

A close-up photograph of a KTIG welding torch. The torch is black with silver-colored accents and is emitting a bright blue flame. It is positioned over a dark, curved metal surface, where a bright red laser line is visible. The background is dark with wisps of blue smoke or steam.

# TRANSFORMING FABRICATION



ANNUAL GENERAL MEETING  
26 NOVEMBER 2019  
CEO PRESENTATION

ASX: KTG

This presentation has been prepared by K-TIG Limited (ACN 158 307 549) (“Issuer”) for the sole purpose of providing an overview of its current prospects and proposed development strategy to recipients (“Recipient”).

The presentation is based on information available to the Issuer as at the date of the presentation. The information contained in this presentation has not been verified by the Issuer nor has the Issuer conducted any due diligence in relation to that information. The presentation contains selected information and does not purport to be all inclusive or to contain all information that may be relevant to the Recipient. The Recipient acknowledges that circumstances may change and this presentation may become outdated as a result. The Issuer accepts no obligation to update or correct this presentation.

This document includes forward-looking statements. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Issuer believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of the Issuer, its directors, employees or agents, advisers, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of the Issuer or its directors, employees or agents. Nothing in this Presentation is a promise or representation as to the future. Statements or assumptions in this presentation as to future matters may prove to be incorrect and differences may be material. The Issuer does not make any representation or warranty as to the accuracy of such statements or assumptions.

The information in this presentation does not take into account the investment objectives, financial situation and particular needs of any Recipient. The Recipient should not make an investment decision on the basis of this presentation alone and the Recipient should conduct its own independent investigation and assessment of the content of this presentation. Nothing in this presentation constitutes financial product, investment, legal, tax or other advice. Nothing in this presentation should be construed as a solicitation to buy or sell any security or to engage or refrain from engaging in any dealing in any security.

Photographs, maps, charts, diagrams and schematic drawings appearing in this presentation are owned by and have been prepared by or commissioned by the Issuer, unless otherwise stated. Maps and diagrams used in the presentation are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this presentation. By accepting this presentation the Recipient agrees to be bound by the foregoing statements.

## Corporate Investment Highlights

- 1** **KTIG owns all rights** to industry award-winning proprietary patented welding technology originally developed by the **CSIRO**
- 2** **Thoroughly proven technology, revenue generating,** sales to **20 countries,** customers include General Electric (GE), Siemens & Bilfinger
- 3** **Immediate target industries** estimated to be worth in excess of US\$250 Billion globally
- 4** **Expert leadership team** with proven track record & many years of commercialisation, technology & welding experience.

## Strong Competitive Advantage

- 5** K-TIG is a **technology and business-model leader,** delivering 'Welding-as-a-Service' (**WaaS**) to customers globally
- 6** **Easily scalable business model** based on licencing, with **long-term recurring revenue** linked to customer production & utilisation
- 7** Is up to **100x faster** than conventional welding, **reduces costs by more than 80%.**
- 8** **Cloud-based control platform** allows K-TIG to **deliver services remotely,** monitor, support, control and record operational performance and output



K-TIG Limited (ASX: KTG) is a transformative, industry disruptive welding technology company that is changing the economics of fabrication with its proprietary high-speed precision welding technology.

- The Company listed on the ASX following a merger with Serpentine Technologies that completed on the 30th of September 2019
- Successfully raised \$7 million (before costs) at \$0.20 per share
- David Williams appointed CEO of K-TIG
- The funds raised are being used to support the continued global expansion of K-TIG by **expanding its sales and marketing** effort, purchasing capital equipment to **accelerate R&D developments** and **expedite the Company's commercialisation**

## Use of Funds

Item	\$
Marketing	\$1,500,000
Long Lead Capital Items	\$2,655,000
Research & Development	\$946,000
Working Capital	\$1,206,000
Offer Costs	\$693,000
<b>Gross Proceeds from Capital Raise</b>	<b>\$7,000,000</b>

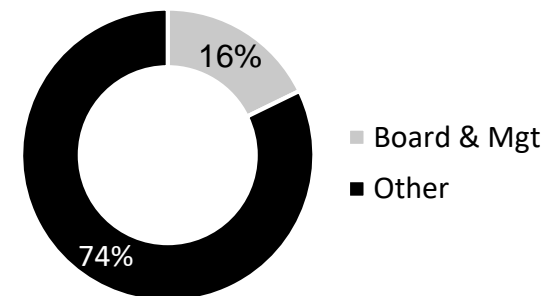
## Capital Structure (as at 22 Nov 2019)

Item	No
Ordinary Shares	144,608,833
Options	7,573,580
Deferred Consideration Shares	30,075,135
Current share price	\$0.315
Market Capitalisation	\$45M

## Top 5 Shareholders (as at 22 Nov 2019)

Shareholder	%
Advanced Science & Innovation Co	13.64%
N Le Quesne	8.27%
Parkside Family SA Pty Ltd	5.20%
CS Third Nominees	3.22%
MD & LA Sharman	2.47%
<b>Top 20 Shareholders own</b>	<b>52.04%</b>

