

Metal Powder Works Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Metal Powder Works Limited
ABN:	28 158 307 549
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$
Loss from ordinary activities after tax attributable to the owners of Metal Powder Works Limited	up	330.1% to	(3,714,496)
Loss for the half-year attributable to the owners of Metal Powder Works Limited	up	330.1% to	(3,714,496)

Comments
The loss for the consolidated entity after providing for income tax amounted to \$3,714,496 (31 December 2024: \$863,615).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	13.13	5.67

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.

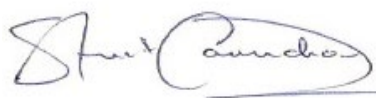
11. Attachments

Details of attachments (if any):

The Interim Report of Metal Powder Works Limited for the half-year ended 31 December 2025 is attached.

12. Signed

Signed



Date: 26 February 2026

Metal Powder Works Limited

ABN 28 158 307 549

Interim Condensed Consolidated Report - 31 December 2025

Metal Powder Works Limited
Directors' report
31 December 2025

The directors present their report, together with the interim condensed consolidated financial statements on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metal Powder Works Limited (referred to hereafter as the 'company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025. 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 during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Stuart Carmichael
John Barnes
Darryl Abotomey
Jim McDowell
Bruno Campisi

Principal activities

The principal activity of the consolidated entity during the half-year was the development, manufacture and supply of high-quality metal powders and related technologies for advanced manufacturing applications, including additive manufacturing (3D printing), defence, aerospace, nuclear, and other industrial uses.

The Company operates its patented DirectPowder™ process, which enables efficient production of tailored powders across a broad range of alloys. The Group continues to focus on scaling production capacity, improving process efficiency, and expanding its product offering into high-value markets.

There were no significant changes in the nature of the Group's principal activities during the half-year.

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 \$3,714,496 (31 December 2024: \$863,615).

The consolidated entity recorded \$1,678,854 of revenue for the current year (31 December 2024: \$563,654).

During the half-year, the Company continued to scale production capability and advance commercial engagement across defence, aerospace and nuclear markets. Operational improvements in process control and tooling continued to enhance material utilisation, reduce waste and shorten production cycle times.

The Group maintained engagement with strategic customers and partners and continued to progress qualification programs for key powder products.

Commercial Growth and Customer Expansion

The Group continued to experience strong demand for its proprietary DirectPowder™ technology and tailored alloy powders. CP-Ti order volumes increased by more than three times during the period as multi-alloy customer programs expanded and five new customers commenced qualification activities.

Across the half-year, MPW increased its customer base materially, adding new enterprise and defence-aligned customers. The Company produced and sold multiple alloys to a growing portfolio of customers and expanded its metals portfolio with the introduction of additional materials, reinforcing its position as a high-quality specialty metal powder producer.

Notably, MPW received an order for over 150kg of CP-Ti and multiple bronze alloys as part of a progressing multi-year program with Powders On Demand, moving toward final series-production qualification. Validation activities with Hardchrome Engineering delivered successful outcomes, supporting potential bronze alloy powder sales in the range of approximately US\$1–2 million over the next 12 months.

The Company also secured and progressed validation programs for copper and bronze alloys with a number of industrial customers, including repeat business from established partners. These activities demonstrate increasing market acceptance of MPW's powders as a technically competitive alternative to traditional atomised powders.

Defence and Nuclear Market Progress

MPW strengthened its strategic position in defence and nuclear markets during the half-year.

Metal Powder Works Limited
Directors' report
31 December 2025

A follow-on contract was signed with Westinghouse Electric Company to advance powder optimisation for nuclear-grade applications. In addition, the Company delivered its Expeditionary DirectPowder™ production unit on schedule to the U.S. Naval Postgraduate School, demonstrating execution capability and supporting ongoing engagement within U.S. defence programs.

The Group also entered into a Powder Partnership Agreement with Austal (ASX: ASB), establishing a pathway toward a commercial offtake agreement and potential further funding aligned to defence-related manufacturing applications.

