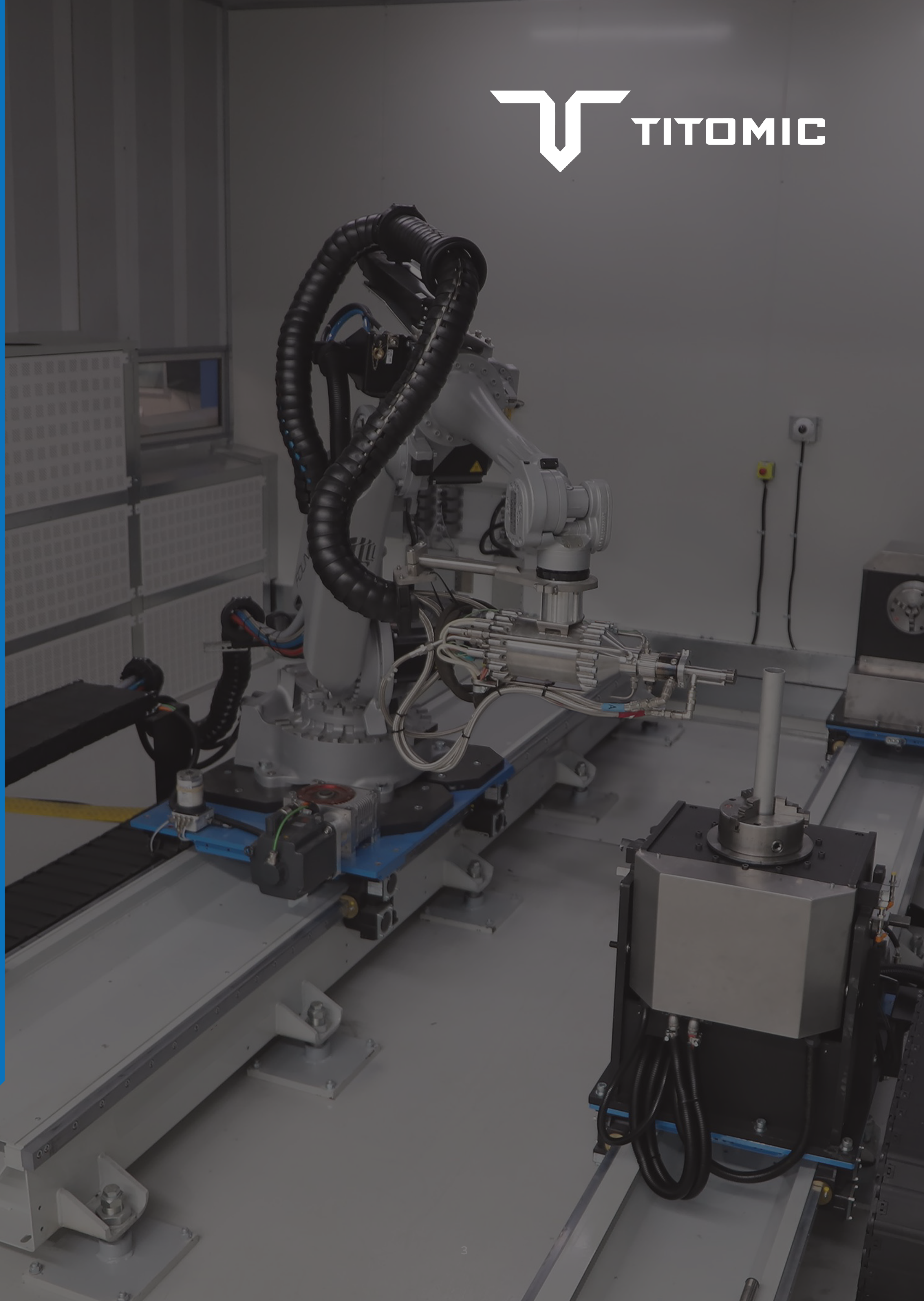
TITOMIC

Annual Report

For the year ended 30 June 2024

Titomic Limited
ABN 77 602 793 644

Contents



Company Directory

DIRECTORS

Mr Dag W.R. Stromme
(Independent Non-Executive Chairman)

Mr Herbert Koeck
(Managing Director)

Mr Humphrey Nolan
(Independent Non-Executive Director)

Mr Richard Willson
(Independent Non-Executive Director)

Ms Mira Ricardel
(Independent Non-Executive Director)

Dr Andreas Schwer
(Independent Non-Executive Director)

COMPANY SECRETARY

Mr Christopher Healy

PRINCIPAL PLACE OF BUSINESS

Ground Floor, 365 Ferntree Gully Road
Mount Waverley, Victoria 3149, Australia

REGISTERED OFFICE IN AUSTRALIA

Ground Floor, 365 Ferntree Gully Road
Mount Waverley, Victoria 3149, Australia

SHARE REGISTRY

Computershare
GPO Box 3224
Melbourne, Victoria 3001, Australia

AUDITORS

BDO Audit Pty Ltd
Tower Four, Level 18, 727 Collins Street
Melbourne, Victoria 3008, Australia

SOLICITORS

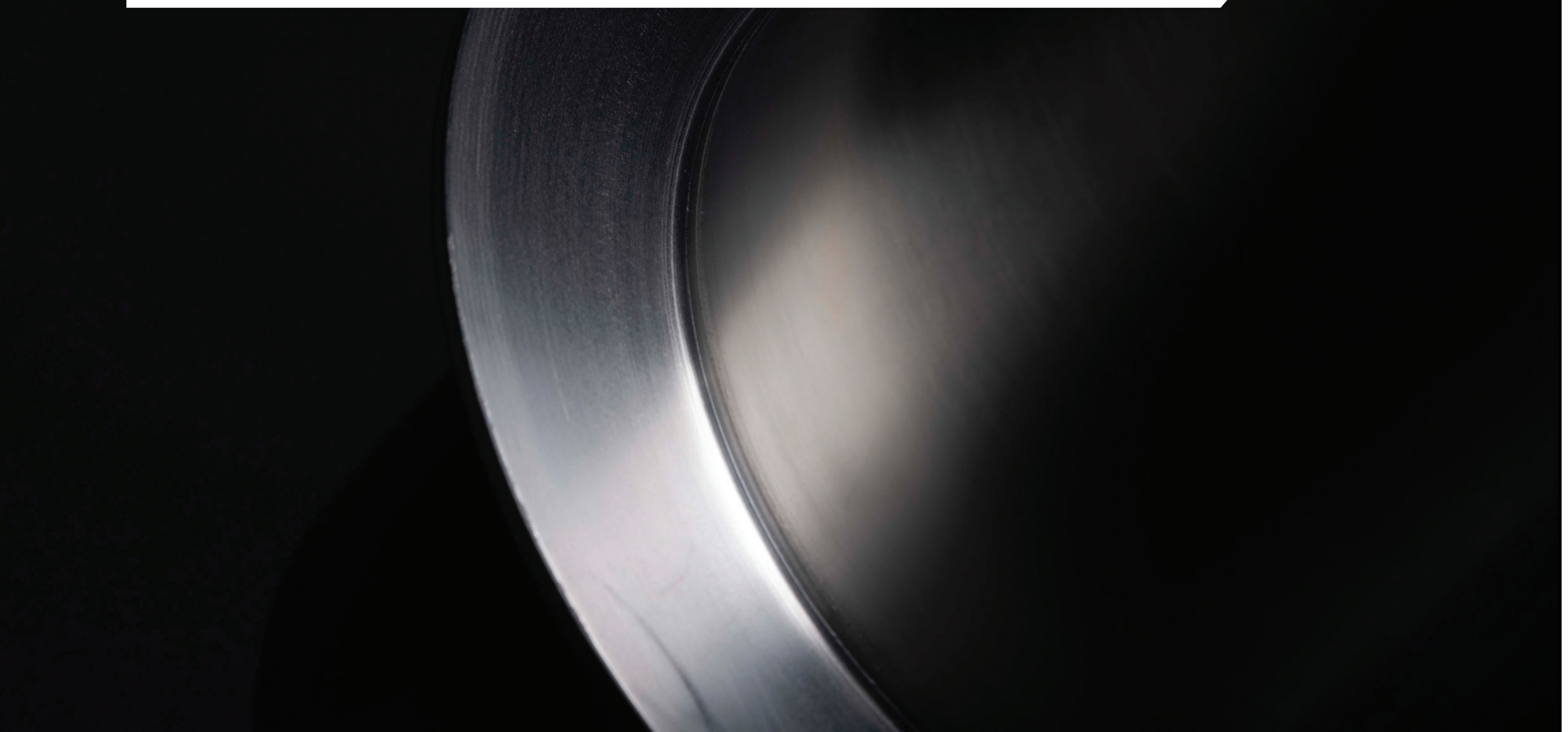
K&L Gates
GPO Box 4388
Melbourne, Victoria 3001, Australia

SECURITIES QUOTED

Australian Securities Exchange
Ordinary Fully Paid Shares (Code: TTT)

WEBSITE

https://titomic.com



Chair of the Board, Dag W.R. Stromme's Statement

Dear Shareholders,

As I write my first shareholder letter as Titomic's Chairman, I reflect on the remarkable journey our company has embarked on over the last year. This year marks not only a successful turnaround of our operations, but also a period of substantial foundational growth and transformation. Our performance has been driven by our people, our disciplined focus on cost management and our strategic focus. We have concentrated our efforts specifically on products which lend themselves best to our Cold Spray technology, with a focus on building profitable, recurring revenue streams along two operational verticals: 1) Manufacturing, and 2) Coating & Repair. Building confidence among our stakeholders – customers, shareholders, partners and colleagues – has been critical.

Our efforts are now bearing fruit with recent successful sales and acceleration of our growth outlook, underscoring the success of our strategic focus and the growing global recognition of the benefits of Cold Spray technology. We have ongoing development projects for Manufacturing of parts with global defence primes, we have launched our barrels manufacturing joint venture with Repkon, established global partnerships in Coating & Repair with institutions such as the Royal Dutch Army, Airbus, Woodside, City of Melbourne amongst others – all of which provide scalable, varied and profitable revenue streams, including the manufacturing of parts, sale of machines, and the sale of powders and consumables. We are particularly well positioned within the aerospace and defence sectors and the energy sector where we see significant demand for our advanced solutions in the years ahead. With our Cold Spray technology, we are breaking new grounds with our customers which require the ability to execute consistently, innovate relentlessly, and adapt swiftly – all of which have been instrumental in driving our business forward and is central to the culture we are creating.

I am proud to report that our significant growth in revenue and cash inflow have been a giant step forward in recent months. This shift not only ensures a stable financial foundation but also allows us to better serve our customers and continue investing for further profitable growth. We will move into a brand new manufacturing facility in Holland early 2025, we are expanding our US presence and we will announce several notable new capabilities in the months ahead which will further advance our technical solutions and revenue outlook.

Our achievements would not have been possible without the unwavering dedication of our employees, the trust of our customers, and the steadfast support of you, our shareholders. I extend my deepest gratitude to all of you for your contributions and belief in Titomic's vision.

Looking ahead, the outlook for Titomic is extremely positive. We are committed to driving further growth by leveraging our technological advancements to become a major player in the Manufacturing of Titanium parts and in delivering superior Coating & Repair solutions to a wide range of industries globally. Our strategic focus will continue to be on expanding our market reach within our chosen product categories which we believe are transformational in the value creation we bring to our target customers.

Thank you for your continued support as we embark on this exciting journey towards a prosperous future.

Sincerely,

Dag W.R. Stromme

Dag W.R Stromme
Chairman of the Board
Titomic

Managing Director, Herbert Koeck's Statement

Dear Shareholders,

As we close another fiscal year, I am immensely proud of the achievements Titomic has made during the 2024 financial year. Our relentless focus on innovation and execution has enabled Titomic to continue its transformation and secure improved revenue growth in key target industries.

Last year, I outlined what we saw as the three steps for success in the 2024 financial year and I'm proud to say we have successfully delivered on these:

1. **Reduce ongoing costs**
2. **Successfully raise capital**
3. **Accelerate commercialisation through successful sales**

Today, we are primed for strong growth. Our operations have improved and become more streamlined, spurred by our focus on delivering novel and effective solutions to overcome previously unmet challenges faced by multi-billion-dollar industries, including the production of higher-performing components, manufacture of advanced, multi-metal coatings, and cost and time effective metal component and surface repairs.

Our compelling and unique technological capabilities has allowed us to expand business with existing large customers and has also attracted new customers investigating and ordering our products and services. We have received substantial orders from Boeing, Airbus, Woodside Energy, Repkon, BAE Systems, and Triton Systems, which are just a small sample of our overall customer base. Given these industry leaders having implemented Titomic's technology to recognise new capabilities, Titomic's position is reinforced as the world's leading provider of cold spray solutions.

On a macro scale, we are seeing a strong increase in interest and demand from the global aerospace and defence sector, reflected by recent and growing sales in the sector in the 2024 financial year. While recognition of our brand and offering is growing, leading to increased sales, concurrently, operators within defence and aerospace have been challenged by unstable supply chains caused by another year of global geopolitical tensions.

This has caused unprecedented demand to remain unmet and supply chains to become destabilised, bringing the long-standing challenge of supply chain security to the fore, and many operators seeking alternatives to secure metal components, including armaments, vehicle components, replacement parts, and more.

We are well-placed to meet this demand with cold spray, as large-scale, high-performance parts can be manufactured on-demand, enabling a reduction in lead times and downtime, consolidated manufacturing processes, and reduced reliability on external providers, and excessive inventory. During the 2024 financial year, we have made strong progress in qualifying and certifying key products manufactured by Titomic to fulfil these needs. Ultimately, our aim is to enable our customers to enhance their self-reliability and ensure their businesses remain operational.

Further, service and repair has become an important element of our business, as maximising the up-time of existing machinery has become even more critical with access to new equipment and components limited, posing a risk to businesses' operations.

Moving on to Titomic's results, we generated growing revenue from customers up 126% to $5.9 million. In addition to this over $10.0 million of orders globally were generated by the business showing increasing demand for our products and services.

At the very beginning of the fiscal year, we raised AUD 6.5 million at 1 cent per share. That allowed us to build out and expand our infrastructure to handle the growing business. The combination of growing customer receipts and additional funding from a private placement provided Titomic the capacity to start expanding its European operations and to proactively engage key segments in the United States.

More broadly, we are taking proactive and strategic initiatives to further capitalise on the growing demand of our cold spray solutions. Our expansion of the Netherlands manufacturing facility is fully funded and on track, with completion scheduled for early calendar year 2025. This expansion will result in increased manufacturing capacity to service anticipated increases in demand across our business in the 2025 financial year. Further, our commercial focus within the United States is already showing early results, including growing sales and a healthy, growing lead pipeline.

Earlier in August, we collaborated with DESE Research, Inc. - a knowledge-based organisation conducting theoretical and analytical research in the fields of Defence, Energy, Space, and Environment - at the Space and Missile Defense Symposium in Huntsville, Alabama, where Titomic advanced interest in our technology relevant to defence manufacturing, including from defence and aerospace companies and varied U.S. Government organisations. Further, we also appointed Dr. Patti Dare, a seasoned executive in the U.S. defence industry, having held previous roles at Raytheon, Boeing, and Lockheed Martin, to lead Titomic's U.S. defence and aerospace efforts.

Regarding distribution into key markets such as the United States and Europe, experienced and embedded resellers are complementary to our success. We have reviewed and updated our existing reseller agreements, and have refined our approach to future onboarding of resellers. During the 2024 financial year, we have enhanced the criteria and terms and conditions of resellers, but perhaps more importantly, we've raised our expectations of resellers. We will ensure that only the highest performing and effective resellers remain in place as we tenaciously and meticulously pursue sales growth.

As we move into the next financial year, I am more optimistic than ever about Titomic's future. Our goals are clear and ambitious; we aim to sustain our rapid revenue growth, accelerate cash inflows, and seize new opportunities in breakthrough manufacturing orders. We see vast potential in the U.S. market, where we have already taken action to expand our presence and operations. Significant sales to new customers, OMIC R&D and Triton Systems, are tangible proof points of our accelerated actions in the United States. This will not only enhance our market share but also position us closer to some of our key customers, facilitating even stronger partnerships.

In closing, I want to extend my heartfelt thanks to our employees, partners, and shareholders for their unwavering support and dedication. The progress we've made would not have been possible without your commitment and hard work. Together we will continue to push the boundaries of innovation, ensuring that we remain at the forefront in the industries we work with.

The future is bright for Titomic, and I am excited to embark on this journey of growth and success with all of you.

Sincerely,

Herbert Koeck
Managing Director
Titomic

Titomic Overview

The world's leading provider of cold spray solutions

Titomic is the world's only publicly listed company with cold spray at the core of its operations. With this technology, Titomic is providing new capabilities for the manufacture, coating, and repair of metal parts.

Systems

D523 / D623

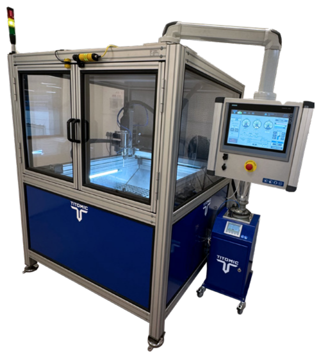
Faster, stronger metal coatings and repairs

For the repair and restoration of numerous metal parts like engine components and moulds, sealing, corrosion protection, electrical conductivity and special applications.

ISB-L

Greater process control and efficiency

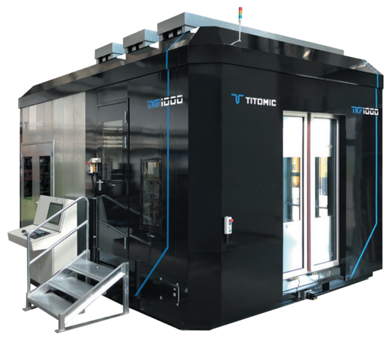
Titomic's turnkey Integrated Spray Booth systems bring together low-to-medium pressure cold spray, handling, and dust extraction.



