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Metal Powder Works Inc.

Annual Report - 31 December 2024

Metal Powder Works Inc.
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 Inc. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The following persons were directors of Metal Powder Works Inc. during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Barnes
Chris Aldridge
Leo Christodoulou
Kapil Talwar
Bruno Campisi
Rob Gorham

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Machine and process development
 - System industrialization, closed loop control system
 - Simplified user interface development
 - Yield, productivity and tool design improvements
- Material portfolio expansion
- Business development, customer and partner engagements

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,237,737 (31 December 2023: \$891,912).

To mitigate technological and economic risks associated with the development of advanced metal alloy powders, the company has prioritized revenue-generating technology development agreements with industry partners. Under this approach, material development initiatives are funded by prospective customers and collaborators. This strategy reduces the company's financial exposure but also expands industry relationships in an ecosystem that is diverse in downstream powder processing and manufacturing applications.

Significant changes in the state of affairs

On 17 December 2024 K-TIG Limited announced that it had entered into a binding agreement to acquire 100% of Metal Powder Works Inc.

The key terms and conditions of the Acquisition are as follows:

Consideration

The consideration to be provided by the Company under the terms of the Share Purchase Agreement comprises the issue of the following securities (on a post- Consolidation basis):

- (i) 55,000,000 Shares (Consideration Shares); and
- (ii) 50,000,000 Performance Rights (Consideration Performance Rights), in two equal tranches subject to various vesting conditions:

The Consideration Shares and Consideration Performance Rights (together, the Consideration Securities) will be issued to the MPW Vendors in proportion to their respective interests in MPW on Completion.

Conditions precedent

The Share Purchase Agreement is subject to certain conditions precedent, including:

Metal Powder Works Inc.

Directors' report

31 December 2024

- (i) ASX providing a conditional reinstatement letter to the Company on terms satisfactory to the Company (acting reasonably);
- (ii) the minority holders of MPW entering into a minority shareholder agreement (Minority MPW SPA) and the Company being entitled to complete under the Minority MPW SPA;
- (iii) the Company's shareholders approving the Transaction and associated
- (iv) resolutions at the General Meeting; and
- (v) the Company raising the Minimum Subscription of AUD \$7,000,000 under the Public Offer.

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

Matters subsequent to the end of the financial year

On 24 January 2025 K-TIG Limited lodged a revised prospectus to raise a minimum of AUD \$7 million up to AUD \$10 million (before costs) at an issue price of \$0.20 per fully paid ordinary share.

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

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation and is not aware of an environmental breaches.

Shares under option

There were no unissued ordinary shares of Metal Powder Works Inc. under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Metal Powder Works Inc. issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

Metal Powder Works Inc.
Directors' report
31 December 2024

This report is made in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Kapil Talwar', is written over a horizontal line. The signature is stylized and cursive.

Kapil Talwar
Non-Executive Director

26 February 2025

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Auditor's Independence Declaration

To the Directors of Metal Powder Works Inc.

In accordance with the requirements of APES 110 Code of Ethics for Professional Accountants (the Code), as lead auditor for the review of Metal Powder Works Inc. for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance
Perth, 26 February 2025

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General information

The financial statements cover Metal Powder Works Inc. as a consolidated entity consisting of Metal Powder Works Inc. and the entities it controlled at the end of, or during, the year. The financial statements are presented in United States dollars, which is Metal Powder Works Inc.'s functional and presentation currency.

Metal Powder Works Inc. is a private company, incorporated and domiciled in Delaware, United States of America. Its registered office and principal place of business is:

1300 Clinton Rd, Clinton, PA 15026, United States of America

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 26 February 2025.

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Metal Powder Works Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 \$	2023 \$
Revenue	3	770,856	875,939
Other income	4	1,192	22,760
Expenses			
Raw materials and consumables used		(352,126)	(272,972)
Employee benefits expense		(651,205)	(544,020)
Depreciation and amortisation expense		(186,926)	(191,252)
Legal & Professional Services		(265,774)	(78,285)
Contractors		(244,235)	(439,123)
Insurance expense		(33,936)	(28,195)
Research & Development		(81,662)	(68,412)
Other expenses		(98,277)	(86,907)
Finance costs		(50,503)	(33,464)
Marketing		(6,934)	(41,075)
Occupancy		(38,207)	(6,906)
Loss before income tax expense		(1,237,737)	(891,912)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Metal Powder Works Inc.		(1,237,737)	(891,912)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Metal Powder Works Inc.		<u>(1,237,737)</u>	<u>(891,912)</u>

