Appendix 4D

Company Details

Name of the entity	6K Additive, Inc.
ARBN	692 243 646
Reporting Period	For the half year ended 30 June 2026
Previous Period	For the half year ended 30 June 2025

Results for announcement to the market for the half year ended 30 June 2026 as required by ASX Listing Rule 4.2A.

	1H26 USD'000	1H25 USD'000	Up/ Down	Movement %
Operating revenue	13,268.4	7,666.2	Up	73.08%
Net loss before income tax expense	(6,812.1)	(11,599.6)	Down	-41.27%
Net loss for the half year attributable to owners of the Company	(6,819.4)	(11,599.6)	Down	-41.21%

Distributions

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

Net Tangible Assets

	1H26 USD	1H25 USD
Net tangible assets per ordinary security	0.19	(1.61)

The net tangible assets per ordinary security is defined as the shareholders' equity adjusted for non-tangible assets, per share of common stock issued. The common stock CDI ratio is 1:1.

	1H26 USD	1H25 USD
Total Assets	**62,551,145**	**37,870,951**
Less: Goodwill	3,187,448	3,187,448
Less: Intangibles	1,889,068	2,312,510
Less: ROU Assets	1,012,841	1,276,980
	56,461,788	**31,094,013**
Less: Total Liabilities	5,550,276	91,495,731
Net Tangible Assets	**50,911,512**	**(60,401,718)**
No of shares outstanding	267,798,503	37,616,529

Gain/ Loss of control over entities:

N/A

Details of associates and joint venture entities:

N/A

Set of accounting standards used in compiling the report:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and all amounts are denominated in U.S. dollars.

Half-year financial results:

This information should be read in conjunction with the 2025 annual report.
Additional information supporting the Appendix 4D disclosure requirements may be found in the Directors' Report and the financial statements and notes for the half year ended 30 June 2026. These financial Statements are reviewed by RSM U.S. LLP with the Independent Auditor's Report included in the 1H 2026 Financial Statements. This document should be read in conjunction with any other announcements made during the reporting period under the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001* (Cth).

Contents

Directors' report	1
Independent auditor's review report	5
Balance sheets	6
Statement of operations	7
Statement of changes in stockholders' equity and members' deficit	8
Statement of cash flows	9
Notes to the financial statements	10

Directors' Report

Directors

The following persons were Directors of 6K Additive, Inc. ("6K Additive" or the "Company") during the half year and up to the date of the report, unless otherwise stated:

David Seldin	Non-Executive Director and Chair
Frank Roberts	Managing Director and Chief Executive Officer
Jeffery Green	Non-Executive Director
James Walker	Non-Executive Director and Chair of the Audit Committee
Magnus René	Non-Executive Director
Dr Grant Lukey	Non-Executive Director

Company Secretaries

Jonathan Wolak	Co-Company Secretary and Chief Financial Officer
Sally McDow	Co-Company Secretary

Principal activities

6K Additive is a U.S.-based advanced materials company that manufactures and sells premium metal powders, alloy additions, and mill products for additive manufacturing and other high-performance applications.

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

Operating and financial review

Financial performance

The Company reported half-year revenue of US$13.3 million, representing growth of 73% over the corresponding prior-year period and marking the strongest half-year performance in the Company's history. The Company recorded a net loss of US$6.8 million, an improvement of US$4.8 million compared with a net loss of US$11.6 million in the corresponding prior-year period. This improvement was primarily driven by continued efforts to reduce feedstock input costs and improve operational efficiencies throughout the organisation and lower interest expense due to the conversion of related party loans to equity. The improvement was partially offset by higher operating expenses of US$7.1 million, which were up US$2.0 million compared to prior year largely associated with the Company's transition to an independent public company and the buildout of standalone corporate capabilities. Operating leverage improved, with operating expenses as a percentage of revenue decreasing by 13 percentage points compared with the corresponding prior-year period.

As of 30 June 2026, the Company had cash and cash equivalents of US$22.1 million. Net cash used in operating activities was US$6.3 million, compared with US$3.7 million for the corresponding prior-year period, primarily reflecting increased investment in working capital to support higher sales volumes. Net cash used in investing activities was US$1.0 million.

Powder

Powder revenue was US$9.0 million for the half year, compared with US$5.1 million in the corresponding prior-year period, representing an increase of 77%. Growth was supported by increased demand across defence, aerospace, OEM, and contract manufacturing customers and continued customer adoption of the Company's domestically produced critical material powders.

Alloy

Alloy revenue was US$4.2 million for the half year, an increase of 66% compared with the corresponding prior-year period. Growth was supported by strong demand for titanium products from North American aluminium producers, sustained zirconium demand, and continued market share gains.

Commercial activity and backlog

Commercial activity remained strong during the half year, with continued demand from new and existing customers. As of 30 June 2026, total Company backlog was US$11.9 million, driven in part by increased Powder order intake. Repeat orders continued to account for more than 90% of sales, reflecting customer retention and increasing adoption of the Company's products in serial production applications.

Manufacturing capacity expansion

During the half year, the Company continued to advance the expansion of its headquarters and manufacturing campus in Burgettstown, Pennsylvania. The expansion is designed to increase production capacity and support growing customer demand across the Company's Powder and Alloy segments.

During the period, the Company awarded major construction contracts for key elements of the facility, ordered long-lead manufacturing equipment, including the primary production furnace, and procured critical electrical infrastructure and power upgrade components. Once completed, across all product lines, the expansion is expected to increase the Company's manufacturing capacity from approximately 1,600 metric tons per year to more than 6,000 metric tons per year.

Capital expenditures, after government grant receipts, for the half year were approximately US$1.0 million, primarily related to the expansion. Capital deployment associated with the expansion is expected to increase during the second half of 2026 as construction progresses and payments for major equipment and infrastructure are triggered by project milestones.

U.S. Government programs

The Company continued to advance strategic programs supporting the development of a domestic U.S. supply chain for critical materials. In April 2026, the Company was awarded an additional US$1.9 million Small Business Innovation Research ("SBIR") Phase II contract through the U.S. Defense Logistics Agency ("DLA"), bringing the total value of the 18-month program to US$3.9 million. The program is focused on advancing domestic production of titanium, tungsten, niobium, and nickel powders for defence and industrial applications.

The Burgettstown expansion also continues to be supported in part by funding awarded under the U.S. Department of Defense's Defense Production Act ("DPA") Title III program. As of 30 June 2026, approximately US$13.7 million remained available under the DPA Title III grant to support the Company's capacity expansion program.

Liquidity and cash flows

As of 30 June 2026, the Company had cash and cash equivalents of US$22.1 million, compared with US$29.5 million on 31 December 2025.

Net cash used in operating activities for the half year was US$6.3 million, compared with US$3.7 million in the corresponding prior-year period. The increase in operating cash usage primarily reflected increased investment in working capital to support higher sales volumes.

Net cash used in investing activities was approximately US$1.0 million, primarily reflecting capital expenditures associated with the Company's manufacturing capacity expansion and related activities.

As of 30 June 2026, the Company was also in the process of finalizing documentation for the previously approved US$27.4 million EXIM Bank loan facility.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the half year.

Matters subsequent to the end of the half year

No matter or circumstance has arisen since the end of the half year ended 30 June 2026 that has significantly affected, or may affect, the Company's operations, results, or state of affairs.

Likely developments and expected results of operations

The Company expects to continue executing its Burgettstown campus expansion, increasing manufacturing capacity and utilisation, progressing customer qualification programs and developing domestic supply arrangements for critical materials. Initial production from the expanded facility is targeted for the end of calendar 2026, subject to construction, equipment delivery, commissioning and operational execution. Further information has not been included in this report where disclosure would be likely to result in unreasonable prejudice to the Company.

Dividends

No dividends were paid or declared during the half year, and no interim dividend is proposed.

Indemnities and insurance of officers

As permitted under Delaware law, 6K Additive indemnifies its Directors and certain officers and is permitted to indemnify employees for certain events or occurrences that happen by reason of their relationship with, or position held at, 6K Additive. The Company's Certificate of Incorporation and Bylaws provide for the indemnification of its Directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law.

6K Additive has entered into indemnification agreements with its Directors and certain officers to this effect, including advancement of expenses incurred in legal proceedings to which the Director or officer was, or is threatened to be made, a party by reason of the fact that such Director or officer is or was a Director, officer, employee or agent of 6K Additive provided that such a Director or officer acted in good faith and in a matter that the Director or officer reasonably believed to be in, or not opposed to, the Company's best interests. At present, there is no pending litigation or proceedings involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

6K Additive maintains insurance policies that indemnify the Company's Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such. The premium paid has not been disclosed as it is subject to confidentiality provisions under the insurance policy.

Jurisdiction of incorporation

6K Additive is incorporated in the State of Delaware, United States, and registered in Australia as a foreign company. As a foreign company registered in Australia, 6K Additive is subject to different reporting and regulatory regimes than Australian public companies.

Presentation Currency

The functional and presentation currency of the Company is the United States dollar. The financial report is presented in US dollars with all references to Dollars, cents or $'s in these financial statements presented in US currency, unless otherwise stated.

Directors' authorisation

This Directors' Report is made in accordance with a resolution of the Directors.