Titanium and aluminium alloys were delivered to UDRI (University of Dayton Research Institute) for qualification, which, if approved, may enable MPW powders to be procured directly through U.S. Department of Defense command centres under applicable logistics frameworks.

These initiatives materially enhance the Company's credibility and positioning within strategic defence and government-backed supply chains.

Production, Technology and Operational Scaling

Operationally, the Company continued scaling production capacity and improving manufacturing efficiency.

During the period, MPW:

- In-sourced DirectPowder™ tooling production, increasing tool life by approximately 1.5 times and improving supply chain security, product quality and cost efficiency.
- Continued scaling CP-Ti production capacity in line with projected customer demand growth.
- Invested in expanded capacity through the development of the NextGen machine platform, expected to be delivered in early Q1 2026 and designed to increase capacity by approximately 100 metric tonnes per unit.

Trials conducted during the half-year demonstrated strong performance of MPW powders across multiple advanced manufacturing processes, including cold spray, binder jetting and laser powder bed fusion. In several instances, MPW powders met or exceeded performance requirements and outperformed atomised powders in cold spray and laser cladding trials.

Significant changes in the state of affairs

During the reporting period, the Company strengthened its capital position and advanced its commercial and strategic initiatives. Metal Powder Works completed a capital raising during the half-year, raising A\$15.0 million, further enhancing liquidity and supporting the continued scaling of production capacity, product qualification programs and commercial expansion into defence, aerospace and nuclear markets. These funding initiatives materially strengthened the Company's balance sheet and provide flexibility to accelerate planned growth and operational efficiency improvements.

The Company also expanded its commercial and technical position through the progression of strategic customer engagements and supply agreements. This included advancing qualification programs with key defence and aerospace customers, securing additional orders, and further demonstrating the capability of the DirectPowder™ process across a broader range of alloys. The Group continued to invest in production optimisation and process improvements to enhance material utilisation, reduce unit costs and increase throughput, while strengthening its executive and technical leadership to support the next phase of growth.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2025 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.

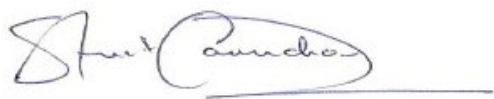
Auditor's independence declaration

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.

Metal Powder Works Limited
Directors' report
31 December 2025

On behalf of the directors

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

26 February 2026

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Auditor's Independence Declaration

To the Directors of Metal Powder Works Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Metal Powder Works Limited for the half-year ended 31 December 2025. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b 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 2026

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Metal Powder Works Limited

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General information

The interim condensed consolidated financial statements cover Metal Powder Works Limited as a consolidated entity consisting of Metal Powder Works 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.

During the year ended 30 June 2025, Metal Powder Works Limited (Formerly K-Tig Limited) entered into a transaction with Metal Powder Works Inc. The transaction has been accounted for as a reverse acquisition under AASB 3, with Metal Powder Works Inc. treated as the accounting acquirer and Metal Powder Works Limited (Formerly K-Tig Limited) as the accounting acquiree. The six months to 31 December 2025 reflect the consolidated results of Metal Powder Works Limited (Formerly K-Tig Limited), whereas the comparative period to 31 December 2024 are for Metal Powder Works Inc.

Metal Powder Works 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

1300 Clinton Road
Suite 200, Clinton PA 15026 USA

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 2026. The directors have the power to amend and reissue the financial statements.