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

Metal Powder Works Inc.
Statement of financial position
As at 31 December 2024

	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	195,625	177,098
Trade and other receivables	7	78,093	101,030
Total current assets		<u>273,718</u>	<u>278,128</u>
Non-current assets			
Trade and other receivables	7	-	6,705
Property, plant and equipment	9	311,097	393,702
Right-of-use assets	8	283,224	386,216
Intangibles	10	258,930	286,186
Total non-current assets		<u>853,251</u>	<u>1,072,809</u>
Total assets		<u>1,126,969</u>	<u>1,350,937</u>
Liabilities			
Current liabilities			
Trade and other payables	11	194,625	309,308
Contract liabilities	12	235,970	-
Borrowings	13	421,522	100,000
Lease liabilities	14	104,740	94,844
Convertible notes	15	323,109	-
Total current liabilities		<u>1,279,966</u>	<u>504,152</u>
Non-current liabilities			
Lease liabilities	14	209,361	314,102
Convertible note	15	665,805	323,109
Total non-current liabilities		<u>875,166</u>	<u>637,211</u>
Total liabilities		<u>2,155,132</u>	<u>1,141,363</u>
(Net liabilities)/assets		<u>(1,028,163)</u>	<u>209,574</u>
Equity			
Issued capital	16	2,790,111	2,790,111
Accumulated losses		(3,818,274)	(2,580,537)
Total (deficiency)/equity		<u>(1,028,163)</u>	<u>209,574</u>

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

Metal Powder Works Inc.
Statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2023	2,790,111	(1,688,625)	1,101,486
Loss after income tax expense for the year	-	(891,912)	(891,912)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(891,912)	(891,912)
Balance at 31 December 2023	2,790,111	(2,580,537)	209,574

Consolidated	Issued capital \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2024	2,790,111	(2,580,537)	209,574
Loss after income tax expense for the year	-	(1,237,737)	(1,237,737)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(1,237,737)	(1,237,737)
Balance at 31 December 2024	2,790,111	(3,818,274)	(1,028,163)

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

Metal Powder Works Inc.
Statement of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		1,030,954	806,674
Payments to suppliers and employees		(1,822,386)	(1,729,059)
Net cash used in operating activities		<u>(791,432)</u>	<u>(922,385)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-	(25,748)
Payments for security deposits		(203,295)	-
Proceeds from disposal of property, plant and equipment		25,927	-
Proceeds from release of security deposits		-	241,717
Net cash from/(used in) investing activities		<u>(177,368)</u>	<u>215,969</u>
Cash flows from financing activities			
Proceeds from borrowings		321,522	423,109
Proceeds from convertible notes		665,805	-
Net cash from financing activities		<u>987,327</u>	<u>423,109</u>
Net increase/(decrease) in cash and cash equivalents		18,527	(283,307)
Cash and cash equivalents at the beginning of the financial year		177,098	460,405
Cash and cash equivalents at the end of the financial year	6	<u><u>195,625</u></u>	<u><u>177,098</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the year end reporting period ended 31 December 2024 have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting', as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in an audited annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023.

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 International Accounting Standards Board ('IAS') 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

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 December 2024, the Group incurred a loss after income tax expense of \$1,237,737 (31 December 2023: \$891,912) and net operating cash outflows of \$791,432 (31 December 2023 : \$922,385).

The ability of the Company to continue as going concerns and to pay their debts as and when they fall due is dependent on the following:

- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts;
- continued support of the Company's major shareholders and funders; and
- The completion of the acquisition by K-TIG Limited and concurrent capital raising of between AUD \$7 million to AUD \$10 million.

The Directors believe that the group can raise capital as required based on the success of previous capital raises and the continued support from the Company's major shareholders. The Directors have a reasonable expectation that the Company has this support and have therefore determined that the Company will continue in operational existence for the foreseeable future. The company's 12 month outlook remains strong on the back of new income streams, a healthy pipeline and expected price growth in addition to a thorough review of our cost base being undertaken.

The financial report has therefore been prepared on the going concern basis. Should the Company be unable to achieve successful outcomes in relation to each of the matters referred to above, there is material uncertainty as to whether the Company will be able to continue as a going concern and, therefore, whether they will realise their assets and discharge their liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Convertible notes

The fair value of the liability of convertible notes is based on the contractual stream of future cash flows. The Group uses its judgement to determine the discount rate based on the market interest rates existing at the end of the 31 December 2024.

