



31 October, 2023

ASX Announcement

GENERAL BUSINESS

ADDITIVE MANUFACTURING

Armaments

Ballistic Protection

Structures

Tooling

Embedded Sensors

COATING & REPAIR

Metal Restoration

Wear Resistance

Corrosion Protection

Conductive Coating

Inductive Coating

Radiation Shielding

Quarterly Activities Report - Q1 FY24

Highlights:

- Sale of High Pressure Cold Spray System to Sabanci University
- Sale of Titomic D523 to Marine Nationale (French Navy)
- Selected by Airbus as supplier of cold spray technology
- Receipt of two purchase orders from Boeing
- Ongoing Low Pressure Cold Spray System sales
- Ongoing commercial manufacturing agreements
- Completion of Retail Entitlement Offer and Placement
- Quality certifications and standards retained

Titomic Limited (ASX: TTT) ("Titomic" or the "Company") provides its Appendix 4C cash flow and activity report for the period ended 30 September 2023 (Q1 FY24).

Statement from Herbert Koeck, Managing Director of Titomic:

"Titomic has begun FY24 strongly, generating more revenue from contracted sales within the first quarter of FY24 than in the entirety of FY23. This outstanding accomplishment signifies a promising start to the financial year, driven by key contracts with clients such as Sabanci University, the French Navy, and Perron038.

Meanwhile, our strategic efforts have yielded positive results. Titomic's focus on increasing customer revenue, cost reduction, market education about cold spray technology, and expanding revenue-generating activities in active regions has been fruitful.

In FY23, we generated customer revenue of \$2.62 million, despite not receiving some large, projected machine orders. Notably, sales of D-series machines and orders from prominent companies like Boeing and Triton contributed significantly.

Additionally, we have been actively collaborating with two departments at Boeing. In October 2023, we received purchase orders from Boeing Global Services and Boeing Space, Intelligence, and Weapons Systems. These collaborations involve rigorous testing and validation, with our additive manufacturing process, Titomic Kinetic Fusion, consistently delivering favorable results in both past and ongoing testing phases.

Titomic has also achieved a major milestone in being selected by the Airbus Group (Airbus) as the chosen supplier for cold spray systems, to be used within Airbus' repair, maintenance, and overhaul operations. Airbus has begun this commercial relationship by issuing purchase orders for two Titomic Kinetic Fusion systems.

This quarter, we are also delighted to report our ongoing collaboration with Metro Trains. They have embraced our innovative repair process for electric motor shafts, which incorporates cold spray technology and our proprietary metal alloy blend.

Concurrently, the significance of our reseller network in extending Titomic's global reach and overcoming language barriers cannot be overstated. Titomic continued to expand our reseller partner network to drive revenue and customer growth in key markets globally.

In summary, FY23 was a year of rebalancing and investment for Titomic, setting the stage for a promising FY24. Our focus is now on increasing sales and revenues, leveraging our strong pipeline and deep understanding of our products and solutions.

Titomic remains dedicated to delivering value to its investors and we thank you for your support."



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Operational Update

Order for high-pressure cold spray system

Titomic received a purchase order from Sabanci University's Integrated Manufacturing Technologies Research and Application Center. The System was sold for EUR 1.4 million (AUD 2.4 million) and is expected to be delivered, installed, and paid for by April 2024. The System incorporates Titomic's roboticised high-pressure Titomic Kinetic Fusion technology, also known as cold spray, to enable novel additive manufacturing, material science, and surface engineering capabilities.

Order from French Ministry of the Armed Forces

Titomic received a purchase order from the French Ministry of the Armed Forces for 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). It is expected the D523 will be used in the sustainment and maintenance of the French Navy's fleet and be used specifically to treat corrosion, restore worn surfaces, and restore part geometries in-situ, enabling faster, more cost-effective maintenance.

Airbus selects Titomic as supplier of cold spray equipment

Titomic has been selected by the Airbus Group (Airbus) as the chosen supplier for cold spray additive manufacturing, repairs, and maintenance equipment. As part of the agreement, Airbus has issued a purchase order for two Titomic Kinetic Fusion systems for EUR 386,900 (AUD 645,000), subject to Airbus' final configuration requirements.

One significant outcome of this work is the inclusion of Titomic's equipment and technology within Airbus maintenance protocols. As a result, all Airbus Maintenance, Repair, and Overhaul (MRO) facilities planning to utilise cold spray applications will be required to use Titomic equipment and technology, ensuring consistency and adherence to Airbus standards across its MRO operations.