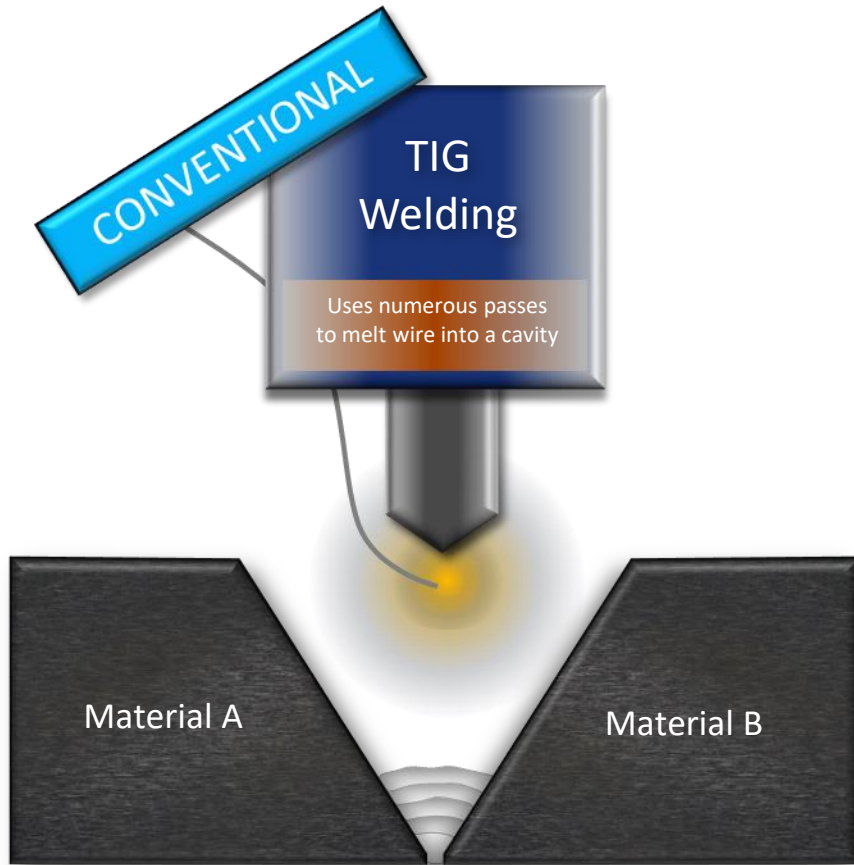
## Split of Board/Management & Other Shareholders



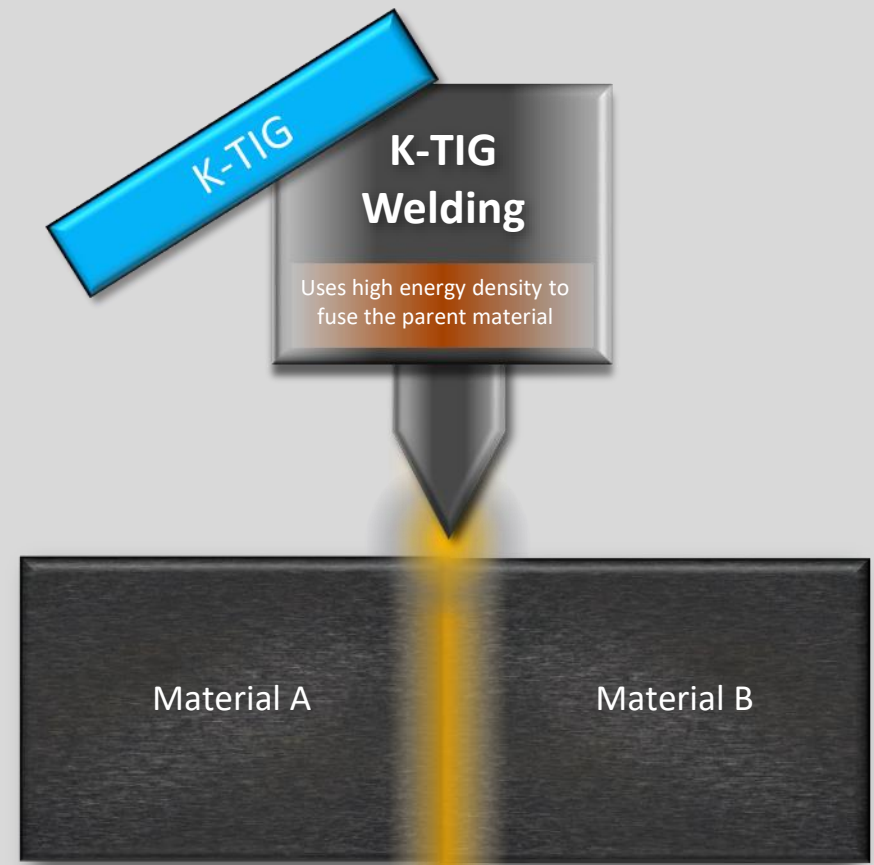
## Commercially proven & globally certified.