David Seldin
Chairman

RSM US LLP

Independent Auditor's Review Report

Stockholders and Board of Directors
6K Additive, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying interim balance sheets and related statements of operations, changes in stockholders' and members' deficit and cash flows of 6K Additive, Inc. (the Company) as of June 30, 2026 and December 31, 2025, and for the six-month periods ended June 30, 2026 and 2025, and the related notes to the financial statements.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

Basis for Review Results

We conducted our review in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

RSM US LLP

Boston, Massachusetts
August 25, 2026

Balance Sheets

(Dollar amounts in U.S. dollars, unless otherwise stated)

	As of	
	30 June 2026	31 December 2025
Assets		
Current assets:		
Cash and cash equivalents	$22,106,885	$29,469,303
Accounts receivable, net	5,386,827	4,595,574
Prepaid expenses and other current assets	608,078	710,422
Inventories	10,656,774	10,033,043
Total current assets	**38,758,564**	**44,808,342**
Property and equipment, net	17,703,224	17,854,696
Goodwill	3,187,448	3,187,448
Intangible assets, net	1,889,068	2,100,789
Operating lease right-of-use assets	1,012,841	1,146,069
Total assets	**$62,551,145**	**$69,097,344**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$3,690,167	$2,718,556
Accrued expenses and other current liabilities	1,460,613	3,043,168
Due to related party	-	21,399
Operating lease liability, current	109,409	109,409
Finance lease liability, current	14,410	-
Total current liabilities	**5,274,599**	**5,892,532**
Operating lease liability, net of current portion	216,162	251,209
Finance lease liability, net of current portion	14,534	-
Deferred income taxes, net	44,981	37,098
Total liabilities	**5,550,276**	**6,180,839**
Commitments and Contingencies (Note 17)		
Stockholders' equity:		
Common stock, $0.00001 par value, 350,000,000 shares authorized as of 30 June 2026 and 31 December 2025; 267,798,503 and 267,267,591 shares issued and outstanding as of 30 June 2026 and 31 December 2025, respectively	2,678	2,673
Additional paid-in-capital	65,357,197	64,453,473
Accumulated deficit	(8,359,006)	(1,539,641)
Total stockholders' equity	**57,000,869**	**62,916,505**
Total liabilities and stockholders' equity	**$62,551,145**	**$69,097,344**

The accompanying notes are an integral part of these unaudited financial statements.

Statement of Operations

(Dollar amounts in U.S. dollars, unless otherwise stated)

	Half Year Ended 30 June	
	2026	2025
Revenue		
Product revenue	$11,728,218	$7,069,012
Service revenue	1,540,148	597,163
Total revenue	**13,268,366**	**7,666,175**
Cost of revenue	13,336,984	9,147,763
Gross loss	**(68,618)**	**(1,481,588)**
Operating expenses		
Selling, general and administrative	6,082,356	4,152,712
Research and development	1,058,276	988,672
Total operating expenses	**7,140,632**	**5,141,384**
Loss from operations	(7,209,250)	(6,622,972)
Other (income) expense, net		
Interest income	(447,540)	-
Interest expense	14,614	5,104,182
Other expense (income), net	35,745	(127,567)
Total other (income) expense, net	(397,181)	4,976,615
Loss before income taxes	(6,812,069)	(11,599,587)
Income tax expense	7,296	-
Net loss	**($6,819,365)**	**($11,599,587)**
Net loss per share, basic and diluted	**($0.03)**	**($0.31)**
Weighted average shares of common stock, basic and diluted	267,725,173	37,616,529

The accompanying notes are an integral part of these unaudited financial statements.

Statements of Changes in Stockholders’ Equity and Members’ Deficit

(Dollar amounts in U.S. dollars, unless otherwise stated)

	Common Units	Members’ Deficit	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumul-ated Deficit	Total Stock-holders’ Equity
Balances as of 1 January 2026	-	$ -	267,267,591	$2,673	$64,453,473	($1,539,641)	$62,916,505
Equity-based compensation	-	-	-	-	797,356	-	797,356
Exercise of equity-based options	-	-	530,912	5	106,368	-	106,373
Net loss	-	-	-	-	-	(6,819,365)	(6,819,365)
Balances as of 30 June 2026	**-**	**$ -**	**267,798,503**	**$2,678**	**$65,357,197**	**($8,359,006)**	**$57,000,869**

	Common Units	Members’ Deficit	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumul-ated Deficit	Total Members’ Defecit
Balances as of 1 January 2025	37,616,529	($42,722,856)	-	$ -	$ -	$ -	($42,722,856)
Equity-based compensation	-	50,314	-	-	-	-	50,314
Non-cash contribution from Parent	-	647,702	-	-	-	-	647,702
Net loss	-	(11,599,587)	-	-	-	-	(11,599,587)
Balances as of 30 June 2025	**37,616,529**	**($53,624,427)**	**-**	**$ -**	**$ -**	**$ -**	**($53,624,427)**

The accompanying notes are an integral part of these unaudited financial statements.

Statements of Cash Flows

(Dollar amounts in U.S. dollars, unless otherwise stated)

	Half Year Ended 30 June	
	2026	**2025**
Cash flows from operating activities		
Net loss	($6,819,365)	($11,599,587)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortisation	1,403,382	1,940,068
Equity-based compensation expense	797,356	50,314
Provisions (recoveries) for credit losses	5,225	(9,333)
Non-cash lease expense	168,870	128,746
Deferred income tax expense	7,883	-
Non-cash expense allocation from related party	-	647,702
Change in operating assets and liabilities:		
Accounts receivable	(796,478)	537,146
Prepaid expenses and other current assets	219,225	(1,292,204)
Inventories	(623,731)	(690,803)
Accounts payable	971,611	235,982
Accrued expenses and other current liabilities	(1,582,555)	692,018
Due to related party	(21,399)	5,680,851
Operating lease assets and liabilities	(35,047)	(30,565)
Net cash used in operating activities	**(6,305,023)**	**(3,709,665)**
Cash flows from investing activities		
Purchases of property and equipment	(1,391,886)	(386,694)
Government grants related to equipment purchases	351,697	352,719
Net cash used in investing activities	**(1,040,189)**	**(33,975)**
Cash flows from financing activities		
Principal payments on finance lease	(6,698)	(198,408)
Proceeds from related party loans	-	2,500,000
Payments of deferred financing fees	(116,881)	-
Exercise of equity-based options	106,373	-
Net cash (used in) provided by financing activities	**(17,206)**	**2,301,592**
Net decrease in cash	(7,362,418)	(1,442,048)
Cash and cash equivalents at beginning of period	29,469,303	1,839,760
Cash and cash equivalents at end of period	**$22,106,885**	**$397,712**
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ -
Cash paid for operating lease	$58,200	$58,200
Cash paid for finance lease	$8,266	$486,000
Supplemental disclosures of non-cash financing activities		
Property and equipment purchases included in accounts payable and accrued expenses	$149,491	$33,975
Non-cash contributions from Parent (related party)	$ -	$680,575

The accompanying notes are an integral part of these unaudited financial statements.

Notes to the Financial Statements

1. Description of Business

Organisation and Description of Business

6K Additive, Inc. ("6KA" or the "Company") is a manufacturer of premium metal powders for additive manufacturing and alloy additions for the aluminium melt industry, all made from sustainable sources. The Company's high-value powders and alloy additions are used across a broad range of industries including aerospace, medical, automotive and industrial sectors. At the core of the Company's operations is the UniMelt® microwave plasma technology, which converts engineered feedstock into consistent, high-quality metal powders. Under an exclusive, worldwide, royalty-free licence from its majority stockholder, 6K Inc., the Company has the right to use the UniMelt® technology for metal powder production globally. The platform delivers efficiency, scalability and environmental benefits relative to traditional atomisation, supporting the Company's competitive position.

The Company was incorporated in the state of Delaware on 22 February 2019 as a limited liability company ("LLC"). On 25 September 2025, the Company converted from a Delaware LLC to a Delaware corporation (the "LLC Conversion"). The Company's principal offices are located in Burgettstown, Pennsylvania.

The accompanying financial statements present the historical financial position, results of operations, stockholders' and members' equity (deficit) and cash flows of 6KA (the "additive business"), which was historically a majority-owned subsidiary of 6K Inc. and subsidiaries (the "Parent") prior to the Company's listing on the Australian Stock Exchange ("ASX"). 6KA was historically managed as part of 6K Inc. prior to the separation of the additive business from the Parent's energy business.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to companies in the materials technology industry and of similar size, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, compliance with government regulations, uncertainty of market acceptance of products, and the need to obtain additional financing to fund operations. Products currently under development will require additional research and development efforts prior to commercialisation and will require additional capital and adequate personnel and infrastructure. The Company's research and development may not be successfully completed, the Company may not obtain necessary government regulatory approval, and approved products may not prove commercially viable. The Company operates in an environment of rapid change in technology and competition.

The Company has incurred recurring losses since inception, including net losses of $6,819,365 and $11,599,587 for the half years ended 30 June 2026 and 2025, respectively. The Company expects its existing cash and cash equivalents as of 30 June 2026 to enable it to satisfy its obligations as they come due and fund its planned operating expenses and capital expenditures for at least one year from the date of issuance of these financial statements. The Company's long-term ability to execute its business plan is dependent on its ability to generate cash from operating activities and, if necessary, raise additional capital. If additional capital is required, the Company's failure to obtain such financing could have a material adverse effect on its financial condition and ability to pursue its business strategies. There can be no assurance that additional financing, if required, will be available on terms acceptable to the Company, or at all.

