

K-TIG Limited and Its Controlled Entities

Appendix 4E

1. Company details

Name of entity:	K-TIG Limited
ABN:	28 158 307 549
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

Revenues from ordinary activities	Down	28%	to	\$ 2,216,929
Loss from ordinary activities after tax attributable to the owners of K-TIG Limited	Up	95%	to	(295,346)
Loss for the year attributable to the owners of K-TIG Limited	Up	95%	to	(295,346)

Dividends

No dividend has been declared or paid for the year ended 30 June 2024 (30 June 2023: \$nil).

A brief explanation of any of the figures reported above

The Group recorded \$2,216,929 of revenue for the current year (2023: \$3,095,724). The reduction in revenue was mainly attributable to customers delaying their commitment to purchases due to their uncertainty of the economic situation arising from higher interest rates, the slowing down of economies across our major markets as well as the impact of the voluntary administration process on K-TIG Limited and its Australian subsidiary, Keyhole TIG Pty Ltd during the period.

Loss from ordinary activities for the Group after providing for income tax amounted to \$295,346 (30 June 2023: \$6,101,738). The reduced loss during the period was mainly attributable to the accounting treatment associated with debt forgiveness during the period.

K-TIG continued working with existing and prospective customers in the defence and industrial sectors to demonstrate the advantages of keyhole TIG welding to their applications. In addition, K-TIG continues to invest in R&D to expand the range of metals that can be used utilising the K-TIG technology.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets / (liabilities) per ordinary security	<u>(2.10)</u>	<u>(2.61)</u>

Right-of-use assets recognised under AASB 16 Leases are classified as intangible assets for the purpose of determining the net tangible assets.

4. Control gained over entities

There were no additions of entities during the period.

5. Loss of control over entities

There was no loss of entities during the period or the previous reporting period.

6. Details of associates and joint venture entities

There are no associates or joint ventures during the period or previous reporting period.

7. Audit qualification or review

The financial statements contained within this Appendix 4E are in the process of being audited, and as such, the accounts are presented unaudited.

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8. Statement of profit or loss and other comprehensive income

	Note	Consolidated	
		2024	2023
		\$	\$
Sales revenue	1	2,216,929	3,095,724
Cost of sales		(1,434,355)	(1,503,759)
Gross profit/(loss)		782,574	1,591,964
Other income	2	82,849	653,925
Debt forgiven		1,807,825	
Expenses			
Marketing expenses		(123,701)	(325,291)
Corporate expense		(1,152,390)	(832,429)
Service expense		(337,807)	(290,230)
Employee benefits expense		(1,908,241)	(4,601,726)
Office/workshop expense		(269,955)	(409,035)
Travel expense		(119,220)	(343,727)
R&D expense		(30,752)	(78,975)
Other expenses		166,430	(39,419)
Due Diligence and Pre-Acquisition Costs		-	(1,756,807)
Total operating expenses		(3,775,635)	(8,677,639)
(Loss) before income tax expense		(1,102,387)	(6,431,749)
Income tax expense		-	-
(Loss) for the year		(1,102,387)	(6,431,749)
Other comprehensive income / (expense)		807,041	330,012
Total comprehensive loss for the year		(295,346)	(6,101,738)
		Cents	Cents
Loss per share to owners of K-TIG Limited			
Basic loss per share		(1.50)	(3.20)
Diluted loss per share		(1.46)	(3.17)

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9. Statement of financial position

