

29 October 2021

Review of Operations Q1 FY2022

Titomic Ltd (ASX: TTT, Titomic or Company) is pleased to provide its Appendix 4C cash flow and activity report for the period ended 30 September, Q1 FY2022.

Q1 FY22 Highlights

- On 1 July 2021, Herbert Koeck, a recognised expert in 3D printing, commenced as Chief Executive Officer
- Completion of the acquisition of Tri D Dynamics Inc ('Tri-D') by Titomic USA, executing on its global strategy in the defence and aerospace industry
- Sale of TKF1000 System to leading research organisation TWI UK for A\$2.28m to be shipped in May 2022
- \$2.325 million MMI Grant for space-based applications from the Australian Federal Government
- Post-quarter end, non-binding agreement with Triton Systems to develop applications in the US marketplace with Titomic Kinetic Fusion (TKF) Cold Spray Additive Manufacturing (CSAM)
- Successful completion of \$9m share Placement in October to accelerate commercialisation and JV activities

Hebert Koeck, Chief Executive of Titomic, commented: *"I am delighted to join Titomic at a time where the demand for our expertise is rapidly growing as the manufacturing industry undergoes major structural shifts and we reset our strategy to focus on the commercialisation of our Titomic Kinetic Fusion technology. Throughout the quarter, I have been energised by the positive progress we continue to make as we prepare to scale globally with JV partners in aerospace and defence – buoyed most recently by a successful share Placement to support our plans. We also have our first TKF Machine sales order to TWI UK to be shipped in May 2022 under the partnership secured during the quarter."*

"From a global perspective, the acquisition of Tri-D marked another milestone in our strategy to be a global solutions leader in additive manufacturing, and the addition of the Tri-D founders to our Titomic USA team has been highly beneficial to our broader efforts to commercialise our Cold Spray Additive Manufacturing (CSAM) technology. We are confident we have the right growth strategy in place and I'm excited to be leading a new management team as we build our global go-to-market transformation and deliver on our FY22 business plan."

Operational Update

Tri-D Dynamics acquisition In Q1FY22, the Company formed a wholly owned subsidiary Titomic USA Inc, completing the acquisition of the business of Tri D as at the close of business on 9 July 2021. This acquisition is an important milestone and in line with Titomic's strategy to be a global solutions leader in additive manufacturing.

Tri D is a Silicon Valley based design and manufacturing company developing smart pipe infrastructure for the 21st century economy. Tri-D aims to upgrade and electrify infrastructure by embedding electronics directly



into metal structures to outfit them with digitally connected technology. The smart-pipe product developed by Tri D represents a unique innovative solution, which is set to be fully commercialised when combined with the licenced TKF process.

Tri-D founders Deepak Atyam, Alex Finch and Jesse Lang are experienced innovators who will join Titomic USA Inc as key employees focusing on Titomic's initiatives in defence, aerospace as well as the oil and gas industries. With Titomic commercial and technical employees on the ground in North America it is expected that this will accelerate Titomic's local presence and broaden the service offering and product portfolio in the region.

TKF1000 sale to leading research organisation TWI UK

In August, the Company received a purchase order from TWI of GBP1.2 million (circa. AUD\$2.3m) to supply a TKF 1000 System which will be shipped in May 2022. TWI is a leading research and technology organisation in the UK. This purchase has been funded by the Aerospace Technology Institute and will form the basis of TWI's overarching CSAM Project, due to be completed before the end of 2022. The TKF1000 will allow TWI's Industrial Members to join a portfolio of projects under the umbrella of the CSAM Project, as they develop and validate manufacturing opportunities while providing a unique competitive advantage to the UK aerospace industry.

\$2.325m Modern Manufacturing Industry (MMI) grant for space-based applications

The Australian Federal Government announced the recipients of their Modern Manufacturing Initiative Grant to manufacture and commercialise low carbon emission "green" titanium space vehicle demonstrator parts for the Australian space sector and export markets in August, awarding Titomic with \$2.325million. The Company received the first instalment of \$930k in September 2021. It will form part of a planned total eligible project expenditure of \$4.65m to build and commercialise space vehicle parts using green titanium, heterogeneous material blends, and high-performance coatings for radiation shielding and hypersonic protection. Titomic is teaming with Commercial partners, such as Inovor Technologies, Australia's only sovereign commercial satellite manufacturer, to provide specific application use cases and establish performance, testing and acceptance requirements for the technologies.