The Separation

During 2025, the board of directors of 6K Inc. approved its plans to spin-off (the "Separation") the additive business. In connection with the Separation, in October 2025, the Company entered into certain agreements with the Parent to provide a framework for the Company's relationship with the Parent following the Separation. These agreements include:

- **IP Licence Agreement:** The Company has an exclusive, worldwide, royalty-free licence from 6K Inc. to use the UniMelt® technology for metal powder production globally.
- **Equipment Supply Agreement:** 6K Inc. agreed to supply and sell to the Company such number of UniMelt® machines as the Company shall require for its business operations.
- **Transitional Services Agreement:** 6K Inc. will provide certain support and operational services to the Company for the initial 12 months following the Separation, to ensure continuity of key business functions during the transition to standalone operations.

On 4 December 2025, the Company completed its initial public offering ("IPO") of Chess Depository Interests ("CDIs") and began trading on the ASX under the symbol "6KA". As a result of the IPO, the Company became a publicly traded company separate from 6K Inc.

For periods prior to the Separation, the carve-out financial statements of 6KA include an allocation of costs that are directly attributable to the operations of 6KA, including the costs of sales and general and administrative support functions that were provided by the Parent, such as senior management, information technology, legal, accounting and finance, human resources, facility, and other corporate services. In addition, 6KA's financial statements include an allocation of certain R&D costs for additive business services provided by employees of 6K Inc. These costs have been allocated to 6KA for the purpose of preparing the financial statements based on proportional cost allocation methods using headcount and proportional time spent supporting 6KA and other organisational activities, as applicable, which are considered to be reasonable reflections of the utilisation of services provided or benefit received by 6KA during the periods presented. Management considers that such allocations have been made on a reasonable basis; however, these allocations may not necessarily be indicative of the costs that would have been incurred if 6KA had operated on a standalone basis for the entire periods presented and, therefore, may not reflect 6KA's results of operations, financial position, and cash flows had 6KA operated as a standalone entity for the entirety of the periods presented. 6KA has reflected the cost allocations as non-cash contributions from related party in its statements of cash flows and statements of changes in stockholders' and members' equity (deficit) because there was no expectation of cash settlement.

Following the Separation, 6KA has incurred additional operating expenses to operate as a publicly traded company, including various corporate functions, incremental information technology-related costs and incremental costs to operate standalone accounting, legal and other administrative functions. These functions were provided to 6KA prior to the separation by 6K Inc. and will be partially performed using 6KA own resources.

See Note 18 for additional information on related party transactions with the Parent during the periods presented.

LLC Conversion

In conjunction with the LLC Conversion as of 25 September 2025, all of the Company's outstanding common units converted on a 1-for-1 basis into shares of common stock, par value $0.00001. Prior to the LLC Conversion, the Company had issued incentive unit options to certain employees, directors, and consultants. The outstanding incentive unit options also converted on a 1-for-1 basis into options to purchase common stock. All vesting provisions remained the same following the LLC Conversion. While operating as an LLC, the Company refers to such units as common stock for periods prior to the LLC Conversion, unless otherwise indicated in the accompanying financial statements. Similarly, unless otherwise indicated, the Company may refer to members' equity (deficit) in these accompanying financial statements as stockholders' equity (deficit). Further, while operating as an LLC, the Company's governing body was referred to as its Board of Managers, with the members thereof being referred to as "Managers." The Company may refer to such governing body throughout the accompanying financial statements as its board of directors (the "Board") and such individuals as its directors.

Stock Split and Initial Public Offering

In November 2025, the Company effected a 3.79-to-1 stock split of its common stock. This also resulted in an adjustment to the exercise prices and number of shares of common stock underlying outstanding stock options. Accordingly, all share and per share information relating to common stock for all periods presented in the accompanying financial statements and notes thereto have been retroactively adjusted.

In December 2025, the Company completed its initial public offering, in which the Company issued and sold 48,000,000 shares of its common stock at a public offering price of $1.00 Australian dollars per share, which resulted in net proceeds of $26,371,299 after deducting the underwriting discounts and commissions of $1,829,693 and offering costs of $3,218,251.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of 6KA have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and reflect the historical financial position, results of operations, stockholders' and members' equity (deficit) and cash flows of 6KA. For periods prior to the Separation, the financial statements of 6KA include the assets, liabilities, revenues and expenses of 6KA that management has determined are specifically identifiable to the additive business, such as those related to commercial activities, direct internal and external R&D activities as well as leases and fixed assets specifically identifiable to the additive business.

Use of Estimates

The preparation of the Company's financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, those related to allocation of expenses, impairment of long-lived assets and goodwill, revenue recognition and valuation of inventories. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. These estimates may change, as new events occur and additional information is obtained. On an ongoing basis, the Company evaluates its estimates as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

Cash and Cash Equivalents

The Company's cash and cash equivalents consist of cash maintained within a standard checking account and money market funds that mature in 90 days or less. The Company also maintains a cash sweep account in which cash from its main operating account is invested overnight in highly liquid short-term investments. The Company considers all highly liquid investments with a maturity date of 90 days or less at the date of purchase to be cash equivalents.

As of 30 June 2026 and 31 December 2025, the Company's cash equivalents consisted of $6,315,851 and $13,940,535, respectively, in money market funds.

Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in stockholders' and members' equity (deficit) that result from transactions and economic events other than those with stockholders and members. The Company did not have items of other comprehensive loss for the half years ended 30 June 2026 and 2025, and therefore the Company's comprehensive loss equals its net loss.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable is unsecured, recorded at net realisable value, and does not bear interest. Accounts receivables are considered past due if not paid within the terms established between the Company and the customer. Amounts are only written off after all attempts at collections have been exhausted. The Company determines the need for an allowance for credit losses based upon factors surrounding the credit risk of specific customers, historical trends and other information. The Company extends credit to customers based on its evaluation of the customer's financial condition. The Company does not require that any collateral be provided by its customers.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. The Company has a potential concentration of credit risk in that it maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is $250,000 for interest and non-interest-bearing accounts, which is applied per depositor, per insured bank for each account ownership category. The Company has not experienced any losses on its deposits since its inception.

The Company's revenues and accounts receivable are generated from customers domestically and internationally. Significant customers are those which represent 10% or more of revenue or accounts receivable.

For the half year ended 30 June 2026, there were two customers that accounted for 10% or more of the Company's total revenue. For the half year ended 30 June 2025, there was one customer that accounted for 10% or more of the Company's total revenue. The following table represents these customers' aggregate percent of total revenue:

	Half Year Ended 30 June	
	2026	2025
Customer 1	14%	10%
Customer 2	10%	●%
Aggregate percent of revenue	**24%**	**10%**

As of 30 June 2026 and 31 December 2025, three customers and one customer, respectively, accounted for more than 10% of the Company's accounts receivable balance. The following table represents these customers' aggregate percentage of total accounts receivable:

	30 June 2026	31 December 2025
Customer 1	16%	16%
Customer 2	11%	●%
Customer 3	11%	●%
Aggregate percent of accounts receivable	**38%**	**16%**

● Revenue and/or accounts receivable were less than 10% of revenue and/or accounts receivable.

Accounts Receivable Factoring

The Company has entered into factoring agreements to sell certain receivables to unrelated third-party financial institutions on a non-recourse basis. These transactions result in a reduction in accounts receivable because the agreements transfer effective control over, and risk related to, the receivables to the buyers. The Company's factoring agreements do not allow for recourse in the event of uncollectability, and the Company does not retain any interest in the underlying accounts receivable once sold. Accounts receivable balances sold are removed from the balance sheets and cash received is reflected as cash provided by operating activities in the statements of cash flows. Factoring related financing expense is recorded to other expense on the statements of operations. Amounts sold through these arrangements during the half years ended 30 June 2026 and 2025 were $1,601,857 and $1,050,752, respectively. Factoring related financing expense recorded to other expense was $25,769 and $23,934 for the half years ended 30 June 2026 and 2025, respectively.

Inventories

Inventories, which primarily consist of raw materials, work-in-process, and finished goods, are carried at the lower of cost or net realisable value with cost determined on a first-in, first-out basis. Net realisable value is determined based on sales transactions at or around the balance sheet date. The cost of inventory includes product cost, labour costs, overhead costs, shipping costs, and taxes. The Company assesses inventory periodically for potential impairment. Specific considerations for valuing inventory include age, condition, usability, and replacement cost. Write-offs of potentially slow-moving or damaged inventory are recorded based on management's analysis of inventory levels, forecasted future sales volume and pricing and through specific identification of obsolete or damaged products. As of 30 June 2026 and 31 December 2025, no reserve was recorded for excess and obsolete inventories.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is recognised using the straight-line method over the estimated useful life of each asset, as follows:

	Estimated Useful Life
Buildings and building improvements	5-39 years
Machinery and equipment	3-7 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of remaining lease term or estimated asset life

Estimated useful lives are periodically assessed to determine if changes are appropriate. Maintenance and repairs are charged to expenses as incurred. When assets are retired or otherwise disposed of, the cost of these assets and the related accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in loss from operations in the period of disposal. Costs for capital assets not yet placed into service are capitalised as construction-in-progress and depreciated once placed into service.

Impairment of Long-Lived Assets

Long-lived assets include property and equipment, definite-lived intangible assets and right-of-use assets associated with the Company's lease agreements. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset group to its carrying value. An impairment loss would be recognised in loss from operations when estimated undiscounted future cash flows expected to result from the use of an asset group are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset group over its fair value, determined based on discounted cash flows. The Company did not record any impairment of long-lived assets during the half years ended 30 June 2026 and 2025.

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recorded. The excess of the purchase price over the estimated fair value of net assets of businesses acquired in a business combination is recognised as goodwill.

