

2024 FIRST HALF REPORT



NORSK TITANIUM



Innovating the Future of Metal

Norsk Titanium and its subsidiaries (referred to herein as “Norsk Titanium”, “the Company”, “we”, “us” or “our”) is a global leader in metal 3D printing that is innovating the future of metal manufacturing by enabling a paradigm shift to a clean and sustainable manufacturing process from traditional forgings and castings. With our proprietary Rapid Plasma Deposition® (RPD®) technology, Norsk Titanium provides cost-efficient 3D printing of metal alloys with the ability to deliver value-added parts to a large addressable market.

We focus on high end structural applications for which the adoption of 3D printed metal parts will add substantial value compared to existing materials and production methods. High complexity markets such as commercial aerospace and defense allow Norsk Titanium to deliver a strong value proposition and strategically positions us for expansion into other markets. Using our industry recognized material specifications, customers can identify parts adaptable to our RPD® process. We can then deploy our proprietary software development tools to quickly design and manufacture parts that will integrate seamlessly into the customer’s existing supply chain.

Thanks, in part, to our partnership with the State of New York, Norsk Titanium has 700 MT of annual print capacity between its facilities in Norway and the US, which supports our business plan through 2026 and beyond. With no need for further investments in machinery, we have directed our resources towards qualifications and testing to ensure our customers can utilize our 3D printed material commercially as a direct replacement for parts currently manufactured using traditional technologies.

*At full utilization the current print capacity is estimated to generate annual revenue of USD 300 million.





CEO, Carl O. Johnson

Dear Shareholders,

I am delighted to share that in the first half of 2024 we have made significant progress towards our goal of commercializing our Rapid Plasma Deposition – RPD® - technology. We reached significant milestones that pave the way for our long-term success in the Commercial Aerospace and Defense markets and received repeat production orders in the Industrial market.

Key achievements year-to-date include:

Progress with Airbus and Boeing: We have been working consistently for more than a decade to become an approved supplier of titanium products to the leading OEMs in the Commercial Aerospace industry. This is by far the largest addressable titanium market, and it is great to see us succeed with customers demanding material of the very highest quality. In April, we completed qualifications and signed the Master Supply Agreement with Airbus, marking a major advancement in our Commercial Aerospace efforts - and complementing a serial production agreement signed with Boeing. Achieving these milestones positions us as the sole qualified additive manufacturer in Commercial Aerospace, a market that is currently using legacy production processes that are less resource efficient, more energy intensive, and require longer lead-times than we can offer. So far, we have identified more than fifteen hundred directly addressable parts for our current generation of RPD® machines (G4) across the production platforms of Boeing and Airbus. This represents a serviceable market opportunity of approximately USD 2.5 billion within a total addressable Commercial Aerospace market of around USD 13 billion.

Defense Market Serial Production Contract: At the end of June, we achieved an important milestone in another key market – with a prime contractor for the US Department of Defense. This agreement also builds on years and years of development and qualification efforts and marks our first serial production contract in this market. Besides the Commercial Aerospace

market, Defense represents the largest opportunity with an addressable market estimate at around USD 5 billion.

Full-rate production order for semiconductor industry leader: In June, we announced the receipt of an additional production order for silicon wafer trays from Hittech in the Netherlands, for use semiconductor chipmaking equipment. This is the third repeat order from this customer, indicating that this large 90 kg part has transitioned to full-rate production of 45 units per quarter. We will continue to seek other opportunities in higher-volume industrial markets, which also represent an addressable market of around USD 5 billion.

Scaling-up of production: Overall we transitioned 15 new part numbers into serial production in the first half, bringing the total number of parts in serial production to 26. This is more than double the parts in serial production at the end of 2023 and reflects our capacity to scale and meet diverse market demands due in large part to the expanding functionality of our proprietary software tool RPD Builder™. Some parts initially scheduled for transition in the first half slipped into the third quarter, but at the time of writing we are at 28 parts in serial production indicating we are still largely on track. In addition, we continue to introduce operational efficiencies into our production process resulting in a significant decrease in RPD® direct variable costs.

We are working together with customers to reduce the lead times for the transitioning of parts into serial production. Furthermore, we have used our improved financial flexibility to secure timely supply of raw material, develop parts in advance of contract signings, and speed-up the decision processes. I remain confident we will develop a sharply increasing recurring revenue base over the coming quarters on our way to reaching our 2026 revenue target of USD 150 million.

I am proud of what we have achieved as a technology frontrunner in additive manufacturing. It has taken us a decade to complete strict qualification processes with demanding customers in some of the most complex industrial markets globally. Competitors wishing to enter these markets will have to go through the same processes, and I firmly believe we have built a competitive moat for our business. We are now very much at an inflection point – with the ongoing scale-up of a large and growing number of parts set to take months rather than years.

We have only just begun penetrating our very large markets, and the strategic focus on successful transitioning of parts from development into serial production is crucial to sustain our growth trajectory and meet the increasing long-term demands of our market segments.

Thank you for your unwavering support and confidence in our vision. We are excited about the future and remain committed to delivering exceptional value to our shareholders.

A handwritten signature in blue ink, appearing to read "C. Johnson". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Key Highlights

Norsk Titanium had a strong first half of 2024, increasing activity with existing and potential customers and establishing higher base revenue from serial production parts. The most important achievements included signing a Master Supply Agreement with Airbus, reaching an agreement to deliver serial production parts directly to Boeing, announcing a repeat, full-rate production order with large players in the semiconductor industry, and transitioning the first parts into serial production in the Defense sector.

