



Titomic Limited

Industrial Scale Advanced Manufacturing

Investor Update
31 July 2018

ACN 602 793 644





Gilbert Michaca

Message from the CEO

I started as CEO of Titomic on the 18th of June 2018 and would like to take my first opportunity to present you with the latest quarterly operational update. Before we talk about Titomic's plans I want to very briefly introduce myself.

I have spent the past 7 years leading and growing worldwide a private Australian commercialisation technology company which was focused on innovative solutions to industries including defence, medical, environment, rail transportation and energy. Prior to that, among others, I spent 14 years with Siemens in Switzerland, Germany, France and China, where I headed the expansion of international operations into new markets.

Developments over the past decade have paved the way for 3D printing's expansion beyond prototyping. Technological advances enabling the manufacture of high-quality products and an array of new ingredients, from metals, ceramics to inorganic materials, have encouraged companies to consider 3D printed parts within their product range. Manufacturers are now seizing this opportunity.

Titomic Kinetic Fusion™ has entered a new era in the industrial manufacturing revolution bringing unique competitive advantages to our clients and partners. The industry is increasingly investing to manufacture metal products at large scale which were previously thought to be "too big to be printed".

In my new role as CEO, I am committed to bring Titomic along the exciting long term journey focused on enhancing shareholder value. This is gradually happening, and we are expecting growing revenue by end of 2018 with exponential growth in 2019.

I would like to congratulate Jeff Lang, Executive Director and Chief Technology Officer for the excellent job done over the past 12 months. Jeff, together with the team, has worked tirelessly to build global awareness of Titomic Kinetic Fusion technology and I would like to thank all of them for their continued efforts.

I look forward to working with Titomic's amazing and growing team to deliver on domestic and international commercial projects, strengthening our position as global leader in industrial scale metal additive manufacturing and reporting on our continued progress.

Notable Announcements

April, 2018 - June, 2018

"Titomic Completes Oversubscribed \$12 Million Placement"

26th April

- Heavily oversubscribed \$12 million Private Placement
- New European, Asian & local Institutions as well as Sophisticated & Professional Investors at \$1.25 per share equal to 10-day VWAP

"Titomic Appoints New CEO - Mr Gilbert Michaca"

30th April

- Former Siemens, Innothera and Grey Innovation executive Gilbert Michaca appointed as new CEO to drive the company's expansion into the global market

"Titomic Signs Collaboration Agreement with Callaway Golf Company"

8th May

- 12-month collaborative agreement with world's largest manufacturer of golf clubs

"Titomic Launches the world's Largest and Fastest Metal 3D Printer"

16th May

- Official launch of world's largest & fastest metal 3D printer at facility in Melbourne, Australia

"Titomic signs Material Science Testing Agreement with Fincantieri"

16th June, 2018

- Material Science Testing agreement to comprehensively test specified material to ASTM International standards for mechanical and chemical properties
- 12-month agreement to evaluate Titomic Kinetic Fusion in Fincantieri's manufacturing activities
- Fincantieri S.p.A is the largest shipbuilder in Europe and fourth largest in the world and builds both commercial and naval vessels

Titomic announced winner of Cre8 The Future competition in AFR

Click heading for further information

24th July

- Titomic launched Cre8 The Future to foster the message of manufacturing sustainability for future generations. Children were encouraged to dream up the future of transport and judges CSIRO's Chief Scientist, Anita Hill and Australia's celebrity Patron of Science, Adam Spencer, picked 7-year-old Toma Ditchburn's Flying Shoes as the winner. Titomic will print the flying shoes to display at Toma's school.

Executed Events

Titomic's Facility Launch

Melbourne, Australia

May 16th - May 17th

The opening of Titomic's state of the art R&D facility in May marked the achievement of an important milestone. The event was attended by key investors, industry leaders of the additive manufacturing sector, customers as well as various representatives from national media outlets.

