



Shareholder Update from Chairman

Melbourne, Australia, Tuesday 22nd December 2020

Dear Titomic Shareholders,

As we prepare for Christmas and the year-end holidays, the world is continuing to confront one of the greatest health threats of a generation. The impact on businesses - ours included - has been significant with disruptions to operations, supply chains and most notably, professional interaction.

Under normal circumstances I would have been in Australia visiting colleagues, shareholders and customers, instead I am writing this end of year shareholder letter from Dubai.

Despite this unprecedented environment, your new Board has been focused on transitioning Titomic from an R&D organisation into a competitive additive manufacturing company, capable of supporting customers across the globe.

Over the recent months the Board has been reviewing all aspects of the Company's technology, market strategy and operations. This review, supported by external & independent professional advice, has validated Titomic's IP, exclusively licensed from the CSIRO, and provided a clear roadmap for commercialisation:

1. **Unique and deployable IP:** Titomic's Kinetic Fusion (TKF) additive manufacturing technology is highly competitive compared with traditional manufacturing and other additive manufacturing (3D Printing) technologies – particularly in industries requiring high performance materials and larger scale parts.
2. **High value target markets:** Historically, Titomic has pursued markets and customers opportunistically, but this has been now been replaced with a more targeted approach centred on defence and aerospace with secondary opportunities in mining, transport and energy industries.
3. **Winning market offering:** To speed commercialisation within these target markets the company is developing a suite of solutions around product development, machine supply, powder supply, manufacturing and ongoing technical support - with the requirements of each customer determining the appropriate product/ service offer.
4. **People & systems:** The company's management and organisation structure has been simplified and refocused in support of the market strategy. In November, the company appointed a new interim CEO with deep defence industry experience and further 'high impact' commercial appointments will be made in the

new year. Additionally, the company is improving the quality and efficiency of its business and operating procedures, a necessary requirement for success in aerospace and defence industries. New international standard certification of ISO27001 for information security and privacy protection and NIST for managing cyber security risk has been implanted. Successful audit of ISO 9001 quality management system has been completed to meet customer and regulatory requirements.

More generally, good progress has been made in securing new aerospace and defence customers as well as manufacturing and testing full scale prototypes for them.

The aerospace and defence sectors require exceptionally high quality. Some of the work that Titomic is doing for these customers is ground-breaking (the company is currently building the biggest metal part ever produced by additive manufacturing) and some of it will have long development horizons but we are confident that during 2021 these projects will progressively convert into stable and profitable customer relationships.

The machine sales orders forecast to be received by the end of 2020 have been delayed by the customers. Contracts with these customers are nearing completion and will be announced 2021.

The Board is well aware of the expectations of shareholders. You have put your faith in Titomic's technology and the board's promise to create value from it. Mistakes have been made, time has been lost, and the share price is not where it should be. What I can say is that your new board is very focused and determined.

The company is undergoing a complete re-boot and this will take some months to complete. We aspire to be a leader in the additive manufacturing industry with global reach and handsome profits. It will take some months to fully build our capabilities — our people, systems and products – but your board is convinced that the changes, priorities and investments we are now making will drive very significant shareholder value.

The Board intends to provide further advice to investors at an Investor Day, planned for mid-February 2021.

On behalf of the Titomic Board and management team I wish you and your families a Merry Christmas and best wishes for the coming year.

Andreas Schwer
Non-Executive Chairman

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

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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.

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.