



Manufacturing innovation made reality

# 1H FY23 Results Presentation

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# Agenda

1. H1 FY23 Highlights
2. Titomic at a Glance
3. H1 FY23 Financial Results
4. Operational Update
5. Outlook





# H1 FY23 Highlights

1. Revenue uplift	<ul style="list-style-type: none"><li>• \$0.5m increase in total revenues to \$2.8m (up 21%)</li><li>• \$0.8m increased revenues from customer contracts to \$1.5m (up 124%)</li></ul>
2. Capital Raise	<ul style="list-style-type: none"><li>• Raised \$5.1 million from new and existing investors including a \$2.3 million strategic investment from Repkon</li></ul>
3. Execution of JVs	<ul style="list-style-type: none"><li>• Joint ventures with Repkon and Neos</li><li>• Expect to sell ~A\$10m TKF systems, share in profits on unit sales and generate recurring revenue on consumable (powder) sales</li></ul>
4. Diversified sales	<ul style="list-style-type: none"><li>• Multiple sales of D523 systems</li><li>• First 2 D623 systems sold</li></ul>
5. Expanded geographic footprint	<ul style="list-style-type: none"><li>• Reseller partner network growing globally</li><li>• Added 4 new resellers in the US and Europe</li></ul>
6. Technology leadership	<ul style="list-style-type: none"><li>• Positioned as the global player in cold spray technology</li><li>• Widest range of products and solutions in the industry</li><li>• Other capability progress</li></ul>
7. Focused application pillars	<ul style="list-style-type: none"><li>• Prototyping order received for radiation shielding</li></ul>



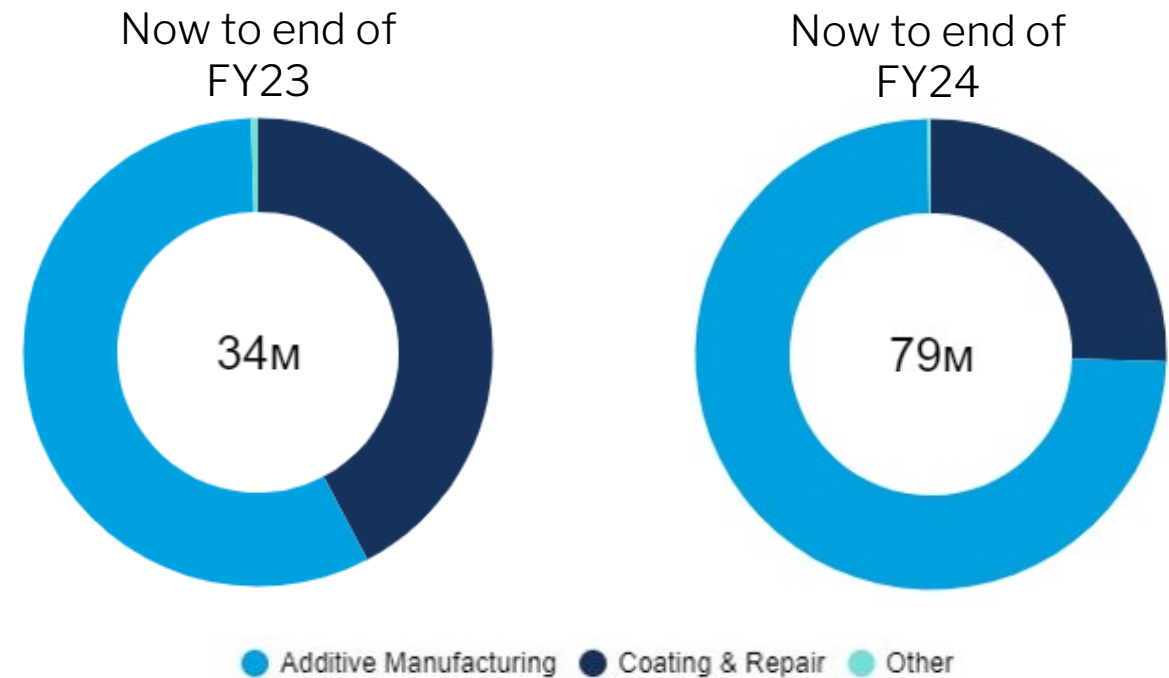
# Sales Pipeline

Significant sales opportunity pipeline at 14x FY22 revenue

Expected sales revenues from orders received or to be expected

Repkon Joint Venture	\$7.6m
Neos Joint Venture	\$2.4m
Glass Mould Coating Solution	\$1.1m
D523/D623 Repair & Coating Machines	\$0.7m

