

**TITOMIC LIMITED**

**ACN 602 793 644**

**PROSPECTUS FOR THE ISSUE OF OPTIONS**

**For an offer of up to 59,230,769 New Listed Options to the Placement Participants, Repkon  
and the Joint Lead Managers**

**THIS OFFER CLOSSES AT 5PM ADST ON THURSDAY, 27 JANUARY 2022**

**APPLICATIONS TO BE SUBMITTED IN PAPER FORM OR ELECTRONICALLY**

**NO APPLICATION MONIES ARE PAYABLE FOR THE GRANT OF OPTIONS**

**THE OFFER IS NOT UNDERWRITTEN**

**THIS PROSPECTUS IS A TRANSACTION SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH SECTION  
713 OF THE CORPORATIONS ACT**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU HAVE ANY QUESTIONS ABOUT THE NEW SHARES BEING OFFERED UNDER THIS PROSPECTUS, OR ANY OTHER MATTER RELATING TO AN INVESTMENT IN THE COMPANY, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER. THE NEW LISTED OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

**THIS DOCUMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA OR TO U.S. WIRE SERVICES AND IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES OF AMERICA, OR TO, FOR THE BENEFIT OR ON THE ACCOUNT OF A U.S. PERSON WITHOUT A U.S. WRAP. THE SHARES REFERRED TO IN THIS PROSPECTUS HAVE NOT AND WILL NOT BE REGISTERED UNDER U.S. SECURITIES ACT, MAY NOT BE OFFERED, SOLD TO, ON BEHALF OF OR FOR THE BENEFIT OF, A U.S. PERSON, AND NO PUBLIC OFFERING WILL BE MADE IN THE UNITED STATES OF AMERICA.**

<b>Directors and Management</b>	
Andreas Schwer	Independent Non Exec Chairman
Mira Ricardel	Independent NED
Richard Willson	Independent NED & Co Secretary
Humphrey Nolan	Independent NED
Dag Stromme	Independent NED
Jeffrey Lang	Exec Director/ CTO
<b>Registered Office</b>	
Building 3, 270 Ferntree Gully Road Notting Hill VIC 3168	
<b>Stock Exchange Listing</b>	
Australian Securities Exchange ASX Code: TTT	
<b>Company Website</b>	
<a href="http://www.titomic.com">http://www.titomic.com</a>	
<b>Share Registry*</b>	
Computershare GPO Box 52 Melbourne Vic 3001	
<b>Joint Lead Managers*</b>	
PAC Partners Securities Pty Ltd L29, 360 Collins Street Melbourne VIC 3000	
E&P Corporate Advisory Pty Ltd Mayfair Building, 171 Collins Street Melbourne Vic 3000	
<b>Auditors*</b>	
Pitcher Partners L13, 664 Collins Street Docklands VIC 3008	
<b>Lawyers to the Company</b>	
K&L Gates Level 25, 525 Collins Street Melbourne, Victoria 3000	
* These parties included for information purposes only. They have not been included in the preparation of this Prospectus.	

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## IMPORTANT NOTICES

This Prospectus is issued by Titomic Limited ACN 602 793 644 (**Company**) in relation to an offer of one New Listed Option for every one Share taken up under the Placement.

This Prospectus does not provide financial product or investment advice - you should seek your own professional investment advice.

This Prospectus is dated Tuesday, 11 January 2022 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No New Listed Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

### **Obtaining Prospectus and Application Form**

This Prospectus will generally be made available in electronic form at [www.asx.com.au](http://www.asx.com.au) and will be posted on the Company's website at [www.titomic.com](http://www.titomic.com) or be available at the registered office of the Company at Building 3, 270 Ferntree Gully Road, Notting Hill VIC 3168, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.3).

The electronic version of this Prospectus is not available to persons in the United States or elsewhere outside Australia and New Zealand. New Listed Options will only be issued on the basis of an electronic version of this Prospectus if the Company or Computershare has received a valid Application Form.

The Offers detailed in this Prospectus are only available to persons receiving this Prospectus that participated in the Placement, Repkon and the Joint Lead Managers. Applications will only be accepted on the relevant Application Form submitted in paper by following the instructions on the Application Form. Application Forms will be personalised and will set out the entitlement for each Placement participant.

The Corporations Act prohibits any person from passing on to another person an Application Form unless it is attached to, or accompanied by, a paper version of this Prospectus or a complete and unaltered electronic version of this Prospectus.

An Application for New Listed Options will only be accepted by following the instructions on the Application Form. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided with the electronic Prospectus and any relevant supplementary or replacement prospectus, or any of those documents were incomplete or altered.

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the New Listed Options offered by this Prospectus.

These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in Section 2 of this Prospectus. Forward looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

### **Financial amounts and times**

A reference to time in this Prospectus is to Sydney time unless otherwise stated. A reference to \$, A\$, dollars and cents is to Australian currency unless otherwise stated. Some numbers in this Prospectus have been rounded.

### **Overseas Shareholders**

No action has been taken to permit the offer of New Listed Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Listed Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

### **On-sale of Shares**

This Prospectus has been prepared in respect of the offer of the New Listed Options such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if the New Listed Options are issued with disclosure under this Prospectus then any Shares issued upon the exercise of the New Listed Options can be on-sold within 12 months of their issue (even if the Shares were issued without disclosure or lodgement of a cleansing statement). This is because the New Listed Options are issued with disclosure and the exercise of the New Listed Option does not involve any further offer.

### **No exposure period**

The Offers are made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing New Listed Options in the seven calendar day period after the date of lodgement of this Prospectus with ASIC.

### **Risk Factors**

The New Listed Options offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks. This Prospectus may contain forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors.

### **Non-IFRS financial measures**

Certain financial data included in, or incorporated by reference into, the Prospectus are non-IFRS financial information under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information) or non-GAAP financial measures under Regulation G issued by the US Securities and Exchange Commission. These non-IFRS/non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although the Company believes any non-IFRS/non-GAAP financial measures included in this Prospectus provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS/non-GAAP financial measures included in this Prospectus.

### **Pro forma financial information**

The Prospectus contains pro forma financial information showing the proposed application of the proceeds of the New Listed Options Issue. The pro forma financial information provided is for illustrative purposes only and should not be relied upon as it is not represented as being indicative of the Company's future financial condition and/or performance.

### **Company's website**

Any references to documents included on the Company's website are provided for convenience only and none of the documents or other information on the website is incorporated by reference as content of this Prospectus.

### **Offering restrictions**

This Prospectus and an Application Form do not constitute an offer in any place or country in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Listed Options in any jurisdiction other than Australia and New Zealand. The Prospectus and Application Form will only be available to those with a registered address in Australia or New Zealand. The Offers are not being extended to any Shareholder outside of Australia or New Zealand (other than Repkon and three non-Australian domiciled Directors). The distribution of this Prospectus and an Application Form (including an electronic copy) in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Prospectus does not, and is not intended to, constitute an offer of securities in the United States or any other jurisdiction where, or to any person to whom, it would be unlawful to

make such an offer. The New Listed Options and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Listed Options and the underlying

Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

#### **Where can I obtain further information about the Company and the New Listed Options?**

The Company is a disclosing entity for the purposes of the Corporations Act and as a result is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. The Company must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about it that a reasonable person would expect to have a material effect on the price or value of its securities. Copies of documents lodged with ASIC and ASX can be obtained from, or inspected at, an ASIC office and can also be obtained from [www.titomic.com](http://www.titomic.com). In addition, the following information can be obtained from [www.titomic.com](http://www.titomic.com):

- the Company's quarterly, half-yearly and annual financial reports;
- all continuous disclosure notices lodged by the Company with ASX; and
- all other general information provided by the Company to its Shareholders and investors.

