



August 30, 2022

## ASX Announcement

# Titomic's diversified revenue strategy gains momentum in FY22

**Titomic Limited (ASX: TTT) (Titomic or Company)**, the global cold-spray additive manufacturing company with primary application in aerospace and defence, provides its FY22 results for the 12 months to 30 June 2022.

### Financial year 2022 highlights:

- Revenue from customer sales was \$3.381 million - a seven-time increase on prior corresponding period (pcp) (FY21: \$0.515 million)
- Total revenue \$5.321 million, up 168% on pcp (FY21: \$1.985 million)
- Net underlying loss \$10.6 million (FY21: \$11.1 million loss); Statutory net loss after tax of \$17.1 million (FY21: \$17.2 million loss)
- Cash at bank of \$7.1 million (30 June 2021: \$7.9 million)
- Joint ventures established with Repkon and Nèos International
- Strategic acquisitions of Dycomet Europe and Tri-D Dynamics USA
- Diversified sales:
  - » Established Coatings and Repairs revenues through sales of D523 Systems (Systems)
  - » Entered the Asia Pacific region through the sale of D523 System
  - » Finalised installation of TKF1000 at TWI UK for aerospace applications
  - » Completed Factory Acceptance Testing prior to shipment and installation of its first commercially ordered turnkey glass mould coating system
  - » Entered key Middle Eastern markets as a reseller through Repkon

### Herbert Koeck, Managing Director of Titomic, commented:

"Titomic's diversified revenue strategy gained momentum during FY22. Titomic continues to sell TKF Systems for cold-spray additive manufacturing processes for larger in-house applications and R&D purposes. However, in the last 12 months, we have diversified into strategic investor partnerships, joint ventures and acquisitions. Through this, we can now offer low, medium and high-pressure systems for use in full-scale component manufacture, sales of a broader array of equipment, provision of repairs, maintenance and consumables, and machine solutions, in key sectors such as defence, aerospace, transport, mining and oil & gas.

"The industries that we serve continue to look for ways to optimise manufacturing capability and supply chain management. Our technology assists these industries' objectives both in manufacturing facilities and in the field.

"The delivery of our commercial strategy has helped build and diversify our revenue streams, which, in turn, has created a platform for growth into FY23 and beyond. Titomic has also generated further interest from allied sectors, such as our collaboration with Boeing to create parts with 'green' titanium and creating radiation shielding for the world's first additively manufactured satellites using our TKF cold metal spray coating process with Fleet Space Technologies"

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644

**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

For person



## 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

## Operational update

### Developing joint venture relationship with Repkon

During the year, Titomic signed a joint venture with Repkon. The joint venture created the world's first hybrid cold-spray, flowforming manufacturing facility in June 2022. The facility will additively manufacture barrels in the defence sector.

Recently, Titomic developed its partnership with Repkon by signing an agreement for Repkon to become a reseller of Titomic manufacturing systems, consumables, and service contracts, within Turkey, the United Arab Emirates and Saudi Arabia. This is an important partnership to build, as Repkon is a specialist in the defence and aerospace sectors, a key focus for Titomic.

### Nèos International joint venture

Titomic signed a joint venture with Nèos International to create an advanced joint-manufacturing facility in the United Kingdom selling its TKF 2200 bespoke system to Nèos for AUD2.4 million, pending final specification. The facility is the first of its kind to manufacture Invar36 faceplates and additively manufacture metal products for the aerospace, space, defence, automotive, and nuclear industries.

## Acquisitions

### Dycomet

Through its acquisition of leading European cold spray technology company Dycomet Europe B.V., Titomic is now the only global supplier of low, medium and high-pressure cold spray systems opening up new markets. Titomic can provide turn-key cold spray solutions across the whole cold spray pressure range, as well as research and development services via an in-house laboratory, software development and servicing, spare parts, and consumables for its systems in Europe, as well as a broader range of services to customers globally.

### Tri-D Dynamics

Titomic's acquisition of Tri-D Dynamics complements the Dycomet transaction and footprint, accelerates the expansion of Titomic's US presence, and broadens the service offering and product portfolio in the region.

## Diversifying sales

### Coatings and Repairs revenues

Titomic has executed multiple sales of its D523 cold-spray Systems for Coatings and Repairs to both resellers and end users in the transport and mining industries.

The Company recently sold mining engineering company and Authorised Service Provider, Brauntell, D523 systems to service Australian mining companies for maintenance and repairs. In July, Titomic also sold its first four D523 Systems into the transport industry to four separate businesses in the engine remanufacturing and rail transport sectors. Alongside this, Titomic entered the Asia Pacific market through the sale of a D523 System to Singapore-based D&C Coating in May.

### TKF1000 installed at TWI UK for aerospace research

Last August, leading technology and research organisation, TWI UK, ordered a TKF1000 machine from Titomic for GBP1.2 million (AUD2.2 million). The Company recently finishing installing the machine at the independent research and technology organisation. TWI are using the TKF1000 to play a key role in the Aerospace Technology Institute (ATI) programme. The ATI is a joint government and industry initiative offering funding for research and technology development in the UK, to maintain and grow the UK's competitive position in civil aerospace.