Unweighted Sales Pipeline





# Titomic at a Glance



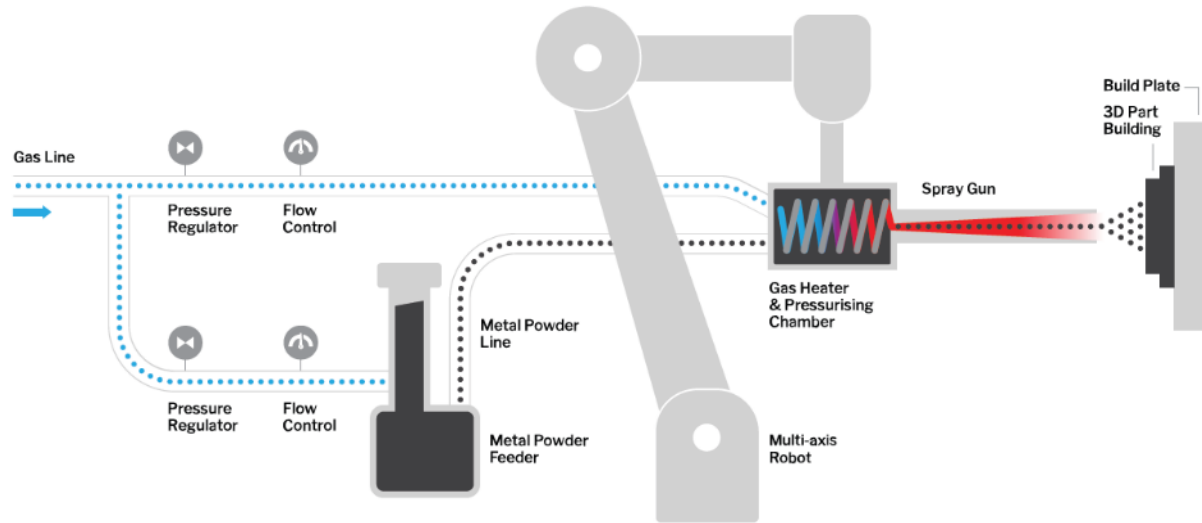
# Titomic is the only “Cold Spray Additive” public company

Titomic offers one of the fastest, most scalable, cost competitive and energy efficient additive manufacturing and coating technologies in the world.

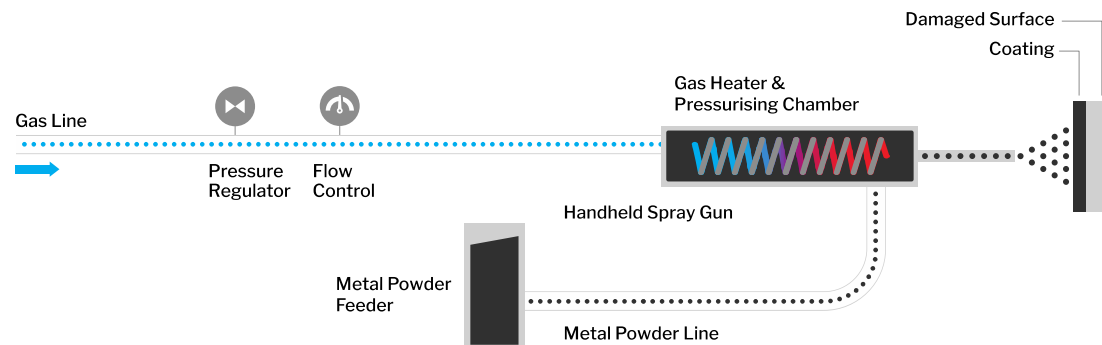
1. Large and expanding addressable market	<ul style="list-style-type: none"><li>• Additive market estimated to grow 11x up to \$146B in the next decade</li><li>• Transition from prototyping to mass production</li><li>• Macro-economic challenges in supply-chain and manufacturing provide strong tailwinds</li></ul>
2. World-class leadership team	<ul style="list-style-type: none"><li>• Senior executives in both the management team and the board</li><li>• Extensive scientific and engineering backgrounds</li><li>• Diverse and experienced board across primary target industries</li></ul>
3. Industry-leading innovative technology	<ul style="list-style-type: none"><li>• Superior additive technology for speed, size, sustainability and materials</li><li>• Ability to secure end-to-end supply-chain including metal powders</li><li>• Fast growing technology ready for industrial use in less than two years</li></ul>
4. Fast growing customer interest in key markets	<ul style="list-style-type: none"><li>• Established footholds in key geographic locations (U.S, Europe, Australia)</li><li>• Fast growing customer demand driven by supply-chain and geopolitical needs</li><li>• Distinct product portfolio supporting growth in multiple, adjacent markets</li></ul>
5. Distinct, repetitive revenue streams	<ul style="list-style-type: none"><li>• Joint-venture and subscription models supporting recurring revenue streams</li><li>• Long-term business outlook drives margin improvements as business scales</li><li>• Organic growth funded with capital raise</li></ul>
6. Industry consolidation allowing inorganic growth	<ul style="list-style-type: none"><li>• Ownership of entire solutions stack made possible by consolidating small, existing players</li><li>• \$80m inorganic revenue identified in three countries</li></ul>

