NORSK TITANIUM

# ANNUAL REPORT 2024

# INNOVATING THE **FUTURE OF METAL**

Norsk Titanium's Rapid Plasma Deposition® is a revolutionary additive manufacturing process that delivers structural titanium parts with reduced lead time and cost.
**The future is now.**

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. We are 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 have established a robust foundation built on strategic investments, sustainable growth, and a committed workforce dedicated to creativity and exploration. After years of pioneering research, development, and implementation, we are now delivering additive manufacturing solutions that are transforming the commercial aerospace, defense, and industrial sectors.

# SUPERIOR VALUE PROPOSITION

Rapid Plasma Deposition® vs. Conventional forging

### Improved Efficiency, Flexibility and Lead Time

**90%**
Less machining time

**UP TO 75%**
Less machining cost

**~40%**
Total costs saved

### Sustainable Manufacturing

**75%**
Less raw material

**75%**
Less energy

**~30%**
$CO_2$ savings

### Platform for Industrial Scale

**SOLE QUALIFIED ADDITIVE MANUFACTURER**
On the inside of the highly regulated Commercial Aerospace market

**700 TONS**
Of annual print capacity with machine-to-machine equivalency

**200+ PATENTS**
Covering product, processes, and machines

### Key Metrics

| USD Million | 2023 | 2024 | |
|---|---|---|---|
| Parts in serial production | 11 | 54 | 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 | $4.0m | $12.2 | Total annual revenue for parts in serial production based upon estimated percentage of market share allocated to Norsk Titanium |

## Contents


| | |
|---|---|
| **Introduction** | 5 |
| CEO Letter | 5 |
| Timeline | 7 |
| **About** | 8 |
| Technology | 10 |
| Global Operations and Assets | 11 |
| Our People | 12 |
| Executive Management Team | 13 |
| **Board report** | 15 |
| Board of Directors | 16 |
| Operational Review | 17 |
| Financial Review | 19 |
| Risks and Uncertainty Factors | 22 |
| Events After the Balance Sheet Date | 25 |
| Board Of Directors' Statement | 26 |
| **Sustainability** | 27 |
| **Governance** | 34 |
| **Share information** | 42 |
| **Financials** | 44 |
| Consolidated financial statements | 45 |
| Parent company financial statements | 82 |
| Auditor's report | 100 |

CEO LETTER

# FORGING A PATH TO SUCCESS

As we reflect on 2024, I am proud of the significant progress Norsk Titanium has made. Our commitment to innovation and excellence has positioned us as a critical partner to customers in our core aerospace, defense, and industrial markets. Despite challenges and some delays versus plan, a significant number of parts entered serial production in 2024, and we began to recognize commercial revenue from the customer relationships we have built over many years. We are now well positioned to generate significant revenue growth from existing and new customers and to create substantial value for our shareholders in the future.

One of the most notable achievements this year has been the sharp increase in parts transitioned into serial production. At year end, we had transitioned 54 parts representing expected annual recurring revenue of USD 12 million, up from 11 parts and ARR of USD 4 million at the end of 2023. This growth highlights our technology's extremely attractive value proposition for customers, as well as our ability to scale operations.

Throughout 2024, we reached several major milestones:

- **Airbus Qualification and Master Supply Agreement**: We achieved qualification with Airbus and signed a Master Supply Agreement, solidifying our position as a key supplier in the commercial aerospace market.
- **Recurring Semiconductor Production Orders**: We secured recurring production orders in the semiconductor industry, marking a significant step in our diversification strategy.
- **Transitioned Defense, Space, and Industrial Parts:** We transitioned parts in the defense, space, and industrial sectors to serial production, demonstrating our ability to meet the stringent requirements of these industries.

We anticipate rapid growth in 2025, with parts in serial production projected to exceed 120 and a substantial increase in annual recurring revenue by year-end. Our expansion plan is underpinned by the long-term demand growth in global aircraft production and the increasingly wide applications of our RPD® technology in other industries. To achieve our ambitious targets, we are strengthening our commercial team and sales capabilities in both the aerospace and industrial sectors. We are also optimizing our supply chain and cost structures to ensure efficient operations and timely deliveries.

