

# Titomic Ltd (ASX: TTT) Review of Operations Q4 FY2021

Tuesday 20<sup>th</sup> July 2021

Titomic Ltd (ASX: TTT, **Titomic** or **Company**) is pleased to provide its Appendix 4C cash flow and Activity Report for the quarter ended 30 June 2021 (Q4 FY21, the Quarter).

## Highlights

- Titomic signed a Heads of Agreement with NEOS International Ltd.
- Titomic announced the plans to acquire the business of Tri D Dynamics Inc and completed the acquisition.
- The Land Forces exhibition in Brisbane was highly successful with the Company exhibiting the first ever Cold Spray Additive Manufacturing (CSAM) produced Titanium panel.
- Titomic announced the appointment of Herbert Koeck, a recognised expert in 3D printing solutions, as Chief Executive Officer.
- Attaining AS9100D certification for Aerospace and Defence Quality Manufacturing.

## Operations During the COVID-19 Pandemic

The impact of COVID in both North America and Europe has impacted the Company's ability to target and finalise some sales opportunities. However, Titomic has continued to operate in accordance with the COVID-19 health and safety guidelines to protect the staff and ongoing activity.

## Key initiatives

### Partnerships and Joint Ventures

Titomic Ltd is moving forward with its new strategic approach to market with a focus on Partnerships and Joint Ventures with key customers. This approach is designed to overcome the limitations often faced by machine only sales. The new strategy facilitates the effective adoption of **CSAM technology** by customers. Instead Titomic embeds its technical skills and resources within existing production processes, sharing the risks and rewards with the customer.

### Titomic and NEOS to Manufacture Invar36 Faceplates in the UK.

The Company signed a Heads of Agreement with NEOS International Ltd in April 2021, whereby Titomic and Neos will enter a joint venture to manufacture and sell Invar 36 Faceplates and multi-metal product solutions in the United Kingdom for Aerospace, Defence, Automotive and Nuclear Industries. The products will be manufactured using Titomic's **Kinetic Fusion Technology** and Neos' existing specialist engineering and tooling expertise.

The NEOS Titomic joint venture will enhance the rapid delivery of Invar and Nickel Shell Tooling and related products to the Aerospace and other key sectors, further accelerating the next generation of advanced fibre composite technologies, critical to produce light weight fuel-efficient aircraft and supporting the UK's nascent Space Industry.



## Tri D Acquisition

The Company announced plans to acquire the business of Tri D Dynamics Inc ('Tri D'), as per terms announced on 22 April 2021. The Company formed a wholly owned subsidiary Titomic USA Inc, completing the acquisition of the business of Tri D as at the close of business on 9 July 2021. This acquisition is an important milestone and in line with Titomic's strategy to be a global solutions leader in additive manufacturing.

Tri D is a Silicon Valley based design and manufacturing company developing smart pipe infrastructure for the 21<sup>st</sup> century economy. Tri-D aims to upgrade and electrify infrastructure by embedding electronics directly into metal structures to outfit them with digitally connected technology. The smart-pipe product developed by Tri D represents a unique innovative solution, which is set to be fully commercialised when combined with the licenced TKF process.

Tri-D founders Deepak Atyam, Alex Finch and Jesse Lang are experienced innovators who will join Titomic USA Inc as key employees focusing on Titomic's initiatives in the defence, aerospace as well as the oil and gas industries. With Titomic commercial and technical employees on the ground in North America it is expected that this will accelerate Titomic's local presence and broaden the service offering and product portfolio in the region.

## Land Forces Exhibition in Brisbane

The Land Forces exhibition in Brisbane was highly successful for Titomic with the Company exhibiting the first ever CSAM Armour panel produced with HDH Titanium that successfully achieved STANAG4569 Level 3 for armour protection. Many qualified leads were generated at the exhibition and with the support of the Hon Christopher Pyne (Fmr MP) and his team we were able to generate interest at the most senior levels. The engagement with the Defence Industry at this exhibition is a clear indicator that the strategic focus on unique solutions for the Defence industry will lead to numerous applications and commercial opportunities.

## Composite Technology

Titomic and Composite Technology continue to actively work together on developing demonstrator parts for certification. This development has proved to be more complex than originally anticipated and therefore has inevitably delayed the sale of the two TKF Systems to Composite Technology. Titomic and Composite Technology are working together to review the current agreements to put in place amended arrangements for the benefit of both parties that are more relevant in the current circumstances. Any new arrangements will be communicated to the ASX once finalised.