# Our cold spray process

## Robotic High-Pressure System for AM



## Low to Medium Pressure System for Coating and Repair



## Our story

- Founded in 2014 to commercialise cold gas spraying metal particles to produce 3D structures
- Now the only globally active, publicly listed cold spray solutions company
- Our cutting-edge technology and systems are changing manufacturing for the better





# Existing diverse and customisable machine portfolio



**TKF 9000**

- High pressure Cold Spray additive manufacturing and coating
- Demonstration of Titomic's ability to engineer and construct bespoke AM systems
- Build volume of 40.5m<sup>3</sup>
- Deployed in the Titomic Melbourne Production Bureau



**TKF 1000**

- High pressure Cold Spray additive manufacturing and coating
- Designed for prototyping and low volume production tasks
- Build volume of 0.75m<sup>3</sup>
- 1<sup>st</sup> gen system operating at Titomic Melbourne Bureau
- 2<sup>nd</sup> gen system at TWI (UK)



**ISB Series**

- Low pressure Cold Spray coating
- Robotic or linear coating system
- Automated loading and unloading of parts
- Utilises D523 core cold spray system
- Ideal for R&D deployment or as a base for customised automated coating systems



**D523 & D623**

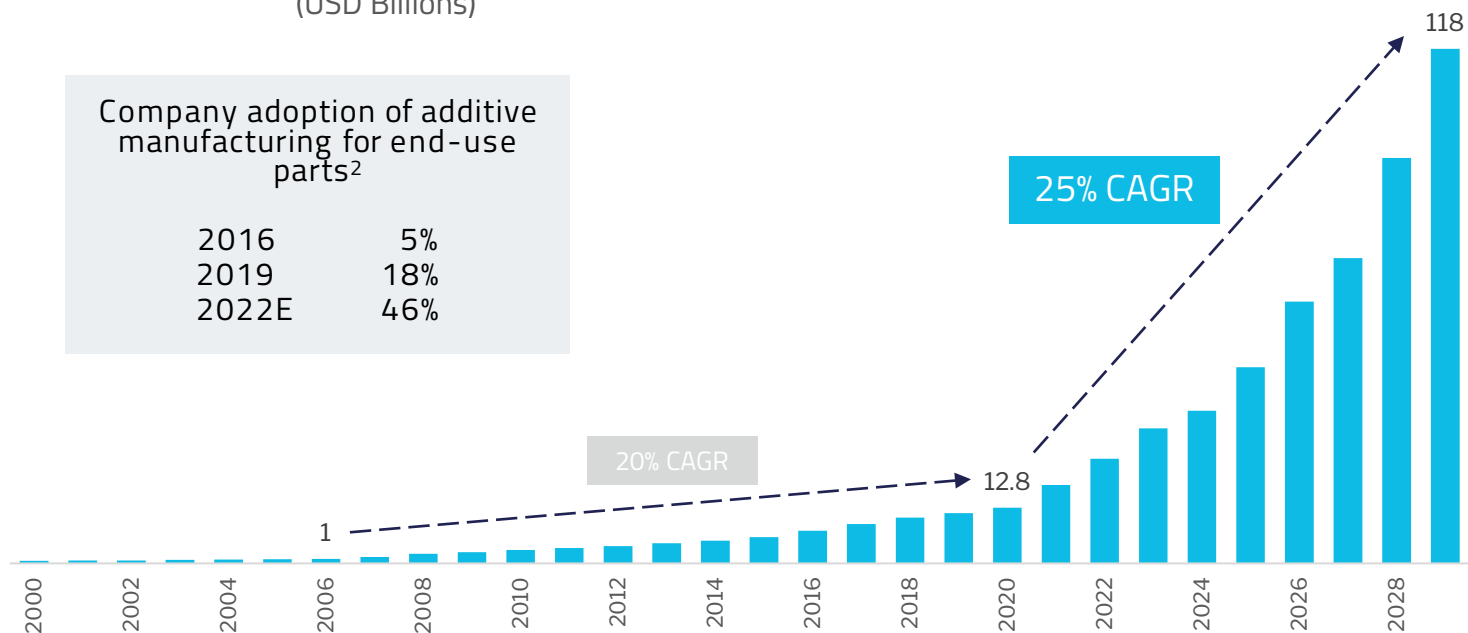
- Low and Medium pressure Cold Spray coating
- Modular portable repair system
- Designed for robotic or manual repair and coatings
- Deployable for in-field repairs



# Additive manufacturing to grow over 11x in the next decade

## Additive Manufacturing Market Size<sup>1</sup>

(USD Billions)



