



## ASX ANNOUNCEMENT

### Quarterly Activities Report – March 2020

Dear Shareholders,

We are pleased to provide you this quarterly report, outlining our recent activities and achievements. Titomic is making tremendous progress with our “Commercialisation 2020 Focus” to achieve forecasted sales from OEM production in our Melbourne TKF Bureau and TKF Machine sales with considerable sales achieved this quarter.

Although Titomic is operating during difficult times, brought on by the COVID-19 pandemic, our operations and growth are continuing strongly and without delay. This first quarter Titomic has marked achievements including a record-output from the TKF Melbourne Bureau, new business with multiple major aerospace and defence companies, a USD \$16.8 million sales deal, and completion of a AUD\$19 million private placement. These accomplishments position Titomic as the global leader in industrial scale additive manufacturing.

In these times of uncertainty and global economic disruption Titomic is strategically positioned to leverage competitively off our secure supply chains of Titanium and other metal powders utilised to build additive manufactured products in our TKF Melbourne Bureau. Titomic is working with the Australian Government to implement a sovereign capability for a sustainable Titanium metal supply chain, for defence and aerospace manufacturing by a implementing a globally competitive value chain initiative for high value pre-production and post-production output. Titomic Kinetic Fusion technology developed with the CSIRO, creates advanced manufacturing capability for Australia to create new foundations for sustainable economic growth through the SME manufacturing sector and considerable opportunities for export.

At Titomic, we are taking strides to become widely recognised as a world-leading metal additive manufacturing company. Propelling us to that position is our leadership team’s ceaseless dedication, our diligent and talented staff, and you, our valued shareholders.

We thank you for your continued support and look forward to strong growth in the next quarter, and beyond.

Yours sincerely,

Jeff Lang  
Managing Director

## **TKF Melbourne Bureau**

### *Ongoing*

Titomic's Melbourne Bureau has marked a record-output for the quarter, completing the manufacture and delivery of multiple parts to companies of various sectors, including defence and aerospace.

These manufacturing outputs include:

- A Ti-6Al-4V ITAR-compliant defence component to a US defence prime,
- Multiple classified Inconel components for the UK's nuclear industry,
- Metalised plastic parts for independent laboratory testing for nuclear and defence applications
- Classified, full-scale tooling application now completed – a significant milestone

This quarter, the Bureau has also seen the installation of and implementation of:

- A third TKF Production Line,
- 'Industry 4.0' practices within TKF Systems to heighten production-output through quality assurance, machine utilization optimization, and digital fingerprinting of TKF-produced parts,
- A 99kW solar system which will save 152 tonnes of carbon emissions yearly and save over \$1,000,000 in energy costs over the system's life.

## **Titomic's Operations Through COVID-19**

### *Ongoing*

Titomic is in a strong position to continue with our commercial growth and operations during the COVID-19 pandemic due to our sustained product demand within defence and aerospace and a strong cash position. However, following completion of the due diligence process with Vaaru, and the current unstable global economic environment, Titomic has elected not to pursue the acquisition of Vaaru at this time. Titomic has also implemented robust COVID-19-specific health and safety policies to protect its staff and looks forward to a stable and strong operating period.

## **Titomic Partners with Thales, a Global Defence Prime**

### *February 10<sup>th</sup>, 2020*

Titomic signed an agreement with global technology company, Thales. The agreement will see the development of advanced additive manufacturing methods in Australia to support Thales's development of next-generation soldier systems using Titomic Kinetic Fusion® to manufacture lighter, stronger, and better performing componentry.

Titomic is currently conducting research and development for Thales.

## **Titomic Enters Sales Agreement with Composite Technology**

### *February 26<sup>th</sup>, 2020*

Titomic has entered into an agreement with Composite Technology, an international defence manufacturer, for the sale of two Titomic Kinetic Fusion® Manufacturing Systems, generating USD 16.8 million in sales. The deal is the commercialisation of two years' R&D conducted by Titomic and will see Composite Technology manufacture defence products using Titomic Kinetic Fusion® which will be certified as NATO replacement parts.

Titomic is currently undertaking the initial production phase of the Composite Technology agreement.

### **Titomic Completes AUD \$19 Million Oversubscribed Capital Raise**

*February 26<sup>th</sup>, 2020*

Titomic has completed a successful capital raise of AUD \$19 million through an oversubscribed private placement. The net proceeds raised will be used to provide additional capability to the existing TKF Bureau, secure additional human resources to support Titomic's expansion, establish Titomic's offshore operations, and provide additional working capital to support the Company's sales growth of both TKF Systems and powder feed stock inventory.

### **Partnership with Ascent Aerospace**

*12<sup>th</sup> March 2020*

Titomic has partnered with Ascent Aerospace, a world leader within the \$200B global tooling market. The partnership will see Ascent integrate Titomic Kinetic Fusion<sup>®</sup> to deliver the process' benefits to their current clientele.

Titomic is currently working to implement Titomic Kinetic Fusion<sup>®</sup> technology for Ascent's clientele.

### **Titomic Appoints Distribution Partner in Turkey**

*19<sup>th</sup> March 2020*

Titomic has entered into a distribution agreement with 'BTech Innovation', a Turkish company which represents multiple global 3D printing companies. Under the agreement, BTech Innovation will become Titomic's authorised distributor of Titomic Kinetic Fusion<sup>®</sup> Systems and metal powders into Turkey and will represent Titomic in discussions with defence and aerospace primes in Turkey.

BTech has developed numerous leads and engagements with Turkish defence primes and is scoping Titomic Kinetic Fusion<sup>®</sup> applications.