## Melbourne TKF Bureau Production Highlights

- **UK Defence Company: Tooling Repair** - parts supplied in Q2 performed according to specification, opening the opportunity for large scale aerospace tooling operations in the United Kingdom and providing core volumes for the NEOS Titomic Joint Venture.
- **US Aerospace** - stage 3 of large satellite successfully completed and delivered to schedule for US Defence prime, highlighting the ability for CSAM to provide novel technical solutions in the challenging space sector. This CSAM capability will now be explored to provide growth opportunities in the civil and defence sectors.
- **US Defence Company** - successful manufacture and delivery of large Inconel 718 part for testing and evaluation. This Inconel 718 component is of a size and weight previously considered unfeasible for CSAM. The opportunities for Inconel 718 in applications, where high strength is required at elevated temperatures, are clearly identifiable across Aerospace and Defence, providing Titomic with a unique technical and commercial advantage.

- **Armoured Vehicle Industry** - successful build and validation of a Titomic titanium panel that met STANAG 4569 Level 3 Threat Protection. Titomic have now successfully demonstrated feasibility of our unique Titanium feedstock to provide the necessary ballistic protection required by the Defence industry. There is still a long journey ahead to expand our product offering around the challenging and diverse ballistic requirements in these sectors, but this first step is a major leap forward for CSAM ballistic protection.
- **US Aerospace Company** - ongoing trials and development for novel tooling solutions. Aerospace tooling has been identified as a growth market, as Carbon Fibre applications in Civil and Defence Aerospace markets continues to grow at a rapid pace. Titomic is using our CSAM technology to not only provide today's solutions but is working closely with large aerospace companies to explore solutions that offer the possibility of higher production rates with novel tooling solutions.
- **Defence Company** - ongoing trials and development for weapon system components and barrels. CSAM offers advantages in thermal management, weight and performance in this industry and the ongoing development work continues to progress at a positive rate with a clearly articulated commercial outcome.



Inconel 718 Tubes



Satellite Mounting Box



Large Inconel Tensile Bars



Titomic Ballistic Testing

## Corporate

### Board and Management Changes

Titomic announced the appointment of Herbert Koeck, a recognised expert in 3D printing solutions, as Chief Executive Officer, with effect from 1 July 2021. He succeeds Norbert Schulze, Interim CEO of Titomic.

For the last 5 years Mr Koeck has been a member of the executive management team of 3D-Systems Corporation, a global, leading 3D-printing solution supplier. As Executive Vice President Global-Go-To-Market he was accountable for the sales and global orders of the group which included influencing product development to ensure customer success (with revenues of USD \$557.2m in FY2020). Prior to this, he was Senior Vice President for Europe and India. Before joining 3D-Systems, Mr Koeck was managing Director for Europe, Middle East and Africa at Hewlett Packard and Senior Vice President for the PC and Printing Solution Group.

Titomic Chairman Dr Andreas Schwer, commented:

“Herbert is a proven leader with deep additive manufacturing experience, hard core marketing skills, business vision and ability to bring people together. His considerable experience in bringing advanced technologies to customers around the world will prove invaluable as the Company enters its next chapter focusing on commercialising its Cold Spray Additive Manufacturing technology centred on building partnerships as well as joint ventures with customers.”

Titomic welcomed Max Osbourne as our New Head of Engineering in June. Max will lead Titomic's Engineering capability, holding ultimate responsibility for core Engineering related activities and projects across the business. Over the past 14 years, Max has enjoyed various roles and assignments with Boeing in both Australia and Seattle. He brings with him an extensive track record of leading high performing Engineering teams and executing complex and high-impact projects.

**Enterprise Resource Platform (ERP)**

The Company completed implementation of the new Epicor ERP system which is the foundation for supporting growth for Titomic both locally and overseas. Epicor is a USA based ERP platform that has been adopted by several organisations and industries across the globe.

**ISO9001 Qualification of Quality Management Systems Requirements**

Titomic maintained the ISO9001 for the third year in a row having maintained qualification in April 2021. The adoption of a quality management system set by international standards is a critical element to providing a sound basis for sustainable development initiatives to improve overall performance.

**AS9100D: Qualification according to AS9100D for Aerospace and Defence Quality Manufacturing.**

Titomic has progressed the process of AS9100D certification, a crucial and advantageous quality management system for successful defence and aerospace manufacturers. The final certification was achieved on 12<sup>th</sup> July 2021. Achieving this milestone is an important step in the Company's processes for assuring safe and reliable products and services that meet or exceed customer and applicable regulatory requirements.

*This announcement has been authorised for release by the board of Titomic Limited.*

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**About Titomic Limited:**

Titomic Limited (ASX: TTT) is an Australian public company specialising in digital manufacturing solutions for industrial scale metal additive manufacturing using its patented Titomic Kinetic Fusion® (TKF) technology. The TKF technology provides unique capabilities for producing commercially viable additively manufactured metal products competing directly with traditional manufacturing methods. Titomic provides OEM production and R&D services from their TKF Smart Production Bureaus to the global Aerospace, Defence, Shipbuilding, Oil & Gas, Mining and Automotive industries. Titomic also provides an extensive range of metal powders for 3D Printing especially Titanium and super alloys whilst providing sales and support services for their TKF production systems. For more information please visit: [www.titomic.com](http://www.titomic.com).