TKF1000

Create large, strong multi-metal parts

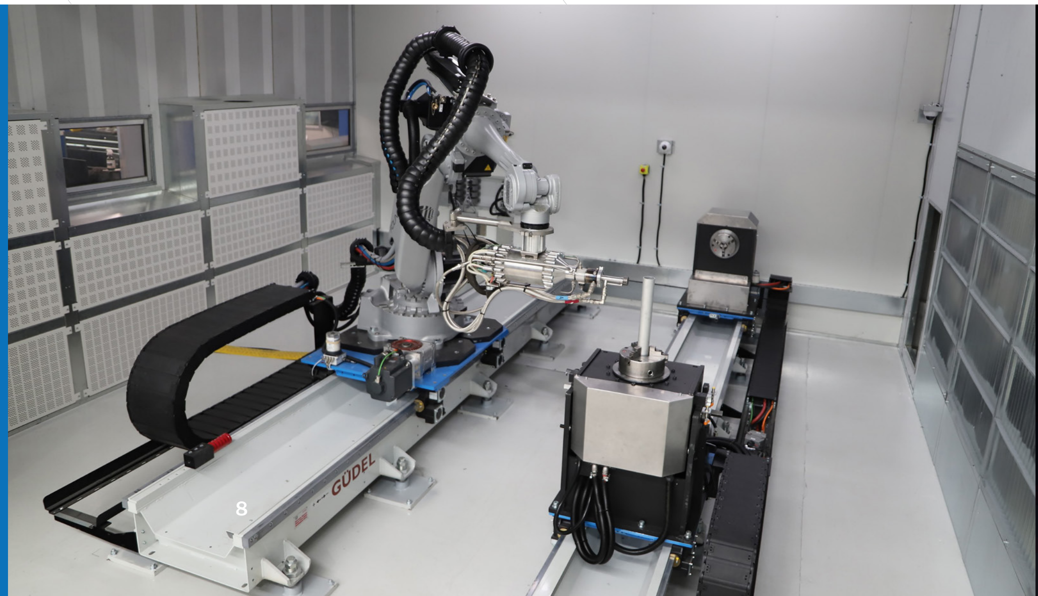
Titomic's TKF 1000 is a modular additive manufacturing system. Limitless possibilities including prototyping to R&D, small-run production and on-demand manufacturing.



TKF 3250

Leading cold spray manufacturing capability

The TKF 3250 is an example of Titomic's capability to meet industry demands with high-performance cold spray systems. Designed and optimised for aerospace and defence manufacturing.



Additive manufacturing applications

STRUCTURES

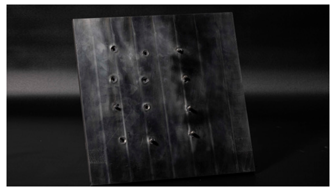
Cold spray creates large structures with minimal size constraints from titanium, steel, and more, comparable to the properties of cast or forged parts with shorter lead time.

TOOLING

Produce stronger, lighter, thinner and corrosion-resistant near-net shape faceplates – with reduced welding, assembly and lead times.

BALLISTICS SHIELDING

Create complex, freeform ballistics protection from multiple metals or titanium to produce larger, lighter, more versatile armour.



Coating & repair applications

FUNCTIONAL COATINGS

Heat-resistant layers, electrical conductivity, anti-fouling properties, and antibacterial surfaces, all achievable with significant thickness, no thermal distortion, unlimited size capacity, and on-site application.

CORROSION

Apply corrosion-resistant materials such as titanium, aluminium, zinc, and nickel to new or existing parts, enhancing their lifespan in corrosive environments across marine, chemical, and oil and gas applications.

WEAR RESISTANCE

Protect moulds, handling equipment, and more from wear, and replace hard chrome coatings.

ENGINE REMANUFACTURING

Refurbish engines without heat to restore and protect components, enhancing durability and performance with a cost-effective, easy to use solution.

EMBEDDED SENSORS

Build and incorporate electronic sensors directly into parts, providing hard-wearing and anti-corrosion analytical sensors for offshore oil and gas, subterranean piping and more.

REPAIRS

Rapidly repair metal parts, restoring them to working order in applications across aerospace, mining, defence, boilermaking and more. Spray metal in seconds, so you can restore parts in minutes.

How does cold spray work?

Cold spray accelerates metal powders to supersonic speeds, carried by air or nitrogen. As the powders exit the nozzle, they collide and mechanically bond to the surface and each other.

As millions of powder particles collide every minute, they quickly build up strong, high-adhesion layers of metal to create coatings or free-form, 3D parts. Unlike traditional manufacturing methods like casting or forging, the particles don't need to melt to be bonded together.

This results in several significant capabilities, including:

- Parts are made to a near-net shape, reducing the amount of material that needs to be removed from the part by up to 90%, significantly reducing material costs.
- As the metals aren't melted, cumulative thermal stress is mitigated and an inert environment is not needed, enabling Titomic to manufacture parts with minimal size constraints.
- Metals with different melting points are still able to be combined into a single, seamless part, such as aluminium and titanium, steel and copper, and much more. This allows manufacturers to leverage the strengths of multiple metals in a single part or coating.

Faster output

Scalable systems

Combine metals

No size restrictions

Cost competitive

Operational highlights
Systems sales

TKF System sold to Triton Systems for U.S. manufacturing capability

Titomic sold a TKF System to U.S.-based Triton Systems Inc. for USD 808,000, marking Titomic's first sale of a TKF System within the United States and signifying an important step in Titomic's partnership with Triton.

The TKF System will enhance Triton's manufacturing capabilities by enabling the rapid and cost-effective production of large, high-performance parts.

Installation of Integrated Spray Booth at Perron038

Titomic announced the sale of an Integrated Spray Booth to Perron038 for AUD 707,302, which will house a robotised Titomic D623 medium-pressure cold spray unit.

Titomic has successfully installed and commissioned the Integrated Spray Booth at Perron038. In adherence to the delivery schedule communicated in June 2023, the AUD 707,302 project was completed within the stipulated time frame of the calendar year-end, marking a significant deployment of Titomic's advanced manufacturing solutions.

Sale of high-pressure cold spray system to Sabanci University

A high-pressure cold spray system was sold to Sabanci University's Integrated Manufacturing Technologies Research and Application Center for EUR 1.4 million (AUD 2.4 million), expected to enhance novel additive manufacturing, material science, and surface engineering capabilities.

The System was successfully installed and has passed Site Acceptance Testing as planned in the fourth quarter of FY2024, allowing Titomic to fully recognise the associated revenue of the System sale.

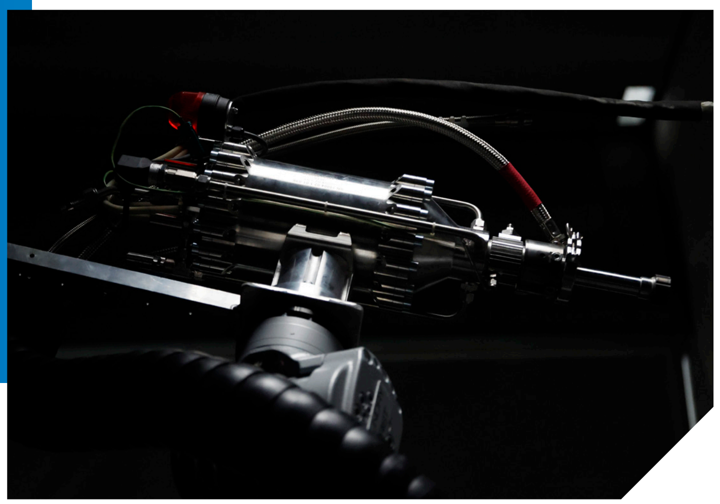
TKF 3250 installed at Titomic's Melbourne Facility

The TKF 3250, an advanced high-pressure cold spray system, was installed and commissioned during the year at Titomic's Melbourne Manufacturing Facility. This system is supporting manufacturing projects and generating revenue through its contributions to the defence and aerospace sectors.

The TKF 3250 is one of the world's most advanced cold spray systems, and is enabling new possibiliites for coatings and manufacturing within aerospace and defence.

TKF 3250

The world's leading cold spray system, located at Titomic's Melbourne Innovation & Manufacturing Centre.



Titomic Annual Report 2024 | Review of operations and significant events for the period

Integrated Spray Booth sold to EPCOR

Titomic sold an Integrated Spray Booth (ISB) to Epcor for EUR 310,000 (AUD 516,615).

It's expected that EPCOR will utilise the ISB to enhance their maintenance, repair, and overhaul (MRO) operations.

EPCOR is a subsidiary of Air France Industries and KLM Engineering & Maintenance and specialises in maintenance, repair, and overhaul activities of pneumatic aircraft components and Auxiliary Power Units (APUs) of a wide range of aircraft, such as the Boeing 737 Next Generation, 777 and 787.

CTME purchases multiple cold spray systems to enhance research capability

Titomic completed the sale of multiple cold spray systems to the Spanish technology centre, Fundación Centro Tecnológico Miranda de Ebro (CTME), for EUR 300,000 (AUD 495,000).

The systems, including the D623 medium-pressure and D523 low-pressure cold spray systems, were provided to enhance CTME's research capabilities in advanced manufacturing. This sale supports CTME's efforts in developing and integrating manufacturing technologies for sectors such as aerospace, defence, and automotive.

Examples of the Integrated Spray Booth - Titomic's fully consolidated cold spray system.

Ongoing engagement and system sales to Airbus

Airbus selected Titomic as its supplier for cold spray equipment, purchasing two systems for EUR 386,900 (AUD 645,000).

Titomic's technology will be integrated into Airbus' maintenance protocols, ensuring that Titomic cold spray is used across all Airbus Maintenance, Repair, and Overhaul (MRO) facilities where cold spray will be utilised.

Airbus purchased a high-pressure cold spray system, deployed at Titomic's facility in the Netherlands. This system is being used by Titomic and Airbus to further develop coatings for aerospace applications. Airbus also purchased a D623 cold spray system for MRO operations.

The powder selection process has been complete, with final spray trials nearing completion. Based on these results, Titomic and Airbus will select the preliminary applications of cold spray for real-world use, with implementation expected in the first quarter of FY2025.

$1.2m sale to leading U.S. Innovation Centre, OMIC R&D

Titomic completed the sale of a custom high-pressure cold spray system to the Oregon Manufacturing Innovation Center (OMIC R&D) for USD 790,000 (AUD 1.2 million).

This system, designed to enhance OMIC R&D's capabilities in advanced additive manufacturing and advanced alloy development, further expanded Titomic's presence in the United States.

OMIC R&D, with its expertise in providing commercial research and development services to major companies, acquired the system to leverage its high-pressure cold spray technology for additive manufacturing and multi-metal coatings.

This transaction also supported Titomic's R&D initiatives, broadening industry awareness of the benefits of cold spray technology and contributing to potential sales growth.

Operational highlights
D-Series sales

23 D-Series cold spray systems ordered
in FY2024

D523 sales in EMEA

Numerous important and reaffirming sales were made within EMEA, primarily in Europe.

The Volvo Group, headquartered in Gothenburg, Sweden, purchased a D523 for maintenance, repair, and overhaul, representing an expansion within the automotive and heavy equipment MRO sector.

The French Ministry of the Armed Forces has purchased a D523 low-pressure cold spray system. The sale was made to the Ministry, which purchased the D523 on behalf of the Fleet Support Service of the Navy Nationale (French Navy).

Titomic received an order for 10 D523 systems from the Royal Netherlands Army for EUR 772,000 (AUD 1.3 million), marking the Company's largest D523 order to date.

A D523 was sold to a German manufacturing consulting company, primarily for R&D use and contractual repair and maintenance.

D523 sales in Asia Pacific

Several systems were sold within Asia Pacific, primarily for maintenance, repair, and overhaul (MRO) in the mining industry, as well as for broader repairs and coatings needs.

A D523 was sold to a Singaporean coating and repair company for use in industrial coatings and repeatable repairs.

A second D523 was sold to Alliance Singapore - Titomic's Singaporean reseller, indicating growing demand in the region.

A third D523 was sold within the Western Australian mining services sector for MRO of heavy vehicles and assets.

A fourth D523 was sold within the South Asian mining and transport industry for MRO of heavy vehicles and assets.

D523 sales in the United States

Sales of the D523 are spread across various industries, including education, aerospace, and manufacturing.

Titomic sold a D523 system to Oklahoma State University, primarily for use in research and development, as well as vocational training.

A D523 was sold to Rensselaer Polytechnic Institute in the USA for education and R&D.

A D523 system was sold to an industrial processing facility within Texas, which is expected to be used for the maintenance and repair of manufacturing plant equipment, ultimately reducing downtime and part replacement costs.

A fourth system was sold to ASI Aircraft, a company with primary activities within the maintenance, repair, and overhaul of aircraft and aircraft components.

D623 sales

As aforementioned, Titomic's next-generation of portable cold spray systems, the D623, has been successfully brought to market.

One D623 was sold to Airbus - setting a strong foundation for the use of cold spray within their repair, maintenance, and overhaul operations - in addition to the custom high-pressure system ordered.

Additionally, a D623 system comprised part of the order received from CTME, located in Spain.

With the successful introduction of the D623, these systems have been adopted by leading organisations including Universidad Rey Juan Carlos, Neue Materialien Bayreuth, TU Delft, KLM Engineering, and Airbus.

Operational highlights
Joint venture update

REPKON

Joint venture with Repkon

In 2022, Titomic signed a joint venture with Repkon to deliver the world's first hybrid cold-spray, flowforming manufacturing facility. Repkon-Titomic is now a registered and capitalised company within Turkey.

Repkon-Titomic kicks off with TKF 1000 order

In July 2024, Titomic sold a TKF 1000 cold spray system to its joint venture with Repkon in Turkey for AUD 2.3 million. The TKF 1000 is integral to the establishment of the hybrid cold spray manufacturing facility, which will combine Titomic's technology with Repkon's flow-forming processes to revolutionise barrel manufacturing.

This sale is part of Titomic's ongoing strategy to expand its presence in the defence sector. The joint venture anticipates purchasing additional systems, including a bespoke TKF 3250, as the joint venture moves towards commercialisation. Titomic will also supply consumables and share in the profits from barrel production.

The TKF 1000 is Titomic's fully-integrated cold spray system for additive manufacturing, functional coatings, and research and development.

Operational highlights
Increasing engagements in global defence sector

Titomic increasingly penetrating U.S. defence and aerospace sector

Titomic made significant advances in the U.S. aerospace and defence industries, securing highly sensitive orders from an international aerospace and defence prime, leveraging its world-class cold spray capabilities.

The relationship with this customer has now spanned several years and reflects the long qualification period required to build and nurture these type of opportunities.

In total, and including the order received post 30 June 2024, total orders received from this global U.S. aerospace and defence prime are over AUD 1.0 million.

This development aligns with Titomic's broader successes in defence and aerospace, including projects with Triton Systems, OMIC R&D, and a joint venture with Repkon, adding to the Company's positive momentum with AUD 8.0 million in new orders since March 2024.

Developments since year-end

Titomic appoints Dr Patricia Dare to lead U.S. defence and aerospace efforts

Titomic has appointed Dr Patricia Dare to head its defence and aerospace efforts in the United States. Dr Dare brings over 30 years of program management and business development experience in the defence industry and has held key roles at Raytheon Technologies, Boeing, Lockheed Martin, and Honeywell International.

Further engagement in U.S. defence and aerospace sector

As announced on the 14th of August, 2024, Titomic received additional purchase orders totalling AUD 577k from a global U.S. aerospace and defence prime, marking a significant milestone in the long-term relationship. This brings the cumulative orders on this project to over AUD 1.0 million.

Repkon-Titomic kicks off with TKF 1000 order

In July 2024, Titomic sold a TKF 1000 cold spray system to its joint venture with Repkon in Turkey for AUD 2.3 million.

Titomic maintains quality assurance standards

Titomic recently participated in a review of its adherence to quality systems and was found to have complied with all relevant standards.

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of Titomic Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors, Key Management Personnel and Company Secretary

The following persons were Directors of Titomic Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Dag W.R. Stromme
Independent Non-Executive Chairman

Mr Herbert Koeck
Managing Director

Mr Richard Willson
Independent Non-Executive Director

Mr Humphrey Nolan
Independent Non-Executive Director

Ms Mira Ricardel
Independent Non-Executive Director

Mr Andreas Schwer
Independent Non-Executive Director

Mr Christopher Healy
Company Secretary

Mr Jonathan Nield
Chief Financial Officer (retired 17 May 2024)

Mr Geoff Hollis
Chief Financial Officer (commenced 13 May 2024)

Principal activities

Titomic Limited is an Australian publicly listed company specialising in manufacturing and technology solutions for high-performance metal additive manufacturing, metal coatings, and repairs using its unique patented Titomic Kinetic Fusion® cold spray technology with its principal activities in the global defence, aerospace, mining, energy and transport industries.

Information on Directors, Company Secretary and Chief Financial Officer

The qualifications and experience of each person who has been a Director of the Company at any time during or since 1 July 2023 is provided below, together with details of the Company Secretary and the Chief Financial Officer as at year end.

MR DAG W.R. STROMME

Independent Non-Executive Chairman

Experience and expertise

Dag W.R. Stromme is an investor and entrepreneur with over 30 years of experience from successful private ownership and leading European, as well as global, financial institutions. He has been running his own family investment office, PAACS Invest, since 2015. Mr Stromme was previously a senior industry advisor to Triton, an investment firm with €17B under management. He joined Morgan Stanley in New York in 1990, focusing on mergers and acquisitions and was a Managing Director of Morgan Stanley London from 2001 to 2007 and Co-Head of Nordic Investment Banking from 2000 to 2007.

Mr Stromme has been a director of various public and non-public companies. He is currently controlling shareholder and Chairman of Racom AS, a technology company focused on security for public and private sector, and a director of software company Arundo.

MR HERBERT KOECK

Managing Director

Experience and expertise

Mr Koeck brings a wealth of experience in additive manufacturing, having headed up sales and global orders for 3D-Systems Corporation as Executive Vice-President Global-Go-to-Market, where he influenced product development for customer success.

A proven leader, he was also Managing Director for HP Europe and Senior Vice-President for Europe, Middle-East, and Africa at Hewlett Packard for the PC and Printing Solutions Group.

Herbert is a key driver of growth and strategic focus at Titomic and continues to lead Titomic's team toward further commercial successes.

Information on Directors, Company Secretary and Chief Financial Officer continued

MR RICHARD WILLSON

Independent Non-Executive Director

Experience and expertise

Richard Willson is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience predominantly within the mining, technology and agricultural sectors for both publicly listed and private companies.

Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

He is a Non-Executive Director of Titomic Limited (ASX:TTT), Clara Resources Limited (ASX:C7A), Orpheus Uranium Ltd (ASX:ORP), MedTEC Holdings Limited, and Unity Housing Company Ltd; and Company Secretary of a number of ASX Listed Companies.

Richard is the Chairman of the Audit Committee of Titomic Limited, Clara Resources Limited, and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited.

He has previously been Chairman, Non-Executive Director, and Company Secretary of numerous ASX listed companies.

MR HUMPHREY NOLAN

Independent Non-Executive Director

Experience and expertise

Mr Nolan is a seasoned Board Director and CEO with 30 years' experience driving strategic and operational change across industrial, logistics and distribution industries. Mr Nolan has held senior leadership positions within global logistics companies, including at the P&O Group.

Mr Nolan is currently Chairman of both the Nolan Group and Tapex Group, both leading distributors of technical and industrial textiles operating across Australia and New Zealand.

