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# K-TIG Limited

Investor Presentation | July 2022

Nuclear Strategy

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# K-TIG | TECHNOLOGY

- A **transformative**, industry-disrupting welding technology that changes the economics of fabrication.
- Performs a conventional multi-hour multi-pass TIG weld into a **3 minute** single pass weld.
- Reduces fabrication costs by up to **80-95%**.
- Welds to the highest-grade welding quality.
- **Proprietary technology** meets all relevant US, European and Australasian welding standards and certified by Lloyds and Bureau Veritas.



# COMMERCIALLY PROVEN | GLOBAL CLIENTS

Changing the economics of fabrication  
for the world's most productive fabricators



SIEMENS



NUCLEAR AMRC

CORE PIPE

aibel



BILFINGER



Aqseptence Group



JOHN ZINK HAMWORTHY



PRIMUS PIPE & TUBE

DARCHEM ENGINEERING



CHROMALOX

FELKER BROS. CORP.

PREMIER Technology, Inc.

FELDMEIER EQUIPMENT, INC.

IMI JAIME INDUSTRIAL METALURGICA

NORTHERN MANUFACTURING CO.



R-V INDUSTRIES INC.

Gammon

AXIOM PRECISION MANUFACTURING

ROSEN MANUFACTURING, INC.



DONCASTERS

Esterline



TA CHEN INTERNATIONAL, INC.



SHARPSVILLE CONTAINER

DAGET EQUIPMENT CO.

AMHERST STAINLESS FABRICATION



MJ&H FABRICATION



DMTC DEFENCE MATERIALS TECHNOLOGY CENTRE

RUTEK AS PERFECTION IN STAINLESS STEEL



praj

TITAN METAL FABRICATORS



HIGH EN STANDARD COMPANY



JBM INOXIDABLES

PONTICELLI

METRO ENGINEERING

Callidus GROUP

TW ENGINEERING

MAPNA GROUP

SAMUEL PRESSURE VESSEL GROUP

# STRATEGIC GROWTH PRIORITIES

## 1 Customer Acceleration & USA Market Expansion

- Strong focus on long-term recurring revenue generation and growth
- Continue to build on distributor platform in USA, UK/European and ASEAN markets
- Implement aggressive revenue growth strategy

## 2 Nuclear

- Continue to engage and target the GBP 1.7bn UK nuclear decommissioning sector
- Continue to develop next generation welding cell for 3m3 nuclear waste boxes
- Create valuable IP and deep industry relationships with Nuclear AMRC, robotic welding project
- Establish fabrication capabilities to manufacture nuclear waste boxes in the UK and beyond

## 3 Defence

- Continue collaborative work with Hanwha Defence Australia, targeting the armored vehicle market
- Continue engagement with the maritime defence sector and global defence primes to assist them delivering Australia's next generation maritime capability to provide pipe spooling, deck plate and light weigh structures solutions to dramatically lower

## 4 R&D

- Continual improvement of technical capabilities (enhancement and automation)

# NUCLEAR STRATEGY | MARKET BACKGROUND (GLOBAL)

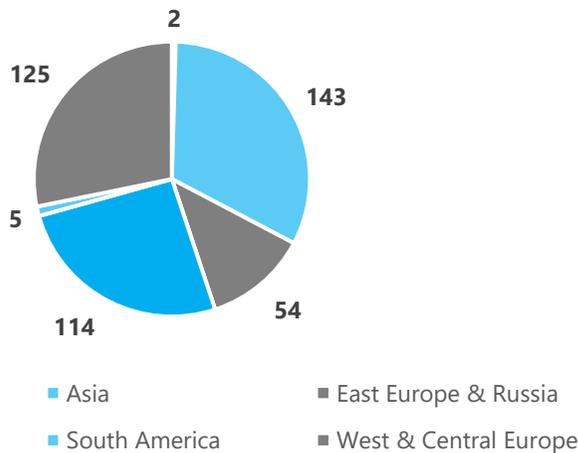
## Nuclear power reactors across the globe