We improved our financial position and strengthened our capital structure significantly in 2024. This is a testament to the belief our shareholders and stakeholders have in Norsk Titanium's strategic vision, roadmap and people, and bolsters our ability to invest in future growth and innovation.

The road ahead is exciting and motivating, and we are confident that our strong market position and knowledge and our enhanced organizational capabilities will enable us to achieve our goals. Our focus on innovation, operational excellence, and customer satisfaction will lead to successful commercialization and high value creation for our shareholders over the years to come.

**We anticipate rapid growth in 2025, with parts in serial production projected to exceed 120 and a substantial increase in annual recurring revenue by year-end.**

CAJohnson

Carl Johnson,
CEO, Norsk Titanium AS

# TIMELINE

**2007**
Norsk Titanium Founded

**2015**
State of New York invests USD 125M to build the world's first industrial scale additive manufacturing facility

**2017**
Serial production of the world's first structural aircraft part with Boeing

**2019**
First qualification material delivered to Defense industry

Serial production deliveries to Spirit and Leonardo initiated

**2021**
Listed on Euronext Growth Oslo

**2023**
Entered into full rate production in the industrial market

Delivered critical structural component for US Department of Defense Manned Aircraft

Qualified RPD® process for Airbus production and delivered first production components

Contracted with US DoD agency for nickel superalloy development

**2024**
Entered into Airbus Master Supply Agreement

Signed agreement with Boeing for serial production

Announced SAFRAN collaboration

Matured development of nickel superalloy material

**LOOK AHEAD**

# THIS IS NORSK TITANIUM

Norsk Titanium's proprietary RPD® wire DED technology has matured over the course of a decade through rigorous focus on material quality and external validation from demanding customers and industry associations. Through this journey, we developed a robust data collection platform overlayed with physical material testing to understand production parameters that yield the best material quality. Combining our software data with the physical results we are able to automate our process based on causal relationships. Additionally, Norsk has developed analytical tools that are employed for thermodynamic and stress analysis of preforms during deposition.

## This design knowledge developed since 2007 has been captured and is now being made available in the RPD Builder™ software enabling us to efficiently design parts for production in Norsk Titanium's 35 MERKE IV® machines located in Plattsburgh, New York and Eggemoen, Norway.

Norsk Titanium employs a mix of trade secrets and patents designed to protect our position as a leader in 3D printing of metal alloys. As of 31 December 2024, we had 204 patents in key markets protecting our RPD® technology, with a further 55 patent applications pending. Our patent efforts focus on protecting the technology enabling our Merke IV® printing machines as well as our unique process for direct energy deposition. As one of the first companies to develop and patent this technology, our patent portfolio provides us with a significant commercial advantage and enhances our lead over our competition.

# TECHNOLOGY

**RPD® Technology –Rapid Plasma Deposition®**
RPD® Technology is at the forefront of industrializing wire-Directed Energy Deposition (DED) 3D printing. In the process, titanium wire is melted in an inert atmosphere of argon gas and precisely and rapidly built up in layers to a near- net shape part. The process is monitored more than 600 times per second for quality assurance. The resulting part requires significantly less machining, and based on feedback from customers, the Company estimates that it may reduce raw material usage up to 75 per cent to form a finished part compared with conventional manufacturing methods. The ultimate amount of raw material savings is dependent on part complexity. Reduced machining also leads to less tooling and energy usage, which are significant cost drivers for titanium parts. Furthermore, the RPD® process delivers superior metallurgy, providing material properties such as tensile, fatigue and elongation at the level of forged titanium, and consistent micro-structure across layers and part features across RPD® machines and production sites in United States and Norway.

The MERKE IV® is our 4$^{th}$ generation RPD® production machine. Using our patented RPD® process, the machine transforms metal wire into complex components capable of replacing existing structural applications made from forgings, castings or blocks. Depending on part size and geometry, each MERKE IV® machine can produce 10–20 metric tons annually. Because of its unique positive inert pressure environment with patented loading/unloading chambers, the MERKE IV® can produce extremely large batch sizes. In addition to high-speed production, each MERKE IV® machine follows a routine calibration sequence which maintains machine-to-machine equivalency and performance over time. This enhanced maintenance process prints the same part in any machine and is unique in the 3D printing industry. At scale, high speed printing and machine-to-machine calibration maximizes print capacity, economies of scale, and provides an undeniable environmental advantage. The machines are regularly enhanced, and new capabilities are added through structured service packs based on process and operational manufacturing experience.