Metal Powder Works Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Revenue			
Sales revenue	3	1,678,854	563,654
Cost of sales		<u>(944,250)</u>	<u>(295,519)</u>
Gross profit		<u>734,604</u>	<u>268,135</u>
Other income		30,458	1,020
Expenses			
Research and technical		(136,569)	(79,938)
Other expenses		(133,314)	(90,880)
Finance costs		(13,444)	(52,566)
Marketing expenses		(283,503)	(79,977)
Occupancy		(187,233)	(25,077)
Corporate expenses	4	(3,392,622)	(734,603)
Office/workshop expense		(216,059)	(69,728)
Travel expense		<u>(116,814)</u>	<u>-</u>
Loss before income tax expense		(3,714,496)	(863,615)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Metal Powder Works Limited		(3,714,496)	(863,615)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(195,772)</u>	<u>(100,970)</u>
Other comprehensive income for the half-year, net of tax		<u>(195,772)</u>	<u>(100,970)</u>
Total comprehensive income for the half-year attributable to the owners of Metal Powder Works Limited		<u><u>(3,910,268)</u></u>	<u><u>(964,585)</u></u>
		Cents	Cents
Basic earnings per share	14	(2.62)	(1.57)
Diluted earnings per share	14	(2.62)	(1.57)

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
Condensed consolidated statement of financial position
As at 31 December 2025

		Consolidated	
		31 December	
	Note	2025	30 June 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		15,309,031	6,310,431
Trade and other receivables	5	440,455	320,937
Inventories		1,676,338	1,840,216
Other financial assets		5,000	5,000
Other current assets		135,563	100,163
Total current assets		<u>17,566,387</u>	<u>8,576,747</u>
Non-current assets			
Property, plant and equipment	6	2,441,401	995,010
Right-of-use assets		294,571	380,076
Intangibles		346,144	375,423
Total non-current assets		<u>3,082,116</u>	<u>1,750,509</u>
Total assets		<u>20,648,503</u>	<u>10,327,256</u>
Liabilities			
Current liabilities			
Trade and other payables		881,939	907,669
Borrowings	13	-	645,119
Lease liabilities		190,378	182,934
Employee benefits		57,991	50,953
Contract liabilities		24,079	38,955
Other current liabilities		-	33,842
Total current liabilities		<u>1,154,387</u>	<u>1,859,472</u>
Non-current liabilities			
Lease liabilities		148,404	245,277
Total non-current liabilities		<u>148,404</u>	<u>245,277</u>
Total liabilities		<u>1,302,791</u>	<u>2,104,749</u>
Net assets		<u>19,345,712</u>	<u>8,222,507</u>
Equity			
Issued capital	7	34,587,320	20,563,240
Foreign currency reserve		(101,772)	94,001
Other reserves	8	(388,047)	(1,397,462)
Accumulated losses		<u>(14,751,789)</u>	<u>(11,037,272)</u>
Total equity		<u>19,345,712</u>	<u>8,222,507</u>

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

Metal Powder Works Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	4,086,279	51,304	(4,826,627)	(689,044)
Loss after income tax expense for the half-year			(863,615)	(863,615)
Other comprehensive income for the half-year, net of tax	-	(100,970)	-	(100,970)
Total comprehensive income for the half-year		(100,970)	(863,615)	(964,585)
Balance at 31 December 2024	<u>4,086,279</u>	<u>(49,666)</u>	<u>(5,690,242)</u>	<u>(1,653,629)</u>

Consolidated	Issued capital \$	Share based payments reserve \$	Reverse acquisition reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	20,563,240	1,720,982	(3,118,422)	94,000	(11,037,293)	8,222,507
Loss after income tax expense for the half-year	-	-	-	-	(3,714,496)	(3,714,496)
Other comprehensive income for the half-year, net of tax	-	-	-	(195,772)	-	(195,772)
Total comprehensive income for the half-year	-	-	-	(195,772)	(3,714,496)	(3,910,268)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 6)	14,024,080	-	-	-	-	14,024,080
Share-based payments	-	1,009,393	-	-	-	1,009,393
Balance at 31 December 2025	<u>34,587,320</u>	<u>2,730,375</u>	<u>(3,118,422)</u>	<u>(101,772)</u>	<u>(14,751,789)</u>	<u>19,345,712</u>