- A **transformative**, industry-disrupting welding technology that changes the economics of fabrication.
- Performs a conventional **6 hour** TIG weld in **3 minutes**.
- Reduces fabrication costs by **80% to 95%**.
- Welds to the highest grade welding quality
- **Proprietary technology** meeting all relevant US, European and Australasian welding standards and certified by Lloyds and Bureau Veritas

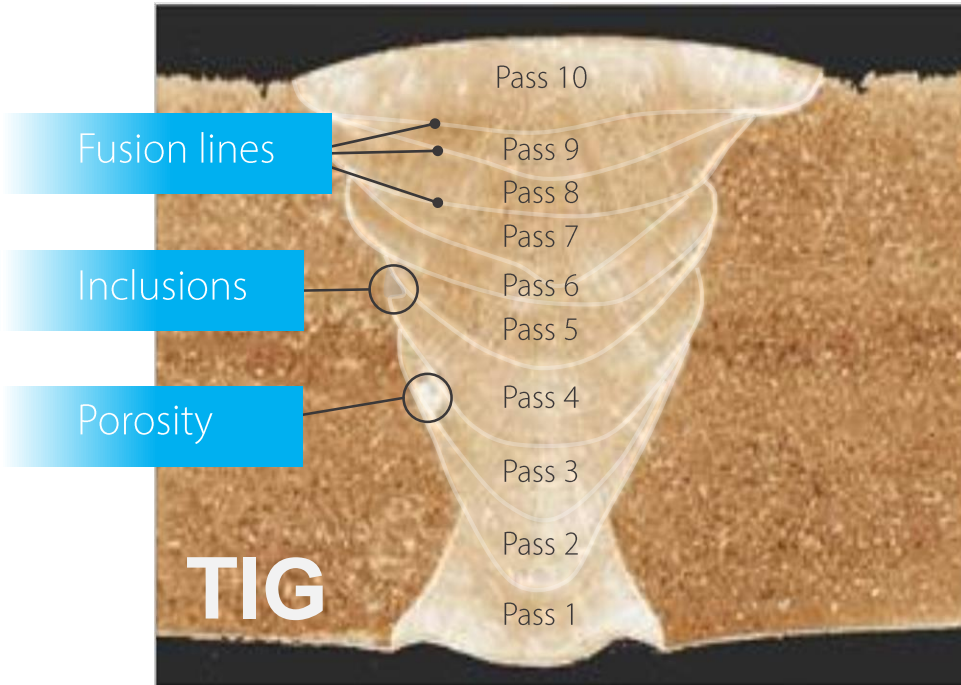




'V' preparation  
Numerous welding passes  
High wire, gas & power consumption  
Slow, labour-intensive, high labour cost



No edge preparation  
Single pass  
Negligible wire, gas & power consumption  
Very fast, no skilled labour required, very low cost