	Note	Consolidated	
		2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	3	298,786	818,859
Trade and other receivables	4	313,788	872,105
Inventories	5	2,142,008	1,841,307
Financial assets		5,000	740,000
Total current assets		2,759,581	4,272,271
Non-current assets			
Other receivables	4	14,150	14,150
Property, plant and equipment	6	337,820	513,578
Right-of-use-assets	7	524,821	661,114
Intangibles	8	13,324	19,819
Total non-current assets		890,116	1,208,661
Total assets		3,649,697	5,480,932
Liabilities			
Current liabilities			
Trade and other payables	9	272,583	2,491,141
Amounts received in advance	10	762,774	444,259
Financial Liabilities		3,000,000	2,837,220
Lease Liabilities	11	305,713	111,135
Employee benefits	12	53,492	266,697
Total current liabilities		4,394,562	6,150,452
Non-current liabilities			
Lease liabilities	11	258,164	565,162
Total non-current liabilities		258,164	565,162
Total liabilities		4,652,726	6,715,614
Net assets		(1,003,029)	(1,234,683)
Equity			
Issued capital	13	27,839,529	27,839,529
Share based payment reserve	14	2,207,652	2,145,652
Foreign currency translation reserve		1,142,388	335,347
Accumulated losses		(32,657,598)	(31,555,211)
DOCA Contribution reserve		465,000	
Total Equity		(1,003,029)	(1,234,683)

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10. Statement of cash flows

	Note	Consolidated	
		2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,513,203	3,202,171
Payments to suppliers and employees		(4,317,101)	(8,373,677)
		(1,803,898)	(5,171,506)
Interest received		40,205	10,088
Other income		42,644	643,838
Interest and other finance costs paid		(131,702)	(7,909)
Net cash used / (provided) in operating activities		(1,852,751)	(4,525,490)
Cash flows from investing activities			
Proceeds from disposal of PPE		63,000	-
Payments for property, plant and equipment		(48,000)	(266,021)
Net cash used in investing activities		15,000	(266,021)
Cash flows from financing activities			
Proceeds from issue of shares		-	150,000
Proceeds from convertible note		1,000,000	2,000,000
Proceeds from DOCA contribution		465,000	(140,000)
Repayment of lease liabilities		(147,321)	(126,376)
Net cash provided / (used) by financing activities		1,317,679	1,883,625
Net increase / (decrease) in cash and cash equivalents		(520,072)	(2,907,886)
Cash and cash equivalents at beginning of period		818,859	3,726,745
Cash and cash equivalents at end of the period	3	298,787	818,859

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11. Statement of changes in equity

	Issued Capital	Convertible Note	Shared Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
Consolidated	\$		\$	\$	\$	\$
Balance at 1 July 2022	27,299,304	-	2,566,786	5,335	(25,123,462)	4,747,963
Loss for the year	-	-	-	-	(6,431,749)	(6,431,749)
Other comprehensive	-	-	-	330,012	-	330,012
Total comprehensive loss for the year	-	-	-	330,012	(6,431,749)	(6,101,738)
<i>Transactions with owners in</i>						
Issue of shares, net of transaction costs	150,000	-	-	-	-	150,000
Cost of Capital Raise	(140,000)	-	-	-	-	(140,000)
Share-based payments - performance rights, net of transaction costs	-	-	109,091	-	-	109,091
Share-based payments - performance rights	125,225	-	(125,225)	-	-	-
Conversion of long term incentive shares to director	405,000	-	(405,000)	-	-	-
Balance at 30 June 2023	27,839,529	-	2,145,652	335,347	(31,555,211)	(1,234,683)

	Issued Capital	DOCA Contribution Reserve	Shared Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
Consolidated	\$		\$	\$	\$	\$
Balance at 1 July 2023	27,839,529	-	2,145,652	335,347	(31,555,211)	(1,234,683)
Loss for the year	-	-	-	-	(1,102,387)	(1,102,387)
Other comprehensive	-	-	-	807,041	-	807,041
Total comprehensive loss for the year	-	-	-	807,041	(1,102,387)	(295,346)
<i>Transactions with owners in</i>						
Issue of shares, net of transaction costs	-	-	-	-	-	-
Cost of Capital Raise	-	-	-	-	-	-
Share-based payments - performance rights, net of transaction costs	-	-	-	-	-	-
Share-based payments - performance rights	-	-	62,000	-	-	62,000
DOCA Contribution received	-	465,000	-	-	-	465,000
Balance at 30 June 2024	27,839,529	465,000	2,207,652	1,142,388	(32,657,599)	(1,003,029)