Video - Chief Technology Officer Jeff Lang's address, May 2018



Eurosatory & Trade Mission

Paris, France

June 11th - June 20th

Representatives from Titomic participated in June's Eurosatory, an international Defence and Security industry trade fair that's held bi-annually, which was hosted in Paris, France. Titomic was proud to exhibit as a part of Team Defence Australia, assisted by the Australian Defence Export Office in conjunction with Austrade. The Victorian Government followed event with a trade mission, allowing access to new markets and international supply chains.



Executed Events

Eurobike

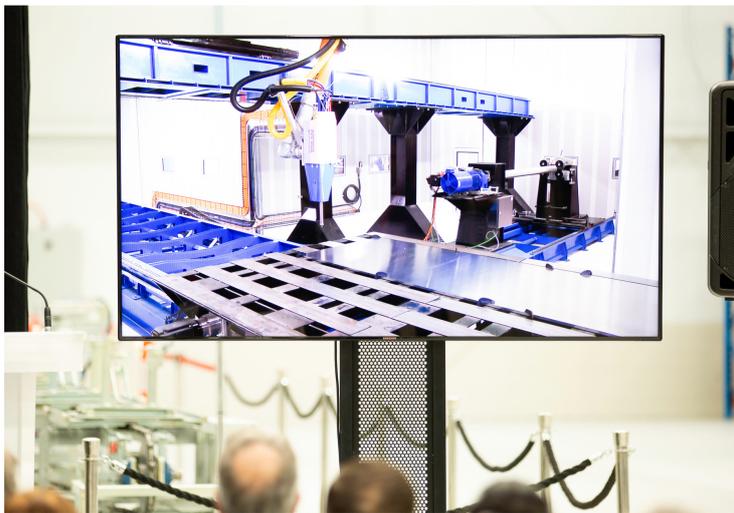
Friedrichshafen, Germany

July 8th - July 10th

Titomic's bicycle division recently participated in Eurobike - Europe's largest bicycle conference, hosting over 40,000 visitors from 106 countries. Titomic exhibited its titanium manufactured bicycle frame, gaining great interest from global bicycle manufacturers and consumers alike.



Recent Media Coverage



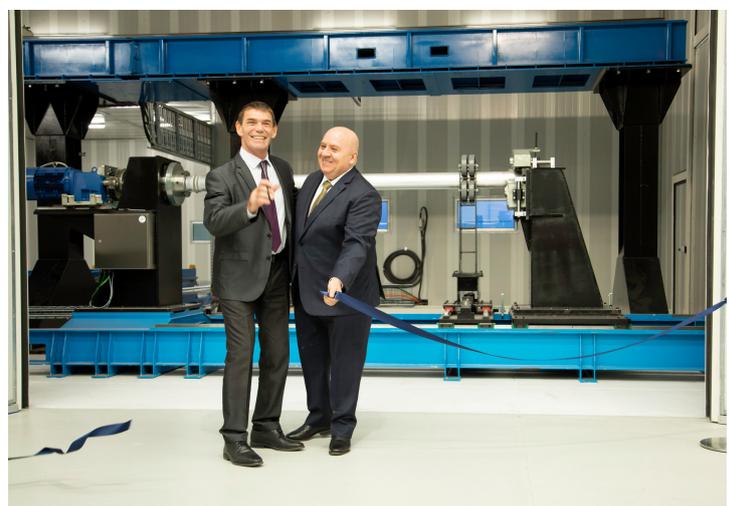
Launch of Large-Scale Metal 3D Printer



Titomic's huge Aussie 3D printer will use a year's global supply of powdered titanium



