

## Release to the Australian Securities Exchange

### XTEK Receives \$0.8m in New Defence Grant Funding

#### Key highlights:

- Two new Department of Defence grants received totalling \$0.8m
- Funds to be used to double existing helmet production and drive new ballistic product R&D
- Group aggressively pursuing numerous global supply opportunities for helmets
- Expects to exceed earlier H1 FY23 advice of \$47m

**Tuesday, 31 January 2023.** XTEK Limited (ASX: XTE) ('XTEK' or 'Group') is pleased to announce that the Group has received two (2) Department of Defence grants totalling \$0.8m, that will be used to purchase new advanced manufacturing equipment to double production of its unique "rifle rated" Rifle Combat Helmet (RCH), and to accelerate product development and prototyping of its ultra-lightweight and high-performance body armour at its Ballistics Division's HighCom manufacturing facility in Adelaide, South Australia.

- **Grant 1 - Defence Global Competitiveness grant valued at \$164,268.50**  
XTEK sought funding from the Defence Global Competitiveness grant program to purchase a new CNC Virtual Machining Centre to replace outdated equipment. The new CAPEX will allow for safer and more complex machining, reducing costs of outsourcing and improved productivity. This will accelerate new product development and prototyping, as well as supporting maintenance and production activities at XTEK's Adelaide site. The project will be completed by 29 October 2023.
- **Grant 2 - Sovereign Industrial Capability Priority grant valued at \$658,209.20**  
XTEK is enhancing its helmet pre-forming and production capacity. The Sovereign Industrial Capability Priority grant funding will be used to acquire, install, and commission a new custom helmet pre-forming press, resulting in a doubling of the current output at this stage. The project will be completed by 29 May 2024

Separate to the receipt of these two grants, and in anticipation of the new production capacity that will be achievable going forward in Adelaide, the Group also recently completed works to modify some key elements of its XTclave™ production equipment and apparatus, which will allow for a significant 60% increase in yield per XTclave helmet cycle.

Scott Basham, XTEK's Group CEO, said:

*"XTEK is excited to receive the award of these two important Defence Grants. We are a proud sovereign Australian defence industry manufacturer with a growing global business footprint, and these grants will significantly help us to remain at the forefront of global lightweight and high performance ballistic armour innovation, and importantly to also double the existing production capacity of our unique "rifle rated" Rifle Combat Helmet (RCH), which is now receiving a lot of interest and attention from all around the world. We thank the Department of Defence for their ongoing commitment to advanced sovereign manufacturing".*

XTEK will exceed earlier advice of A\$47m for H1 FY23 when accounts are released in February 2023 and it continues to expect to deliver revenues of more than \$82m, with five months still to run, for the full year.

**This announcement has been authorised for release by the XTEK Limited Board of Directors**

Signed for and on behalf of XTEK Limited



**Lawrence A Gardiner**  
Company Secretary  
31 January 2023

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## About XTEK Limited

XTEK Group is comprised of XTEK Ltd and its wholly owned subsidiary HighCom Armor Inc. (US) and operates as two distinct divisions – Ballistics Division & Technology Division.

The Ballistics Division, based on our “HighCom Armor” business and brand, is focused on designing, manufacturing, and supplying global military, law enforcement, and first responder customers with world-class, advanced personal protection ballistic products and solutions for Body Armour, Ballistic Helmets, and Composite Armour Structures. For more information on HighCom Armor Solutions Inc. visit [www.highcomarmor.com](http://www.highcomarmor.com)

The Technology Division is focused on manufacturing and supplying global Defence and Security Agencies with world-leading Australian-made and globally sourced Systems (UAVs & UGVs), Sensors, Software, and Support. For more information on XTEK Ltd. visit [www.xtek.net](http://www.xtek.net)

## Forward Looking Statements

Certain statements made in this release are forward-looking statements and are based on XTEK’s current expectations, estimates and projections. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “guidance”, and similar expressions, are intended to identify forward-looking statements.

Although XTEK believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond XTEK’s control, including those risks or uncertainties inherent in the process of both developing and commercialising technology. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements.

The forward-looking statements made in this release relate only to events as of the date on which the statements are made. XTEK will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required.