### **Allotment of Share Purchase Plan Shares**

*26<sup>th</sup> March 2020*

Introduced in February alongside Titomic's private placement, Titomic has completed its Share Purchase Plan for existing shareholders raising an additional \$372,910 through the issuance of 466,138 shares at \$0.80 per share.

### **Partnership with Triton Systems**

*31<sup>st</sup> March 2020*

Titomic has entered a strategic partnership with US-based, global product development and technology company, Triton Systems, to implement Titomic's Kinetic Fusion<sup>®</sup> capabilities for validation through R&D projects with the US Department of Defence (DoD). The partnership will leverage Triton's extensive access to the DoD and its estimated 2020 US \$60B R&D budget.

Triton and Titomic are currently finalising areas of research and development for collaboration.

### **Airbus Purchase Order**

*9<sup>th</sup> April 2020*

Titomic has received a Purchase Order from Airbus for near-net demonstrator parts manufactured with Titomic Kinetic Fusion<sup>®</sup>, to be delivered to Airbus for their performance testing and qualification.

Titomic and Airbus have begun the manufacturing process of aerospace components.

### **Department of Defence**

*15<sup>th</sup> April 2020*

Titomic has won a contract from Australia's Department of Defence surrounding additive manufacturing.

Titomic has begun the manufacturing process for the Department of Defence.

### **Gaining Support from Substantial Investors**

*16<sup>th</sup> – 27<sup>th</sup> April 2020*

Titomic continues to gather support from substantial investors, adding two substantial shareholders to the share registry: Singapore-based institutional investor CGS-CIMB, and Carpe Diem Asset Management.

### **Titomic Becomes Registered Service Provider**

*17<sup>th</sup> April 2020*

Titomic is now a Registered Service Provider (RSP), which allows the Company to provide scientific and technical expertise and resources to perform certified research and development on behalf of other companies. The status provides Titomic a significant competitive advantage, as it provides third-party companies with incentives to conduct their R&D work with Titomic, including quality assurance, tax offsets, and increased eligibility for Australian Government R&D grants.

### **Commercial Sales Update – Developing Projects & Agreements**

	Scoping	Engaged	Completed
Defence & Aerospace	22	5	2
Consumer Goods	-	2	-
R&D	25	1	1

*This ASX announcement was approved by the Managing Director of Titomic on behalf of the Company.*

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**About Titomic Limited:**

Titomic Limited (ASX:TTT) is headquartered in Melbourne, Australia. Titomic is positioned to change the value proposition of Titanium, to unlock new applications and open opportunities that are now technically and economically viable with its proprietary Titomic Kinetic Fusion™ (TKF) technology platform.

TKF overcomes the limitations of additive manufacturing (3D printing) for metals to manufacture complex parts without shape or size constraints. TKF offers production run capability to organisations, which enables speed-to-market, superior products with lower production inputs using fewer resources for a more sustainable future. For more information please visit: [www.titomic.com](http://www.titomic.com).

**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 cash flow report for entities**  
**subject to Listing Rule 4.7B**

**Name of Entity**

TITOMIC LIMITED

**ABN**

77 602 793 644

**Quarter Ended ("Current Quarter")**

31 March 2020

<b>Consolidated Statement of Cash Flows</b>		<b>Current Quarter \$A'000</b>	<b>Year-to-Date (9 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from Operating Activities</b>		
1.1	Receipts from customers	168	213
1.2	Payments for:		
	(a) research and development	(171)	(491)
	(b) product manufacturing and operating costs	(992)	(1,774)
	(c) advertising and marketing	(13)	(543)
	(d) leased assets	(50)	(146)
	(e) staff costs	(1,353)	(3,889)
	(f) administration and corporate costs	(485)	(1,437)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	34
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	40	2,549
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net Cash From / (Used In) Operating Activities</b>	<b>(2,851)</b>	<b>(5,484)</b>

<b>2.</b>	<b>Cash Flows from Investing Activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(204)	(958)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

<b>Consolidated Statement of Cash Flows</b>		<b>Current Quarter \$A'000</b>	<b>Year-to-Date (9 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(107)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net Cash From / (Used In) Investing Activities</b>	<b>(204)</b>	<b>(1,065)</b>

<b>3.</b>	<b>Cash flows from Financing Activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	17,479	24,479
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(954)	(1,409)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net Cash From / (Used In) Financing Activities</b>	<b>16,525</b>	<b>23,070</b>

<b>4.</b>	<b>Net Increase / (Decrease) in Cash and Cash Equivalents for the Period</b>		
4.1	Cash and cash equivalents at beginning of period	4,463	1,412
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,851)	(5,484)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(204)	(1,065)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16,525	23,070
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and Cash Equivalents at End of Quarter</b>	<b>17,933</b>	<b>17,933</b>

<b>5.</b>	<b>Reconciliation of Cash and Cash Equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current Quarter</b> <b>\$A'000</b>	<b>Previous Quarter</b> <b>\$A'000</b>
5.1	Bank balances	17,933	4,463
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>17,933</b>	<b>4,463</b>

<b>6.</b>	<b>Payments to Related Parties of the Entity and their Associates</b>	<b>Current Quarter</b> <b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	157
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total Facility Amount at Quarter End</b> <b>\$A'000</b>	<b>Amount Drawn at Quarter End</b> <b>\$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-

7.5	<b>Unused financing facilities available at quarter end</b>	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Director salaries and fees at normal commercial rates. Amounts exclude GST where applicable.
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<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,851)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	17,933
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	17,933
<b>8.5</b>	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>6</b>



8.6

If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

### 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.

Date: 30 April 2020



Authorised by: Peter Vaughan  
Company Secretary  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.