

1 December 2021

Titomic acquires leading European cold spray technology company Dycomet Europe B.V.

Key highlights:

- Acquisition of strong European business with complementary product portfolio
- Immediately revenue accretive with forecast additional annual revenue of 1.0 million euros
- Creates a European base to target local customers in the aviation, automotive and higher education sectors
- Provides increased vertical integration capability, potential savings and broader product offer
- Funded from a mix of existing cash and equity
- Culturally and operationally aligned, with Founder and all management retained

Titomic Limited (**ASX: TTT, Titomic or Company**) has at close of business yesterday acquired leading European cold spray technology company, Dycomet Europe B.V. (**Dycomet**).

Dycomet is a Netherlands-based company offering low and medium pressure cold spray technology solutions to various industries since 2006. In 2016 Dycomet also added high pressure cold spray solutions to their portfolio, which will provide Titomic's European customers with local support and capability. Dycomet's portfolio includes turn-key cold spray solutions, research and development services via an in-house laboratory, software development and the provision of servicing, spare parts and consumables for its systems. Its clients include household brands such as Rolls-Royce, Mercedes, Airbus, Siemens, VW, and several leading universities. Dycomet is well aligned with Titomic's strategic approach targeting markets such as the aviation and automotive industry.

Herbert Koeck, Chief Executive of Titomic, commented: *"The acquisition of Dycomet is a significant step in Titomic's strategic pathway to being a global company. We are excited to welcome Dycomet onboard and look forward to working with Klaas and his team on the many exciting opportunities that this acquisition presents. While Titomic focuses on high-pressure applications, Dycomet services the soft-end low and medium-pressure market. With our complementary machinery and product portfolio, the combined expertise now available to the Company will further accelerate the Company's growth into new markets and provide current customers with a broader product offering."*

Dycomet's Founder and Chief Executive, Klaas Rozema, will step into the new role of General Manager of Titomic Europe. Klaas brings a wealth of experience in cold spray technology, having spent the past 13 years building Dycomet to now hold a leading position in the European market.

Klaas Rozema, Chief Executive of Dycomet, commented: *"I am delighted that Dycomet has been acquired by a new owner who understands our industry. Titomic is an excellent complementary fit with our current product set and expertise and can support the next phase of growth, offering a wealth of opportunities for our team. I will continue to lead the business in Europe, and I look forward to working with Herbert to bring the two companies together and ensure the synergies between the two businesses are fully harnessed."*



Strategic rationale

The transaction will provide Titomic with a base in Europe, giving it exceptional global access together with its Australian Headquarters and Titomic USA. The acquisition will be immediately revenue accretive for Titomic with a healthy pipeline of customer orders in Europe. Several synergies that will be immediately realised between the businesses, include additions to Titomic's comprehensive product portfolio, wider product offers to current customers, use of complementary machinery sets from both sides, Titomic's ability to service and maintain additional industry machinery in Europe and providing technical and sales functions for the Company in the region.

Acquisition details

The Company will acquire all the issued shares in Dycomet and pay cash consideration to the vendors of €1.3m, with €1m being paid on completion and two equal deferred payments of €0.15m being paid 18 months and 36 months after completion. In addition, the vendors will be issued 1.5 million ordinary shares in Titomic in three equal tranches on the first, second and third anniversaries of completion.

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

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CONTACT

INVESTORS

Adrian Mulcahy

Market Eye

P: +61 438 630 422

E: adrian.mulcahy@marketeye.com.au

MEDIA

Tristan Everett

Market Eye

P: +61 403 789 096

E: tristan.everett@marketeye.com.au

ABOUT TITOMIC LIMITED

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

FORWARD LOOKING STATEMENTS

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