Titomic signs MST agreement with Fincantieri



Melbourne Manufacturer just fired up the world's largest 3D metal printer

Project Updates

Industries	Companies	Project progress
Consumer & Sporting Goods	• Major USA Bike brand announced on 21st Dec 2017	• Progressing well for the past 6 months, successfully phase I and have progressed to fabrication phase. As part of this we are in the final stage of extending the contract.
	• Callaway Golf announced on 8th May 2018	• In the past 7 weeks since announcement, the technical team has been working well together on material selection
	• Various commercial bike & bike component companies	• Prior to Eurobike there are 4 customers in the final stages of project qualification. • Post Eurobike in July, there are 3 additional discussions underway which will lead to more active qualification evaluations.
	• European Luxury Luggage OEM	• Progressing, pending customer's input
Aerospace	• Various Aerospace OEM primes and Tier 1 suppliers	• Post Singapore Airshow in February, there are 5 current discussions underway which will lead to more active qualification evaluations.
Resources: Mining, Oil & Gas, Industrial	• Callidus Welding Solutions announced on 20th Dec 2017	• Client shortlisted materials which Titomic will be doing projects with.
	• Various Mining, Oil & Gas & Industrial companies	• Post Australasian Oil & Gas in March, there are 3 current discussions underway which will lead to more active qualification evaluation
Defence	• Australian Defence Co.	• Following initial work with customer, opportunities to improve the manufacturing process led to change in raw material requirements.
	• Various Defence OEM, Primes and suppliers	• Prior to Eurosatory there are 4 customers in various stages of project qualification. • Post Eurosatory in June, there are 4 additional discussions underway while will lead to more active qualification evaluations.
Government / R&D Org.	• Various governments and R&D organisations	• There are 3 current discussions which are at various stages of progress.
Marine	• Fincantieri	• Material Science testing project announced 26th June commenced.
Others	• Automotive & infrastructure companies	• There are 2 current discussions which are at various stages of progress.

Consultation and ongoing discussions remain with industries such as consumer goods, aerospace, resources, governments, defence, marine and automotive and we look forward to announcing the agreements once signed.

Upcoming Events

Land Forces

Adelaide, Australia

September 4th - September 6th

Presented in collaboration with the Australian Army and Austrade, Land Forces is an international industry exposition to showcase equipment, technology and services for the armies of Australia and the Indo-Asia-Pacific. Land Forces will provide Titomic with a valuable platform to raise further awareness of the company's relevant capabilities to the defence industry.

Euronaval

Paris, France

October 23rd - October 26th

Euronaval is the world's leading naval exhibition, hosting over 400 exhibitors from 34 countries. Euronaval brings together the world's largest panel of industrialists and distributors of naval equipment, services and systems. It is the only international event exclusively devoted to the naval market. Euronaval will present an opportunity to develop relations in the marine sector as well as raise Titomic's profile internationally.

Formnext

Frankfurt, Germany

November 13th - November 16th

Formnext is an international conference hub for the exchange of AM industry research and innovation, bringing together over 500 exhibitors from 20 countries together with industrial users. This is the first time Titomic will be exhibiting in an AM conference and will no doubt received increased attention amongst the industry and provides Titomic with the opportunity to present modern industrial scale additive manufacturing.

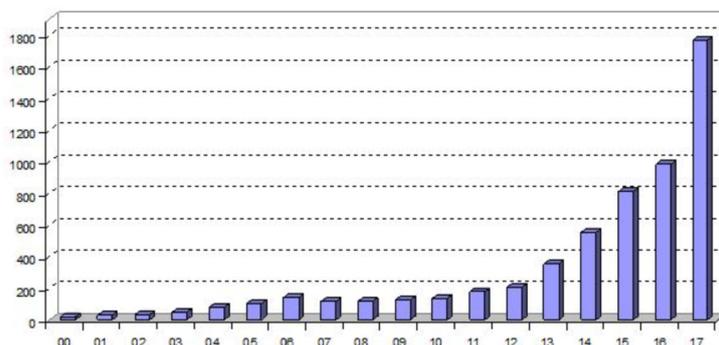
Additive Manufacturing: Industry News

"Wohlers Report 2018 Shows Dramatic Rise in Metal Additive Manufacturing and Overall Industry Growth of 21%"

Wohlers Associates - March 27th, 2018

Extract - [click heading for full article](#)

According to the new report, an estimated 1,768 metal AM systems were sold in 2017, compared to 983 systems in 2016, an increase of nearly 80%. This dramatic rise in metal AM system installations accompanies improved process monitoring and quality assurance measures in metal AM, although more work is ahead. Increasingly, global manufacturers are becoming aware of the benefits of producing metal parts by additive manufacturing.



