



December 5, 2022

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

Titomic secures \$5.1 million to accelerate the expansion of machine assembly operations and JV activities

Titomic Limited (ASX: TTT) (Titomic or Company), the global cold-spray additive manufacturing company with primary application in aerospace and defence, has received commitments from new and existing sophisticated and institutional investors to raise \$5.1 million via a strongly supported share placement (Placement) at \$0.16 per share, including a \$2.2 million strategic investment from Repkon Makina ve Kalip (Repkon) and significant investment from Titomic's Directors, Mr Herbert Koeck and Mr Dag Stromme.

Proceeds of the Placement will enable Titomic to support sales growth and expansion of machine assembly operations, increase investment into Joint Venture Operations, and to fund working capital investment to expand capabilities for Titomic USA.

Herbert Koeck, Managing Director of Titomic, commented:

"The strong level of support received from institutional and sophisticated investors shows a commitment and confidence that the Company can deliver on its growth initiatives. Titomic has made significant progress on its diversified revenue strategy and the commercialisation of its unique cold spray technology. The new funds from investors gives the Company an ability to continue to execute on joint ventures, machine sales, workflow solutions, application development and reseller opportunities.

Existing strategic investor and JV partner Repkon has also committed new funds as part of the placement. Their additional strategic investment builds on our strong relationship, with JV and reseller agreements in place, as we move forward with the integration of Titomic's TKF process and Repkon's flowforming capabilities for the production and distribution of high-performance barrels in the defence sector."

Placement details:

The Company has received binding commitments from professional and sophisticated investors, and strategic investor Repkon, to raise gross proceeds of \$5.1 million by way of a share placement. PAC Partners Securities Pty Ltd acted as lead manager to the Placement.

Under the Placement, approximately 31.9 million shares will be issued at a price of \$0.16 per share, which represents a 15.1% discount to the 5-day volume weighted average trading price (VWAP) prior to entering the trading halt on 29 November 2022. Shares issued under the Placement will be issued utilising the Company's existing placement capacity pursuant to Listing Rule 7.1 (approximately 11.5 million shares) and Listing Rule 7.1A (approximately 20.4 million shares) and are expected to be issued on Wednesday, 7 December 2022.

Placement subscribers will be issued Attaching Options on a 1 option for 2 shares basis (Attaching Options), with each Attaching Option issued on the terms set out in the Schedule to this announcement, which include the following terms: (1) 3 year expiry, (2) \$0.40 exercise price (3) the Attaching Options will be unlisted. The Company will be required to seek shareholder approval for the Attaching Options being issued to investors under ASX Listing Rule 7.1 and for the issue of shares and Attaching Options

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to the participating Directors under ASX Listing Rule 10.11 at an Extraordinary General Meeting (EGM).

Under the Placement, Repkon will be issued approximately 14.0 million ordinary fully paid shares in Titomic and approximately 7.0 million Attaching Options. Post completion, Repkon will hold a total of approximately 23.7 million ordinary fully paid shares in Titomic, representing 9.96% of shares on issue.

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

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INVESTOR CONTACT

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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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The Schedule - Option Terms and Conditions

1. Entitlement

- (a) Titomic Limited (ACN 602 793 644) of Ground Floor, 365 Ferntree Gully Rd, Mount Waverley VIC 3149 (**Company**) will issue 1 option for every 2 fully paid ordinary shares in the Company (**Shares**) subscribed by participants under the placement as announced to ASX on 5 December 2022 (**Optionholder**), which entitles the Optionholder to subscribe for one Share for each option at the exercise price specified in clause 3, during the option period specified in clause 4 of this Schedule (**Options**).
- (b) The Options are not transferrable.

2. Issue price

No amount is payable on issue of the Options.

3. Exercise price

The exercise price of an Option is A\$0.40.

4. Option period and vesting

- (a) Any Options not exercised will lapse three years from the date of issue.
- (b) The Options may be exercised in part or in whole at any time after the vesting of the Options and if not exercised, the Options automatically expire 3 years from the date of issue.
- (c) The Options are fully vested at the date of issue.

