



15 October 2024

Ash Aziz
Adviser
Listing Compliance
Level 50, 525 Collins Street
Melbourne VIC 3000

Dear Ash

Titomic Limited (ASX:TTT) – Response to ASX Query

We refer to your letter dated 10 October 2024 regarding primarily Titomic Limited's (TTT or **Company**) announcements dated 26 September 2024 and 9 October 2024. Our response is set out below:

The D623 Announcement

1. **Does TTT consider the D623 Information contained in the D623 Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities? Please explain the basis for that view.**

Yes. The D623 Information marks the first deployment of the D623 system in Australia, and deployment of TTT solutions into the Australian resources sector which is a significant development for Company.

2. **If the answer to question 1 is “yes”:**

- 2.1 **When did TTT become aware of the D623 Information?**

The details and confirmation of the purchase order for the D623 system were all finalised late on 25 September and therefore released on 26 September.

- 2.2 **Please explain the basis for that view, commenting specifically on the materiality thresholds used by TTT to differentiate between the D623 Information and the sale referred to at paragraph A.**

TITOMIC

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The quantum of the D623 Information is significantly higher than the sale referred to at Paragraph A, but more importantly, TTT considers the nature of the D623 Information to be material warranting disclosure for the reasons set out in TTT's response to Question 1.

3. If the answer to question 1 is “no”:

3.1 Please advise why TTT indicated the D623 Announcement to be ‘market sensitive’ when it was lodged on MAP, commenting specifically on TTT’s ‘internal audit’ undertaken to ensure these errors would not reoccur.

Not applicable.

3.2 Please explain the Listing Rule or Corporations Act basis necessitating lodging the announcement on MAP.

Not applicable.

3.3 If TTT considers it complied with section 7.10 of Guidance Note 8 concerning ramping announcements, please explain the basis for that view.

Not applicable.

The D523 Announcement

4. Does TTT consider the D523 Information contained in the D523 Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes.

5. If the answer to question 4 is “yes”:

5.1 Please explain the basis for that view, noting that the augmented reality software does not appear to have launched yet.

As detailed in the D523 Announcement, TTT will be participating at the largest US military and defense conference 'AUSA' in Washington DC from 14 to 16 October 2024. The augmented reality (AR) software solution will be demonstrated by TTT at this event, and TTT has, in anticipation of the AUSA launched a marketing campaign in relation to the AR software solution.

TTT's AR software solution represents a significant value add for TTT's existing and new customers and an attractive new product solution forming part of



TTT's product suite. Given the imminent demonstration of the AR software solution at the AUSA (and the associated marketing campaign), the release of the D523 Announcement was deemed appropriate by TTT in order to ensure an orderly market, this was to ensure that the market, including investors and customers were made fully aware of TTT's new product offering.

5.2 Please confirm when TTT anticipates this launch to occur.

TTT has launched a marketing campaign in relation to the AR software solution and is currently demonstrating the AR software solution at the AUSA event (14-16 October 2024) in Washington DC. The AR software solution is a customised product that will be tailored to the customer's specific application. The AR software solution is now available for purchase by customers.

6. If the answer to question 4 is "no":

6.1 Please advise why TTT indicated the D523 Announcement to be 'market sensitive' when it was lodged on MAP, commenting specifically on TTT's 'internal audit' undertaken to ensure these errors would not reoccur.

Not applicable.

6.2 Please explain the Listing Rule or Corporations Act basis necessitating lodging the announcement on MAP.

Not applicable.

6.3 If TTT considers it complied with section 7.10 of Guidance Note 8 concerning ramping announcements, please explain the basis for that view.

Not applicable.

General

7. Please confirm that TTT complying with the Listing Rules and, in particular, Listing Rule 3.1.

Confirmed.

8. Please confirm that TTT's responses to the questions above have been authorised and approved in accordance with its published continuous



disclosure policy or otherwise by its board or an officer of TTT with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Kind regards

Chris Healy
Company Secretary



10 October 2024

Reference: 101261

Mr Christopher Healy
Company Secretary
Titomic Limited
Level G, 365 Ferntree Gully Road
Mount Waverley VIC 3149

By email: chris.healy@titomic.com

Dear Mr Healy

Titomic Limited ('TTT'): Aware Query

ASX refers to the following:

- A. TTT's response to ASX's query letter, published on the ASX Market Announcements Platform ('MAP') on 10 September 2024 which stated in relation to whether a sale of a single D523 unit worth \$72,000 was material to TTT:

"No. The Announcement was the subject of an internal administrative error and was incorrectly marked as market sensitive during the lodgement process on ASX Online. The Company has undertaken an internal audit of its processes and systems with ASX announcements to ensure that administrative errors, like this one, will not reoccur.

