



FY21 Results Presentation

30 August 2021

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Agenda

Joanna Walker, CFO

- FY21 Financial results

Herbert Koeck, CEO

- Titomic at a glance
- The Technology
- Business Model
- Outlook



A photograph of an industrial robotic arm in a factory setting, overlaid with a blue tint. The arm is positioned in the center, with various cables and hoses attached. It is situated below a metal walkway or bridge. The background shows the interior of a large industrial building with a corrugated metal ceiling and walls. The text "FY 21 Financials" is displayed in white on the left side of the image.

FY 21 Financials

FY21 – Financials

Earnings Summary	June 2021 \$,000	June 2020 \$,000
Revenue	1,985	2,006
Less Expenses	(19,160)	(12,833)
Loss before Income Tax	(17,175)	(10,827)
Less Tax	-	-
Net Loss After Tax	(17,175)	(10,827)
Less Significant Items	6,079	-
Underlying Operating EBIT	(11,096)	(10,827)
Significant Items – Non Cash One Off Items		
- Impairment of non-current assets		\$3.3m
- Depreciation adjustment for revision of estimated useful life of machinery		<u>(\$1.2m)</u>
Net effect of impairment assessment		\$2.1m
- Impairment of Contract Asset relating to Options issued in FY20		\$2.0m
- Inventory write down		\$0.7m
Other One Off Items		
- Restructuring and Redundancy Costs		\$0.6m
- Strategic Consulting & Legal fees		\$0.7m

- FY21 was a disappointing financial result
- Necessary to reposition the business
- (\$3.3m) one-off non-cash impairment for non-current assets
- \$1.2m reduction in depreciation for machinery
- (\$0.7m) Work in Progress for Composite & other projects
- (\$2.0m) non-cash impairment of contract asset for options recognized as FY 20 asset
- (\$ 0.6m) restructuring and redundancy costs
- (\$0.5m) one-off costs for strategic review.

FY21 – Financials

Statement of Cash Flows	June 2021 \$,000	June 2020 \$,000
Operating cash flows	(9,037)	(7,911)
Investing cash flows	(25)	(1,087)
Financing cash flows	(449)	25,044
Net cash flow	(9,512)	16,046
Cash balance at beginning of the year	17,458	1,412
Cash balance at the end of the year	7,946	17,458

Statement of Financial Position	June 2021 \$,000	June 2020 \$,000
Current assets	11,084	22,607
Non-current assets	2,505	7,279
Total Assets	13,589	29,886
Current Liabilities	2,977	2,551
Non-current liabilities	1,170	1,760
Total liabilities	4,147	4,311
Total Equity	9,442	25,574



- Operating cash flows impacted by
 - one-off strategic consulting spend \$0.5m and redundancies \$0.6m
 - Additional labour costs for Interim CEO
- Financing cash flows associated with principle portions of lease liabilities accounted for in accordance with AASB 116.
- Cash movement of \$9.5m.
- Impact of Asset impairments
 - Contract Asset and other non current assets to align with Accounting Standard AASB136.
 - Offset by depreciation saving on Machinery \$1.2m.
- Inventories consistent with FY20

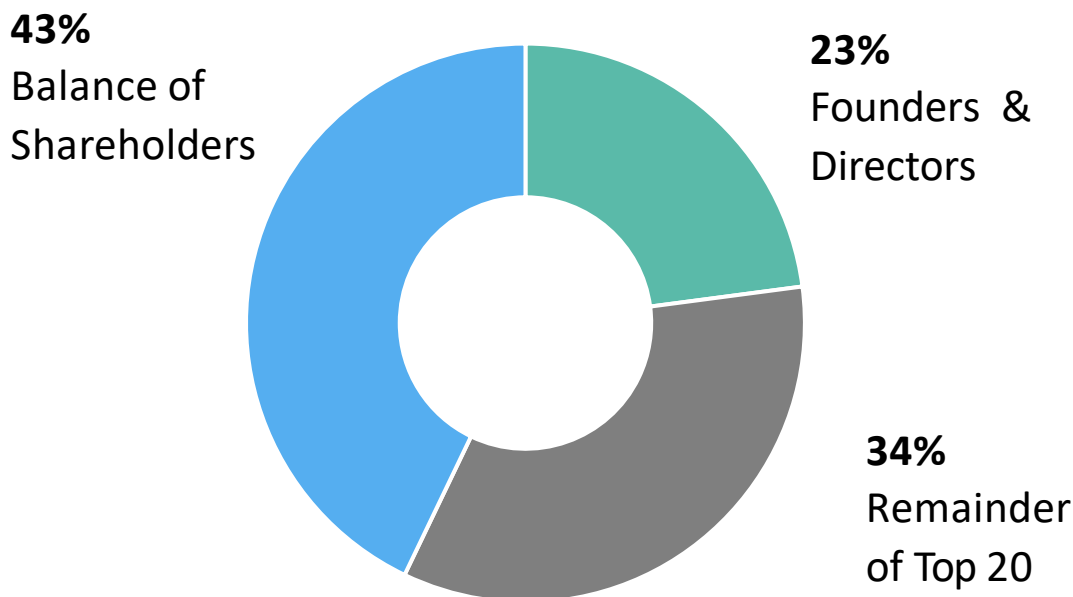
A blue-tinted photograph of two male workers in a factory setting. They are wearing high-visibility safety vests with the 'TITOMIC' logo. The worker on the right is holding a tablet and pointing towards a large industrial robotic arm. The robotic arm has 'TITOMIC' branding and is positioned near a large, curved metal component. The background shows various industrial structures and equipment.

