



XTEK LTD
PROTECT AND SUSTAIN



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- XTEK is a leader in homeland security equipment for military, police and commercial sectors
- XTEK provides a wide range of specialised products in the areas of Explosive Ordnance Disposal (EOD), Unmanned Aerial Systems (UAS), forensics, high risk security solutions, weapons and ammunition
- Exclusive agency agreements with leading global security brands, supported by first-class after-sales service, training, support and consultancy covering Australia and, in some cases, New Zealand
- Business model is underpinned by agency sales and recurring maintenance revenue with substantial upside potential from its proprietary XTclave™ and XTatlas™ technologies
- XTEK is leveraged to increasing defence spending, being an Australian Defence Force Recognised Supplier, an approved maintenance facility and a Member of the Defence Industry Security Panel
- Key management and staff have distinguished military and police backgrounds and experience in the Homeland Security market; ensuring expert sales advice, after-sales service, training, support and consultancy for our clients
- Significant milestones expected in the next 9 months

Corporate Overview



ASX Code: XTE

Ordinary Shares	22.6m
Options	0.5m
Market cap (@42 cents)	\$9.5m
Monthly Volume	1.3m
Cash (3 December 2015)	\$0.6m
Debt	\$0.55m

Major Shareholders

UDB Pty Limited	21.3%
Fairlane Management Pty Ltd	9.3%
Mr Berend John Philip Hoff	4.9%
Kentgrove Capital Pty Ltd (1% post cancellation of collateral shares)	4.4%
Allen John Tapp	4.0%

Top 20 shareholders hold 70.2%

Directors & Senior Management

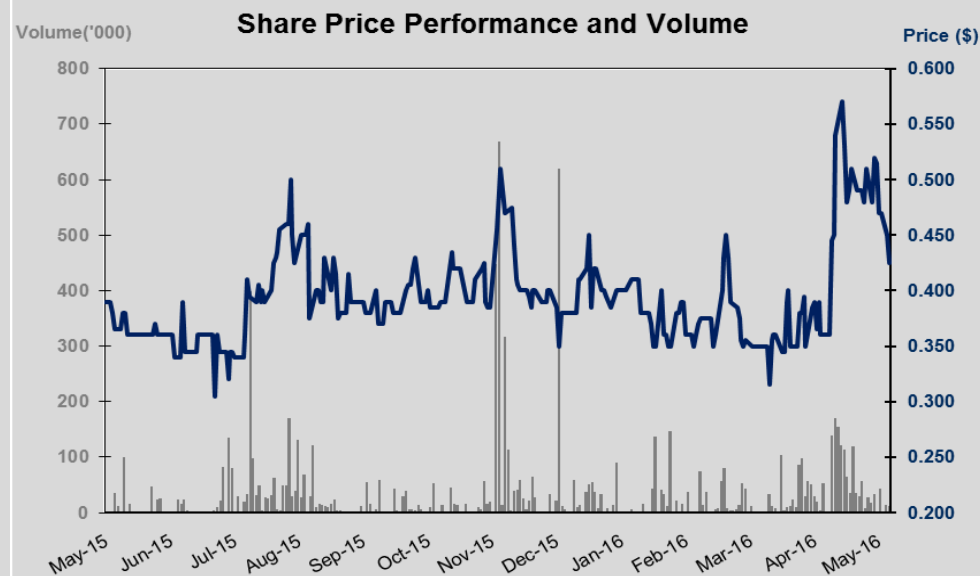
Uwe Boettcher, Non-Executive Chairman

Ivan Slavich, Non-Executive Director

Robert Quodling, Executive Director

Lawrence Gardiner, Exec. Director and Co. Secretary

Brian Malcolm, CEO



Directors and Senior Management



Uwe Boettcher
Non-Executive Chairman

Principal of the law firm, Boettcher Law, formerly a partner at Abbott Tout Lawyers after starting his career at King & Wood Mallesons. Foundation Fellow of the Australian Association of Angel Investors, and a Fellow of the Australian Institute of Banking and Finance. Former Treasurer of the ACT Law Society and a past Chairman of the National Health Sciences Centre Limited and the Australasian Legal Alliance.

