



# K-TIG LIMITED

Investor Presentation | September 2021

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# K-TIG | TECHNOLOGY

- A **transformative**, industry-disrupting welding technology that changes the economics of fabrication.
- Performs a conventional **multi-hour** multi-pass TIG weld into a **3 minute** single pass weld.
- Reduces fabrication costs by up to **80-95%**.
- Welds to the highest-grade welding quality.
- **Proprietary technology** meets all relevant US, European and Australasian welding standards and certified by Lloyds and Bureau Veritas.



WINNER  
Defence  
Industry  
Innovator  
Award



# COMMERCIALLY PROVEN | GLOBAL CLIENTS

Changing the economics of fabrication  
for the world's most productive fabricators



**SIEMENS**



**Aqseptence  
Group**



NUCLEAR AMRC

**CORE PIPE**



**JOHN ZINK  
HAMWORTHY**



**PRIMUS  
PIPE & TUBE**



**BILFINGER**

**DARCHEM  
ENGINEERING**



**CHROMALOX**

**FELKER  
BROS. CORP.**

**PREMIER  
Technology, Inc.**

**FELDMEIER  
EQUIPMENT, INC.**

**IMI  
JAIME  
INDUSTRIAS METALURGICAS**

**NORTHERN  
MANUFACTURING CO.**



**R-V  
INDUSTRIES  
INC.**

**Gammon**

**AXIOM  
PRECISION MANUFACTURING**

**ROSEN  
MANUFACTURING, INC.**



**DONCASTERS**

**Esterline**



TA CHEN  
INTERNATIONAL, INC.