Note 3. Revenue

	Consolidated	
	2024	2023
	\$	\$
Sale of equipment	302,854	-
Powder sale	83,167	172,439
Contracted research and development	384,835	703,500
Revenue	<u>770,856</u>	<u>875,939</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2024	2023
	\$	\$
Goods transferred at a point in time	386,021	172,439
Services transferred over time	384,835	703,500
	<u>770,856</u>	<u>875,939</u>

Note 4. Other income

	Consolidated	
	2024	2023
	\$	\$
Sublease income	-	18,000
Other income	1,192	4,760
Other income	<u>1,192</u>	<u>22,760</u>

Metal Powder Works Inc.
Notes to the financial statements
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Note 5. Income tax expense

	Consolidated	Consolidated
	2024	2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,237,737)	(891,912)
Tax at the statutory tax rate of 21%	(259,925)	(187,302)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation and amortisation expense	21,628	40,163
Current year tax losses not recognised	(238,297)	(147,139)
	238,297	147,139
Income tax expense	-	-

Note 6. Cash and cash equivalents

	Consolidated	Consolidated
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	195,625	177,098

Note 7. Trade and other receivables

	Consolidated	Consolidated
	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	78,093	99,160
Other receivables	-	1,870
	78,093	101,030
<i>Non-current assets</i>		
Other receivables	-	6,705
	78,093	107,735

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (2023: \$nil in profit or loss in respect of the expected credit losses for the year ended 31 December 2023).

Metal Powder Works Inc.
Notes to the financial statements
31 December 2024

Note 8. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	638,389	638,390
Less: Accumulated depreciation	<u>(355,165)</u>	<u>(252,174)</u>
	<u>283,224</u>	<u>386,216</u>

The consolidated entity leases land and buildings for its offices and warehouses under agreements of between 3 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

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

Consolidated	Land and buildings \$	Total \$
Balance at 1 January 2023	489,207	489,207
Depreciation expense	<u>(102,991)</u>	<u>(102,991)</u>
Balance at 31 December 2023	386,216	386,216
Depreciation expense	<u>(102,992)</u>	<u>(102,992)</u>
Balance at 31 December 2024	<u>283,224</u>	<u>283,224</u>

Note 9. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	532,430	576,682
Less: Accumulated depreciation	<u>(243,191)</u>	<u>(204,152)</u>
	<u>289,239</u>	<u>372,530</u>
Fixtures and fittings - at cost	14,959	14,959
Less: Accumulated depreciation	<u>(4,980)</u>	<u>(3,518)</u>
	<u>9,979</u>	<u>11,441</u>
Computer equipment - at cost	15,533	11,853
Less: Accumulated depreciation	<u>(3,654)</u>	<u>(2,122)</u>
	<u>11,879</u>	<u>9,731</u>
	<u>311,097</u>	<u>393,702</u>

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Note 9. Property, plant and equipment (continued)

Reconciliations

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

Consolidated	Plant and equipment \$	Fixture and fittings \$	Computer equipment \$	Total \$
Balance at 1 January 2023	404,974	12,933	11,051	428,958
Additions	18,008	-	-	18,008
Depreciation expense	(50,452)	(1,492)	(1,320)	(53,264)
Balance at 31 December 2023	372,530	11,441	9,731	393,702
Additions	-	-	3,680	3,680
Disposals	(44,252)	-	-	(44,252)
Depreciation expense	(39,039)	(1,462)	(1,532)	(42,033)
Balance at 31 December 2024	289,239	9,979	11,879	311,097

Note 10. Intangibles

Consolidated
2024 **2023**
\$ **\$**

Non-current assets

Patents and trademarks - at cost	408,837	408,837
Less: Accumulated amortisation	(149,907)	(122,651)
	258,930	286,186

Reconciliations

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

Consolidated	Patents and trademarks \$	Total \$
Balance at 1 January 2023	313,441	313,441
Amortisation expense	(27,255)	(27,255)
Balance at 31 December 2023	286,186	286,186
Amortisation expense	(27,256)	(27,256)
Balance at 31 December 2024	258,930	258,930

Metal Powder Works Inc.
Notes to the financial statements
31 December 2024

Note 11. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	180,310	90,951
Equipment deposit	-	210,000
Other payables	14,315	8,357
	<u>194,625</u>	<u>309,308</u>

Note 12. Contract liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>235,970</u>	<u>-</u>

Note 13. Borrowings

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Loan - TBGA	<u>421,522</u>	<u>100,000</u>

Loans from related parties

On 26 July 2023 the Company signed a bridging loan agreement of \$100,000 owed to The Barnes Global Advisors LLC ("TBGA"). The loan is considered a related party loan transaction as John Barnes (Executive Director) is director. The borrowing is interest bearing at 8% p.a and it is repayable in 12 months.

