

## GRAHAM ENGINEERING LIMITED (GEL) ACQUISITION UPDATE

21 July 2023: K-TIG Limited ("K-TIG" or the "Company") refers to its announcement to acquire 100% of Graham Engineering Limited ("GEL") ("Acquisition"), dated 22 March 2023.

The Company wishes to advise that the acquisition agreement has been varied by mutual agreement to reflect the following:

### Key Acquisition Terms

The Acquisition is now subject to the following key terms and conditions:

#### 1. Consideration

K-TIG will pay:

- (i) a reduced upfront cash payment of £6,500,000 payable on completion;
- (ii) a cash payment of £2,500,000 which will be subject to vendor finance over a five (5) year period;
- (iii) a cash payment for GEL's freehold property (£4,550,000) which will be subject to vendor finance over a two (2) year period; and
- (iv) Debt/Free and working capital adjustment of £2,936,546, a portion of which will be paid from GEL's cash at bank at completion, with the balance to be subject to vendor finance over a five (5) year period.

#### 2. Conditions Precedent

The Acquisition remains subject to the remaining conditions being satisfied, including ASX providing a conditional admission letter to the Company on terms satisfactory to the Company (acting reasonably) and the Company obtaining funding for the Acquisition.

### Supplementary prospectus

As a result of the variations to the acquisition agreement, the Company is required to issue a supplementary prospectus in respect of its public offer, which has been amended and seeks to raise up to \$15,000,000 (before costs) through the issue of up to 75,000,000 shares at an issue

price of \$0.20. The supplementary prospectus will be separately lodged with ASIC and announced on ASX.

The revised indicative timetable is set out below:

| <b>Event</b>  | <b>Date</b>      |
|---|------------------|
| Lodgement of the Replacement Prospectus with ASIC   | 22 May 2023      |
| Opening Date of the public offer and conversion offers ( <b>Offers</b> )                    | 23 May 2023      |
| General Meeting   | 26 May 2023      |
| Effective Date of Consolidation   | 29 May 2023      |
| Lodgement of Supplementary Prospectus with ASIC   | 21 July 2023     |
| Closing of withdrawal rights in respect of applications under this Supplementary Prospectus | 22 August 2023   |
| Closing Date of Offers  | 23 August 2023   |
| Settlement date of the Offers   | 24 August 2023   |
| Completion of the Transaction   | 25 August 2023   |
| Despatch of holding statements for Securities issued under the Offers                       | 25 August 2023   |
| Expected date for Shares to be reinstated to trading on ASX                                 | 8 September 2023 |

### Suspension from Trading on ASX

The Company's securities will remain suspended from trading on ASX until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules in accordance with listing rule 11.1.3.

For further information on GEL please refer to the website [www.graham-eng.co.uk](http://www.graham-eng.co.uk)

--ENDS--

*This announcement was authorised for issue by the Board of K-TIG Limited.*

For more information, please contact:

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## About K-TIG Limited

K-TIG is a transformative, industry disrupting welding technology that seeks to change the economics of fabrication. K-TIG's high speed precision technology welds up to 100 times faster than traditional TIG 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. K-TIG works across a wide range of applications and is particularly well suited to corrosion resistant materials such as stainless steel, nickel alloys, titanium alloys and most exotic materials. It easily handles longitudinal and circumferential welds on pipes, spooling, vessels, tanks and other materials in a single pass. Originally developed by the CSIRO, K-TIG owns all rights, title and interest in and to the proprietary and patented technology and has been awarded Australian Industrial Product of the Year and the DTC Defence Industry Award.

## Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of K-TIG Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

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