**SHARPSVILLE  
CONTAINER**

**PAGET  
EQUIPMENT CO.**

**AMHERST STAINLESS FABRICATION**



**MJ&H  
FABRICATION**



**DMTC** DEFENCE MATERIALS  
TECHNOLOGY CENTRE

**RUTEK<sup>AS</sup>**  
PERFECTION IN STAINLESS STEEL



**MAPNA GROUP**

**METRO  
ENGINEERING**



JBM INOXIDABLES

**Callidus  
GROUP**

**TW  
ENGINEERING**

**SAMUEL<sup>1955</sup>**  
PRESSURE VESSEL GROUP

**TITAN  
METAL FABRICATORS**

**HIGH  
EN  
STANDARD  
COMPANY**

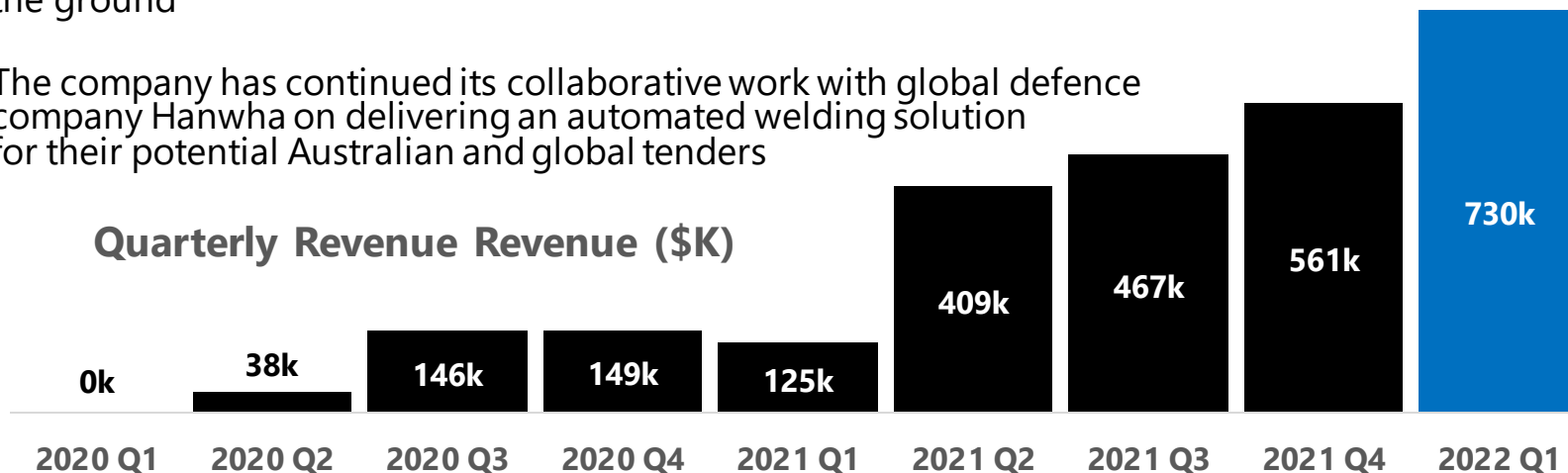


**PONTICELL<sup>1955</sup>**

# BUSINESS UPDATE | QUARTER TO DATE

## Key Achievements

- K-TIG is expected to delivery record quarterly revenues of \$700,000+, which is on the top end of guidance. This quarter-on-quarter growth is expected to continue into future quarters
- The company in the quarter has significantly increased its capacity to execute with the employment of 5 strategic hires across USA, UK, and Australia taking its total FTE count to 21
- K-TIG has accelerated its UK Nuclear decommissioning strategy and gained significant market traction, with execution of the UK Nuclear AMRC MOU
- On the back of successfully building out the USA infrastructure and accelerating its pipeline and sales, the company has expanded is sales strategy into the UK and employed boots on the ground
- The company has continued its collaborative work with global defence company Hanwha on delivering an automated welding solution for their potential Australian and global tenders



# STRATEGIC PRIORITY 1

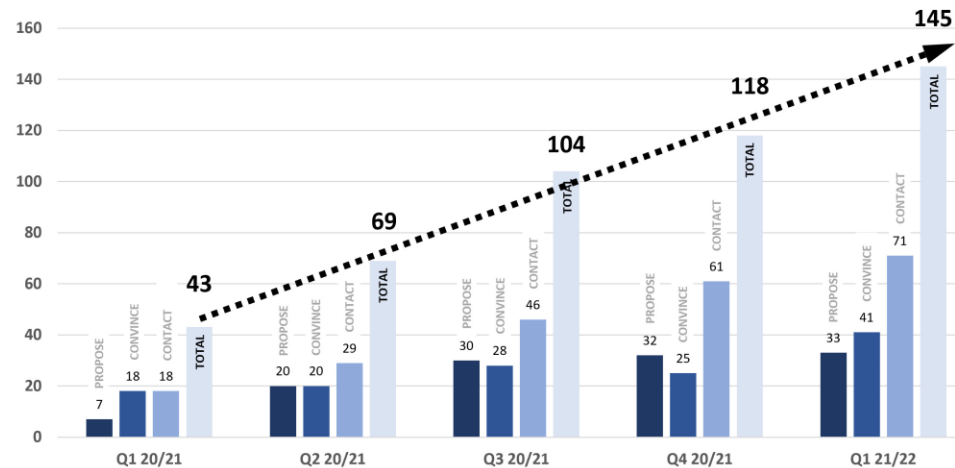
## CUSTOMER ACCELERATION AND GLOBAL SALES EXPANSION

### K-TIG in the quarter has

- ✓ Delivered record quarterly sales of \$700,000+, with expectations of delivering quarter on quarter growth into the USD 93 billion welding equipment sales market
- ✓ The record sales has been delivered on the back of the infrastructure developed in the USA, which includes on the ground sales force, demonstration sites, distribution agreements, and in country dispatch & servicing. This is now being replicated and rolled out in the UK

**K-TIG DEALS IN PIPELINE BY QUARTER**

12 months change in pipeline - **148% increase**



# STRATEGIC PRIORITY 2

## NUCLEAR DECOMMISSIONING – GO TO MARKET

### K-TIG accelerates its Nuclear Decommissioning strategy with:

- ✓ The appointment of Ben Hall as the General Manager UK & Europe. Ben's role is focused on closing the UK Nuclear opportunities and establishing our local footprint and distribution partners.
- ✓ Working collaboratively with the Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC) to develop the next generation of automated welding cells for the UK sector
- ✓ The company has also earmarked, with the UK Nuclear AMRC, that it intends to deploy the technology in its own right as a cornerstone of its involvement in the sector. This will assist with the company and UK Nuclear AMRC to further develop the technology and potentially reduce costs.
- ✓ The company is also working with the incumbent sector players on near term opportunities for the fabrication of nuclear waste containers

# STRATEGIC PRIORITY 2

## NUCLEAR DECOMMISSIONING – UK MARKET

### UK Nuclear Decommissioning Plan

The UK has 17 Nuclear sites already permanently shut to be decommissioned. The K-TIG technology has already been utilised on the Sellafield site to build high-grade stainless-steel containers.