Information on Directors, Company Secretary and Chief Financial Officer continued

THE HONORABLE MIRA RICARDEL

Independent Non-Executive Director

Experience and expertise

The Honorable Mira Ricardel is a recognised leader and national security expert with extensive experience in aerospace and defence, geopolitical risk, and regulatory matters with a focus on international investment, export controls, and supply chain security. She serves on the Proxy Board of Astroscale U.S. Inc., a subsidiary of Japan-based Astroscale. Ricardel is on the board of the non-profit organization, the Center for American Medicine Resiliency. She is a Senior Advisor at The Chertoff Group. Ricardel has held Presidential appointments at the U.S. Department of Commerce and The White House. At The White House she served as the Deputy National Security Advisor and Assistant to the President. Prior to that she was confirmed by the U.S. Senate as the Under Secretary of Commerce for Export Administration, leading the Bureau of Industry and Security. For nearly a decade Ricardel was a vice president of business development in Network & Space Systems at The Boeing Company. Immediately prior to and following 9/11, Ricardel served as Deputy Assistant Secretary of Defense for Eurasia and then Acting Assistant Secretary of Defense for International Security Policy. Earlier in her career, Ricardel held positions at the State Department and on Capitol Hill.

DR ANDREAS SCHWER

Independent Non-Executive Director

Experience and expertise

Through his extensive 25-year executive career across the global defence and aerospace industries, Dr Schwer has gained a wealth of experience, insight and a deep understanding, which he brings to the board of Titomic Limited. Dr Schwer's executive track record is world-class, holding executive positions across a multitude of high-value industries, including Saudi Arabian Military Industries' inaugural CEO, where he grew the business from a greenfield operation to become a prominent entity in the international defence market. Prior to this achievement, Dr Schwer held the role of Chairman, President, and CEO of Rheinmetall International and CEO of Combat Systems Division, both branches of international defence prime, Rheinmetall AG. Prior to joining Rheinmetall, Dr Schwer held various executive management positions, including 12 years at Airbus Group's Defence & Space and Helicopters divisions and an executive role at the equipment manufacturing group, The Manitowoc Company. Dr Schwer is the Managing Director of Electro Optic Systems Ltd.

Information on Directors, Company Secretary and Chief Financial Officer continued

MR CHRISTOPHER HEALY

Company Secretary

Experience and expertise

Mr. Christopher Healy is an experienced lawyer and company secretary with over 30 years' experience working in companies in Australia and the United Kingdom, specialising in a number of sectors including manufacturing, investments, construction and financial services.

MR GEOFF HOLLIS

Chief Financial Officer (commenced 13 May 2024)

Experience and expertise

Mr Geoff Hollis brings a wealth of financial expertise and strategic leadership to Titomic. With a strong background in guiding ASX-listed companies through significant growth and transformation, he has a proven track record in enhancing operational efficiency and financial performance.

Previously, Geoff served as Chief Financial Officer at Imagion Biosystems, where he leveraged advanced technologies to improve disease detection and treatment. At Victory Offices, he led a successful IPO and managed key financial operations as CFO and Company Secretary.

Geoff's extensive experience includes roles at Lifestyle Communities, where he focused on sustainable growth, capital raising, and strategic financial management. His comprehensive skill set in IPOs, debt financing, and investor relations positions him as a key contributor to Titomic's ongoing success and innovation.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Titomic Limited (referred to hereafter as the 'Company' or 'parent entity' or 'Titomic') and the entities it controlled at the end of, or during the year ended 30 June 2024.

Directors

The following persons were directors of Titomic Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Dag W.R. Stromme	Independent Non-Executive Chair
Mr Humphrey Nolan	Independent Non-Executive Director
Mr Richard Willson	Independent Non-Executive Director
Mr Andreas Schwer	Independent Non-Executive Director
Ms Mira Ricardel	Independent Non-Executive Director
Mr Herbert Koeck	Managing Director
Mr Christopher Healy	Company Secretary
Mr Geoff Hollis	Chief Financial Officer (appointed 13 May 2024)
Mr Jonathan Nield	Chief Financial Officer (resigned 17 May 2024)

Principal activities

Titomic Limited is an Australian publicly listed company specialising in manufacturing and technology solutions for high-performance metal additive manufacturing, metal coatings, and repairs using its unique patented Titomic Kinetic Fusion® cold spray technology with its principal activities in the global defence, aerospace, mining, energy and transport industries.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Operating loss for the year after providing for income tax of $11,892,164 (30 June 2023: $15,709,484 loss) was materially in line with expectations and reduced from the prior year predominantly due to increased realisation of sales revenue and cost control. Refer below and prior in this report for further discussion.

Revenue and other income

Total revenue increased by $3,208,976 to $7,697,370 (30 June 2023: $4,488,394).

Revenue from contracts with customers increased by $3,304,455 to $5,923,876 (30 June 2023: $2,619,421). Underpinning revenues in the 2024 financial year was a $2,309,850 sale of a high-pressure cold spray system to Sabanci University (Turkey) and a $707,302 sale of an integrated spray booth containing a D623 to Perron038 (Netherlands). In addition to these key sales the consolidated entity also saw an increase in project activity and continued sales of its low pressure D523 cold spray machines.

Other revenue remained reasonably constant at $1,773,494 (30 June 2023: $1,868,973) with an increased research and development tax incentive offset by a reduction in grant revenue received.

Operating expenses
Total expenses decreased by $13,391 to $19,965,228 (30 June 2023: $19,978,619). Included in expenses are non-cash related costs (share based payments, impairment, depreciation, amortisation and notional interest expenses) of $5,335,849 (30 June 2023: $6,362,417).

Production and related expenses
Production and related expenses increased by $1,516,010 to $4,935,218 (30 June 2023: $3,419,208). Included are all costs of production such as material, salaries and wages factory related costs as well as research and development expenses. The increase in production and related expenses compared to the increase in revenue for the year shows improved utilisation of the consolidated entity's facilities. The consolidated entity anticipates further improvement in margin as it continues to expand its sales revenue base.

Corporate and administrative expenses
Corporate and administrative expenses decreased by $181,506 to $6,962,459 (30 June 2023: $7,143,965). The slight decrease in corporate and administrative expenses whilst seeing significant sales growth reflects the benefit of the business cost optimisation program and restructure executed in May 2023. It is anticipated that there will be some growth in corporate and administrative expenses as the business continues to grow although the consolidated entity is and will continue to maintain a focus of strict cost control in this and other areas.

Sales, marketing and promotion expenses
Sales, marketing and promotion expenses decreased by $176,435 to $2,461,234 (30 June 2023: $2,637,669). Sales, marketing and promotion expenses include direct marketing costs, salaries and wages related to sales and marketing employees and sales related travel expenses (i.e. for trade shows). Again, the consolidated entity has maintained cost control measures and is seeing the benefit of the May 2023 cost optimisation program in the 2024 financial year. The consolidated entity anticipates increasing spending in this area to support increased sales growth.

Liquidity
The consolidated entity had cash at 30 June 2024 of $2,729,484 (30 June 2023: $1,470,969). The consolidated entity has received increased cash receipts in the first two months of the 2025 financial year including $2,590,408 from four contracts (initial deposit from the OMIC R&D sale, final payment from Sabanci University, final payment from EPCOR and final payment from the Royal Netherlands Army). The consolidated entity will continue to monitor its cash position and sales orders and balance the growth needs of the consolidated entity with the need to maintain a strict cost discipline.

Outlook
The consolidated entity anticipates increased sales revenue in the 2025 financial year underpinned by an increased order pipeline (the consolidated entity received $10,045,691 of orders in the 2024 financial year). As a result of the increased sales the consolidated entity anticipates improvement in operational cash flows and the underlying financial result.

Significant changes in state of affairs
There were no significant changes in state of affairs to the consolidated entity during the year other than identified in this report.

Matters subsequent to the end of the financial year

On 7 August 2024 the consolidated entity issued 12,260,000 shares pursuant to an employee incentive program.

On 8 August 2024 the consolidated entity issued 2,000,000 shares as a result of the exercise of 2,000,000 options at $0.05 per share by a consultant.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation

The consolidated entity is not subject to any significant environment regulation under Australian Commonwealth or State Law or the Netherlands Civil Code.

Material business risks

There are material business risks and uncertainties that have the potential to impact the future prospects of the consolidated entity. These risk factors and other general risks applicable to all investments in listed securities may affect the value of the securities in the future. An investment in the consolidated entity should be considered speculative. Investors may lose some or all of their investment.

A list of the key risk factors affecting the consolidated entity is provided below. The occurrence of any one of the risks below could adversely impact the consolidated entity's operating and financial performance and prospects.

Failure to attract new customers

The success of the consolidated entity's business relies on its ability to attract new business from existing customers and attract new customers across the regions where it operates. The capacity to attract new customers and attract new business from existing customers will be dependent on many factors including the capability, cost-effectiveness and value of the consolidated entity's products and services compared to competing technologies.

Product quality and manufacturing risks

Risks are involved in the ability to translate customer technical objectives into a solution that provides the expected quality of product in a cost-effective manner. The products and technology supplied by the consolidated entity may not be functional, may be faulty, or not meet customers' expectations. This may lead to requirements for the consolidated entity to improve or refine its products, which may diminish operating margins or lead to losses. The products and technology supplied by the consolidated entity, while extensively tested prior to collection, can be damaged in transit. While this risk is insurable, it may diminish operating margins. Some solutions in development need further qualification and testing to achieve required certification levels or may not be developed in a timely manner which could negatively impact the consolidated entity's financial performance.

Regulation and compliance risk

The consolidated entity is subject to regulation relating to export control compliance and quality regulations applicable to the manufacture of its products and various reporting regulations. There can be no guarantee that the regulatory environment in which the consolidated entity or its customers currently operates may not change in the future which may impact on the consolidated entity's existing products. Depending upon the severity of any failure of the consolidated entity or its customers to comply with any applicable regulations, the consolidated entity or its customers could be subject to enforcement actions. If any such actions are imposed against the consolidated entity they could harm the consolidated entity's reputation, and depending upon the severity, could have significant adverse impact upon the consolidated entity's ability to provide services and on its financial condition.

Supplier risk
The consolidated entity sources certain key components for its systems from third party suppliers. The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle. The goods received may not meet the specifications requested or be of the appropriate quality which may also lead to a longer sales cycle. A mitigating factor is to shift to another supplier where possible.

Key personnel risk
The consolidated entity's operational success will substantially depend on the continued employment of key executives, technical staff and other key personnel who have substantial strategic, technical, functional, marketing and customer expertise with the consolidated entity's technology and are familiar with the consolidated entity's business and structure. Although these individuals have entered into contracts with the consolidated entity, there is no assurance that such contracts will not be terminated. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business. The consolidated entity is substantially dependent on the continued service of its existing personnel because of the complexity of its services and technologies. The departure of any key personnel may also lead to disruptions of customer relationships or delays in the manufacturing and product development efforts. There is no assurance that the consolidated entity will be able to retain the services of these persons.

Development risks
The consolidated entity is currently investing into new research and development initiatives and new technologies. While the consolidated entity is not presently aware of any potential problems, the commerciality of new technologies and products based on innovative and new technology is uncertain.

Workplace health and safety
The consolidated entity’s staff work in an environment subject to potential workplace health and safety risks. The consolidated entity and its staff must comply with various workplace health and safety laws. While the consolidated entity continues to comply with existing workplace laws and regulations, changes and the discovery of new risks may give rise to claims against the consolidated entity.

Product liability and warranty risk
The consolidated entity's products are subject to customers' manufacturing standards. There is a risk that the consolidated entity's products may have actual or perceived safety or quality failures or defects which could result in: (a) litigation or claims alleging negligence, product liability or breach of warranty against the consolidated entity; (b) regulatory action; (c) damage to the consolidated entity’s brand and reputation; or (d) the consolidated entity being forced to terminate or delay sales or operations. Despite best practice by the consolidated entity with respect to the manufacture and supply of its products and any insurance that the consolidated entity may hold, the risk of defective products remains and may negatively impact the consolidated entity's reputation, operations and financial prospects.

Ability to have adequate liquidity to continue as a going concern
Although the Directors consider that the consolidated entity will, following recent successful capital raises, have sufficient working capital to carry out its stated objectives and to satisfy the anticipated current working capital and other capital requirements, there can be no assurance that such objectives can continue to be met in the future without securing further funding. The future capital requirements of the consolidated entity will depend on many factors, including the planned increase of its current business and sales, and the consolidated entity may need to raise additional funds from time to time to accelerate expansion of the business. Should the consolidated entity require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. The Directors have prepared the financial statements on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Any inability to obtain additional financing, if required, would have a material adverse effect on the consolidated entity's business, financial condition and results of operations.

Cyber security risks
Cyber and information security risks remain a focal point for all businesses. There is a risk that the consolidated entity is subject to a cyber security incident which could delay our response to our customers or compromise the integrity of our data.

Information on Directors, Company Secretary and Chief Financial Officer

The listed directorships, special responsibilities and shareholdings of each person who has been a Director of the consolidated entity at any time during or since 1 July 2023 is provided below, together with details of the Company Secretary and the Chief Financial Officer as at year end.

Name and title:	**Mr Dag W.R. Stromme** (Independent Non-Executive Chair)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	Audit and Risk Committee member, Remuneration and Nomination Committee member
Interest in shares:	30,188,441 shares
Interest in rights and options:	52,734,375 options

Name and title:	**Mr Humphrey Nolan** (Independent Non-Executive Director)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	Audit and Risk Committee member, Remuneration and Nomination Committee member
Interest in shares:	330,000 shares
Interest in rights and options:	52,500,000 rights

Name and title:	**Mr Herbert Koeck** (Managing Director)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	Chief Executive Officer
Interest in shares:	25,723,850 shares
Interest in rights and options:	60,312,500 options

Name and title:	**Mr Richard Willson** (Independent Non-Executive Director)
Other current directorships:	Non-executive director - Clara Resources Limited (ASX:C7A) (appointed 18 January 2013)
	Non-executive director - Orpheus Uranium Limited (ASX:ORP) (appointed 25 October 2023)
Former directorships (last three years):	Non-executive director - PNX Metals Limited (ASX:PNX) (appointed 18 June 2021, resigned 6 April 2023)
	Non-executive director - Thomson Resources Limited (ASX:TMZ) (appointed 31 July 2019, resigned 13 October 2023)
	Non-executive director - Lanyon Investment Company Limited (ASX:LAN) (appointed 1 April 2021, resigned 11 May 2022)
Membership of committees:	Audit and Risk Committee Chair, Remuneration and Nomination Committee Chair
Interest in shares:	120,000 shares
Interest in rights and options:	37,500,000 rights

Name and title:	**Dr Andreas Schwer** (Independent Non-Executive Director)
Other current directorships:	Managing Director - Electro Optic Systems Holdings Limited (ASX:EOS) (appointed 11 December 2023)
Former directorships (last three years):	None
Membership of committees:	None
Interest in shares:	215,384 shares
Interest in rights and options:	30,000,000 rights

Name and title:	**The Honorable Mira Ricardel** (Independent Non-Executive Director)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	None
Interest in shares:	96,154 shares
Interest in rights and options:	30,000,000 options

Name and title:	**Mr Christopher Healy** (Legal Counsel & Company Secretary)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	None
Interest in shares:	534,383 shares
Interest in rights and options:	Nil

Name and title:	**Mr Geoff Hollis** (Chief Financial Officer)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	None
Interest in shares:	Nil
Interest in rights and options:	Nil

Name and title:	**Mr Jonathan Nield** (former Chief Financial Officer)
Other current directorships:	None
Former directorships (last three years):	None
Membership of committees:	None

Mr Nield was no longer a key management personnel at 30 June 2024 therefore his interests in shares, options and rights are not shown.

Other current listed directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last three years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board		**Audit & Risk Management Committee**	
	No. of meetings eligible to attend	Attended	No. of meetings eligible to attend	Attended
Mr Dag W.R. Stromme	7	7	3	3
Mr Humphrey Nolan	7	7	6	6
Mr Richard Willson	7	7	6	6
Mr Andreas Schwer	7	6	-	-
Ms Mira Ricardel	7	7	-	-
Mr Herbert Koeck	7	7	-	-

The Remuneration and Nomination Committee met informally throughout the year in relation to matters pursuant to the Committee Charter with all key decisions approved at Board level.

Remuneration Report (audited)

The remuneration report details the key management personnel remuneration (KMP) arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Directors present the Titomic Limited 2024 Remuneration Report, outlining key aspects of our remuneration policy and framework and remuneration awarded this year to Titomic Limited's Executive Directors, Non-Executive Directors and other Key Management Personnel.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Remuneration expense and other interest held by key management personnel;
- Options and performance rights holdings;
- Share-based compensation; and
- Additional information.

Principles used to determine the nature and amount of remuneration

(a) The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Having strategic objectives as a core component of the reward framework design;
- Focusing on sustained growth in shareholder wealth, which may comprise growth in share price, increasing opportunities for the consolidated entity as well as focusing the executive on key non-financial drivers of value;
- Alignment of executive compensation to performance; and
- Acceptability to shareholders.

(b) The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel. Accordingly, the reward framework should seek to enhance executives' interests by:

- Rewarding capability and application of relevant experience;
- Being competitive and providing a reasonable framework with regard to applicable industry standards;
- Reflecting competitive rewards for contribution to growth in shareholder wealth; and
- Providing a clear and transparent structure for earning rewards.

The Remuneration and Nomination Committee reviews, recommends and reports to the Board on remuneration and performance appraisal policies and practices.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration are treated separately.

Non-executive director's remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with applicable industry standards.

ASX listing rules require the aggregate non-executive director’s remuneration be determined periodically by a general meeting. At the 2018 Annual General Meeting, the non-executive directors cash related fee pool was approved at $600,000.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has following components:
- Base pay and non-monetary benefits;
- Short-term performance incentives;
- Long-term performance incentives; and
- Other remuneration such as superannuation and leave.

The combination of these components comprises the executive's total remuneration.

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of the reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The CEO consults with the Remuneration and Nomination Committee in relation to executive remuneration. Executive fixed remuneration, consisting of base salary and non-monetary benefits, are reviewed annually based on individual and business performance, the overall performance of the consolidated entity and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executive directors and executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include Sales Revenue and profit contribution, and others as determined by the Nomination and Remuneration Committee.

The long-term incentives ('LTI') include long service leave and share-based payments. Share rights and options are awarded to executives over longer-term periods based on long-term incentive measures (including share price performance and additional tenure). These are aligned to the increase in shareholders’ value.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the role of the individual and the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

Refer to the section 'Additional information' below for details of the earnings and total shareholders' return for the last five years.