Goodwill is evaluated for impairment annually on October 31, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Factors considered important, on an overall company basis, which could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the Company's use of the acquired assets or the Company's strategy for its overall business, or significant negative industry or economic trends.

In connection with the evaluation of goodwill for impairment, the Company may first consider qualitative factors to assess whether there are any indicators to suggest it is more likely than not that the fair value of a reporting unit may not exceed its carrying amount. If after assessing such factors or circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then a quantitative assessment is not required. If the Company chooses to bypass the qualitative assessment, or if it chooses to perform a qualitative assessment but is unable to qualitatively conclude that no impairment has occurred, then the Company will perform a quantitative assessment. If the estimated fair value of a reporting unit is less than its carrying value, an impairment charge is recognised for the excess of the reporting unit's carrying value over its fair value. The Company continues to monitor and evaluate the financial performance of our business, including the impact of general economic conditions, to assess the potential for the fair value of the reporting unit to decline below its book value.

The Company did not record any impairment of goodwill during the half years ended 30 June 2026 and 2025. There can be no assurance that, at the time future impairment tests are completed, a material impairment charge will not be recorded.

Intangible Assets

Intangible assets include those acquired in a business combination which are recognised at fair value using generally accepted valuation methods deemed appropriate for the type of intangible asset acquired. Intangible assets are reported net of accumulated amortisation, separately from goodwill. Intangible assets with finite lives are amortised over their estimated useful lives. Intangible assets include developed technology, customer relationships, trade names and non-compete agreements obtained through business acquisitions. Amortisation of intangible assets with finite lives is calculated on a straight-line basis over their estimated useful lives.

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the circumstances present. The Company previously adopted an accounting policy which provides that leases with an initial term of one year or less and no purchase option that the Company is reasonably certain of exercising will not be included within the lease right-of-use assets and lease liabilities on its balance sheet. The Company previously elected an accounting policy not to separate lease and non-lease components for all underlying asset classes.

Leases with a term greater than one year are recognised on the balance sheet as right-of-use assets, current lease liabilities, and lease liabilities. At lease commencement, the Company determines whether a lease should be classified as an operating lease or finance lease in accordance with ASC 842. The Company includes renewal options to extend the lease in the lease term where it is reasonably certain that it will exercise these options.

Lease liabilities and the corresponding right-of-use assets are recorded based on the present values of lease payments over the lease terms. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilises the appropriate incremental borrowing rates, which are the rates that would be incurred to borrow on a collateralised basis, over similar terms, amounts equal to the lease payments in a similar economic environment.

Variable payments that do not depend on a rate or index are excluded from the lease liability and are recognised as incurred. Lease contracts do not include residual value guarantees, nor do they include restrictions or other covenants. Certain adjustments to the right-of-use assets may be required for items such as initial direct costs paid, incentives received or lease prepayments.

For operating leases, lease expense is recognised on a straight-line basis over the lease term. For finance leases, the Company recognises amortisation expense related to the right-of-use assets and interest expense related to the lease liability. Finance lease right-of-use assets are amortised on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset, unless ownership transfers to the Company or the Company is reasonably certain to exercise a purchase option, in which case the asset is amortised over its estimated useful life.

If significant events, changes in circumstances, or other events indicate that the lease term or other inputs have changed, the Company would reassess lease classification, remeasure the lease liability by using revised inputs as of the reassessment date, and adjust the right-of-use asset.

Fair Value Measurements

The Company follows the provision of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements* ("ASC 820"), which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Grants

The Company recognises grants or subsidies from governments and other organisations as a receivable within prepaid expenses and other current assets when it is probable that the Company will comply with any conditions attached to the grant arrangement and the grant will be received. The Company evaluates the conditions of each grant as of each reporting period to determine whether it is probable that the Company has met the conditions of each grant arrangement. Grants are recognised in the statements of operations on a systematic basis over the periods in which the Company recognised the related costs for which the grant is intended to compensate. When government grants are related to reimbursements for capital expenditures, the grants are recognised as a reduction of property and equipment in the balance sheets, and thereby a future reduction of depreciation expense, and when the grants relate to operating expenses, the grants are recognised as a reduction of the related operating expense within the statements of operations. In the statements of cash flows, the Company records cash reimbursements received related to capital expenditures (construction, equipment, and advances) within the investing section of the cash flow and all operating-related expense reimbursement (i.e. salaries and related) within the operating section of the cash flow. The Company records grant receivables in the balance sheets in prepaid expenses and other current assets or other non-current assets, depending on when the amounts are expected to be received from the government agency.

During the half year ended 30 June 2026, the Company recognised a reduction to expense of $341,572 related to grants within the statements of operations, which includes $19,616 and $321,956 in cost of revenue, and selling, general and administrative, respectively. During the half year ended 30 June 2025, the Company recognised a reduction to expense of $566,245 related to grants, which included $390,570, $134,803, and $40,872 in cost of revenue, selling general and administrative, and research and development, respectively.

As of 30 June 2026 and 31 December 2025, the Company recognised a reduction to property and equipment of $1,395,624 and $1,381,737 related to grants within the balance sheets, respectively.

As of 30 June 2026 and 31 December 2025, the Company has $89,496 and $75,353, respectively, recorded as a government receivable, included in prepaid expenses and other current assets, which relates to personnel, direct costs and operating expenses to be reimbursed and received as cash.

Title to all property and equipment purchased by the Company with federal funds vests with the government throughout the agreement. The government may elect to transfer title to all (or some) of the property and equipment to the Company at the end of the agreement, if the Company's performance is satisfactory, and subject to compliance with specific criteria set forth in the award terms.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including costs for salaries and bonuses, employee benefits, subcontractors, facility-related expenses, depreciation and amortisation, equity-based compensation, third-party licence fees, labouratory supplies, and external costs of outside vendors engaged in the design, testing, operations and enhancement of the Company's technology, and other costs. Payments for such activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the prepaid expenses and other current assets or accrued expenses and other current liabilities in the accompanying balance sheets.

Revenue Recognition

The Company accounts for revenue under ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), as amended. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as collaboration arrangements.

Under ASC 606, the Company recognises revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company applies the following five steps: (1) identification of the contract, or contracts, with a customer, (2) identification of the performance obligations in the contract, (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations in the contract and (5) recognition of revenue when, or as, performance obligations are satisfied. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of accounting under ASC 606. Taxes imposed by governmental authorities on the Company's revenue producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

For a contract with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis using the Company's best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available the Company may use third party pricing for similar products or estimate the standalone selling price. Allocation of the transaction price is determined at the contract's inception.

Product Revenue

The Company derives product revenue primarily from the manufacture and sale of metals compacts used in the aluminium industry as alloy additions and metal powders used by the additive manufacturing industry. For metals compacts and powders sold by the Company, control transfers to the customer at a point in time. To indicate the transfer of control, the Company must have a present right to payment, legal title must have passed to the customer, the customer must have the significant risks and rewards of ownership, and where acceptance is other than perfunctory, the customer must have accepted the product or service.

The Company recognises accounts receivable at the point in time at which it has an unconditional right to payment. Revenue is only recognised for those goods that are not expected to be returned such that it is probable that there will not be a significant reversal of cumulative revenue. The Company does not enter into significant financing arrangements or other forms of variable consideration except for, in limited circumstances, rights of return for product sales if agreed to by the Company. There are no contract assets or liabilities arising from product revenue.

R&D Service Revenue

The Company generates revenue from the execution of research and development projects involving the testing, production and processing of critical materials. The Company enters into research and development contracts with government agencies and commercial customers, which are generally priced on a fixed price or time and materials basis. Service revenue also includes certain research and development contracts that are entered into by the Parent and the work is performed by the Company on their behalf.

Generally, revenues from research and development contracts are recognised based upon the cost-to-cost measure of progress, provided that the contract meets the criteria associated with transferring control of the good or service over time. However, the Company evaluates the proper revenue recognition on a contract-by-contract basis, as each contract generally contains terms specific to the underlying agreement which may result in differing performance obligations and payment terms. For revenue recognised under the cost-to-cost measure of progress basis, the Company continually assesses total costs expected to be incurred and if such costs require adjustment to the measure of progress, the Company records such adjustment as a change in estimate on a cumulative catch-up basis in the period of adjustment. Modifications to contract specifications or requirements are, in most cases, for services that are not distinct and therefore are accounted for as if they were part of the original contract.

The amount included in the transaction price is constrained to the amount for which it is probable that a significant reversal of cumulative revenue recognised will not occur. At the end of each subsequent reporting period, as required under ASC 606, the Company re-evaluates the estimated consideration included in the transaction price and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis in the period of adjustment.

Contract assets arise from unbilled amounts in customer research and development arrangements when revenue recognised exceeds the amount billed to the customer and the Company's right to payment is conditional on factors other than the passage of time. The Company includes contract assets within accounts receivable in the accompanying balance sheets. Deferred revenues represent the Company's obligation to transfer goods or services to a customer for which it has received consideration (or has the unconditional right to receive consideration) from the customer, which is included in accrued expenses and other current liabilities.

The Company analyses its research and development arrangements to assess whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities and are therefore within the scope of ASC Topic 808, *Collaborative Arrangements* ("ASC 808"). This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements that are deemed to be within the scope of ASC 808, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. The Company's policy is generally to recognize amounts received from collaborators in connection with joint operating activities that are within the scope of ASC 808 as a reduction in research and development expense. To date, there have been no transactions within the scope of ASC 808.