Ivan Slavich
Non-Executive Director

Over 25 years of senior management experience in the energy, government, banking and telecommunications. Proven track record as an exceptional leader and motivator in developing and implementing strategic innovations, business process re-engineering and integration, resulting in substantial improvement of business sales and profitability.

Robert Quodling
Executive Director

Experienced leader and motivator of high performance commerce teams in the defence and aerospace sectors at the operational and executive level. Diverse skills in corporate governance, planning, project management, marketing, sales and business development. Held a range of command and operational appointments in the Australian Army between 1975 and 1994. Awarded a Conspicuous Service Medal (CSM) with the Special Air Service Regiment.

Lawrence Gardiner
Exec. Director and Co.
Secretary

Served with the Australian Army and specialised in logistics management and explosive ordnance disposal operations. Also served in senior executive roles with the Australian Federal Police in counter terrorist first response and protective security operations. Director of the International Association of Bomb Technicians and Investigators for over 11 years. Member of the AICD.

Brian Malcolm
Chief Executive Officer

Accomplished Defence specialist who spent over seven of his twenty-one years military service on active operations and was awarded the Queen's Commendation for Valuable Service. Held a diverse range of demanding military appointments across the globe. MA in Defence Studies, graduate of the UK Joint Services Advanced Command and Staff Course and Managing Successful Programs qualified. Member of the Institute of Explosives Engineers and the International Association of Bomb Technicians and Investigators.

David Brooking
Chief Financial Officer

With thirty years experience in the accounting and finance industries, he brings with him a wealth of corporate knowledge across the areas of property development and professional services industries. David is focussed on both the financial results as well as process improvement across his areas of responsibilities.

What we do

XTEK designs, manufactures, sells and supports specialist equipment and machinery to help protect and sustain defence, police, security and other agencies.

XTEK operates three key divisions:

1. Agency Business

Agency agreements with leading global security and defence suppliers

Sales of a wide range of products to defence, police and security services

2. Logistics Engineering

Recurring revenue from ongoing support including maintenance, repairs and engineering modifications for equipment supplied by Agency business

XTEK designs and sells its own range of tactical weapon accessories

3. XTEK Innovations – proprietary technology

XTclave™ - manufacture of superior ballistic protection laminates and lightweight structural composites

XTatlas™ - unique contextual real-time video and mapping solution



XTEK has a wide range of exclusive agency agreements with leading global original equipment manufacturers (OEM) in the security and defence sector

XTEK provides marketing, sales and support for OEM products and services with a focus on:

- **Unmanned Aircraft Systems (UAS)** – Unmanned Aerial Vehicles (UAV), cameras, ground stations and software packages
- **Explosive Ordnance Disposal (EOD)/Improvised Explosive Device Disposal (IEDD)** - bomb disposal and tactical robots, X-Ray equipment and bomb suits
- **Forensics** –forensic consumables, fingerprint and document examination equipment.
- **High Risk Security Solutions** –high-end protection equipment, counter surveillance and intelligence equipment
- **Protective Security** - personal protective equipment (PPE), weapons, ammunition, search and reconnaissance equipment, such as submersible remotely operated vehicles for underwater filming

Agency Product Range

- XTEK is the supplier of a wide range of essential homeland security and defence products from leading manufactures globally