Titomic Limited
Directors' Report
For the year ended 30 June 2024

Details of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits		
Year ended 30 June 2024	**Cash salary, bonus and fees**	**Non-monetary benefits**	**Annual leave**	**Super-annuation**	**Long service leave**	**Share-based payments expense**	**Total**
	$	$	$	$	$	$	$
Non-Executive Directors							
Dag W.R. Stromme[(1)]	52,500	-	-	-	-	532,662	585,162
Humphrey Nolan[(2)]	48,750	-	-	-	-	716,142	764,892
Richard Willson[(3)]	43,750	-	-	4,813	-	417,094	465,657
Andreas Schwer[(4)]	30,000	-	-	-	-	350,085	380,085
Mira Ricardel[(5)]	30,000	-	-	-	-	170,052	200,052
Executive Directors							
Herbert Koeck[(6)(7)(8)]	571,500	11,961	4,146	27,662	-	1,055,865	1,671,134
Other Key Management							
Christopher Healy[(9)]	162,938	-	21,491	17,923	1,138	53,207	256,697
Geoff Hollis[(10)]	44,058	-	3,389	4,196	31	-	51,674
Jonathan Nield[(11)(12)]	267,246	-	17,796	24,183	(5,906)	37,699	341,018
Total	**1,250,742**	**11,961**	**46,822**	**78,777**	**(4,737)**	**3,332,806**	**4,716,371**

Share-based payments expense for Directors include expenses in relation to rights and options approved by shareholders at the Annual General Meeting held on 23 November 2023.

(1) Included in Mr Stromme's share-based payments expense were accelerated expenses for modified (cancelled) rights totalling $241,097.

(2) Included in Mr Nolan's share-based payments expense were accelerated expenses for modified (cancelled) rights totalling $424,577.

(3) Included in Mr Willson's share-based payments expense were accelerated expenses for modified (cancelled) rights totalling $208,832.

(4) Included in Mr Schwer's share-based payments expense were accelerated expenses for modified (cancelled) rights totalling $183,476.

(5) Included in Ms Ricardel's share-based payments expense were accelerated expenses for modified (cancelled) options totalling $3,443.

(6) Included in Mr Koeck's share-based payments expense were accelerated expenses for modified (cancelled) rights totalling $322,438.

(7) Included in Mr Koeck's share-based payments expense were $340,000 of expenses relating to the issue of 20,000,000 ordinary shares in December 2023 in consideration for Mr Koeck extending his executive employment agreement.

(8) Included in Mr Koeck's remuneration was a cash bonus of $90,500 paid in November 2023 in respect of the 2023 financial year.

(9) Included in Mr Healy's remuneration was a cash bonus of $7,875 paid in September 2023 in respect of the 2023 financial year.

(10) Mr Hollis commenced as Chief Financial Officer on 13 May 2024.

(11) Included in Mr Nield's remuneration was a cash bonus of $10,350 paid in September 2023 in respect of the 2023 financial year.

(12) Mr Nield retired as Chief Financial Officer on 17 May 2024.

	Short-term benefits			**Post-employment benefits**	**Long-term benefits**		
Year ended 30 June 2023	**Cash salary, bonus and fees**	**Non-monetary benefits**	**Annual leave**	**Super-annuation**	**Long service leave**	**Share-based payments expense (restated)[1]**	**Total**
	$	$	$	$	$	$	$
Non-Executive Directors							
Dag W.R. Stromme	30,000	-	-	-	-	150,321	180,321
Humphrey Nolan	57,500	-	-	-	-	243,172	300,672
Richard Willson	40,000	-	-	4,200	-	123,847	168,047
Andreas Schwer	30,000	-	-	-	-	323,517	353,517
Mira Ricardel	30,000	-	-	-	-	49,103	79,103
Executive Directors							
Herbert Koeck	427,500	28,694	3,462	25,424	-	322,438	807,518
Other Key Management							
Christopher Healy	172,875	-	11,410	18,764	-	40,921	243,970
Jonathan Nield	225,400	-	2,654	24,875	-	53,782	306,711
Total	**1,013,275**	**28,694**	**17,526**	**73,263**	**-**	**1,307,101**	**2,439,859**

[1]Share-based payments were restated for the year ended 30 June 2023 due to a correction of error. Share-based payments expenses disclosed in the above table has been increased by $376,585 ($57,464 increase for Mr. Stromme, $57,464 increase for Mr. Nolan, $30,997 increase for Mr Wilson and $230,660 increase for Mr Schwer). Refer to note 36 for detailed information on restatement of comparatives.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		**At risk - STI**		**At risk - LTI**	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Non-Executive Directors						
Dag W.R. Stromme	9%	17%	-	-	91%	83%
Humphrey Nolan	6%	19%	-	-	94%	81%
Richard Willson	10%	26%	-	-	90%	74%
Andreas Schwer	8%	8%	-	-	92%	92%
Mira Ricardel	15%	38%	-	-	85%	62%
Executive Directors						
Herbert Koeck	31%	60%	5%	-	63%	40%
Other Key Management						
Christopher Healy	76%	83%	3%	-	21%	17%
Geoff Hollis	100%	N/A	-	-	-	-
Jonathan Nield	86%	82%	3%	-	11%	18%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Herbert Koeck
Title:	CEO
Agreement commenced:	1 July 2021 and extended effective 15 December 2023
Term of agreement:	Two years from 15 December 2023
Details:	- Base salary is AUD 512,000
	- STI annual cash bonus up to AUD 225,000 subject to performance hurdles
	- Issued 20 million ordinary shares as a sign-on bonus
	- LTI issued 60 million options in two tranches as outlined within this report
	- 6 month notice period and 12 month post employment restraint

Name:	Mr Christopher Healy
Title:	Legal Counsel & Company Secretary
Agreement commenced:	1 January 2022
Term of agreement:	Ongoing
Details:	- Base salary is AUD 156,750 plus statutory superannuation (Mr Healy works three days per week)
	- Eligibility to participate in executive team LTI program
	- 3 month notice period and 12 month post employment restraint

Name:	Mr Geoff Hollis
Title:	Chief Financial Officer
Agreement commenced:	13 May 2024
Term of agreement:	Ongoing
Details:	- Base salary is AUD 320,000 plus statutory superannuation
	- Eligibility to participate in STI program up to 20% of base salary
	- Eligibility to participate in executive team LTI program
	- 3 month notice period and 12 month post employment restraint

Titomic Limited
Directors' Report
For the year ended 30 June 2024

Number of ordinary shares held by key management personnel

Year ended 30 June 2024		Balance at the start of the year	Balance at the appointment date	Granted as comp-ensation	Net changes (other)	Adjustment	Balance at the end of the year
Non-Executive Directors							
Dag W.R. Stromme[(1)(2)]		1,572,255	-	-	28,616,186	-	30,188,441
Humphrey Nolan[(3)]		100,000	-	-	230,000	-	330,000
Richard Willson		120,000	-	-	-	-	120,000
Andreas Schwer		215,384	-	-	-	-	215,384
Mira Ricardel		96,154	-	-	-	-	96,154
Executive Directors							
Herbert Koeck[(4)(5)(6)]		1,677,729	-	20,187,344	3,858,777	-	25,723,850
Other Key Management							
Christopher Healy[(7)(8)(9)]		127,952	-	-	406,431	-	534,383
Jonathan Nield[(10)(11)(12)(13)]		92,342			413,439	(505,781)	-
Geoff Hollis		-	-	-	-		-
Total		**4,001,816**	**-**	**20,187,344**	**33,524,833**	**(505,781)**	**57,208,212**

Issue of shares to key management personnel
(1)3,616,186 shares were issued to Dag Stromme on 24 July 2023 as a result of his participation in the retail entitlement offer.
(2)25,000,000 shares were issued to Dag Stromme on 7 December 2023 as a result of his participation in a placement.
(3)230,000 shares were issued to Humphrey Nolan on 24 July 2023 as a result of his participation in the retail entitlement offer.
(4)187,344 shares were issued to Herbert Koeck on 8 November 2023 as part of his agreed 5% salary sacrifice.
(5)20,000,000 shares were issued to Herbert Koeck on 20 December 2023 as a sign-on bonus for extending his tenure of employment.
(6)3,858,777 shares were issued to Herbert Koeck on 24 July 2023 as a result of his participation in the retail entitlement offer.
(7)294,290 shares were issued to Christopher Healy on 24 July 2023 as a result of his participation in the retail entitlement offer.
(8)70,260 shares were issued to Christopher Healy on 13 December 2023 as a result of participation in the employee LTI plan.
(9)41,881 shares were issued to Christopher Healy between 9 August 2023 and 9 November 2023 (in four tranches) as a result of participation in the employee salary sacrifice plan.
(10)212,386 shares were issued to Mr Nield on 24 July 2023 as a result of participation in the retail entitlement offer.
(11)92,342 shares were issued to Mr Nield on 13 December 2023 as a result of participation in the employee LTI plan.
(12)108,711 shares were issued to Mr Nield between 9 August 2023 and 15 December 2023 (in six tranches) as a result of participation in the employee salary sacrifice plan.
(13)Mr Nield retired effective 17 May 2024 therefore no balance is reflected at year end.

Titomic Limited
Directors' Report
For the year ended 30 June 2024

Options and performance rights to key management personnel

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date ($)
Herbert Koeck	25,000,000	4-Dec-23	4-Dec-24	4-Dec-26	0.03	0.015
Herbert Koeck	35,000,000	4-Dec-23	4-Dec-25	4-Dec-27	0.05	0.014
Dag Stromme	17,500,000	4-Dec-23	4-Dec-24	4-Dec-26	0.03	0.015
Dag Stromme	17,500,000	4-Dec-23	4-Dec-25	4-Dec-27	0.05	0.014
Dag Stromme	17,500,000	4-Dec-23	4-Dec-25	4-Dec-27	0.07	0.012
Mira Ricardel	10,000,000	4-Dec-23	4-Dec-24	4-Dec-26	0.03	0.015
Mira Ricardel	10,000,000	4-Dec-23	4-Dec-25	4-Dec-27	0.05	0.014
Mira Ricardel	10,000,000	4-Dec-23	4-Dec-25	4-Dec-27	0.07	0.012

Options granted carry no dividend or voting rights.

The number of options over ordinary shares held by key management personnel are as follows:

Year ended 30 June 2024	Balance at the start of the year	Additions	Lapsed / cancelled / other	Balance at the end of the year
Non-Executive Directors				
Dag W.R. Stromme	503,606	52,500,000	(269,231)	52,734,375
Humphrey Nolan	-	-	-	-
Richard Willson	-	-	-	-
Andreas Schwer	115,384	-	(115,384)	-
Mira Ricardel	2,596,154	30,000,000	(2,596,154)	30,000,000
Executive Directors				
Herbert Koeck	312,500	60,000,000	-	60,312,500
Other Key Management				
Christopher Healy	57,692	-	(57,692)	-
Jonathan Nield	-	-	-	-
Geoff Hollis	-	-	-	-
Total	**3,585,336**	**142,500,000**	**(3,038,461)**	**143,046,875**

Addition to options for the Directors above were approved by shareholders at the Annual General Meeting held on 23 November 2023.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting are as follows:

Name	**Fair value per right at grant date ($)**	**Number of rights granted**	**Grant date**	**Hurdle (15 day VWAP)**	**Vesting date**	**Expiry Date**
Humphrey Nolan	0.015	17,500,000	4-Dec-23	0.03	4-Dec-24	4-Dec-26
Humphrey Nolan	0.014	17,500,000	4-Dec-23	0.05	4-Dec-25	4-Dec-27
Humphrey Nolan	0.012	17,500,000	4-Dec-23	0.07	4-Dec-25	4-Dec-27
Richard Willson	0.015	12,500,000	4-Dec-23	0.03	4-Dec-24	4-Dec-26
Richard Willson	0.014	12,500,000	4-Dec-23	0.05	4-Dec-25	4-Dec-27
Richard Willson	0.012	12,500,000	4-Dec-23	0.07	4-Dec-25	4-Dec-27
Andreas Schwer	0.015	10,000,000	4-Dec-23	0.03	4-Dec-24	4-Dec-26
Andreas Schwer	0.014	10,000,000	4-Dec-23	0.05	4-Dec-25	4-Dec-27
Andreas Schwer	0.012	10,000,000	4-Dec-23	0.07	4-Dec-25	4-Dec-27

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares held by key management personnel are as follows:

Year ended 30 June 2024	Balance at the start of the year	Additions	Lapsed / cancelled / other	Balance at the end of the year
Non-Executive Directors				
Dag W.R. Stromme	2,572,917	-	(2,572,917)	-
Humphrey Nolan	4,572,917	52,500,000	(4,572,917)	52,500,000
Richard Willson	2,252,083	37,500,000	(2,252,083)	37,500,000
Andreas Schwer	3,833,333	30,000,000	(3,833,333)	30,000,000
Mira Ricardel	-	-	-	-
Executive Directors				
Herbert Koeck	6,655,808	-	(6,655,808)	-
Other Key Management				
Christopher Healy	-	-	-	-
Jonathan Nield	-	-	-	-
Geoff Hollis	-	-	-	-
Total	**19,887,058**	**120,000,000**	**(19,887,058)**	**120,000,000**

Addition to performance rights for the Directors above were approved by shareholders at the Annual General Meeting held on 23 November 2023.

Additional information

The historical earnings of the Consolidated Entity are summarised below:

	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
	$	$	$	$	$
Revenue	7,697,370	4,488,394	5,320,623	1,984,951	2,006,375
Net loss after tax	(11,892,164)	(15,709,484)	(16,971,886)	(17,175,346)	(10,826,806)
Total remuneration of KMP	4,716,371	2,439,859	3,756,876	1,774,354	949,692
Total performance-based remuneration	2,145,483	1,307,101	1,904,543	886,612	155,209

Note: total performance based remuneration for the 2024 financial year excludes expenses relating to cancellation of rights and options.

Increase / (decrease) in revenue (%)	71%	(16%)	168%	(1%)	36%
Change in share price (%)	265%	(93%)	(35%)	33%	(70%)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price - start of the financial year ($)	0.02	0.26	0.40	0.60	2.02
Share price - end of the financial year ($)	0.07	0.02	0.26	0.40	0.60
Basic earnings per share (cents)	(0.01)	(7.16)	(9.05)	(11.21)	(8.07)
Diluted earnings per share (cents)	(0.01)	(7.16)	(9.05)	(11.21)	(8.07)

Voting and comments made at the Company's 2023 Annual General Meeting

At the 2023 Annual General Meeting , 96.04% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The consolidated entity did not receive any specific feedback at the Annual General Meeting regarding its remunerations practices.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Titomic Limited under option at the date of this report are as follows:

Grant date	Expiry date	Hurdle price	Exercise price	Number under option
8-May-23	8-May-26	$0.000	$0.400	22,312,500
4-Dec-23	4-Dec-26	$0.030	$0.000	52,500,000
4-Dec-23	4-Dec-27	$0.050	$0.000	62,500,000
4-Dec-23	4-Dec-27	$0.070	$0.000	27,500,000
19-Mar-24	18-Mar-27	$0.070	$0.070	2,000,000
				166,812,500

Performance rights outstanding
Performance rights outstanding for Titomic Limited as at the date of this report are as follows:

Grant date	Expiry date	Hurdle price	Exercise price	Number of rights
4-Dec-23	4-Dec-26	$0.030	$0.000	40,000,000
4-Dec-23	4-Dec-27	$0.050	$0.000	40,000,000
4-Dec-23	4-Dec-27	$0.070	$0.000	40,000,000
				120,000,000

Shares issued on the exercise of options
The following ordinary shares of Titomic Limited were issued during the prior year and up to the date of this report on the exercise of options.

Date options granted	Exercise price	Number of shares issued
8-Aug-24	$0.0500	2,000,000

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

A total of $17,500 of pre-approved non-audit services were provided during the financial year by the auditor in relation to international payroll advice. The Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of these non-audit services mean that auditor independence was not compromised.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Dag W.R. Stromme

Dag W.R. Stromme
Chair

30 August 2024

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DECLARATION OF INDEPENDENCE BY KATHERINE ROBERTSON TO THE DIRECTORS OF TITOMIC LIMITED

As lead auditor of Titomic Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Titomic Limited and the entities it controlled during the period.

Katherine Robertson
Director

BDO Audit Pty Ltd

Melbourne, 30 August 2024

Titomic Limited
Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	30-Jun-24	30-Jun-23 Restated
		$	$
Revenue			
Sales revenue	6	5,923,876	2,619,421
Other revenue	6	1,773,494	1,868,973
		7,697,370	**4,488,394**
Fair value adjustment	4	616,033	(219,259)
Expenses			
Production and related expenses		(4,935,218)	(3,419,208)
Corporate and administrative expenses		(6,962,459)	(7,143,965)
Sales, marketing and promotion expenses		(2,461,234)	(2,637,669)
Other expenses		(48,874)	(136,122)
Remuneration expense on Tri-D and Dycomet acquisition	8	(113,400)	(162,415)
Corporate and administrative - share based payments expenses	9	(4,060,524)	(1,888,663)
Impairment loss	10	(913,639)	(2,688,470)
Depreciation expenses	7	(160,649)	(1,584,221)
Amortisation expenses	7	-	(70,096)
Finance costs	7	(309,231)	(247,790)
		(19,965,228)	**(19,978,619)**
Loss before income tax expense		**(11,651,825)**	**(15,709,484)**
Income tax expense	11	(240,339)	-
Net Loss after Income Tax Expense		**(11,892,164)**	**(15,709,484)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve	26	(102,304)	52,702
Income tax relating to these items		-	-
Other comprehensive income/(loss), net of tax		(102,304)	52,702
Total comprehensive Income (loss) for the year Attributable to the Owners of Titomic Limited		**(11,994,468)**	**(15,656,782)**
		Cents	**Cents**
Basic earnings (loss) per share	12	(0.0136)	(7.1565)
Diluted earnings (loss) per share	12	(0.0136)	(7.1565)

Refer to note 36 for detailed information on restatement of comparatives.

These financial statements should be read in conjunction with the accompanying notes.

Titomic Limited
Consolidated Statement of Financial Position
As at 30 June 2024

	Note	30-Jun-24	30-Jun-23 Restated
		$	$
Current Assets			
Cash and cash equivalents	**13**	2,729,484	1,470,969
Trade and other receivables	**14**	644,416	409,181
Inventories	**15**	3,463,468	2,733,253
Other current assets	**16**	651,111	1,198,885
Total Current Assets		7,488,479	5,812,288
Non-Current Assets			
Property, plant and equipment	**17**	536,538	485,473
Right-of-use assets	**18**	19,313	55,291
Intangible assets	**19**	-	-
Other non-current assets		30,897	-
Total Non-Current Assets		586,748	540,764
Total Assets		**8,075,227**	**6,353,052**
Current Liabilities			
Trade and other payables	**20**	1,712,776	1,009,173
Provisions	**21**	686,419	425,724
Provision for income tax		151,491	-
Lease liabilities	**23**	340,179	406,853
Other financial liabilities	**24**	1,766,076	1,930,293
Borrowings	**22**	387,123	1,017,725
Total Current Liabilities		5,044,064	4,789,768
Non-Current Liabilities			
Provisions	**21**	101,711	113,423
Lease liabilities	**23**	387,141	704,670
Other financial liabilities	**24**	1,511,877	1,460,149
Total Non-Current Liabilities		2,000,729	2,278,242
Total Liabilities		**7,044,793**	**7,068,010**
Net Assets / (Liabilities)		**1,030,434**	**(714,958)**
Equity			
Issued capital	**25**	75,211,575	63,790,575
Reserves	**26**	10,417,654	8,201,098
Accumulated losses	**27**	(84,598,795)	(72,706,631)
Total Equity		**1,030,434**	**(714,958)**

Refer to note 36 for detailed information on restatement of comparatives.

