Release to the Australian Securities Exchange

XTEK Conference Presentation

Tuesday, 23 March 2021: **XTEK Limited (ASX:XTE)** (**"XTEK"**) is pleased to release an updated Corporate Investor Presentation that will be use to provide an update to shareholders, investors and other parties at conferences in the near future. This includes a presentation by XTEK's Managing Director, Philippe Odouard, in an online presentation hosted by the Finance News Network (FNN) scheduled for 1:40pm (AEDT) today, Tuesday 23 March 2021.

The FNN conference provides an opportunity for XTEK to showcase its recent achievements, key investment highlights, strategy and outlook. Notably, XTEK's commercial scale XTclave™ at the Adelaide Manufacturing Centre has successfully validated the production of armour plates/helmets and achieved the required level of ballistic performance. XTEK has recently commenced a full commercial launch across the US.

If you would like to hear the update, more information and event registration is available via the FNN website: https://www.finnewsnetwork.com.au/page/investor-events.

XTEK's presentation is attached to this announcement.

Announcement authorised by the XTEK Limited Board of Directors.

Signed for and on behalf of XTEK Limited:

Lawrence A Gardiner
Company Secretary
23 March 2021

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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.

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XTEK

CONFERENCE PRESENTATION

March 2021

www.XTEK.net | ASX: XTE

KEY INVESTMENT HIGHLIGHTS

XTEK is well positioned for growth, underpinned by high value proprietary solutions and a favourable market sentiment within the domestic and global defence industry

Focused on market leading soldier solutions

US expansion accelerating ballistic solutions strategy

Actionable intelligence software interfacing with unmanned systems

Favourable defence market sentiment

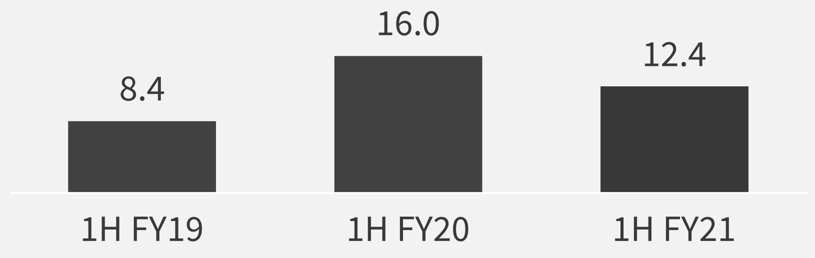
Strong pipeline of opportunities and near-term catalysts

1H FY21 FINANCIALS

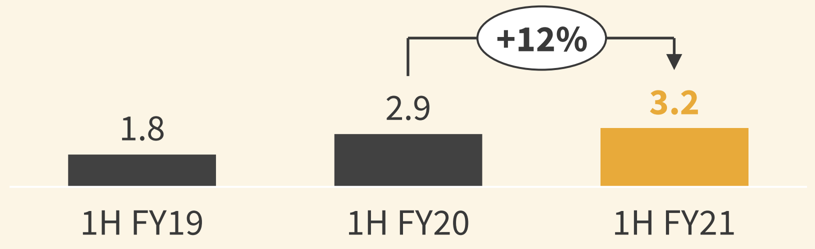
Shift to higher margin products driving record 1H FY21 gross profit, with a year focused on investment and integration to set XTEK up for increasing future margins

1H FY21 financial highlights: Record Gross Profit

Revenue (A$m)



Gross Profit (A$m)



Gross Margin:	21%	18%	26%

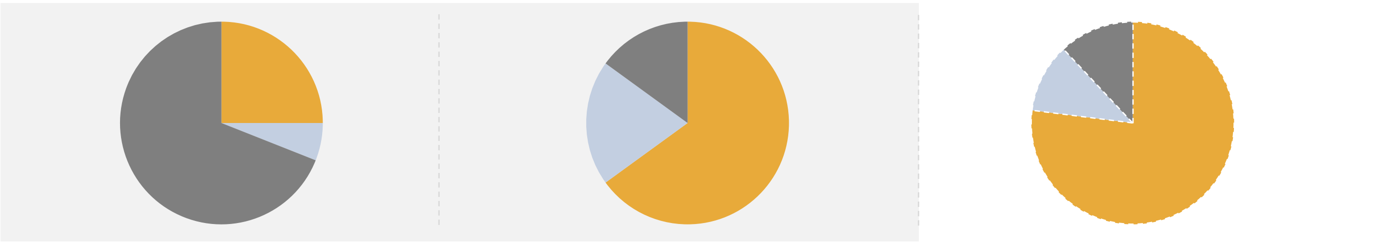
Future margins expected to increase further