1. Source: Wohlers Report 2020

2. Source: "3D printing: hype or game changer?" Ernst & Young Global Report 2019.

## Evolution of the AM Market

### Additive 1.0

- Key players now off-patent, leaving them with minimal differentiation and commoditized technology
- Significant loss in market share to open source and low-cost providers
- Have not participated in market growth due to focus on design and rapid prototyping

### Additive 2.0

- Additive 2.0 innovation is being driven by VC-funded, emerging players across printers, materials and parts businesses
- New players are driving advances in speed, accuracy, material variety and build volume/size
- Focus on mass production and end-use parts is driving market growth (certain industries ahead in maturity curve)

# Our rapidly growing trusted global customer base





# 1H FY23 Financials



# Profit & Loss

Earnings Summary	1H23 \$'000	1H22 \$'000
Revenue	2,787	2,310
Less Expenses	(10,028)	(9,821)
Profit (loss) before Income Tax	(7,241)	(7,511)
Less Tax	-	-
Net profit (loss) After Tax	(7,241)	(7,511)
Less Non-operating items	1,228	1,725
Underlying operating profit (loss)	(6,014)	(5,786)
<u>Non-operating items</u>		
Share based payments	(771)	(458)
Business acquisition related costs	(307)	(1,237)
Other one-off expenses	(150)	(0)

- Stronger financial result with revenue up 21% to \$2.8m inclusive of
  - Revenue from customers \$1.5m, a \$0.8m (more than double) increase on pcip
  - Government grants and other adjustments of \$1.3m
- Underlying operating loss of \$6.0m (1H22: \$5.8m loss)
- 2% increase in total expenses to \$10.0m primarily through increased Sales & Marketing costs following resumption of overseas trade events and expanded activity in the US
- Total expenses include \$1.2m non-operating items, primarily acquisition costs (\$0.3m) and share based payments (\$0.8m)
- Improvement in statutory net loss after tax to \$7.2m (FY22 \$7.5m)



# Cash flow and balance sheet

Statement of Cash Flows	1H23 \$'000	FY22 \$'000	FY21 \$'000
Customer & Grant Receipts	1,678	5,929	1,908
Operating cash flows	(6,855)	(10,161)	(9,037)
Investing cash flows	(326)	(1,962)	(25)
Financing cash flows	2,220	11,324	(449)
Net cash flow	(4,961)	(799)	(9,512)

Statement of Financial Position	1H23 \$'000	FY22 \$'000	FY21 \$'000
Cash	2,139	7,108	7,946
Current assets (incl Cash)	6,862	10,847	11,084
Non-current assets	3,438	3,971	2,505
<b>Total Assets</b>	<b>10,300</b>	<b>14,818</b>	<b>13,589</b>
Current Liabilities	4,184	4,739	2,977
Non-current liabilities	2,489	2,667	1,170
<b>Total liabilities</b>	<b>6,673</b>	<b>7,406</b>	<b>4,147</b>
<b>Total Equity</b>	<b>3,637</b>	<b>7,413</b>	<b>9,442</b>

- FY23 Cash receipts of \$1.7m include \$1.6m receipts from customers and \$0.1m grant income.
- FY23 H1 Operating cash outflow of \$6.1m includes \$2.4m for product and machine builds, \$2.4m staff costs and \$1.1m sales & marketing costs.
- FY23 H1 Investing cash outflows of \$0.3m relate primarily to employee remuneration for the Tri-D USA business.
- Stable balance sheet with no debt.



# 1H FY23 Operational Update



# Five distinct fast growing revenue streams

1. Machine Sales	2. Joint Ventures	3. Workflow Solutions	4. Application Development	5. Resellers
Broad range of machine solutions <ul style="list-style-type: none"><li>TKF 1000</li><li>TKF Custom</li><li>ISB Series</li><li>D Series</li></ul>	<ul style="list-style-type: none"><li>Building industry capability for manufacturing</li><li>Fast access to existing markets</li></ul>	<ul style="list-style-type: none"><li>Automated solutions to maximise uptime</li><li>Improved manufacturing productivity and efficiencies</li></ul>	<ul style="list-style-type: none"><li>Development, prototyping and testing for strategic application pillars</li></ul>	Territory Coverage <ul style="list-style-type: none"><li>India</li><li>Middle East</li><li>Singapore</li><li>Malaysia</li><li>USA</li></ul>
Service, Maintenance, Materials (powders), Consumables, Consulting				
<ul style="list-style-type: none"><li>TWI</li><li>D&amp;C Coating</li><li>Lufthansa</li><li>Flohe</li></ul>	<ul style="list-style-type: none"><li>Repkon JV</li><li>Nèos JV</li></ul>	<ul style="list-style-type: none"><li>Vetropack</li><li>Gallo Glass</li><li>Brauntell</li><li>Mallee</li><li>R. Moore &amp; Sons</li><li>Lovick Engineering</li><li>DNC Coatings</li></ul>	<ul style="list-style-type: none"><li>Boeing</li><li>Fleet Space</li><li>Thales</li><li>Royal Australian Navy</li><li>Airbus</li><li>Inovor</li><li>BAE Systems</li><li>Triton</li><li>...</li></ul>	<ul style="list-style-type: none"><li>Shree Rapid</li><li>Repkon</li><li>Alliance</li><li>MSI-Viking</li><li>ADS</li></ul>