Swarf Service Revenue

The Company also derives service revenue from processing suppliers' titanium swarf in its alloy business. Under such arrangements, the Company handles all aspects of the swarf recycling process in exchange for a service fee from the customer. Swarf service revenue is recognised at a point in time when the material is received by the Company.

Shipping and Handling Fees and Costs

Shipping and handling fees billed to customers for product shipments are recorded in product revenue in the accompanying statements of operations. Shipping and handling costs incurred for inventory purchases and product shipments are recorded in cost of revenue in the accompanying statements of operations.

Cost of Revenue

Product cost of revenue primarily consists of costs for materials and associated freight, shipping and handling costs, salaries and other personnel costs, overhead and other direct costs related to those sales recognised as product revenue in the period. Cost of revenue for research and development services primarily consist of salaries and other personnel costs, materials and associated freight, contractor cost, overhead and other direct costs. Cost of revenue for swarf service revenue consists of the freight to transport the materials for processing. Costs incurred to obtain contracts with customers are not significant. The Company does not recognize any assets associated with incremental costs of obtaining a contract with a customer (such as sales commissions). There are no deferred contract costs.

Advertising Expense

Advertising expenses consist primarily of costs incurred in promoting and marketing the Company's brand and services offered. Costs associated with the Company's advertising are expensed as incurred and are included in selling, general, and administrative expenses of the accompanying statements of operations.

Equity-Based Compensation

The Company measures stock options and other stock-based awards granted to directors, employees, and non-employees based on their fair value on the date of the grant and recognises the corresponding compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. The Company has issued stock options with time-based vesting conditions and expense is recorded using the straight-line method. The Company has also issued stock options that vest upon the achievement of certain market conditions. The Company estimates the fair value of time-based stock option awards granted using the Black-Scholes option-pricing model, which uses as inputs the fair value of our common stock and subjective assumptions, including the expected stock price volatility, the risk-free interest rate and expected dividends, and the contractual term as the expected term of the award. The Company determines the fair value of stock option awards that vest upon the achievement of certain market conditions using a Monte Carlo simulation model, which uses as inputs the fair value of our common stock and subjective assumptions, including the expected stock price volatility, the expected term of the award, the risk-free interest rate and expected dividends.

Due to insufficient trade history of the Company's common stock, the Company is unable to estimate the future volatility of its share price and instead estimates expected volatility from the historical volatility of a representative group of publicly traded companies for which historical information is available. The historical volatility is generally calculated based on a period of time commensurate with the expected term assumption. The Company uses the simplified method to calculate the expected term for options granted to employees and directors, which is based on the average of the time-to-vesting and the contractual life of the options. The Company utilises this method because there is not sufficient historical exercise data available to provide a reasonable basis upon which to estimate the expected term. For grants to non-employees, the relevant accounting literature allows entities to use the expected term to measure non-employee options or elect to use the contractual term as the expected term, on an award-by-award basis. The risk-free interest rate is based on a U.S. treasury instrument whose term is consistent with the expected term of the stock options. The expected dividend yield is assumed to be zero as the Company has never paid dividends and does not have current plans to pay any dividends on its common stock.

Prior to the IPO, the Company utilised methodologies, approaches, and assumptions consistent with the *American Institute of Certified Public Accountants Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation* to estimate the fair value of its common stock. The fair value of stock options granted was determined based upon a variety of factors, including the Company's financial position, historical performance and operating results, the Company's production capacity and customer demand, external market conditions affecting the additive manufacturing industry, the lack of marketability of the Company's common stock and the prospects of a liquidity event and the analysis of initial public offering and market performance of similar companies as well as recently completed mergers and acquisition of peer companies. Significant changes to the key assumptions underlying the factors used could result in different fair values of the Company at each valuation date.

Certain employees of the Company participated in the Parent's equity-based compensation plans prior to the Separation. Equity-based compensation expense of the Company related to these plans is recognised through allocations based on methodologies that management believes are consistent and reasonable, utilizing headcount supporting the Company and other organisational activities based on where the employees reside, as appropriate.

Segment Reporting

Operating segments are defined as components of an entity for which separate discrete financial information is made available and that is regularly evaluated by the chief operating decision maker ("CODM") in making decisions regarding resource allocation and assessing performance. The Company's CODM is its Chief Executive Officer ("CEO"), and the Company manages its operations as two reportable segments, Powder and Alloy, for the purposes of assessing performance and making operating decisions. See Note 15 for additional disclosures related to segment reporting.

Income Taxes

Prior to the LLC Conversion, all income tax effects of the Company's operations were passed through to its members individually. Accordingly, the accompanying financial statements do not include any income tax effects for the Company prior to the LLC Conversion date, and the Company had no unrecognised income tax benefits, nor any interest or penalties associated with unrecognised income tax benefits, accrued or expensed as of and for the period from 1 January 2025 through 30 June 2025.

Following the LLC Conversion, the Company accounts for income taxes using the asset and liability method in accordance with ASC Topic 740, *Income Taxes* ("ASC 740") which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognised in the financial statements or in the tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes.

The Company assesses the likelihood that deferred tax assets will be recovered from future taxable income and, to the extent the Company believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realised, a valuation allowance is established through a charge to income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

Net Loss Per Share

Basic net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period, adjusted for potential dilutive common shares.

In periods in which the Company reported a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

The Company reported a net loss attributable to common stockholders for the half years ended 30 June 2026 and 2025. Accordingly, the Company excluded 15,340,865 and 1,123,559 of outstanding stock options from the calculation of diluted net loss per share as of the half years ended 30 June 2026 and 2025, respectively, because including them would have had an anti-dilutive impact.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU 2025-05"), which allows entities to use a simplified approach when estimating credit losses for current accounts receivable and contract assets arising from revenue transactions. The standard update permits consideration of collections after the balance sheet date when estimating expected credit losses and allows consideration of subsequent collections when estimating credit losses, reducing documentation burden. ASU 2025-05 is effective for annual and interim periods within annual reporting periods beginning after 15 December 2025. The Company adopted ASU 2025-05 effective 1 January 2026. The impact of the adoption of this standard was not material to the Company's financial statements or disclosures.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), which requires public entities, at annual and interim reporting periods, to disclose in a tabular format additional information about specific expense categories in the notes to the financial statements. ASU 2024-03 is effective for annual reporting periods beginning after 15 December 2026, and interim reporting periods beginning after 15 December 2027, with early adoption permitted. The Company does not expect the impact of the adoption of this standard to be material to its financial statements or disclosures.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities* ("ASU 2025-10"). ASU 2025-10 adds guidance on the recognition, measurement and presentation of government grants. ASU 2025-10 is effective for fiscal years beginning after 15 December 2028, including interim periods within those fiscal years, and permits modified prospective, modified retrospective, or full retrospective adoption. The Company is currently evaluating the impact of this guidance on its financial statements and related disclosures.

3. Revenue

The Company derives product revenue primarily from the manufacture and sale of metals compacts used in the aluminium industry as alloy additions and metal powders used by the additive manufacturing industry. Payment terms for customer orders are typically 30 to 90 days after the shipment or delivery of the product, and such payments typically do not include payments that are variable or dependent on specified factors or events. In limited circumstances, there exists a right of return for product if agreed to by the Company. Product revenue is recognised at a point in time upon delivery of the product to the customer.

The Company derives R&D service revenue from the execution of research and development projects involving the testing, production and processing of critical materials. Research and development contracts are generally priced on a fixed price or time and material basis and revenue is recognised on a cost-to-cost basis. The Company also derives swarf service revenue from processing suppliers' titanium swarf in its alloy business. Swarf service revenue is recognised at a point in time upon receipt of the material for processing by the Company.

The following table disaggregates the Company's revenue from contracts with customers by geography, based on the customers' location:

	Half Year Ended 30 June	
	2026	2025
Domestic (United States)	$11,377,306	$5,739,795
International	1,891,060	1,926,380
Total	**$13,268,366**	**$7,666,175**

The following table disaggregates the Company's revenue from contracts with customers by type of customer:

	Half Year Ended 30 June	
	2026	2025
Commercial	$12,308,736	$7,237,382
Governmental	959,630	428,793
Total	**$13,268,366**	**$7,666,175**

The following table disaggregates the Company's revenue recognised point-in-time vs. over-time:

	Half Year Ended 30 June	
	2026	2025
Point-in-time	$12,306,968	$7,069,012
Over-time	961,398	597,163
Total	**$13,268,366**	**$7,666,175**

Contract assets arise from unbilled amounts in research and development contracts when revenue recognised exceeds the amount billed to the customer and the Company's right to payment is conditional on other factors other than the passage of time. The Company includes contract assets within accounts receivable, net, in the accompanying balance sheets. As of 30 June 2026 and 31 December 2025 and 2024, there were no unbilled receivable balances.

Deferred revenues represent the Company's obligation to (i) transfer services to a customer in research and development contracts and/or (ii) deliver product for which it has received consideration (or has the unconditional right to receive consideration) from the customer. The amount of deferred revenue equals the transaction price allocated to unfulfilled performance obligations for the periods presented. As of 30 June 2026 and 31 December 2025 and 2024, deferred revenue totalled $128,905, $142,713 and $0, respectively, which is included in accrued expenses and other current liabilities on the balance sheets.