Underpinned by a year of investment in the AMC[1] and fully integrating the US acquisition, placing XTEK in a strong position to continue executing strategy to shift to higher margin products:

- Ballistic sales directly into the US market
- Sales of high margin ballistic solutions (XTclave)
- Sales of actionable intelligence (XTatlas software)
- Repair and maintenance revenue streams, including servicing ADF's growing SUAS fleet

SHIFTING REVENUE MIX:

FY20	1H FY21	Medium term



Proprietary products *(including ballistics and XTatlas software)*

Repair and maintenance *(including SUAS support)*

Distribution *(including reseller products)*

1. XTEK's Adelaide Manufacturing Centre (AMC) for advanced ballistic products and other composites

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WORLD CLASS SOLDIER SOLUTIONS

XTEK is focused on commercialising its proprietary products and services

KEY RECENT OPERATIONAL HIGHLIGHTS

XTEK is executing on its strategy to commercialise higher margin proprietary products and services

- **Investment into the Adelaide Manufacturing Centre**, with products manufactured in the commercial-scale XTclave™ demonstrating the required high level of ballistic performance
- **Successful delivery of 3/4 of XTclave™ plates** to the Finnish Defence Force
- **Strong US performance with HighCom fully integrated:** robust demand and expanding sales channels, including new export licenses and a 5-year NASPO Manufacturing contract[1]
- Appointment of **esteemed strategic advisor**, Brigadier Mark Smethurst DSC, AM (Ret'd)[2]

- Leveraging **actionable intelligence software in the C4 EDGE Program** for the Australian Army, with the first phase complete and a ~$1M contract secured as part of the next phase
- A **commercial XTatlas order** has been received and delivered to the Danish Defence, paving the way for other NATO countries to start adopting the technology
- Continued focus **on supply and maintenance of unmanned systems**; receiving further SUAS purchase orders from the ADF, and signing a MoU with Milrem Robotics[3]

- **Well funded** to execute international commercialisation strategy, following an oversubscribed capital raise completed to fund US expansion and other growth activities
- **Appointment of Christopher Pyne** as new Non-Executive Director, bringing extensive knowledge of the Australian Defence Industry and experience in Australian politics

1. National Association of State Procurement Officials (NASPO) ValuePoint Body Armor and Ballistic Resistant Products contract
2. Brigadier Mark Smethurst DSC, AM (Ret'd) served as Deputy Commander of the Australian Special Forces Command and also Commanded the NATO Special Forces in Afghanistan
3. XTEK Signed a Memorandum of Understanding (MoU) with Milrem Robotics for XTEK to act as the unmanned ground vehicle (UGV) representative in Australia and New Zealand

BALLISTICS: WELL-DEFINED STRATEGY

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Clear pathway to value upside, underpinned by the innovative state-of-the-art XTclave process technology which enables the delivery of high performance and lightweight ballistic solutions

R&D investment and strong IP in place[1]

Key products validated

Manufacturing capability

C.P.E. Production Oy

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AUSTRALIAN DEFENCE FORCE

TOTE SYSTEMS AUSTRALIA

HIGHCOM

Distribution networks & major customers

XTclave™ products:

Ballistic plates

Unique, lightweight up to 30% lighter[2] with increased product life and added buoyancy

Composite helmets

Unique, lightweight composite helmet that can stop common AK-47 bullets[3]

>1000 other products available[4]

Note: All logos and brands are registered trademarks of their respective owners.