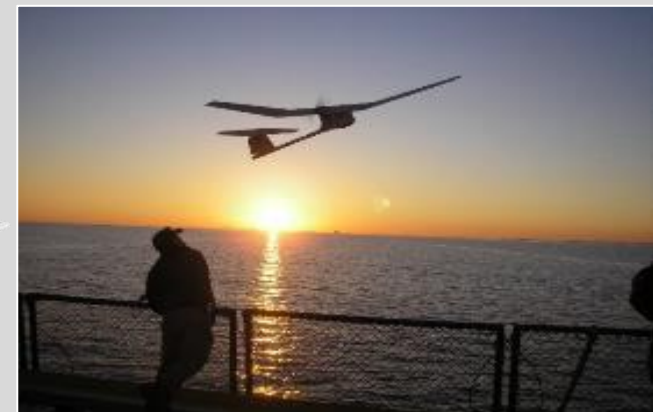
Significant Tenders Won

- ▶ Preferred tenderer for the supply of Small Unmanned Aerial Systems to the Australian Army (ADF Land 129 Phase 4) with initial revenues of up to \$20m expected
- ▶ Supply of ICOR Mk IV Unmanned Ground Vehicles – an industry leading unmanned Explosive Ordnance Disposal (EOD) robot supplied to an Australian Police force
- ▶ Preferred tenderer for supply of other tactical bomb response equipment to a government client
- ▶ Preferred tenderer for supply of other Unmanned Ground Vehicles to a government client
- ▶ Preferred tenderer for the supply of forensics equipment to a government client

Quotes & Tenders Submitted

- ▶ More EOD equipment including Unmanned Ground Vehicles (bomb disposal robots)
- ▶ Blaser Tac 2 Sniper Rifle systems and components manufactured by XTEK used by the Australian Defence Forces and some Police forces.

- AeroVironment is a recognised leader in Unmanned Aerial Systems (UAS) globally
- AeroVironment has supplied 85% of Pentagon UAS fleet, and has delivered more than 24,000 small unmanned aircraft worldwide
- XTEK has the exclusive agency rights for AeroVironment in Australia and New Zealand and sells, supports and maintains AeroVironment UAS for a number of Australian agencies
- XTEK expects significant further acquisitions of UAS by both the Australian military and Law Enforcement agencies





- XTEK is the preferred tenderer for the initial supply and support of a key acquisition by the ADF of Small Unmanned Aerial Systems (SUAS)
- XTEK expects to finalise the initial support contract by Q1 FY17 and the initial acquisition contract by Q2-Q3 FY17 with deliveries from FY17/18
- Indicative revenues of up to \$20m are expected from initial sales and support contracts with potential for further sales
- This contract alone should underpin profitability of XTEK for several years from FY17/18
- The supply quantities, mix of UAS and logistics support requirements are under review and contract negotiations between the ADF and XTEK are under way
- The dates and dollar amounts noted above are indicative only, have not yet been finalised with the ADF and are subject to final Government approval



- XTclave™ is a superior proprietary composite manufacturing process for personal hard armour ballistic protection plates and other complex composite products
- The patented XTclave™ system is a volume manufacturing system that produces lighter, stronger and stiffer composite products
- XTclave™ is ideal for the manufacture of lightweight complex shapes such as:
 - ▶ superior anti-ballistic armour plating
 - ▶ weapon ancillaries components
 - ▶ specialised aerospace, marine and automotive parts
- The US Department of Defense Comparative Testing Office has awarded XTEK a \$1.5m contract to develop advanced lightweight hard armour plate solutions using XTclave™



XTclave™ commercial scale production plant

- The US Department of Defense (DoD) project is expected to conclude in Q1 FY17, and could lead to significant demand in the US for XTclave™ personal ballistic protection plates
- The North American market for personal hard armour protective plates is estimated at US\$2.2bn over 2017-2022
- XTEK intends to build one additional commercial scale XTclave™ plant in 2017
- The commercialisation potential for XTclave™ includes:
 - ▶ pairing with one or more strategic partners for the supply of body armour to the US;
 - ▶ sale or lease of XTclave™ manufacturing plants;
 - ▶ production royalties;
 - ▶ contract manufacture of composite products; and
 - ▶ technology licencing.