Key Events



Commercial Aerospace

- Entered long-term Master Supply Agreement with Airbus, with multiple parts being qualified to enter serial production and first part revenues generated in first half 2024
- Signed agreement with Boeing to deliver serial production parts directly to Boeing rather than to its supply chain partners, demonstrating ability to be a reliable partner to the commercial aerospace industry
- Demonstrated capability to produce components of up to 1.5 meters in length and in excess of 100kg with the larger format G4L RPD® machine



Defense

- Received a serial production order from a US Department of Defense (DoD) prime contractor to deliver parts on a live program
- Qualified structural flight components for US DoD aircraft in collaboration with Northrop Grumman
- Announced development of nickel-based superalloy Inconel 625 with Bechtel Plant Machinery, Inc. for US Navy applications that require high strength and corrosion resistance, a first step in opening the nickel superalloy market to the additive manufacturing process
- Delivered flight critical aircraft structure for evaluation and test at General Atomics Aeronautical Systems, a prime contractor to the US DoD



Industrial

- Announced full rate production order from Hittech Bihca B.V. ("Hittech") for use in semiconductor chipmaking equipment, expected to account for more than 15% of 2024 revenue
- Secured recurring production arrangement with partner Hittech to produce silicon wafer carrier trays used semiconductor chipmaking equipment
- Transitioned two new high-volume parts for the semiconductor chipmaking industry

Progress on Milestones

In April 2024, Norsk Titanium announced a target to reach 30 parts in serial production with annual recurring revenues (ARR) of USD 10 million by the end of the first half. Actual results were 26 parts in serial production and ARR at approximately USD 7.4 million. However, we received a purchase order for two of the targeted parts in August, bringing the ARR to USD 11 million.

The Company's target is to have transitioned 60 parts to serial production by year-end. The exact timing of transition is inherently difficult to predict due to the complexities in customer procurement cycles, but these parts are progressing through the business evaluation and development processes. Customers recognize the advantages of RPD® technology and are taking a stepwise approach to ensure a smooth and successful adoption into existing production processes. Please refer to the "Outlook" section for further details.

	H1 2023	YE 2023	H1 2024	YTD 2024	Description
Parts in serial production	8	11	26	28	Parts in serial production is defined as unique part numbers delivered to customers for installation in assemblies and original equipment
Annual recurring revenue of parts in serial production	\$2.5m	\$4m	\$7.4m	\$11m	Total annual revenue for parts in serial production based upon estimated percentage of market share allocated to Norsk Titanium

Financial Summary

Norsk Titanium generated revenue and other income of USD 1.3 million during the first half of 2024, versus USD 0.9 million in the same period last year. Most notably, revenue from delivery of parts in serial production grew to USD 0.9 million during the first half of 2024, versus USD 0.2 million in during the same period last year. Revenue from customer-funded development activities was USD 0.3 million during the first half of this year. The Company has a healthy order book of development activities that is expected to be completed and delivered to customers by the end of the year.

Average monthly cash burn for the period was USD 2.3 million, compared to USD 1.9 million for the full year 2023. The increase in cash burn was mainly due to higher commercial activity and engagements with customers. The Company is securing a larger quantity of raw material for parts on production orders and developing parts in advance of final production orders from customers to facilitate faster transitions into production.

Norsk Titanium's financial position strengthened significantly in the first half of 2024, as the Company raised gross proceeds totaling USD 46.1 million across multiple equity transactions on the back of positive commercial announcements. After transaction costs totaling USD 2.3 million and a reduction of debt totaling USD 7.3 million, the net change in cash from share capital transactions and decrease of debt was USD 36.5 million compared to the end of 2023. When combined with negative cash flow from operations, Norsk Titanium's cash balance increased from USD 1.2 million at the end of 2023 to USD 23.9 million as of 30 June 2024.

Key financials* (USD million)	H1 2024	H1 2023	2023
Revenue and other income	1.3	1.1	2.5
Average monthly cash burn rate**	(2.3)	(1.9)	(1.9)
Ending cash balance	23.9	4.1	1.2

*Unaudited

**Alternative Performance Measure (APM): Net change in cash and cash equivalents excluding capital raised from debt and/or share increases adjusted for currency exchange rates

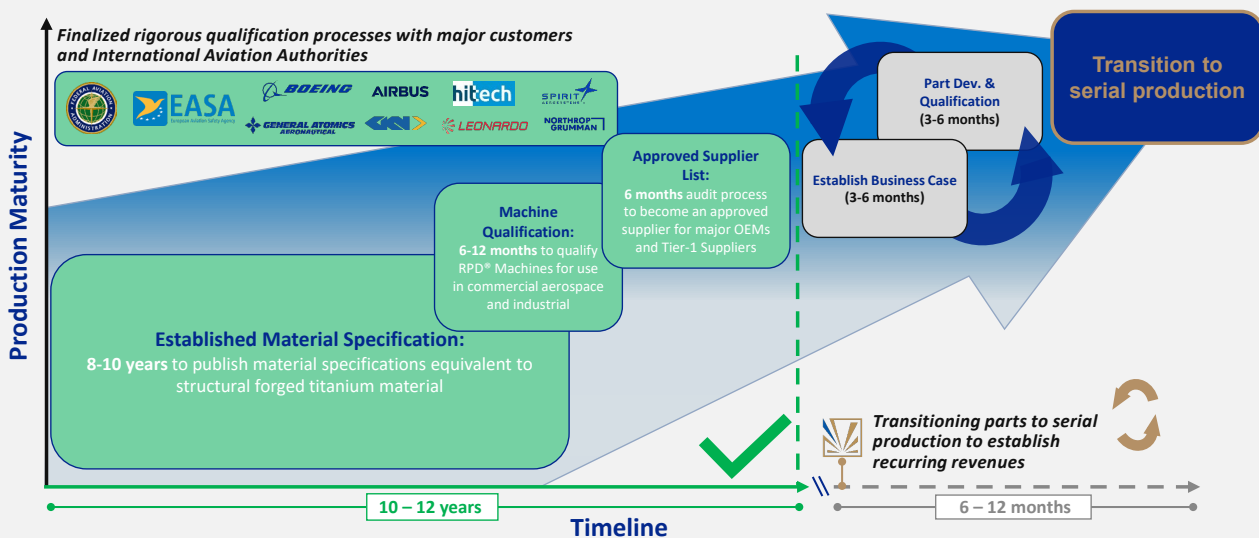
Subsequent events

- Collection of gross proceeds of USD 2.9 million and subsequent issuance of the allocated 28,722,823 shares in relation to the first warrant exercise period was completed in July 2024
- Announced production order for a prime contractor for the United States Department of Defense, securing initial serial production revenue and expectation of increasing parts transition to serial production later this year
- Received an initial production order for two high-volume industrial parts used in the semiconductor chipmaking industry that has an estimated ARR of USD 3.6 million

Market Overview

Norsk Titanium has completed extensive development and qualification processes with major customers and international aviation authorities, which have taken more than 10 years to complete. The Company is now focusing on continuously transitioning parts to serial production for customers, which typically takes 6-12 months to complete. The multi-year, complex nature of development and qualification processes serves as an important barrier to entry for new players in our markets, as new entrants would also need to complete such processes from scratch. Norsk Titanium is thus the clear frontrunner in titanium additive manufacturing and is working to capitalize on this leading position, transitioning parts into serial production so they can generate recurring revenues for many years into the future.