Titomic at a glance

Titomic snapshot

- Founded in 2014 to develop a new type of additive manufacturing process, developed with the CSIRO, using cold-gas spraying of metal particles to produce 3D structures
- This patented process is known as Titomic Kinetic Fusion® (TKF®), which Titomic has exclusive rights to commercialise
- Set to be a global leader in providing cutting-edge cold spray technology and solutions for our customers, changing the way manufacturing is done
- Scaling globally through joint venture partnerships with tier 1 suppliers to the defence and aerospace industries
- We seamlessly integrate TKF technology into partner supply chains, enabling customers to improve build quality and speed, all while minimizing their ecological footprint¹
- We deliver on our financial goals by supporting customers on their journey transitioning from the traditional to the new world of digital manufacturing

Share Ownership



New Leader, New Future

New leadership team
executing on journey driving
business success

A leading-edge technology in
a very large growth market

Application driven growth
with expert joint venture
partners

Transformation NOW

Build Foundation

- TKF Technology
- Strong board leadership
- Start application focus

Build leadership, clear vision, strategy

- New leadership team executing
- New CEO; Herbert Koeck
 - New Engineering Lead; Max Osborne
 - New HR lead; Michael Rochford

Execution - Build global go to market

- Create JV partnerships
- Establish Titomic US and EU
- Deliver FY22 business plan



Herbert Koeck
CEO, Titomic Limited

Herbert Koeck is the Chief Executive Officer of Titomic, joining the company on 1 July 2021.

Prior to joining Titomic, Herbert served as Executive Vice President, Global Go to Market at 3D Systems from September 2016 to December 2020.

From 2013 to 2016 he was Managing Director of Hewlett Packard Europe, Middle East and Africa.

Previously he held several leadership roles for HP across the globe.

He holds a bachelor’s degree in Computer Science from Technical University Vienna.

Together, we make it possible

Executive team



Herbert Koeck

Chief Executive Officer

- Previously Executive VP: go-to-market strategy of 3D Systems Corporation
- Former Managing Director of Hewlett Packard Europe



Joanna Walker

Chief Financial Officer

- Previous CFO roles at Total Tools, Coventry Group and Officeworks
- Non-Executive Director and Chair of Audit and Risk Committee of both Countrywide Food Service Distributors and Southern Alpine Resort Management



Max Osborne

Head of Engineering

- Joined Titomic in June 2021 after 14+ years at The Boeing Company in Australia and the USA
- Alumni of Boeing's global leadership program with technical background spanning R&D, design and product development
- Nine international patents in structures, materials and manufacturing.



Dominic Parsonson

Head of Sales

- Extensive sales and marketing management experience in Europe, Asia, Africa and Australia
- Over 10 years Additive Manufacturing experience



Chris Healy

Legal Counsel

- Chairman of BondAdviser (previously Managing Director)
- Formerly Legal Director & Company Secretary of Guinness Peat Group



Jeff Lang

Executive Director
Chief Technology Officer

- 30 years experience in manufacturing in Australia, Europe and Asia
- Previously Managing Director of Titomic and of Force Industries



Michael Rochford

Head of HR & Operations

- Previously Regional Manager PACT Group, multiple full P&L responsible roles.
- Numerous Senior Ops and HR roles in the Packaging and Automotive Sectors.
- Extensive Expertise in Cultural change, currently undertaking a PhD in Organisational Growth.



Colin Horman

Head of Strategy Execution

- CFO roles at Iveco Trucks Australia & New Zealand, and ANZIF
- Extensive business leadership and corporate development experience, including roles at iSelect, PaperlinX and Amcor

Together, we make it possible



Board



Dr Andreas Schwer

Independent Non-Executive Chairman

- CEO of Saudi Arabian Military Industries (SAMI)
- Previously VP – Design & Development at Airbus Helicopters



Mira Ricardel

Independent Non-Executive Director

- Principal at The Chertoff Group
- Assistant to the President of the United States and Deputy National Security Advisor
- Previously VP – International Business Development at Boeing



Dag W.R. Stromme

Independent Non-Executive Director

- Currently Co-Chairman of PAACS Invest
- Previously Managing Director and Co-Head Nordic Banking of Morgan Stanley



Richard Willson

Independent Non-Executive Director

- Non-Executive Director at Thomson Resources and PNX Metals
- Company Secretary at SILK Laser Clinics



Humphrey Nolan

Independent Non-Executive Director

- Chairman of The Nolan Group and Tapex Industrial



Prof. Richard Fox

Non-Executive Director

- Former Chair and Director of formerly listed Meditech Resources Ltd
- Inaugural Chair of the Cancer Research Centre for Cancer Therapeutics
- Co-founder of Force Industries



