

Metal Powder Works Limited (formerly known as K-TIG Limited)**Appendix 4D****Half-year report****1. Company details**

Name of entity:	Metal Powder Works Limited (formerly known as K-TIG Limited)
ABN:	28 158 307 549
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

				\$
Loss from ordinary activities after tax attributable to the owners of Metal Powder Works Limited (formerly known as K-TIG Limited)	down	75.6%	to	(488,575)
Loss for the half-year attributable to the owners of Metal Powder Works Limited (formerly known as K-TIG Limited)	down	75.6%	to	(488,575)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$488,575 (31 December 2023: \$2,006,202).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(2.27)	(5.14)

Right-of-use assets recognised under AASB 16 Leases are classified as intangible assets to determine net tangible assets.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends*Current period*

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

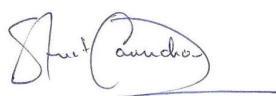
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Metal Powder Works Limited (formerly known as K-TIG Limited) for the half-year ended 31 December 2024 is attached.

12. Signed



Signed _____

Date: 27 February 2025

Metal Powder Works Limited (formerly known as K-TIG Limited)

ABN 28 158 307 549

Interim Report - 31 December 2024

Metal Powder Works Limited (formerly known as K-TIG Limited)

Directors' report

31 December 2024

The directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metal Powder Works Limited (formerly known as K-TIG Limited) (referred to hereafter as the 'company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024. Information contained within this report and the financial statements is presented in Australian Dollars (\$AUD).

Directors

The following persons were directors of Metal Powder Works Limited (formerly known as K-TIG Limited) during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Stuart Carmichael
Adrian Smith (resigned on 29 November 2024)
Anthony McIntosh
Darryl Abotomey

Principal activities

Metal Powder Works Limited (formerly known as K-TIG Limited) owns all rights, title and interest in and to proprietary and patented welding technology, which was originally developed by the CSIRO.

K-TIG is an abbreviation of "Keyhole - Tungsten Inert Gas" and denotes both the style and precision of the welding technology. This high speed precision welding technology welds up to 100 times faster than traditional TIG (Tungsten Inert Gas) 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.

The Company works across a wide range of applications. It is particularly well suited to corrosion-resistant materials such as stainless steel, nickel alloys, titanium alloys, carbon steels, and most exotic materials. It easily handles longitudinal and circumferential welds on pipes, spooling, vessels, tanks and other materials in a single pass

The Company has been awarded Australian Industrial Product of the Year and the DTC (Defence Teaming Centre) Defence Industry Award in prior years.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$488,575 (31 December 2023: \$2,006,202).

The consolidated entity recorded \$1,378,796 of revenue for the current year (31 December 2023: \$1,476,906). The reduction in revenue was mainly attributable to the voluntary administration process on the company and its Australian subsidiary, Keyhole TIG Pty Ltd, with trading resuming in September 2024.

The company continues working with clients and prospective clients in highly regulated industries to demonstrate the advantages of Keyhole TIG welding to their applications. In addition, the company continues to invest in R&D to expand the range of metals that can be used utilising the K-TIG technology.

Significant changes in the state of affairs

Acquisition of Metal Powder Works

On 17 December 2024, the company announced that it had entered into a binding agreement to acquire U.S. based entity Metal Powder Works. Upon completion of the transaction and reinstatement to quotation of the shares on ASX the Company's primary focus will shift to the production of specialist additive manufacturing powders. Concurrently, existing technology and operations will continue, complementing Metal Powder Work's activities and serving overlapping ending customers. The company will serve a wide variety of market sectors including defence, aerospace and nuclear sectors.

The operations of the Company will be conducted from its office in Pittsburgh, USA.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Metal Powder Works Limited (formerly known as K-TIG Limited)

Directors' report

31 December 2024

Matters subsequent to the end of the financial half-year

On 17 December 2024, the company announced it had entered into a binding agreement to acquire 100% of Metal Power Works Inc. The company also intends to raise a minimum of \$7 million (minimum Subscription) and up to a maximum of \$10 million (before costs) (maximum Subscription) at an issue price of \$0.20 per fully paid ordinary shares. Pursuant to a public offer under a full form prospectus.

On 25 February 2025 the Company announced that the change of the Company name process has now been completed and the Australian Securities and Investment Commission (ASIC) have recorded the change of name effective 18 February 2025. The name of the Company changed from K-Tig Limited to Metal Powder Works Limited. The Company's ASX listing code has also changed from "KTG" to "MPW".