These financial statements should be read in conjunction with the accompanying notes.

Titomic Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2022	57,853,211	6,556,556	(56,997,147)	7,412,620
Net loss after income tax (Restated - refer Note 36)	-	-	(15,709,484)	(15,709,484)
Other comprehensive income/(loss) after tax	-	52,702	-	52,702
Total comprehensive income/(loss)	-	52,702	(15,709,484)	(15,656,782)
Transactions with owners in their capacity as owners				
Contributions of equity	5,100,000	-	-	5,100,000
Costs of contributions of equity	(344,710)	-	-	(344,710)
Share based payments (Restated - refer Note 36)	1,182,074	841,840	-	2,023,914
Advance payment for share capital issued post year end	-	750,000	-	750,000
Balance as at 30 June 2023	**63,790,575**	**8,201,098**	**(72,706,631)**	**(714,958)**

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2023	63,790,575	8,201,098	(72,706,631)	(714,958)
Net loss after income tax	-	-	(11,892,164)	(11,892,164)
Other comprehensive income/(loss) after tax	-	(102,304)	-	(102,304)
Total comprehensive income/(loss)	-	(102,304)	(11,892,164)	(11,994,468)
Transactions with owners in their capacity as owners				
Contributions of equity	10,246,245	-	-	10,246,245
Advance payment of share capital received in the prior year	750,000	(750,000)	-	-
Costs of contributions of equity	(663,981)	-	-	(663,981)
Share based payments	1,088,736	3,068,860	-	4,157,596
Balance as at 30 June 2024	**75,211,575**	**10,417,654**	**(84,598,795)**	**1,030,434**

Refer to note 36 for detailed information on restatement of comparatives.

These financial statements should be read in conjunction with the accompanying notes.

Titomic Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	30-Jun-24 $	30-Jun-23 $
Cash Flows from Operating Activities			
Receipts from customers (inclusive of GST)		6,305,026	3,639,676
Payments to suppliers and employees (inclusive of GST)		(14,010,699)	(15,131,237)
Interest received		39,092	23,023
Interest and other finance costs paid		(74,691)	(113,869)
Income tax paid		(88,848)	-
Government grants and tax incentives		1,599,413	825,451
Other revenue		-	38,000
Net cash outflow from operating activities	**30**	**(6,230,707)**	**(10,718,956)**
Cash Flows from Investing Activities			
Payments for deferred consideration in relation to business acquisition		(248,385)	-
Payments for investment in other assets		(30,897)	-
Payment for property, plant and equipment		(897,071)	(925,247)
Proceeds from disposal of property, plant and equipment		-	21,377
Proceeds from / (payment for) other assets (security deposits)		107,553	149,401
Net cash outflow from investing activities		**(1,068,800)**	**(754,469)**
Cash Flows from Financing Activities			
Proceeds from the issue of shares	**25**	10,246,245	5,100,000
Payment for the principal portion of lease liabilities		(305,020)	(321,778)
Proceeds from the advance payment of shares		-	750,000
Proceeds from borrowings		-	900,000
Share issue transactions costs	**25**	(751,468)	(344,710)
Repayment of borrowings		(614,192)	(300,000)
Net cash inflow from financing activities		**8,575,565**	**5,783,512**
Net increase (decrease) in cash and cash equivalents		1,276,058	(5,689,913)
Cash and cash equivalents at start of year		1,470,969	7,108,180
Effects of exchange rate changes on cash and cash equivalents		(17,543)	52,702
Cash and cash equivalents at end of year	**13**	**2,729,484**	**1,470,969**

These financial statements should be read in conjunction with the accompanying notes.

1 Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

General information

The financial statements cover Titomic Limited as a consolidated entity consisting of Titomic Limited and the entities it controlled at the end of or during, the year. The financial statements are presented in Australian dollars, which is Titomic Limited's functional and presentation currency.

Titomic Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Ground Floor, 365 Ferntree Gully Road, Mount Waverley, Victoria 3149, Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, as of the date of the directors' report. The directors have the power to amend and reissue the financial statements.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* , as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the *Corporations Act 2001* , these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Titomic Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Titomic Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

1 Material accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Comparatives
Comparative figures for the prior year have been re-classified where appropriate to align with current year disclosures.

b) Going Concern
The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss from ordinary activities of $11,892,164 during the year ended 30 June 2024 (2023: $15,709,484 loss) and had a net cash outflow from operating activities of $6,230,707 (2023: $10,718,956). As at 30 June 2024 the consolidated entity had a net asset position of $1,030,434 (2023: net liability position of $714,958).

The consolidated entity has prepared a cash flow forecast based on its expected level of expenditure which indicates that the consolidated entity will require an improved cash flow position within the next 12 months to meet its forecast net outgoings. In order to support the entity's cash flow position over this period, the consolidated entity will need to generate additional net cash flow by increasing revenue, reducing expenditure or raising funds through other sources, including debt or equity capital. A successful capital raise was completed in May 2024 raising a total of $4,500,000 million before costs.

The ability to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The reliance on future funding described above indicates a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as going concern. Notwithstanding the financial statements have been prepared on the basis that the consolidated entity is a going concern which contemplates the continuity of its business, the realisation of assets and the settlement of liabilities in the normal course of business.

1 Material accounting policies (continued)

In determining that the basis for the preparation of the Financial Statements on a going concern basis is appropriate, the Directors have reviewed the consolidated entity’s current financial performance, future operating plans (including cashflow forecasts), customer pipeline opportunities, financial position, and existing cash resources available. The Directors expect that the consolidated entity will be able to continue as a going concern for at least 12 months from the date of authorisation of this Financial Report, which contemplates continuity of the consolidated entity’s normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the consolidated entity not be able to trade as forecasted or to secure sufficient funding to continue as a going concern. If the going concern basis of accounting is found to no longer be appropriate, the recoverable amount of the assets shown in the Statement of Financial Position is likely to be significantly less than the amounts disclosed, and the extent of liabilities may differ significantly from those reflected.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

c) Foreign currency translation

The financial statements are presented in Australian dollars, which is Titomic Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

1 Material accounting policies (continued)

d) Revenue recognition

Revenue recognition
Revenue is measured at an amount that reflects the consideration to which the Consolidated entity expects to be entitled in exchange for the goods or services. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Manufacturing and sale of machines, projects and consumables
Revenue from the sale of goods (e.g., systems and spare parts, metal powders, OEM manufacturing) is recognised at the point in time when control of the goods is transferred to the customer.

Specifically, in the case of the sale of TKF Systems, revenue will be recognised when the consolidated entity has fulfilled its obligations under the contract, which will mainly be the delivery and commissioning of the TKF Systems. Subject to the terms of the sale agreement, there will be a provision for warranties deducted.

Rental of machinery
Rental of machinery revenue is recognised as income in the period when earned.

Interest
Interest revenue is recognised using the effective interest rate method.

Grant revenue and Research & Development incentives
Government grants are recognised when they are received or when the right to receive payment is established. The Consolidated entity may undertake R&D activities under competitive grants and be part-funded by other incentive programs (for example R&D tax incentives). There is no certainty that grants or incentive programs will continue to be available to the Consolidated entity, and changes in government policy may reduce their applicability. R&D tax incentives are recorded as revenue when the company has determined that it has a valid claim.

Receivables from contracts with customers
A receivable from a contract with a customer represents the company’s unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

1 Material accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is measured net of the amount of Goods and Services Tax (GST).

e) Income tax
Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

f) Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

g) Inventories
Inventories including raw materials and consumables are valued using a standard costing method, which is reviewed and recalculated periodically on an annual or bi-annual basis. Standard costs include supplier’s nominated prices or latest actual purchase cost and an additional proportion of anticipated in-bound freight or inventory handling costs. Quantitative movements are conducted and recorded on a first-in-first-out basis, incorporating standard costs to determine transactional financial values.

Inventories including finished goods and work in progress (WIP) are measured as a combination of value of raw materials consumed, direct labour costs assigned and appropriate allocation of overhead expenses.

1 Material accounting policies (continued)

h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 14 for further information about the consolidated entity's accounting for trade receivables.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

j) Property, plant and equipment

All property, plant and equipment, including capital work in progress (WIP) are stated at historical cost less depreciation. Historical cost includes expenditures that are directly attributable to the acquisition of the items. For capital WIP, depreciation commences upon the asset becoming operational. For all other assets, depreciation commences upon the date of purchase.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the consolidated entity and the cost of the asset can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method of depreciation to allocate the cost or revalued amounts of the asset, net of the residual values, over the estimated useful life of the asset or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Building fitouts	Lesser of lease life or 10 years
Factory equipment	4 - 10 years
Machinery	5 - 10 years
Computer equipment	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

1 Material accounting policies (continued)

k) Right-of-use assets

Right-of-use assets are measured at cost less depreciation and impairment and adjusted for any remeasurement of the lease liability.

The cost of the asset includes: the amount of the initial measurement of the lease liability; any lease payments made at or before lease commencement date less any lease incentives received; and initial direct costs; and present value of expected restoration costs.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The consolidated entity tests right-of-use assets for impairment where there is an indicator that the asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Consolidated entity determines the lease term as the non-cancellable period of a lease together with both: the periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Management performed an impairment test as at 30 June 2023. The impairment test was based on a value in use methodology in accordance with AASB 136: Impairment of Assets. Given the uncertainty attached to future cashflows, an impairment loss has been recognised for Right-of-Use assets that had a value in use or fair value less cost to sell below its carrying amount in accordance with the accounting standard.

l) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Amortisation is calculated using the straight-line method of amortisation to allocate the cost amounts of the asset, net of the residual values, over the estimated useful life of the intangible asset, as follows:

Technology	4 - 6 years
Customer relations	1 - 5 years
Brands	2- 5 years

Goodwill

As at 30 June 2024, the Consolidated entity has fully impaired its goodwill.

1 Material accounting policies (continued)

Other intangible assets
Other intangible assets with definite useful lives represent values associated with brand, technology and customer relationships and have been recognised as part of determining the fair value of assets and liabilities of the acquired business combination and valued and accounted for at the date of acquisition. These intangibles are amortised over their respective useful lives determined as a part of fair valuation of the acquired business combination as at the acquisition date.

Management performed an impairment test as at 30 June 2023. The impairment test was based on a value in use methodology in accordance with AASB 136: Impairment of Assets. Given the uncertainty attached to future cashflows, an impairment loss has been recognised for those intangible and other non-current assets that had a value in use or fair value less cost to sell below its carrying amount in accordance with the accounting standard. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its value in use and its fair value less the cost of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard.

m) Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

o) Lease liabilities
Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If that rate cannot be determined, the consolidated entity's incremental borrowing rate is used.

Lease liabilities are subsequently measured by: increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income in the period in which they relate.

p) Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

1 Material accounting policies (continued)

q) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable that the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

r) Employee benefits

Short-term employee benefits

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

Other long-term employee benefits

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the consolidated entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

Defined contribution superannuation plan

The Company makes superannuation contributions (currently 11% of the employee's average ordinary salary) to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year.

These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The Company's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

1 Material accounting policies (continued)

Share-based payments
Share-based compensation benefits may be provided through the issue of fully paid ordinary shares under the Employee Share and Option Plan. Options may also be granted to employees and consultants in accordance with the terms of their respective employment and consultancy agreements. Any options granted to employees are made in accordance with the terms of the consolidated entity's Employee Share and Option Plan (ESOP).

The fair value of options granted under employment and consultancy agreements are recognised as share based payment expenses with a corresponding increase in equity. The fair value of the options are measured at grant date and recognised over the period during which the employees or consultants become unconditionally entitled to the options.

The fair value of the options at grant date is determined using a Monte Carlo method pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of any equity granted may include the impact of market (for example, share price target) and non-market vesting conditions (for example, profitability and sales growth targets). These vesting conditions are included in assumptions about the number of securities that are expected to be issued or become exercisable. At each reporting date, the entity assesses, and when necessary revises the estimated number of securities that are expected to be issued or become exercisable. The expense recognised each period takes into account the most recent estimate. The impact of any revision to original estimates is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to contributed equity.

The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

1 Material accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

s) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests.

For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

t) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

1 Material accounting policies (continued)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

u) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Titomic Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

1 Material accounting policies (continued)

x) Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

y) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2 Critical Accounting Estimates, Assumptions and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Research and development tax incentive

The consolidated entity adopts the income approach to accounting for the research and development tax incentive pursuant to AASB 120 'Accounting for Government Grants and Disclosure of Government Assistance'. The directors have concluded that the consolidated entity has developed sufficient systems and knowledge to allow reasonable assurance to be obtained with respect to the measurement and recognition of the tax rebates at a point when they believe they have a valid claim. The claim incorporates estimates around R&D apportionment for certain shared assets (such as machines and employees) and judgements around the expense’s eligibility under the Tax Incentive Application.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by a Monte-Carlo method pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

2 Critical Accounting Estimates, Assumptions and Judgements (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill
The consolidated entity assesses the impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment
The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Deferred consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

3 Financial risk management

(a) Financial instruments

The consolidated entity's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables. Financial instruments are set out below:

	30-Jun-24	30-Jun-23
	$	$
Cash and cash equivalents	2,729,484	1,470,969
Trade and other receivables	644,416	409,181
Other current assets	651,111	1,198,885
Trade and other payables	1,712,776	1,009,173
Other financial liabilities	3,277,953	3,390,442
Lease liabilities	727,320	1,111,523
Borrowings	387,123	1,017,725

The fair values of cash and cash equivalents, trade and other receivables, other current assets, trade and other payables, other financial liabilities, lease liabilities and borrowings approximate to their carrying amounts largely due to being liquid assets or liabilities.

(b) Risk management policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the consolidated entity's implementation of that system on a regular basis.

The Board and Senior Management identify the general areas of risk and assess the potential impact of any of these risks on the activities of the consolidated entity, with Management performing a regular review of:

- the major risks that may or do occur within the business;
- the degree of risk involved;
- the current approach of managing or mitigating the risk; and
- if appropriate, determine: any inadequacies of the current approach; and possible new approaches that more efficiently and effectively address the risk.

Financial risk management

Management report risks identified to the Board through regular reporting.

The consolidated entity seeks to ensure that its exposure to undue risk which may impact its financial performance, continued growth, and viability is minimised in a cost-effective manner.

The main risks the consolidated entity is exposed to through its operations are interest rate risk, credit risk, currency and liquidity risk.

Interest rate risk

The consolidated entity is exposed to interest rate risks via the cash and cash equivalents and borrowings that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate because of changes in market interest rates. The objective of managing interest rate risk is to minimise the consolidated entity's exposure to fluctuations in interest rates that might impact its interest revenue, interest expense and cash flow.

3 Financial risk management (continued)

There has been no change to the Company's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2024.

The following table outlines the Consolidated entity's exposure to interest rate risk in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities:

	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate	Fixed / variable rate
	$	$	$		
30-Jun-24					
Financial assets					
Cash	1,450,165	1,279,319	2,729,484	2.40%	Variable
Trade and other receivables	-	644,416	644,416	-	
Other current assets - prepayments	-	388,764	388,764	-	
Other current assets - security deposits	262,347	-	262,347	4.15%	Variable
Total financial assets	**1,712,512**	**2,312,499**	**4,025,011**		
Financial liabilities					
Trade and other payables	-	1,712,776	1,712,776	-	
Borrowings - Insurance premium funding	344,631	-	344,631	4.15%	Fixed
Borrowings - other	42,492	-	42,492	13.75%	Fixed
Other financial liabilities - CSIRO	1,366,436	-	1,366,436	7.32%	Variable
Other financial liabilities - deferred and contingent consideration	492,413	-	492,413	7.32%	Variable
Other financial liabilities	-	1,419,104	1,419,104	-	
Lease liabilities	727,320	-	727,320	6.67%	Fixed
Total financial liabilities	**2,973,292**	**3,131,880**	**6,105,172**		
30-Jun-23					
Financial assets					
Cash	720,652	750,317	1,470,969	2.50%	Variable
Trade and other receivables	-	409,181	409,181	-	
Other current assets - prepayments	-	828,985	828,985	-	
Other current assets - security deposits	369,900	-	369,900	2.20%	Variable
Total financial assets	**1,090,552**	**1,988,483**	**3,079,035**		
Financial liabilities					
Trade and other payables	96,860	912,313	1,009,173	8.93%	Variable
Borrowings - bridging loan	600,000	-	600,000	12.00%	Fixed
Borrowings - Insurance premium funding	334,653	-	334,653	4.20%	Fixed
Borrowings - other	83,073	-	83,073	13.75%	Fixed
Other financial liabilities - CSIRO	1,654,499	-	1,654,499	7.09%	Variable
Other financial liabilities - deferred and contingent consideration	878,097	-	878,097	7.32%	Variable
Other financial liabilities	-	857,846	857,846	-	
Lease liabilities	1,111,523	-	1,111,523	6.67%	Fixed
Total financial liabilities	**4,758,705**	**1,770,159**	**6,528,864**		

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

3 Financial risk management (continued)

Profit and loss is sensitive to changes in interest income earned on cash and cash equivalents as a result in changes to deposit interest rates.

	30-Jun-24	30-Jun-23
	$	$
1% change in interest rates		
Impact on loss after tax for the period	12,608	14,710
Impact on equity	(12,608)	14,710

The choice of 1% change in interest rates was determined having regard to the level of prevailing interest rates in Australia during FY2024 and FY2023.

Credit risk
The consolidated entity is exposed to credit risk via its cash and cash equivalents and trade and other receivables. Credit risk is the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the consolidated entity. To reduce risk exposure for the consolidated entity's cash and cash equivalents, it places them with high credit quality financial institutions and performs background credit checks on counterparties where appropriate.

The consolidated entity holds the view that it does not have significant credit risk at this time in respect of its receivables.

Trade receivables consisted of a small number of transactions with multiple counterparties in the year ended 30 June 2024. Ongoing credit evaluations are performed on the financial condition of each account receivable.

The maximum exposure to credit risk at balance date of recognised financial assets is the carrying amount of those assets net of any allowance for credit losses as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The consolidated entity from time to time may be exposed to foreign currency fluctuations due to overseas amounts receivable from customers, or payable to suppliers denominated in foreign currencies. The consolidated entity has bank accounts in, and holds cash balances in, the countries in which it operates therefore resulting in a natural hedge for part of its currency risk exposure.

Liquidity risk
The consolidated entity is exposed to liquidity risk via trade and other payables.

Liquidity risk is the risk that the consolidated entity will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the consolidated entity's Management to ensure that the consolidated entity continues to be able to meet its debts as and when they fall due.