Jeff Lang

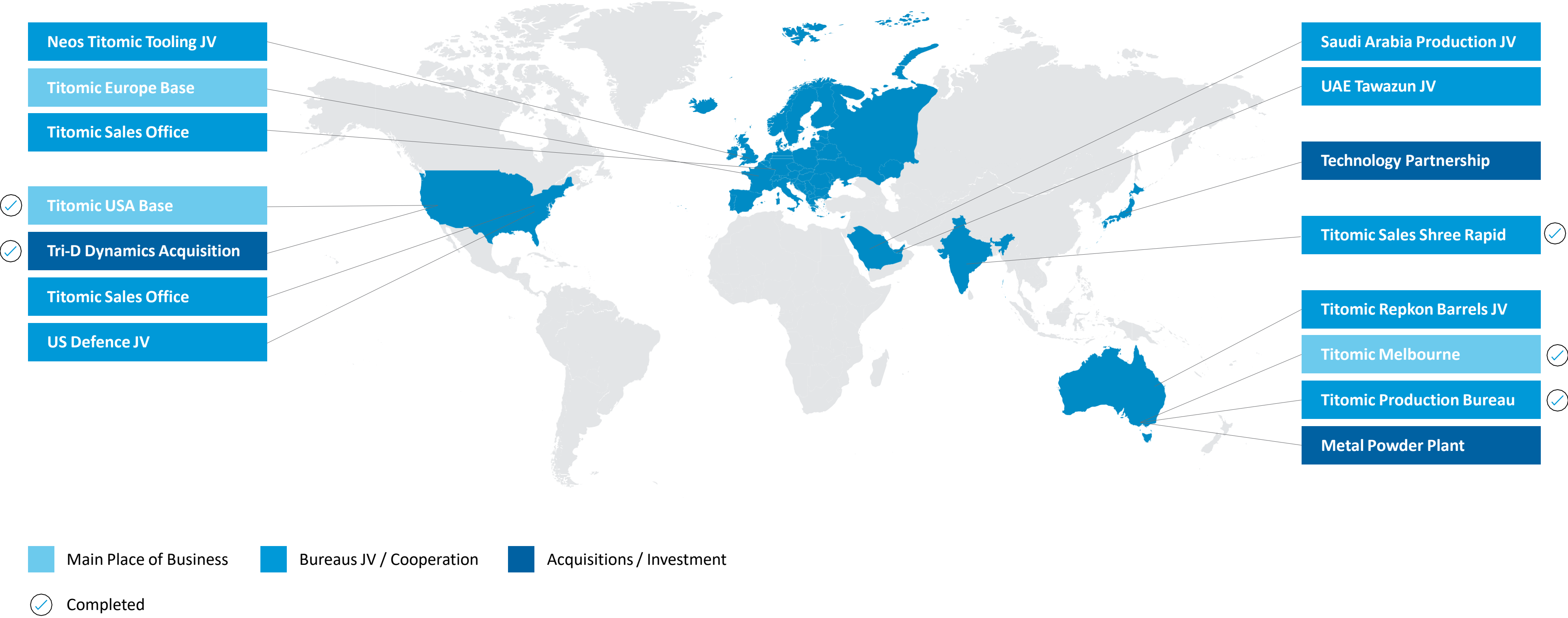
Executive Director
Chief Technology Officer

- 30 years experience in manufacturing in Australia, Europe and Asia
- Previously Managing Director of Titomic and of Force Industries

Global industry expertise

Taking our technology to the world

We're on track to expand across Australia, Europe, North America and beyond.





The Technology

Why additive manufacturing?

What is additive manufacturing?