- Currently 443 operational reactors, providing 10.5% of global power supply
- The International Atomic Energy Agency (IAEA) lists 194 reactors across the globe as permanently shut down, with 144 currently in a formal stage of the decommissioning process
- IAEA assesses 25% of existing nuclear capacity in advanced economies expected to be shut down by 2025
- This presents a growing global opportunity for K-TIG to participate in the Nuclear decommissioning supply chain, along with niche areas of new build activity to replace and grow civil Nuclear fleets



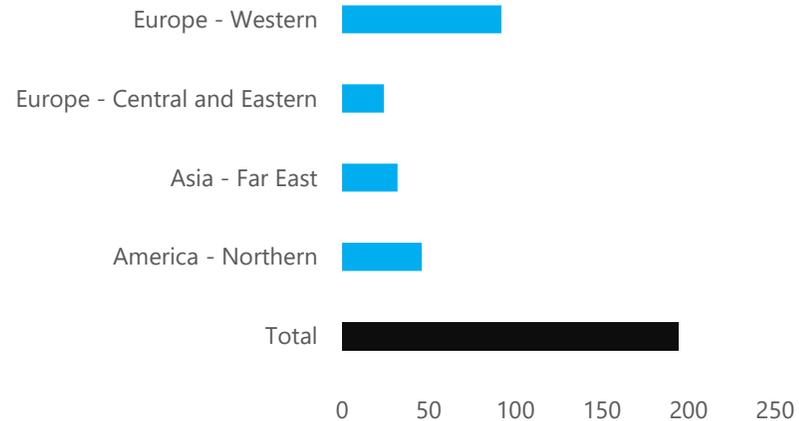
### Nuclear reactors by region

\*World nuclear performance report 2021 based on 443 reactors



### Permanent shutdown reactors

\*IAEA correct as at 21 Sep 21



# NUCLEAR STRATEGY | MARKET BACKGROUND (UK/EU)

There is a large market in need of Nuclear waste management suppliers and expertise

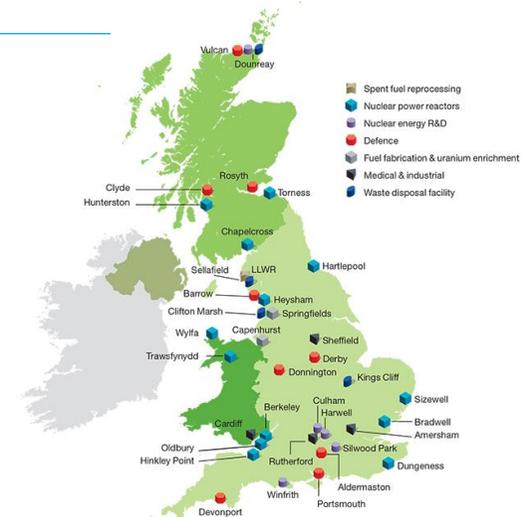
## Key EU facts

- 118 permanent shutdown reactors in wider EU region (Western, central and eastern)
- The EU commission currently supports decommissioning projects in Bulgaria, Slovakia and Lithuania
- K-TIG has excellent relationships within the region, which combined with our success in the Nuclear AMRC project will afford the Company realistic expectations to enter the EU market
- Geological disposal sites planned for Finland, France and Sweden – all three nations are key potential future customers for K-TIG



## Key UK facts

- 17 current decommissioned Nuclear sites requiring remediation with further Nuclear fleet closures planned
- All Nuclear power generation needs decommissioning and waste management solutions to store Nuclear waste materials in a manner to facilitate permanent geological disposal, requiring a high volume of welded metal containers
- The UK Nuclear Decommissioning Authority (NDA) has plans for over 100 years of work to decommission the UK civil Nuclear fleet at a cost of over £132 Billion in real terms. This does not include Defence projects or remediation



# NUCLEAR STRATEGY | A GROWTH TRAJECTORY

## A growth industry

- Over £132 Billion in planned decommissioning work and over £125 Billion on new build to 2040 in the UK alone
- Global Nuclear industry opportunities are multiples of the value of the UK industry

## Significant opportunity to provide key technology

- Very large numbers of waste containers will need to be manufactured to support the planned nuclear decommissioning
- Multiple suppliers will be mandated to ensure supply chain capacity and security
- K-TIG's project with the Nuclear Advanced Manufacturing Research Centre, NAMRC, will develop 'Turn-key' systems that can deliver the high waste container volumes required for waste management