Further, the Company notes that the Announcement did not, in fact, have a material effect on the price or value of TTT's securities."

- B. TTT's announcement titled 'Titomic makes first sale of a D623 in Australia' lodged on MAP on 26 September 2024 (the '**D623 Announcement**'), disclosing the sale of a Titomic D623 cold spray system to United Industrial Solutions for a consideration of \$174,000 (the '**D623 Information**').
- C. TTT's announcement titled 'Titomic introduces augmented reality enhancement for D523' lodged on MAP on 9 October 2024 (the '**D523 Announcement**'), disclosing the 'impending launch' of its Augmented Reality software suite for its D523 portable cold spray system (the '**D523 Information**').
- D. The definition of 'aware' in Chapter 19 of the Listing Rules. This definition states that:

'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.'

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B 'When does an entity become aware of information'.

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

'3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.'*

F. Section 4.15 of Guidance Note 8, which states (relevantly):

"Entities should not use an announcement under Listing Rule 3.1 as a guise to publish material that is really promotional, political or tendentious in nature rather than being information that a reasonable person would expect to have a material effect on the price or value of its securities."

G. Section 7.10 of Guidance Note 8, which states (relevantly):

"ASX is alive to listed entities making market announcements with a view to "ramping up" the price of their securities. Ramping announcements come in many forms, including:

...

- *an announcement that an entity has entered into what appears to be a material contract or transaction but without disclosing key information that investors and their professional advisers reasonably need to understand the materiality of the contract or transaction and to assess its impact on the price or value of the entity's securities.*

The last example above occurs not infrequently in the context of announcements about customer contracts. Some examples that ASX has observed include an entity:

...

- *describing a customer contract as "material" or with other superlatives when plainly it is not."*

Request for information

Having regard to the above, ASX asks TTT to respond separately to each of the following questions and requests for information.

The D623 Announcement

1. Does TTT consider the D623 Information contained in the D623 Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities? Please explain the basis for that view.
2. If the answer to question 1 is "yes":
 - 2.1 When did TTT become aware of the D623 Information?
 - 2.2 Please explain the basis for that view, commenting specifically on the materiality thresholds used by TTT to differentiate between the D623 Information and the sale referred to at paragraph A.

3. If the answer to question 1 is “no”:

- 3.1 Please advise why TTT indicated the D623 Announcement to be ‘market sensitive’ when it was lodged on MAP, commenting specifically on TTT’s ‘internal audit’ undertaken to ensure these errors would not reoccur.
- 3.2 Please explain the Listing Rule or Corporations Act basis necessitating lodging the announcement on MAP.
- 3.3 If TTT considers it complied with section 7.10 of Guidance Note 8 concerning ramping announcements, please explain the basis for that view.

The D523 Announcement

- 4. Does TTT consider the D523 Information contained in the D523 Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
- 5. If the answer to question 4 is “yes”:
 - 5.1 Please explain the basis for that view, noting that the augmented reality software does not appear to have launched yet.
 - 5.2 Please confirm when TTT anticipates this launch to occur.
- 6. If the answer to question 4 is “no”:
 - 6.1 Please advise why TTT indicated the D523 Announcement to be ‘market sensitive’ when it was lodged on MAP, commenting specifically on TTT’s ‘internal audit’ undertaken to ensure these errors would not reoccur.
 - 6.2 Please explain the Listing Rule or Corporations Act basis necessitating lodging the announcement on MAP.
 - 6.3 If TTT considers it complied with section 7.10 of Guidance Note 8 concerning ramping announcements, please explain the basis for that view.

General

- 7. Please confirm that TTT complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 8. Please confirm that TTT’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TTT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEST Tuesday, 15 October 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TTT’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require TTT to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in TTT's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in TTT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to TTT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that TTT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Regards

ASX Compliance