10 passes | 9 fusion lines

High potential for defects | Inclusions, porosity, lack of fusion

Cleaning & grinding required between each pass

Extensive edge preparation ("V-prep") required

Minimal penetration | No parent material

Single pass | No fusion lines

Negligible potential for defects

No cleaning, grinding or back gouging

No edge preparation

100% penetration | 100% parent material

A global footprint with world-leading customers



**SIEMENS**

**CORE PIPE**

**aibel**



**Esterline**  
Darchem Engineering

**DMTC** DEFENCE MATERIALS  
TECHNOLOGY CENTRE



TA CHEN  
INTERNATIONAL, INC



SHARPSVILLE  
CONTAINER



**BILFINGER**



**Callidus**  
GROUP



Fosdalen Industrier

**TITAN**  
METAL FABRICATORS



JBM INOXIDABLES



**Aqseptence**  
Group

**DONCASTERS**



NUCLEAR AMRC



MAPNA GROUP

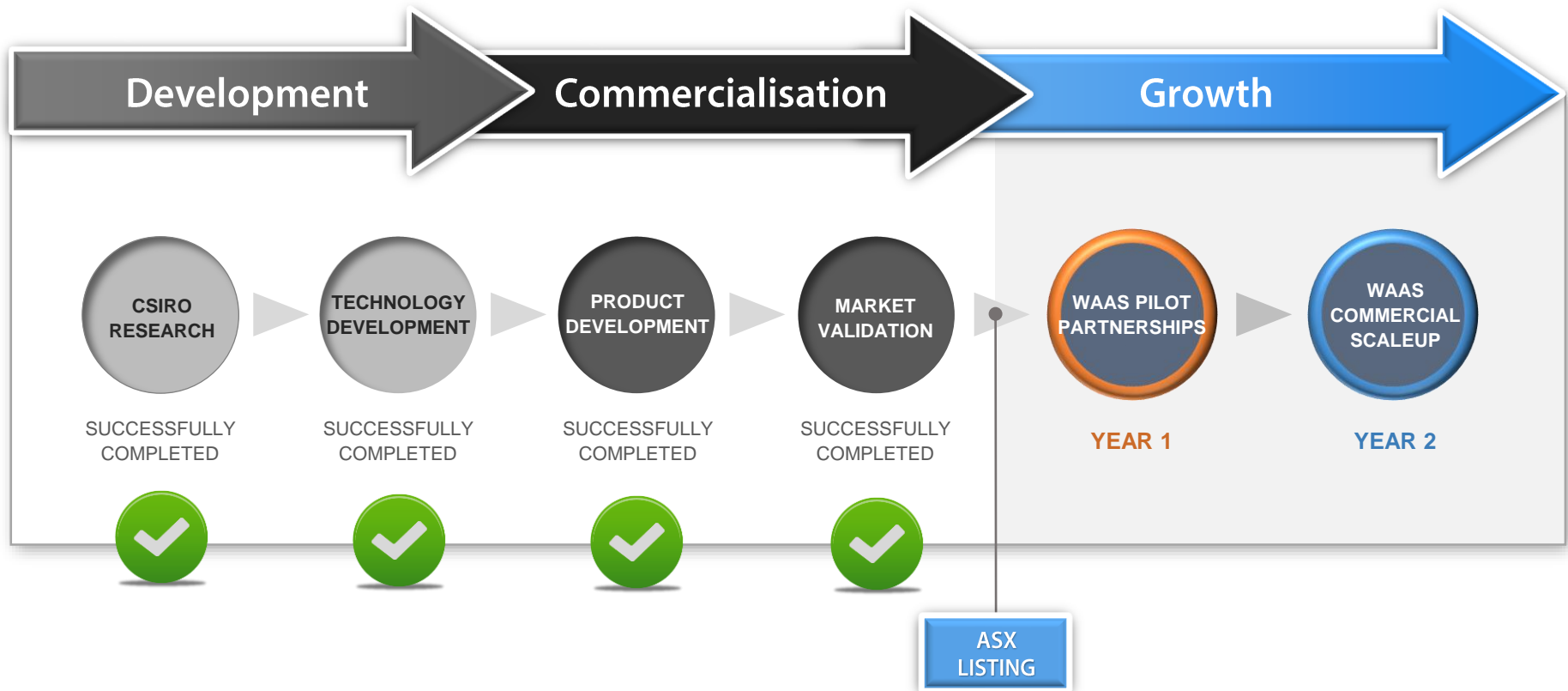


**IMI**  
INDUSTRIAS METALURGICAS



K-TIG has successfully executed its **commercialisation strategy**

K-TIG has now commenced executing its **growth strategy**



1

## WaaS Revenue Generation

- Secure minimum of 40 units under licence in the next 12 months
- Strong focus on long term recurring revenue generation and growth

2

## US Pressure Vessels & Pipes

- Implementation of aggressive revenue growth strategy
- Increase market share
- Establish a presence in the US to drive domestic opportunities

3

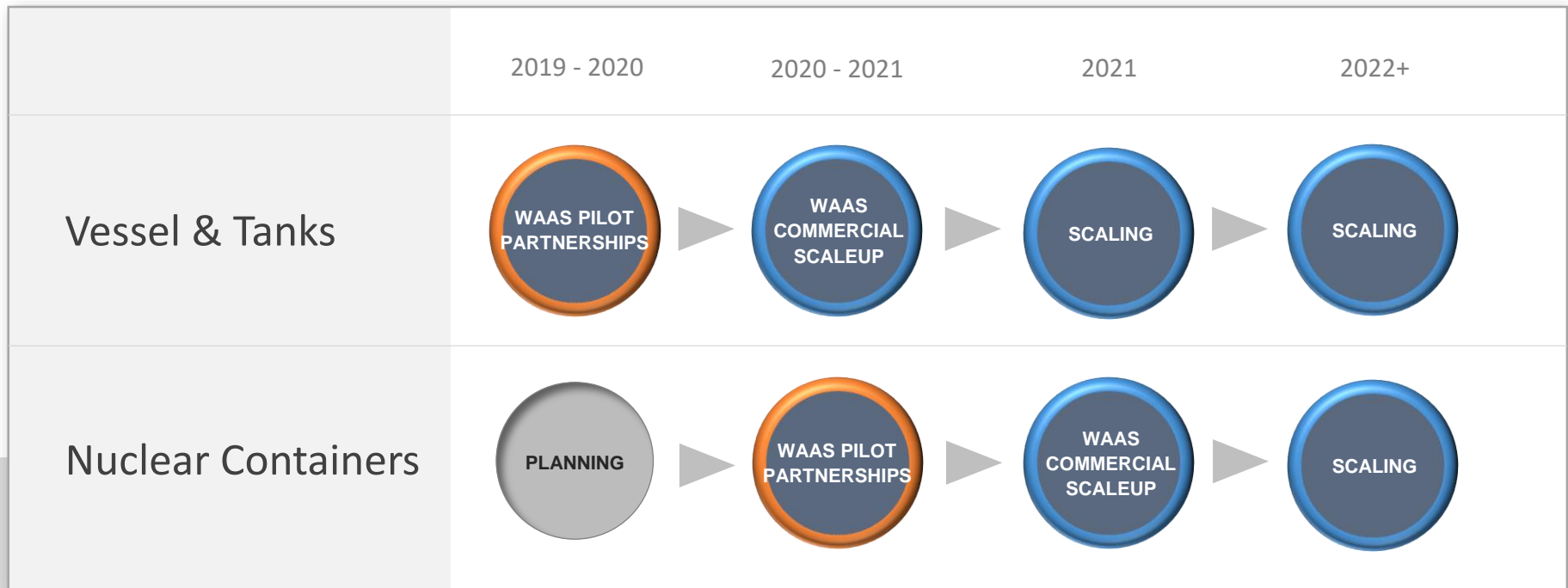
## UK and UK Nuclear

- Accelerate discussions with key UK nuclear industry players
- Investigate strategic structure and investment to provide a platform for growth in the UK market

4

## Research & Development and additional target markets

- Continual improvement of technical capabilities (enhancement & automation)
- Explore expanding technology into other metal
- Focus on upgrades to ensure acceptance into applications in the nuclear industries
- Continue research on applications for use in defence industries



- **K-TIG is ramping up its sales effort focused on its licensing program**
- **Focus** on Vessels & Tanks and UK Nuclear
- **R&D** will be underway continuously and is expected to deliver significant additional value

K-TIG is providing its technology to customers on a subscription basis, in what the company refers to as **WaaS**

- Recurring revenue **engine**
- Service delivery via **cloud-linked controller**
- K-TIG becomes a **long-term partner**
- **Licencing based on linear metres welded**
- **Revenues are now linked to the production of our customers**
- Long-term, **recurring revenue** streams



The cloud enablement of the technology allows K-TIG to continuously **support its customers in real time.**

The systems can be **updated remotely**, allowing new services and capabilities to be delivered to the entire global installed customer base automatically and at minimal cost.