#### **Enquiries**

If you have any questions in relation to the Offers, the New Listed Options or the Application Form, please call the Company Secretary, Richard Willson on +61 411 411 485 between 8:30am to 5:30pm Monday to Friday during the Offer Period.

## **ACTION REQUIRED BY PLACEMENT PARTICIPANTS**

If you are a Placement Participant and you have received this Prospectus you may take one of the following two actions:

### **1. Complete the Application Form to participate in the Offers**

Eligible Participants will be able to apply for, at no cost, 1 New Listed Option for approximately every 1 Share taken up in the Placement. Fractional entitlements will be rounded to the nearest whole Share.

The New Listed Options are ASX-listed options to acquire Shares in the Company exercisable at \$0.40 per New Listed Option with a two-year term. New Listed Options may be exercised at any time during the period commencing on the date the New Listed Options are issued and ending 2 years from the date the New Listed Options are issued.

Each New Listed Option will, upon exercise, entitle the New Listed Option Holder to subscribe for, and be issued with, one Share.

You should read the entire Prospectus and consider all of the risk factors that could affect the performance of the New Listed Options or underlying Shares or the Company in light of your own objectives, financial situation and needs before deciding whether to exercise the New Listed Options.

Some of the risks that should be considered are set out in Section 2. There may also be risks in addition to those set out in Section 2 that should be considered in light of your personal circumstances.

Completed Application Forms must be received by no later than 5:00pm on Thursday, 27 January 2022.

Application Forms will be personalised and will set out the maximum New Listed Option entitlement for each Eligible Participant. You are encouraged to submit your Application Form as early as possible.

### **2. Do nothing, in which case you will not participate in the Offers**

If you do not wish to participate in the New Listed Options Issue, you may not be issued any New Listed Options and, upon exercise of the New Listed Options, you may be diluted. In that case, the Company may choose to issue options on similar terms to the New Listed Options to you, however they will not be quoted on the ASX.

## PROPOSED TIMETABLE

Particulars <sup>1</sup>	Date
Shareholder Meeting	Wednesday, 15 December 2021
Lodgement of Prospectus with ASIC and provision of copies to ASX	Tuesday, 11 January 2022
Opening date of Offers	Wednesday, 12 January 2022
Issue of New Listed Options to Directors	By Friday, 14 January 2022
Closing date of Offers	Thursday, 27 January 2022
Issue of New Listed Options (other than Directors)	Wednesday, 2 February 2022
Dispatch of holding statements in respect of the Offers	Thursday, 3 February 2022
Expected date for Quotation of the New Listed Options	Friday, 4 February 2022

1. These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates, including by extending the Closing Date. As such, the date the New Listed Options are expected to commence trading on the ASX may vary.

## KEY OPTION DETAILS

Expected ASX code for New Listed Options	TTTO
Issue Price	Nil. No monies are payable for the issue of the New Listed Options.
New Listed Options Exercise Price	\$0.40 per New Listed Option
Bonus Options Exercise Price	\$0.60 per Bonus Option
Maximum number of New Listed Options on issue under the Prospectus	59,230,769
Maximum number of Bonus Options to be issued	29,615,385
Number of Shares on issue as at the date of the Prospectus	201,034,273
Maximum proceeds to be raised assuming all New Listed Options are issued and exercised	\$23,692,307
Maximum further proceeds to be raised assuming all Bonus Options are issued and exercised	\$17,769,230

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## 1. Details of the Offers

### 1.1 Background to the Offers

On Friday, 15 October 2021, the Company announced a capital raising comprised of a placement to raise a total of \$9,000,000 (before costs) through the issue of 34,615,385 Shares at \$0.26 per Share and 34,615,385 of the New Listed Options to sophisticated and professional investors. The Company also offered a share purchase plan capped at \$2m which raised approximately \$924,000 and resulted in the issue of 3,553,835 Shares (**Capital Raising**).

The Company is precluded from issuing a 'cleansing notice' in respect of the New Listed Options as they are not in a class of securities that were quoted securities at all times in the last three months. Consequently, the Company is issuing the New Listed Options pursuant to this Prospectus to Eligible Participants (**Placement Offer**). This Prospectus has also been issued to facilitate secondary trading of the New Listed Options and any Shares issued on exercise of the New Listed Options to be issued under the Offers.

The Placement was lead managed by PAC Partners Securities Pty Ltd and E&P Corporate Advisory Pty Ltd (**Joint Lead Managers**) who will receive:

- (a) a cash fee of 6.0% (plus GST) of the capital raised under the Capital Raising; and
- (b) 15 million New Listed Options (**Joint Lead Managers Offer**).

On 9 November 2021, the Company entered into a Share and Option Subscription Agreement with Repkon Makina ve Kalıp (**Repkon**) under which Repkon agreed to subscribe for Shares on the same terms as the Capital Raising. Repkon agreed to subscribe for 9,615,384 Shares at \$0.26 per Share for \$2,500,000 (**Repkon Agreement**). The Repkon Agreement includes the issue of New Listing Options on a 1:1 basis. Therefore 9,615,384 New Listed Options will be issued under this Prospectus to Repkon (**Repkon Offer**). The Shares and New Listed Options to be issued to Repkon were approved by shareholders on 15 December 2021 under ASX Listing Rule 7.1.

The New Listed Options will be issued on the terms and conditions set out in section 4.3.

All Shares issued on the exercise of the New Listed Options will rank equally with the Shares on issue at the date of this Prospectus. Further details regarding the rights and liabilities attaching to Shares are set out in Section 4.2.

For further details regarding the Capital Raising, refer to the Company's announcement dated Friday, 15 October 2021.

### 1.2 The Offers

This Prospectus invites the Placement Participants to apply for a total of up to 34,615,385 New Listed Options in accordance with their entitlements under the Placement. Additionally, the Joint Lead Managers will be issued 15,000,000 New Listed Options and Repkon will be issued 9,615,384 New Listed Options.

All Eligible Participants will be sent a copy of this Prospectus, together with an Application Form. Only Eligible Participants can accept the Offers.



No funds will be raised from the issue of the New Listed Options as they are issued as part of the Placement and to Repkon under a separate subscription agreement and attach to the Shares on a 1:1 basis.

The Offers are only available to those who are personally invited to accept the Offers. Accordingly, Application Forms will only be provided by the Company to these parties.

All New Listed Options offered under this Prospectus will be issued on the same terms and conditions, as set out in Section 4.3. Subject to the quotation requirements of the ASX Listing Rules, the New Listed Options issued under this Prospectus will form a new class of listed security of the Company.

### **1.3 Shareholder approval**

As there are Directors seeking to participate in the Placement, their participation is subject to Shareholder approval under ASX Listing Rule 10.11. The issue of the New Listed Options was also subject to shareholder approval under ASX Listing Rule 7.1. The Company obtained Shareholder approvals for the participation by Directors under ASX Listing Rule 10.11 and issue of New Listed Options under ASX Listing Rule 7.1 on 15 December 2021.

