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Review of Operations - Quarter Ending 30th September 2020

Operations During the COVID-19 Pandemic

Titomic has remained fully operational having implemented robust COVID-19-specific health and safety policies and procedures to protect our staff during operations.

Board and Management Restructuring

The renewed Board is leading a series of organisational initiatives to better position for Titomic to monatise its technology. The Board has initiated management changes as previously announced and commenced a strategic review with Deloitte International of the Titomic Kinetic Fusion's capabilities and opportunities.

Titomic Kinetic Fusion® Manufacturing Systems ("TKF Systems")

Titomic has experienced considerable delays in its forecasted commercial sales of TKF systems due to the effect the Covid19 pandemic has had on its customers. Titomic's previous forecast estimates of TKF Systems sales to customers have been delayed with the Company now anticipated to achieve sales orders of $4.5M in 2020 with the revenue from these sales, together with the balance of the other delayed orders, to now be recognised in 2021.

Titomic has implemented cost reductions during the quarter to mitigate the effect of a delayed orders. Several of the initiatives will continue into the second quarter, aligning the cost base with the business environment.

$25.5 Million TKF Systems Sale - Composite Technology

The technical research and development phase of the Composite Technology agreement has been completed and production of the demonstrator parts for the certification is underway. Once the demonstrator parts are certified the delivery schedule for the custom TKF Systems for Composite Technology can be finalised with a deposit anticipated to be received in early 2021, with revenues to be recongised in accordance with agreed delivery and commissioning milestones.

TKF Melbourne Bureau

Despite Victoria's COVID-19 operational restrictions, Titomic has remained operational at our Melbourne TKF Bureau successfully completing and delivering 8 projects for the quarter to international clients in the Aerospace, Defence and Tooling sectors. These revenue generating projects are all precursors to move clients to a next stage of either OEM production, and or a TKF machine purchase.

In addition to Titomic's ISO:9001 re-certification, the Company has progressed implementation of the necessary other quality assurance measures required to operate within the global aerospace and defence sectors including; NIST 800-171, AS27001 and AS9100D. These are all critical elements required to operate under Industry 4.0 principles with primes.

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Outlook

Titomic is seeing a strong industrial interest in its TKF Systems technology. While orders are delayed into 2021, the number of existing projects as well as sales pipeline are continuing to increase, particularly within the tooling segment for aerospace and defence related projects.

Titomic expects to complete its strategic review by the end of 2020 and will continue to manage its cost base as well as strengthen its management team in the next few quarters.

- - - END - - -

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.

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of Entity

TITOMIC LIMITED

ABN	**Quarter Ended ("Current Quarter")**
77 602 793 644	30 September 2020

Consolidated Statement of Cash Flows		**Current Quarter $A'000**	**Year-to-Date (3 months) $A'000**
1.	**Cash flows from Operating Activities**		
1.1	Receipts from customers	4	4
1.2	Payments for:		
	(a) research and development	(147)	(147)
	(b) product manufacturing and operating costs	(480)	(480)
	(c) advertising and marketing	(81)	(81)
	(d) leased assets	(50)	(50)
	(e) staff costs	(1,335)	(1,335)
	(f) administration and corporate costs	(598)	(598)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	113	113
1.8	Other (provide details if material)	-	-
1.9	**Net Cash From / (Used In) Operating Activities**	**(2,557)**	**(2,557)**

2.	**Cash Flows from Investing Activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(37)	(37)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated Statement of Cash Flows		**Current Quarter $A'000**	**Year-to-Date (3 months) $A'000**
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	36	36
2.6	**Net Cash From / (Used In) Investing Activities**	**(2)**	**(2)**

3.	**Cash flows from Financing Activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(4)	(4)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net Cash From / (Used In) Financing Activities**	**(4)**	**(4)**

4.	**Net Increase / (Decrease) in Cash and Cash Equivalents for the Period**		
4.1	Cash and cash equivalents at beginning of period	17,458	17,458
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,557)	(2,557)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(4)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and Cash Equivalents at End of Quarter**	**14,895**	**14,895**

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5.	Reconciliation of Cash and Cash Equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter $A'000	Previous Quarter $A'000
5.1	Bank balances	14,895	17,458
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**14,895**	**17,458**

6.	Payments to Related Parties of the Entity and their Associates	Current Quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	130
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Directors fees inlcuding retirement payment to the Chairman

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total Facility Amount at Quarter End $A'000	Amount Drawn at Quarter End $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Director salaries and fees at normal commercial rates.
Amounts exclude GST where applicable.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,557)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	14,895
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	14,895
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**5.8**

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8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:	N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:	N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:	N/A

Compliance Statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: *The Audit Committee and Board of Titomic Limited*

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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