High-level processes and timeline to industrial scale production



The overall market for titanium parts is continuing to gain attention as the price of the raw material increases sharply. Russia and China supply 70% of the world's titanium raw material, raising concerns over the ongoing effects of the current geopolitical climate on the supply. Customers of Norsk Titanium enjoy increased security of supply as they leverage the benefits of the Company's RPD® technology. Norsk Titanium's RPD® technology uses 75% less raw material and energy and takes 90% less time than legacy machining processes, and hence delivers equivalent parts more cost efficiently. The current market dynamics are a catalyst for increased adoption and the Company believes the inherent cost benefits and efficiencies of RPD® will continue to resonate with customers in multiple markets.

Market opportunity and recent developments

Norsk Titanium's initial focus is on the Commercial Aerospace market. The largest players in this market, Airbus and Boeing, represent an immediately addressable opportunity of USD 2.5 billion annually. With aircraft production rates for Boeing and Airbus increasing, other players considered, and an increasing number of parts on aircraft in the future, the total addressable market for Norsk Titanium is estimated at USD 13 billion annually. There are additional large adjacent market opportunities within engines and repair and maintenance.

During the first half of 2024, the Commercial Aerospace market showed signs of recovery with announced aircraft production rates increasing significantly. This is of clear benefit to Norsk Titanium as parts in serial production are expected to be on all manufactured aircraft. In April, Airbus announced production rate increases for the A350 to 12 per month by 2028, from the current level of six per month. Airbus also announced production plans of 75 per month for the A320neo family and 14 per month for the A220 by 2027, from a current production rate of 45 and 4 per month, respectively. Meanwhile, Boeing announced plans to increase 787 production to 10 aircraft per month in 2025 or 2026 from current levels of five per month, while Embraer announced a 20% increase in overall production rates in July.

Norsk Titanium is making progress in the Defense and Industrial markets, each representing a total addressable market of USD 5 billion annually. These markets continue to grow at a healthy rate.



Operational Review

Our customers enjoy increased security of supply as they leverage the benefits of our RPD[®] technology, which uses less material and less energy while delivering an equivalent part cost efficiently. Although the current market dynamics are a catalyst for increased adoption, we believe the inherent cost benefits and efficiencies of RPD[®] will continue to resonate with customers in multiple markets

Commercial Review

During the first half of 2024, existing customers in Norsk Titanium's target markets exhibited breakthrough progress in adopting parts to RPD[®], and the Company continues to deepen customer relationships even further. In total, during the first six months of the year the Company transitioned 15 new part numbers into serial production, including four Defense parts. This achievement has increased the part numbers in serial production from 11 to 26 and secured recurring production orders valued at USD 7.4 million annually.

The Company's Commercial Aerospace and US Department of Defense (DoD) customers are progressing on new part qualifications. Although part transitions have been somewhat slower than expected due to OEM- and customer-controlled schedules, the Company continues to shorten internal development timelines and assist its customers in streamlining their internal approval processes to enhance schedule performance. Norsk Titanium is buying material and developing parts ahead of receiving orders to speed up the lead time from its end. This proactive approach ensures the Company remains ahead of the curve and stands ready to capitalize on market opportunities as they arise. The Company is continuously pursuing opportunities it believes will help accelerate adoption of RPD[®] and the transition of parts into serial production.

Technology Review

During the first half of 2024, Norsk Titanium made significant progress in technology development and successfully completed R&D projects. At the end of the first half of 2024, the Company owned a suite of 18 patent families consisting of 192 patents and 51 patents pending.

Notable advancements include improved distortion mitigation and control for large single-sided parts, enabling printing with minimized distortion. In addition, the engineering team focused on expanding the functionality of the RPD Builder[™], a proprietary software design tool that facilitates the seamless transition of parts into serial production. The main effort for RPD Builder[™] focused on improving processing stability and material non-destructive testing quality. In addition, the Company has improved the functionality for higher resolution printing, resulting in more net-near-shapes and lighter parts. Norsk Titanium also enhanced the RPD Builder[™] functionality for G4L, improving the efficiency of printing large, double-sided parts or multiple smaller parts.

During the period, several R&D projects yielded positive outcomes, including alloy testing, machine calibration system enhancements for effectiveness and precision, as well as progress in functionality for multi machine functionality.

Operations Review

Over the first half of 2024, Norsk Titanium made significant strides in operations and quality initiatives. The Company successfully qualified seven new suppliers into the Norsk Titanium Supply Chain Network. Additionally, Norsk Titanium executed cost reduction projects that resulted in a significant decrease in RPD® direct variable costs.

On the production front, Norsk Titanium brought three additional RPD® machines online to expand production capacity and installed the second G4L RPD® machine at our Plattsburgh facility. In terms of output, parts delivered increased by 47% year-over-year.

Financial review

Norsk Titanium is transitioning its development and qualification efforts to serial production, delivering parts on long term agreements to blue chip OEMs in the Commercial Aerospace, Defense, and Industrial sectors. The increase in Norsk Titanium's revenue reflects the transition of parts into serial production across its target markets. Revenue in the first half 2024 was USD 1.3 million, compared to USD 0.9 million in the same period last year.

The composition of the revenue and other income was delivery of parts of USD 0.9 million, revenue from products and services delivered on development programs of USD 0.3 million and grants income of USD 0.1 million. In the same period last year, USD 0.2 million was delivery of parts, USD 0.7 million revenue from development programs and USD 0.2 million from grants. The operating loss (EBIT) remained flat year-over-year at USD 12.9 million in the first half 2024.