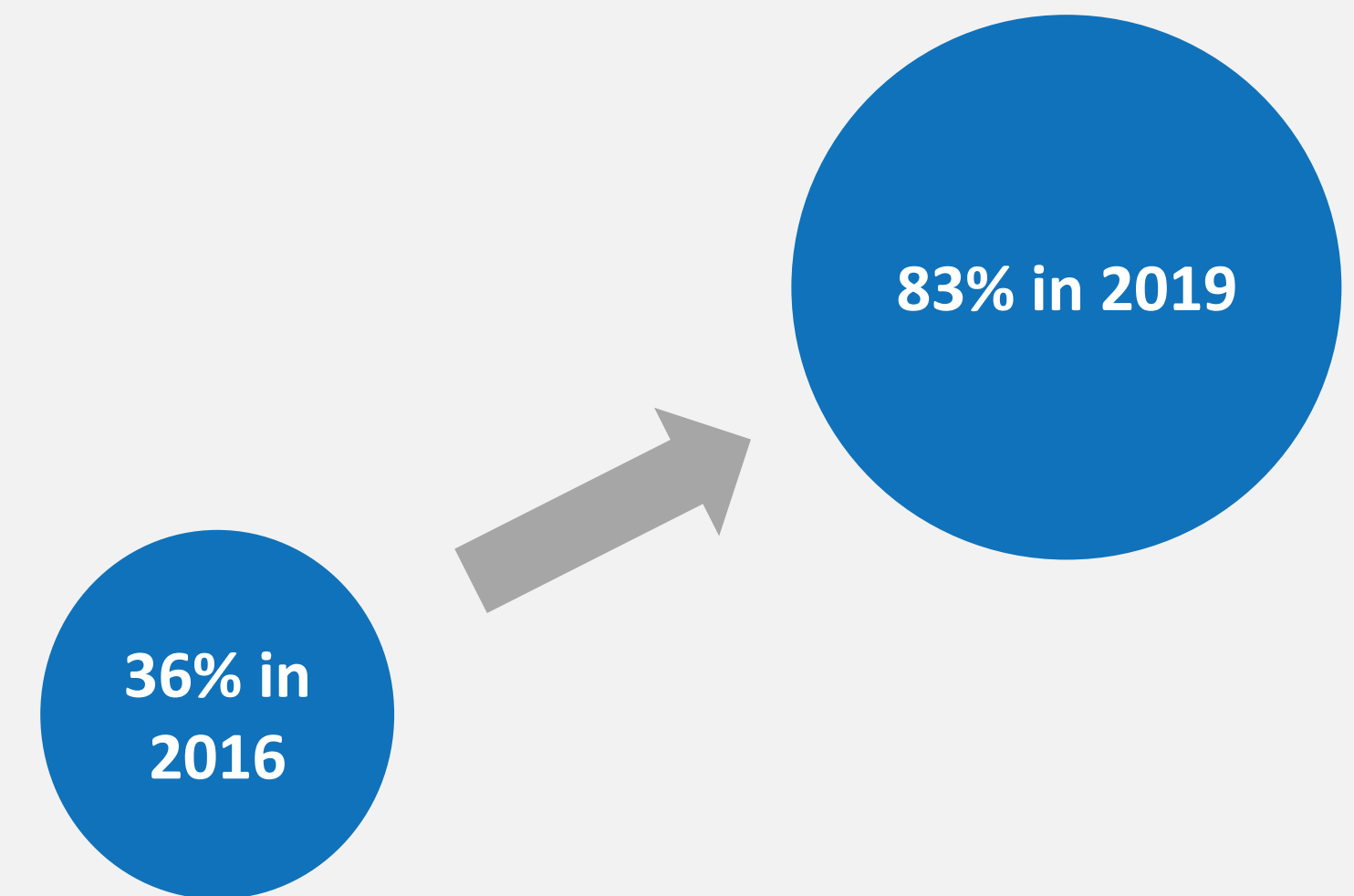
- Additive manufacturing (AM), or 3D printing, is a digital manufacturing process
 - Slicing three-dimensional digital designs into layers
 - Produces physical goods additively, layer by layer, using AM systems and various materials
 - Contrasts to traditional manufacturing which is 'subtractive' (removing material from a larger structure through drilling/carving/machining)
- Metal AM works by growing a 3D object one superfine layer at a time.
 - Each successive layer bonds to the preceding layer of melted or partially melted material.
 - As the material cools it fuses together to form the three-dimensional object

Advantages of additive manufacturing

- ✓ **Enables the creation of more complex shaped components** which are not possible with conventional methods, supporting the design of products based on performance without normal manufacturing constraints
- ✓ Allows **rapid prototyping** – without new specialist tools for prototyping each new product
 - Design flaws efficiently removed prior to becoming costly errors during larger scale manufacturing
 - Helps designers present new concepts as physical products to clients, rather than a concept
 - Reduces time to market
- ✓ **Superior strength-to-weight ratios** – parts that previously required construction of multiple pieces can now be produced as a single structure, enhancing durability
- ✓ **Reduced material wastage** since the AM process only uses the amount of material required for the part itself
- ✓ **Increased customization for each customer** – no retooling needed for customised and unique products

