



January 31, 2023

## ASX Announcement

# Quarterly Activities Report - Q2 FY23

GENERAL  
BUSINESS

ADDITIVE  
MANUFACTURING

Armaments

Ballistic Protection

Structures

Tooling

Embedded Sensors

COATING  
& REPAIR

Metal Restoration

Wear Resistance

Corrosion Protection

Conductive Coating

Inductive Coating

Radiation Shielding

## Highlights:

- Titomic USA enters renewable energy sector with first D523 sale
- Titomic enters Asian marine sector with reseller Alliance Singapore
- Titomic Europe awarded Horizon Europe grant of AUD 400,000
- MSI Viking and ADS, Inc. (ADS) reseller agreements strengthening presence in the USA
- Launch of the new D623 medium-pressure cold-spray System with two sold for ~AUD 270,000
- Ongoing, successful research and development work with The Boeing Company (Boeing)
- AUD 5.1 million capital raise will be completed shortly

**Titomic Limited (ASX: TTT) ("Titomic" or the "Company")** provides its Appendix 4C cash flow and activity report for the period ended 31 December 2022 (Q2 FY23).

### Herbert Koeck, Managing Director of Titomic, commented:

"Titomic is expanding its diversified revenue strategy through new channels. Our sale to Fire Island Wind, as well as our reseller agreements with MSI Viking and ADS, have enabled us to increase our market presence in the defense, renewables, and manufacturing sectors in the United States.

We are also continuing to innovate with the launch of our new D623 System, which expands our product line and creates bespoke solutions for our customers during a time when many companies are looking to reduce costs and secure their supply chains.

Cash reserves were bolstered during the period with the AUD 5.1m capital raising, where we received strong support from investors, including JV partner Repkon. We are now well on our way to increase sales across all channels and regions, particularly through Titomic USA, while improving and progressing joint venture and machine operations."

## Operational Update

### Titomic USA enters renewable energy sector with first D523 sale

Titomic USA has sold its first D523 System to Fire Island Wind, a company which forms part of the Cook Inlet Region Inc. group. The D523 will be used to apply corrosion-resistant aluminum by hand onto steel wind turbine structures, creating long-lasting corrosion protection, thereby reducing maintenance costs and turbine down-time.

### Titomic enters Asian marine sector with reseller Alliance Singapore

Titomic has further expanded into Asia by entering into a reseller agreement with Alliance Pte Ltd ("Alliance"). Alliance will market Titomic Kinetic Fusion cold spray systems as an official reseller within Malaysia and Singapore. Alliance is targeting the corrosion and coatings segment of the Singaporean and Malaysian marine market.

# TITOMIC

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### Titomic Europe awarded Horizon Europe grant

Titomic will receive €260,000 (~AUD 400,000) in CoBRAIN funding to research and develop applications of artificial intelligence and machine learning within cold spray applications. The outcomes of the research will assist Titomic in optimising cold spray processes for manufacturing with new and existing materials and metals. The CoBRAIN program will develop novel hard metals for corrosion and wear resistance, and validate an integrated material engineering workflow.

### Strengthening presence in the USA with MSI Viking and ADS, Inc. reseller agreements

Titomic entered a reseller agreement with a US-based supplier of manufacturing technologies, MSI Viking, and tier-1 military supplier; ADS, Inc. (ADS). MSI Viking purchased a D523 demonstrator System to generate sales opportunities by utilising the D523 to provide repair services. MSI Viking has exclusivity within 11 states across Eastern and Southern USA, and will service these areas from five MSI Viking locations.

ADS has the non-exclusive right to market and sell Titomic Kinetic Fusion Systems within the US, including low-to-medium pressure cold spray systems such as the D523 and D623, automated Integrated Spray Booth units, and high-pressure Titomic Kinetic Fusion additive manufacturing systems.

### Launch of new D623 medium-pressure cold spray system

Titomic has developed a new medium-pressure cold-spray system known as the Titomic D623, further expanding the Company's product line and commercial offering. The new System is capable of depositing harder metals compared to the D523, enhancing the System's key capabilities such as wear-resistant coatings and restoration of high-wear parts, among other additional product innovations. The first two sales of the D623 were made to German-based Neue Materialien Bayreuth GmbH and the Universidad Rey Juan Carlos in Madrid, Spain, with these sales totaling ~AUD 270,000.

### Continuation of research & development work with Boeing

Titomic continues to work collaboratively with Boeing, contributing to their bid for the Australian Government's JP-9102 program. Titomic has provided multiple test components to Boeing which have performed as expected and the Company continues to progress with this commercial partnership.

### Titomic capital raise update

Titomic advised the ASX on December 5, 2022 that it had received commitments from new and existing sophisticated and institutional investors to raise \$5.1 million via a strongly supported share placement (Placement) at \$0.16 per share, including a \$2.2 million strategic investment from Repkon Makina ve Kalip (Repkon) and significant investment from Titomic's Directors, Mr Herbert Koeck and Mr Dag Stromme. Funds are still to be received from Repkon, who have acknowledged the payment obligation and promised the funds payment will be processed shortly.

## Corporate Update

### Titomic Europe welcomes key additional staff

Two new staff have joined Titomic Europe to accelerate the Company's machine design and development projects. They bring significant skills and capabilities around Electrical, Automation and Controls Engineering. These staff will contribute strongly toward Titomic Europe's continual development of world-class cold spray systems.

### Cost reductions

Based on the current economic climate and in the interest of commercial longevity, Titomic has undertaken cost-reduction measures including an employee equity scheme, in lieu of partial salaries, which has had a significant uptake by staff. Titomic has also reduced overall current and forecast expenditures.

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### Titomic receives Summons

Titomic has announced that it has been served with a Summons filed with the Supreme Court of NSW which names the Plaintiff as Composite Technology R&D Pty Ltd ABN 52 094 571 187 and the Defendant as Titomic.

The claim set out in the Summons is commercially misleading conduct which the Company denies and will vigorously defend.

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

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## ABOUT TITOMIC LIMITED

Titomic Limited (ASX: TTT) is an Australian public company specialising in large integrated solutions for industrial-scale metal additive manufacturing, using its patented cold spray additive manufacturing (Cold Spray AM) technology. Titomic provides Cold Spray AM solutions, OEM production and R&D services to the global Aerospace, Defence, Shipbuilding, Oil & Gas, Mining and Automotive industries. Titomic also offers global sales and support for all of its Cold Spray AM activities from its Melbourne Head Office, as well as through local presence in the USA and Europe. Titomic delivers competitive advantages in metal additive manufacturing at every stage in the product value chain. For more information, please visit [www.titomic.com](http://www.titomic.com).

## FORWARD LOOKING STATEMENTS

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

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