The company consolidated its existing securities on a 13 to 1 basis. Shareholder approval for this was received on 11 February 2025.

Metal Powder Works will become a wholly owned subsidiary of the Company on completion of the transaction and the Company's primary focus will shift to the production of specialist additive manufacturing powders. Concurrently, the company's existing technology and operations will continue, complementing Metal Powder Work's activities and serving overlapping ending customers.

Subsequent to the period end the company also issued a prospectus and announced results of a general meeting , at which shareholders approved various matters, including those outlined above.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

On 17 December 2024, the company announced that it had entered into a binding agreement to acquire U.S. based entity Metal Powder Works. Upon completion of the transaction and reinstatement to quotation of the shares on ASX the Company's primary focus will shift to the production of specialist additive manufacturing powders. Concurrently, K-Tig's existing technology and operations will continue, complementing Metal Powder Work's activities and serving overlapping ending customers.

Environmental regulation

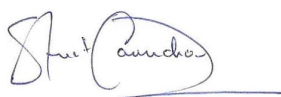
The consolidated entity operates within the manufacturing sector and conducts its business activities with respect for the environment while continuing to meet the expectations of its shareholders, employees and suppliers. The consolidated entity aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The consolidated entity is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licenses.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



27 February 2025

DECLARATION OF INDEPENDENCE

BY JOSH CARVER

TO THE DIRECTORS OF METAL POWDER WORKS LIMITED (FORMERLY K-TIG LIMITED)

As lead auditor for the review of Metal Powder Works Limited (Formerly K-TIG Limited) for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Metal Powder Works Limited (Formerly K-TIG Limited) and the entities it controlled during the period.



Josh Carver
Director

BDO Audit Pty Ltd

Adelaide, 27 February 2025

Metal Powder Works Limited (formerly known as K-TIG Limited)

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31 December 2024

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General information

The financial statements cover Metal Powder Works Limited (formerly known as K-TIG Limited) as a consolidated entity consisting of Metal Powder Works Limited (formerly known as K-TIG Limited) and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Metal Powder Works Limited (formerly known as K-TIG Limited) is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 5, 191 St George's Terrace
Perth, WA 6000

Principal place of business

Building 5
9 William Street
Mile End SA 5031
Phone: (08) 7324 6800

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025. The directors have the power to amend and reissue the financial statements.

Metal Powder Works Limited (formerly known as K-TIG Limited)
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue			
Sales revenue	2	1,378,796	1,476,906
Cost of sales		(575,226)	(792,102)
Gross profit		803,570	684,804
Other income	3	539	65,125
Expenses			
Employee benefits expense		(366,907)	(1,672,267)
Service expenses		(108,138)	(160,156)
Other expenses		61,453	(24,441)
Marketing expenses		(483)	(80,654)
Corporate expenses		(735,231)	(353,009)
Office/workshop expense		(83,866)	(173,929)
Travel expense		(59,512)	(55,714)
R&D expense		-	(27,596)
Due diligence and pre-acquisition costs		-	(208,365)
Loss before income tax expense		(488,575)	(2,006,202)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Metal Powder Works Limited (formerly known as K-TIG Limited)		(488,575)	(2,006,202)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		181,033	17,757
Other comprehensive income for the half-year, net of tax		181,033	17,757
Total comprehensive income for the half-year attributable to the owners of Metal Powder Works Limited (formerly known as K-TIG Limited)		<u>(307,542)</u>	<u>(1,988,445)</u>
		Cents	Cents
Basic earnings per share	20	(0.67)	(2.74)
Diluted earnings per share	20	(0.67)	(2.74)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Metal Powder Works Limited (formerly known as K-TIG Limited)
Condensed consolidated statement of financial position
As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents	4	338,772	296,233
Trade and other receivables	5	249,962	249,551
Inventories		1,915,505	2,039,108
Other financial assets		5,000	5,000
Total current assets		<u>2,509,239</u>	<u>2,589,892</u>
Non-current assets			
Trade and other receivables	5	14,150	14,150
Property, plant and equipment	6	302,867	337,819
Right-of-use assets	7	468,249	524,821
Intangibles		13,324	13,324
Total non-current assets		<u>798,590</u>	<u>890,114</u>
Total assets		<u>3,307,829</u>	<u>3,480,006</u>
Liabilities			
Current liabilities			
Trade and other payables	8	477,325	258,452
Lease liabilities	9	126,420	305,713
Financial liabilities	10	3,391,000	3,000,000
Employee benefits		60,156	53,490
Amounts received in advance		66,318	618,474
Total current liabilities		<u>4,121,219</u>	<u>4,236,129</u>
Non-current liabilities			
Lease liabilities	9	399,439	258,164
Total non-current liabilities		<u>399,439</u>	<u>258,164</u>
Total liabilities		<u>4,520,658</u>	<u>4,494,293</u>
Net liabilities		<u>(1,212,829)</u>	<u>(1,014,287)</u>
Equity			
Issued capital	11	27,948,530	27,839,530
Other reserves		1,829,102	1,648,069
Share-based payment reserve	12	2,207,652	2,207,652
Accumulated losses		(33,198,113)	(32,709,538)
Total deficiency in equity		<u>(1,212,829)</u>	<u>(1,014,287)</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