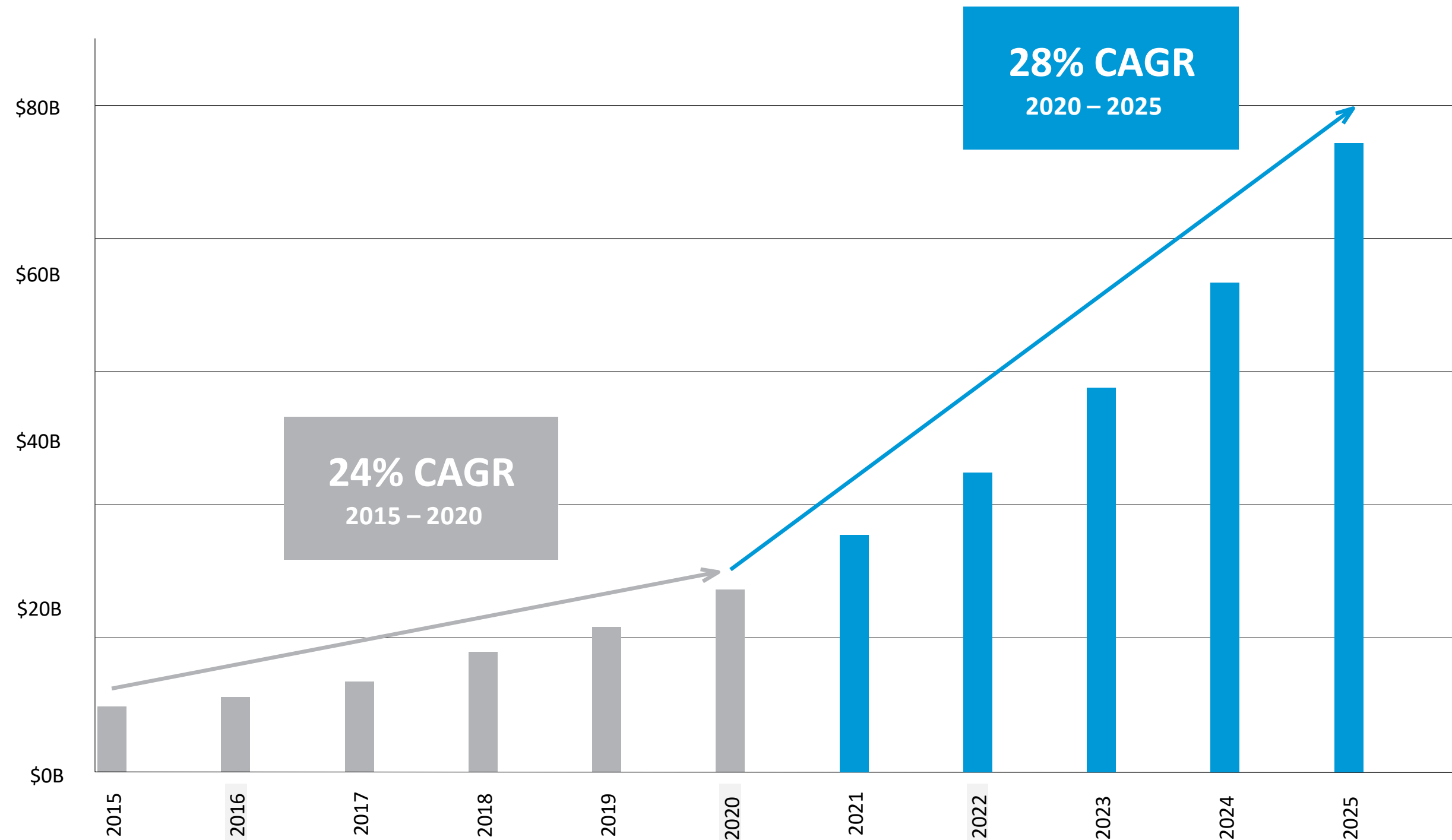
Adoption is accelerating in key manufacturing industries

The percentage of businesses in key industries who either already apply or are considering applying AM technology increased from 36% in 2016 to 83% in 2019¹



1. Based on an EY survey of 900 small, medium and large businesses in the aerospace, automotive, chemicals, construction, consumer packaged goods, electronics, industrial, life sciences, logistics and transportation industries (Source: *3D printing: hype or game changer? A Global EY Report 2019*)

Additive manufacturing market to reach almost \$80B by 2025*



*Source: Wohlers Report 2020. Figures in US dollars.

Fuelled by rapid prototyping, faster turnaround, less waste and lower emissions

Our Titomic Kinetic Fusion Process

A new process that overcomes the limitations of melt-based metal additive manufacturing to produce parts faster, larger and more sustainably.



Faster to market

Build custom composite parts to near-net shape in just days, with minimal processing and machining and the world’s fastest deposition rates.



Breakthrough materials

Fuse dissimilar materials within parts and even metallise plastics, with a variety of metals, superalloys and ceramic blends.



Proven patents

Our breakthrough technology is protected by our own patents and exclusively licensed CSIRO patents.



Superior repairs

From rail bogie to helicopter gearbox castings, repairs are also faster, stronger and simpler. With no damage or distortions, no pre-heating, no oxidation, no thickness limits, and no need to completely disassemble parts – with good-as-new performance.



Cost efficient

Faster build rates, a shorter supply chain, less waste, and using competitively priced materials to form high performance parts, make TKF a more affordable choice.



Sustainable

A shorter supply chain and lighter alloys mean less waste and a smaller environmental footprint.