Tranche 1	<ul style="list-style-type: none"><li>• Tranche 1 of up to 2200 boxes, with first phases being awarded in May 2015 as beta/pilot (200 boxes)</li><li>• 2000 boxes in steady state production (phase 2, contingent upon phase 1 performance)</li><li>• Currently there is two companies delivering boxes of which one is already using the K-TIG technology</li><li>• Total tranche value is anticipated to be up to GBP £200M<sup>1</sup> and concluding in March 2028</li><li>• K-TIG is working with sector participants on the delivery of this tranche</li></ul>
Tranche 2	<ul style="list-style-type: none"><li>• Between 14,300 &amp; 17,300 boxes to be procured</li><li>• RFQ currently scheduled for April 2023</li><li>• Contract commencement in August 2025, concluding in June 2032</li><li>• Contract value anticipated as up to GBP £1.5Bn<sup>1</sup></li><li>• K-TIG will work with the UK Nuclear AMRC and other participants to provide turnkey automated welding solutions for this tranche</li><li>• K-TIG is aiming to deploy the technology in its own right on a portion of these contracts</li></ul>
Tranche 3	<ul style="list-style-type: none"><li>• Based on ongoing dialogue, 50,000 boxes anticipated to be tendered in 2028</li><li>• GBP £5Bn<sup>1</sup> of contract value anticipated to be delivered by 2058</li></ul>

<sup>1</sup>actual contract values unpublished, based upon industry intelligence of box price circa GBP £100,000



# STRATEGIC PRIORITY 2

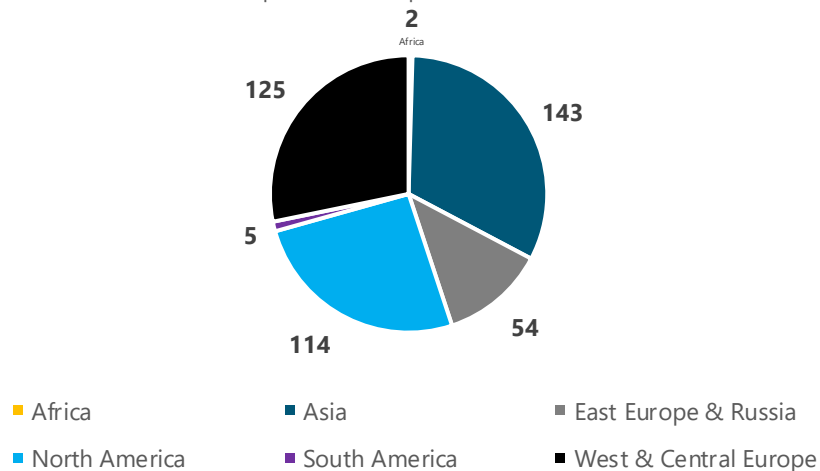
## NUCLEAR DECOMMISSIONING – GLOBAL MARKET

According to the International Atomic Energy Agency (IAEA) there are currently 444 operating reactors across the globe.

The IAEA lists 194 reactors across the globe as permanently shut down and 144 currently in a formal stage of the decommissioning process. The agency also states 25% of existing nuclear capacity in advanced economies is expected to be shut down by 2025.

