

ASX: KTG

ASX Announcement | 23 March 2021

K-TIG signs MOU with major international defence manufacturer building Australia's next generation of armoured vehicles

Highlights:

- K-TIG has signed a Memorandum of Understanding to develop advanced keyhole welding procedures for Hanwha Defense Australia and Hanwha Defense Corporation.
- Hanwha is the preferred supplier for the Australian Army's multi-billion-dollar Land 8116 self-propelled artillery project and shortlisted for the Land 400 Phase 3 Infantry Fighting Vehicle project.
- K-TIG will work with Hanwha to develop automated welding procedures for the manufacture of components of the Land 8116 and Land 400 Phase 3 vehicles.

K-TIG Limited (ASX: KTG) ("K-TIG" or the "Company"), is pleased to announce that it has signed a Memorandum of Understanding with **Hanwha Defence Australia Pty Ltd** and **Hanwha Defence Corporation** (collectively referred to as "Hanwha").

Hanwha is one of South Korea's largest military manufacturers and has been named as the preferred supplier for the Australian Army's billion-dollar acquisition of the Land 8116 self-propelled artillery project and shortlisted for the Land 400 Phase 3 Infantry Fighting Vehicle project.

Hanwha, as preferred tenderer, will offer its Huntsman self-propelled howitzer in the first phase of the army's Protected Mobile Fires project. Hanwha will build and assemble Huntsman and its supporting systems in Australia with a budget estimated at up to AUD\$2.6 billion¹. Under the MOU, K-TIG will demonstrate its ability to weld advanced steels for military vehicles in the joint geometries applicable to the Huntsman vehicle.

¹ <http://www.australiandefence.com.au/defence/land/government-to-consider-howitzer-acquisition-strategy>

“Partnering with Hanwha to create crucial equipment for Australia’s defence is a significant opportunity for K-TIG to deploy the speed, efficiency and effectiveness of our advanced keyhole welding technology, all while helping to create local jobs, develop strategically vital manufacturing skills for the nation, and provide the Australian Army with the self-propelled artillery capability it’s desired for many years,” said K-TIG Managing Director Adrian Smith.



Mr Richard Cho, Managing Director, Hanwha Defence Australia (right) with Mr Adrian Smith, Managing Director, K-TIG Limited

Following a successful welding demonstration by K-TIG, Hanwha will collaborate with the Company to develop automatic welding procedures for manufacturing the Huntsman in the Victorian city of Geelong.

Altogether, 60 of the self-propelled artillery systems are slated for local production, along with 15 ammunition supply vehicles, their support systems, and ongoing maintenance, representing a major pipeline of future work.

Hanwha is also on the shortlist to win preferred supplier status for the Army’s Land 400 Phase 3 project to create the Australian Army’s new Infantry Fighting Vehicle, a contract estimated to be worth between AUD\$18 to \$27 billion. K-TIG’s welding technology is also being evaluated as an integral part of the South Korean defence giant’s plans for this project.

Hanwha’s evaluation of K-TIG’s advanced keyhole welding technology for its multi-billion-dollar defence projects in Australia comes after K-TIG raised more than AUD\$5M from investors, established operations in the US and linked up with local defence manufacturers to create sovereign manufacturing capabilities.

Each party will bear its own costs arising from or in relation to the project. The significance of the announcement to K-TIG is to partner with Hanwha, a leading international defence manufacturer, to develop automated welding procedures for the manufacture of components of the Land 8116 and Land 400 Phase 3 vehicles.

Under the terms of the non-binding MOU:

- Hanwha Defence Australia Pty Ltd will supply the armoured steel coupons to be used in the development of the Hanwha specific welding protocols;
- K-TIG will supply samples of the coupons welded in the agreed geometries for independent testing of weld quality;
- Hanwha Defence Corporation will supply technical data that relates to the development of welding protocols and any related support systems; and
- The indicative project timetable is 24 weeks.

- ENDS -

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

For more information, please contact:

Company enquiries

Adrian Smith
K-TIG Limited
P: +61 8 7324 6800

Media / Investor enquiries

Ben Hooper
Corporate Conversation
P: +61 419 823 098

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.