At the heart of the system is a cloud-enabled multi-processor controller and communications platform which allows K-TIG to deliver its services on a **subscription basis**. The **licence fee will adjust automatically in line with actual production and utilisation.**

K-TIG's objective is simple – to fundamentally change the economics of its customer's welding and to create the basis for a **long-term relationship** which delivers dramatic and permanent competitive advantage, productivity gains, cost savings and increased margins.

## Client / Project Summary

- Argentinean water pipeline project awarded to Industrias Metalurgicas Jaime SRL (“Jaime”)
- 15km of stainless-steel pipeline fabricated
- 1300 x 12metre lengths @ 1.6m diameter, 9mm thick
- Initially expected project duration 720 days
- 5 x K-TIG welding systems used
- Pipeline delivered 550 days ahead of schedule

**PIPELINE DELIVERED 550 DAYS AHEAD OF SCHEDULE**

**Stainless Steel Pipeline Secures San Juan Water Supply**

The population of San Juan in west-central Argentina is currently estimated at 680,000. However, this is expected to grow to over one million in less than 10 years. One of the key concerns of the Argentinean Government is ensuring drinking water supply for this increased population. As such, the Argentinean Government has commenced work on the Acueducto Gran San Juan. This \$50m USD 170 million pipeline will reinforce existing drinking water supply to San Juan and surrounding areas, and expand the supply of drinking water to localities that are currently without water, including some areas of Zonda and Rivadavia.

**About Acueducto Gran San Juan**  
The Acueducto Gran San Juan consists of the installation of a new drinking water supply to transport water from south coastal Argentina 200km inland to the city of San Juan to complement the existing water system. The new system will involve construction of a water treatment plant to ensure the water is fit for human consumption. This plant will be located in the Andes mountains, at 1,200 metres above sea level.

The system will also include the construction and installation of stainless steel and High Density Polyethylene (HDPE) pipelines. These pipelines will meet the volume of water being transported from 1,500 per second to 3,000 per second.

Of the 150km of pipeline, 150m will be fabricated in stainless steel that is 1,600mm in diameter and from thick, 9mm stainless steel tubes. The 150m stainless steel pipeline represents a substantial part of the project's total investment. It is being undertaken by Industrias Metalurgicas Jaime SRL, who has the most over 4,000 tons of stainless steel to fabricate the pipeline.

Advanced technology, because of the magnitude of the project and the long distances for the supply of San Juan and Argentina—there is no other option in Argentina, or even South America with the same characteristics. They also wanted to reduce costs whilst still achieving the best possible quality,” said Gonzalez.

“Two years ago, the best welding method we had for this project was submerged arc welding. It seemed that this would be the best welding process to use. But, after some research on new welding technology found K-TIG. This was a real turning point. The more I studied K-TIG, the more I wanted to know.”

“K-TIG appeared to be an almost magical solution that would help us achieve all our goals in record time and at the lowest cost possible.”

“Before we started the project, Industrias Metalurgicas Jaime SRL, there is no welding method available in the market. They wanted to use the K-TIG and Acueducto Gran Tulum According to Gustavo Gonzalez, one of the owners of Industrias Metalurgicas Jaime SRL, equipment for use in project commencement.

The project is being partly funded by the Inicial Fund for Public Economic Development (FIDE) of the Argentine Government (US\$170 million).

**K-TIG and Acueducto Gran Tulum**  
According to Gustavo Gonzalez, one of the owners of Industrias Metalurgicas Jaime SRL, equipment for use in project commencement.

“The fabrication of the pipeline began four months ago. I am pleased to report that what we had heard about the speed, productivity and quality of K-TIG welding is true. K-TIG delivers very clean and accurate weld seams and perfect roots. There is no need for preparation needed in a complete 360° radius of the pipe work and the material required and a 60% reduction of the consumables. We would have prepared and any other process. The productivity that is offering us in this project is remarkable. It is at the highest level.”

“The productivity of the K-TIG process is allowing us to fabricate an average of eight stainless steel tubes per day. Each of these tubes is 12m long, 1.6m in diameter and 9mm thick. The frequency at which we had expected to complete the fabrication of 1,500 12m tubes in 720 days (which we are contracted to this timeframe). The use of K-TIG has accelerated the execution of the project, we will complete the fabrication in 160 days, which is a fantastic result for us, the Government and the people of San Juan,” said Gonzalez.