### **1.4 Underwriting**

The Offers are not underwritten.

### **1.5 Minimum Subscription**

There is no minimum subscription under the Offers.

### **1.6 Opening and Closing Dates**

The Offers will open for receipt of acceptances on Wednesday, 12 January 2022.

The Offers will close at 5pm AEDT on Thursday, 27 January 2022 or such later date as the Directors in their absolute discretion and subject to compliance with the Listing Rules, may determine.

As shareholders approved the issue of New Listed Options to Directors on 15 December 2021, all Directors receiving New Listed Options must accept and have their New Listed Options issued by no later than Friday, 14 January 2022.

### **1.7 How to accept the Offers**

Eligible Participants who wish to participate in the New Listed Options Issue should complete and submit a paper Application Form either via mail or e-mail as noted on the top right hand corner of the Application Form in accordance with the instructions set out on that form. Applications will not be accepted in any other form.

Application Forms will be personalised and will set out the maximum New Listed Option entitlement for each Eligible Participant.

Completed Application Forms must be received by no later than 5.00 pm (Sydney time) on Thursday, 27 January 2022. Applicants are encouraged to submit their Application Form as early as possible.

No funds are payable on submitting an Application Form. No brokerage, stamp duty or other costs are payable by Applicants. New Listed Options will be issued to Eligible Participants on Thursday, 27 January 2021 and holding statements will be despatched on that same date.

Application Forms will not be accepted at the Company's registered or corporate offices. Eligible Participants must follow the instructions on the Application Form when returning an Application Form.

The Application Form does not need to be signed to be a binding acceptance of the New Listed Options under the Offers. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final. If you are in doubt as to the course of action, you should consult your professional advisor(s).

## **1.8 Ineligible Participants**

Ineligible Participants are not entitled to participate in the New Listed Options Issue. If you receive this Prospectus and a personalised Application Form but you are an Ineligible Participant, please disregard.

## **1.9 Joint Lead Managers**

The Company engaged the services of the Joint Lead Managers to manage the Placement. The material terms of the mandate between the Company and the Joint Lead Managers are set out in Section 5.6 (**Joint Lead Managers Mandate**).

## **1.10 ASX quotation**

Application for Official Quotation of the New Listed Options offered pursuant to this Prospectus will be made to ASX within seven (7) days after the date of this Prospectus. The New Listed Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing Rules are satisfied. If the quotation requirements are not satisfied or the ASX otherwise does not grant Official Quotation of the New Listed Options, the New Listed Options will be issued on an unquoted basis.

The fact that ASX may grant official quotation to the New Listed Options is not to be taken in any way as an indication of the merits of the Company or the New Listed Options now offered under this Prospectus.

## **1.11 Issue of New Listed Options**

The New Listed Options to be issued pursuant to the Offers will be issued in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules. Holding statements for the New Listed Options issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

## **1.12 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Listed Options.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of New Listed Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Listed Options.

If you are registered on the Issuer Sponsored subregister, your statement will be sent by the Company's share registrar and will contain the number of New Listed Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### **1.13 Risk factors**

An investment in New Listed Options should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 2.

### **1.14 Overseas Applicants**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

The Offers are not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offers are being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to obtain.

### **1.15 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Listed Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Listed Options under this Prospectus.

### **1.16 Privacy**

The Company collects information about each Applicant provided on an Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the

Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Acceptance Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **1.17 Enquiries concerning Prospectus**

Enquiries concerning the Acceptance Form can be obtained by contacting the Company's share registrar.

If you have any questions in relation to the Offers, the New Listed Options or the Application Form, please call the Company Secretary, Richard Willson on +61 411 411 485 between 8:30am to 5:30pm Monday to Friday during the Offer Period.

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## 2. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### 2.1 Specific Risks Associated with the Company

#### (a) Early stage growth company risks

Investing in an early-stage growth company such as Titomic should be considered highly speculative and involves numerous significant risks including under capitalisation and risks to future revenue generation. Titomic makes no representation that its commercialisation plans will be achieved. Titomic incurs operating losses and may continue to do so in the future. The Directors anticipate that Titomic will incur further losses until it is able to effectively commercialise and generate additional revenue. Titomic's failure to successfully execute its growth strategy may have a significant adverse effect on its financial performance and prospects.

#### (b) Product risk

The Titomic Kinetic Fusion process is yet to reach full commercial production and the chosen applications of this technology incorporate innovative and not fully proven equipment, methods and processes. There is a risk that market uptake of the Titomic Kinetic Fusion technology may be slow or may not meet expectations, which would compromise Titomic's anticipated business model, financial condition and operational results. There is a risk that the Titomic Kinetic Fusion technology may not perform, delaying development of Titomic's manufacturing and revenue earning capacity.

#### (c) Reliance on key personnel

Titomic's operational success depends substantially on the continued employment of senior executives, technical staff and other key personnel. The loss of key personnel may have an adverse effect on Titomic's operations and financial performance.

#### (d) Competition risk

The additive manufacturing sector for metal products is dominated by the 3D printer sector. The 3D metal printer industry is a competitive sector that is reliant upon continual technological advancement. There are several large competitors that operate in this industry. The development of new and superior 3D metal printers by a competitor could affect Titomic's ability to commercialise the Titomic Kinetic Fusion process. There is a risk that existing competitors or new entrants to the market may develop superior or more cost-effective 3D additive manufacturing processes for metal powders, which could have an adverse effect on Titomic's business and financial position. Titomic may be unable to develop further products or keep pace with rapid technological developments in its market space and may lose market share to its competitors.

**(e) Funding risks**

Titomic will require further financing to fund the expansion of Titomic's business. There are no guarantees that Titomic will be able to raise any additional required funding on a timely basis, on favourable terms, or that such funding will be sufficient to enable Titomic to implement its planned commercial strategy. If Titomic is unable to obtain further funding as needed, it may be required to reduce its operational activities or research and development activities, which may adversely affect the financial condition of Titomic.

**(f) Counterparty risks**

Titomic will engage with a number of counterparties to successfully commercialise and exploit the Titomic Kinetic Fusion process. Such counterparties include manufacturing equipment providers, robotics program contractors, metal powder providers and joint venture partners. If relationships with some or all of these parties break down, or these parties fail to perform their obligations, Titomic's operational performance may be adversely affected.

**(g) Nature of investment**

There are inherent risks associated with investment in any listed company. The Shares under the Offers do not guarantee payment of dividends, return on capital or maintenance of capital or value. The value of the Shares may vary depending on the financial and operating performance of Titomic and external factors over which Titomic and its directors have no control, including changes to market sentiment.

**(h) Intellectual property**

The Company's ability to leverage its innovation and expertise in additive manufacturing depends upon its ability to protect its intellectual property and any improvements to it. There is a risk that the Company's intellectual property may be the subject of unauthorised disclosure or be unlawfully infringed. The Company may also incur substantial costs in asserting or defending its intellectual property rights.

**(i) Future capital requirements**

The Company's business may require substantial further financing in addition to the amounts raised pursuant to the Offers. Although the Directors believe that additional capital can be obtained, there is no assurance that appropriate capital or funding can be obtained on terms favourable to the Company or at all. If the Company is unable to obtain additional funding, it may be required to reduce, delay or suspend its operations which may have a material adverse effect on the Company's activities or its ability to continue as a going concern.

