

K-TIG partner Axiom secures federal funding to pursue strategically vital defence projects

Operational Highlights

- K-TIG partner Axiom secures AUD\$1M in funding from the Centre for Defence Industry Capability (CDIC) to develop advanced armour and structural welding processes for local defence projects.
- Funding will support the acquisition and deployment of specialist K-TIG welding equipment within Axiom's new secure facility built to "top secret" level for advanced defence manufacturing.
- K-TIG will work with Axiom and Bisalloy Steel to develop sovereign defence manufacturing capability for Australia with international export potential.

K-TIG Limited (ASX: KTG) ("K-TIG" or the "Company"), has announced its defence industry partner Axiom Precision Manufacturing has secured AUD\$1M in funding from the Australian government to fast track the deployment of advanced welding technology to the nation's multi-billion dollar defence industry.

The Sovereign Industrial Capability Priority Grant from the Centre for Defence Industry Capability (CDIC) will prime Axiom Precision Manufacturing - a sub-contractor for the F-35 Joint Strike Fighter - to create plate armour and other structures for Australia's military utilising K-TIG's transformative keyhole welding technology within a specially-built 6,000 square foot secure facility near Adelaide.

"The awarding of this federal government grant is a significant step towards developing the advanced welding capabilities needed in the global defence industry. K-TIG and its partner companies Axiom and Bisalloy Steel will accelerate our joint efforts to establish a world-leading welding process for armour and other advanced products that will develop and retain a vital strategic skillset," said K-TIG Managing Director Adrian Smith.

With funding now in place, K-TIG will supply welding equipment and process protocols to Axiom so keyhole welding techniques can be applied at scale for major local and international defence contracts. K-TIG will retain the technology's Intellectual Property while helping Axiom commission strategically significant manufacturing capabilities.

Once underway, Axiom will apply K-TIG's welding technologies to advanced metals supplied by Bisalloy Steel to initially seek contracts for upcoming defence work, such as making armour for the Australian Army's Land 400 programme of next generation armoured fighting vehicles, whose contracts are worth up to AUD\$15-billion dollars.

Axiom manufactures many components for the Australian Collins Class Submarines, with the company also the sole provider to BAE Systems for the vertical tail components for the US\$1.35 trillion dollar F-35 Strike Fighter multi-nation programme.

Successful completion of contracts related to projects including Land 400 and SEA 1000 could see a pipeline of major contracts develop for Axiom's facility, allowing K-TIG's welding technology to become internationally significant within the defence sector.

"This funding will allow Axiom to accelerate its work with Bisalloy and K-TIG to develop key Australian Industry Sovereign Capability, which will provide significant manufacturing improvements and risk reduction for the through life support of programs vital to Australia's national interest," said Axiom Precision Manufacturing General Manager Craig Maynard.

The grant funding awarded to this programme represents significant investment in Australia's defence, generating highly skilled jobs and supporting apprenticeships so the nation can build its own military capabilities in a time of growing regional and international tension.

"This is an opportunity for K-TIG to demonstrate its revolutionary keyhole welding process on a large scale, delivering strategically vital and technically complex defence projects for Australia while showing the global defence market the speed, strength and efficiency we can deliver to demanding projects," said Mr Smith.

K-TIG's keyhole welding technology will play a crucial role in its work with Axiom and Bisalloy Steel, highlighting the company's growing importance to the future of Australia's defence industry and its emergence into the global defence market.

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

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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.