1. XTclave™ is a composite materials curing and consolidation technology, with cycles of ultra-high isostatic pressure at elevated temperatures ideally suited to manufacture high-quality, void-free, precision ballistic and structural composite solutions. 2. 30% weight saving applies to some products in the ballistic plates range (but not to all). 3. XTclave™ helmets are comparable in weight to service helmets and protect at muzzle velocity. 4. Products available through XTEK's US subsidiary, HighCom

ADELAIDE MANUFACTURING CENTRE (AMC)

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An **advanced composite materials manufacturing centre** to support the **commercial scale production** of XTEK's advanced ballistic solutions and other composite materials.

Since officially opening in Feb 2020, key pillars have been established:

- **People**
- **Products**
- **Production**
- **Processes**
- **Plant**

AMC COMMERCIAL-SCALE XTCLAVE

Products manufactured in XTEK's commercial-scale XTclave machine demonstrate the required high level of ballistic performance

PERFORMANCE TESTING

Successfully manufactured and shot the first hard armour plates, achieving required ballistic performance

COMMERCIAL LAUNCH

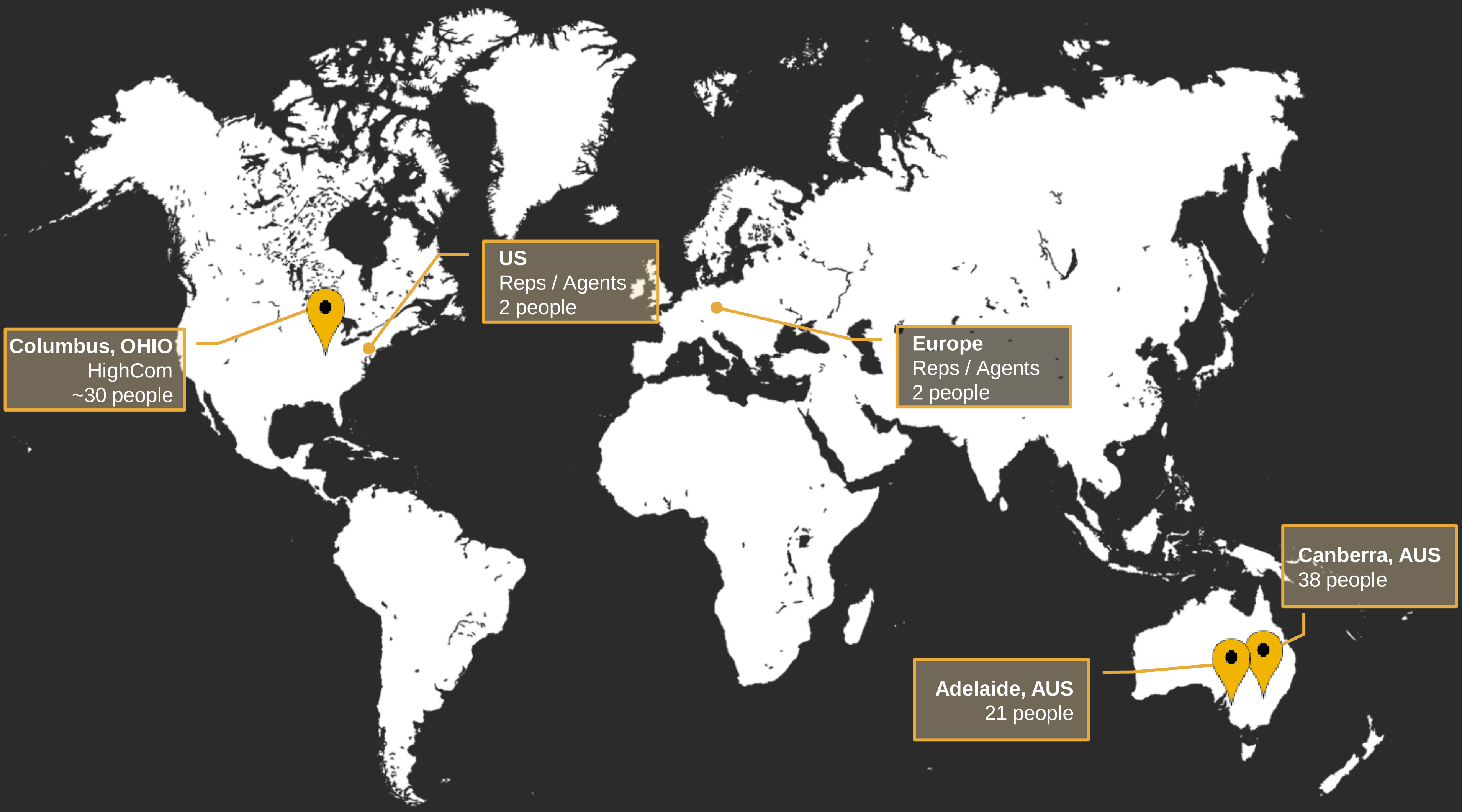
Successfully manufactured large batches while full commercial launch started in the US on 1 March 2021