**(j) Dilution risk**

In the future, the Company may elect to issue Shares to engage in fundraisings, including financing acquisitions that the Company may decide to make, or its future strategies in general. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

**(k) Industry focus**

The Company currently operates predominantly in the defence and aerospace sectors and intends to expand its operations into the tooling sector. The level of activity in these sectors will be influenced by external factors including supply and demand, exchange rates, the competitiveness of the Company's operations and the cost of key resources including people,

equipment and alloy powders. Variations to these factors, which may be beyond the Company's control, may have an adverse effect on the Company's future operating results.

**(l) Product liability**

If components or equipment manufactured by the Company do not meet required manufacturing standards or are found to be faulty, defective or unsafe, Titomic may face product liability claims which may affect the Company's brand reputation, revenue earning potential and operating results. The Company may not be able to successfully secure or renew product liability insurance, or defend itself against product liability claims. Any product liability claims may disrupt the Company's business operations and financial performance.

**(m) Compliance with laws and regulations**

The Company's business is subject to a range of legal and industry compliance requirements particularly in relation to the defence and aerospace sectors. Many of these laws, regulations and compliance requirements are constantly evolving and are subject to change and uncertain interpretation. In addition, new laws and regulations may be implemented in the future that could impact the Company's business.

**(n) Foreign jurisdiction risk**

As the Company operates in foreign jurisdictions (such as North America and Europe), it will be subject to those risks associated with operating in a foreign jurisdiction. Such risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licencing, repatriation of income or return of capital, consumer health and safety or labour relations.

**(o) General economic conditions**

Adverse changes in economic conditions such as to interest rates, exchange rates, inflation, government policy, taxation law, investor sentiment towards particular market sectors, demand for and supply of capital, national and international economic conditions (including prolonged effects of the COVID-19 pandemic, trade conflicts between major countries, terrorism, war, social upheaval or other hostilities) amongst others are outside Titomic's control and have the potential to have an adverse impact on Titomic (including Titomic's financial performance and/or financial position) and its operations.

**(p) Export control risk**

Many countries have implemented defence export control legislation and regulations that are designed to protect national security interests and stem the proliferation of military goods and technologies that may be associated with conventional, chemical, biological and nuclear weapons and the systems that deliver them. To achieve this, the export and supply of goods, technology and/or information that are classified as "controlled" may be restricted and prior approval is required by a relevant government regulator before this export can take place.

## **2.2 General risks of an investment in Titomic**

**(a) Price of Shares**

The Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the Company's fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. There is no assurance that the price of the Shares will increase even if the Company's earnings increase.

Some of the factors which may adversely impact the price of the Shares include:

- fluctuations in the domestic and international market for listed securities;
- general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- changes in legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Company operates;
- general operational and business risks; and
- sale of a substantial number of Company's securities.

**(b) Trading and liquidity in Shares**

There can be no guarantee that an active trading market for the Shares will continue or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares.

**(c) Shareholder dilution**

The Company has the need for additional capital to fully commercialise the Company's products. Additional capital may come in the form of licensing or partnering fees, or in the future, the Company may elect to engage in further capital raisings to fund operations, undertake other strategic initiatives (including acquisitions), and facilitate employee share plans.

**(d) Inability to pay dividends or make other distributions**

There is no guarantee that dividends will be paid on Shares in the future. Any distribution is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, amongst other things, the financial performance and position of the Company, relative to its capital expenditure and other liabilities.

The Company's taxable profits may be volatile, making the payment of dividends unpredictable. The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

As a result, capital appreciation, if any, of the Company's Shares may be the Company's shareholders' sole source of gain for the foreseeable future.

**(e) Company may be subject to changes in tax law**

Changes in Australian tax laws (including transfer pricing, goods and services taxes, value added tax and stamp duties), or changes in the way taxation laws are interpreted may impact the Company's tax liabilities or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

**(f) Ability to Raise Funds**



There is no certainty regarding the ability of the Company to raise sufficient funds to meet its needs in the future. The Company's future capital requirements depend on a number of factors including the Company's ability to generate income from its operations. The Company may need to raise additional capital from equity or debt sources due to unforeseen circumstances or for appropriate acquisitions. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to develop its business, and this may have an adverse impact on the Company's operations.

**(g) Use of Proceeds**

Although the Company currently intends to use the net proceeds from the Placement in the manner described in the Company's release to the ASX on 15 October 2021, Company's management will have broad discretion in the application of the balance of the net proceeds from the Placement and could spend the proceeds in ways that do not improve the Company's results of operations or enhance the value of its Shares. The failure by the Company's management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Company's business, cause the price of the Company's Shares to decline and delay the development of new products.

**(h) Possibility of force majeure events**

Events may occur within or outside Australia that could impact the worldwide economy, the Company's operations and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease (such as epidemics or pandemics) or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business.

While the Company seeks to maintain insurance in accordance with industry practice to insure against the risks it considers appropriate after consideration of the Company's needs and circumstances, no assurance can be given as to the Company's ability to obtain such insurance coverage in the future at reasonable rates or that any coverage arranged will be adequate and available to cover any and all potential claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

**(i) COVID-19 and Other Infectious Diseases**

The COVID-19 (coronavirus) global pandemic and other infectious disease may interrupt Company's operations (including by prohibiting or limiting flights), impair deployment of its products to customers, and/or prevent suppliers or customers from honouring their contractual obligations. Such diseases may also potentially cause hospitalisation or death of the Company's existing and potential customers and/or personnel. A global pandemic may also divert governmental and public funds which in turn may detrimentally affect the Company's ability to access funding. In light of these risks, the Company has created and implemented work-from-home procedures in order to manage business continuity risks.

## **2.3 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Listed Options offered under this Prospectus.

Therefore, the New Listed Options to be issued pursuant to this Prospectus carry no guarantee with respect to returns of capital or the market value of those New Listed Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Listed Options pursuant to this Prospectus.

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### **3. Purpose and effect of the Offers**

#### **3.1 Purpose of the Offers**

The primary purpose of the Prospectus is to:

- (a) issue the New Listed Options under the Offers;
- (b) obtain Quotation of the New Listed Options;
- (c) facilitate secondary trading of the New Listed Options under the Offers; and
- (d) facilitate secondary trading of any Shares issued on the exercise of the New Listed Options issued under the Offers.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing notice' under section 708A(5). However, the Company is precluded from issuing a cleansing notice in respect of the New Listed Options as they are not in a class of securities that were quoted securities at all times in the last 3 months.

Consequently, the Company has issued this Prospectus in respect of the Offers to the Eligible Participants. Issuing the New Listed Options under this Prospectus will enable persons who are issued the New Listed Options to on-sell their New Listed Options, and any Shares issued on the exercise of the New Listed Options pursuant to *ASIC Corporations (Sale Offers that Do Not Need Disclosure) Instrument 2016/80*.

#### **3.2 Proposed use of funds**

No funds will be raised from the New Listed Options issued in connection with the Placement as they are free attaching to the Placement Shares on a 1:1 basis. Similarly, the New Listed Options to be issued to Repkon and the Joint Lead Managers are free. The Company intends to apply the funds raised in accordance with the table set out below.