Metal Powder Works Limited (formerly known as K-TIG Limited)
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2024

	Issued capital \$	Share-based payments reserve \$	Foreign currency translation reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	27,839,530	2,145,652	335,347	(31,555,211)	(1,234,682)
Loss after income tax expense for the half-year	-	-	-	(2,006,202)	(2,006,202)
Other comprehensive income for the half-year, net of tax	-	-	17,757	-	17,757
Total comprehensive income for the half-year	-	-	17,757	(2,006,202)	(1,988,445)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments - performance rights net of transaction costs	-	62,000	-	-	62,000
Balance at 31 December 2023	<u>27,839,530</u>	<u>2,207,652</u>	<u>353,104</u>	<u>(33,561,413)</u>	<u>(3,161,127)</u>
	Issued capital \$	Share-based payments reserve \$	Foreign Currency translation reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2024	27,839,530	2,207,652	1,648,069	(32,709,538)	(1,014,287)
Loss after income tax expense for the half-year	-	-	-	(488,575)	(488,575)
Other comprehensive income for the half-year, net of tax	-	-	181,033	-	181,033
Total comprehensive income for the half-year	-	-	181,033	(488,575)	(307,542)
Equity component of compound financial instrument	109,000	-	-	-	109,000
Balance at 31 December 2024	<u>27,948,530</u>	<u>2,207,652</u>	<u>1,829,102</u>	<u>(33,198,113)</u>	<u>(1,212,829)</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Metal Powder Works Limited (formerly known as K-TIG Limited)
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		815,172	2,036,448
Payments to suppliers (inclusive of GST)		(1,233,458)	(2,514,132)
		(418,286)	(477,684)
Interest received		539	1,071
Other revenue		-	43,483
Interest and other finance costs paid		(1,696)	(31,012)
Net cash used in operating activities	17	(419,443)	(464,142)
Cash flows from investing activities			
Payments for property, plant and equipment	6	-	(39,298)
Proceeds from disposal of property, plant and equipment		-	58,182
Net cash from investing activities		-	18,884
Cash flows from financing activities			
Proceeds from issue of compound financial instrument		500,000	-
Repayment of lease liabilities		(38,018)	(60,348)
Net cash from/(used in) financing activities		461,982	(60,348)
Net increase/(decrease) in cash and cash equivalents		42,539	(505,606)
Cash and cash equivalents at the beginning of the financial half-year		296,233	818,859
Cash and cash equivalents at the end of the financial half-year	4	<u>338,772</u>	<u>313,253</u>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the half-year ended 31 December 2024, the consolidated entity reported a loss before income tax of \$488,575 (31 December 2023: \$2,006,202) and net cash used in operating activities of \$419,443 (31 December 2023: \$464,142 cash used).

Notwithstanding these events, the director's believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report; having prepared forecast cashflow information for a period of least 12 months from the end of the reporting period, taking into consideration of the following factors:

- The ability to raise capital for the Metal Power Works acquisition;
- Careful cashflow management, including controlling discretionary spending and prioritisation of capital expenditure; and
- The continued receipt of R&D tax incentives claims for eligible expenditure.

Should the consolidated entity be unable to maintain sufficient funding outlined above, there are material uncertainties that may cast significant doubt about the consolidated entity's ability to continue as a going concern. Therefore the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business. The financial report does not include any adjustments relating to the amounts or classification of recorded assets and liabilities that might be necessary should the consolidated entity not continue as a going concern.