“For more information, visit [www.ktig.com](http://www.ktig.com)”

## Revenue model comparison

### Unit sales model

- K-TIG received a one-off fee for the sale of 5 K-TIG welding systems to Jaime
- K-TIG received fees in excess of AU\$500,000

VS

### WaaS model

- WaaS model would have provided a long-term recurring revenue stream
- Upfront fee + minimum monthly charge + revenue per metre welded on each system
- Like for like revenue for this project under WaaS model when compared to unit sales revenue
- Potential financial upside on subsequent projects completed with ongoing WaaS revenue model
- Full ownership transfer of welding system to Jaime
- Other than one-off fee at commencement of project, no further payments received
- K-TIG did not benefit in any early completion milestones

## K-TIG intends to disrupt multi-billion dollar fabrication markets

- Vessels & Tanks
- Piping
- Nuclear Storage Containers

## K-TIG is approved for use in these industries

- Highly experienced in these applications
- K-TIG is approved for use and meets required standards
- K-TIG is being used in production today for all three applications – including nuclear



SHORT TERM



SHORT TERM



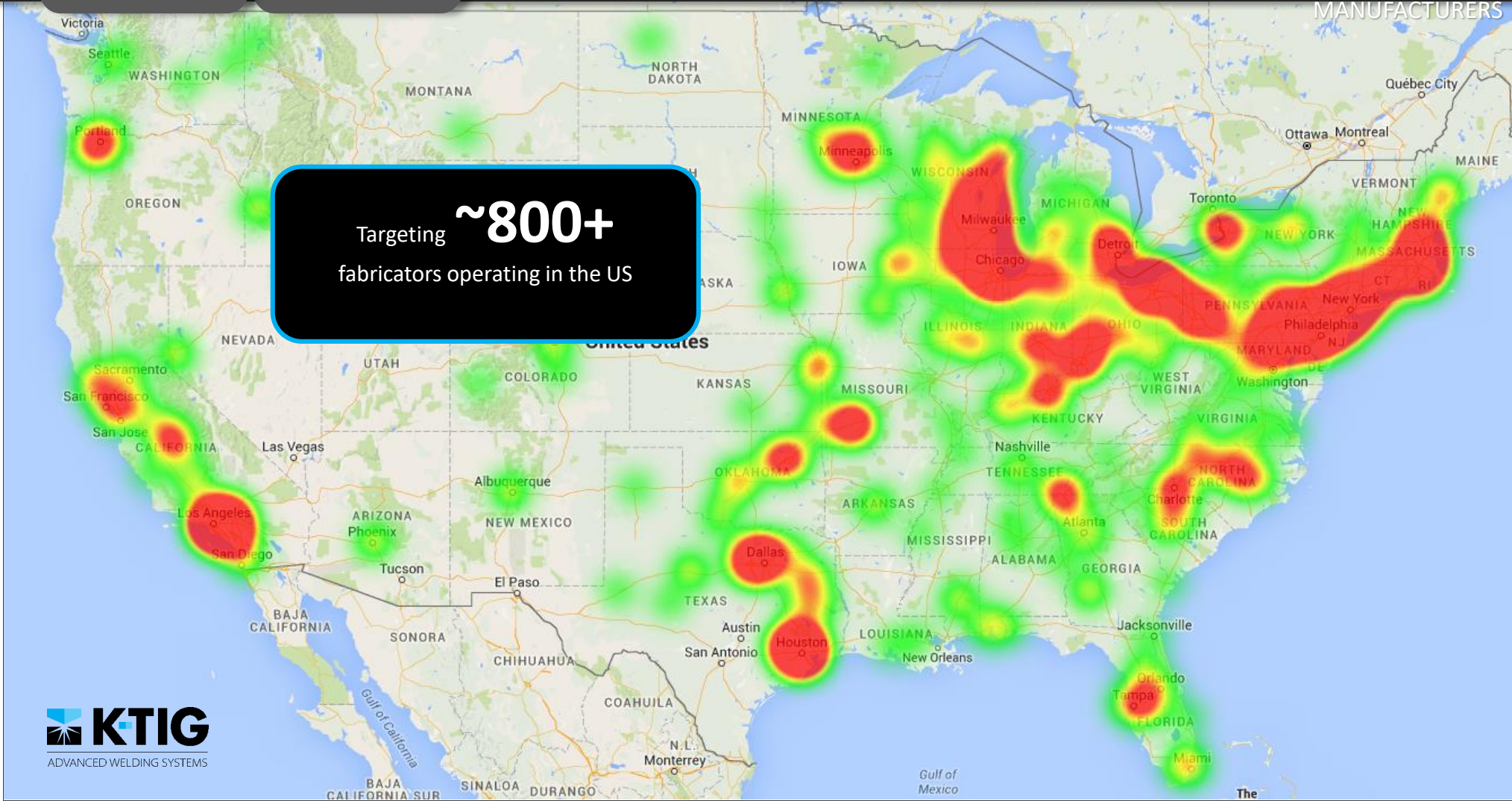
MED TERM

**PROACTIVE**  
PROSPECTING

**REACTIVE**  
PROSPECTING

HEAT MAP (DENSITY) OF USA STAINLESS STEEL VESSEL MANUFACTURERS

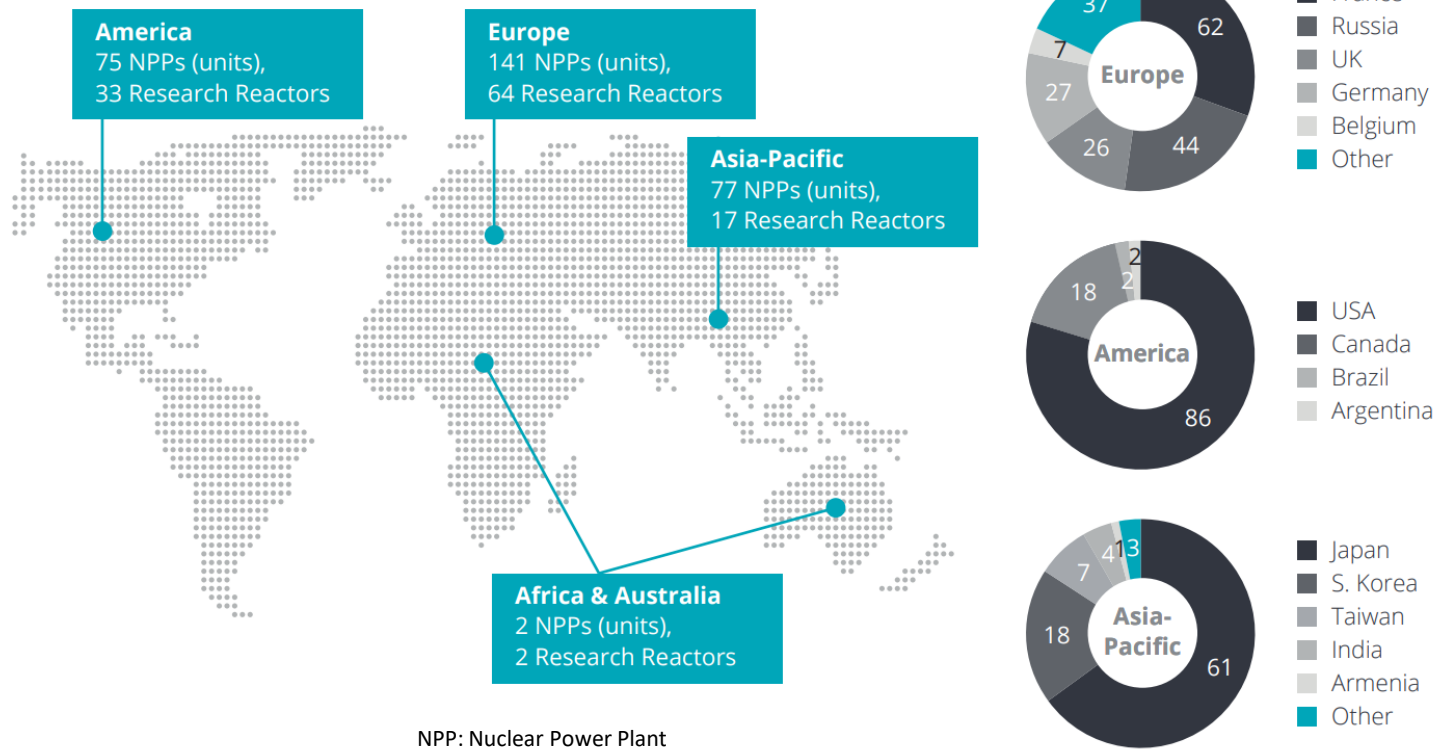
Targeting **~800+**  
fabricators operating in the US



Source: K-TIG

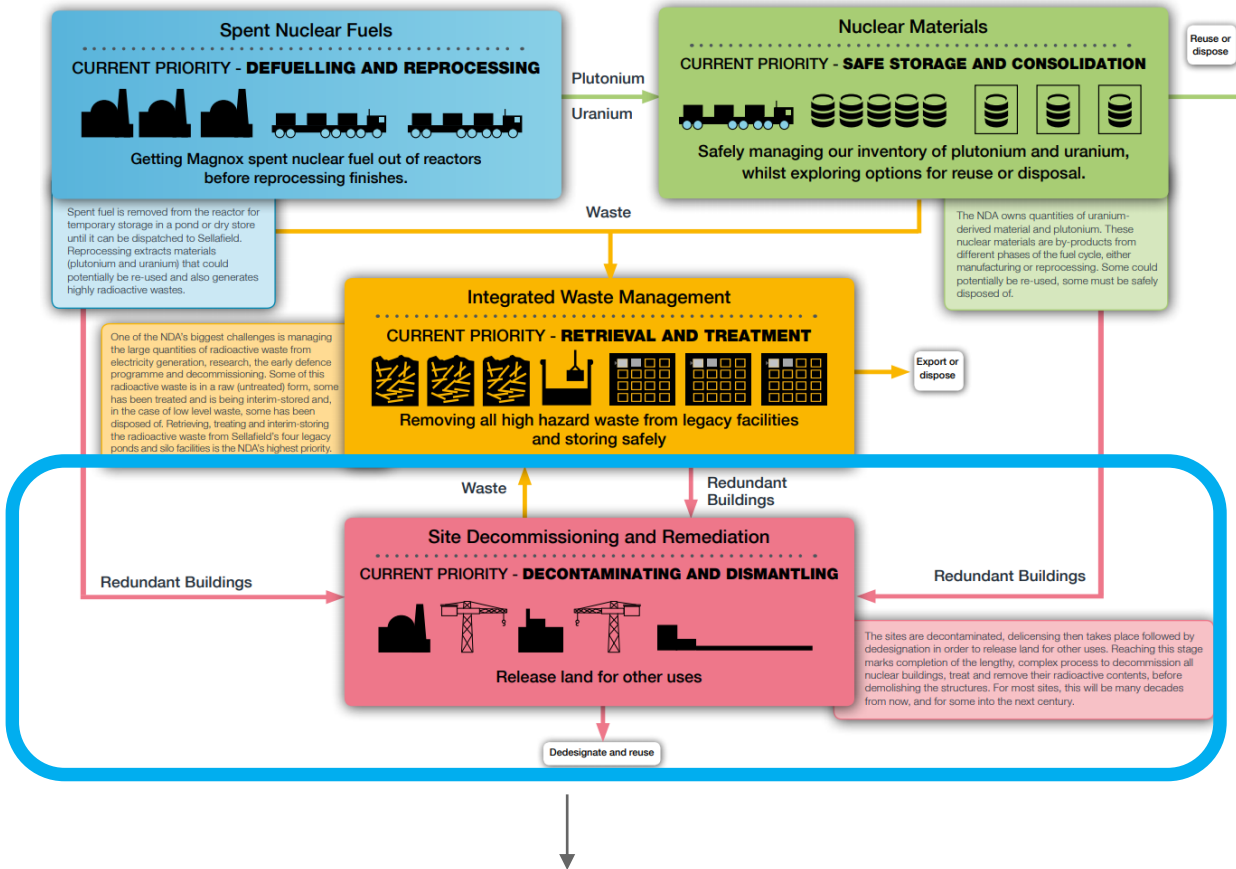
There are 295 Nuclear Facilities Worldwide that are required to be decommissioned by 2040