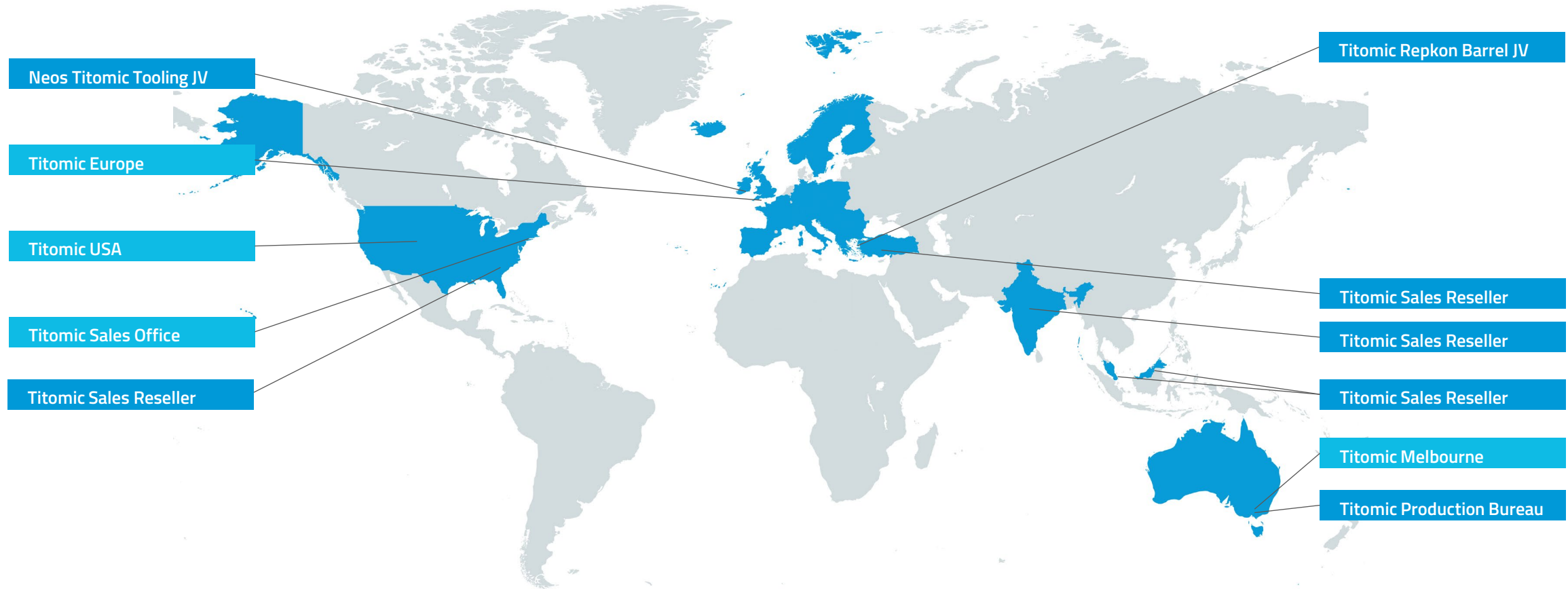


# Outlook



# Taking our technology to the world – Global footprint

Global production, supply and service network to meet our customer's needs.