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

Metal Powder Works Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,553,657	363,588
Payments to suppliers and employees (inclusive of GST)		(4,153,551)	(1,323,670)
Other receipts		71,943	-
Interest received		21,259	-
Interest and other finance costs paid		(13,444)	-
Net cash used in operating activities	12	<u>(2,520,136)</u>	<u>(960,082)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(1,565,333)</u>	-
Net cash used in investing activities		<u>(1,565,333)</u>	-
Cash flows from financing activities			
Proceeds from issue of shares	7	15,000,503	-
Proceeds from issue of compound financial instrument		-	-
Share issue transaction costs		(976,423)	-
Repayment of borrowings		(645,119)	1,065,581
Repayment of lease liabilities		(99,122)	-
Net cash from financing activities		<u>13,279,839</u>	<u>1,065,581</u>
Net increase in cash and cash equivalents		9,194,370	105,499
Cash and cash equivalents at the beginning of the financial half-year		6,310,431	189,906
Effects of exchange rate changes on cash and cash equivalents		<u>(195,770)</u>	<u>19,256</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>15,309,031</u></u>	<u><u>314,661</u></u>

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

Metal Powder Works Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 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 2025 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.

Note 2. Operating segments

The Group has two reportable segments:

Metal Powders – Manufacture and supply of high-quality metal powders and related technologies for advanced manufacturing, additive manufacturing (3D printing), and other industrial applications.

Welding Technology – Development and commercialisation of proprietary high-speed precision welding solutions that improve the economics of fabrication.

The Board and management monitor the performance of these segments separately to allocate resources and assess performance. Inter-segment transactions, if any, are conducted on normal commercial terms and conditions.

Operating segment information

	Welding Technology \$	Metal Powders \$	Unallocated \$	Total \$
Consolidated - 31 December 2025				
Revenue				
Sales to external customers	385,320	1,293,534	-	1,678,854
Total revenue	<u>385,320</u>	<u>1,293,534</u>	<u>-</u>	<u>1,678,854</u>
EBITDA	(266,550)	(1,623,571)	(1,810,931)	(3,701,052)
Finance costs	-	(13,444)	-	(13,444)
Loss before income tax expense	<u>(266,550)</u>	<u>(1,637,015)</u>	<u>(1,810,931)</u>	<u>(3,714,496)</u>
Income tax expense				-
Loss after income tax expense				<u>(3,714,496)</u>

Metal Powder Works Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 3. Revenue

	Consolidated	Consolidated
	31 December 2025	31 December 2024
	\$	\$
Sale of goods	1,549,416	108,424
Rendering services	47,758	455,230
Other trading revenue	65,250	-
Revenue from WaaS lessor arrangements	16,430	-
	<u>1,678,854</u>	<u>563,654</u>

Note 4. Corporate expenses

	Consolidated	Consolidated
	31 December 2025	31 December 2024
	\$	\$
Accounting and auditing	79,036	47,048
Consultants and contractors	676,311	285,484
Director fees	191,922	-
Insurance	262,466	30,191
Other	416,183	-
Salaries and wages	757,311	371,880
Share-based payments	1,009,393	-
	<u>3,392,622</u>	<u>734,603</u>

Note 5. Trade and other receivables

	Consolidated	Consolidated
	31 December 2025	30 June 2025
	\$	\$
<i>Current assets</i>		
Trade receivables	109,071	153,073
GST and VAT receivables	331,384	167,864
	<u>440,455</u>	<u>320,937</u>

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (30 June 2025: \$nil) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2025.