The opportunity for K-TIG to be involved in the fabrication of the storage containers used in NPP decommissioning



Source: Deloitte (2019)





Sellafield site, Cumbria, UK

UK Government has a stated priority to:

- Safely deliver and accelerate decommissioning of the legacy ponds and silos at Sellafield
- The safe and secure delivery of radiological legacy materials

NDA Mission is:

- to clean up the UK's earliest nuclear sites safely, securely and cost-effectively with care for people and the environment
- NPP decommissioning project expected to complete 2125

The decommissioning and deconstruction of 17 nuclear sites across the UK presents a significant opportunity for K-TIG.

Source: UK Nuclear Decommissioning Authority (NDA) Business Plan, 2019

**17**

sites across the UK require decommissioning

(Nuclear Decommissioning Authority)

**£4bn**

to be spent on stainless steel waste containers of Sellafield

(Sellafield Ltd)

**£121bn**

Total UK nuclear decommissioning cost to 2120

(UK National Audit Office)



*NAMRC facilities, Advanced Manufacturing Park, Sheffield, UK*

K-TIG is positioned to aggressively target the nuclear reactor decommissioning industry during 2020 and has built strong strategic relationships over several years.

- Nuclear Advanced Manufacturing Research Centre (“NAMRC”) already working with a K-TIG Welding System
- K-TIG has strong relationships with key players in the nuclear reactor decommissioning industry
- Initiatives being executed to accelerate use of K-TIG Welding System in the UK decommissioning market

## Strong investment case

- K-TIG has a proven track record of generating revenue and commercializing its industry disruptive technology
- K-TIG's strong product and business development team has built a strong customer base of large industrial companies with global operations

## Proven technology with a strong competitive advantage

- Technology originally developed by the CSIRO and now has strong industry backing
- Accepted, validated and used in production by industry across a range of sectors
- Industry disruptive business model allowing K-TIG to secure long-term revenue generation and appeal to a broader range of customers

## Disruptive technology & commercial model

- Proven technology that dramatically increases productivity and lowers the overall cost of production
- New licencing and strategic relationship growth model to generate long term recurring revenue streams linked to customer production.

## CONTACT

**K-TIG Limited**  
Building 5, 9 William Street  
Mile End SA 5031  
[www.k-tig.com](http://www.k-tig.com)

ASX: KTG

For more information please contact:

### Company enquiries

David Williams  
K-TIG Limited  
P: +61 8 7324 6800

### Investor Relations

Hannah Howlett  
Media & Capital Partners  
P: +61 4 5064 8064  
[Hannah.howlett@mcpartners.com.au](mailto:Hannah.howlett@mcpartners.com.au)

### Media enquiries

Melissa Hamilton  
Media & Capital Partners  
P: +61 417 750 274  
[Melissa.hamilton@mcpartners.com.au](mailto:Melissa.hamilton@mcpartners.com.au)

A close-up photograph of a KTIG welding torch. The torch is black with silver-colored adjustment rings and a textured grip. It is positioned vertically, with a bright blue flame emanating from the nozzle. The torch is being used to weld a curved metal component, which is shown in the foreground. A bright, multi-colored arc of light (red, orange, yellow, and blue) is visible at the point of contact between the torch and the metal. The background is dark, with wisps of blue smoke or vapor rising from the welding process.

TRANSFORMING  
FABRICATION

The logo consists of a stylized blue and white graphic element resembling a flame or a keyhole, positioned to the left of the text.

**KTIG**  
KEYHOLE TIG WELDING