Description	A\$
Funds raised under the Capital Raising (ex SPP and before payment of the costs of the Offer)	9,000,000
SPP	923,980
Repkon Subscription	2,500,000
Working capital at the time of the Offers	1,422,020
<b>Total sources of funding</b>	<b>13,846,000</b>
Joint venture investment	987,000
Establishment of offshore sales and operational facilities	1,317,000
General business operations, general and administrative and working capital	10,806,683
Capital raising costs	735,317
<b>Total uses of funds</b>	<b>13,846,000</b>

Actual expenditure may differ significantly from the above estimates due to a number of factors including the outcome of operational and commercialisation activities, regulatory development, market and general economic conditions and other factors (including the risk factors outlined in Section 2).

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), and in the administration of the Company.

### 3.3 Effect of the Offer

The principal effect of the Offer (assuming all New Listed Options offered under this Prospectus are issued) will be that 59,230,769 New Listed Options will be issued.

The effect of the Offer on the capital structure of the Company is set out in Section 3.6.

### 3.4 Effect on control of the Company

The Offer will not have a material impact on the control (as defined under section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have voting power greater than 20% as a result of the completion of the Offer.

The maximum number of New Listed Options proposed to be issued under the Offers is 59,230,769 New Listed Options. If all these New Listed Options are exercised, the Shares issued on exercise will represent approximately 22.76% of the Shares on issue following completion of the Offer.

The maximum number of Bonus Options proposed to be issued under the Offers is 29,615,385 Bonus Options. If all these Bonus Options are exercised, the Shares issued on exercise will represent approximately 10.22% of the Shares on issue following completion of the Offers and Shares issued on the exercise of the New Listed Options.

### 3.5 Pro Forma Statement of Financial Position

Set out in Annexure A is an unaudited pro-forma statement of financial position of the Company prepared using the audited statement of financial position of the Company as at 30 June 2021 and on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position as a result of the Offer and the Capital Raising.

The statements of financial position have been prepared to provide information on the assets and the liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Accounting Standards applicable to annual financial statements of the Company.

### 3.6 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer (assuming all New Listed Options are issued, no other Securities are issued, and no other existing Securities are exercised or converted into Shares are exercised) is set out below.

Security	Number
<b>Shares</b>	
Shares on issue as at the date of this Prospectus	201,034,273
<b>Performance Rights</b>	
Performance Rights exp 29-Nov-2022 (Hurdle: \$1.70)	559,404
Performance Rights exp 01-Jul-2025 (Hurdle: \$0.80)	6,050,000
Performance Rights exp 29-Nov-2022 (Hurdle: \$1.70)	586,474
<b>Total Performance Rights</b>	<b>7,195,878</b>
<b>Unexercised options</b>	
Unlisted Options exp 25-Feb-2022 (ex \$0.88)	7,500,000
Unlisted Options exp 25-Feb-2022 (ex \$1.12)	7,500,000
Unlisted Options exp 22-Dec-2026 (ex \$0.80/\$1.20/\$1.60/\$2.00)	2,500,000
<b>Total Unexercised Options</b>	<b>17,500,000</b>
<b>New Listed Options</b>	
New Listed Options - Placement	34,615,385
New Listed Options - Joint Lead Managers	15,000,000
New Listed Options - Repkon	9,615,384
<b>Total New Listed Options on issue on completion of the Offer</b>	<b>59,230,769</b>

### 3.7 Details of substantial holders

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5.0% or more of the Company's securities are set out below:

Shareholder	Shares	%
Presco 2 Pty Ltd <Richard Fox Family A/C> <sup>1</sup>	20,945,855	10.42%
CGS-CIMB Securities (Singapore) Pty Ltd	14,813,736	7.37%
Carpe Diem Asset Management Pty Ltd	11,217,836	5.58%
<b>Total</b>	<b>46,977,427</b>	<b>23.37%</b>

**Notes:**

1. includes Richard Fox personal holding.

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only New Listed Options are being issued. The Company will notify ASX of any changes in interests of the substantial holders as a result of the issue of Shares under the Capital Raising in accordance with its continuous disclosure obligations.

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## **4. Rights attaching to Securities**

### **4.1 Terms and Conditions of Shares**

All Shares issued will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official Quotation of all Shares issued upon the exercise of New Listed Options issued under the Offer.

### **4.2 Rights and Liabilities attaching to Shares**

The Shares will rank equally in all respects with existing Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. In applying for Shares, the Applicant agrees that it and the Shares to be issued upon that exercise are bound by the terms of the Constitution.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

#### **(a) General Meetings and Notice**

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

#### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for every fully paid Share, but in respect of partly paid Shares shall have a fraction of a vote equal to the proportion that the amount paid bears to the issue price of the Shares.

(c) Dividend Rights

While there is no guarantee of any dividends or distributions by the Company, the Directors may from time to time declare dividends in compliance with the Corporations Act.

Subject to the rights of persons entitled to Shares with special rights as to dividends (at present there are none), all dividends are paid in the proportion that the amounts paid on those Shares bear to the issue price of the Shares.

(d) Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Transfer of Shares

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

### 4.3 Rights attaching to New Listed Options

The rights and liabilities attaching to the New Listed Options are as follows:

- (a) Entitlement: Each New Listed Option entitles the holder to subscribe for one Share upon exercise of the New Listed Option.
- (b) Exercise Price: The exercise price of the New Listed Options is \$0.40 each.
- (c) Expiry Date: The expiry date of a New Listed Option is 2 years from the date of issue (**Expiry Date**). A New Listed Option not exercised before the Expiry Date will automatically lapse.
- (d) Exercise Period: The New Listed Options may be exercised at any time prior to the Expiry Date, in whole or in part, upon payment of the exercise price per New Listed Option (**Exercise Period**).
- (e) Notice of Exercise: The New Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Listed Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Listed Option being exercised in cleared funds (**Exercise Date**).



- (g) Bonus Options: On exercise of the New Listed Options, a Bonus Option will be issued on a 1:2 basis.
- (h) Timing of issue of Shares on exercise: Within 5 Business Days after the Exercise Date, the Company will:
  - (i) issue the number of Shares required under these terms and conditions in respect of the number of New Listed Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Listed Options.

if a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (i) Quotation: Subject to complying with the ASX Listing Rules, the Company will apply for quotation of the New Listed Options on the official list of the ASX. In the event that quotation of the New Listed Options cannot be obtained, the New Listed Option will remain unlisted.
- (j) Shares issued on exercise: Shares issued on exercise of the New Listed Options rank equally with the then issued shares of the Company.
- (k) Reconstruction of capital: If at any time the issued capital of the Company is reconstructed, all rights of a New Listed Optionholder are to be amended in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) Participation in new issues: There are no participation rights or entitlements inherent in the New Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Listed Options without exercising the New Listed Options.
- (m) Change in exercise price: A New Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Listed Option can be exercised.
- (n) Transferrability: The New Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian laws.

#### **4.4 Rights attaching to Bonus Options**

The rights and liabilities attaching to the Bonus Options are as follows:

- (a) Entitlement: Each Bonus Option entitles the holder to subscribe for one Share upon exercise of the Bonus Option.