Triton Systems agreement

Post-quarter end, Titomic has entered into a non-binding agreement with Triton Systems, a leading US-based product development and technology company with over a decade of experience in additive manufacturing. Titomic and Triton will develop applications in the US marketplace using Titomic's patented TKF CSAM process (the "TKF Process"). This agreement provides Titomic with another entry into the US Defence, Homeland Security, Aerospace, Automotive and Energy sectors through an established and well-regarded local supplier of uniquely designed and performance-specified components.

This partnership will enable economical and faster manufacturing of high-value applications using high-performance metal alloys, including titanium.

Composite Technology

At the end of Q1, Titomic continues to work with Composite Technology on developing their commercial relationship, despite the process taking longer than originally planned, delaying the sale of two TKF Systems to Composite Technology. Both parties are working towards a mutually beneficial approach to completing this process.

Corporate Update

On 1 July 2021, Herbert Koeck joined the business as Chief Executive Officer of Titomic, following the announcement of his appointment on 19 May 2021.

Chair of Titomic, Mr Andreas Schwer commented: "Herbert Koeck is a proven leader and recognised in the industry as an expert in 3D printing solutions. As CEO of Titomic he will lead our company on its next stage of

development as we continue to commercialise our core technology in Cold Spray Additive Manufacturing (CSAM)."

As of the 1st of November 2021, Joanna Walker is stepping down as Chief Financial Officer due to other external commitments and will be replaced by Jon Nield. Joanna will continue to support the business to ensure a smooth transition.

AS9100D: Qualification according to AS9100D for Aerospace and Defence Quality Manufacturing.

Titomic finalised AS9100D certification in July, a crucial and advantageous quality management system for successful defence and aerospace manufacturers. This milestone is an important step in the Company's processes for assuring safe and reliable products and services that meet or exceed customer and applicable regulatory requirements.

ISO27001 & SOA Information Technology and Cybersecurity Management System

Titomic also made progress on its Cybersecurity compliance journey in the period, commencing a full system review in July 2021 to ensure that implemented improvements align with documented procedures. As knowledge is gained over time, this review process yielded valuable integration and simplification within the broader business systems at Titomic. Achieving validation of Cybersecurity maturity through an independent audit process, will ensure Titomic is well prepared for the Certification Body Surveillance Audit in December 2021.

A\$9 million capital raise completion

In October 2021, the Company successfully completed a capital raise via an Institutional Placement ('Placement') issuing 34,096,155 shares on the 22nd of October 2021 at the price of \$0.26 cents per share. The total sum raised under the Placement was approximately \$9 million. The remaining shares to be issued relate to Director's share applications which are expected to be approved at the company's Annual General Meeting (AGM) expected to be held later this year.

A Share Purchase Plan (SPP) was also announced giving 'Eligible Shareholders' the opportunity to subscribe to up to \$30,000 worth of fully paid ordinary shares at an issue price of \$0.26 cents equivalent to the price offered under the Institutional Placement.

The SPP opened on Monday 25th of October and, unless closed earlier or withdrawn by the Company, is expected to close by 5pm (Melbourne time) on Friday 12th of November.

Proceeds from the Placement and Share Purchase Plan will enable Titomic to accelerate the commercialisation of the Company through Investment in Joint Venture Operations, establishing offshore sales offices and operational facilities and to fund working Capital.

COVID-19 Update

Throughout the quarter, the COVID-19 pandemic in North America and Europe continued to impact the Company's ability to target and finalise some sales opportunities in the regions. Despite the challenges, Titomic has at all times operated in accordance with the COVID-19 health and safety guidelines to protect the staff and ongoing activity.

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

--- END ---

Contact:**Investors**

Adrian Mulcahy

Market Eye

Adrian.mulchay@marketeye.com.au

Ph: +61 438 630 422

Media

Tristan Everett

Market Eye

Tristan.everett@marketeye.com.au

Ph: +61 403 789 096

About Titomic Limited:

Titomic Limited (ASX: TTT) is an Australian public company specialising in digital manufacturing solutions for industrial scale metal additive manufacturing using its patented Titomic Kinetic Fusion® (TKF) technology. The TKF technology provides unique capabilities for producing commercially viable additively manufactured metal products competing directly with traditional manufacturing methods. Titomic provides OEM production and R&D services from their TKF Smart Production Bureaus to the global Aerospace, Defence, Shipbuilding, Oil & Gas, Mining and Automotive industries. Titomic also provides an extensive range of metal powders for 3D Printing especially Titanium and super alloys whilst providing sales and support services for their TKF production systems. For more information please visit: www.titomic.com.