**XTclave Personal hard
armour protective
plates**

XTatlas™ – a unique solution

- XTatlas™ introduces a disruptive game changer capability in the UAS market
- The XTatlas™ technology includes an electro-optical aviation payload and associated ground station software that can geo-reference video from the payload onto a background map in the ground station in real time
- Delivers high definition video image in context to a digital map in real-time and mosaic mapping in near real-time
- Drone / UAS video feeds are currently incapable of overlaying a video image in context to a map or of producing accurate mapping on the fly
- Large expensive UAS used by Defence and Government intelligence agencies show video with map coordinates only
- Creation of accurate mapping and overlay images from video is usually a post flight process; and is difficult to generate without survey accurate ground control
- XTatlas™ will create accurate mapping on the fly – Live Mosaic Mapping

Google Maps Image



XTatlas™ Mosaic Mapping

XAtlas™ – Contextual Video

UAS screenshot from video in context on digital maps in real time provides increased context for the operators and first responders – enhancing their awareness, ability to make decisions and take action



A significant global market exists for the XTatlas™ capability on both UAS and piloted aircraft

- Commercialisation has commenced, with global demand identified from UAS operators, defence and other government agencies, including police and emergency services
 - ▶ Phase 1 – (Operational) geo-reference real time video onto a background map in the ground station in real time
 - ▶ Phase 2 – (Development) creation of new mosaic mapping from the video on the fly
- XTEK aims to license the technology with multiple UAS suppliers to integrate XTatlas™ into their systems and also build and sell XTEK XTatlas™ capable UAS
- Technology licences will be achieved initially through existing geospatial and UAS partner distribution networks in Europe and the US



The 2016 Defence White Paper

“The Government will increase the defence budget to two per cent of Australia’s GDP by 2020-21, providing an unprecedented investment in Australia’s defence capability of approximately \$195 billion over ten years.

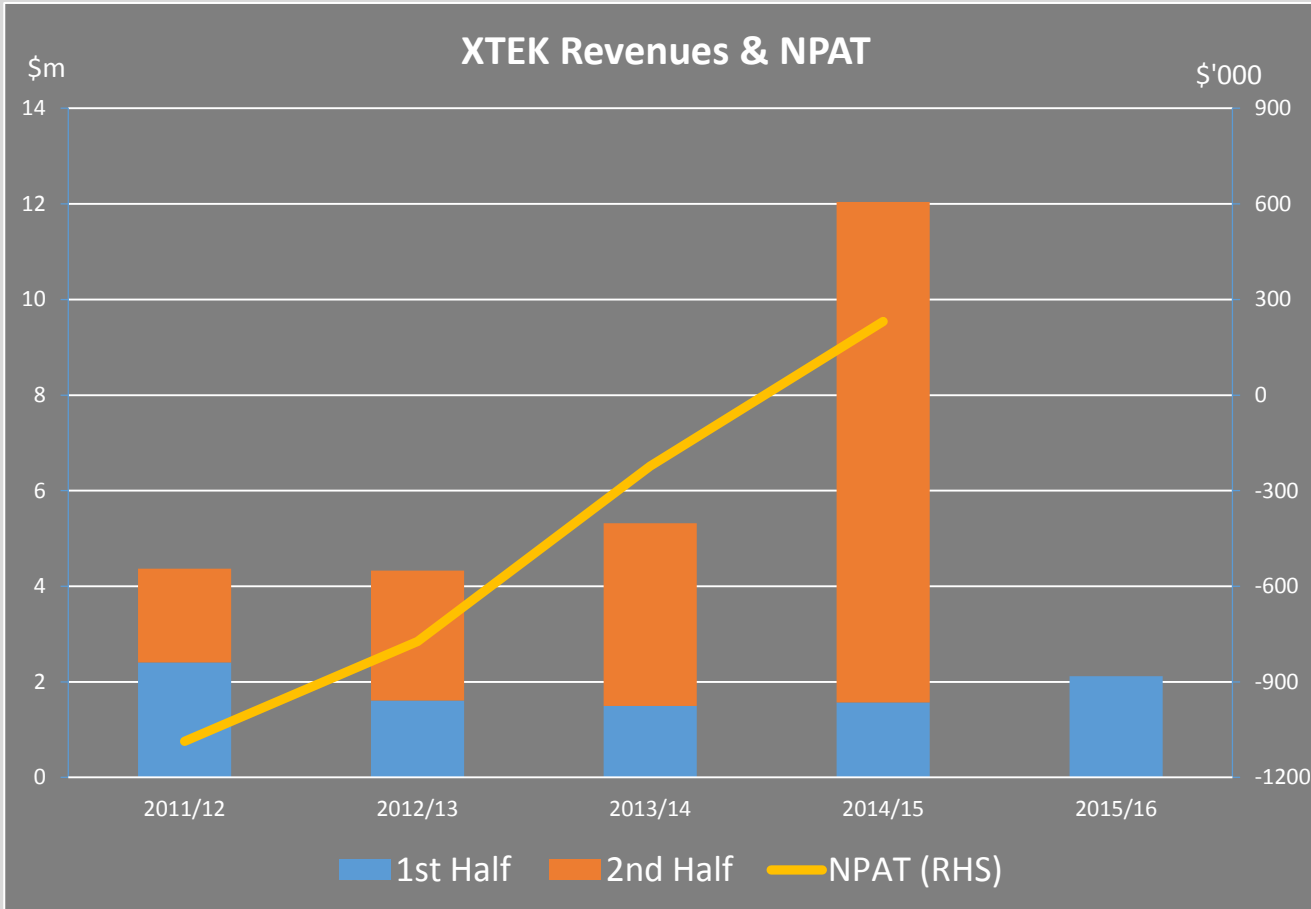
Positive new opportunities for enhanced collaboration and partnering between Defence and Australian defence industry will allow us to harness the leading-edge Australian innovation and technology expertise that can provide unique capability advantages for the Australian Defence Force.” *Marise Payne, Minister for Defence*

