



Annual General Meeting

CEO's Address – Brian Malcolm

21 November 2013

XTEK Limited – Annual General Meeting

Aim

To update XTEK shareholders on Company operational and strategic progress

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Scope

- **Strategic Context**
- **Operational Update**
- **Strategic Scorecard**
- **Conclusion**
- **Questions**

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Strategic Context

EXECUTIVE VISION:

A rejuvenated, dynamic and forward-looking company whose close partnerships with its customers enables it to provide intelligent, cutting-edge and cost-effective solutions in response to their most demanding operational requirements

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Operational Update

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Operational Update

- **Human Resources**
- **New Product Lines**
- **Operational Efficiencies**
- **Enhanced Profile**
- **Diversification**
- **Greater Emphasis on XTEK Intellectual Property (IP)**

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Operational Update

- **Human Resources**
 - **Mr Alan Elliott – EOD Sales Manager**
 - 35 years service with Victorian State Police
 - 22 years EOD and tactical experience
 - Respected throughout Law Enforcement and Defence communities
 - Strong international professional reputation
 - **Mr Scott White – Forensics Sales Manager**
 - 16 years service with NSW State Police
 - Extensive crime scene operational experience
 - Highly regarded throughout forensics community
 - Forensics instructor

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Operational Update

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Operational Update

- **New Product Lines**

- **NeX-Ray X-Ray Systems**
- **Morgan Advanced Ceramics EOD Suit**
- **Blaster One Exploders**
- **ChemImage Explosives Detection**
- **IntegenX DNA Analysis**
- **Centice Drugs Analysis**
- **Spacemetric Geospatial Imagery**
- **ECOTEST Radiation Measurement Instruments**
- **Retrieva Tracking Systems**

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Operational Update

- **Operational Efficiencies**
 - Staff efficiency
 - Support Services review
 - Sporting portfolio subsumed
 - Reduced inventory
 - Improved financial processes

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Operational Update

- **Enhanced Profile**
 - Formal public relations program
 - Focused media campaign
 - Market updates



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Military, Law, Government and
Commercial Clients*



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- Engineering Development
- Integrated Logistics Support
- Registered Training Organisation

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Proudly supporting Police in our region

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| Date | Publication | Headline | Link |
|------------------|-------------------------------------|--|---|
| 14 October 2013 | The Canberra Times (Print & Online) | Body armour supplier hits world target | http://www.canberratimes.com.au/business/body-armour-supplier-hits-world-target-20131014-2vj2z.html |
| 14 October 2013 | The Age | Body armour supplier hits world target | http://www.theage.com.au/business/body-armour-supplier-hits-world-target-20131014-2vj2z.html |
| 14 October 2013 | Brisbane Times | Body armour supplier hits world target | http://www.brisbanetimes.com.au/business/body-armour-supplier-hits-world-target-20131014-2vj2z.html |
| 14 October 2013 | WA Today | Body armour supplier hits world target | http://www.watoday.com.au/business/body-armour-supplier-hits-world-target |
| 14 October 2013 | Defence Network | Body armour supplier hits world target | http://www.defencenetwork.com/body-armour-supplier-hits-world-target |
| 14 October 2013 | Interceder | Body armour supplier hits world target | http://interceder.net/latest_news/xtek |
| 14 October 2013 | World News Network | Body armour supplier hits world target | http://article.wn.com/view/2013/10/14/Body_armour_supplier_hits_world_target/?section=MediumSearch&template=cheetah-worldnews%2Findex.txt#/related_news |
| 14 October | Silo Breaker | Body armour supplier hits world target | http://news.silobreaker.com/body-armour-supplier-hits-world-target-5_2267171845235015698 |
| 24 October 2013 | Australian Defence Magazine | | http://www.australiandefence.com.au/news/win-for-xtek-s-new-hydroclave-in-adelaide |
| 21 November 2013 | AFR (Print & Online) | Bodysuit makes wins big US deal | http://www.afr.com/p/tiny_defence_player_xtek_shoots_NalgM6oPEAEYdQ83qvZT4H |

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Operational Update

- **Diversification**
 - **Emphasis on regional market beyond Australia**
 - **Cutting edge forensics equipment**
 - **Tracking systems**
 - **Mining sector opportunities**
 - **Enhanced UAV capability**
 - **Requirement-led total solutions**

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Operational Update

- **Greater Emphasis on XTEK IP**
 - Secured US DoD Foreign Comparative Testing funding for body armour research (\$1.5m)
 - Developed XTEK Tactical 2 Magazine Assemblies and secured major orders from Defence
 - Developed XTEK Tactical 2 Folding Chassis and secured order to upgrade Defence fleet
 - Developing further specialist weapon ancillaries in response to Defence requirements

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- **Greater Emphasis on XTEK IP**
 - Developing XTEK RPV capabilities
 - Developing specialist EOD equipment to meet anticipated future Defence requirements
 - Completed independent report into XTclave potential
 - Continued international marketing of XTclave capability

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Strategic Scorecard

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Strategic Scorecard

Strategic Aim 1:

- **Stable Sustainable Business**
 - Profitable and growing
 - Transition from agency predominance
 - Right products at right margins
 - No loss-making portfolios
 - Low OPEX
 - Advantageous terms with suppliers
 - Increased capital value and shareholder return

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Strategic Scorecard

Strategic Aim 2:

- **Quality Business**
 - Strong corporate reputation
 - Strong client relationships
 - Dynamic company
 - Quality service provider
 - Effective communication

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Strategic Scorecard

Strategic Aim 3:

- **Innovative and Progressive Business**
 - Understanding of emerging requirements
 - Knowledge of emerging technologies
 - Routine ‘outside box thinking’
 - Increased use and development of Company IP
 - Effective use of contemporary digital marketing

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Strategic Scorecard

Strategic Aim 4:

- **Balanced Business**
 - Less reliance on Australian market
 - Less reliance on Defence market
 - Less reliance on agency business
 - Performance equality across portfolios
 - National and international diversification

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Conclusion

- **Continuing to Drive Forward**
- **Sound Strategic Aims**
- **Dynamism Leading to Enhanced Reputation**
- **Diversification Leading to Corporate Balance**
- **XTEK IP Starting to Generate Income**
- **Well Positioned with Significant Potential**
- **XTEK's Time – Let it Roll**

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Questions