

Release to the Australian Securities Exchange

Opening of XTEK's new Manufacturing Centre

Tuesday, 18 February 2020: XTEK Limited (ASX: XTE, 'XTEK', the 'Company') is pleased to announce that its new advanced, state of the art ballistic manufacturing centre in Adelaide, South Australia, will be officially opened today.

Key Highlights

- XTEK's new advanced, state of the art ballistics manufacturing centre opened in Adelaide
- This key company event represents a significant milestone and an enabler to the commercial production of unique light weight ballistic solutions, including ballistic armour plates and helmets
- The Hon David Ridgway MLC Ridgway (Minister for Trade and Investment, South Australia) will be in attendance

XTEK Managing Director, Philippe Odouard commented:

"I am delighted to share this event with the industry and put our new centre on show. The completion marks a significant milestone and value inflection point for XTEK, enabling us to produce commercial quantities of our high-quality ballistic products. This is a huge opportunity to distribute our high margin ballistic solutions in Australia and export globally, by leveraging our well established US distribution network."

"We continue to work towards commercial scale orders, progressing the long-standing relationships we have developed with potential major customers globally as they near the end of the testing and validation process. Further, the reception we received from the launch of two XTclave™ manufactured products earlier this year at SHOT Show® in the US was incredibly pleasing. We expect a strong demand for our market leading ballistic armour plates and helmet shells from global customers and look forward to ramping up production."



XTEK has successfully completed comprehensive testing and validation procedures for the manufacturing centre. The investment in the manufacturing centre ensures XTEK is on track to capitalise on the significant upside value opportunities of its high margin ballistic armour and advanced composite solutions. This opportunity is further enhanced by XTEK's recent expansion into the lucrative US market, via the acquisition of HighCom Armour, with well-established networks and relationships that can be leveraged globally.

The XTclave™ manufactured armour plates and helmet shells are currently undergoing comprehensive testing and validation processes with potential major customers. Some of these testing and validation processes are nearing completion, which provides a clear commercialisation pathway with large contracts and strong margins. Further, XTEK continues ongoing discussions with additional parties globally, including other distributors, suppliers and government agencies.

XTEK is targeting production capacity of up to ~A\$20m revenue, ramping up in the next few months. The first delivery of products for US customers is expected very shortly.

The manufacturing centre opening was attended by The Hon David Ridgway MLC, Minister for Trade and Investment, South Australia.

The Hon David Ridgway MLC, Minister for Trade and Investment, South Australia, commented:

“XTEK’s significant investment represents a huge win for South Australia – the new manufacturing centre brings wealth and jobs to the Adelaide community. We are delighted that XTEK has chosen Adelaide as its manufacturing base in such an exciting area for defence.”

“This new centre will create more local jobs, with up to 40 engineers, technicians and machinists to be hired in the next few years, as well as supporting current jobs within the Company.” **ENDS**

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
18 February 2020

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About XTEK Limited

XTEK Limited provides high-quality products to deliver tailored solutions to the government, law enforcement, military, space and commercial sectors. XTEK is focused on developing and commercialising its proprietary technologies by leveraging its established distribution network. These technologies include XTclave™ produced ballistic products and advanced composite solutions, and XTatlas™ real time contextual video, which provide unique solutions for western military forces and other government agencies. In addition, the supply and maintenance of Small Unmanned Aerial Systems (SUAS) remains a focus for XTEK.

For more information visit the XTEK website at www.xtek.net