

K-TIG SIGNS EXISTING CUSTOMER TO WaaS LICENSE

Highlights

- K-TIG signs existing customer Primus Pipe and Tube Inc (“Primus”) to a new licence agreement.
- K-TIG secures a 3-year license in the high utilisation pipe and tube market;
- The units are expected to be shipped in March 2020.

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 it has signed a licence agreement under its WAAS (Welding-as-a-Service) business model for multiple K-TIG Welding Systems with Primus Pipe & Tube, Inc. (“Primus”) for its Wildwood facility in Florida, USA.

Primus Pipe and Tube Inc

Primus is an existing customer of K-TIG with a system installed in early 2018 at its facility in Wildwood, Florida, USA.

Primus is a leader in the production of large diameter heavy wall pipes in the US, and has the largest size range, including large-diameter heavy wall stainless steel pipe, of any producer in North America. Their products are used in the most challenging environments, offering a combination of high strength, corrosion resistance, and cost savings for customers in a wide range of industries. Primus offers the broadest range of stainless steel, nickel alloys, duplex and many other exotic alloys.

Primus has been using the K-TIG system since 2018 and has been impressed with the productivity and labour-saving impact of the system. With that experience, Primus is looking to upgrade its existing system and add 3 new systems to build on its high productivity welding capability in stainless steel applications.

All new K-TIG Welding Systems at the Wildwood operation along with the upgrade will be under a K-TIG WaaS licence with a minimum term of 3 years.

Joe Hughes, Vice President of Engineering and CI at Primus comments:

"We know what the K-TIG welding system can do for us with our stainless steel pipe fabrication, so it was an easy decision to expand our K-TIG welding capacity significantly. The ease of operation and speed fits neatly into our "Fast Track" philosophy for our customers. The K-TIG licence model reduces our upfront capital requirements and allows us to truly partner with the technology. K-TIG has always been fantastic to deal with and we are really looking forward to working with the company under this new relationship."

License Agreement Highlights

The Primus license represents a further adoption of the technology by the welded pipe fabrication industry, which is a USD 134 billion market globally.

The high-level terms of the contract are:

- A three-year contract.
- fixed charge per month
- the new units and upgrade are expected to be despatched in March 2020.

Stuart Carmichael, Chairman of K-TIG comments:

"This is an enormous endorsement of the K-TIG technology and the business model. To have the addition of these new units in a leading pipe fabricator such as Primus is fantastic. We are looking forward to working with the Primus team as they seek to get the maximum benefit out of using the K-TIG system."

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

For more information, please contact:

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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.