- (b) Exercise Price: The exercise price of the Bonus Options is \$0.60 each.
- (c) Expiry Date: The expiry date of a Bonus Option is 30 June 2024 (**Expiry Date**). A Bonus Option not exercised before the Expiry Date will automatically lapse.
- (d) Exercise Period: The Bonus Options may be exercised at any time prior to the Expiry Date, in whole or in part, upon payment of the exercise price per Bonus Option (**Exercise Period**).
- (e) Notice of Exercise: The Bonus Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Bonus Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Bonus Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) Exercise Date: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Bonus Option being exercised in cleared funds (**Exercise Date**).
- (g) Timing of issue of Shares on exercise: Within 5 Business Days after the Exercise Date, the Company will:
  - (i) issue the number of Shares required under these terms and conditions in respect of the number of Bonus Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Bonus Options.

if a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) Quotation: The Bonus Options will remain unlisted.
- (i) Shares issued on exercise: Shares issued on exercise of the Bonus Options rank equally with the then issued shares of the Company.
- (j) Reconstruction of capital: If at any time the issued capital of the Company is reconstructed, all rights of a Bonus Optionholder are to be amended in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) Participation in new issues: There are no participation rights or entitlements inherent in the Bonus Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options without exercising the Bonus Options.

- (l) Change in exercise price: A Bonus Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Bonus Options can be exercised.
- (m) Transferrability: The Bonus Options are not transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian laws.

#### **4.5 Representations by acceptance in respect of issue of New Listed Options**

By completing and submitting an Application Form as outlined in Section 1.7, you will be deemed to have represented to the Company that you (and any person for whom you are acting):

- (a) are an Eligible Participant;
- (b) have read and understand this Prospectus and the Application Form in their entirety;
- (c) agree to be bound by the terms of the New Listed Options Issue, the provisions of this Prospectus and the Articles of Association;
- (d) authorise the Company to register you as the holder(s) of New Listed Options allotted to you;
- (e) declare that all details and statements in your Application Form are complete and accurate;
- (f) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Application Form;
- (g) acknowledge that once the Company receives your Application Form, you may not withdraw your Application except as allowed by law;
- (h) agree to apply for and be issued up to the number of New Listed Options specified in the Application Form;
- (i) authorise the Company, Computershare and their respective officers or agents to do anything on your behalf necessary for the New Listed Options to be issued to you, including to act on instructions of Computershare upon using the contact details set out in your Application Form;
- (j) acknowledge that the information contained in this Prospectus and your Application Form is not investment advice nor a recommendation that the New Listed Options are suitable for you given your investment objectives, financial situation or particular needs;
- (k) acknowledge the statement of risks included in Section 2 of this Prospectus, and that investments in the New Listed Options and Shares are subject to risk;
- (l) acknowledge that none of the Company, its related bodies corporate and affiliates and its Directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, the New Listed Options or the Shares;
- (m) agree to provide any requested substantiation of your eligibility to participate in the New Listed Options Issue;
- (n) authorise the Company to correct any errors in your Application Form or other form provided by you;
- (o) represent and warrant (for the benefit of the Company and its related bodies corporate and affiliates) that you did not receive an invitation to participate in the Offer either directly or through a nominee, are not an Ineligible Participant and are otherwise eligible to participate in the New Listed Options Issue;

- (p) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Application Form, nor does it prohibit you from making an Application for New Listed Options and that you are otherwise eligible to participate in the New Listed Options Issue;
- (q) you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (r) you understand and acknowledge that the New Listed Options and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the New Listed Options and the underlying Shares may not be offered or sold to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (s) represent and warrant that you have not, and will not, send this Prospectus, the Application Form or any other materials relating to the Offer to any person in the United States or any other country outside Australia;
- (t) if in the future you decide to sell or otherwise transfer the New Listed Options or the underlying Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States; and
- (u) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is:
  - (i) resident in Australia or New Zealand; and
  - (ii) is not in the United States.

#### **4.6 Notice to nominees and custodians**

The New Listed Options Issue is only being made to Eligible Participants. Nominees and custodians who hold Shares as nominees or custodians should note that the Offer is not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Participant; and
- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Offer.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owner of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the New Listed Options Issue is compatible with applicable foreign laws. The Company is not able to advise on foreign laws. Custodians and nominees should be aware that, in submitting an Application Form, you are deemed to have made certain representations to the Company, further details of which are set out in Section 4.5.

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## **5. Additional Information**

### **5.1 Company Update**

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at [www.titomic.com](http://www.titomic.com).

### **5.2 Nature of this Prospectus**

The New Listed Options to be issued pursuant to this Prospectus are options over continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offers and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offers on the Company; and
- (b) the rights and liabilities attaching to the New Listed Options offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

### **5.3 Continuous Reporting and Disclosure Obligations**

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company's ASX announcements platform via [www.asx.com.au](http://www.asx.com.au).

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction specific" prospectus in respect of the Offer.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities

attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospectus of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the financial report for the Company for the full year ended 30 June 2021;
  - (ii) the financial report of the Company for the half year ended 31 December 2020; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the half year financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2021 on 30 August 2021.

Date Lodged	Subject of Announcement
29 December 2021	Notice under s708A(5)(e) of the Corporations Act
29 December 2021	Application for quotation of securities
29 December 2021	Final Interest Notice - Richard Fox
29 December 2021	Retirement of Richard Fox as a Director
29 December 2021	Change of Director's Interest Notice - Andreas Schwer
29 December 2021	Change of Director's Interest Notice - Dag Stromme
29 December 2021	Change of Director's Interest Notice - Mira Ricardel
29 December 2021	Change of Director's Interest Notice - Richard Fox
23 December 2021	Notification regarding unquoted securities
23 December 2021	Notice under s708A(5)(e) of the Corporations Act
23 December 2021	Application for quotation of securities
22 December 2021	Notification of cessation of securities
22 December 2021	Notification of cessation of securities
15 December 2021	Results of 2021 AGM
15 December 2021	TTT 2021 AGM Presentation
10 December 2021	Change of Director's Interest Notice - Richard Fox
1 December 2021	Titomic acquires leading European cold spray technology company Dycomet Europe B.V.
18 November 2021	Notice under section 708A(5)(e) of the Corporations Act
18 November 2021	Application for quotation of securities
17 November 2021	Completion of Share Purchase Plan
12 November 2021	Notice of 2021 Annual General Meeting and Proxy Form
9 November 2021	Titomic welcomes Repkon as \$2.5m strategic investor
29 October 2021	Appendix 4C - Quarterly Cash Flow Report - 30 September 2021
29 October 2021	Review of Operations Q1 FY2022
22 October 2021	Share Purchase Plan - Offer Booklet

22 October 2021	Notice under section 708A(5)(e) of the Corporations Act
22 October 2021	Application for quotation of securities - TTT
15 October 2021	Proposed issue of securities - TTT
15 October 2021	Investor Presentation
15 October 2021	Placement and SPP to Accelerate Commercialisation and JVs
13 October 2021	Trading Halt
8 October 2021	Meet the CEO - Investor Webinar
27 September 2021	Date of AGM and Closing Date for Director Nominations
21 September 2021	Investor Roadshow Presentation
30 August 2021	FY2021 Corporate Governance Statement
30 August 2021	Appendix 4G
30 August 2021	FY2021 Results Presentation

#### 5.4 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Listed Options under this Prospectus.

#### 5.5 Market price of Shares

The highest and lower closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus are set out below.