Contracts are not entered into unless the Board believes that there are sufficient cash flows to fund the additional activity. The Board considers whether the consolidated entity needs to raise additional funding from the equity markets when reviewing its undiscounted cash flow forecasts.

3 Financial risk management (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore, these totals may differ from their carrying amount in the statement of financial position.

	Less than 12 months	1-2 years	2-5 years	Over 5 years	Total contractual maturities
	$	$	$	$	$
30-Jun-24					
Non-derivatives					
Non-interest bearing					
Trade payables	548,255	-	-	-	548,255
Accrued expenses	958,003	-	-	-	958,003
Other payables	206,518	-	-	-	206,518
Interest bearing					
Borrowings - Insurance premium funding	344,632	-	-	-	344,632
Borrowings - other	42,492	-	-	-	42,492
Other financial liabilities - CSIRO	75,000	75,000	225,000	2,025,000	2,400,000
Lease liabilities	350,586	231,194	177,268	-	759,048
Total non-derivatives	**2,525,486**	**306,194**	**402,268**	**2,025,000**	**5,258,948**
30-Jun-23					
Non-derivatives					
Non-interest bearing					
Trade payables	645,127	-	-	-	645,127
Accrued expenses	63,279	-	-	-	63,279
Other payables	300,767	-	-	-	300,767
Interest bearing					
Borrowings - bridging loan	600,000	-	-	-	600,000
Borrowings - Insurance premium funding	334,653	-	-	-	334,653
Borrowings - other	63,738	42,492	-	-	106,230
Other financial liabilities - CSIRO	660,714	150,000	225,000	618,785	1,654,499
Lease liabilities	458,623	383,643	429,782	-	1,272,048
Total non-derivatives	**3,126,901**	**576,135**	**654,782**	**618,785**	**4,976,603**

4 Fair value measurement

	30-Jun-24	**30-Jun-23**
	$	**$**
Fair value adjustment		
Fair value gain/(loss) on CSIRO IP liability	427,382	-
Fair value gain/(loss) on deferred and contingent acquisition consideration	188,651	(219,259)
	616,033	(219,259)

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

4 Fair value measurement (continued)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
30-Jun-24	$	$	$	$
Assets				
Property, plant & equipment	-	-	-	-
Total assets	-	-	-	-
Liabilities				
Provision for deferred & contingent acquisition consideration	-	-	492,413	492,413
Total liabilities	-	-	492,413	492,413
30-Jun-23	$	$	$	$
Assets				
Property, plant & equipment	-	-	-	-
Total assets	-	-	-	-
Liabilities				
Provision for deferred & contingent acquisition consideration	-	-	878,097	878,097
Total liabilities	-	-	878,097	878,097

There were no transfers between levels during the current or prior financial year.

5 Segment information

Identification of reportable operating segments

The consolidated entity is organised into three operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The consolidated entity operates in three geographical segments; located in Australia, USA and Netherlands. Segment details are therefore already deemed to be fully reflected in the body of the financial report.

The principal products and services of each of these operating segments are as follows:

- Australia: High pressure, large scale cold spray additive manufacturing machines and manufactured products for customers in the aerospace and defence industry segments.
- USA: Sales, marketing and customer relationship activities in the US and globally to develop business with the aerospace and defence industry customers, particularly in the USA.
- Europe: Low and medium pressure cold spray additive manufacturing machines for use by end customers in providing various metal coating and repair services.

5 Segment information (continued)

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

30-Jun-24	Australia $	USA $	Europe $	Consolidated $
Revenue				
External customer sales	899,604	543,152	4,481,120	5,923,876
Intersegment sales	*84,200*	-	*583,690*	*667,890*
Intersegment management fees	*1,096,906*	-	*130,078*	*1,226,984*
Total sales revenue	2,080,710	543,152	5,194,888	7,818,750
Grant revenue	618,588	-	7,956	626,544
R&D tax incentive	1,011,607	-	-	1,011,607
Interest revenue	38,897	-	195	39,092
Other revenue	96,251	-	-	96,251
Segment revenue	**3,846,053**	**543,152**	**5,203,039**	**9,592,244**
Intersegment eliminations				*(1,894,874)*
Total revenue				**7,697,370**
EBITDA	(9,053,217)	(1,728,698)	498,791	(10,283,124)
Depreciation and amortisation	(23,739)	(8,482)	(128,428)	(160,649)
Impairment of assets	(913,639)	-	-	(913,639)
Interest	(310,580)	-	1,349	(309,231)
Intersegment eliminations				*14,818*
Loss before income tax expense	**(10,301,175)**	**(1,737,180)**	**371,712**	**(11,651,825)**
Income tax expense	-	-	(240,339)	(240,339)
Loss after income tax expense	**(10,301,175)**	**(1,737,180)**	**131,373**	**(11,892,164)**
Assets				
Segment assets	9,974,403	681,967	2,998,275	13,654,645
Intersegment eliminations				*(5,579,418)*
Total assets				**8,075,227**
Liabilities				
Segment liabilities	5,546,309	5,116,040	1,957,678	12,620,027
Intersegment eliminations				*(5,575,234)*
Total liabilities				**7,044,793**

5 Segment information (continued)

30-Jun-23	Australia $	USA $	Europe $	Consolidated $
Revenue				
External customer sales	1,097,794	369,175	1,152,452	2,619,421
Intersegment sales	*44,181*	-	*1,544,745*	1,588,926
Total sales revenue	1,141,975	369,175	2,697,197	4,208,347
Grant revenue	1,059,905	-	-	1,059,905
R&D tax incentive	786,045	-	-	786,045
Interest revenue	23,023	-	-	23,023
Other revenue	-	-	-	-
Segment revenue	**3,010,948**	**369,175**	**2,697,197**	**6,077,320**
Intersegment eliminations				*(1,588,926)*
Total revenue				**4,488,394**
EBITDA	(8,782,689)	(1,690,976)	11,151	(10,462,514)
Depreciation and amortisation	(1,526,781)	-	(117,991)	(1,644,772)
Impairment of assets	(2,688,469)	-	-	(2,688,469)
Interest	(462,041)	-	(5,008)	(467,049)
Intersegment eliminations				*(70,096)*
Loss before income tax expense	**(13,459,980)**	**(1,690,976)**	**(111,848)**	**(15,332,900)**
Income tax expense	-	-	-	-
Loss after income tax expense				**(15,332,900)**
Assets				
Segment assets	7,210,374	86,208	1,891,018	9,187,600
Intersegment eliminations				*(2,834,548)*
Total assets				**6,353,052**
Liabilities				
Segment liabilities	6,087,046	2,789,849	1,025,664	9,902,559
Intersegment eliminations				*(2,834,549)*
Total liabilities				**7,068,010**

6 Revenue

	30-Jun-24 $	**30-Jun-23 $**
Sales revenue		
Revenue from contracts with customers	5,923,876	2,619,421
	5,923,876	2,619,421
Other revenue		
Research and development tax incentive	1,011,607	786,045
Space grant revenue	581,988	1,020,499
Other grants	44,556	39,406
Interest received	39,092	23,023
Other revenue	96,251	-
	1,773,494	1,868,973
	7,697,370	4,488,394

6 Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	30-Jun-24	30-Jun-23
	$	$
Major product lines		
Machines	4,144,874	1,192,962
Projects	1,122,414	520,985
Consumables	656,588	905,474
	5,923,876	2,619,421
Geographical regions		
Australia	899,604	1,097,794
Europe	4,481,120	1,152,452
USA	543,152	369,175
	5,923,876	2,619,421

Timing of revenue recognition	Machines	Projects	Consumables	Total
	$	$	$	$
30-Jun-24				
Goods transferred at a point in time	4,119,674	1,122,414	656,588	5,898,676
Services transferred over time	25,200	-	-	25,200
	4,144,874	1,122,414	656,588	5,923,876
30-Jun-23				
Goods transferred at a point in time	1,188,762	520,985	905,474	2,615,221
Services transferred over time	4,200	-	-	4,200
	1,192,962	520,985	905,474	2,619,421

7 Expenses

	Note	30-Jun-24	30-Jun-23
		$	$
Employee benefits expenses			
Share-based payments		4,060,524	1,512,078
Superannuation		671,052	673,108
Salaries, wages and other employee benefits		6,151,699	5,843,349
		10,883,275	8,028,535
Depreciation and amortisation expenses			
Depreciation on property, plant and equipment	**17**	121,125	1,203,327
Depreciation on right of use assets	**18**	39,524	380,894
Amortisation of intangible assets	**19**	-	70,096
		160,649	1,654,317
Finance costs			
Other interest		47,241	34,787
Lease liabilities		60,953	82,036
Notional interest on other liabilities		201,037	130,967
		309,231	247,790

8 Remuneration expense on Tri-D transaction and Dycomet acquisition

	30-Jun-24	30-Jun-23
	$	$
Share-based payments (EU - Dycomet)	58,699	130,880
Share-based payments (US - Tri-D)	38,374	4,371
Cash remuneration (US - Tri-D)	-	18,387
Taxes due (US - Tri-D)	16,327	8,777
	113,400	162,415

Tri-D Dynamic Inc. Transaction

On 09 July 2021, the Company entered into an Asset Purchase Agreement. In the Agreement, Tri-D Dynamics Inc. (Tri D) agreed to sell substantially all the assets and liabilities of the company. This transaction did not meet the definition of a business and therefore was not accounted for in accordance with AASB 3 Business Combinations. The expenses above reflect accelerated share-based payments to one of the Tri-D Dynamics founders.

As such, the Company has accounted for these cash and share-based payments in accordance with AASB 119 Employee benefits and AASB 2 Share-Based payment.

Dycomet Europe B.V. acquisition (now trading as Titomic Europe B.V.)

Pursuant to the acquisition of Dycomet Europe B.V., the consideration included cash and equity. The share-based payment above reflects the expense in the 2024 financial year for the second and third tranches of 500,000 shares per tranche pursuant to the contract.

9 Share based payment expenses

	30-Jun-24	30-Jun-23
		Restated
	$	$
Share-based payments - directors	2,054,577	1,195,955
Share-based payments - cancellation of directors' performance rights (refer Note 26)	1,187,323	-
Share-based payments - employees	818,624	692,708
	4,060,524	1,888,663

10 Impairment loss

	30-Jun-24	30-Jun-23
	$	$
Impairment of property, plant and equipment - space grant	913,639	739,934
Impairment of property, plant and equipment - other	-	498,002
Impairment of right of use assets	-	974,164
Impairment of intangibles	-	476,370
	913,639	2,688,470

Management considers the relationship between its market capitalisation and the book value of its equity, among other factors, when reviewing for indicators of impairment. As at 30 June 2024, the market capitalisation of the Company was above its book value; however, there were other internal indicators of impairment.

As a result, management performed an impairment test as at 30 June 2024. The impairment test was based on a value in use methodology in accordance with AASB 136: Impairment of Assets. Given the uncertainty attached to future cashflows, an impairment loss has been recognised for those intangible and other non-current assets that had a value in use or fair value less cost to sell below its carrying amount in accordance with the accounting standard.

11 Income tax expense

	30-Jun-24	**30-Jun-23**
	$	**$**
Income tax expense		
Income tax expense	240,339	-
Aggregate income tax expense	240,339	-
Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(11,651,825)	(15,322,899)
Tax at the statutory rate 25% (30 June 2023: 25%)	(2,912,956)	(3,833,225)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable research and development tax incentive income	(172)	(196,511)
Non-allowable expenses	1,030,918	864,254
Tax losses for which no deferred tax asset is recognised	1,520,292	3,135,220
Timing differences for which no deferred tax asset is recognised	442,857	(241,215)
Impact of different subsidiary tax rates	(120,551)	-
Tax losses of foreign controlled entities not recognised	279,951	271,477
Income tax expense	240,339	-

The income tax expense relates to Titomic Europe B.V. (domiciled in The Netherlands).

Unrecognised potential tax benefits		
Unused tax losses for which no deferred tax asset has been recognised - Australia	15,337,316	13,817,025
Unused tax losses for which no deferred tax asset has been recognised - USA	630,261	350,310

The potential tax benefit can only be utilised by the Company in the future if it generates sufficient tax profits and in relation to tax losses, the continuity of ownership test is passed or failing that, the same business test is passed.

12 Earnings per share

	30-Jun-24	**30-Jun-23**
	$	**$**
Earnings / (loss) per share from continuing operations		
Net loss after income tax	(11,892,164)	(15,709,484)
Net loss after income tax attributable to the owners of Titomic Limited	(11,892,164)	(15,709,484)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share (a)	872,667,571	219,514,652
Weighted average number of ordinary shares used in calculating diluted earnings per share (a)	872,667,571	219,514,652
	Cents	**Cents**
Basic earnings per share	(0.0136)	(7.1565)
Diluted earning per share	(0.0136)	(7.1565)

During a loss period, the effect of the potential exercise of stock options and performance rights is not considered in the diluted loss per share calculation since the effect would be anti-dilutive.

13 Cash and cash equivalents

	30-Jun-24	30-Jun-23
	$	$
Cash at bank	2,729,484	1,470,969

14 Trade and other receivables

	30-Jun-24	30-Jun-23
	$	$
Current		
Trade receivables	640,773	305,874
less provision for estimated credit losses	(53,181)	(33,379)
Other receivables	56,824	136,686
	644,416	409,181

Allowance for expected credit losses

The consolidated entity has recognised a loss of $19,802 in profit or loss in respect of the expected credit losses for the year ended 30 June 2004.

The ageing of the receivables and the provision for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Consolidated	%	%	$	$	$	$
Not overdue	-	-	505,921	173,067	-	-
0 to 3 months overdue	-	-	74,540	65,820	-	-
3 to 6 months overdue	-	50	7,131	66,987	-	(33,379)
Over 6 months overdue	100	-	53,181	-	(53,181)	-
			640,773	305,874	(53,181)	(33,379)

Movements in the provision for expected credit losses are as follows:

	30-Jun-24	30-Jun-23
	$	$
Opening balance	33,379	-
Additional provisions recognised	19,802	33,379
Closing balance	53,181	33,379

15 Inventories

	30-Jun-24	30-Jun-23
	$	$
Raw materials at cost	1,691,297	1,778,629
Less: Provision for obsolescence	(253,454)	(198,339)
Work in progress at cost	2,261,958	1,290,036
Less: Provision for obsolescence	(523,264)	(538,214)
Finished goods at cost	286,931	401,141
	3,463,468	2,733,253

16 Other current assets

	30-Jun-24	30-Jun-23
	$	$
Prepayments	388,764	828,985
Security deposits	262,347	369,900
	651,111	1,198,885

17 Property, plant and equipment

	30-Jun-24	30-Jun-23
	$	$
Building fitouts	493,511	521,099
Less: accumulated depreciation	(373,453)	(347,079)
Less: provision for impairment	(22,540)	(22,540)
	97,518	151,480
Factory equipment	1,693,411	1,530,142
Less: accumulated depreciation	(761,474)	(679,332)
Less: provision for impairment	(525,148)	(525,148)
	406,789	325,662
Computer equipment	365,314	328,804
Less: accumulated depreciation	(302,314)	(289,705)
Less: provision for impairment	(30,769)	(30,768)
	32,231	8,331
Machinery	5,391,667	5,391,667
Less: accumulated depreciation	(5,196,121)	(5,196,121)
Less: provision for impairment	(195,546)	(195,546)
	-	-
	536,538	485,473

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	Building fitouts	Factory equipment	Computer equipment	Machinery	Capital work in progress	Total
	$	$	$	$	$	$
Balance at 1-Jul-22	58,878	676,165	74,432	1,071,711	141,679	2,022,865
Additions	124,306	88,311	-	-	712,630	925,247
Disposals	-	(4,535)	(16,841)	-	-	(21,376)
Impairment of assets	(22,540)	(525,148)	(30,768)	(195,546)	(463,934)	(1,237,936)
Transfers in / (out)	32,604	348,846	8,925	-	(390,375)	-
Depreciation expense	(41,768)	(257,977)	(27,417)	(876,165)	-	(1,203,327)
Balance at 30-Jun-23	151,480	325,662	8,331	-	-	485,473
Additions	38,430	166,186	36,359	-	913,639	1,154,614
Impairment of assets	-	-	-	-	(913,639)	(913,639)
Assets written off	(64,221)	-	-	-	-	(64,221)
Depreciation expense	(26,374)	(82,142)	(12,609)	-	-	(121,125)
Effect of foreign exchange	(1,797)	(2,917)	150	-	-	(4,564)
Balance at 30-Jun-24	97,518	406,789	32,231	-	-	536,538

18 Right-of-use assets

	30-Jun-24	30-Jun-23
	$	$
Buildings: right-of-use	1,531,856	1,528,167
Less: accumulated depreciation	(538,394)	(498,712)
Less: provision for impairment	(974,149)	(974,164)
	19,313	55,291

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	Australian head office	Australian factory	Netherlands office	Total
	$	$	$	$
Balance at 1-Jul-22	390,160	925,033	86,698	1,401,891
Additions	-	-	8,458	8,458
Impairment of assets	(243,850)	(730,314)	-	(974,164)
Depreciation expense	(146,310)	(194,719)	(39,865)	(380,894)
Balance at 30-Jun-23	-	-	55,291	55,291
Additions	-	-	5,498	5,498
Impairment of assets	-	-	-	-
Depreciation expense	-	-	(39,524)	(39,524)
Effect of foreign exchange	-	-	(1,952)	(1,952)
Balance at 30-Jun-24	-	-	19,313	19,313

The details on contractual terms and conditions pertinent to material lease arrangements are explained in note 23.

19 Intangible assets

	30-Jun-24	30-Jun-23
	$	$
Technology - at cost	438,857	438,857
Less: accumulated amortisation	(101,278)	(101,278)
Less: provision for impairment	(337,579)	(337,579)
	-	-
Customer relations - at cost	264,483	264,483
Less: accumulated amortisation	(146,235)	(146,235)
Less: provision for impairment	(118,248)	(118,248)
	-	-
Brand - at cost	28,095	28,095
Less: accumulated amortisation	(7,551)	(7,551)
Less: provision for impairment	(20,544)	(20,544)
	-	-
	-	-

19 Intangible assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	Technology	Customer	Brands	Total
	$	$	$	$
Balance at 1-Jul-22	384,887	137,507	24,072	546,466
Impairment of assets	(337,578)	(118,248)	(20,544)	(476,370)
Amortisation expense	(47,309)	(19,259)	(3,528)	(70,096)
Balance at 30-Jun-23	-	-	-	-
Impairment of assets	-	-	-	-
Amortisation expense	-	-	-	-
Balance at 30-Jun-24	-	-	-	-

20 Trade and other payables

	30-Jun-24	**30-Jun-23**
	$	**$**
Trade payables	548,255	645,127
Accrued expenses	958,003	63,279
Other payables	206,518	300,767
	1,712,776	1,009,173

21 Provisions

	30-Jun-24	**30-Jun-23**
	$	**$**
Current		
Employee benefits	379,896	240,900
Lease make good	32,500	-
Warranties	104,748	31,877
Taxes payable on Tri-D transaction	169,275	152,947
	686,419	425,724
Non-current		
Employee benefits	75,341	64,918
Lease make good	26,370	48,505
	101,711	113,423

22 Borrowings

	30-Jun-24	30-Jun-23
	$	$
Bridging loan	-	600,000
Insurance premium funding	344,631	334,653
Other	42,492	83,072
	387,123	1,017,725

The bridging loan was drawn to supplement working capital while the Company finalised a capital raising process. The remaining loan balance was repaid during July 2023 on successful completion of a pro rata, accelerated renounceable entitlement offer.