On 31 January 2024 the Company signed a bridging loan agreement of \$150,000 owed to TBGA a related party of the Director. The borrowing is interest bearing at 8% p.a and is repayable 3 months from inception.

During 2024 the Company signed a bridging loan agreement of \$150,000 owed to The Barnes Global Advisors LLC ("TBGA"). The loan is considered a related party loan transaction as John Barnes (Executive Director) is director. The borrowing is interest bearing at 10% p.a and it is repayable in 12 months.

As at 31 December 2024, \$21,522 of interest had been accrued on outstanding loan balances.

Note 14. Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	104,740	94,844
<i>Non-current liabilities</i>		
Lease liability	209,361	314,102
	<u>314,101</u>	<u>408,946</u>

Metal Powder Works Inc.
Notes to the financial statements
31 December 2024

Note 15. Convertible note

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Convertible note	<u>323,109</u>	<u>-</u>
<i>Non-current liabilities</i>		
Convertible notes	<u>665,805</u>	<u>323,109</u>
	<u>988,914</u>	<u>323,109</u>

In April 2023, the Company entered into convertible note agreements for the issuance of 323,109 convertible notes ("Notes") at the value of \$322,109 to raise funds for working capital. Under this raising, the Company entered into convertible note agreements with various lenders (the "Lenders") pursuant to which the Lenders subscribed for convertible notes in the Company which upon the Company completing the IPO process, convert into Shares.

The notes are unsecured, interest-bearing at 5% per annum

Key terms and conditions:

- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing;
- Interest is 5% per annum, and payable is arrears on redemption. If automatically converted no interest applies; and
- Maturity date is 24 months from the date the Convertible Note Agreement signed by the parties.

During 2024, the Company entered into convertible note agreements for the issuance of 665,805 convertible notes ("Notes") at the value of \$665,805 to raise funds for working capital. Under this raising, the Company entered into convertible note agreements with various lenders (the "Lenders") pursuant to which the Lenders subscribed for convertible notes in the Company which upon the Company completing the IPO process, convert into Shares.

The notes are unsecured, interest-bearing at 4% per annum

Key terms and conditions:

- Each notes will be convertible into Common Stock at a conversion price equal to 20% discount from the valuation utilised in the next financing;
- Interest is 4% per annum, and payable is arrears on redemption. If automatically converted no interest applies; and
- Maturity date is 24 months from the date the Convertible Note Agreement signed by the parties.

Note 16. Issued capital

	2024	2023	Consolidated	2023
	Shares	Shares	2024	2023
			\$	\$
Ordinary shares - fully paid	<u>11,193,828</u>	<u>11,193,828</u>	<u>2,790,111</u>	<u>2,790,111</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.

Metal Powder Works Inc.
Notes to the financial statements
31 December 2024

Note 16. Issued capital (continued)

Capital risk management

The consolidated entity'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 statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 17. Dividends

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

Note 18. Related party transactions

Parent entity

Metal Powder Works Inc. is the parent entity.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2024	2023
	\$	\$
Current borrowings:		
Loan from commonly controlled entity	421,522	100,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates and have been disclosed in note 13.

Note 19. Events after the reporting period

On 24 January 2025 K-TIG Limited lodged a revised prospectus to raise a minimum of AUD \$7 million up to AUD \$10 million (before costs) at an issue price of \$0.20 per fully paid ordinary share.

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.

Metal Powder Works Inc.
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with International Accounting Standard IAS 34 'Interim Financial Reporting' and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity'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.

On behalf of the directors



Kapil Talwar
Non-Executive Director

26 February 2025

Independent Auditor's Review Report

To the Members of Metal Powder Works Inc.

Report on the review of the financial report

Conclusion

We have reviewed the accompanying financial report of Metal Powder Works Inc. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year ended on that date, including material accounting policy information, other selected explanatory notes, 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 financial report of Metal Powder Works Inc. does not comply with:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the year ended on that date;
- b complying with International Accounting Standards IAS 34 *Interim Financial Reporting*; and
- c complying with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) and the International Ethics Standard Board for Accountant's *Code of Ethics for Professional Accountants (including Independence Standards)* (IESBA Code) that are relevant to our review of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after income tax expense of \$1,237,737 during the year ended 31 December 2024, and as at that date, reported net operating cash outflows of \$791,432. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with, International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view 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 financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the year ended on that date, and complying with International Accounting Standards.

A review of a 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 International Standards on Auditing 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 26 February 2025