	Price (\$)	Date
Highest	0.325	7 October 2021
Lowest	0.175	15 December 2021
Last	0.255	10 January 2022

#### 5.6 Joint Lead Managers Mandate

The Company engaged the services of the Joint Lead Managers to manage the Placement. Pursuant to the Joint Lead Managers Mandate, the Company agreed to pay the Joint Lead Managers:

- (a) a cash fee of 6.0% (plus GST) of the amount raised under the Capital Raising; and
- (b) the issue of 15,000,000 New Listed Options.

The Joint Lead Managers' Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.



## 5.7 Litigation

Other than as set out below, the Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

On 22 October 2018, the Company announced to ASX that it had agreed with TAUUV Pty Ltd ACN 625 757 360 (**TAUUV**) to carry out two different scopes of work. The amount of \$165,000 plus interest and costs remained outstanding and a writ was issued by the Company on 28 August 2020. TAUUV filed a defence and counterclaim on 8 October 2020 claiming the return of \$225,000 from amounts already paid to Titomic, expenses incurred by TAUUV of \$192,000, plus damages, costs and interest.

The Company filed a defence to the TAUUV defence and counterclaim on 8 December 2020. Since then, there has been a discovery process and a mediation hearing which has not resulted in settlement. The matter has been set down for a Court hearing in August 2022.

## 5.8 Directors' Interests

Other than as set out below, or elsewhere in this Prospectus, no Director has, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (d) to induce him or her to become, or to qualify him or her, as a Director; or
- (e) for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

## 5.9 Remuneration

The Remuneration (including superannuation) paid to the Directors paid over the last two full financial years, is set out below:

(amounts are stated in \$AUD annualised from commencement of service)

Directors	Year	Cash and Salary Benefits (\$)	Annual Leave (\$)	Super (\$)	Long Service Leave (\$)	Share Based Pay (\$)	Total (\$)
Mr Phillip Vafiadis	2021						
	2020	210,000				29,849	239,849
Prof Richard Fox <sup>2</sup>	2021	65,000				24,955	89,955
	2020	65,000				17,908	82,908
Mr Richard Willson	2021	75,000		7,125		79,969	162,094
	2020	81,507		7,743		17,908	107,158
Mr Jeffrey Lang	2021	350,000	15,104	21,694	6,528	124,776	518,104
	2020	350,000	59,231	21,003		89,543	519,777
Dr Andreas Schwer	2021	300,000				376,410	676,410
	2020						
Mr Dag Stromme	2021	20,000				125,031	145,031
	2020						
Mr Humphrey Nolan	2021	20,000				125,031	145,031
	2020						
Ms Mira Ricardel	2021	7,290				30,438	37,728
	2020						
<b>Total</b>	<b>2021</b>	<b>837,290</b>	<b>15,104</b>	<b>28,819</b>	<b>6,528</b>	<b>886,610</b>	<b>1,774,354</b>
	<b>2020</b>	<b>706,507</b>	<b>59,231</b>	<b>28,746</b>	<b>-</b>	<b>155,208</b>	<b>949,692</b>

**Notes:**

1. resigned 30 June 2020
2. resigned 29 December 2021

## 5.10 Participating Directors

At the Annual General Meeting held on 15 December 2021, the Company sought and obtained Shareholder approval under ASX Listing Rule 10.11 for certain Directors (or their associated entities) for the issue and allotment of New Listed Options, as summarised below.

Director	Placement Shares	New Listed Options (1:1)
Prof Richard Fox <sup>1</sup>	38,461	38,461
Mr Dag Stromme	269,231	269,231
Ms Mira Ricardel	96,154	96,154
Dr Andreas Schwer	115,384	115,384

1. resigned 29 December 2021

There are no other related party transactions entered into that have not otherwise been disclosed in this Prospectus.

## 5.11 Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus (including those mentioned in section 5.10) are set out below:

Director	Shares	New Listed Options	Options	Performance Equity
Dr Andreas Schwer	215,384	115,384		3,000,000 <sup>1</sup>
Mr Dag Stromme	1,103,505	269,231		1,250,000 <sup>2</sup>
Ms Mira Ricardel	96,154	96,154	2,500,000 <sup>3</sup>	
Mr Jeffrey Lang	9,457,508			399,574 <sup>4</sup>
Mr Humphrey Nolan	100,000			1,250,000 <sup>2</sup>
Mr Richard Willson	120,000			79,915 <sup>4</sup> 550,000 <sup>2</sup>

**Notes:**

1. Hurdle \$0.80, expiry 01-July-2025 (3-year vesting period, up to 30-Jun-2023)

2. Hurdle \$0.80, expiry 01-July-2025 (4-year vesting period, up to 30-Jun-2024)

3. 2,500,000 options expiring 22-Dec 2026 exercisable as follows (i) 500,000 Options ex \$0.80, (ii) 600,000 Options ex \$1.20 (iii) 600,000 Options ex \$1.60 (iv) 800,000 Options ex \$2.00.

4. Hurdle: \$1.70, expiring 29-Nov-2022.

## 5.12 Summary of Shareholder approvals in relation to New Listed Options

At the Annual General Meeting held on 15 December 2021, the Company's Shareholders gave approval for, among other things:

- (a) for the purposes of ASX Listing Rules 7.4 and for all other purposes, Shareholders approve and ratify the issue of 34,096,155 Shares to investors on 22 October 2021;
- (b) for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 34,096,155 New Listed Options to investors under the Placement;
- (c) for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 9,615,384 Shares and 9,615,384 New Listed Options to Repkon;
- (d) for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 15,000,000 New Listed Options to PAC Partners Securities Pty Ltd and E&P Corporate Advisory Pty Ltd (or their nominees);
- (e) for the purposes of ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act, approval is given for the granting of 2,500,000 Options to Ms Mira Ricardel under the Employee Incentive Plan;
- (f) for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 38,461 fully paid ordinary shares and 38,461 New Listed Options to Professor Richard Fox or his nominee;
- (g) for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 269,231 fully paid ordinary shares and 269,231 Options to Mr Dag Stromme or his nominee;
- (h) for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 96,154 fully paid ordinary shares and 96,154 New Listed Options to Ms Mira Ricardel or her nominee;

- (i) for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 115,384 fully paid ordinary shares and 115,384 New Listed Options to Dr Andreas Schwer or his nominee.

### 5.13 Interests and Consents of Advisers

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisor or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Pursuant to Section 716 of the Corporations Act, K&L Gates has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. K&L Gates has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name. K&L Gates has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay K&L Gates approximately \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, K&L Gates has received fees of approximately \$197,412 (excluding GST and disbursements) in respect of its general legal services provided to the Company.

Pursuant to Section 716 of the Corporations Act, the Joint Lead Managers have given, and not withdrawn their consents to being named as Joint Lead Managers to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. The Joint Lead Managers have not caused or authorised the issue of this Prospectus, nor do they make or purport to make any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and take no responsibility for any part of this Prospectus other than a reference to its name. The fees payable to the Joint Lead Managers as consideration for services provided in respect of the Placement are set out in Section 5.6. During the 24 months preceding lodgement of this Prospectus with ASIC, the Joint Lead Managers have each received fees in respect of financial services provided to the Company as announced to ASX.