Income Statement

During the first half of 2024, Norsk Titanium generated USD 0.9 million in revenue from sale of parts to customers, an increase from USD 0.2 million in the same period last year, mainly due to delivery of serial production parts to commercial aerospace and scaling up the carrier tray for delivery to Hittech. USD 0.3 million was generated from products and services delivered on development programs, compared to USD 0.7 million in the same period last year.

Other income amounted to USD 0.1 million in the first half 2024, compared to USD 0.2 million in the same period last year. The decrease is mainly due to lower net gain from the RPD® machine grant and completion of the Innovation Norway grant in the first half of 2023.

Operating expenses during the first half 2024 were USD 13.4 million, compared to USD 13.0 million in the same period 2023. This generated an EBITDA-loss of USD 12.1 million in the first half 2024, compared to a loss of USD 12.0 million in the same period 2023. The increase in EBITDA loss is driven by increased raw material costs in the first half of 2024.

Depreciation and amortization amounted to USD 0.9 million for the first half of 2024, compared to USD 1.0 million in the same period 2023. The resulting operating loss (EBIT) for the first half 2024 was USD 12.9 million, in line with the loss of for the same period 2023.

Net financials loss increased significantly year-over-year to USD 14.0 million in first half of 2024, due to the issuance of warrants in the Rights Issue (as defined below). For accounting purposes, warrants are recognized as a liability to the Company until the instruments are exercised. The warrants issued during the Rights Issue are classified as derivative financial

instruments and recognized as financial liabilities measured at fair value through profit or loss. For the first half of 2024, the interest expenses and other financial expenses in the income statement reflect a loss of USD 20,515 thousand due to an increase in the fair value of these warrants.

Net loss amounted to USD 27.0 million in the first half of 2024, compared to a loss of USD 5.2 million in the same period last 2023 due primarily to the change in the fair market value of the warrants which are classified as a financial liability. Upon exercise the warrants will be classified as equity.

The financial results reflect that Norsk Titanium is in the initial stage of growth and industrialization of its disruptive 3D metal printing technology.

Cash Flow

Net cash used in operating activities was USD 13.3 million in the first half of 2024, compared to USD 11.0 million in the same period in 2023. The average monthly cash burn rate was USD 2.3 million in the first half 2024, which is up from USD 1.9 million in the same period last year.

Cash outflows from investing activities were USD 0.0 million, compared to USD 0.1 million in the same period 2023. In the first half of 2024, Norsk Titanium continued its investments in upgrading its digital infrastructure and acquired additional production equipment as the Company continues to ramp up production activities.

Cash flow from financing activities amounted to USD 36.1 million, mainly representing completion of the Rights Issue and an additional equity capital raise in the first half, offset by repayment of certain bridge loans. In the same period in 2023, cash flow from

financing activities was USD 7.7 million, mainly reflecting an equity capital raise.

Norsk Titanium strengthened the cash balance to USD 23.9 million at 30 June 2024.

Balance sheet

Total assets at 30 June 2024 were USD 38.5 million, compared to USD 19.8 million at the end of end of the first half 2023. USD 7.0 million of this was non-current assets, of which intangible assets accounted for USD 3.4 million, Property Plant and Equipment (PPE) for USD 2.5 million, and right-of-use of assets for USD 1.6 million.

Current assets amounted to USD 31.4 million, of which inventories accounted for USD 5.1 million, trade receivables for USD 1.3 million and other current assets for USD 1.2 million. Cash and cash equivalents were USD 23.9 million.

Total equity amounted to USD 10.3 million at 30 June 2024, compared to USD 11.5 million at the end of the first half 2023. The increase primarily reflects issuance of share capital in the period.

Total liabilities amounted to USD 28.2 million, compared to USD 8.3 million at the end of the first half 2023. USD 2.5 million of this was non-current liabilities at the end of the first half 2024 (USD 2.4 million at the end of the first half 2023), and USD 25.7 million current liabilities (USD 5.9 million at the end of the first half 2023). The increase in current liabilities mainly reflects the recognition of a derivative financial liability of USD 19.8 million, representing the fair value of the remaining outstanding warrants at the reporting date.

Risks and uncertainty factors

Norsk Titanium is transitioning from a development stage company to a commercial manufacturing concern. The primary focus in 2024 continues to be the commercialization of our RPD® technology in multiple industries and applications. We must balance continued technological development with efforts designed to foster the adoption of our technology by potential customers, both of which may be constrained by limited resources.

Market and competition risk

Norsk Titanium operates in the 3D printing market of forge-equivalent near net shapes and finished parts. Currently, the Company mainly delivers titanium components to three target markets: Commercial Aerospace, Defense and Industrial manufacturers.

The Company competes directly with large organizations employing legacy manufacturing technology such as forging and is seeking to displace these legacy techniques with its RPD® technology. These legacy organizations have established qualifications with the Company's targeted customers and operate with more resources, which may impede or delay the conversion of parts from legacy manufacturing methods to RPD®.

The Company also competes with other 3D printing companies. The 3D printing industry has experienced an increase in the number of players in recent years and competition is more intense. Some of the Company's competitors in the 3D printing space have more resources than the Company which may impact the Company's ability to effectively compete for adoption with customers in its target markets.

Competition within the industry also exposes the Company to price pressure. The entrance of lower cost providers may influence the Company's market and lead to further competition that might adversely affect profitability. In addition, the Company may not be able to develop and qualify its technology without reducing its anticipated margins and returns.

Financial Risks

As a development stage company in the process of transitioning to a commercial manufacturing concern, Norsk Titanium does not generate sufficient income from operations to fund its operations. The Company's primary focus in 2024 is twofold: 1) to increase the number of customer qualifications and pipeline of parts in development, and 2) to transition such parts from legacy manufacturing methods to serial production using RPD®, establishing the base for recurring revenue in years to come.

The Company's cash burn has been slightly higher thus far in 2024 than in 2023, as the Company ramps up production and increases the volume of part deliveries. Cash burn has also been affected by increases in the cost of raw materials driven by market uncertainties in the supply for titanium. Expected revenue growth in 2024 and 2025 is critical to achieving a positive cash flow from operations to finance the Company going forward. The Company's forecast depends on its ability to work with customers to quickly identify and transition parts from legacy production methods to RPD®. The Company can influence, but not control, the pace at which customers transition parts to RPD®. The Company has experienced delays in the qualification process that have delayed part transition and revenue achievement. Future delays are likely to have a similar effect.