12. Note 1: Revenue

	Consolidated	
	2024	2023
	\$	\$
Revenue from contracts with customers		
Sale of goods	1,764,446	2,700,073
Rendering services	243,886	297,128
Other trading revenue	160,107	35,752
	2,168,438	3,032,953
Revenue from Waas lessor arrangements	48,491	62,770
	2,216,929	3,095,724

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13. Note 2: Other income

	Consolidated	
	2024	2023
	\$	\$
Interest received	40,205	10,088
Other income	-	8,576
Research & development tax incentive	42,644	635,262
	82,849	653,925

14. Note 3: Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
Cash at bank	298,786	818,859

15. Note 4: Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
Current		
Trade Receivables		
Trade receivables	140,138	237,207
Provision for expected losses	-	-
	140,138	237,207
Other Receivables		
GST and VAT receivables	3,811	94,760
Prepayments	169,455	246,033
Other receivables	384	294,104
	173,650	634,898
Trade and Other Receivables	313,788	872,105
Non-current		
Other Receivables		
Other receivables	14,150	14,150
	14,150	14,150

16. Note 5: Inventories

	Consolidated	
	2024	2023
	\$	\$
Materials and components	1,309,445	581,099
Finished goods	832,563	1,260,208
	2,142,008	1,841,307

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17. Note 6: Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
Leasehold improvements - at cost	224,630	224,814
Less: Accumulated depreciation	(194,715)	(189,232)
	29,915	35,583
Plant and equipment - at cost	593,061	666,558
Less: Accumulated depreciation	(332,162)	(288,395)
	260,899	378,163
Computer and equipment - at cost	101,416	139,644
Less: Accumulated depreciation	(79,561)	(91,363)
	21,855	48,281
WaaS assets - at cost	90,950	121,266
Less: Accumulated depreciation	(65,800)	(69,716)
	25,151	51,550
	337,820	513,578

18. Note 7: Right-of-use-assets

	Consolidated	
	2024	2023
	\$	\$
Land and buildings	766,300	767,771
Less: Accumulated depreciation	(241,479)	(106,657)
	524,821	661,114

19. Note 8: Intangibles

	Consolidated	
	2024	2023
	\$	\$
Trademarks - at cost	110,569	110,569
Less: Accumulated amortisation	(97,245)	(90,750)
	13,324	19,819

20. Note 9: Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
Trade payables	209,905	1,416,857
Other payables	62,678	247,875
Accrued expenses	-	826,409
	272,583	2,491,141

21. Note 10: Amounts received in advance

	Consolidated	
	2024	2023
	\$	\$
Amounts Received in Advance	762,774	444,259
	762,774	444,259

22. Note 11: Lease Liabilities

	Consolidated	
	2024	2023
	\$	\$
Current	305,713	111,135
Non current	258,164	565,162
	563,877	676,296

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23. Note 12: Employee benefits

	Consolidated	
	2024	2023
	\$	\$
Current	53,490	266,697
Non-current	-	-
	53,490	266,697

24. Note 13: Issued capital

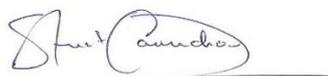
Consolidated	2024	30 June 2023	2024	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	73,328,415	73,328,415	27,839,529	27,839,529
Series A preference shares	-	-	-	-
	73,328,415	73,328,415	27,839,529	27,839,529

Date	Details	Number of Shares	\$
1 Jul 2023	Balance	73,328,415	27,839,529

25. Note 14: Shared-based payment reserve

	Consolidated	
	2024	2023
	\$	\$
Options reserve	702,289	871,990
Performance rights reserve	1,505,363	1,273,662
	2,207,652	2,145,652

Signature:



Stuart Carmichael
Chairman

30 August 2024