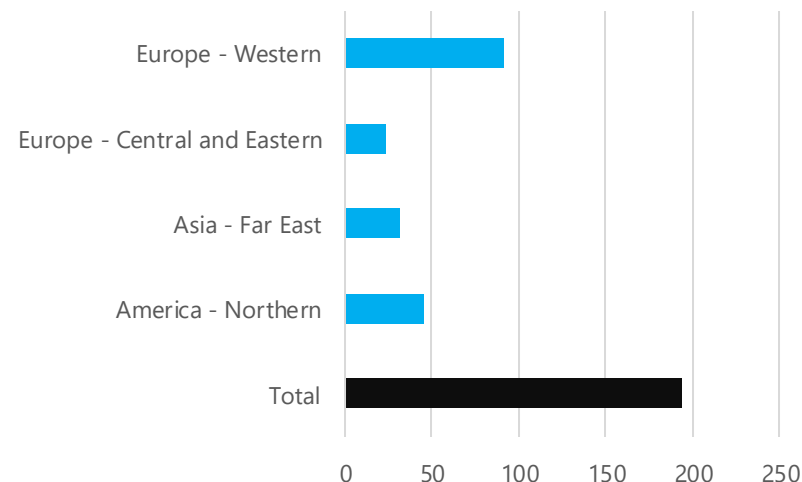
### Nuclear reactors by region

\*World nuclear performance report 2021 based on 443 reactors



### Permanent shutdown reactors

\*IAEA correct as at 21 Sep 21



# STRATEGIC PRIORITY 3

## DEFENCE APPLICATIONS

### K-TIG's technology advantages in the defence sector include:

- ✓ Low energy inputs and reduced passes, which means less macro and micro distortion of the base metals i.e., less warping and degradation of the original steel's mechanical properties
  - harder welds in armour plate
  - tolerance maintenance with reduced thickness, which equals less weight
- ✓ The system is designed to be highly automated, which is inline with global defense trends away from manual welding and in particular the USA's target of >70% of the Next Generation Fighting Vehicle<sup>2</sup> program heavy welds to be constructed via automated welding
- ✓ The K-TIG system captures weld data 50 times per second, which results in better quality controls and assurance for the end product

<sup>2</sup> *Army introduces weld automation for next generation combat vehicles | Article | The United States Army*

# STRATEGIC PRIORITY 3

## DEFENCE STRATEGY – GO TO MARKET

### K-TIG's technology continues to develop its defence market activities:

- ✓ K-TIG continues its collaborative work with its two current MOU partners Axiom Precision Engineering and Hanwha to deliver unique automated welding solutions as previously outlined to the market.
- ✓ K-TIG is in continuing its engagement with the maritime defence sector and its conversations with associated global defence primes.
- ✓ The company is expanding its capability with the strategic hire of a defence focused business development manager and is set to benefit from this in the near term

Armored Steel Projects	Land 400, Land 8116
Low Distortion Welding	SEA 1000, SEA 5000

# STRATEGIC PRIORITY 4

## RESEARCH AND DEVELOPMENT

### K-TIG's will maintain technology leadership through:

- ✓ Proven application in more metals through ongoing expansion of the range of independently verified keyhole welding parameters developed
- ✓ Development of Evolve 3 Controller to support optional advanced functionality that allows market segmentation and recurrent license revenue
- ✓ Development of additional value adding functionality such as weld inspection, automated seam tracking, robotic interfaces, multi-torch application, etc.
- ✓ Development and sale of turnkey welding cells integrating K-TIG Systems with appropriate automation and weld procedure IP to provide further value and reduce customer risk



# CORPORATE OVERVIEW

## Capital Structure

Share Price (16-Sep-21)	A\$0.39
Market Cap (16-Sep-21)	A\$65.95m
Shares On Issue	169.11m
Cash (30-Jun-21)	A\$5.06m
Debt (30-Jun-21)	-
Enterprise Value	A\$60.89m

## Share Ownership Summary

Name	Shares	% of Shares
ADVANCED SCIENCE & INNOVATION	19,717,068.0	11.2%
HSBC CUSTODYNOMINEES	18,870,977.0	10.7%
NEIL GARRYLE QUESNE	11,962,407.0	6.8%
PARKSIDE FAMILY(SA) PTY LTD	7,523,164.0	4.3%
J P MORGAN NOMINEESAUSTRALIA	5,767,676.0	3.3%
KAREN CHRISTINE JARVIS	3,412,807.0	1.9%
SRG PARTNERSPTYLTD	2,769,770.0	1.6%
SYED BASAR SHUEB	2,708,155.0	1.5%
MR RICHARD SMITH	2,650,000.0	1.5%
HSBC CUSTODYNOMINEES	2,365,621.0	1.3%

## Trading History – Since Listing



## Management Overview

Stuart Carmichael	Non-executive Chairman
Syed Basar Shueb	Non-executive Director
Anthony McIntosh	Non-executive Director
Mark Twycross	Non-executive Director
Adrian Smith	Managing Director
Stephen Unerkov	Chief Financial Officer
Brett Tucker	Company Secretary
Deborah Ho	Company Secretary



**For more information please contact:**

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