

Circumstances affecting preliminary financial result (appendix 4E) market release pursuant to ASX Listing Rule 4.3D

K-TIG Limited (ASX: KTG) ("K-TIG" or the "Company"), is due to release its final audited results for the financial year ended 30 June 2023 on Friday 29 September 2023. The Company previously released its preliminary unaudited financial report (Appendix 4E) to the ASX on 31 August 2023.

Subsequent to the release of the Appendix 4E, the Company provided an update on the acquisition of Graham Engineering Limited and has separately completed the final valuation assessment of the convertible note and derivative financial liabilities, and as a result, the current assets increased by \$700,000, and the fair values of the current liabilities increased by \$2,837,220 in total from what was disclosed in the unaudited preliminary results. As a consequence, and as illustrated below the respective carrying values of such financial liabilities will be increased in the Statement of Financial Position with a corresponding increase to both the fair value loss on financial liabilities and the finance costs line items in the Statement of Profit or Loss and Other Comprehensive Income, thereby increasing the loss for the financial year.

Impact on Statement of Financial Position

The result adjustments to current borrowings and derivative financial instruments in the Statement of Financial Position as at 30 June 2023 are as follows:

Current assets:	\$
Financial assets (Appendix 4E)	40,000
Adjusted Financial assets	740,000
Current liabilities:	\$
Borrowings and derivative financial instruments (Appendix 4E)	-
Adjusted Borrowings and derivative financial instruments	2,837,220
Net assets:	\$
As previously released (Appendix 4E)	902,538
Add increase in Financial assets	700,000
Less increase in Borrowings and derivative financial instruments	(2,837,220)
Adjusted Net assets (deficiency) as at 30 June 2023	(1,234,682)

Impact on Statement of Profit or Loss and Other Comprehensive Income

The resultant adjustments to the fair value loss on financial liabilities, finance costs and the net loss of the Company for the year ending 30 June 2023 as presented in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

	\$
Corporate expense (Appendix 4E)	695,209
Increase Interest expense of financial liability at amortised cost	71,185
Increase movement in fair value	4,480
Increase Convertible note interest expense	61,195
Adjusted Corporate expense for the year ended 30 June 2023	832,429

	\$
Employee benefits expense (Appendix 4E)	4,507,582
Increase share-based payment expense	94,144
Adjusted Employee benefits expense for the year ended 30 June 2023	4,601,726

Total comprehensive loss for the year to 30 June 2023 is as follows:

	\$
Total comprehensive loss for the year (Appendix 4E)	5,870,373
Add increase Interest expense of financial liability at amortised cost	71,185
Add increase movement in fair value	4,480
Add increase Convertible note interest expense	61,195
Add increase in share-based payment expense	94,144
Adjusted Comprehensive for the year ended 30 June 2023	6,101,737

--ENDS--

This announcement was authorised for issue by the Board of K-TIG Limited.

About K-TIG Limited

K-TIG is a transformative, industry disrupting welding technology that seeks to change the economics of fabrication. K-TIG's high speed precision technology welds up to 100 times faster than traditional TIG welding, achieving full penetration in a single pass in materials up to 16mm in thickness and typically operates at twice the speed of plasma welding. K-TIG works across a wide range of applications and is particularly well suited to corrosion resistant materials such as stainless steel, nickel alloys, titanium alloys and most exotic materials. It easily handles longitudinal and circumferential welds on pipes, spooling, vessels, tanks and other materials in a single pass. Originally developed by the CSIRO, K-TIG owns all rights, title and interest in and to the proprietary and patented technology and has been awarded Australian Industrial Product of the Year and the DTC Defence Industry Award.