FUTURE CAPACITY

Forecast revenue capacity of up to A$40m p.a.; AMC designed to produce 80,000 plates or 40,000 helmets p.a.

GLOBAL BALLISTICS NETWORK

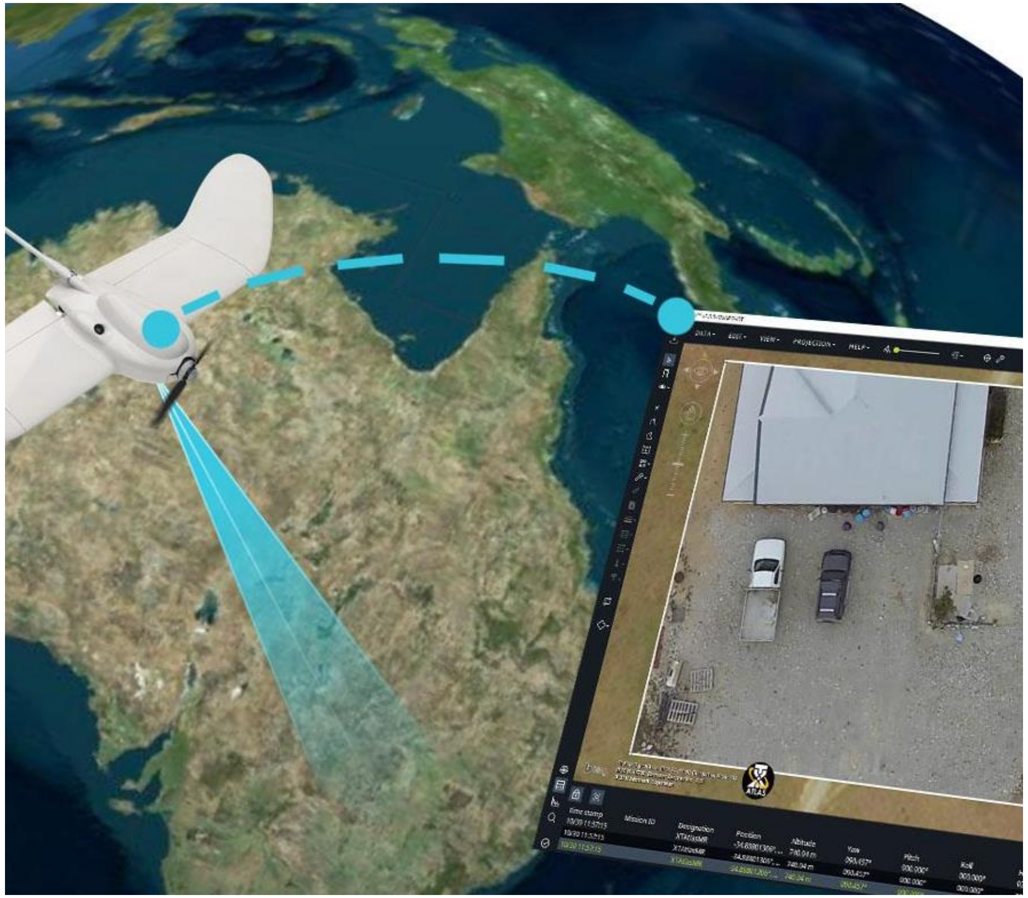
Building expertise and competence with people located across the world to target global defence and law enforcement customers across key export markets, with an initial focus on the US market