4. Fair Value Measurements

The Company's financial assets subject to fair value measurement on a recurring basis and the level of inputs used for such measurements were as follows:

	As of 30 June 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$6,315,851	$ -	$ -	$6,315,851
Total assets, at fair value	**$6,315,851**	**$ -**	**$ -**	**$6,315,851**
Liabilities:				
Contingent consideration liability	$ -	$ -	$ -	$ -
Total liabilities, at fair value	**$ -**	**$ -**	**$ -**	**$ -**

	As of 31 December 2025,			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$13,940,535	$ -	$ -	$13,940,535
Total assets, at fair value	**$13,940,535**	**$ -**	**$ -**	**$13,940,535**
Liabilities:				
Contingent consideration liability	$ -	$ -	$ -	$ -
Total liabilities, at fair value	**$ -**	**$ -**	**$ -**	**$ -**

There were no transfers between fair value levels during the half year ended 30 June 2026 and year ended 31 December 2025.

Cash Equivalents

Cash equivalents are comprised of money market funds, which are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

Contingent Consideration Liability

On 12 April 2019, the Company purchased all of the tangible and intangible assets and assumed certain named liabilities of AL Solutions from Tygem Holdings, Inc. In connection with the AL Solutions acquisition, the Company is required to make contingent payments of up to $5.3 million subject to the Alloy division of the Company, the previous AL Solutions business segment, achieving certain estimated earnings before income taxes, depreciation, and amortization ("EBITDA") thresholds through 30 June 2026. The fair value of the liability for the contingent payments recognized upon the acquisition as part of the purchase accounting opening balance sheet totalled $2.5 million and was estimated by discounting to present value the probability-weighted contingent payments expected to be made, primarily based on the estimated EBITDA through 30 June 2026. The ultimate settlement of the contingent consideration could deviate from current estimates based on the actual results. This liability is considered to be a Level 3 financial liability and is re-measured each reporting period and was estimated to be $0 as of 30 June 2026 and 31 December 2025. There were no changes in fair value of the contingent consideration during the half-years ended 30 June 2026 and 2025. The EBITDA thresholds were not achieved through 30 June 2026 and, as such, no payment will be made.

5. Accounts Receivable

Accounts receivable, net, consisted of the following:

	As of		
	30 June 2026	31 December 2025	31 December 2024
Accounts receivable	$5,602,562	$4,806,084	$3,257,867
Less – allowance for credit losses	(215,735)	(210,510)	(128,844)
Accounts receivable, net	**$5,386,827**	**$4,595,574**	**$3,129,023**

The following table provides a roll forward of the Company's allowance for credit losses:

	Allowance for Credit Losses
Balance, 31 December 2024	$128,844
Additions	254,402
Write-offs	(172,736)
Balance, 31 December 2025	210,510
Additions	5,225
Balance, 30 June 2026	**$215,735**

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	As of	
	30 June 2026	31 December 2025
Prepaid insurance	$296,283	$413,245
Governmental receivables	89,496	75,353
Deferred financing fees	116,881	-
Other	105,418	221,824
Total	**$608,078**	**$710,422**

7. Inventories

Inventories consisted of the following:

	As of	
	30 June 2026	31 December 2025
Raw materials	$4,571,581	$3,428,435
Work-in-process	3,417,894	4,065,193
Finished goods	2,667,299	2,539,415
Total	**$10,656,774**	**$10,033,043**

8. Property and Equipment

Property and equipment, net consisted of the following:

	As of	
	30 June 2026	31 December 2025
Buildings and building improvements	$9,249,906	$8,014,890
Machinery and equipment	14,797,504	14,688,779
Furniture and fixtures	392,370	344,225
Leasehold improvements	47,109	47,109
Construction-in-progress	5,406,420	5,758,117
Land	474,939	474,939
Total property and equipment	**30,368,248**	**29,328,059**
Less: accumulated depreciation	(12,665,024)	(11,473,363)
Property and equipment, net	**$17,703,224**	**$17,854,696**

Depreciation expense was $1,191,661 and $1,728,346 for the half years ended 30 June 2026 and 2025, respectively.

9. Goodwill and Intangible Assets

Goodwill

Goodwill for the Powder and Alloy reportable segments are as follows as of 30 June 2026 and 31 December 2025:

	Goodwill
Powder	$3,142,448
Alloy	45,000
Total	**$3,187,448**

There were no adjustments to the carrying value of goodwill during the half year ended 30 June 2026 and year ended 31 December 2025. In addition, there were no accumulated goodwill impairment losses as of 30 June 2026 and 2025.

Intangible Assets

Intangible assets, net consisted of the following:

	30 June 2026			
	Useful Lives (Years)	Intangible Assets	Accumulated Amortisation	Net Balance
Developed technology	10	$1,397,000	($419,098)	$977,902
Customer relationships	7	1,230,000	(527,143)	702,857
Trade names	7	213,000	(91,286)	121,714
Non-compete agreements	5	388,345	(301,750)	86,595
Total		**$3,228,345**	**($1,339,277)**	**$1,889,068**

	31 December 2025			
	Useful Lives (Years)	Intangible Assets	Accumulated Amortisation	Net Balance
Developed technology	10	$1,397,000	($349,249)	$1,047,751
Customer relationships	7	1,230,000	(439,286)	790,714
Trade names	7	213,000	(76,071)	136,929
Non-compete agreements	5	388,345	(262,950)	125,395
Total		**$3,228,345**	**($1,127,556)**	**$2,100,789**

All intangible assets are finite lived. The Company recorded amortisation expense of $211,721 during the half years ended 30 June 2026 and 2025, which is recorded in selling, general and administrative expense in the statements of operations.

The estimated future amortisation expense associated with intangible assets is as follows:

	Amortisation Expense
2026 (6 months remaining)	$202,217
2027	384,043
2028	364,943
2029	345,843
2030	242,771
Thereafter	349,251
Total	**$1,889,068**

As of 30 June 2026, the weighted-average amortisation period for intangible assets is 5.5 years.

10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	As of	
	30 June 2026	31 December 2025
Accrued employee compensation and benefits	$800,049	$2,101,491
Accrued professional fees	195,987	496,622
Accrued other	464,577	445,055
Total	**$1,460,613**	**$3,043,168**

11. Debt

Related Party Loans

From May 2021 to May 2025, the Company received gross proceeds of $56,000,000 in connection with loans with 6K Inc. These loans were due on demand with 90 days' notice from 6K Inc. and initially bore interest monthly at a rate of 4.75% or 10.00% through August 2023. Beginning in September 2023, all loans with 6K Inc. bore interest at a variable monthly rate equal to (i) the Secured Overnight Financing Right ("SOFR"), plus (ii) 14.00%. Interest expense for the half years ended 30 June 2026 and 2025 was $0 and $5,040,589, respectively.

In July 2025, all loans with 6K Inc. were converted into 144,407,182 shares of the Company's common stock, which included the outstanding principal balance of $56,000,000 and accrued interest of $20,357,820. The conversion was accounted for as a capital transaction with a related party and, therefore, no gain or loss was recognised. Instead, the net carrying value of $76,357,820 was reclassified to stockholders' equity (deficit) on the Company's balance sheets.

12. Common Stock

As described in Note 1, the Company converted from a Delaware LLC to a Delaware corporation effective on 25 September 2025. As a result, all of the Company's outstanding common units were converted on a 1-for-1 basis into shares of common stock, par value $0.00001. As of 31 December 2024 and immediately before the LLC Conversion, there were 41,724,958 units authorized, of which 37,616,529 units were issued and outstanding (as retrospectively adjusted for the stock split described in Note 1).

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Company's board of directors. As of 30 June 2026 and 31 December 2025, no dividends have been declared.

As of 30 June 2026, there were 350,000,000 shares authorized, of which 267,798,503 shares were issued and outstanding.

The Company completed its initial public offering and began trading on the ASX on 4 December 2025, under the symbol "6KA". The ASX uses an electronic system called CHESS for the clearance and settlement of trades on the ASX. The state of Delaware does not recognize the CHESS system of holding securities or electronic transfers of legal title to shares. To enable companies to have their securities cleared and settled electronically through CHESS, CHESS depository instruments called CDIs are issued. CDIs are units of beneficial ownership in shares and are traded in a manner similar to shares of Australian companies listed on the ASX. The legal title to the shares are held by a depository, CDN, which is a wholly owned subsidiary of the ASX, and is an approved general participant of ASX Settlement. The equity capital raise consisted of 48,000,000 CDIs representing the same number of shares of common stock at $1.00 Australian dollars per share, for total proceeds of $26,371,299, net of underwriting discounts and offering costs.

In addition, the Company issued 330,000 and 360,000 shares of common stock to Tribeca Capital Advisory Ptd Ltd and New Electric Partners International Pte Ltd, respectively, for success fees earned in connection with the IPO. The success fees are costs related to an offering of equity securities and were recorded as a reduction to additional paid-in capital in accordance with ASC 340-10-S99, *Other Assets and Deferred Costs.*

Financing Subscription Agreements

In July and August 2025, the Company entered into subscription agreements with certain related parties and institutional investors, pursuant to which the Company agreed to issue and sell 27,777,556 shares of its common stock at a price of $0.81 Australian dollars per share. The Company received net proceeds of $13,709,810 from the subscription agreements, after deducting underwriting discounts and offering costs of $1,059,553. The purpose of these subscription agreements was to raise additional capital for use in operations prior to the IPO.