Unmatched value, certainty and confidence

Aerospace



Less welding and forming



Less material than billet



Better buy-to-fly ratio



Minimal machining

Defence



Lighter and faster manufacturing



Large single piece geometries



Minimal fabrication



For multiple threat levels

Oil and Gas



Faster manufacturing



Less machining than stock bars and rods



Better performance than castings



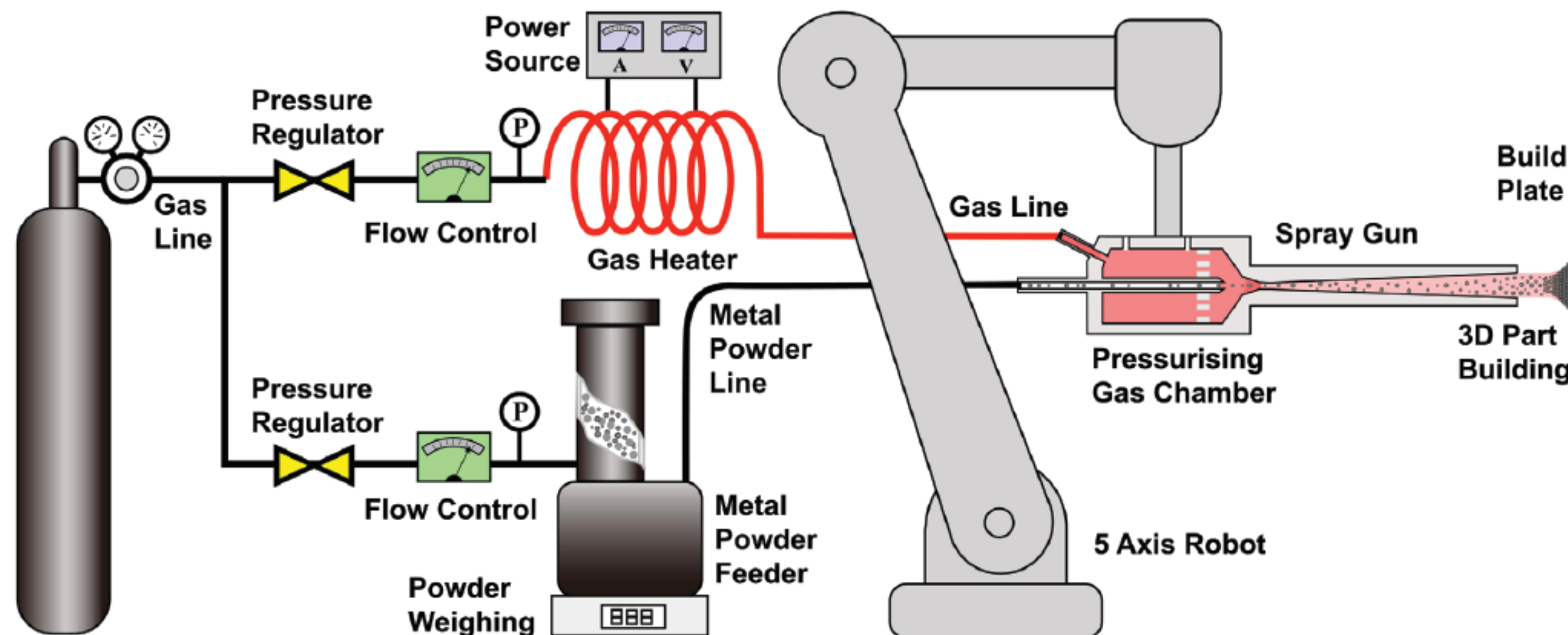
High strength at high temperatures

Titomic's Additive Manufacturing technology

Titomic Kinetic Fusion (TKF)

- Exclusive rights to commercialise a new form of cold spray additive manufacturing called Titomic Kinetic Fusion
- The TKF process uses cold spray technology which uses a compressed gas stream to accelerate metal powder particles at supersonic speed, which then bond together to form a layer upon impact
- Patented technology developed by the CSIRO to exploit Australia's vast reserves of titanium mineral sands

The TKF Process



Key Attributes of the TKF Process

Solid state process

- Minimises any change to the properties of the metal due to heat distortion

No protective atmosphere required

- Results in TKF being far less restricted in size/build area

Cost effective

- The TKF process can use cost competitive grade metal powders of dissimilar particle sizes and irregular shapes.

High build rate

- Relative to traditional metal AM processes

Company Technical Comparisons

	US Companies				Australian Companies		
	TITOMIC	Desktop Metal	Relativity	Carbon	SPEE3D	AMAERO	AML3D
3D Print type	Kinetic Fusion	Binder Jet	Wire Direct Deposition	Digital Light Synthesis	Cold Spray Additive Manufacturing	Powder Bed Fusion	Wire Arc Additive Manufacturing
Metal Parts	Yes	Yes	Yes	No	Yes	Yes	Yes
Part Build Size	X-Large	Small	Large	Small	Medium	Small	Large
Part Build Speed <small>Per print head</small>	Up to 15Kg/hr	Up to 2.9Kg/Hr ¹	Up to 2.9Kg/Hr ²	Up to 3.1Kg/Hr ³	Up to 6 kg/h ⁴	Up to 0.2 kg/h ⁵	??

¹ www.desktopmetal.com
² www.sciaky.com/additive-manufacturing/wire-vs-powder
³ Based on PU density of 100Kg/M³ @ build rate of 3120cm³ p/hr www.3dprint.com/53286/gizmo-3d-printers-fastest/
⁴ www.spee3d.com
⁵ Amaero SP 500 SLM Brochure, www.amaero.com, kg/h calculation based on metal density of 4g/cc

A photograph of an industrial robotic arm in a factory setting, overlaid with a blue tint. The arm is positioned in the center, with various cables and hoses attached. It is situated below a metal walkway or bridge structure. The background shows the interior of a large industrial building with a corrugated metal ceiling and walls. In the lower right, there is some additional industrial equipment, possibly a motor or pump. The overall scene is industrial and technical.