 Main Place of Business     Bureaus / JV / Cooperation

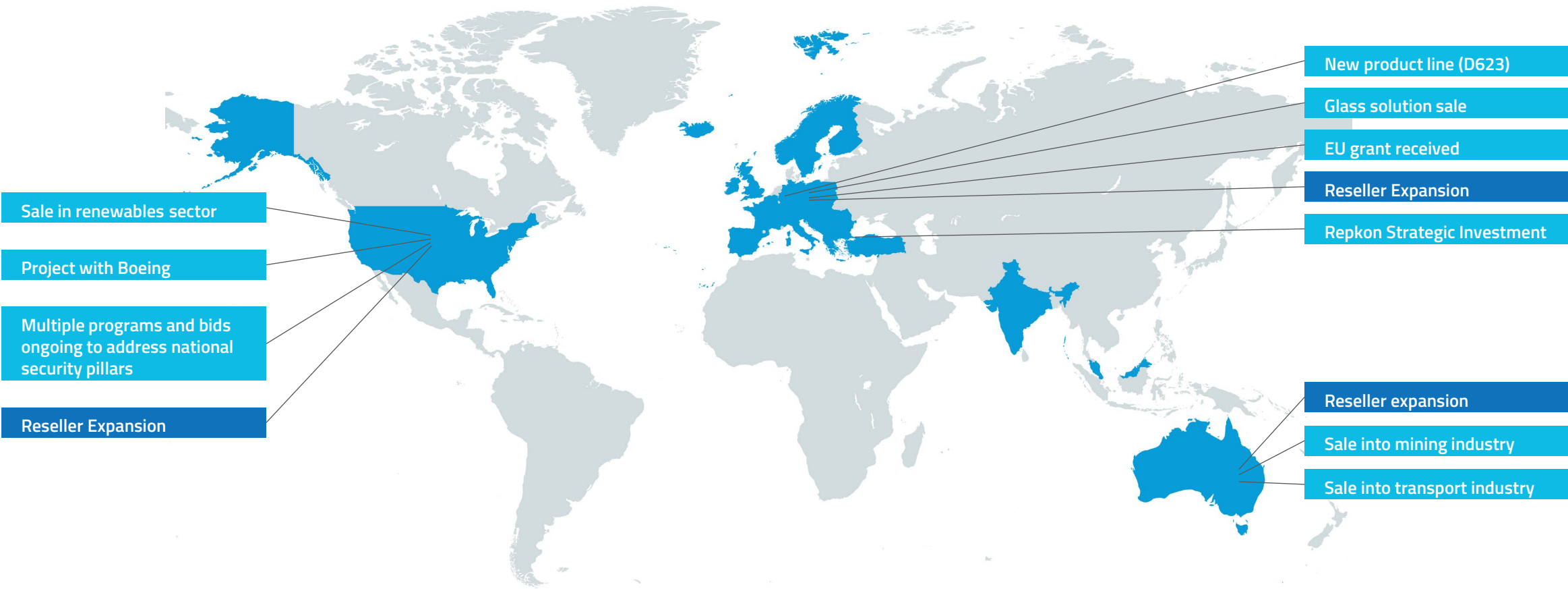
## Progress Made:

- 2 new resellers signed in US
- 1 new reseller signed in Europe
- 1 new reseller signed in APAC



# Operational Progress in H1 FY23

Progress made in Americas, EMEA and APAC



Sales / Investment      Resellers

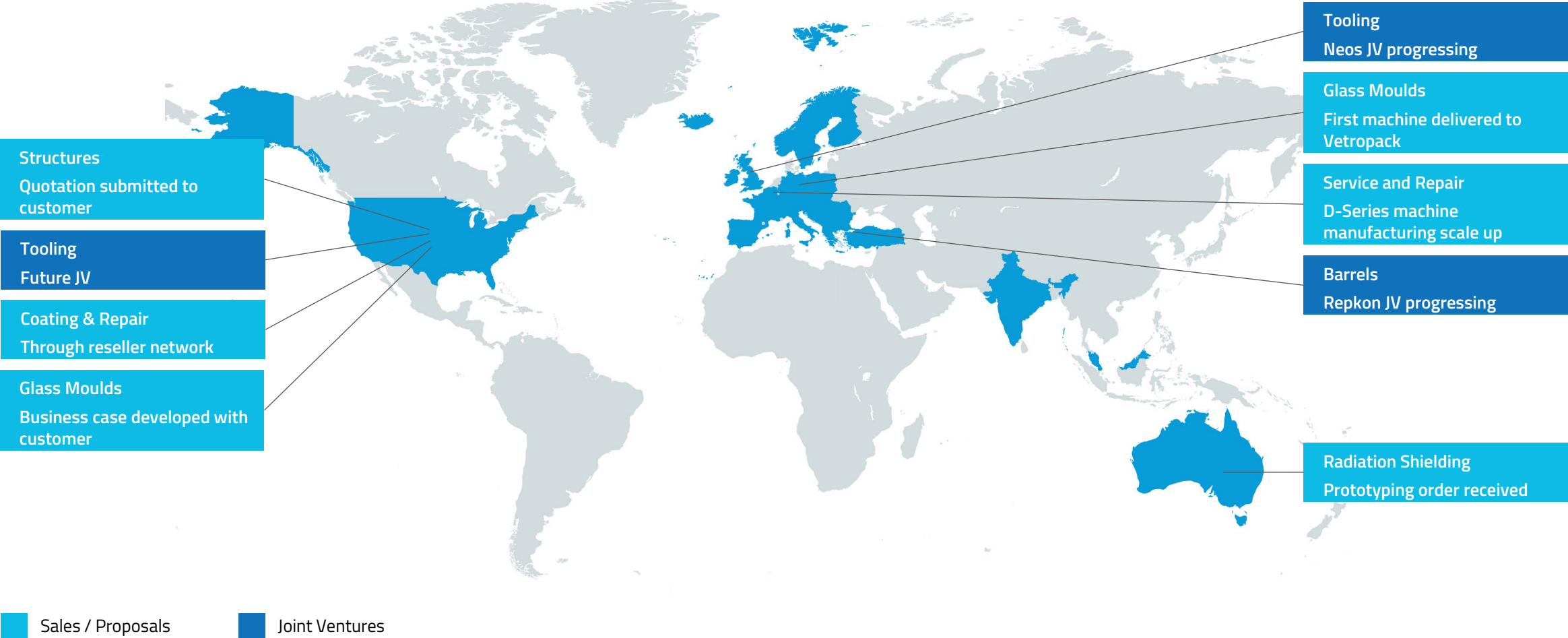
## Recertification:

- AS9100
- ISO9001
- ISO27001



# Application Progress in H1 FY23

Progress made in Americas, EMEA and APAC



# Manufacturing made sustainable



## Structures

For lighter stronger titanium components

### Why?

- Titanium is ideal for Cold Spray
- Multiple markets
  - Armaments
  - Ballistic protection
  - Space
- Total addressable market >\$47B

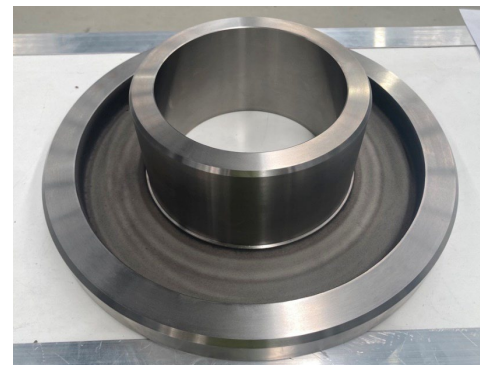
### Done

- Boeing JP9102 Satellite Program
- Titanium tanks and valve body prototyping orders received
- Quotes to build manufacturing capacity

### Next

- Execute paid prototyping projects (POs pending)
- Plan and execute manufacturing capability (Joint Venture)
- Execute paid prototyping projects with mining/oil & gas companies

Titanium Ring Partially machined



Titanium Ring 1.4m diameter



Seamless Titanium Tank



## Structures

Exploiting Titomic's technology and cost benefits for lightweight, rapidly manufactured solutions



# Glass Mould Solution

Titomic maximising uptime

## Why?

- Glass Bottle manufacturing market size (>200 companies)
- Very efficient solution developed in last 4 years with IPGR (Fevisa, Gallo, Vetropack)
- Business opportunity >\$25-35m in next 4 years

## Done

- Solution development completed – 1<sup>st</sup> system sold and installed
- Revenue recognition to be completed before 15 March 2023

## Next

- Investment conversations to support accelerated rollout for first 10-20 machines
- Develop and build product enhancements for automatic mould loading/unloading



Glass Equipment Coatings

Targeting glass manufacturing industries





# Coating & Repair

Titomic extending asset life

**Finished Surface**

**Repaired Surface**

**Worn Surface**

Coating and Repair

Targeting Mining, Oil & Gas, Transport and Marine Industries

## Why?

- Huge market opportunity of \$53b
  - Wear resistance: \$22b
  - Repair & Corrosion \$16b
  - Energy: \$14b



## Done

- Build up of reseller network
  - 2 new in US
  - 1 new in Europe
  - 1 new in Singapore
  - 1 new in Australia
- D523 machine sales accelerating
  - 12 machines sold already
- Next generation D623 machine with higher pressure (new use cases) developed, introduced and sold 2 units

## Next

- Continue expansion of reseller network to ensure geographic coverage and overcome distance and language barriers
- Refine solution offering by executing projects with mining/oil & gas companies





# Armaments

Titomic enabling high performance barrels

## Why?

- Armaments is large and growing market of \$16.9b
- Cold spray allows refinement of existing production methods and creation of new products (e.g. Inconel barrels)
- Very large and successful manufacturer, Repkon believes in Titomic

## Done

- Multiple milestones achieved for Inconel barrels
- Machine configuration for Repkon JV completed
- Repkon invested again in December 2022 capital raise

## Next

- Machine orders to establish Repkon JV pending
- Continue optimisation for existing flow forming/cold spray process
- Expand to new form factors – larger barrels



Repkon's flowforming technology







# Tooling

Titomic enabling a simplified supply chain

## Why?

- Total addressable market for Invar36 tooling \$700m
- Cold spraying of tools with invar has attractive commercial benefits (cost, time to market, performance)