The director's believe that the consolidated entity will be successful in the above matters and accordingly, have prepared the financial report on a going concern basis.

Note 2. Revenue

	31 December 2024 \$	31 December 2023 \$
Sale of goods	1,251,126	1,296,131
Rendering services	80,311	148,064
Other trading revenue	28,241	78
Revenue from WaaS lessor arrangements	19,118	32,633
	<u>1,378,796</u>	<u>1,476,906</u>

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 3. Other income

	31 December 2024 \$	31 December 2023 \$
Net gain on disposal of property, plant and equipment	-	20,573
Research & development tax incentive	-	42,644
Other income	-	837
Interest received	539	1,071
	<u>539</u>	<u>1,071</u>
Other income	<u>539</u>	<u>65,125</u>

Note 4. Cash and cash equivalents

	31 December 2024 \$	30 June 2024 \$
<i>Current assets</i>		
Cash at bank	<u>338,772</u>	<u>296,233</u>

Note 5. Trade and other receivables

	31 December 2024 \$	30 June 2024 \$
<i>Current assets</i>		
Trade receivables	<u>73,722</u>	<u>75,901</u>
GST and VAT receivables	57,760	3,811
Prepayments	111,604	169,455
Other receivables	<u>6,876</u>	<u>384</u>
	<u>176,240</u>	<u>173,650</u>
	<u>249,962</u>	<u>249,551</u>
<i>Non-current assets</i>		
Trade receivables	<u>14,150</u>	<u>14,150</u>
	<u>264,112</u>	<u>263,701</u>

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (30 June 2024: \$nil) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount	
	31 December 2024 %	30 June 2024 %	31 December 2024 \$	30 June 2024 \$
Not overdue	-	-	12,504	24,248
0 to 3 months overdue	-	-	57,987	22,441
Over 6 months overdue	-	-	<u>3,231</u>	<u>29,212</u>
			<u>73,722</u>	<u>75,901</u>

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 6. Property, plant and equipment

	31 December 2024 \$	30 June 2024 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	189,307	224,630
Less: Accumulated depreciation	<u>(183,307)</u>	<u>(194,715)</u>
	6,000	29,915
 Plant and equipment - at cost	 588,859	 593,061
Less: Accumulated depreciation	<u>(335,153)</u>	<u>(332,162)</u>
	253,706	260,899
 Computer equipment - at cost	 95,903	 101,416
Less: Accumulated depreciation	<u>(77,892)</u>	<u>(79,561)</u>
	18,011	21,855
 WaaS assets - at cost	 90,950	 90,950
Less: Accumulated depreciation	<u>(65,800)</u>	<u>(65,800)</u>
	25,150	25,150
	<u><u>302,867</u></u>	<u><u>337,819</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Leasehold Improvements \$	Plant and Equipment \$	Computer Equipment \$	WaaS Assets \$	Total \$
Balance at 1 July 2024	29,915	260,899	21,855	25,150	337,819
Additions	-	-	-	-	-
Write off of assets	(12,507)	(4,202)	(2,175)	-	(18,884)
Depreciation expense	<u>(11,408)</u>	<u>(2,991)</u>	<u>(1,669)</u>	<u>-</u>	<u>(16,068)</u>
Balance at 31 December 2024	<u><u>6,000</u></u>	<u><u>253,706</u></u>	<u><u>18,011</u></u>	<u><u>25,150</u></u>	<u><u>302,867</u></u>

Note 7. Right-of-use assets

	31 December 2024 \$	30 June 2024 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	787,676	766,300
Less: Accumulated depreciation	<u>(319,427)</u>	<u>(241,479)</u>
	<u><u>468,249</u></u>	<u><u>524,821</u></u>

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 8. Trade and other payables

	31 December 2024 \$	30 June 2024 \$
<i>Current liabilities</i>		
Trade payables	319,400	195,774
Accrued expenses	50,340	-
Other payables	107,585	62,678
	<u>477,325</u>	<u>258,452</u>

Note 9. Lease liabilities

	31 December 2024 \$	30 June 2024 \$
<i>Current liabilities</i>		
Lease liability	126,420	305,713
<i>Non-current liabilities</i>		
Lease liability	399,439	258,164
	<u>525,859</u>	<u>563,877</u>