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



## 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

### World's first automated cold spray system for glass mould coatings

In May, Titomic delivered the world's first automated cold-spray system for glass mould coatings to the International Partners in Glass Research (IPGR) network. The system automatically coats and repairs moulds by using artificial intelligence (AI). Sales of every potential machine into the IPGR network are expected to generate revenue of AUD1.7 million each, over a three-year period.

### Other applications

In June, Titomic announced it will create radiation shielding for the world's first additively manufactured satellites using the TKF cold metal spray coating process with South Australian-based Fleet Space Technologies. Fleet Space Technologies' Alpha satellites will backhaul geophysical survey data for mining exploration, enabling rapid 3D-modelling of vast terrain. The project is further validation of our technology in the aerospace sector.

Titomic continued to deliver on its Modern Manufacturing Initiative Grant from the Australian Federal Government to manufacture and commercialise low carbon emission "green" titanium space vehicle demonstrator parts for the Australian space sector and export markets. This includes the Company's work with Boeing to investigate the application of sustainable "green" titanium to produce space components, which adds to existing commercial partnerships in the space industry including Inovor Technologies, Australia's only sovereign commercial satellite manufacturer.

## Activities Highlights Since Year End

### Titomic establishes presence in mining and reseller industries.

Titomic received a stock order from Brauntell for D523 cold-spray Systems for AUD395,000. The Systems are expected to be on-sold by Brauntell to mining end users in New South Wales and Queensland. This sale comes on top of the purchase order for a System to Brauntell announced on 7 July 2022, and now establishes repeat business through the reseller channel and provides the Company with a presence in the mining sector.

### Titomic enters key Middle Eastern markets through Repkon

Repkon Foreign Trade and Marketing Inc. ("Repkon"), a sister company of Repkon Machine and Tool Industry and Trade Inc., has signed an agreement to become an official reseller of Titomic systems within Turkey, the United Arab Emirates, and Saudi Arabia.

## Financial Update

Titomic delivered a stronger financial result in FY22 with revenue increasing 168% to \$5.321 million (FY21: \$1.985 million). Included in total revenue are government grants and other adjustments totalling \$1.939 million. Importantly, revenue from sales to customers was \$3.381 million which was nearly seven times larger than the prior year.

The Company's expansion strategy resulted in an increase in customer interest evidenced by expected orders in excess of \$10 million over FY 2023. Titomic expects to build and deliver these confirmed orders throughout FY23 while also securing new orders and growing its sales pipeline.

Overall, total operating expenses increased by 16% to \$22.2 million (FY21: \$19.2 million), primarily related to accounting for acquisitions, share based payments, increased sales and marketing activities, and remuneration expenses. Before non-operating items, operating expenses increased 9% to \$13.6 million (FY21: \$12.5 million).

Net underlying loss was \$10.6 million, an improvement from the \$11.1 million underlying loss in FY21, with higher revenues more than offsetting the increase in operating expenses. On a statutory basis, Titomic reported a net loss of \$17.1 million (FY21: loss of \$17.2 million).

## TITOMIC

Titomic Limited Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



## 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

## Outlook

The Company is funded to execute its growth strategy with \$7.1 million in cash reserves following the completion of \$9.9 million raised through a successful share placement and share purchase plan, along with a \$2.5 million strategic investment from Repkon during H1 FY22.

Titomic's operating cash outflows are expected to reduce in FY23, as the Company's fulfills orders on backlog and converts its strong sales pipeline to new orders.

## Corporate update

Titomic made senior management appointments to help scale the Company in key industries and markets, including in North America. Mr Neil Matthews was appointed head of business development – repairs, and Mr Bruce Colter, general manager – Titomic USA, in April. Mr Matthews has over 18 years of industry experience, and Mr Colter, who is based in Michigan, USA, has over 25 years of digital manufacturing experience.

## Investor webinar

Titomic will hold an investor webinar, hosted by Managing Director, Herbert Koeck, and Chief Financial Officer, Jon Nield, at 10.30am (AEST) on Thursday 1 September 2022.

To register for the webinar please follow the link:

[https://us02web.zoom.us/webinar/register/WN\\_Cm3BQjVASR2I6uwlqyTcvA](https://us02web.zoom.us/webinar/register/WN_Cm3BQjVASR2I6uwlqyTcvA)

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

----- END -----

### INVESTOR CONTACT

**Adrian Mulcahy**

Automic Group

**P:** +61 438 630 422

**E:** [adrian.mulcahy@automicgroup.com.au](mailto:adrian.mulcahy@automicgroup.com.au)

### MEDIA ENQUIRIES

**Tristan Everett**

Automic Group

**P:** +61 403 789 096

**E:** [tristan.everett@automicgroup.com.au](mailto:tristan.everett@automicgroup.com.au)

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644



#### 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](http://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.

## TITOMIC

**Titomic Limited** Ground floor, 365 Ferntree Gully Road  
Mount Waverley, Victoria 3149, Australia

[info@titomic.com](mailto:info@titomic.com) | [titomic.com](http://titomic.com)

ABN 77 602 793 644