Our development efforts focus on automation, streamlining part development, and improved quality and productivity. Utilizing data collected over a decade, the Company's intelligent software development toolkit, RPD Builder™, can optimize the part design based on thermal parameters and as a result yield parts with superior mechanical properties. In addition to this software development, Norsk Titanium has also enhanced the RPD® technology to expand the size of parts the machines are able to print. Double-sided printing increases the print envelope and design flexibility and improves productivity by efficiently managing heating and cooling times.

**Industry Material Specifications**
In addition to establishing material specifications with aerospace OEMs, Norsk Titanium has successfully published its own material and process specifications as Society of Automotive Engineers, Aerospace Materials specifications (SAE AMS 7004/7005). In addition, Norsk Titanium is working to establish specification requirement for the Metallic Materials Properties Development and Standardization (MMPDS) Handbook Vol II, the international reference for materials.

Currently, Norsk Titanium is producing and testing material in accordance with the specification requirement for MMPDS. The MMPDS Handbook is recognised as the authority for materials and processes by all industry, the US Federal Aviation Administration (FAA), European Union Aviation Safety Agency (EASA), US Department of Defense, and National Aviation and Space Administration (NASA). Leveraging the material specification, Norsk Titanium's customers are able to either procure existing parts from Norsk Titanium or design new parts optimized for use in the RPD® process.

# GLOBAL OPERATIONS AND ASSETS

Norsk Titanium is capable of industrial scale production operations to deliver structural 3D printing solutions to multiple markets. The Company began operations at its research and development facility in Eggemoen, Norway, then established a manufacturing facility in Plattsburgh, New York through a USD 125 million Alliance Agreement with the State of New York. Globally, the Company has a total of 35 RPD® machines capable of printing 700 MT of metal parts annually.

## LARGE-SCALE PRODUCTION FACILITIES: PLATTSBURGH, NEW YORK

### Plattsburgh Defense & Qualification Center (PDQC)

PDQC was established in 2017, following the Alliance Agreement between Norsk Titanium and the State of New York to build an industrial-scale 3D printing facility. PDQC is an innovative, state-of- the-art production and training facility for metal 3D printing. It covers an area of 67,000 sq. ft. and has 10 RPD® machines installed, including one large format G4L, with an annual capacity of 200 metric tons/ year. PDQC is also designed to be ITAR compliant and houses production for US Department of Defense systems.

### Plattsburgh Production Center (PPC)

PPC is state of the art and custom-built to the RPD® process, including fully redundant support systems for world-class operating uptime. PPC covers an area of 80,000 sq. ft. and has 22 RPD® machines installed including one large format G4L, with an annual capacity of 440 metric tons / year. Norsk Titanium's machines at PPC were approved for Boeing production in 2022 and Airbus production in December 2023. The Company expects other qualifications with commercial aerospace OEMs and defense contractors as it achieves further market penetration with its technology.

