistry that are prevalent in industry," said K-TIG Manager of Welding Research and Development Dr. Zhenyu Fei.

A516 Grade 70 Carbon Steel is widely used in heavy industries such as petroleum, chemical and nuclear energy to make heavy duty components such as gas tanks, nuclear pressure shells and turbine volutes.

K-TIG's test welds for this crucial steel were independently certified by Bureau Veritas against the ASME Section IX code and passed successfully, with procedures developed for 6mm, 10mm and 12mm A516Gr.70 Carbon Steel plates.

The successful tests are another crucial step forward for the commercialization of K-TIG's advanced keyhole welding technology, with the company also recently signing a distribution agreement with US-based automatic welding and robotics provider Key Plant Automation, and making its first sale into the US nuclear decommissioning sector.

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This announcement was authorised for issue by the Board 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.