## Done

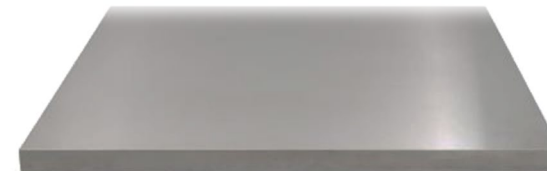
- Machine configuration for Neos Titomic JV completed
- Joint venture company founded and registered in UK
- Board and management assigned
- Joint Venture discussions with US company ongoing

## Next

- Machine order for Neos Titomic JV pending
- Location for US JV pending (choice of multiple sites)
- Expansion to India pending



Invar Face Plates



Invar Repair



Titanium Tooling

Tooling

Targeting the Aerospace & Defence Industries



## Radiation Shielding

Targeting the space industry



# Radiation Shielding

Titomic creating tailored, cost-effective shielding

## Why?

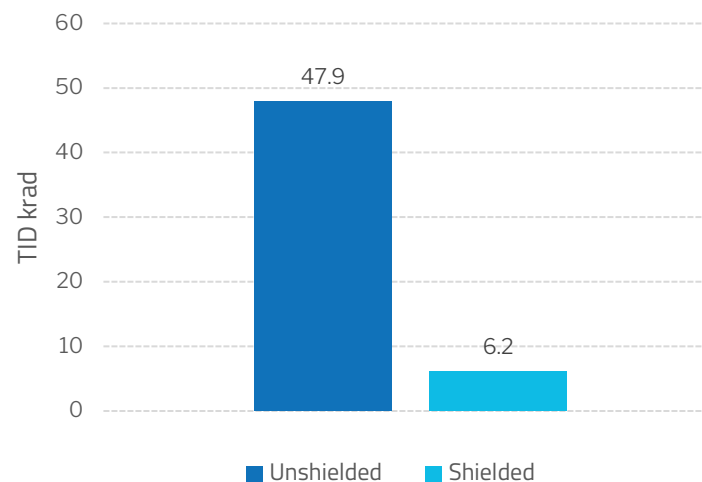
- Radiation shielding is a fast-growing business
- Satellite manufacturing worth \$13.7b in 2022\*
- Titomic solution elegantly overcomes a manufacturing challenge of a proven NASA approach

## Done

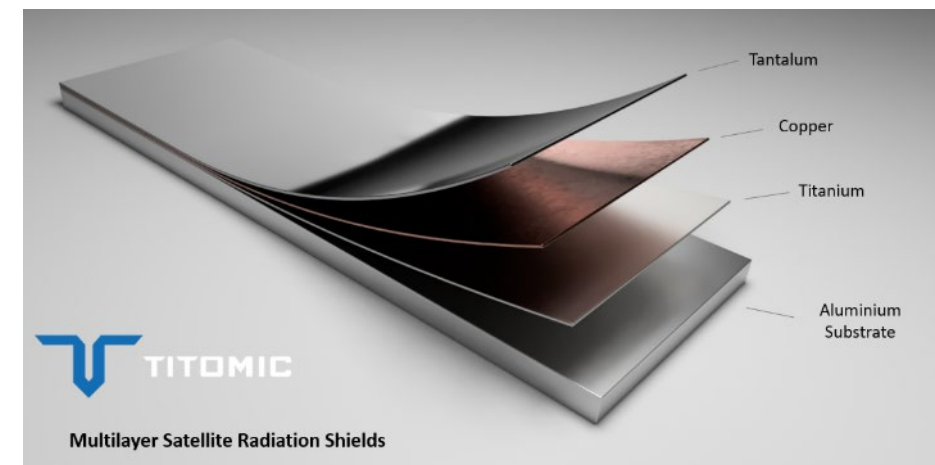
- Core R&D and proof of concept done
- Solution tested with ANSTO in Sydney confirming assumptions
- Data shared with Fleet Space
- First order received

## Next

- Confirm real time data
- Approach satellite industry



\*Bryce Tech Smallsats Report 2023



# Unlocking unprecedented potential

## Large & expanding market

- Strong tailwind with additive manufacturing market set to grow by 29% to 2025<sup>1</sup>
- Supply chain issues, geopolitical challenges shift focus to defence and need for alternative solutions

## Global foothold

- Titomic has significantly increase in go-to-market coverage – continuing our expansion
- End-to-end domestic solutions expected by customers (e.g. titanium supply chain)

## Unparalleled expertise

- Acquisitions added additional expertise and solution to overall portfolio

## Proven process & industry leading technology platform

- Strongly added expertise and experience by successful completion of paid prototyping projects

## Compelling business model with attractive financial business profile

- Joint venture model well accepted
- End-to-end workflow solutions attractive by developing clearly defined return-on –investment for customers (e.g. glass solution)

<sup>1</sup> AMPower Report 2021





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