Metal Powder Works Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 6. Property, plant and equipment

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	91,713	45,315
Less: Accumulated depreciation	(2,579)	(252)
	<u>89,134</u>	<u>45,063</u>
Plant and equipment - at cost	1,439,221	1,118,357
Less: Accumulated depreciation	(725,581)	(691,657)
	<u>713,640</u>	<u>426,700</u>
Plant and equipment under construction	<u>1,580,863</u>	<u>473,074</u>
Fixtures and fittings - at cost	42,692	37,043
Less: Accumulated depreciation	(10,715)	(9,094)
	<u>31,977</u>	<u>27,949</u>
Computer equipment - at cost	62,581	58,427
Less: Accumulated depreciation	(36,794)	(36,203)
	<u>25,787</u>	<u>22,224</u>
	<u><u>2,441,401</u></u>	<u><u>995,010</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 \$	Fixtures and fittings \$	Plant and equipment under construction \$	Total \$
Consolidated						
Balance at 1 July 2025	45,063	426,700	22,224	27,949	473,074	995,010
Additions	48,481	57,233	5,659	6,668	1,405,249	1,523,290
Depreciation expense	(2,383)	(51,421)	(1,482)	(1,876)	-	(57,162)
Transfers in/(out)	-	297,563	-	-	(297,563)	-
Exchange differences	(2,027)	(16,435)	(614)	(764)	103	(19,737)
Balance at 31 December 2025	<u>89,134</u>	<u>713,640</u>	<u>25,787</u>	<u>31,977</u>	<u>1,580,863</u>	<u>2,441,401</u>

Note 7. Issued capital

	Consolidated	
	31 December	31 December
	2025	2025
	Shares	Shares
	\$	\$
Ordinary shares - fully paid	<u>145,093,085</u>	<u>139,339,667</u>
	<u>34,587,320</u>	<u>20,563,240</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 Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 7. Issued capital (continued)

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.

Movements in ordinary shares for the financial year

Details	Date	Shares	\$
Balance	1 July 2025	139,339,667	20,563,240
Share placement	16 September 2025	4,285,715	15,000,003
Offer pursuant to disclosure document	17 September 2025	143	500
Offer pursuant to disclosure document	24 December 2025	250	500
Share on exercise of performance rights	24 December 2025	92,310	-
Director shares (share based payment refer Note 8)	29 December 2025	1,375,000	-
Share issue costs		-	(976,923)
Balance	31 December 2025	<u>145,093,085</u>	<u>34,587,320</u>

Note 8. Other Reserves

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Reverse acquisition reserve	(3,118,422)	(3,118,444)
Share-based payments reserve	2,730,375	1,720,982
	<u>(388,047)</u>	<u>(1,397,462)</u>

Reverse acquisition reserve

On 28 February 2025, Metal Powder Works Limited acquired 100% of the issued capital of Metal Powder Works Inc., a private company incorporated in Delaware, United States of America. The acquisition has been accounted for as a reverse acquisition under AASB 3, with Metal Powder Works Inc. identified as the accounting acquirer and Metal Powder Works Limited as the accounting acquiree. As the acquisition transaction has been accounted for as a reverse acquisition under AASB 3 *Business Combinations*, a reverse acquisition reserve has been recognised within equity. This reserve arises as a result of applying reverse acquisition accounting and does not represent a distributable reserve.

Share-based payment reserve

The share based payment reserve is 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.

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Balance at the beginning of the year	1,720,982	-
Share based payments	1,009,393	-
Options issued to convertible note holders	-	1,720,982
	<u>2,730,375</u>	<u>1,720,982</u>

Metal Powder Works Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 8. Other Reserves (continued)

Fair value for Incentive options granted during the current financial period to employees has been determined by using the Monte Carlo model. The valuation model inputs used to determine the fair value at the grant date, are as follows:

	Employee Options
Fair value of option	\$1.9691
Exercise price	nil
Valuation date	13 August 2025
Vesting date	30 June 2026
Expiry date	19 September 2030
VWAP hurdle	\$0.698
Dividend yield	nil
Expected volatility	90%
Risk-free interest rate	3.487%
Number of iterations	100,000
Number of options	108,750
Model used	Monte Carlo

Fair value for performance rights granted with non-market based vesting conditions during the current financial year has been determined by the share price on the grant date. The inputs used to determine the share based payments expense, are as follows:

	Tranche 1	Tranche 2
Number of performance rights issued	1,500,000	1,500,000
Fair value of performance right	\$1.88	\$1.88
Vesting condition	Contract award or single customer purchase order(s) of A\$3m per annum	12 months revenue A\$5m+ and achieving 50% GM (MPW Powder business).
Years to expiry	5 years	5 years
Date of grant	28 November 2025	28 November 2025
Estimated vesting date	28 November 2029	31 July 2028

Fair value for performance rights granted with market based vesting conditions during the current financial year has been determined by using the using the Monte Carlo model. The valuation model inputs used to determine the fair value at the grant date, are as follows:

	Tranche 3	Tranche 4
Number of performance rights issued	1,500,000	1,500,000
Fair value of performance right	\$1.6649	\$1.5924
VWAP hurdle	4.50	6.00
Years to expiry	5	5
Volatility	90%	90%
Risk free rate	3.97%	3.97%
Dividend yield	nil	nil
Date of grant	28 November 2025	28 November 2025
Estimated vesting date	29 December 2030	29 December 2030

Fair value for the 1,375,000 Director Shares granted during the current financial period to directors has been determined by using the market price on grant date (A\$1.88). Issued shares are held in escrow for 12 months from date of issue and will be considered vested contingent on directors remaining engaged to the Group for the escrow period.

Metal Powder Works Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 9. Dividends

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

Note 10. Contingent assets and liabilities

No contingent assets or liabilities are noted as at 31 December 2025 (31 December 2024: Nil)

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 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 12. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	Consolidated
	31 December	31 December
	2025	2024
	\$	\$
Loss after income tax expense for the half-year	(3,714,496)	(863,615)
Adjustments for:		
Depreciation	214,116	139,456
Amortisation	29,279	-
Share-based payments	1,009,415	-
Change in operating assets and liabilities:		
Increase/(decrease) in trade and other receivables	(119,518)	26,163
Decrease in inventories	163,878	-
Increase in other current assets	(35,400)	-
Increase/(decrease) in trade and other payables	(25,730)	40,055
Increase/(decrease) amounts received in advance	(14,876)	(298,627)
Decrease in other current liabilities	(33,842)	-
Increase/(decrease) in employee benefits	7,038	(3,514)
Net cash used in operating activities	<u>(2,520,136)</u>	<u>(960,082)</u>

Note 13. Borrowings

	Consolidated	Consolidated
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Current liabilities</i>		
TGBA borrowings	<u>-</u>	<u>645,119</u>

Prior to the business acquisition, Metal Powder Works Inc entered into a bridging loan agreement with The Barnes Global Advisors LLC ("TBGA"), a related party entity of Executive Director John Barnes. The loan bears interest at 8% per annum and was fully repaid during the period.

Metal Powder Works Limited
Notes to the condensed consolidated financial statements
31 December 2025

Note 14. Earnings per share

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Loss after income tax attributable to the owners of Metal Powder Works Limited	<u>(3,714,496)</u>	<u>(863,615)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>141,818,545</u>	<u>55,000,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>141,818,545</u>	<u>55,000,000</u>
	Cents	Cents
Basic earnings per share	(2.62)	(1.57)
Diluted earnings per share	(2.62)	(1.57)

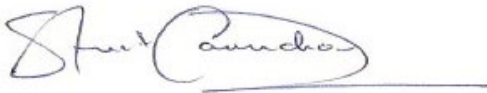
Metal Powder Works Limited
Directors' declaration
31 December 2025

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 consolidated entity's financial position as at 31 December 2025 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 Cameron", is written over a horizontal line.

26 February 2026

Independent Auditor's Review Report

To the Members of Metal Powder Works Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Metal Powder Works Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2025, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half 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 half-year financial report of Metal Powder Works Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half year ended on that date; and
- b 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year 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 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 half-year 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 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 2025 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 26 February 2026