Receipt of two purchase orders from Boeing

In October, 2023, Titomic received two purchase orders from Boeing. One, from Boeing Global Services, and the second from Boeing Space, Intelligence, and Weapons Systems, totalling USD 204,166 (AUD 317,417).

The purchase order from Boeing Space, Intelligence, and Weapons Systems pertains to ongoing flight qualifications of Titomic Kinetic Fusion manufactured components. Initiated in 2021, the project continues to progress successfully, working toward full flight qualifications of components.

The second order, from Boeing Global Services, pertains to the production of three samples of a prototype replacement part for a Boeing aircraft, which Boeing intends to evaluate as part of a trial.

Titomic's commercial projects with Boeing are marked by rigorous testing and validation, with Titomic's additive manufacturing process, Titomic Kinetic Fusion, consistently delivering favourable results in previous and ongoing testing phases.

Low-pressure cold spray system sales

Titomic has sold 22 D523 low-pressure cold spray systems in FY2023, demonstrating significant market demand for this unique technology.

During the first quarter of FY2024, Titomic sold an additional two D523 Systems. One, to Rensselaer Polytechnic Institute in the USA, for research and development, and another to the Marine Nationale - the French Navy - for fleet sustainment and maintenance.

Brauntell, Titomic's reseller in NSW, Australia, also sold a D523 System to Penske Australia, to be used for engine refurbishment and heavy equipment maintenance.

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Ongoing commercial work with Metro Trains

Titomic has developed a repair process for electric motor shafts using cold spray technology and a durable, proprietary metal alloy blend. Metro Trains has approved and adopted this process for in-house use and will continue to engage Titomic for ongoing repairs of these components.

Manufacture of titanium ball valve with Jongia Mixing Technology

Titomic has worked successfully with Jongia Mixing Technology to manufacture a large ball valve segment from titanium. Typically, ball segment valves use stainless steel or Hastelloy for corrosion and wear resistance. Yet, producing these parts with Hastelloy is labor-intensive and costly.

Jongia Mixing Technology and Techno-G have begun exploring the benefits of additive manufacturing for the creation of these large ball segment valves, yielding strong results for cost reduction, production speed, and performance. These two companies are now marketing and promoting their and Titomic's capability to manufacture these valves.

Corporate Update

Retail Entitlement Offer and Placement

Titomic has completed a fully underwritten pro rata accelerated renounceable entitlement offer to existing eligible shareholders and a non-underwritten placement offer to raise \$6.5 million before costs. Funds raised under the Capital Raising will be used to develop increased manufacturing capacity, enhance capability for increased sales opportunities of current products and new business opportunities and to provide additional general working capital to advance the Company's business.

Quality Standards Audit

Titomic recently participated in a review of its adherence to quality systems and was found to have complied with all relevant standards. As such, Titomic expects to retain its AS9100D and ISO9001 quality certifications and ISO27001 IT & Cybersecurity certification. Titomic continues to work with all staff to create the safest and best work practices while consistently meeting customer requirements, all applicable statutory and regulatory requirements, and expectations for all stakeholders' mutual benefit.

Titomic Board Change

Titomic has announced strategic Board changes which are designed to further commercialise Titomic's innovative manufacturing technology.

With Titomic steadily moving toward large-scale commercialisation within defence and aerospace in Australia, the Board has assessed that there is a need for further focus on the vast opportunities within Europe.

To enable this refocus, Titomic's Managing Director, Mr Herbert Koeck, will relocate to Europe, allowing Mr Koeck to be co-located with the Titomic Europe team and Titomic's growing client base in Europe, while also closer to North America.

Additionally, effective 2nd October 2023, Mr Dag W.R. Stromme, an experienced Director of the Company, will assume the role of Chair of the Board, while Mr Humphrey Nolan, Titomic's incumbent Chair of the Board, will continue to serve as a Non-Executive Director. This strategic appointment enhances Titomic's leadership in Europe, where Mr. Stromme is based.

Titomic Summons

As previously announced, Titomic has been served with a Summons, filed with the Supreme Court of NSW which names the Plaintiff as Composite Technology R&D Pty Ltd ABN 52 094 571 187 and the Defendant as Titomic. The claim set out in the Summons is commercially misleading conduct which the Company denies and continues to vigorously defend.

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

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ABOUT TITOMIC LIMITED

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

FORWARD LOOKING STATEMENTS

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

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