If the Company had cancelled its IPO or a change of control transaction occurs prior to an IPO, then the Company would have been required to purchase all of the subscription shares from the investors at a purchase price equal to 125% of the subscription price. If the Company did not complete the IPO by 31 December 2025, but the IPO was not cancelled, the Company would have been required to provide to the subscribers: (a) confirmation that the IPO is proceeding at least 14 business days prior to 31 December 2025, with a new timetable for the IPO; and (b) issue to the subscribers additional common shares equal to 10% of the total number of subscription shares subscribed under each agreement for no consideration no later than 15 January 2026. The Company evaluated these embedded components to determine if they qualified as derivatives under ASC 815, *Derivatives and Hedging*, and determined they did not.

In August 2025, the Company also issued 198,732 shares of common stock to New Electric Partners International Pte Ltd for success fees earned in connection with the financing subscription agreements. The success fees are costs related to an offering of equity securities and were recorded as a reduction to additional paid-in capital in accordance with ASC 340-10-S99, *Other Assets and Deferred Costs.*

Transactions with Parent

As discussed in Note 11, all loans with 6K Inc. were converted into 144,407,182 shares of the Company's common stock in July 2025.

In November 2025, an aggregate due to related party balance of $5,575,434 with 6K Inc. was converted into 8,577,591 shares of the Company's common stock. The number of shares was determined based on the fair value of the Company's common stock on the conversion date, which equalled the IPO price of $1.00 Australian dollars per share (or $0.65 U.S. dollars per share).

In addition, a due to related party balance of $665,000 was forgiven by 6K Inc. for no consideration.

The Company accounted for these as capital transactions with a related party and the balances were reclassified to stockholders' equity (deficit) on the Company's balance sheets with no gain or loss recognised.

The Company has reserved the following shares of common stock for issuance as of 30 June 2026 and 31 December 2025:

	As of	
	30 June 2026	31 December 2025
Options issued and outstanding	15,340,865	15,871,777
Shares available for future equity-based grants	5,251,782	5,251,782
Total	**20,592,647**	**21,123,559**

13. Equity-Based Compensation

Parent Incentive Plan

The Parent had a share-based compensation plan which provided for granting equity awards, including incentive stock options or non-qualified stock options, restricted share awards and restricted shares (the "Parent Plan"). Prior to the Separation, all share-based compensation plans were managed on a consolidated basis by the Parent and share-based compensation expense was allocated to the Company related to stock options issued by the Parent. Accordingly, the amounts presented for periods prior to the Separation are not necessarily indicative of future share-based compensation and do not necessarily reflect the amount that the Company would have issued as an independent company for the periods presented.

6KA Incentive Plans

Prior to the IPO, the Company maintained the 2019 Incentive Plan (the "2019 Plan"). The 2019 Plan allowed the Company to grant incentive stock options, non-qualified stock options or restricted stock awards to employees and non-employee consultants of the Company.

In connection with the IPO and the adoption of the 2025 Share Plan (the "2025 Plan"), the Company ceased granting awards under the 2019 Plan. However, the terms of the 2019 Plan continue to apply to awards already granted under the 2019 Plan. Under the 2025 Plan, the Company initially reserved 20,000,000 shares of common stock, plus the number of shares of common stock related to awards outstanding under the 2019 Plan that thereafter terminate by expiration or forfeiture, cancellation, or otherwise without the issuance of such shares of common stock and become available for issuance. The 2025 Plan allows the Company to grant stock options, restricted stock, restricted stock units, deferred stock units, unrestricted stock and other equity-based awards to employees, directors, and consultants of the Company. Stock options granted under the 2025 Plan expire no later than ten years from the date of grant. Awards granted under the 2025 Plan have a vesting period that is typically three years. Shares that are expired, forfeited, cancelled or otherwise terminated without having been fully exercised are available for future grants under the 2025 Plan. As of 30 June 2026, there were 5,251,782 shares available for issuance under the 2025 Plan.

In connection with all equity-based payments, total equity compensation expense was as follows:

	Half Year Ended 30 June	
	2026	**2025**
Parent Plan	-	32,873
2019 Plan	-	17,441
2025 Plan	797,356	-
Total	**797,356**	**50,314**

Time-Based Stock Options – 2025 Plan

As discussed above, the 2025 Plan became effective upon consummation of the Company's IPO. Under the 2025 Plan, the Company granted stock options to employees and directors with vesting subject to continued service over time. Accordingly, stock compensation expense for such awards is recognised using a straight-line attribution model over the vesting term.

During the half year ended 30 June 2026, there were no time-based stock options granted, forfeited or expired. As of 30 June 2026, 9,001,968 time-based stock options remain outstanding.

As of 30 June 2026, no stock options granted under the 2025 Plan were exercisable. Total unrecognised compensation cost related to unvested 2025 Plan stock options was $2,307,320 which is expected to be recognised over a weighted average period of 2.9 years.

Market-Based Stock Options – 2025 Plan

In conjunction with the IPO, pursuant to the 2025 Plan, the Company granted 5,746,250 stock options to certain executives that are contingent upon achievement of certain market conditions. The awards together had a grant date fair value of approximately $2,003,415 using a Monte Carlo simulation model. The market-based awards will vest partially based on achievement of stock price targets of the Company's common stock as follows: 1,915,417 stock options vest when the 60-day VWAP meets or exceeds $2.00 Australian dollars per share, 1,915,417 will vest when the 60-day VWAP meets or exceeds $3.00 Australian dollars per share, and 1,915,416 will vest when the 60-day VWAP meets or exceeds $3.50 Australian dollars per share. The market-based conditions must be met in order for the market-based portion of the stock option awards to vest, and it is therefore possible that certain awards ultimately will not vest. The grant date fair value of each stock option is expensed over the requisite service period. Compensation expense relating to equity-based awards with market-based vesting conditions is not reversed if these awards are forfeited based solely on failing to meet such market-based conditions. The impact of forfeitures, if any, will be recognised upon occurrence.

As of 30 June 2026, the market conditions underlying these awards had not been achieved and, therefore, none had vested. In connection therewith, none of the options were exercised through 30 June 2026. During the half year ended 30 June 2026, none of the market-based options were granted or cancelled.

As of 30 June 2026, the total unrecognised compensation related to unvested market-based awards granted was $1,627,603, which the Company expects to recognize over a period of 3.1 years.

Time-Based Stock Options – 2019 Plan

As discussed above, the Company ceased granting awards under the 2019 Plan upon adoption of the 2025 Plan. However, the terms of the 2019 Plan continue to apply to awards already granted under the 2019 Plan. Under the 2019 Plan, the Company historically granted stock options to employees, directors, and consultants with vesting subject to continued service over time. Accordingly, stock compensation expense for such awards is recognised using a straight-line attribution model over the vesting term.

The following table summarizes activity for time-based stock options for the half year ended 30 June 2026 under the 2019 Plan:

	Number of Stock Options	Weighted-Average Exercise Price	Weighted-Average Contractual Term	Aggregate Intrinsic Value
Outstanding as of 31 December 2024	1,422,350	$0.26	7.4	$ -
Forfeited or expired	(298,791)	0.20		
Outstanding as of 31 December 2025	1,123,559	0.27	6.7	336,315
Exercised	(530,912)	0.20		
Outstanding and exercisable as of 30 June 2026	592,647	$0.34	6.5	$110,797

The total intrinsic value of stock options exercised under the 2019 Plan was $172,037 and $0 for the half year ended 30 June 2026 and 2025, respectively. There were no stock options granted or forfeited under the 2019 Plan during the half year ended 30 June 2026 and no stock options granted or exercised during the half year ended 30 June 2025.

As of 30 June 2026, there is no unrecognised compensation cost related to unvested 2019 Plan stock options as all options were fully vested.

14. Leases

In November 2022, the Company entered into an operating lease agreement for approximately 6,707 square feet of office space and 9,667 square of warehouse space at 12 Starck Drive, Burgettstown, Pennsylvania. The Company gained control of the leased space in January 2023 and, accordingly, recorded an operating lease right-of-use asset and liability at that time. The initial term of the operating lease expires in December 2027, subject to two one-year renewal options, which have been included in the Company's operating lease right-of-use asset and liability, as the Company is reasonably certain to exercise both options. In connection with the lease, the landlord agreed to abate all rent payable for the office space in consideration of the Company's performance of constructing specified leasehold improvements. The Company incurred a total of $1,374,540 in connection with such leasehold improvements, which were accounted for as additional lease payments because the Company is not the accounting owner of these improvements. The base rent for the warehouse space is $9,700 per month for total consideration of $814,800 over the 7-year lease term.

In April 2024, the Company entered into a finance lease agreement for a piece of equipment. The initial term of the finance lease expired in May 2026, subject to a purchase option that was reasonably certain of exercise at commencement. As such, the exercise price was included as a lease payment in the Company's finance lease asset and liability. The base rent for the equipment totals $1,790,000 over the 25-month lease term. In July 2025, the Company exercised its purchase option for a total payment of $1,316,722, which was comprised of the remaining lease payments of $1,147,000 plus sales and property taxes. At the time of purchase, the carrying amount of the finance lease asset and lease liability was $624,070 and $1,167,755, respectively. The difference of $543,685 was recognized as a reduction to expense within cost of revenue in the statements of operations because the purchase was eligible for reimbursement through one of the Company's grant programs (see Note 2). The Company received such funds in September 2025.

During 2026, the Company recognized a finance lease right-of-use asset of $31,563 and corresponding finance lease liability of $35,642 related to equipment used in its operations with a remaining term through August 2028. Accordingly, the finance lease is reflected in the balance sheets as of 30 June 2026.

