

FIRST K-TIG WELDING-AS-A-SERVICE (WaaS) MILESTONE ACHIEVED

Highlights

- **K-TIG signs its first Welding-as-a-Service (WaaS) Partnership Agreement** following K-TIG's successful debut on the ASX.
- **Precision Fabricators** (USA) becomes the first customer globally to adopt K-TIG's new WaaS licence revenue model to access K-TIG's industry-disruptive welding technology.
- Achievement of this **key milestone** provides formal confirmation of the industry's willingness to embrace K-TIG's Welding-as-a-Service model.
- K-TIG is **disrupting global fabrication markets** using its technology and business model.
- K-TIG is providing its technology to customers via long-term licences, in which K-TIG customers pay a **licence fee based on the actual linear metres welded** by the customer.
- This **first customer adoption of the WaaS revenue model** is one of several that K-TIG intends to pursue during the next 12 months, which will allow K-TIG to collaborate intensively with these initial customers to fine-tune its cloud-based service delivery systems, before beginning to execute at scale.

K-TIG Limited (ASX: KTG) ("K-TIG" or the "Company"), a technology company commercialising an industry-disruptive high-speed welding technology is delighted to announce that **Precision Fabricators**, a world-leading manufacturer of vessels to the semiconductor, pharmaceutical and chemical industries headquartered in Massachusetts, USA becomes the first customer globally to adopt K-TIG's new WaaS licence revenue model.

As set out in section 3.5 and 3.6 of the Company's Prospectus this is one of several planned licence opportunities which K-TIG intends to pursue during the next 12 months, which will allow K-TIG to collaborate intensively with these customers to fine-tune its cloud-based service delivery systems, before beginning to execute at scale.

These initial WaaS licence revenue adoptions will provide extensive and valuable feedback on all aspects of K-TIG's WaaS business model and participate in case studies. This feedback



will be used to fine-tune all aspects of the Company's product, software, cloud-based delivery, service offering, automated software/functionality updates, optimisation of its global monitoring and support capabilities and to assess new services identified by these customers. This feedback is not focussed on validating the underlying welding technology – the efficacy and commercial impact of the technology has already been thoroughly proven in production.

Precision Fabricators is an internationally recognised fabricator which has built a worldwide fleet of over 35,000 cylinders and vessels for its customers globally.

Precision Fabricators will utilise K-TIG's welding technology to dramatically increase its output of stainless steel cylinders/vessels for chemical storage. The vessels range from 3mm to 6mm in thickness.

Under the terms of the K-TIG WaaS Partnership, Precision Fabricators will pay a licence fee based on the actual linear metres welded. Importantly, they will also provide valuable feedback on the operation of the WaaS Partnership and cloud-based systems, assist K-TIG in fine-tuning the delivery of its services and provide a case study on the outcomes and performance of the K-TIG WaaS Partnership.

Achievement of this key milestone, while in isolation is not material in revenue terms, provides formal confirmation of the industry's willingness to embrace K-TIG's Welding-as-a-Service model and demonstrates K-TIG's commitment to rapidly delivering on its growth strategy.

David Diamond, CEO of Precision Fabricators comments:

"Precision and K-TIG clearly have a common view that great value can be created through long-term collaboration. We're delighted to be working with K-TIG as a long-term partner, not simply as an equipment vendor. Our plan is to grow our business and output aggressively through the new capabilities we will have."

David Williams, CEO of K-TIG comments:

"Securing the Company's first WaaS Partnership with Precision Fabricators represents a milestone achievement for the company and its growth. We look forward to working with Precision Fabricators on this exciting development and to see the benefits grow for us both. We are committed to delivering on our growth strategy of disrupting the fabrication industry on a mass scale with our cutting-edge welding technology and WaaS business model, and this is the first step in achieving this."



Business Model – Welding as a Service (WaaS)

K-TIG's objective is simple – to fundamentally change the economics of its customer's welding and to create the basis for a long term relationship which delivers dramatic and permanent competitive advantage, productivity gains, cost savings and increased margins.

K-TIG customer's routinely achieve productivity gains in excess of 80%.

At the heart of the system is a cloud-enabled multi-processor controller and communications platform which allows K-TIG to deliver its services on a subscription basis.

The systems can be updated remotely, allowing new services and capabilities to be delivered to the entire global installed customer base automatically .

The K-TIG system also provides the platform for the potential delivery of a wide range of additional services in the future.

This is a radical departure from the way in which advanced manufacturing technology is typically provided, and eliminates the greatest barrier to sales when introducing new technology – initial capital cost.

Similar to SaaS (Software-as-a-Service) business models, K-TIG's WaaS (Welding-as-a-Service) eliminates the need for physical distribution of software updates, new functionality and new capabilities.

The cloud enablement of the technology allows K-TIG to continuously support its customers by storing their welding data, providing updates to software and firmware in the background, and uploading new weld routines that customers may require.

The licence fee will adjust automatically in line with actual production and utilisation.

Both the customer and the K-TIG team will be provided with the ability to monitor each weld performed with extensive quality assurance reporting on a wide range of critical variables including travel speed, current, voltage and heat input.

The system is equipped to record and monitor all activities, providing a complete support ecosystem for customers, and a transparent reporting environment for licensing arrangements.

--ENDS--

For more information, please contact:

Company enquiries

David Williams
K-TIG Limited
P: +61 8 7324 6800

Investor Relations

Hannah Howlett
Media & Capital Partners
P: +61 4 5064 8064
Hannah.howlett@mcpartners.com.au

Media enquiries

Melissa Hamilton
Media & Capital Partners
P: +61 417 750 274
Melissa.hamilton@mcpartners.com.au

About Keyhole 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.