On 21 February 2024, the Company successfully completed a rights issue (the "Rights Issue") raising approximately NOK 188.3 million in gross proceeds. As part of the Rights Issue, the Company also issued 164,519,363 warrants to purchase additional shares which could be exercised by the holders during two exercise periods: (i) 10-21 June 2024 and (ii) 18-29 November 2024. The first of these exercise periods resulted in 28,722,823 warrants being exercised, raising gross proceeds of approximately NOK 30.7 million. Warrants not exercised in June 2024 may be exercised in the second exercise period in November 2024.

In addition, the Company successfully completed a private placement raising NOK 275 million in gross proceeds on 29 April 2024 and a subsequent offering raising NOK 27.5 million in gross proceeds on 6 June 2024. With proceeds from capital markets transactions in the first half of 2024 totaling NOK 392 million, and assuming exercise of the warrants in full, the Company expects to be fully funded through to breakeven. However, there is a risk that the Company may need to raise additional capital in the future if there are significant delays in realizing revenue due to delays in transitioning parts to serial production.

The Company's reporting currency is USD. A significant portion of the Company's operating expenses and certain of its expected future revenues will likely be incurred in other currencies, such as EUR and NOK. As a result, the Company is exposed to the risks that the EUR and NOK may appreciate or depreciate relative to the USD.

The Company currently has an equity-based financing structure which limits interest rate risk, but the Company may be exposed to interest rate risk in the future if the Company issues debt.

The Company has not experienced any losses in receivables, but that is possible as operations expand in the future.

Operational Risks

Norsk Titanium's manufacturing process as well as the resulting materials must meet the rigorous testing requirements of our customers before serial production of parts can occur. The Company has received qualification from several high-value customers and expects additional qualifications from several other customers in the coming months. Failure to achieve these qualifications in the anticipated time frame or at all will impact the timeline to profitability. The Company carefully monitors customer relations throughout the qualification process to assure timely and successful completion but does not control the ultimate timetable on which the qualifications may be granted.

The Company continues to closely monitor inflationary risks. Both labor and material costs have increased since 2022 and there is an ongoing risk of further increases in 2024 which could outpace the rate of inflation assumed in our most recent financial forecasts.

The Company is entering a period of expansion in operations. Success will require significant growth to align with the business plan. Effective management of this rapid expansion calls for improvements in operational and financial systems, procedures, and controls, along with the attraction, hiring, training, and retention of sufficient talent to staff operations within the required time frame. Failure to manage growth effectively could hinder the ability to capitalize on market opportunities, execute business strategies, or respond to competitive pressures, potentially leading to a material and adverse impact on the business, operational results, and financial condition.

Supply Chain Risks

The Company depends on a small number of suppliers for raw material and critical components. The ongoing

conflict in Ukraine has caused uncertainty in the market for titanium raw material. Furthermore, economic sanctions imposed by the U.S., the EU and Norway against Russia, Belarus and certain Russian entities and individuals may cause disruptions in supply of other critical materials and components. In addition, the ensuing conflict in the Middle East may further increase the risk of raw material availability and also increase energy prices. The Company continues to explore ways to diversify its supply chain to ensure continuity of supply and is closely monitoring the geopolitical situation. In the Company's assessment, there is no risk to the Company's titanium supply or that of other key manufacturing inputs in the near-term. The Company is working on supply chain solutions for the mid- to long-term.

Technology and IP Risks

The success, competitive position and future revenues of the Company depend in significant part on its ability to protect intellectual property and know-how.

The Company's business is based on its technology, , the key elements of which are protected by the Company's suite of patents and are subject to risk of infringement or unauthorized use by third parties. The most important patents/patent applications are those pertaining to the Company's RPD® technology. Failure to protect the Group's proprietary technology and property rights or claims that the Group is violating or infringing third-party intellectual property rights could lead to a competitive disadvantage and result in a material adverse effect on the Company's business, financial position, and operations.

Legal Regulatory Risks

The Company is subject to regulatory requirements in both Norway and the US, including environmental, health, and safety requirements, export requirements, privacy regulations and regulations regulating employment. As part of the Company's internal controls and compliance program, management regularly assess the risks in these areas and reports to the Board on any deficiencies or need for enhancement to the existing policies and procedures. The Company has not identified any material deficiencies.

Please refer to the prospectus dated 22 May 2024 for a more detailed description of risk factors, available at www.norsktitanium.com/investors.

Outlook

After more than ten years establishing itself as the global frontrunner in titanium additive manufacturing, Norsk Titanium is now focused on helping customers scale parts production. The Company is building a robust pipeline of parts to transition into serial production, activity and interest levels in all three core focus markets are moving strongly in the right direction, and adoption rates are expected to rapidly increase.

Norsk Titanium made significant progress in the first half of 2024 with market positioning, technology commercialization, and operational performance. At the end of the period, the Company had 26 parts in serial production, representing an annual recurring revenue of USD 7.4 million. This fell below the previously outlined first half guidance for 30 parts in serial production with an annual recurring revenue of USD 10 million. At the time of this report, the Company has reached 28 parts in serial production with a corresponding annual recurring revenue of USD 11 million.

A key element of the Company's strategy is to deepen customer engagement to foster accelerated adoption of RPD®, leading to increased part transitions. The Company continues to execute this strategy and expects to achieve its stated ambition to have 60 parts transitioned to serial production by the end of the year. However, due to delays in contract negotiations and product development timelines, some of the high-value and high-volume parts originally targeted for transition in 2024 are expected to slip into 2025, with the timing of the Company's annual recurring revenue of USD 50 million to follow suit. As a result, Norsk Titanium is revising its revenue forecast of USD 15 million for full-year 2024 to a range of USD 10-12 million.

Newly identified opportunities are supplementing the originally forecasted part portfolio for 2024, enabling the Company to meet its 60 part target. In some instances customer demand is causing an accelerated transition of these newly identified parts to serial production. Norsk Titanium is also working to reduce the lead times for transitioning of parts into serial production and has used its improved financial flexibility to secure timely supply of raw material, develop parts in advance of contract signings, and speed-up decision processes. With the continued move towards adoption of our disruptive technology, Norsk Titanium reiterates its expectations of a sharp increase in revenue through 2025 and its 2026 revenue target of USD 150 million.