Dramatic rise in metal AM system sales
Source: Wohler's Report, 2018

3D Printing Golf Clubs and Equipment

3D Print - Jul 16th, 2018

Extract - [click heading for full article](#)

"Golf is a popular sport in corporate America and adds about \$70 billion dollars a year to the American economy. Companies are always testing new products that will catch the attention of golfers."

"Callaway Golf recently announced a collaboration with Titomic, an Australian additive manufacturing company. Callaway plans to bring additive manufacturing into the golf world while also improving performance and efficiency. Titomic developed a new process for 3D metal printing called Titomic Kinetic Fusion. This process uses cold gas spraying to apply titanium particles to a structure to create parts that can withstand a great amount of force. Research and development of the prototypes will be produced at Titomic's Melbourne facility which houses the world's largest 3D metal printer."

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About Titomic

Titomic (ASX:TTT) is headquartered in Melbourne, Australia. The company overcomes limitations of previous additive manufacturing (3D printing) for metals to manufacture complex parts without shape or size constraints. Titomic offers design and manufacturing methods to enable speed-to-market, superior products at lower production costs and using less resources for a more sustainable future. Titomic additive manufacturing machines that can customise build size to customer requirements offer additive manufacturing advantages at industrial scale. Multiple robots can be utilised to build larger parts, competing with traditional manufacturing solutions for industries such as aerospace and defence, sporting goods, medical, automotive, industrial equipment, construction and marine. Other benefits of the Titomic Kinetic Fusion technology include:

- Joining dissimilar metals and composites for engineered properties in a structure
- Stronger structures without welding, folding or bending
- Reduced time to market; no tooling, industry-leading production speeds

Clients will be offered a licence to manufacture via the Titomic Kinetic Fusion technology. Titomic's revenue model will also provide clients with R&D prototyping services, Titomic equipment sales, powder and consumables supply, equipment service and maintenance.

Forward-Looking Statements

Certain statements made in this release are forward-looking statements and are based on Titomic's current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements. Although Titomic believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Titomic's control, including those risks or uncertainties inherent in the process of both developing and commercialising technology. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Titomic will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.



Appendix 4C

Quarterly Report for Entities Subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of Entity

Titomic Ltd

ABN

77 602 793 644

Quarter Ended ("Current Quarter")

30th June 2018

Consolidated statement of cash flows	Current Quarter \$A'000	Year-to-Date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	28
1.2 Payments for		
(a) research and development	(195)	(610)
(b) product manufacturing and operating costs	(230)	(230)
(c) advertising and marketing	(242)	(480)
(d) leased assets	-	-
(e) staff costs	(368)	(1,173)
(f) administration and corporate costs	(490)	(1,690)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	24
1.5 Interest and other costs of finance paid	(4)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST refunds)	54	407
1.9 Net cash from / (used in) operating activities	(1,471)	(3,730)

Consolidated statement of cash flows <i>(Continued...)</i>	Current Quarter \$A'000	Year-to-Date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,088)	(3,873)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,088)	(3,873)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	12,000	19,100
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(733)	(1,505)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(2)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	11,267	17,593

Consolidated statement of cash flows <i>(Continued...)</i>		Current Quarter \$A'000	Year-to-Date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,639	357
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,471)	(3,730)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,088)	(3,873)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,267	17,593
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	10,347	10,347

5.	Reconciliation of cash and cash equivalents	Current Quarter \$A'000	Previous Quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	10,347	1,639
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,347	1,639

6.	Payments to directors of the entity and their associates	Current Quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	109
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Salaries, director's fees and consulting fees at normal commercial rates.

Amounts exclude GST where applicable.

7. Payments to related entities of the entity and their associates	Current Quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total Facility Amount at Quarter End \$A'000	Amount Drawn at Quarter End \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	60
9.2 Product manufacturing and operating costs	650
9.3 Advertising and marketing	180
9.4 Leased assets	-
9.5 Staff costs	710
9.6 Administration and corporate costs	550
9.7 Other (capital & equipment purchases)	560
9.8 Total estimated cash outflows	2,710

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: Tuesday 31st July 2018

Company Secretary & CFO

Print name: Peter Vaughan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.