## RESEARCH & DEVELOPMENT: EGGEMOEN, NORWAY

### Eggemoen Technology Center (ETC)

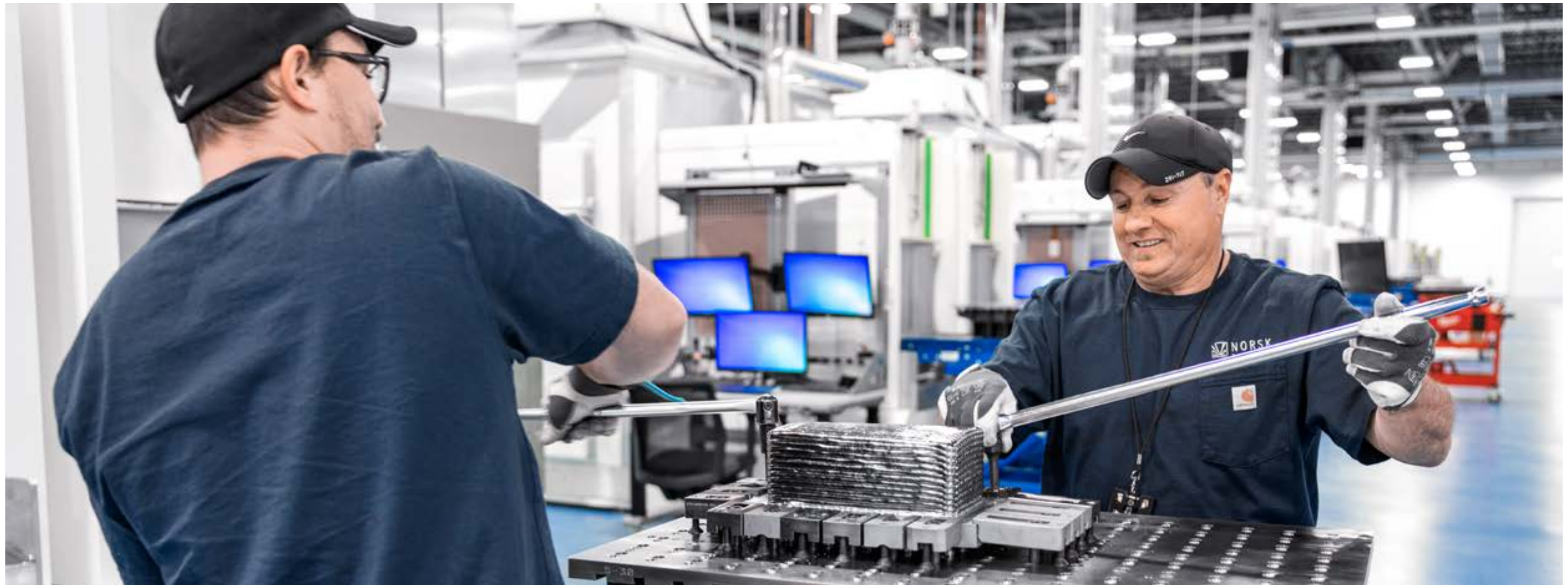
ETC was established in 2011, focusing on research and development of new technologies for 3D printing. The facility covers an area of 25,000 sq. ft. and currently has 3 RPD® machines installed with an annual capacity of 60 metric tons / year and a full-scale metallurgy lab.

### Certifications

Norsk Titanium maintains a rigorous quality management system which meets worldwide standards for use by aviation, space and defense organizations. All three facilities have been certified to AS-9100 Rev D, enabling the Company to qualify for orders across multiple industries.

# OUR PEOPLE

At Norsk Titanium, our people are our most important asset. Our success depends on the skills, experience and industry knowledge of our key talent. We place significant focus and attention on the attraction, development and retention of employees, as well as fostering an engaged, innovative and collaborative workforce. Our values guide our actions and drive our performance, as explained in our Code of Conduct posted on our website at www.norsktitanium.com. We operate under policies and programs that provide competitive wages, benefits, and terms of employment. We are committed to efforts to increase diversity and foster an inclusive work environment that supports our global workforce through recruiting efforts, equitable compensation and time off policies, and regular communication designed to promote a positive and collaborative culture. While our recruiting efforts are typically focused on the areas in which our operations are located, we prioritize skills and experience over geographic location. We have made and continue to make investments in training and professional development, and we have established performance management and talent development processes that encourage employees to aspire to different career opportunities and to facilitate regular feedback and coaching from managers to develop their employees.

# EXECUTIVE MANAGEMENT TEAM

## Carl Johnson
**Chief Executive Officer**

Carl joined the Company in 2016 as the Chief Technical Officer and VP Engineering and was appointed CEO in 2023. He has more than 40 years of experience in the aerospace industry. His career includes leading teams in advanced technologies. In his 30+ years with Northrop Grumman, he led the Global Hawk Autonomous Unmanned Air System (UAS), Triton UAS, and the X-47B UAS which demonstrated autonomous carrier take off and landings and autonomous aerial refueling. Prior to these roles he held various management positions in the B-2 program.

## Ashar A. Ashary
**Chief Financial Officer**

Ashar joined the Company in 2016 and became CFO in 2022. Prior to joining the Company, Ashar was with Tricap Investments, a private equity fund. Ashar spent over 15 years in private equity, investment banking and advisory where he led technology and growth investment teams.