Responsibility statement

From the Board of Directors and CEO of Norsk Titanium AS

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2024 has been prepared in accordance with IAS 34 – Interim Financial Reporting and gives a true and fair view of the Company's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties' transactions.

Hønefoss
28 August 2024

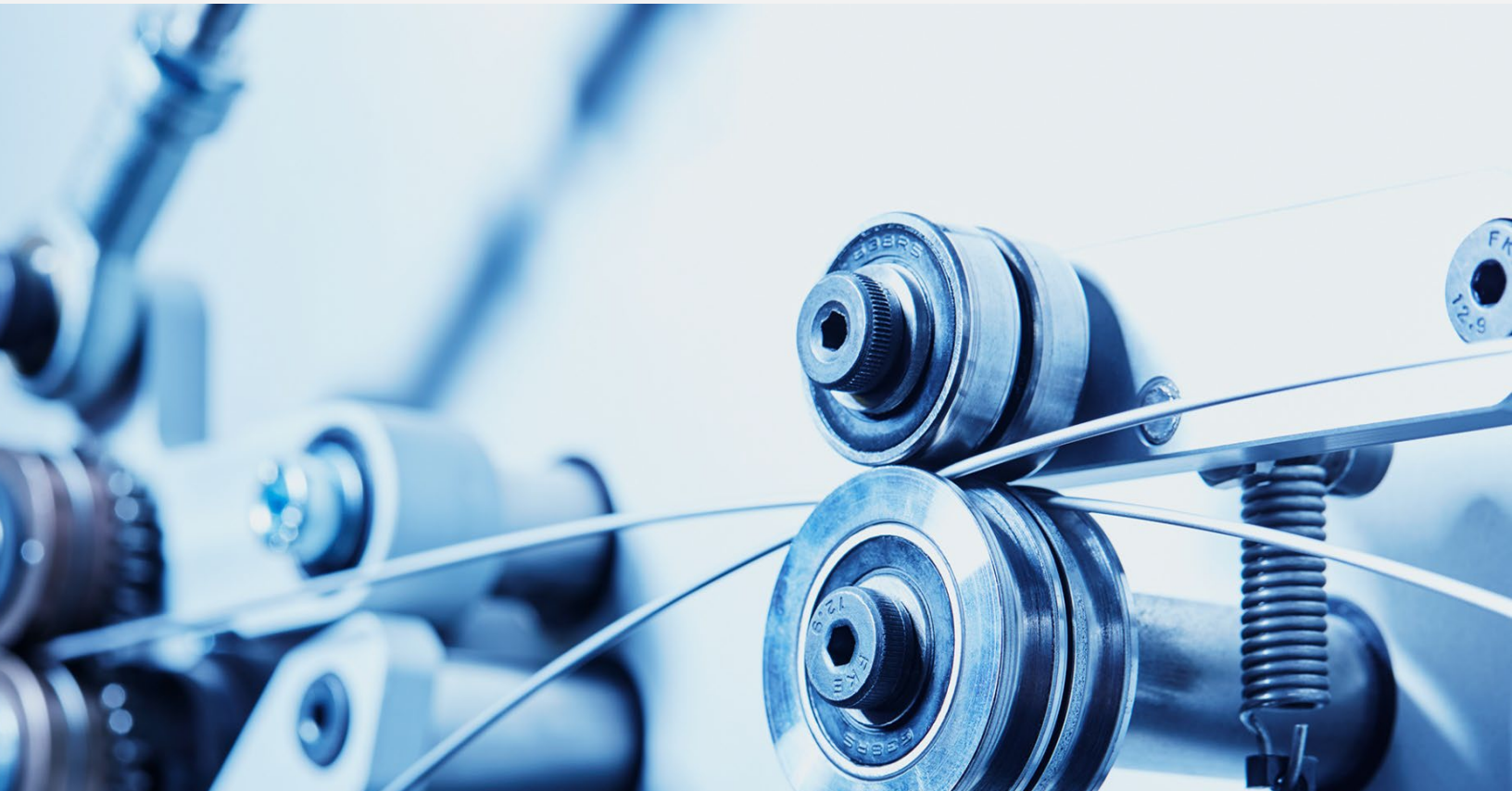
John Andersen Jr.
Chairman

Bart van Aalst
Board Member

Shan Ashary
Board Member

Mimi K. Berdal
Board Member

Carl O. Johnson
CEO



Half year Condensed Interim Financial Statements and Notes

Consolidated interim financial statements

Consolidated statement of comprehensive income

Norsk Titanium

Amounts in USD thousand	Notes	First half 2024	First half 2023	Full Year 2023*
Revenue	2	1,261	892	2,203
Other income	3	59	201	299
Total revenues and other income		1,321	1,093	2,502
Raw materials and consumable used		-3,340	-2,387	-5,078
Employee benefits expense		-7,302	-7,385	-14,781
Other operating expenses		-2,734	-3,202	-5,972
Depreciation and amortization		-891	-971	-1,890
Operating profit		-12,947	-12,851	-25,220
Financial income	4	7,251	8,295	5,845
Financial expenses	4	-21,288	-615	-7,276
Profit or loss before tax		-26,984	-5,171	-26,650
Income tax expense		0	-42	-27
Profit or loss for the year		-26,984	-5,213	-26,677
Profit/loss attributable to owners of the parent		-26,984	-5,213	-26,677
Basic earnings per share (in USD)		-0.06	-0.02	-0.10
Diluted earnings per share (in USD)		-0.06	-0.02	-0.10
Weighted average number of ordinary shares (thousand)		477,521	254,969	262,469
Weighted average number of ordinary shares diluted (thousand)		477,521	254,969	262,469
Other comprehensive income:				
<i>Items that subsequently may be reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations		-6,599	-8,943	52
Other comprehensive income for the period		-6,599	-8,943	52
Total comprehensive income for the period		-33,583	-14,156	-26,625