During the current and prior years, the consolidated entity utilised an insurance premium funding facility which is repaid in monthly instalments across the duration of the insurance premium.

23 Lease liabilities

	30-Jun-24	30-Jun-23
	$	$
Current		
Lease liabilities	340,179	406,853
Non-current		
Lease liabilities	387,141	704,670

Information in relation to the lease liabilities is below:

Maturity analysis - contractual undiscounted cash flows		
Less than one year	350,586	458,623
One to two years	231,194	383,643
Two to five years	177,268	383,643
Total undiscounted lease liabilities	759,048	1,225,909

The consolidated entity has two material leases for premises as follows:

Melbourne head office
The consolidated entity entered into a new lease for corporate office space in the building next door to the existing factory location. The lease commenced on 1 Mar 2022 for an initial term of three years with an expiry date of 28 February 2025. The lease includes an option to exercise for a further term of two years which the consolidated entity won't be exercising.

Melbourne factory
The lease for the existing location of the factory was extended effective from 1 Apr 2022 for a further five years with an expiry date of 31 Mar 2027.

24 Other financial liabilities

	30-Jun-24 $	30-Jun-23 $
Current		
CSIRO IP liability	75,000	660,714
Fixed deferred consideration for Dycomet (now Titomic Europe B.V.) acquisition	242,092	411,733
Contingent consideration for Dycomet (now Titomic Europe B.V.) acquisition	29,880	-
Government grant liabilities	-	38,738
Contract liabilities	1,419,104	819,108
	1,766,076	1,930,293
Non-current		
CSIRO IP liability	1,291,436	993,785
Variable deferred consideration for Dycomet (now Titomic Europe B.V.) acquisition	220,441	289,888
Contingent consideration for Dycomet (now Titomic Europe B.V.) acquisition	-	176,476
	1,511,877	1,460,149

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

CSIRO IP liability

The consolidated entity has three core pieces of Intellectual Property (IP) around its Titomic Kinetic Fusion (TKF) Cold Spray robotic technology manufacturing process. TKF is the process of spraying metal powders at supersonic speed (up to two times the speed of sound) onto a scaffold surface, resulting in the powder particles plastically deforming at the edges and, on impact, bonding at a particle level with the surrounding particles.

The consolidated entity has exclusively licensed the IP for three royalty-bearing licences owned by the Commonwealth Scientific and Industrial Research Organisation (CSIRO). The licences are in respect of:

(1) *Patent Application No PCT/AU2013/000318* "A Process For Producing A Titanium Load-bearing Structure", and any applicable Know-How and relevant subject matter;

(2) *Patent Application No PCT/AU2009/000276* "Manufacture of Pipes" using Titanium and Titanium Alloys; and any applicable Know-How and relevant subject matter; and

(3) *Patent Application No PCT/AU2013/001382* "Method of forming seamless pipe of titanium and/or titanium alloys", and any applicable Know How and relevant subject matter.

The term of these licences is to the expiration, lapsing or cessation of all licenced patents, a maximum of 20 years or the life of the underlying patent.

Under the agreement, the consolidated entity must pay CSIRO 1.5% of attributable gross sales revenue attributed to products produced utilising the licensed patented technologies within the licensed field and 20% of non-sales revenue attributable to products produced using the licensed patented process within the licensed field.

24 Other financial liabilities (continued)

Minimum royalty payments are structured as follows:

Period	$
2023-2024	-
2025-2029	75,000
2030-2032	150,000
2033-2035	225,000
2036-2038	300,000

The above performance criteria is discounted using an indicative discount rate of 7.32% pa and has been spread over the period to determine the value of the intangible asset acquired.

Reconciliation of the balance of the CSIRO IP liability at the beginning and end of the current and previous financial years are set out below:

	30-Jun-24	**30-Jun-23**
	$	**$**
CSIRO IP liability at the start of the financial year	1,654,499	1,654,499
Interest on unwinding of discount	139,319	-
Fair value (gain)/loss on contract amendment during the year	(427,382)	-
Closing balance	1,366,436	1,654,499

Deferred and contingent consideration for Dycomet (now Titomic Europe B.V.) acquisition

On 30 November 2021, Titomic Limited acquired 100% of the ordinary shares of Dycomet Europe B.V. (now Titomic Europe B.V.). Pursuant to the agreement the seller was owed a deferred payment of EUR 150,000 eighteen months after the acquisition date (this was paid during the 2024 financial year) and a further payment of EUR 150,000 three years after the acquisition date.

In addition, there are two earn out components calculated as a percentage of revenue payable three years and five years after the acquisition date. The first of these payments is contingent upon a key employee being in continued employment on 30 November 2024. The second of these payments is not subject to the employment conditions.

Reconciliation of the balance of deferred and contingent consideration for Dycomet at the beginning and end of the current and previous financial years are set out below:

	30-Jun-24	**30-Jun-23**
	$	**$**
Deferred and contingent consideration at the start of the financial year	878,097	524,917
Payment for deferred consideration	(248,385)	-
Interest on unwinding of discount	51,352	133,921
Fair value (gain)/loss on remeasurement on deferred and contingent consideration	(188,651)	219,259
Closing balance	492,413	878,097

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

24 Other financial liabilities (continued)

Reconciliation of the balance of contract liabilities at the beginning and end of the current and previous financial years are set out below:

	30-Jun-24	30-Jun-23
	$	$
Contract liabilities at the start of the financial year	819,108	341,585
Payments received in advance	4,251,261	1,790,348
Transfer to revenue - performance obligations satisfied	(3,651,265)	(1,312,825)
Closing balance	1,419,104	819,108

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $2,604,234 as at 30 June 2024 ($3,885,891 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	30-Jun-24	30-Jun-23
	$	$
Within 6 months	988,456	3,467,789
6 to 12 months	1,615,778	418,102
	2,604,234	3,885,891

25 Issued capital

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	Shares	Shares	$	$
Ordinary shares - fully paid	1,010,635,855	238,989,955	75,211,575	63,790,575

Movements in ordinary share capital - for the year ended 30 June 2023

Details	Date	Shares	Issue price / value	$
Opening balance	1-Jul-22	202,530,093		57,853,211
Issue of share capital for Tri-D consideration	28-Jul-22	1,044,683	0.230	236,620
Issue of share capital to employees	29-Aug-22	1,175,883	0.290	341,006
Issue of share capital to employees	2-Sep-22	846,952	0.280	237,148
Issue of share capital	8-Dec-22	16,735,556	0.160	2,677,689
Issue of share capital for Tri-D consideration	21-Dec-22	500,000	0.160	80,000
Issue of share capital to employees	21-Dec-22	80,000	0.160	12,800
Issue of share capital to employees	17-Feb-23	150,000	0.430	64,500
Issue of share capital to Repkon	23-Feb-23	14,045,694	0.160	2,247,310
Issue of share capital to employees	17-Mar-23	150,000	0.430	64,500
Issue of share capital to directors	4-May-23	1,093,750	0.160	175,000
Issue of share capital to directors	4-May-23	187,344	0.120	22,500
Issue of share capital to employees	19-May-23	250,000	0.300	75,000
Issue of share capital to employees	19-May-23	200,000	0.240	48,000
Less: transaction costs arising on issue of shares				(344,710)
Closing balance	30-Jun-23	238,989,955		63,790,574

25 Issued capital (continued)

Movements in ordinary share capital - for the year ended 30 June 2024

Details	Date	Shares	Issue price / value	$
Opening balance	1-Jul-23	238,989,955		63,790,574
Issue of share capital	3-Jul-23	75,000,000	0.01	750,000
Issue of share capital	24-Jul-23	549,624,440	0.01	5,496,245
Issue of share capital to employees	31-Jul-23	96,083	0.16	15,297
Issue of share capital to employees	7-Aug-23	1,818,095	0.04	72,058
Issue of share capital to employees	22-Aug-23	115,601	0.14	16,543
Issue of share capital to employees	13-Sep-23	450,000	0.43	193,500
Issue of share capital to employees	27-Sep-23	110,427	0.14	15,504
Issue of share capital to directors	8-Nov-23	187,344	0.12	22,500
Issue of share capital to employees	8-Nov-23	123,893	0.12	14,880
Issue of share capital to employees	16-Nov-23	99,068	0.09	9,233
Issue of share capital to directors	6-Dec-23	25,000,000	0.01	250,000
Issue of share capital to employees	8-Dec-23	153,785	0.06	8,904
Issue of share capital to employees	8-Dec-23	473,016	0.25	120,619
Issue of share capital for Dycomet consideration	12-Dec-23	500,000	0.21	105,381
Issue of share capital to directors	20-Dec-23	20,000,000	0.02	340,000
Issue of share capital to employees	15-Apr-24	7,842,571	0.02	141,166
Issue of share capital to employees	16-Apr-24	51,577	0.26	13,152
Issue of share capital	2-May-24	90,000,000	0.05	4,500,000
Less: transaction costs arising on issue of shares				(663,981)
Closing balance	30-Jun-24	1,010,635,855		75,211,575

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Management assesses the Company’s capital requirements in order to maintain an efficient overall financing structure and considers adjustments to it in light of changes to economic conditions and the risk characteristics of its economic activities. In order to maintain or adjust the capital structure, the Company may issue new shares.

26 Reserves

	30-Jun-24	30-Jun-23 Restated
	$	$
Foreign currency translation reserve	(100,756)	1,548
Share based payment reserves (a)	10,518,410	8,199,550
	10,417,654	8,201,098

(a) share based payment reserves comprises:

	30-Jun-24	30-Jun-23 Restated
	$	$
Directors and employee incentive plans	1,297,156	2,088,681
Options reserve	911,701	117,719
Forfeited shares, rights and options reserve	8,225,691	4,822,573
Shares reserves as a result of acquisitions	83,862	420,577
Pre-share placement funds reserve	-	750,000
	10,518,410	8,199,550

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Acquisition shares reserves
Tri-D Dynamics Inc.
On 9 July 2021, the consolidated entity acquired the assets and liabilities of Tri-D Dynamics Inc. As part of the consideration, the consolidated entity agreed to issue USD 500,000 worth of equity shares to each individual in 3 tranches 1, 2 and 3 years after the acquisition date. Issue of these shares is contingent on continued employment in the business.

On 13 September 2023, all employees under the contingent consideration agreement had departed the consolidated entity and opted for various severance packages, resulting in all shares reserves for the Tri-D Dynamics Inc. acquisition being converted into shares or forfeited.

Dycomet Europe B.V. (now trading as Titomic Europe B.V.)
On 30 November 2021, as part of the acquisition of Dycomet Europe B.V., the consolidated entity agreed to issue 500,000 shares in Titomic Limited at the end of 1 year, 2 years and 3 years after the acquisition date. Each of these yearly issues of shares is contingent on a key employee being retained in employment by the company.

In December 2022 and December 2023, the shares belonging to the first 2 tranches were issued as the contingent condition was met.

Directors and employee incentive plans
Directors rights
The Board has conducted a review of current directors incentives to align the interests of the Board and Shareholders, as such, consideration has been given to the remuneration of the directors. Significant shares were issued as a result of equity raising meaning prior director incentive plans were significantly diluted. At the Annual General Meeting on 23 November 2023, shareholders approved resolutions for all performance rights currently held by directors as at the date of the meeting to be forfeited by the relevant directors, and adjusted performance rights to be issued at the same time.

26 Reserves (continued)

The cancelled performance rights are set out in the table below:

Grant date	Number of performance rights	Hurdle price	Exercise price	Expiry date	Fair value ($)
1-Jul-20	572,917	$0.80	$0.00	30-Jun-24	331,814
1-Jul-20	572,917	$0.80	$0.00	30-Jun-24	331,814
1-Jul-20	252,083	$0.80	$0.00	30-Jun-24	145,998
2-May-22	6,655,808	$0.40	$0.00	2-May-27	967,314
2-May-22	4,000,000	$0.40	$0.00	2-May-27	581,336
2-May-22	2,000,000	$0.40	$0.00	2-May-27	290,669
2-May-22	2,000,000	$0.40	$0.00	2-May-27	290,669
2-May-22	2,000,000	$0.40	$0.00	2-May-27	290,663
	18,053,725				3,230,277

Concurrent with the cancellation of performance rights, the proposed director incentives with adjusted performance rights set out in the table below have been issued:

Grant date	Number of performance rights	Hurdle price	Exercise price	Expiry date	Fair value ($)
4-Dec-23	40,000,000	$0.03	$0.00	4-Dec-26	592,000
4-Dec-23	40,000,000	$0.05	$0.00	4-Dec-27	564,000
4-Dec-23	40,000,000	$0.07	$0.00	4-Dec-27	468,000
	120,000,000				1,624,000

The performance hurdle for the rights issued on 4-Dec-23 was based on the company's 15-day VWAP share price and set in three tranches at $0.03, $0.05 and $0.07.

The fair value of the performance rights granted on 4-Dec-23 have been calculated using the Monte Carlo simulation model using the following key assumptions and inputs, explained below:

Grant date	Number of performance rights	Spot price	Risk-free rate (%)	Expiry date	Volatility rate (%)	Fair value ($)
4-Dec-23	40,000,000	$0.02	4.14%	4-Dec-26	100.00%	592,000
4-Dec-23	40,000,000	$0.02	4.16%	4-Dec-27	100.00%	564,000
4-Dec-23	40,000,000	$0.02	4.16%	4-Dec-27	100.00%	468,000
	120,000,000					1,624,000

Risk-Free rate: Observed by reference to Commonwealth Government securities for the applicable periods.

Directors options
The Board has recently conducted a review of current directors incentives to align the interests of the Board and Shareholders, as such, consideration has been given to the remuneration of the directors. At the Annual General Meeting on 23 November 2023, shareholders approved resolutions for all options currently held by directors as at the date of the meeting to be forfeited by the relevant directors, and adjusted options to be issued at the same time.

26 Reserves (continued)

The cancelled unlisted options are set out in the table below:

Grant date	Number of unlisted options	Hurdle price	Exercise price	Expiry date	Fair value ($)
2-May-22	500,000	$0.00	$0.40	31-May-27	37,000
2-May-22	600,000	$0.00	$0.60	31-May-27	39,000
2-May-22	600,000	$0.00	$0.80	31-May-27	34,800
2-May-22	800,000	$0.00	$1.00	31-May-27	40,800
	2,500,000				151,600

Concurrent with the cancellation of unlisted options, the proposed director incentives with adjusted unlisted options set out in the table below have been issued:

Grant date	Number of unlisted options	Hurdle price	Exercise price	Expiry date	Fair value ($)
4-Dec-23	52,500,000	$0.03	$0.00	4-Dec-26	777,000
4-Dec-23	62,500,000	$0.05	$0.00	4-Dec-27	881,250
4-Dec-23	27,500,000	$0.07	$0.00	4-Dec-27	321,750
	142,500,000				1,980,000

The performance hurdle for the options issued on 4-Dec-23 was based on the company's 15-day VWAP share price and set in three tranches at $0.03, $0.05 and $0.07.

The fair value of the options has been calculated on the basis of the Black Scholes model using the following key assumptions:

Grant date	Number of performance rights	Spot price	Risk-free rate (%)	Expiry date	Volatility rate (%)	Fair value ($)
4-Dec-23	52,500,000	$0.02	4.14%	4-Dec-26	100.00%	777,000
4-Dec-23	62,500,000	$0.02	4.16%	4-Dec-27	100.00%	881,250
4-Dec-23	27,500,000	$0.02	4.16%	4-Dec-27	100.00%	321,750
	142,500,000					1,980,000

Employees incentive plan (EIP)

Employees incentive plan - (1)

In July 2022, the directors established a new employee LTI plan and for certain retention incentives. The plan is designed to align the interests of eligible employees more closely with the interests of the consolidated entity by providing an opportunity for eligible employees to receive an equity interest in the consolidated entity. This allotted certain employees share rights, which would vest over time (first tranche vested virtually immediately and shares were issued in September 2022, and the second tranche were issued in December 2023). The remaining shares are expected to be issued in September 2024. The only condition to be satisfied was that the employee remained employed at vesting date. There were no market conditions or other restrictions on the shares. The share rights were valued at the market closing price on 29 July 2022 of $0.255. There was no adjustment for the impact of discounting as it is deemed to be immaterial.

26 Reserves (continued)

Employees incentive plan - (2)
In January 2023, the directors established a 6-month incentive plan for all employees. Under the plan, employees were able to opt in to salary sacrifice up to 10% of their monthly gross salary for rights over shares in the Company. The rights vest 6 months after each salary sacrifice event. If the employees did not trade any shares issued under this EIP, from the cessation of the program, 30 June 2023, until 30 Jun 2024, they became entitled to an additional 50% of rights (bonus). As at 30 June 2024, all 886,201 rights, apart from bonus rights, under this employee incentive plan (2) had been fully converted into shares.

Employees incentive plan - (3)
In September 2023, the directors established further tranches under the same terms as the Employee incentive plan - (1). Certain employees were allotted share rights, which would vest over time (first tranche vesting immediately and the shares were issued in April 2024). The remaining shares vest over a period of 2 years and are expected to be issued in September 2024 and September 2025. The share rights were valued at the market closing price on 8 Sept 2023 of $0.018. There was no adjustment for the impact of discounting as it is deemed to be immaterial.

Employees incentive plan - (4)
In September 2023, the directors established an incentive plan for eight employees within the leadership team. Selected employees were entitled to share equally in a pool of 30 million performance rights based on achieving certain base and stretch milestones across six business objectives during the 2024 financial year. Based on 2024 financial year results the selected employees were entitled to 13,250,000 rights (which were converted to 12,260,000 shares in August 2024). The remaining performance rights were forfeited. The share rights were valued at the market closing price on 8 Sept 2023 of $0.018. There was no adjustment for the impact of discounting as it is deemed to be immaterial.

Details of the performance rights for the year ended 30 June 2024 are as follows (Employee Incentive Plan 1 & 3):

Exercise price	Balance at the beginning of the year	Granted during the year	Exercised during the year	Expired / forfeited during the year	Balance at the end of the year	Exercisable at the end of the year
$0.0000	1,145,199	23,527,713	(8,315,587)	(199,167)	16,158,158	-

The rights at the beginning of the year have a grant date of 28 July 2022 with the final tranche to be issued in the 2025 financial year.