## Boyd Adams
**Chief Commercial Officer**

Boyd joined the Company in March 2025, bringing his more than 45 years' experience in the Aerospace, Space, Power Generation and Metals business to work for Norsk Titanium. Prior to joining the Company Boyd spent over 13 years with FRISA, most recently as Vice President, FRISA Aerospace/FRISA Precision.

## Gail A. Balcerzak
**Chief Legal and People Officer**

Gail joined the Company in October 2021 as Vice President and General Counsel. In 2022, she was appointed Chief Legal and People Officer, overseeing the global legal and human resources functions for the Company. Before joining Norsk Titanium, Gail spent 12 years with Hexcel Corporation, where she held various roles including Deputy General Counsel and General Counsel, Americas Aerospace.

### Khazeem Adesokan
**Vice President, Operations and Quality**

Khazeem joined Norsk Titanium in 2022 as Vice President, Quality and became Vice President, Operations and Quality in 2025. Prior to Norsk Titanium, Khazeem was employed by Pratt & Whitney, a Raytheon Technologies Company, where he held various leadership positions within the organization, most recently as Production Chief Director of PW1100G Geared Turbofan Program. In his nearly 17 years with Pratt & Whitney, Khazeem held roles of increasing responsibility including Engine Test Operations Manager, Commercial Engines Product Line Manager, and Associate Director of Combustor and Diffuser Supply Chain Value Streams.

### Odd Terje Lium
**Vice President, Engineering**

Odd Terje joined Norsk Titanium in 2018, leading our Eggemoen Technology Center. Before joining Norsk Titanium, Odd Terje spent over 20 years with GKN Aerospace Norway AS, most recently as VP Engineering Technology Quality. During his time at GKN, Odd Terje held various roles of increasing responsibility including VP Production.

### Nicholas Mayer
**Vice President, Product Management**

Nick joined the Company as Vice President Product Development in 2016, became Vice President, Commercial in 2020 and recently was appointed Vice President, Product Management. Prior to joining the Company, Nick held management positions within the advanced development divisions of Northrop Grumman, Aerojet Rocketdyne, and Lockheed Martin. His background focuses on program management of developmental systems and capture of advanced aerostructure programs.

### Laura Krahn
**Vice President, Digital Technology and Architecture**

Laura joined Norsk Titanium in 2023. Prior to joining the Company, Laura was the Senior Vice President of Technical Solutions at Greensea IQ, a subsea robotics company delivering cutting-edge solutions to the defense and maritime industries. Laura's 25+ year career includes software development in aerospace and other manufacturing industries. Laura enjoys managing technical teams, as evidenced by her success in program management of highly complex integrated systems and digital transformations.

# BOARD OF DIRECTORS' REPORT

Norsk Titanium AS (the "Parent Company") is a Norwegian company headquartered in Oslo, Norway with its technology center located at Eggemoen, Norway, and is listed on Euronext Growth Oslo with the ticker symbol "NTI". The Parent Company's wholly owned subsidiary, Norsk Titanium US Inc., a Delaware, USA corporation, operates our production facilities in Plattsburgh, NY, USA. The Company is innovating the future of metal manufacturing with its Rapid Plasma Deposition® additive manufacturing technology which replaces legacy structural forgings. Thanks in part to our partnership with the State of New York, Norsk Titanium operates 35 RPD® machines with 700 MT of annual print capacity between its facilities in Norway and the US. When operating at capacity, the manufacturing facility in Plattsburgh is expected to generate revenues of more than USD 300 million per year, which supports our business plan through 2026 and beyond.

## OUR MISSION

Enable fast, clean, sustainable metals manufacturing

## OUR STRATEGY

- Target applications for which the adoptions of 3D printed RPD® parts will add substantial value
- Facilitate technology adoption through material specification and qualification programs
- Provide design solutions that enable rapid development of 3D printed parts for production
- Offer mass manufacturing capability utilizing Norsk Titanium's 700 MT print capacity and unique large batch sizes

# OUR BOARD OF DIRECTORS

## John Andersen Jr.
**Chairman of the Board**

CEO of Scatec Innovation AS, the founding shareholder of the Company. He has extensive experience with rolling out technology-intensive industrial concepts and building global organizations. Mr. Andersen currently serves as Chairman and board member of several public and private companies in advanced materials and renewable energy.

