

K-TIG to establish R&D facility within BAE Systems Australia's Factory of the Future

Highlights

- K-TIG, a technology company deploying a fully commercialised, industry disruptive high-speed welding technology company to establish a Research and Development facility within BAE Systems Australia's Factory of the Future at the Tonsley Innovation District.
- The R&D facility will be built within the Factory of the Future at the Tonsley Innovation District.
- BAE Systems is a global leader in defence and aerospace.
- K-TIG is aiming to prove its robotic welding technology can expand Australia's shipbuilding capability and has vast industrial applications.

Hi-tech Adelaide based welding manufacturer **K-TIG Limited (ASX: KTG)** ("K-TIG" or the "**Company**"), is pleased to announce that it will build an R&D facility within BAE Systems Australia's Factory of the Future at the Tonsley Innovation District in South Australia where it will demonstrate and further evolve the application of its robotic welding capabilities for shipbuilding and other applications.

The Tonsley Manufacturing Innovation District has been established as a catalyst for the growth of advanced manufacturing and adoption of the Industry 4.0 agenda in South Australia. The Factory of the Future is under development by BAE Systems and Flinders University and will connect businesses and sectors which are of growing importance to the national economy, including the \$90 billion defence shipbuilding industry.

K-TIG Managing Director Adrian Smith said the aim of the R&D project at the Factory of the Future, expected to be completed over the next 24 months was to prove that K-TIG's technology can not only expand Australia's shipbuilding capability but also has vast industrial applications.

"We are the smart welders of the future. Put simply, K-TIG's advanced welding technology means welding is stronger, faster and more cost effective. A traditional multi hour weld can be done in less than four minutes to a higher quality and standard," said Mr Smith.

"We can capture and push data out across every single weld creating a digital footprint across a ship. This makes for high level repeatability and consistency which means ships are built faster and cheaper."

BAE Systems Australia Continuous Naval Shipbuilding Director Sharon Wilson said the project had enormous potential.

"What K-TIG provides has the potential to deliver game-changing technologies to the broader industrial sector, making industry more competitive and this could see flow on benefits for exports," said Ms Wilson.

"BAE Systems is delighted to support local companies with advanced capabilities. Line Zero underpins the philosophy of the Factory of the Future which focuses on industry collaboration and diffusion of Australian innovation in Industry 4.0 technologies."

"Contrary to what most people think, manufacturing in South Australia is alive and well and thriving."

Director of the Australian Industrial Transformation Institute, Professor John Spoehr, said Flinders University welcomes K-TIG as a foundation research partner.

"The Research and Development facility is involving researchers and students by working with them to trial and test their innovative game-changing welding technology at the Factory of the Future facility.

It's enabling SME's and research institutions to bring new and emerging technologies under one roof at Tonsley, fostering opportunities for Australian businesses to join the global supply chain."

"This is ultimately about addressing the dire skills shortage in welding which is a problem in many industries right around the world," said Mr Smith.

"It's also about enhancing our sovereign capabilities so that intellectual property is created here and therefore kept here."

The Company notes that there is no revenue attributable to this initial project and at this stage, the cost of investment by the Company is limited to deployment of a K-TIG system, including appropriate automation, personnel time as well as material and third party verification costs. The significance of this announcement is the intent to demonstrate and further evolve the Company's application of its robotic welding capabilities in the defence shipbuilding industry.

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

For more information, please contact:

Company enquiries

Adrian Smith
K-TIG Limited
P: +61 8 7324 6800

Corporate enquiries

George Rogers
SRG Partners
P: +61 438 815 495

Media enquiries

Michelle Vella
Corporate Conversation
P: +61 402 137 285

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.