1. HighCom is XTEK's US subsidiary, aquired in 2019

ACTIONABLE INTELLIGENCE SOLUTION

Commercialisation strategy builds upon XTEK's capability to provide a complete system for a comprehensive real time actionable solution



- XTatlas™ allows for the **rapid production of real time, accurate, geo-referenced 3D mapping** from a video feed
- Enables **comparison with previous data**
- Use in combat **ensures real time situational awareness and targeting** during a mission, critical to soldiers' safety
- Software **interfaced to existing hardware**, such as SUAS weapon systems or ground robots

ACTIONABLE INTELLIGENCE MARKET CHANNELS

Established networks with broad access to customer channels provide significant opportunities to commercialise the XTatlas™ software applications[1], with demonstrations and discussions ongoing

C4 EDGE Program

- **C4 EDGE** (Evolutionary Digital Ground Environment) is a **defence industry cooperative program**
- First phase completed, with a **~A$1 million contract secured** by XTEK for the next phase. Delivery scheduled for the end of 2021
- **Leveraging integration of XTatlas at the core of a situational awareness and targeting picture**

SUAS supply and maintenance

- Leading full-service **supplier of Small Unmanned Aerial Systems (SUAS)**
- Strong relationship with the ADF, including delivery of **SUAS products**[2] **and a long-term repair and maintenance services** contract[3]

Other hardware

- Opportunities to interface XTatlas with other hardware (e.g. UGV's)[4]
- XTatlas can be **fully integrated** into ground vehicle architecture (GVA) of armoured vehicles

1. XTatlas™ allows for the rapid production of real time, accurate, geo-referenced 3D mapping from a video feed, with Software interfaced to existing hardware
2. XTEK has an exclusive agreement with AeroVironment, the leading defence SUAS supplier globally, for Australia & NZ
3. Exclusive long-term support services contract to mid 2022, with multiple options to extend through to mid 2025, expected to be worth up to A$35m
4. XTEK has a Memorandum of Understanding with Milrem Robotics to act as their Unmanned Ground Vehicle (UGV) representative in Australia and New Zealand.

ADVANCED COMPOSITE SPACE SOLUTIONS

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XTclave technology has unique technical advantages that can be leveraged into other applications and applied in new sectors, with space applications presenting an attractive opportunity

XTclave key advantages for space applications:

- ✓ Produce materials with **higher specific strength to weight ratio**
- ✓ Ultra-high process pressure can **reduce composite outgassing**[1]

XTEK's commercial partnerships

SKYKRAFT

Skykraft partnership to design **small spacecraft and launcher systems**, with recent ASA grant[2] awarded for a satellite launch stack

Australian Space Agency

Joint Statement of Strategic Intent signed with Australian Space Agency (ASA) to develop Australian space capabilities

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1. Often a limiting factor for use of composites in space
2. Australian Space Agency International Space Investment grant, for a total of ~A$880k with $400k to XTEK (Source: Business.gov.au);

OUTLOOK AND KEY CATALYSTS

XTEK is well funded with A$10.1m cash[1] to execute its strategy, with significant events expected to be announced over the next 12 months (and beyond)

Key Upcoming Catalysts

- ❑ Complete delivery of ballistic plates to Finnish Defence (1H CY21)
- ❑ Launch additional ballistic products in the US, with near-term exports of XTclave products (CY21)
- ❑ Order key parts for US XTclave machine (CY21)
- ❑ Installation, commissioning and optimisation of US XTclave machine (CY22)
- ❑ Completion of space project in partnership with Skykraft and international parties (2H CY21)
- ❑ Achieve further commercial orders for XTclave products across domestic and international target parties
- ❑ Supply of SUAS supply and maintenance and other reseller products to ADF

Strong Financial Outlook

Medium to long term target	Revenue	Gross Margin
	A$100m	~30%

Underpinned by:

- ✓ **XTclave manufacturing capability**
- ✓ **US distribution and manufacturing base**
- ✓ **Established global networks for exports**
- ✓ **Continued SUAS supply and maintenance**
- ✓ **Growth in actionable intelligence**
- ✓ **Interest in advanced composite materials**

1. Cash as at 31 December 2020

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