The following table summarizes the presentation of the Company's operating and finance lease assets and liabilities in the balance sheets for the periods presented:

	As of	
	30 June 2026	31 December 2025
Assets		
Property and equipment, net	$25,033	$ -
Operating lease right-of-use assets	1,012,841	1,146,069
Total lease assets	**$1,037,874**	**$1,146,069**
Liabilities		
Operating lease liability, current	$109,409	$109,409
Finance lease liability, current	14,410	-
Operating lease liability, net of current portion	216,162	251,209
Finance lease liability, net of current portion	14,534	-
Total lease liabilities	**$354,515**	**$360,618**

The components of lease cost were as follows for the periods indicated:

	Half Year Ended 30 June	
	2026	2025
Operating lease cost	$156,381	$156,381
Finance lease cost:		
Amortisation of finance lease asset	6,530	374,442
Interest on lease liability	1,568	63,593
Total finance lease cost	**8,098**	**438,035**
Short-term lease cost	38,595	49,605
Total lease cost	**$203,074**	**$644,021**

The following table summarizes the weighted-average lease term and weighted-average discount rate for leases for the periods indicated:

	30 June 2026	31 December 2025
Weighted average remaining lease term (years):		
Operating lease	3.5	4.0
Finance lease	1.9	-
Weighted average discount rates:		
Operating lease	13.8%	13.8%
Finance lease	10.5%	-

As of 30 June 2026, future commitments due under the Company's operating and finance leases are as follows:

	Operating Lease	Finance Lease
2026 (six months remaining)	$58,200	$8,266
2027	116,400	16,532
2028	116,400	6,888
2029	116,400	-
Total lease payments	**407,400**	**31,686**
Less: interest	(81,829)	(2,742)
Total lease liabilities	**$325,571**	**$28,944**

15. Segment Information

Operating segments are defined as components of an entity for which separate discrete financial information is made available and that is regularly evaluated by the CODM in making decisions regarding resource allocation and assessing performance. The Company manages its operations as two reportable segments: (i) Powder and (ii) Alloy.

The Powder business specialises in the development, commercialisation and implementation of plasma technologies for the production and processing of advanced nanomaterials. 6K Inc.'s microwave plasma technology, UniMelt, can produce highly engineered nanoparticles with minimum waste byproducts with a single pass continuous process compared to legacy production processes for nanomaterials. The Company uses the UniMelt to produce certain metal powders. The Alloy business is the legacy business, comprised of taking reclaimed or older material and forming it to higher grade metal, mainly used in the aerospace and automotive industries.

The financial results of these segments are utilised by the CODM, the Company's Chief Executive Officer, for evaluating segment performance and allocating resources. The segment gross margin is regularly reviewed by the CODM in deciding how to allocate resources. The CODM reviews significant segment expenses consistent with the presentation set forth in the tables below for the half years ended 30 June 2026 and 2025. Other expenses are reviewed in the aggregate by the nature of the cost, consistent with the Company's presentation on its statements of operations. The Company also manages assets on a total company basis, not by operating segment, as the assets are shared or commingled. Therefore, the CODM does not regularly review any asset information by operating segment and, accordingly, asset information is not reported on a segment basis.

The following table provides segment revenue, cost of revenue and gross loss for the periods presented, which are regularly reviewed by the CODM:

	Half Year Ended 30 June 2026		
	Powder	**Alloy**	**Total**
Revenue:			
External sales	$9,039,846	$4,228,520	$13,268,366
Total revenue	**9,039,846**	**4,228,520**	**13,268,366**
Cost of revenue	(9,050,554)	(4,286,430)	(13,336,984)
Gross loss	($10,708)	($57,910)	($68,618)
Reconciliation of loss before income taxes:			
Selling, general and administrative			(6,082,356)
Research and development			(1,058,276)
Interest income, net			432,926
Other expense, net			(35,745)
Loss before income taxes			($6,812,069)

The above table includes depreciation expense for Powder and Alloy of $570,099 and $281,090, respectively, within cost of revenue.

	Half Year Ended 30 June 2025		
	Powder	**Alloy**	**Total**
Revenue:			
External sales	$5,112,180	$2,553,995	$7,666,175
Total revenue	**5,112,180**	**2,553,995**	**7,666,175**
Cost of revenue	(6,299,467)	(2,848,296)	(9,147,763)
Gross loss	($1,187,287)	($294,301)	($1,481,588)
Reconciliation of loss before income taxes:			
Selling, general and administrative			(4,152,712)
Research and development			(988,672)
Interest expense, net			(5,104,182)
Other income, net			127,567
Loss before income taxes			($11,599,587)

The above table includes depreciation expense for Powder and Alloy of $692,394 and $342,972, respectively, within cost of revenue.

16. Income Taxes

In accordance with ASC 270, *Interim Reporting*, and ASC 740, *Income Taxes*, the Company is required at the end of each interim period to determine the best estimate of its annual effective tax rate, apply that rate in providing for income taxes on a current year-to-date (interim period) basis, and include the tax impact for discrete items within the interim period.

The Company was classified as a partnership, and was therefore a pass-through entity, for US income tax purposes through the LLC Conversion date. Accordingly, the accompanying financial statements do not include any income tax effects for the half year ended 30 June 2025.

The Company recorded income tax expense of $7,296 for the half year ended 30 June 2026. The income tax expense is primarily related to the change in deferred tax balances associated with acquired tax deductible goodwill. The effective tax rate was (0.11%) for the six months ended 30 June 2026, which is driven by non-deductible expenses and the change in valuation allowance.

The Company maintains a full valuation allowance against all deferred tax assets as of 30 June 2026 and 31 December 2025, as management has determined that it is not more likely than not that the Company will realize these future tax benefits. As of 30 June 2026 and 31 December 2025, the Company had no uncertain tax positions.

17. Commitments and Contingencies

Indemnification Agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not currently aware of any indemnification claims and has not accrued any liabilities related to such obligations in its financial statements as of 30 June 2026 and 31 December 2025.

Legal Proceedings

The Company is not a party to any litigation and does not have contingency reserves established for any litigation liabilities. At each reporting date, the Company evaluates whether a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses as incurred the costs related to such legal proceedings.

18. Related Party Transactions

Transactions with 6K Inc.

Prior to the Separation, the Company entered into transactions with 6K Inc. in the normal course of business as follows:

Corporate Expense Allocations – As previously described in Note 1, the accompanying financial statements include allocations of certain expenses from 6K Inc. related to certain corporate and shared service functions historically provided by 6K Inc., including, but not limited to, executive oversight, accounting, tax, legal, human resources, occupancy, and other shared services. These expense allocations are considered non-cash contributions from related party in the Company's statements of changes in stockholders' and members' deficit.

The Company recorded the expense allocations in the following categories on the accompanying statements of operations for the periods indicated:

	Half Year Ended 30 June	
	2026	2025
Selling, general and administrative	$ -	$526,075
Research and development	-	154,500
Total	**$ -**	**$680,575**

These amounts include allocated equity-based compensation expense of $0 and $32,873 for the half years ended 30 June 2026 and 2025, respectively.

Outstanding Loans **–** As previously described in Note 11, the Company had loans with 6K Inc. in which Company received $2,500,000 of gross proceeds from additional loans with 6K Inc. between January and May 2025. In connection with all 6K Inc. loans, the Company recorded interest expense of $0 and $5,040,589 for the half years ended 30 June 2026 and 2025, respectively.

In July 2025, all loans with 6K Inc. were converted to shares of common stock in the Company, which included the then-outstanding principal balance of $56,000,000 and accrued interest of $20,357,820 (see Note 11).

Operating Expense Reimbursement and Accrued Interest **–** 6K Inc. routinely paid certain expenses on behalf of the Company in the normal course of business and vice versa. These expenditures were reflected in the financial statements of the Company and 6K Inc., as applicable, and classified as due to related party in current liabilities on the Company's balance sheets.

In November 2025, the Company also converted $5,575,434 of outstanding 6K Inc. payables into common stock, with the remaining balance of $665,000 forgiven for no consideration (see Note 12).

As previously described in Note 1, the Company and 6K Inc. executed a transitional services agreement whereby 6K Inc. agreed to provide certain support and operational services to the Company for the initial 12 months following the Separation, to ensure continuity of key business functions during the transition to standalone operations. Service fees were $83,391 for the half year ended 30 June 2026, which are included in selling, general and administrative expenses in the Company's statements of operations. As of 30 June 2026 and 31 December 2025, the Company has an outstanding payable balance of $0 and $21,399, respectively, in connection with this agreement, which is classified as due to related party in current liabilities on the Company's balance sheets.

Other Related Party Transactions

Management Service Fee **–** On 12 April 2019, the Company executed a management service agreement with one of its members (Warbird). The agreement provides an annual service fee of $150,000 for financing and other consulting services provided to the Company. The agreement was terminated in July 2025 prior to the Company's planned IPO. Service fees were $0 and $75,000 for the half years ended 30 June 2026 and 2025, respectively, and are included in selling, general and administrative expenses in the Company's statements of operations.

19. Benefit Plans

The Company maintains a defined contribution savings plan under Section 401(k) of the U.S. Internal Revenue Code of 1986, as amended. This plan covers all U.S. employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Matching contributions to the plan may be made at the discretion of the Company's Board of Members. The Company made matching contributions to employee 401(k) plans of $190,830 and $84,505 during the half years ended 30 June 2026 and 2025, respectively.

20. Subsequent Events

The Company has evaluated subsequent events occurring through 25 August 2026, the date the financial statements were available to be issued, for events requiring recording or disclosure in the Company's financial statements. The Company concluded no events or transactions have occurred that require disclosure in the accompanying financial statements.