The rights granted during the year have a grant date of 8 September 2023 with the final tranche to be issued in the 2026 financial year.

Details of the performance rights for the year ended 30 June 2023 are as follows:

Exercise price	Balance at the beginning of the year	Granted during the year	Exercised during the year	Expired / forfeited during the year	Balance at the end of the year	Exercisable at the end of the year
$0.0000	-	2,599,999	(846,952)	(607,848)	1,145,199	-

The rights all have a grant date of 28 July 2022 with the final tranche to be issued in the 2025 financial year.

Options reserve
The prior period options reserve included options issued to Mira Ricardel upon appointment as a director. These options have now been cancelled and replaced with the directors' options noted above.

26 Reserves (continued)

Forfeited shares, rights and options reserve
The forfeited share rights and options reserve is the prior reporting periods' share-based payment expense attributable to performance rights and options expired or cancelled during the current reporting period.

Pre-share placement funds reserve
An advanced payment has been made to the Company in the previous financial year end for share capital to be issued in the current financial half year. This amount is $750,000, equivalent to 75,000,000 shares at $0.01 share price. All these shares were issued in July 2023.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency reserve
	$
Balance as at 1-Jul-22	(51,154)
Movements in revaluation of foreign currency	52,702
Balance at 30-Jun-23	1,548
Movements in revaluation of foreign currency	(102,304)
Balance at 30-Jun-24	(100,756)

	Pre-share placement funds reserve	Acquisition shares reserves	Directors and employee incentive plans	Options reserve	Forfeited shares, rights and options reserve	Total share based payments reserves
	$	$	$	$	$	$
Balance as at 1-Jul-22	-	1,090,998	2,241,659	2,256,646	1,018,407	6,607,710
Share based payments expense - Restated (refer to Note 36)	-	516,331	1,866,757	49,103	-	2,432,191
Transfer to equity upon issue of shares	-	(804,948)	(377,781)	-	-	(1,182,729)
Transfer to P&L upon forfeiture	-	(381,804)	(25,818)	-	-	(407,622)
Transfer upon expiry - Restated (refer to Note 36)	-	-	(1,616,136)	(2,188,030)	3,804,166	-
Advance payment for share capital issued post year end	750,000	-	-	-	-	750,000
Balance at 30-Jun-23	750,000	420,577	2,088,681	117,719	4,822,573	8,199,550

26 Reserves (continued)

	Pre-share placement funds reserve	Acquisition shares reserves	Directors and employee incentive plans	Options reserve	Forfeited shares, rights and options reserve	Total share based payments reserves
	$	$	$	$	$	$
Balance as at 1-Jul-23	750,000	420,577	2,088,681	117,719	4,822,573	8,199,550
Share based payments expense	-	97,073	2,749,888	915,144	55,492	3,817,597
Transfer to equity upon issue of shares	(750,000)	(370,939)	(377,798)	-	-	(1,498,737)
Transfer between reserves	-	(914)	914	-	-	-
Transfer upon forfeiture	-	(61,935)	(3,164,529)	(121,162)	3,347,626	-
Balance at 30-Jun-24	-	83,862	1,297,156	911,701	8,225,691	10,518,410

27 Accumulated losses

	30-Jun-24	30-Jun-23 Restated
	$	$
Accumulated losses at the beginning of the financial year	(72,706,631)	(56,997,147)
Losses after income tax expense for the year	(11,892,164)	(15,709,484)
Accumulated losses at the end of the financial year	(84,598,795)	(72,706,631)

28 Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

29 Remuneration of auditors

The consolidated entity's auditor, BDO Audit Pty Ltd supplied the below audit and non-audit services during the reporting period.

	30-Jun-24	30-Jun-23
	$	$
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	221,960	202,361
Audit of the space grant acquittal	22,536	-
Non-audit services - BDO Services Pty Ltd		
Tax advice on international payroll for employees	17,500	-
	261,996	202,361

30 Cash flow information

Reconciliation of loss after income tax to net cash flows from operating activities

	30-Jun-24 $	30-Jun-23 Restated $
Loss after income tax expense for the year	(11,892,164)	(15,709,484)
Adjustments for:		
Depreciation and amortisation	160,649	1,654,316
Notional interest on other liabilities	201,036	130,967
Impairment	913,639	2,688,470
Share based payments expense	4,157,596	2,023,914
Loss on write-off of P,P&E	64,221	-
	(6,395,023)	(9,211,817)
Changes in operating assets and liabilities:		
(Increase) / decrease in other current assets	440,221	(253,152)
Increase / (decrease) in provisions	238,618	(69,787)
Increase / (decrease) in provision for tax	151,491	-
Increase / (decrease) in deferred revenue	599,996	(504,976)
Increase / (decrease) in other liabilities	(654,771)	(343,645)
(Increase) / decrease in trade and other receivables	(235,235)	542,732
(Increase) / decrease in inventories	(730,215)	(623,622)
Increase / (decrease) in trade payables	354,211	(254,689)
Net cash used in operating activities	(6,230,707)	(10,718,956)
Non-cash investing activities		
Additions to the right of use assets	5,498	8,458
Additions to P,P&E	252,979	-
Non-cash operating and financing activities		
Insurance prepayments funded through a premium funding arrangement	481,341	457,171
Capital raising costs	-	87,487

31 Key management personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30-Jun-24 $	30-Jun-23 Restated $
Short-term employee benefits	1,309,525	1,059,495
Post-employment benefits	78,777	73,263
Long-term benefits	(4,737)	-
Share-based payments	3,332,806	1,307,101
	4,716,371	2,439,859

The above Key Management Personnel disclosures represent the remuneration of Key Management Personnel defined in the Remuneration Report and paid or payable for the period ended 30 June 2024 and 30 June 2023.

For more information on Key Management Personnel Compensation disclosed under the Corporations Act 2001, please refer to Remuneration Report contained within the Directors' Report.

32 Interests in subsidiaries and joint ventures

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 30-Jun-24 %	Ownership interest 30-Jun-23 %
Titomic USA Inc. (previously Tri-D Dynamics Inc.)	Unites States of America	100.00	100.00
Titomic Europe B.V. (previously Dycomet Europe B.V.)	Netherlands	100.00	100.00
Repkon Titomic Üretim Teknolojileri Sanayi Ve Ticaret Anonim Şirketi (Repkon Joint Venture)	Turkey	49.00	49.00

33 Commitments

The consolidated entity had no commitments as at 30 June 2024 (2023: $Nil).

34 Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income	30-Jun-24 $	30-Jun-23 $
(Loss) after income tax	(11,965,250)	(17,808,769)
Total comprehensive income / (loss)	(11,965,250)	(17,808,769)
Statement of financial position		
Total current assets	5,408,281	4,368,359
Total assets	5,520,478	4,420,354
Total current liabilities	3,545,581	3,910,709
Total liabilities	5,546,311	6,220,829
Equity		
Issued capital	75,211,575	63,790,575
Reserves	10,518,409	8,199,550
Retained earnings	(85,755,817)	(73,790,600)
Total deficiency	(25,833)	(1,800,475)

Contingent liabilities
The parent entity has contingent liabilities towards the acquisition cost of its subsidiaries as disclosed in note 8.

Capital commitments
The parent entity had no capital commitments as at 30 June 2024 (2023: $nil).

34 Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 (2023: $nil).

35 Related party transactions

Parent entity
Titomic Limited is the parent entity.

Subsidiaries
Interest in subsidiaries are set out in Note 32.

Key management personnel
Disclosures relating to key management personnel are set out in note 31 and the remuneration report included in the directors' report.

Transactions with related parties
There were no other transactions with other related parties.

36 Restatement of comparatives

On 29 September 2023, the consolidated entity, signed and released its financial statements for the year ended 30 June 2023. The report included an error as described below.

Correction of error
In the 2023 financial year, the consolidated entity incorrectly omitted the share-based payment expense in relation to the retained performance rights issued between 2019 and 2021 that were amended at the Company's EGM on 2 May 2022. In that EGM, certain historical performance rights were cancelled and certain amounts were retained (subject to the performance conditions included in the original arrangement). From 1 July 2022, the retained performance rights were not amortised over the remaining period. This error resulted in share-based payments, reserves and the remuneration report being incorrectly presented.

Consolidated statement of financial position - extract	**30-Jun-23 Reported $**	**Increase / (decrease) $**	**30-Jun-23 Restated $**
Reserves	7,824,513	376,585	8,201,098
Accumulated losses	(72,330,046)	(376,585)	(72,706,631)
Total Equity	(714,958)	-	(714,958)

36 Restatement of comparatives (continued)

Consolidated statement of profit and loss - extract	**30-Jun-23 Reported $**	**Increase / (decrease) $**	**30-Jun-23 Restated $**
Share based payments expenses	(1,512,078)	(376,585)	(1,888,663)
Loss before income tax expense	(15,332,899)	(376,585)	(15,709,484)
Income tax expense	-	-	-
Net loss after income tax expense	(15,332,899)	(376,585)	(15,709,484)

Impact on basis and diluted earnings per share - increase / (decrease) in earnings per	**30 June 2023 Reported Cents**	**Increase / (decrease) Cents**	**30 June 2023 Restated Cents**
Basic earnings (loss) per share	(6.9849)	(0.1716)	(7.1565)
Diluted earnings (loss) per share	(6.9849)	(0.1716)	(7.1565)

37 Contingent liabilities and contingent assets

As announced on December 6, 2022, Titomic Limited was 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 Limited. The claim set out in the Summons is commercially misleading conduct which the Company denies and continues to vigorously defend. Titomic Limited has filed its defence to the Summons and has now issued a Cross Claim Summons. Both Titomic Limited's and Composite Technology R&D Pty Ltd's lay evidence has been served. The directors are of the opinion, based on external legal advice obtained, that Titomic Limited will successfully defend the allegations set out in Composite Technology R&D Pty Ltd's claim, but have accounted for a provision of legal fees at 30 June 2024.

The Directors of the consolidated entity are not aware of any other significant contingencies at the balance sheet date other than a requirement for the payment of royalties pursuant to a certain license agreement, disclosed in note 24, should future revenues exceed predetermined thresholds.

The consolidated entity has no contingent assets as at 30 June 2024 (2023: $nil).

38 Events after the reporting period

On 7 August 2024 the consolidated entity issued 12,260,000 shares pursuant to an employee incentive program.

On 8 August 2024 the consolidated entity issued 2,000,000 shares as a result of the exercise of 2,000,000 options at $0.05 per share by a consultant.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Titomic Limited
Consolidated Entity Disclosure Statement
As at 30 June 2024

The consolidated entity provides the following information in accordance with *Corporations Act 2001* s295(3A(a):

Name	Relationship	% Ownership	Entity type	Country of Incorporation	Tax Jurisdiction
Titomic Limited	Parent	N/A	Body corporate	Australia	Australia
Titomic USA Inc.	Subsidiary	100%	Body corporate	Unites States of America	Unites States of America
Titomic Europe B.V.	Subsidiary	100%	Body corporate	Netherlands	Netherlands

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporations Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of ‘Australian resident’ and ‘foreign resident’ in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an ‘Australian resident’ it cannot be a ‘foreign resident’ for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Titomic Limited
Directors' Declaration
For the year ended 30 June 2024

In the directors' opinion:

- the attached financial statements and notes and the remuneration disclosures that are contained within the Remuneration report within the Directors' report comply with the *Corporations Act 2001* , the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable, subject to the matters disclosed under going concern in note 1 to the financial statements; and

- the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Dag W.R. Stromme
Chair
Titomic Limited

30 August 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Titomic Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Titomic Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Titomic Limited, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restatement of comparatives

We draw attention to Note 36 of the Financial Report, which describes the restatement of corresponding figures to correct a misstatement related to share based payments, identified subsequent to the issue of the prior period financial report. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Share Based Payments

Key audit matter	***How the matter was addressed in our audit***
As disclosed in Notes to the financial statements, the Group has various share-based payment arrangements the year ended 30 June 2024. Share-based payments are a complex accounting area which include assumptions utilised in the fair value calculations and estimates regarding the share-based payment arrangements. There is a risk in the financial statements that amounts are incorrectly accounted for, valued and/or inappropriately disclosed. We have identified the accounting for Share Based Payments as a key audit matter given the volume of share-based payment arrangements and significant accounting estimates involved which significant audit attention was required.	Our procedures included, but were not limited to: • Obtaining an understanding of the relevant agreements. • Making inquiries with the directors and management to understand the share-based payment arrangements and evaluate management's assessment of the likelihood of meeting the performance conditions attached to the performance rights. • Consulted with internal IFRS experts on the restatement of the prior year share-based payments that were omitted. • Recalculating the estimated fair value of the new share-based payments using a relevant valuation methodology, and assessing the valuation inputs using BDO Corporate Finance specialists, where appropriate. • Assessing the accounting treatment of new, cancelled and lapsed share-based payment arrangements. • Verifying the disclosures in the financial statements and remuneration report complies with Australian Accounting Standards and the *Corporations Act 2001*, respectively.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 35 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Titomic Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO
Katherine Robertson

Katherine Robertson
Director

Melbourne, 30 August 2024

Titomic Limited
Shareholder Information
For the year ended 30 June 2024

Corporate Governance Statement

The Company's Directors and management are committed to conducting the business of the Group in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations* (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on the Company's website (www.titomic.com), and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with the ASX.

The Appendix 4G will particularise each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website (www.titomic.com).

Additional Securities Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 27 August 2024 (**Reporting Date**).

Quoted equity securities - ordinary shares

As at the Reporting Date, the Company had a total of 1,025,238,120 fully paid ordinary shares on issue. The Company's shares are quoted on the ASX, and form the only class of securities on issue in the Company that is quoted on the ASX, and that carries voting rights.

At a general meeting of the Company, every holder of ordinary shares is entitled to vote in person or by proxy or attorney; and on a show of hands (every person present who is a member has one vote); and on a poll (every person present in person or by proxy or attorney has one vote for each ordinary share they hold).

Range of holdings

An analysis of the number of shareholders in the Company by size of holding is as follows:

Share Range	Number of Holders	Units	%
1-1,000	808	423,445	0.041%
1,001-5,000	1,238	3,496,454	0.341%
5,001-10,000	584	4,592,477	0.448%
10,001-100,000	1,302	48,030,336	4.685%
100,001 and over	600	968,695,408	94.485%
Total	4,532	1,025,238,120	100.000%

Unmarketable Parcels

The number of shareholders holding less than a marketable parcel of shares as at the Reporting Date (based on a closing price of $0.155 per share) was 1,601 shareholders (holding 2,030,713 ordinary shares).

Titomic Limited
Shareholder Information
For the year ended 30 June 2024

Top 20 Shareholders

The names of the 20 largest holders of ordinary shares as at the Reporting Date are listed below:

Rank	Name	No. of shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	119,724,249	11.678%
2	BUTTONWOOD NOMINEES PTY LTD	69,122,971	6.742%
3	GLENEAGLE SECURITIES NOMINEES PTY LIMITED	66,563,434	6.492%
4	QUALITY LIFE PTY LTD <THE NEILL FAMILY A/C>	57,668,750	5.625%
5	GLENEAGLE SECURITIES (AUS)PTY LTD	47,405,764	4.624%
6	CITICORP NOMINEES PTY LIMITED	47,100,337	4.594%
7	PATRICK BERGIN SMSF PTY LTD <PATRICK BERGIN SMSF A/C>	42,636,263	4.159%
8	MR PATRICK THOMAS BERGIN	36,029,038	3.514%
9	LANDSDOWNE (AUST) NOMINEES PTY LTD <THE R & D PEGUM A/C>	28,345,318	2.765%
10	HERBERT KOECK	25,536,506	2.491%
11	REPKON MAKINA VE KALIP SANAYI VE TICARET ANONIM SIRKETI	23,661,078	2.308%
12	CURRAWEENA PTY LIMITED <CURRAWEENA INVESTMENT A/C>	12,750,599	1.244%
13	CARPE DIEM ASSET MANAGEMENT PTY LTD	11,217,836	1.094%
14	G HARVEY NOMINEES PTY LIMITED <HARVEY 1995 DISCRETION A/C>	10,586,051	1.033%
15	JEFFREY DAVID LANG <AKASHA FAMILY A/C>	8,221,008	0.802%
16	BNP PARIBAS NOMS PTY LTD	7,388,191	0.721%
17	ROSSBEL PTY LIMITED <THE ROSSBEL A/C>	6,300,000	0.614%
18	GREENWATTLE PROPERTIES PTY LTD	6,000,000	0.585%
19	THE LF POINT PTY LTD <POINT A/C>	5,649,739	0.551%
20	MR DAVID MILTON	5,600,000	0.546%
	Total	**637,507,132**	**62.181%**
	Balance of register	**387,730,988**	**37.819%**
	Grand total	**1,025,238,120**	**100.000%**

Substantial Shareholders

Substantial shareholders in the Company are set out below:

Name	No. of shares	%	Current at (last notification date)
Macquarie Group Limited	70,341,785	7.89%	7-Aug-2024

Escrowed securities

There are no escrowed securities in the Company as at the Reporting Date.

Unquoted equity securities

The Company has two classes of unquoted equity securities on issue, being Performance Rights and Options.

Performance Rights

The Performance Rights will vest into ordinary shares (on a 1-for-1 basis), subject to satisfaction of prescribed vesting conditions.

None of the Performance Rights carry any voting rights. However, any underlying shares issued upon the vesting or conversion of the Performance Rights will carry equal voting rights with the other share on issue in the Company.

Titomic Limited
Shareholder Information
For the year ended 30 June 2024

As at the Reporting Date, there were a total of 120,000,000 Performance Rights on issue, held by three holders.

An analysis of the number of Performance Rights holders by size of holding is as follows:

Range	Number of Holders	Units	%
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	-	-	-
100,001 and over	3	120,000,000	100.000%
Total	3	120,000,000	100.000%

Options

The Options upon exercise will convert into ordinary shares (on a 1-for-1 basis), subject to various exercise prices and expiry dates.

None of the Options carry any voting rights. However, any underlying shares issued upon the vesting or conversion of the Options will carry equal voting rights with the other share on issue in the Company.

As at the Reporting Date, there were a total of 166,812,500 Options on issue, held by 60 holders.

An analysis of the number of Option holders by size of holding is as follows:

Range	Number of Holders	Units	%
1-1,000	-	-	-
1,001-5,000	1	3,562	0.002%
5,001-10,000	1	10,000	0.006%
10,001-100,000	30	1,580,753	0.948%
100,001 and over	28	165,218,185	99.044%
Total	60	166,812,500	100.000%

Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:
Computershare
GPO Box 3224
Melbourne VIC
Phone 1300 850 505

Shareholder enquiries

Shareholders should contact the share registry to obtain details of the procedure required for these changes.

Annual Report mailing list

We encourage shareholders to update their preferences to opt-out of receiving a hard copy of the Annual Report by contacting the share registry.