*Audited

Consolidated statement of financial position

Norsk Titanium

Amounts in USD thousand	Notes	30 June 2024	30 June 2023	31 December 2023*
ASSETS				
Non-current assets:				
Deferred tax asset		36	24	36
Right of use of assets		1,555	1,788	1,737
Property, plant and equipment		2,974	3,158	3,124
Intangible assets		2,482	3,435	3,105
Total non-current assets		7,047	8,405	8,003
Current assets:				
Inventories		5,069	5,632	5,886
Trade receivables		1,274	400	584
Other current assets		1,175	1,273	1,105
Cash and cash equivalents		23,914	4,115	1,194
Total current assets		31,433	11,420	8,769
TOTAL ASSETS		38,480	19,825	16,772
EQUITY AND LIABILITIES				
Equity:				
Share capital		5,231	2,448	2,450
Share premium		32,893	46,295	19,618
Other capital reserves		1,564	-183	-276
Other equity		-29,415	-37,024	-22,816
Total equity		10,272	11,535	-1,025
Non-current liabilities:				
Non-current interest-bearing debt		47	0	53
Non-current lease liabilities		1,286	1,433	1,387
Other non-current liabilities		1,185	967	846
Total non-current liabilities		2,518	2,400	2,286
Current liabilities:				
Trade and other payables		1,202	966	1,559
Current interest-bearing debt		1,326	0	6,499
Other current debt		0	0	2,153
Derivative financial liabilities	4	19,771	0	0
Contract liability		1,595	3,170	3,285
Current lease liabilities		453	494	523
Other current liabilities		1,342	1,259	1,493
Total current liabilities		25,690	5,890	15,511
Total liabilities		28,208	8,290	17,797
TOTAL EQUITY AND LIABILITIES		38,480	19,825	16,772

*Audited

Consolidated statement of changes in equity

Norsk Titanium

Amounts in USD thousand	Attributable to the equity holders of the parent						Total equity
	Share capital	Share premium	Treasury shares	Other capital reserves	Other equity		
					Cumulative translation effect	Accumulated loss	
Balance at 31 December 2022*	2,218	38,068	0	0	-22,869	0	17,418
Profit (loss)						-5,213	-5,213
Other comprehensive income					-8,943		-8,943
Issue of share capital	230	8,227		-442			8,015
Shared-based payment				259			259
Balance at 30 June 2023	2,448	46,295	0	-183	-31,812	-5,213	11,535
Balance at 31 December 2023*	2,450	19,618	0	-276	-22,816	0	-1,025
Profit (loss)						-26,984	-26,984
Other comprehensive income					-6,599		-6,599
Issue of share capital ¹⁾	2,781	40,259		-2,324			40,716
Issue of equity instrument ²⁾				4,059			4,059
Shared-based payment ³⁾				105			105
Transfer to share premium		-26,984				26,984	0
Balance at 30 June 2024	5,231	32,893	0	1,564	-29,415	0	10,272

*Audited

¹⁾ The Company completed a Rights Issue in February 2024 raising USD 18.0 million in gross proceeds through the allocation of 229,038,787 new shares at a subscription price of NOK 0.82225 per share. In addition 16,904,835 shares were issued at a subscription price equal to the nominal value of the shares, being NOK 0.08, for payment of underwriting fees. The Company issued a total of 164,519,363 Warrants to subscribers in the Rights Issue and as part of an underwriting commission in the Rights Issue. The Warrants are derivatives recognized as financial liabilities at fair value through profit or loss.

The Company completed Private Placement transactions in May 2024 raising USD 25.5 million in gross proceeds through the allocation of 110,000,000 new shares at a subscription price of NOK 2.5 per share. A subsequent Repair Offer was completed in June 2024 raising additional USD 2.6 million in gross proceeds through the allocation of 11,000,000 new shares at a subscription price of NOK 2.5 per share.

Participants in the Company's Long Term Incentive Program (LTIP) have on 17 January 2024 exercised a total of 864,606 Restricted Share Units ("RSU's"). Each RSU gives a right to acquire one share in the Company at a subscription price equal to the nominal value of the shares, being NOK 0.08. The Company has resolved to settle 211,368 RSUs with cash consideration to allow the beneficiaries to settle taxes. The remaining 653,238 RSUs exercised were settled by issuance of new shares in the Company.

²⁾ Subsequent to the conclusion of the initial exercise period for the warrants issued during the Rights Issue, the company completed the allotment of 28,722,823 new shares at a subscription price of NOK 1.06892 in June 2024. The payment for the new shares was received by the company on 1 July 2024, and the exercised warrants were accounted for as a forward contract and classified as an equity instrument as of 30 June 2024. The fair value of these equity instruments was measured at USD 4,059 thousand.

³⁾ In accordance with the LTIP program in the Company a new grant of 2,568,197 restricted share units ("RSU") was granted in the first half of 2024. The total number of RSUs granted equals 0.95% of total shares issued in the Company at grant date. The granted RSUs are subject to a time-based vesting over three years from the grant date. RSUs are automatically exercised at vesting with an exercise price corresponding to the par value of the shares being NOK 0.08.

Consolidated statement of cash flows

Norsk Titanium

Amounts in USD thousand	Notes	First half 2024	First half 2023	Full Year 2023*
Cash flows from operating activities				
Profit before tax		-26,984	-5,171	-26,650
Adjustments to reconcile profit before tax to net cash flow:				
Depreciation and amortization		891	971	1,890
Net financial income/expense included in financing activities	4	20,971	25	333
Net foreign exchange differences	4	-6,934	-7,705	1,098
Tax payable		0	42	27
Working capital adjustment:				
Changes in inventories and right of use assets		817	-170	-628
Changes in trade and other receivables		-691	302	119
Changes in other current assets		-70	1,722	1,890
Changes in trade and other payables		-357	-213	380
Changes in other accruals		-985	-810	-618
Net cash flows from operating activities		-13,341	-11,006	-22,159
Cash flows from investing activities				
Purchase of property, plant and equipment		-198	-18	-279
Investment in intangible assets		-14	0	-22
Interest received	4	173	92	125
Net cash flow from investing activities		-40	74	-176
Cash flow from financing activities				
Proceeds from issuance of shared capital		42,911	8,456	8,458
Proceeds from issuance of debt instrument		3,140	0	0
Transaction cost		-2,324	-442	-442
Payment of principle portion of lease liabilities		-180	-161	-326
Increase (decrease) of debt		-7,331	0	8,704
Interests paid	4	-105	-118	-226
Net cash flow from financing activities		36,111	7,736	16,167
Net change in cash and cash equivalents		22,730	-3,196	-6,168
Effect of change in exchange rate		-10	-420	-369
Cash and cash equivalents, beginning of period		1,194	7,731	7,731
Cash and cash equivalents, end of period		23,914	4,115	1,194