Computershare (**Share Registry**) has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Application Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions. References to the Share Registry appear for information purposes only. The Share Registry has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registry in the form and context in which it is named. The Share Registry has had no involvement in the preparation of any part of the Prospectus

other than being named as Share Registry to the Company. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Pitcher Partners (**Auditor**) has given and, as at the date hereof, has not withdrawn, its written consent to use the audited statement of financial position as at 30 June 2021 set out in Annexure A of this Prospectus. The Auditor has had no involvement in the preparation of any part of the Prospectus other than being named as Auditor to the Company. The Auditor has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

#### 5.14 Estimated expenses of the Offer

In the event the Offer is fully subscribed, the estimated expenses of the Offer (excluding GST) are as follows:

Item	Amount (A\$)
ASIC Fees	\$3,206
ASX Fees	\$22,193
Legal and other professional fees	\$20,000
Printing, registry and other expenses	\$5,000
<b>Total</b>	<b>\$50,399</b>

#### 5.15 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has a reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant Supplementary Prospectus or any of those documents were incomplete or altered.

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## 6. Director's Consent

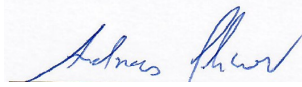
This Prospectus is dated Tuesday, 11 January 2022 and is issued by Titomic Limited.

The Directors have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Titomic Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Titomic Limited:



**Dr Andreas Schwer**  
Chairman

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## 7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**Acceptance Form or Form** means the Acceptance Form to be sent to Eligible Participants in relation to this Prospectus that sets out the Entitlement of Eligible Participants to subscribe for New Listed Options pursuant to the Offer.

**AEDT** means Australian Eastern Daylight Time.

**Annual Financial Report** means the financial report lodged by the Company with ASIC in respect to the financial year ended 30 June 2021 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the period ended 30 June 2021, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2021.

**Applicant** means a Placement Participant who applies for New Listed Options pursuant to the Offer.

**Application Form** means an application form attaching to, or accompanying this Prospectus.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement Pty Ltd ACN 008 504 532.

**ASX** means ASX Limited ACN 008 624 691.

**Board** means the Directors meeting as a board.

**Bonus Options** means an option over unissued Shares issued in accordance with the terms set out in Section 4.4.

**Business Day** means any day which is defined to be a Business Day pursuant to Listing Listing Rule 19.12 of the Listing Rules.

**Capital Raising** has the meaning given to it in Section 1.1.

**CHESS** means ASX Clearing House Electronic Subregister System of ASX Settlement Pty Ltd (ACN 008 504 532).

**Closing Date** means the date identified as such in the proposed timetable or such later date as the Directors may determine.

**Company** means Titomic Limited ACN 602 793 644.

**Company Placement or Placement** has the meaning given to it in Section 1.1.

**Constitution** means the constitution of the Company.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Cth** means the Commonwealth of Australia.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Dollars or \$** means dollars in Australian currency (unless otherwise indicated).

**Eligible Participants** means Shareholders that are a Placement Participant, Repkon or the Joint Lead Managers and **Eligible Participant** means any one of them.

**GST** means goods and services tax levied in Australia pursuant to a New Tax System (Goods and Services Tax) Act 1999 (Cth).

**Ineligible Participant** means any person or party that is not an Eligible Participant.

**Joint Lead Managers** means E&P Corporate Advisory Pty Ltd and PAC Partners Securities Pty Ltd.

**Joint Lead Manager Offer** has the meaning given to that term in in Section 1.1.

**Listing Rules** means the Listing Rules of the ASX.

**New Listed Options** means any of the options to be issued to the Eligible Participants on the terms and conditions set out in Section 4.3 under the Offers.

**Offers** means the offer of 59,230,769, New Listed Options to the Placement Participants, Repkon and Joint Lead Managers pursuant to this Prospectus under the Placement Offer, the Joint Lead Managers Offer and the Repkon Offer.

**Official List** means the official list of ASX.

**Opening Date** means Wednesday, 12 January 2022.

**New Listed Optionholder** means a holder of New Listed Options.

**Placement** has the meaning given to it in Section 1.1.

**Placement Offer** has the meaning given to that term in in Section 1.1.

**Placement Participant** means a person who participated in the Placement, and **Placement Participants** has a corresponding meaning.

**Prospectus** means this prospectus dated Tuesday, 11 January 2022.

**Quotation and Official Quotation** means official quotation on ASX.

**Related Corporation** means a “related body corporate” of the Company as that expression is defined in the Corporations Act and includes a body corporate which is at any time after the date of this Agreement a “related body corporate” but ceases to be a “related body corporate” because of an amendment, consolidation or replacement of the Corporations Act.

**Repkon** means Repkon Makina ve Kalıp Sanayi ve Ticaret Anonim Şirketi, a company incorporated under the laws of Turkey with an address at Balibey Mah. Fabrika Sok. No:1 Şile, İstanbul Turkey.

**Repkon Offer** has the meaning given to that term in in Section 1.1.

**Securities** means Shares and/or New Listed Options.

**Section** means a section of this Prospectus.



**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share as recorded in the register of the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**US Person** has the definition given to that term in Regulation S of the US Securities Act.

**US Securities Act** means the *United States Securities Act of 1933* (as amended).

## Annexure A - Pro-Forma Statement of Financial Position

Pro-Forma Statement of Financial Position as at 30 November 2021 (all amounts in thousands AUD)

Amount in '\$000 (Note 1)	Notes	As at 30 June 2021	Adjustments for period from 30 June 2021 to 30 November 2021 (Note 2)	Adjustment for the transaction (Note 3)	Pro-forma including notional value of options
<b>Current assets</b>	2				
Cash and cash equivalents		7,946	3,294		11,240
Trade and Other receivables		90			90
Inventories		1,998			1,998
Other current assets		1,049			1,049
<b>Total current assets</b>		11,084	3,294		14,378
Intangible assets					
Property, plant and equipment		2,505			2,505
<b>Total non-current assets</b>		2,505			2,505
<b>Total assets</b>		13,589	3,294		16,882
<b>Current liabilities</b>					
Trade payables		1,683			1,683
Other financial liabilities		1,027			1,027
Provisions		267			267
<b>Total current liabilities</b>		2,977			2,977
<b>Non-current liabilities</b>					
Other financial liabilities		1,128			1,128
Provisions		43			43
<b>Total non-current liabilities</b>		1,170			1,170
<b>Total liabilities</b>		4,147			4,147
<b>Total net assets</b>		9,442	3,294		12,735
<b>Equity</b>	4				
Share capital		45,854	8,489		54,342
Options' reserve					
Share based payment reserve		3,613			3,613
Accumulated Losses		(40,025)	(5,195)		(45,200)
<b>Total equity</b>		9,442	3,294		12,735

**Notes:**

1. All amounts disclosed in the tables, unless otherwise noted, are presented in Australian dollars and rounded to the nearest thousand. Rounding in the Financial Information may result in some immaterial rounding differences between totals and sums of components and the total percentage calculations outlined within tables, figures and commentary.
2. Adjustments for period 30 June 2021 to 30 November 2021 includes all 'material' business transactions, including proceeds from share issues and ongoing business income and expenses.
3. The options' issue does not generate cash inflow for the Company, until the exercise of such options by the option holders. Options can be exercised anytime until their expiry date (that is, within two years and up to 30 June 2024 for New Listed Options and Bonus Options respectively, from the date of issue).
4. New Listed Options proposed for issue have a Nil issue price at the time of Prospectus lodgment; and are mostly 'attaching options' (attached to previously issued ordinary shares) and in the absence of an active market yet, these options are disclosed at Nil value at the time of lodgment of the Prospectus.