2016 Defence Industry Policy Statement

“... For the first time, the Government will formally recognise the vital role of Australian defence industry as a discreet Fundamental Input to Capability. ... reflecting that this requires more than simply purchasing equipment.”

XTEK is in an excellent position to address discreet ADF capability gaps, by providing innovative solutions and through life support of equipment it provides to the ADF

Financial Summary



Notes:

1. A number of Government projects have been pushed into FY17 and FY18 impacting on FY16 revenue.
2. The FY16 H2 result is expected to be similar to FY16 H1, resulting in a significant loss for FY16.
3. A significant improvement in financial results is expected in FY17.
4. Further significant improvement is expected in FY18.

Anticipated Milestones



Q1 FY17	<ul style="list-style-type: none">• Complete US Department of Defense Foreign Comparative Testing (FCT) project for XTclave™• Initial Support contract signed for ADF LAND 129 Phase 4• Australian and European launch of XTatlas™ contextual mapping system
Q3 FY17	<ul style="list-style-type: none">• Acquisition contract signed for ADF LAND129 Phase 4• Acquisition contract signed for supply of tactical bomb response, forensics and Unmanned Ground Vehicle equipment to a government client• Phase 2 of XTatlas™ complete
Q4 FY17	<ul style="list-style-type: none">• Build new commercial scale XTclave™ manufacturing plant• Secure sales of XTEK Blaser Tac2 components to ADF
Q4 FY18	<ul style="list-style-type: none">• Initial supply of UAS to ADF
Q1 FY19	<ul style="list-style-type: none">• Follow on supply of UAS to ADF

- Exclusive Agency business underpins XTEK's income through lifetime support including repairs, maintenance, engineering upgrades and modifications
 - ▶ Leading distributor of key high end defence needs, with strong track record of recent contract wins including the significant recent ADF Land 129 tender win
 - ▶ Leadership position in tactical UAS for defence and civil protection
 - ▶ Proprietary product and system solutions, small arms enhancements, body armour and unmanned aerial systems
- Owner and developer of proprietary technologies targeting major global markets
 - ▶ XTatlas™ providing unique contextual real-time and aerial mapping solutions
 - ▶ XTclave™ a patented process to create industry leading advanced ballistic protection, laminates and lightweight structural composite products
- Experienced management and scientific development team
- Multiple potential company-making catalysts in the next nine months

Further Information



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The following links provide video presentations on XTclave™ and XTatlas™:

<http://www.XTEK.net/investors/xtclave-technology-hydroclave/#.VyGEaIz95D8>

<http://www.XTEK.net/investors/xtatlas/#.VyGFEFZ95D8>