

## 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	(2.10)	(2.61)

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)
<b>Gross profit/(loss)</b>		<b>782,574</b>	<b>1,591,964</b>
Other income	2	82,849	653,925
Debt forgiven		1,807,825	
<b>Expenses</b>			
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)
<b>Total operating expenses</b>		<b>(3,775,635)</b>	<b>(8,677,639)</b>
<b>(Loss) before income tax expense</b>		<b>(1,102,387)</b>	<b>(6,431,749)</b>
Income tax expense		-	-
<b>(Loss) for the year</b>		<b>(1,102,387)</b>	<b>(6,431,749)</b>
Other comprehensive income / (expense)		807,041	330,012
<b>Total comprehensive loss for the year</b>		<b>(295,346)</b>	<b>(6,101,738)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share to owners of K-TIG Limited</b>			
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 \$
<b>Assets</b>			
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>2,759,581</b>	<b>4,272,271</b>
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>890,116</b>	<b>1,208,661</b>
<b>Total assets</b>		<b>3,649,697</b>	<b>5,480,932</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>4,394,562</b>	<b>6,150,452</b>
<b>Non-current liabilities</b>			
Lease liabilities	11	258,164	565,162
<b>Total non-current liabilities</b>		<b>258,164</b>	<b>565,162</b>
<b>Total liabilities</b>		<b>4,652,726</b>	<b>6,715,614</b>
<b>Net assets</b>		<b>(1,003,029)</b>	<b>(1,234,683)</b>
<b>Equity</b>			
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	
<b>Total Equity</b>		<b>(1,003,029)</b>	<b>(1,234,683)</b>

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**10. Statement of cash flows**

	Note	Consolidated	
		2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,513,203	3,202,171
Payments to suppliers and employees		(4,317,101)	(8,373,677)
		<b>(1,803,898)</b>	<b>(5,171,506)</b>
Interest received		40,205	10,088
Other income		42,644	643,838
Interest and other finance costs paid		(131,702)	(7,909)
<b>Net cash used / (provided) in operating activities</b>		<b>(1,852,751)</b>	<b>(4,525,490)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of PPE		63,000	-
Payments for property, plant and equipment		(48,000)	(266,021)
<b>Net cash used in investing activities</b>		<b>15,000</b>	<b>(266,021)</b>
<b>Cash flows from financing activities</b>			
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)
<b>Net cash provided / (used) by financing activities</b>		<b>1,317,679</b>	<b>1,883,625</b>
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
<b>Cash and cash equivalents at end of the period</b>	3	<b>298,787</b>	<b>818,859</b>

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**11. Statement of changes in equity**

	Issued Capital	Convertible	Shared Based	Foreign	Accumulated	Total
<b>Consolidated</b>	<b>\$</b>	<b>Note</b>	<b>Payments</b>	<b>Currency</b>	<b>Losses</b>	<b>\$</b>
			<b>Reserve</b>	<b>Translation</b>		
			<b>\$</b>	<b>Reserve</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	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
<b>Total comprehensive loss for the year</b>	-	-	-	330,012	(6,431,749)	(6,101,738)
<b>Transactions with owners in</b>						
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)	-	-	-
<b>Balance at 30 June 2023</b>	<b>27,839,529</b>	<b>-</b>	<b>2,145,652</b>	<b>335,347</b>	<b>(31,555,211)</b>	<b>(1,234,683)</b>

	Issued Capital	DOCA	Shared Based	Foreign	Accumulated	Total
<b>Consolidated</b>	<b>\$</b>	<b>Contribution</b>	<b>Payments</b>	<b>Currency</b>	<b>Losses</b>	<b>\$</b>
		<b>Reserve</b>	<b>Reserve</b>	<b>Translation</b>		
			<b>\$</b>	<b>Reserve</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2023</b>	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
<b>Total comprehensive loss for the year</b>	-	-	-	807,041	(1,102,387)	(295,346)
<b>Transactions with owners in</b>						
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
<b>Balance at 30 June 2024</b>	<b>27,839,529</b>	<b>465,000</b>	<b>2,207,652</b>	<b>1,142,388</b>	<b>(32,657,599)</b>	<b>(1,003,029)</b>

**12. Note 1: Revenue**

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

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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
	<b>82,849</b>	<b>653,925</b>

**14. Note 3: Cash and cash equivalents**

	Consolidated	
	2024	2023
	\$	\$
Cash at bank	<b>298,786</b>	<b>818,859</b>

**15. Note 4: Trade and other receivables**

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

**16. Note 5: Inventories**

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

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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	-	-
	<u>53,490</u>	<u>266,697</u>

**24. Note 13: Issued capital**

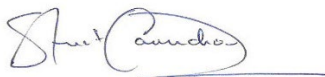
	2024	30 June 2023	2024	30 June 2023
Consolidated	Shares	Shares	\$	\$
Ordinary shares - fully paid	73,328,415	73,328,415	27,839,529	27,839,529
Series A preference shares	-	-	-	-
	<u>73,328,415</u>	<u>73,328,415</u>	<u>27,839,529</u>	<u>27,839,529</u>

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
	<u>2,207,652</u>	<u>2,145,652</u>

Signature:



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 Stuart Carmichael  
 Chairman

30 August 2024