5. Participation rights, bonus issues, rights issues and reorganisations

5.1 Participation

The Optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless the Optionholder has exercised its Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding shares.

5.2 Notice of new issue

The Company must give the Optionholder, in accordance with the ASX Listing Rules, notice of:

- (a) the proposed terms of the issue or offer proposed under clause 5.1 of this Schedule; and

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- (b) where the option can be exercised by the Optionholder, the right to exercise his option under clause 5.1 of this Schedule.

5.3 Bonus issues

If the Company makes a bonus issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the option is exercisable is increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the option before the record date for determining entitlements to the issue.

5.4 Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the option before the record date for determining entitlements to the issue, the exercise price of each option is reduced in accordance with the ASX Listing Rules.

5.5 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.6 Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 5 of this Schedule will be made by the Board of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Optionholder.

5.7 Notice of change

The Company must within a reasonable period give to the Optionholder notice of any change under clause 5 of this Schedule to the exercise price of any options held by the Optionholder or the number of shares which the Optionholder is entitled to subscribe for on exercise of an option.

6. Method of exercise of options

6.1 Method and payment

To exercise options, the Optionholder must give the Company or its share registry, at the same time:

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- (a) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of options being exercised and shares to be issued; and
- (b) payment of the exercise price for the Shares the subject of the exercise notice by way of bank cheque or by other means of payment approved by the Company.

6.2 Exercise of Options

- (a) The Optionholder may exercise the Options in part or in whole.
- (b) Options will be deemed to have been exercised on the date the application is lodged with the directors of the Company.

6.3 Issue of Shares

Within 10 days after receiving an application for exercise of options and payment by the Optionholder of the exercise price, the Company must issue the Optionholder the number of Shares specified in the application.

7. Ranking of Shares issued on exercise of options

Subject to the Company's constitution, all Shares issued on the exercise of Options rank in all respects (including rights relating to dividends) *pari passu* with the existing Shares at the date of issue.

8. Quotation

- (a) The Company will not apply to ASX Limited for official quotation of the Options.
- (b) The Company will apply to ASX Limited for official quotation of the Shares issued on exercise of Options.

9. Deferral of Exercise if resulting in a prohibited acquisition of Shares

- (a) If the exercise of an Option would result in any person being in contravention of section 606(1) of the Corporations Act (**Prohibition**), the exercise of those Options shall be deferred until such time or times when the exercise would not result in a contravention of the Prohibition. In assessing whether the exercise of an Option would result in any person being in contravention of the Prohibition:
 - (i) Optionholders may give written notice to the Company if they consider that the exercise of an Option may result in contravention of the Prohibition. The absence of such written notice from the Optionholder will entitle the Company to assume that the exercise of an Option will not result in any person being in contravention of the Prohibition:
 - (ii) the Company may (but is not obliged to) by written notice to an Optionholder request that an Optionholder provides the written notice referred to in

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paragraph (i) within 7 days if the Company considers that the exercise of an Option may result in the contravention of the Prohibition. The absence of such written notice from the Optionholder will entitle the Company to assume that the exercise by Optionholder will not result in any person being in contravention of the Prohibition.

10. Control events

Options issued to an Optionholder may be immediately exercised and Shares issued to the Optionholder at the total discretion of the Board of the Company on the occurrence of any of the following events:

- (a) a Takeover Bid is made to acquire all or some of the ordinary shares in the capital of the Company and the directors of the Company recommend to shareholders that the Takeover Bid be accepted;
- (b) a court approves a Scheme of Arrangement which would result in a person having a Relevant Interest in more than 50% of the ordinary shares in the capital of the Company; or
- (c) the Company announces to the ASX an intention to sell all or substantially all of its business undertakings or assets.

11. Definitions:

- (a) **Dollar** means an Australian dollar.
- (b) **Relevant Interest** has the meaning given to it in the Corporations Act.
- (c) **Scheme of Arrangement** has the meaning given to it in the Corporations Act.
- (d) **Takeover Bid** has the meaning given to it in the Corporations Act.

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