Business model

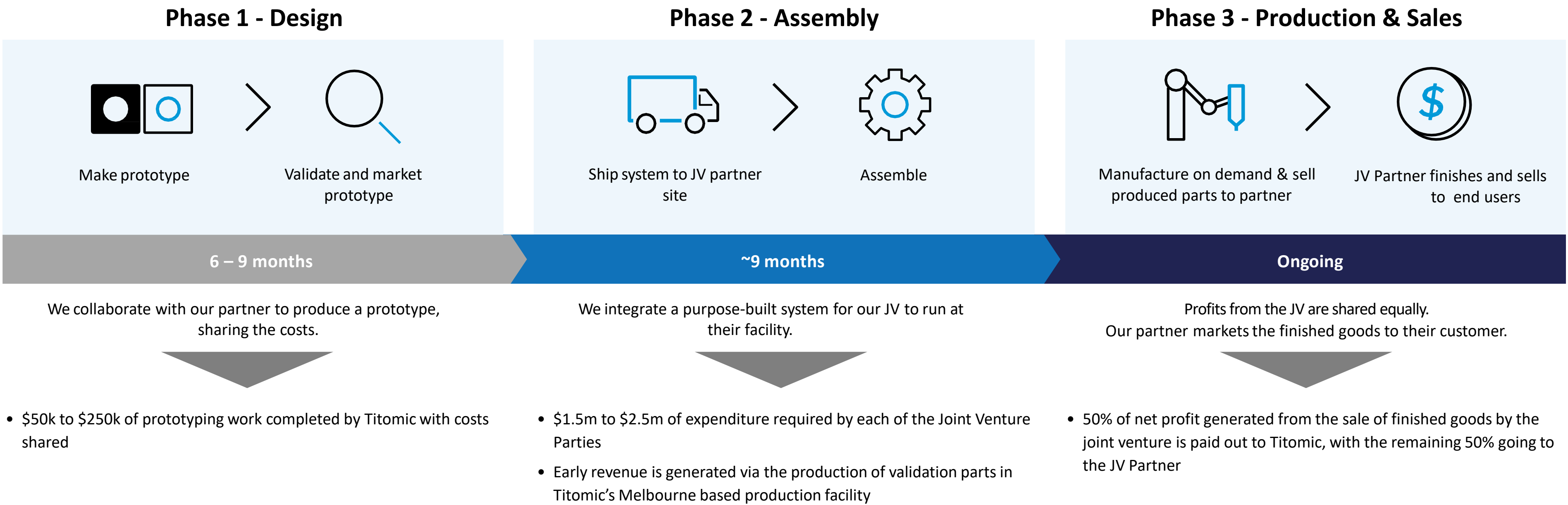
Recurring revenue streams

1 Direct TKF Machine Sales	2 JV Partnerships	3 Powder Production/Sales	4 Consumables & Service
<ul style="list-style-type: none"> Each machine sale will lead to recurring revenue from powder sales (3) and, consumable & service requirements (4) 	<ul style="list-style-type: none"> Titomic receives share of net profit of the JV Company Ongoing supply of powders, service, maintenance and consumables to the JV Company by Titomic 	<ul style="list-style-type: none"> Recurring revenue stream following on from the transactional sale of TKF machines A medium-term priority of Titomic is to establish a powder production plant in Australia reducing reliance on foreign suppliers, and increasing margins on powder sales 	<ul style="list-style-type: none"> Users of Titomic's TKF systems require ongoing provision of consumables, servicing and maintenance, supplied by Titomic
			Commercialisation status Prototypes of some consumables have been developed
			5 Design & Engineering Consulting
			<ul style="list-style-type: none"> Titomic offers design & consulting services to customers looking for a TKF solution
Commercialisation status Currently marketing TKF systems to research organisations	Commercialisation status Multiple HoA agreements entered during FY21 to enter JVs to design and manufacture defence and aerospace products using TKF systems	Commercialisation status Existing capability to on sell third party powder. Medium term opportunity to produce powder in-house at Titomic	Commercialisation status Titomic is onboarding more engineering talent to allow the expansion of this service