*Audited

Notes to the consolidated financial statements for the first half 2024

Note 1 General information and basis for preparation

The consolidated financial statements of Norsk Titanium AS and its subsidiaries (referred to herein as "Norsk Titanium", "the Company", "we", "us" or "our") for the half year period ended 30 June 2024 were authorized for issue in accordance with a resolution of the directors on 27 August 2024. Norsk Titanium AS (the Parent) is a Norwegian public limited liability Company listed on the Euronext Growth Oslo Stock Exchange. The registered office is located at Karenslyst Allé 9C, Oslo in Norway.

The consolidated financial statements of Norsk Titanium AS comprise of consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Financial Standards Board (IASB) and as adopted by the European Union (EU).

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. This assumption is based on the current market outlook and financial forecasts for the year 2024 and the Company's long-term strategic forecast including funding. See Risks and Uncertainty Factors – Financial Risks for further information on the board's assessment of Going Concern.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss. The warrants issued during the Rights Issue are classified as derivative financial instruments and recognized as financial liabilities measured at fair value through profit or loss. The warrants are actively traded on the Euronext Growth market, allowing the company to determine their fair value based on observable market prices.

The consolidated financial statements are presented in USD and all values are rounded to the nearest thousand (000), except when otherwise indicated. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2023.

Norsk Titanium identifies its reportable segments and discloses segment information under IFRS 8 Operating Segments. This standard requires Norsk Titanium to identify its segments according to the organization and reporting structure used by management. Currently Norsk Titanium operates its business as a single business unit developing its RPD® technology and selling parts to the commercial aerospace sector.

As a result of rounding differences numbers or percentages may not add up to the total.

Note 2 Revenue

Amounts in USD thousand	First half 2024	First half 2023	Full year 2023
Revenues			
Sale of printed parts	947	219	672
Revenue from products and services delivered on development programs	314	674	1,531
Total revenues	1,261	892	2,203
Geographic information:			
Revenues from customers			
Europe	792	145	680
USA	469	747	1,523
Total revenues	1,261	892	2,203
Timing of revenue recognition:			
Goods transferred at a point in time	1,261	892	2,203
Total revenues	1,261	892	2,203

Note 3 Other income

Amounts in USD thousand	First half 2024	First half 2023	Full Year 2023
Other income			
Net gain from RPD machine grant*	59	167	264
Grant from Innovation Norway**	0	33	33
Gain on disposal of assets	0	0	1
Total other income	59	201	299

*Net gain from RPD machine grant reflect net gain from the sale and leaseback of RPD machines to FSMC, being recognized as other income over the lease term. The future net gain from the RPD machines is recognized as contract liability in the balance sheet.

Note 4 Financial items

Amounts in USD thousand	First Half 2024	First Half 2023	Full year 2023
Gains/(losses) on net foreign exchange	6,934	7,705	-1,098
Interest income and other financial income	175	94	132
Interest and other financial expenses *	-21,146	-119	-466
Net financial items	-14,037	7,680	-1,431

* The warrants issued during the Rights Issue are classified as derivative financial instruments and recognized as financial liabilities measured at fair value through profit or loss. For the first half of 2024, the interest expenses and other financial expenses in the income statement reflect a loss of USD 20,515 thousand due to an increase in the fair value of these warrants. The market price of the warrant on the Euronext Growth increased from NOK 0.20 per warrant at initial recognition to NOK 1.55 per warrant as of 30 June 2024. The statement of financial position as of 30 June 2024, shows a derivative financial liability of USD 19,771 thousand, representing the fair value of the remaining outstanding warrants at the reporting date.

Alternative performance measures

Norsk Titanium discloses alternative performance measures (APMs) in addition to those normally required by IFRS. This is based on the group's experience that APMs are frequently used by analysts, investors and other parties as supplemental information.

The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospect of the group. Management also uses these measures internally to drive performance in terms of monitoring operating performance and long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the group where relevant.

Financial APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Norsk Titanium's financial APMs

EBITDA is defined as earnings before interest, tax, depreciation, amortization and impairment. EBITDA corresponds to operating profit/(loss) plus depreciation, amortization and impairment.

The table below reconciles the EBITDA from earnings before tax with the most directly comparable financial measure or measures calculated in accordance with IFRS.

Amounts in USD thousand	First half 2024	First half 2023	Full Year 2023
Operating profit	-12,947	-12,851	-25,220
+ Depreciation and amortization	891	971	1,890
EBITDA	-12,055	-11,880	-23,329

Cash burn rate is defined as Net Change in Cash and Cash Equivalents excluding Proceeds from issuance of shared capital and debt instrument, Transaction cost, Purchase and Sale of treasury shares and Increase (decrease) of debt.

The table below reconciles the Cash burn rate from Net changes in Cash and Cash Equivalents with the most directly comparable financial measure or measures calculated in accordance with IFRS.

Amounts in USD thousand	First half 2024	First half 2023	Full Year 2023
Net change in cash and cash equivalents	22,730	-3,196	-6,168
Proceeds from issuance of shared capital	42,911	8,456	8,458
Proceeds from issuance of debt instrument	3,140		
Transaction cost	-2,324	-442	-442
Increase (decrease) of debt	-7,331	0	8,704
Net change from share capital transactions and increase/decrease of debt	36,396	8,015	16,720
Cash burn rate	-13,666	-11,211	-22,888
Average monthly cash burn rate	-2,278	-1,868	-1,907

Parts in serial production is defined as unique part numbers delivered to customers for installation in assemblies and original equipment.

Annual Recurring Revenue (ARR) is defined as total annual revenue for parts in serial production based upon estimated percentage of market share allocated to Norsk Titanium.

