

Release to the Australian Securities Exchange

XTEK Receives A\$830k SICP Grant

Thursday 16 April 2020: XTEK Limited (ASX: XTE, 'XTEK', the 'Company') is pleased to announce that it has signed a A\$830k grant agreement from the Centre for Defence Industry Capability (CDIC) for a Sovereign Industrial Capability Priority (SICP) grant, on behalf of the Department of Defence.

Key highlights

- **XTEK has signed a ~A\$830k Sovereign Industrial Capability Priority (SICP) grant agreement from the Centre for Defence Industry Capability (CDIC), on behalf of the Department of Defence**
- **XTEK to utilise funds from the SICP grant for the industrialisation of its advanced ballistic combat helmet production line**
- **The SICP Grant represents recognition from the Department of Defence of the unique capabilities of XTEK's helmets and supports XTEK's strategy to bring these products to market, and accelerate exports to key US markets**
- **It complements a previous SICP grant of A\$1m to establish the ballistic armour manufacturing centre in Adelaide, which provides a commercial manufacturing capability for XTEK's proprietary XTclave™ manufactured products**

The SICP grant provides funding to support Australian small-to-medium enterprises (SME) in supplying capabilities that are most critical to defence. The SICP grant is focused on accelerating the growth of a robust, resilient Australian SME industrial base capable of providing significant contribution to key defence priorities

The SICP grant will contribute ~A\$830k of funds to XTEK for its ballistic combat helmet product line. The award of the SICP grant represents validation and recognition from the Australian Department of Defence of XTEK's capability and performance of its helmet design and the importance of establishing its manufacture as a sovereign industry capability.

This follows XTEK's recent achievement of several key company milestones for its ballistic solutions. The opening of the new manufacturing centre in Adelaide is expected to increase production capacity of XTEK's XTclave manufactured products to up to A\$20m revenue, with the establishment of this centre supported by a previous A\$1m SICP Grant. The Company also recently acquired HighCom Armour Solutions Inc (HighCom), a successful and profitable provider of proprietary body armour and personal protective equipment focused on the US market. This acquisition provides a clear path for XTEK to expand into the lucrative US market, executing its strategy and accelerating the commercialisation of its ballistic solutions by leveraging HighCom's established network and existing business.

XTEK Managing Director Philippe Odouard commented: *"We are pleased to be a recipient of the SICP Grant, representing continued support and validation by the Australian Department of Defence of the advanced capabilities of our XTclave manufactured ballistic armour. The funding supports the execution of our broader strategy to commercialise our state-of-the-art technology by enhancing the production and testing capability for our proprietary ballistic helmets. Combined with our new manufacturing centre and recent US acquisition, XTEK is extremely well positioned to capitalise on key commercial opportunities."*

ENDS

Signed for and on behalf of XTEK Limited:



Lawrence A Gardiner
Company Secretary
16 April 2020

General enquiries:
Philippe Odouard, Managing Director
XTEK Limited
T: +61 2 6163 5507
E: philippe@xtek.net

Media enquiries:
Rod North, Managing Director
Bourse Communications Pty Ltd
T: +613 9510 8309 M: +61 408 670 706
E: rod@boursecommunications.com.au

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

About Sovereign Industrial Capability Priorities

The priorities are industrial capabilities considered critical to Defence and for which Australia must have access to, or control over, the skills, technology, intellectual property, financial resources and infrastructure that underpin those capabilities.

For more information visit the Australian Government Department of Industry, Innovation and Science website.