Joint venture partnerships

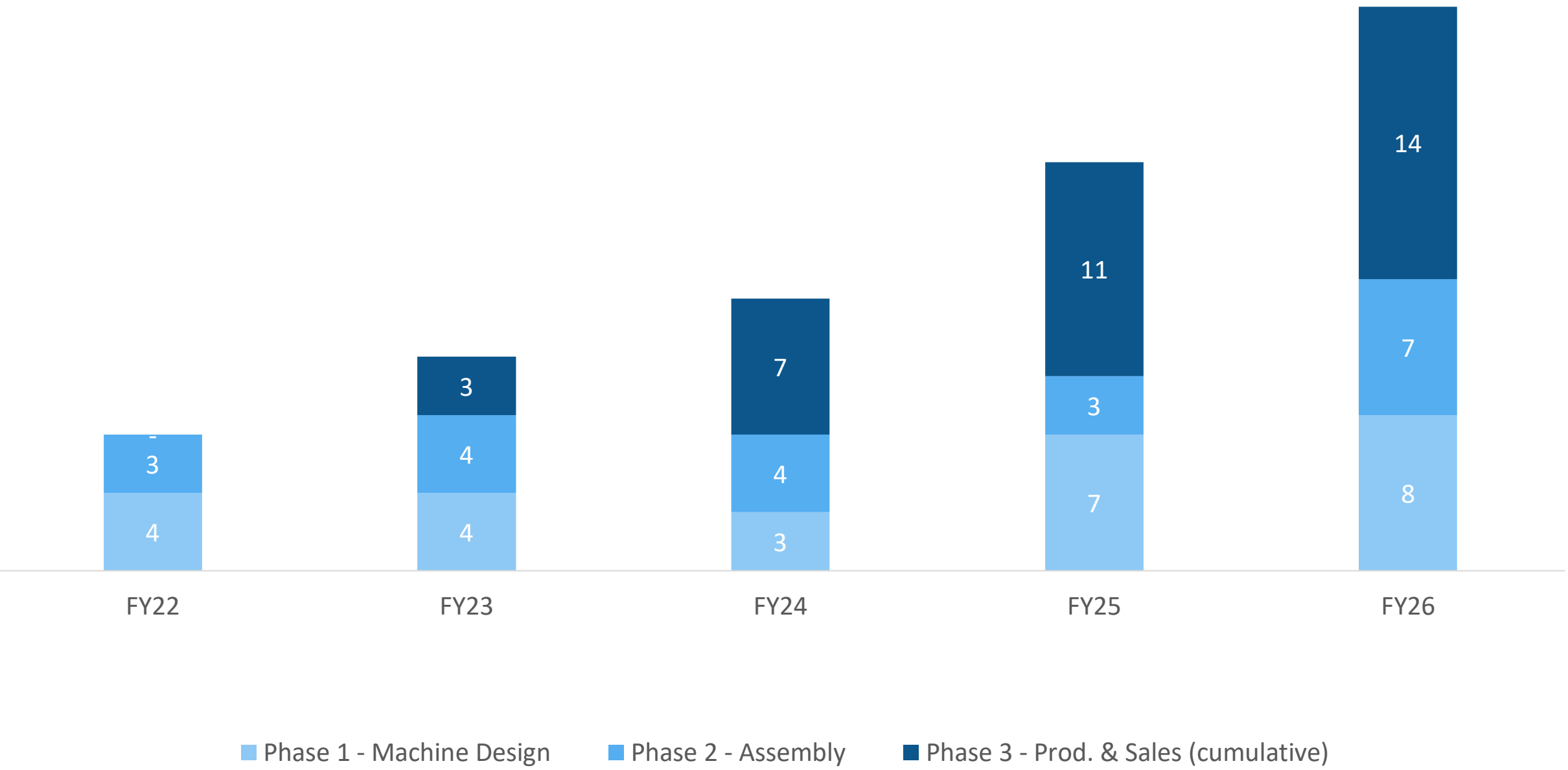
More than a machine

We share both the risks and rewards with our joint venture partners, bringing everything to their door: our patented process, technology and custom system.



Joint venture partnerships

Expected JV commercialisation timeline



- Multiple joint venture partnerships planned as at the end of FY21
- Prototype design work has already commenced on two of these partnerships
- First product expected to be sold in mid 2022 under existing partnerships
- Additional JV agreements expected to be onboarded based on current early-stage discussions with international defence and aerospace suppliers

Our trusted customer base



Aerospace



Tooling and Structures



Tooling Joint Venture



Tooling



Aerospace

Defence



Tooling and Aerospace



Light weighting of Vessels



Research Industrialisation Partner



Prototyping Barrels & Ballistics



Barrels Partner

Other



TKF Machine Customer



MRO Investigation



Reseller



Reseller

Unlocking unprecedented potential

Large & expanding market

- Strong tailwind with additive manufacturing market set to **grow by 28% each year**¹
- Buoyed by rapid prototyping, faster turnaround, less waste and lower emissions²
- Reduced costs and risks **fueling fourth industrial revolution**

Global foothold

- Transitioning to formal **joint venture partnerships** with shared risks and rewards
- **Set to scale globally** across aerospace, defence and other high-value markets
- Expansion underway with signed agreements in the US, Europe, Middle East and Australia

Unparalleled expertise

- New board of directors and management team with **strong industry, government and capital markets experience**
- **Deep scientific pedigree** including Technical Advisory Committee with **world-renowned scientists**

Proven process & industry leading technology platform

- **Pioneering patented technology** co-developed with the CSIRO, Australia's national science agency
- Strong cost advantage within Titanium alloys with patent protection
- **Overcomes challenges** like long lead times, limited scalability and excess waste seen in traditional manufacturing

Compelling business model with attractive financial business profile

- Partnership manufacturing model with clients to deliver attractive unit economics with added benefit of sale of consumables and services
- Unique powder supply to reduce risk as well as cost of titanium parts while **boosting performance**
- **Operating leverage** will drive profitability

¹ Wohler's Report 2020

² CSIRO study of Cold Spray vs Electroplating





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