

MARKET UPDATE – COVID 19

Highlights

- No reported incidence of COVID-19 amongst staff
- K-TIG facilities remain operational
- Supply chain not presently affected
- Delivery of K-TIG systems to international clients proceeding on schedule
- The Board has taken prudent action to control expenses with approximately \$750,000 of annualised savings identified including reduction in non-executive director fees, reduction in headcount and staff salaries, reduction in discretionary spend items and deferral of non-essential capex
- KTIG has adequate cash reserves with \$5.1m of cash reported at 31 December 2019

K-TIG Limited (ASX: KTG) (“K-TIG” or the “Company”) a technology company commercialising an industry disruptive high-speed welding technology provides the following update on operations and the impact of COVID-19.

Health precautions

- K-TIG is taking the necessary precautions with staff and suppliers.
- K-TIG staff rotating through the workshop to ensure customer demonstrations and sample preparation continue as normal, while complying with social distancing requirements.
- Customer relationships and sales prospects maintained by electronic and video communications.

Impact on K-TIG

- K-TIG’s cloud based technology platform allows for remote setup, commissioning, training, monitoring and support.
- All business development, sales, demos and customer support activity is continuing without any major interruption, while complying with social distancing requirements.
- K-TIG’s ability to provide its cost and time saving technology without the need for up-front capital investment is expected to be well received during the capital constrained period.
- K-TIG hasn’t seen any deferral of opportunities at this stage but will continue to monitor closely.

Cost saving measures

The Company has implemented a number of cost saving measures across the business to preserve shareholder funds, whilst maintaining positive business progress.

Annualised savings of approximately \$750,000 per annum have been identified and are currently being implemented including 15% reduction in non-executive director fees, reduction in headcount, reduction in staff salaries, reduction in discretionary spend items and deferral of non-essential capex.

Notwithstanding the current market conditions, the Company remains actively engaged with existing and prospective customers with further updates to be provided to the market.

The Company remains well funded with approximately \$5.1m in cash as at 31 December 2019.

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

For more information, please contact:

Company enquiries

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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.