Note 10. Financial liabilities

	31 December 2024 \$	30 June 2024 \$
<i>Current liabilities</i>		
Financial liability at amortised cost (Convertible notes issued in March 2023)	2,000,000	2,000,000
Financial liability (Convertible notes issued as part of DOCA contribution)	1,000,000	1,000,000
Compound financial instrument - Convertible notes issued on 30 October 2024	391,000	-
	<u>3,391,000</u>	<u>3,000,000</u>

Convertible notes issued on 30 October 2024

On 30 October 2024, the consolidated entity issued 500 convertible notes, each with a face value of \$1,000 raising proceeds of \$500,000. Terms of the convertible notes are:

- (i) converts automatically into ordinary shares at a 20% discount to the next capital raise;
- (ii) non-redeemable; and
- (iii) the maturity date is 24 month from the issue date.

The note was recognised as a compound financial instrument, with the present value of the liability recorded and the difference between the face value and the liability recognised as the equity component.

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 10. Financial liabilities (continued)

Convertible notes issued as part of DOCA contribution

On 21 February 2024 the company entered voluntary administration. The Deed of Company Arrangement ("DOCA") was executed on 12 April 2024 and effectuated on 16 April 2024. Key terms of the Proponent's DOCA proposal was a contribution of \$1,000,000 paid to the Deed Administrator. Post effectuation this contribution was structured by way of a convertible note with the issuance of 1,000 convertible debt notes with a face value of \$1,000 each. Terms of the convertible notes are as follows:

- (i) convert automatically at the next capital raise at the same terms as the next capital raise price capped at \$0.01 with one for one free attaching three year options with a strike price of \$0.01;
- (ii) non-redeemable; and
- (iii) the maturity date is 24 month from the issue date.

As at the date of this report this convertible note are subject to shareholder approval. The note is recognised as a financial liability.

Convertible notes issued in March 2023

In March 2023, the consolidated entity issued 2,000 convertible notes, each with a face value of \$1,000, raising proceeds of \$2,000,000. The consolidated entity identified an embedded derivative within these notes, which is an instrument whose value fluctuates based on changes in the price of a specified financial instrument, specifically the 8,000,000 Redemption Options. This embedded derivative was classified as a financial liability, measured at fair value, with any changes in value recognised in the statement of profit or loss.

On 21 February 2024 the Company entered voluntary administration. The Deed of Company Arrangement ("DOCA") was executed on 12 April 2024 and effectuated on 16 April 2024. Voluntary administration and the effectuation of the DOCA defaulted the convertible note making it due and payable at face value. The consolidated group has some proposed revised terms for these convertible notes. As at the date of this report these proposed revised terms are subject to shareholder approval.

Further to the above the balance will remain as a financial liability. The embedded derivative component including the respective financial asset was derecognised during the year ended 30 June 2024 and a gain was recorded in the statement of profit or loss and other comprehensive income. The financial liability has been recognised at its face value of \$2,000,000.

Note 11. Issued capital

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	73,328,415	73,328,415	27,839,530	27,839,530
Equity component of compound financial instrument	-	-	109,000	-
	<u>73,328,415</u>	<u>73,328,415</u>	<u>27,948,530</u>	<u>27,839,530</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll each share shall have one vote.

Capital risk management

The consolidated group's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

To maintain or adjust the capital structure, the consolidated group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 11. Issued capital (continued)

Movements in ordinary shares for the financial year

Details	Date	Shares	\$
Balance	1 July 2024	73,328,415	27,839,530
Balance	31 December 2024	<u>73,328,415</u>	<u>27,839,530</u>

Note 12. Reserves

	31 December 2024 \$	30 June 2024 \$
Share-based payments reserve	<u>2,207,652</u>	<u>2,207,652</u>

The reserves are used to recognise share-based payment transactions. Amounts will be transferred to issued share capital upon share options or performance rights being exercised, or long-term incentive shares being converted.

No new options, performance rights or shares were issued as share based payments during the half-year.

Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 14. Contingent assets and liabilities

No contingent assets or liabilities are noted as at 31 December 2024 (31 December 2023: Nil)

Note 15. Related party transactions

Parent entity

Metal Powder Works Limited (formerly known as K-TIG Limited) is the parent entity.

Transactions with related parties

There were the following transactions with related parties during the current and previous financial half-year.