## K-TIG is uniquely placed to secure long-term fabrication contracts

- K-TIG welding technology is ideally suited to the materials and joint geometries used on many nuclear waste containers
- K-TIG will be the original equipment manufacturer, OEM, of the high-quality welding technology to be developed at the NAMRC. Combined with specialised staff expertise creates competitive advantage
- OEM as a non monopoly fabricator is seen by customer as attractive way to drive waste container costs down over time
- The Company is currently looking at establishing a fabrication capability to deliver the required nuclear waste containers as well as establishing key relationships and securing industry contacts relevant to the business we are seeking to win



# NUCLEAR STRATEGY | SYNOPSIS

## Market Gap

The 144 (global) and 17 (UK) reactors currently in formal decommissioning provides an unmet need for the storage of nuclear waste. This requires a high volume of welded metal containers and concrete containers to be fabricated



## Initial Target 3m<sup>3</sup> ILW Containers

K-TIG has identified £1.77 Billion in specific current and planned procurement opportunities within a single segment of the UK Nuclear industry supply chain. K-TIG technology is ideally suited to this application



## Need For Automation

The current cost of container fabrication is high with traditional welding cell technology and weld quality assurance testing techniques. A more automated solution is needed



## NAMRC Project

Nuclear AMRC R&D project aims to develop a 'Turn-Key' robotic welding solution for the production of 3m<sup>3</sup> boxes, and similar nuclear waste storage containers. This will dramatically lower the cost of fabrication and be offered to all fabricators

## Become a Fabricator

Company to establish fabrication capability to enter the UK 3m<sup>3</sup> ILW Container market as a contracted fabricator.

# NUCLEAR STRATEGY | OUR INTENT



①

## **Create valuable IP & deep industry relationships with the Nuclear AMRC, robotic welding project**

- Project to create 'Turn-Key' solution for manufacture of nuclear waste storage containers
- Project will further K-TIG innovation of Evolve 3 controller with integration of QC / QA sensory suite
- K-TIG signed legally binding R&D project deal with Nuclear AMRC in February 2022
- Create deep relationships with stakeholders & customers such as Sellafield and Radioactive Waste Management, along with industry enablers such as the Nuclear AMRC
- Demonstrated industry commitment to dropping fabrication costs

②

## **Confirm and develop UK Nuclear sector revenue opportunities**

- Aggressively pursue £1.77 Billion in specific 3m<sup>3</sup> ILW container opportunities in the UK, then larger prospective revenue opportunities globally
- Further waste Develop relationships to pursue EU / USA / CAN Nuclear waste container and wider supply chain opportunities

③

## **Establish fabrication capability to produce nuclear waste containers**

- Establish fabrication capability to manufacture nuclear waste boxes in the UK and beyond
- Expand into other waste container fabrication opportunities such as spent fuel rod container production to follow
- Aggressively pursue fabrication opportunities in other highly regulated / niche sectors
- Develop further 'Turn-key' solutions and finished products, such as SMR and 'glove boxes'

# NUCLEAR STRATEGY | NAMRC PROJECT

## Building foundations and demonstrating credibility

- Affords K-TIG the opportunity to demonstrate company technology within the required regulatory environment
- Creates a demonstrable track record which can be used in tendering processes for future procurement activities
- Creating brand and product credibility which can be leveraged in adjacent highly regulated sectors such as Defence
- Building portfolio of 'Turn-key' systems that will be sold to nuclear waste container fabricators



## Creating next generation of product differentiation

- Proving new quality control and quality assessment sensor technology such as acoustic inspection, weld video inspection and machine learning methods to be encompassed in the K-TIG R&D project
- Once proven, the capability will be integrated with our next generation controller (Evolve 3), creating market leading product differentiation, driving customer purchase decisions and brand loyalty



## Creating deep relationships within the industry

- Establishing meaningful relationships with the Nuclear AMRC and its sister organisations throughout the world (specifically targeting national and industry R&D organisations in Company key target markets)
- Working with future customers in a non-sales environment to form relationships built on technical capability, which in turn will support our future business opportunity development with them
- Working alongside researchers doing innovative work to improve weld quality and economics, giving K-TIG insights into next generation welding trends



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ADVANCED WELDING SYSTEMS

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