SBV Capital Pty Ltd for providing professional services - \$129,830

Receivable from and payable to related parties

There were no trade receivables from related parties at the current reporting date. \$26,340 was owing to SBV Capital Pty Ltd (director related entity).

There were no trade receivables from or trade payables to related parties at the previous reporting date.

Loans to/from related parties

As part of the voluntary administration DOCA proponents made a contribution of \$1,000,000 which was structured by way of a convertible note with the issuance of 1,000 convertible debt notes with a face value of \$1,000 each . Directors participated in this arrangement. Details as follows:

Holder	Subscription
Darryl Abotomey	25
Ant McIntosh	25
Adrian Smith	25
Stuart Carmichael	25

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 15. Related party transactions (continued)

There were no other loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 16. Events after the reporting period

On 17 December 2024, the company announced it had entered into a binding agreement to acquire 100% of Metal Power Works Inc. The company also intends to raise a minimum of \$7 million (minimum Subscription) and up to a maximum of \$10 million (before costs) (maximum Subscription) at an issue price of \$0.20 per fully paid ordinary shares. Pursuant to a public offer under a full form prospectus.

On 25 February 2025 the Company announced that the change of the Company name process has now been completed and the Australian Securities and Investment Commission (ASIC) have recorded the change of name effective 18 February 2025. The name of the Company changed from K-Tig Limited to Metal Powder Works Limited. The Company's ASX listing code has also changed from "KTG" to "MPW".

The company consolidated its existing securities on a 13 to 1 basis. Shareholder approval for this was received on 11 February 2025.

Metal Powder Works will become a wholly owned subsidiary of the Company on completion of the transaction and the Company's primary focus will shift to the production of specialist additive manufacturing powders. Concurrently, the company's existing technology and operations will continue, complementing Metal Powder Work's activities and serving overlapping ending customers.

Subsequent to the period end the company also issued a prospectus and announced results of a general meeting , at which shareholders approved various matters, including those outlined above.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Reconciliation of loss after income tax to net cash used in operating activities

	31 December 2024	31 December 2023
	\$	\$
Loss after income tax expense for the half-year	(488,575)	(2,006,202)
Adjustments for:		
Depreciation	108,138	160,156
Amortisation of trademarks	-	5,559
Share-based payments	-	62,000
Property, plant and equipment written-off	(18,884)	(20,573)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(71,289)	428,040
Decrease in inventories	123,603	240,490
Increase in trade and other payables	81,754	440,190
Increase / (decrease) amounts received in advance	(552,156)	160,050
Increase/(decrease) in employee benefits	6,666	(34,126)
Increase in financial liabilities	391,300	100,274
Net cash used in operating activities	<u>(419,443)</u>	<u>(464,142)</u>

Metal Powder Works Limited (formerly known as K-TIG Limited)
Notes to the condensed consolidated financial statements
31 December 2024

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2024 %	30 June 2024 %
Kabuni USA Inc.	United States	100.00%	100.00%
Stirling Minerals Pty Limited	Australia	100.00%	100.00%
Keyhole TIG Pty Limited	Australia	100.00%	100.00%
Keyhole TIG (USA) Inc.	United States	100.00%	100.00%
Keyhole TIG (UK) Pty Ltd	United Kingdom	100.00%	100.00%

Note 19. Operating segments

Identification of reportable operating segments

The consolidated group is considered to be one operating segment based on products delivered. This operating segment is based on the internal reports reviewed and used by the Board of Directors, who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and determining the allocation of resources. Accordingly, the information presented in the financial statements approximates the information of the operating segment.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 20. Earnings per share

	31 December 2024 \$	31 December 2023 \$
Loss after income tax attributable to the owners of Metal Powder Works Limited (formerly known as K-TIG Limited)	<u>(488,575)</u>	<u>(2,006,202)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>73,328,415</u>	<u>73,328,415</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>73,328,415</u>	<u>73,328,415</u>
	Cents	Cents
Basic earnings per share	(0.67)	(2.74)
Diluted earnings per share	(0.67)	(2.74)

Metal Powder Works Limited (formerly known as K-TIG Limited)

Directors' declaration

31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Stuart Chandler", is written over a horizontal line.

27 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF METAL POWDER WORKS LIMITED (FORMERLY K-TIG LIMITED)

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Metal Powder Works Limited (Formerly K-TIG Limited) (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in black ink that reads 'JD Carver'.

Josh Carver
Director

Adelaide, 27 February 2025