## Mimi K. Berdal
**Board Member**

Self-employed corporate adviser and investor in addition to various board and other professional assignments in private, public and listed companies. Ms. Berdal today is Chairperson of Goodtech ASA and Connect Bus AS, and a member of the board of EMGS ASA, Energima AS, KLP Eiendom AS, Thor Medical ASA and Cavendish Hydrogen ASA.

## Shan-E-Abbas Ashary
**Board Member**

An advisor to the board of directors of the Aljomaih Group, Mr. Ashary has been with the group since 2001. He has over 35 years' experience in managing international investments and running operations of large, diversified multinational companies. He currently sits on the board of directors of several funds and private and public companies in various countries.

## Tarek Hegazy
**Board Member**

Tarek Hegazy is the Director of Investments and an Investment Committee member of Aljomaih Group. Mr. Hegazy has over 20 years of experience in private equity and portfolio management and has served on several boards for companies in the healthcare, real estate, construction, consumer financing, and automotive sectors. He is currently a board member at AJ Vaccines, a leading vaccine manufacturing company in Denmark, an Investment Committee member at Egypt's MSMEDA, and a Board Member at Rawasy Urban Development in Egypt.

# OPERATIONAL REVIEW

In 2024, Norsk Titanium shifted focus from development projects to serial production of titanium parts manufactured with the Company's Rapid Plasma Deposition® (RPD®) additive manufacturing technology. This marked a significant development in the Company's evolution.

The Company remained focused on three core markets: Commercial Aerospace, Defense, and selected Industrial applications, where RPD® can deliver substantial cost and environmental benefits. 2024 saw growing acceptance of RPD® technology, with Norsk Titanium demonstrating its strong value proposition, ability to scale, and ability to meet customer demands across these highly complex target markets.

The total number of parts in serial production increased from 11 at the end of 2023 to 54 at the end of 2024, representing an increase in annual recurring revenue (ARR) from USD 4 million to USD 12 million during the year.

Norsk Titanium had major wins with the signing of a long-term Master Supply Agreement with Airbus to support Airbus 350 production and an agreement to deliver parts directly to Boeing. The Company also made significant progress with several leading suppliers to the US Department of Defense during 2024, qualifying flight-critical but smaller volume parts for defense aircrafts.

The market environment in the aerospace industry remained challenging, which resulted in delays in qualification programs and in transition of commercial aerospace parts to serial production. The Company also saw delays in parts transitioning for a customer in the semiconductor industry, which accounts for a significant part of current revenue. Customers proceeded cautiously with new technology adoption given the ongoing uncertainties in the aerospace and semiconductor markets.

## Commercial Aerospace

In 2024, Norsk Titanium solidified its position as a critical supplier to the commercial aerospace industry, able to provide cost efficient and sustainable solutions that align with customer needs.

The long-term Master Supply Agreement signed in April with Airbus marked a major breakthrough, with the successful qualification of multiple parts for serial production. The RPD® process was integrated into Airbus' supply chain, with the first parts delivered during the summer of 2024. Airbus further validated the potential of RPD® technology by transitioning components for the A350, and discussions are underway for larger and more complex part qualifications in 2025. These developments represent a significant step toward a broader adoption of Norsk Titanium's technology within Airbus' platforms.

Norsk Titanium also reached an agreement to deliver serial production parts directly to Boeing, transitioning from a Tier-1 supplier role to a direct supplier relationship. Although Boeing's production was temporarily impacted by Tier 1 consolidation and labor disruptions during the second half of the year, Norsk Titanium retained its position as a key supplier for critical structural parts.

In March, Norsk Titanium announced the commissioning of two large-format G4L RPD® machines to develop larger titanium parts for a leading commercial aerospace manufacturer. Additionally, in November, Norsk Titanium partnered with Safran Landing Systems to explore RPD® applications for landing gear, marking a major step toward expanding into large structural aerospace components.

### Defense

The defense market saw robust growth in 2024, with Norsk Titanium successfully transitioning 28 structural parts for U.S. Department of Defense (DoD) applications into serial production. These included components for both manned and unmanned aircraft in mission-critical defense systems.

Northrop Grumman completed its material qualification for flight-critical parts, and Norsk Titanium delivered a flight-critical aircraft structure to General Atomics Aeronautical Systems, Inc. as part of a U.S. DoD contract. Additionally, Norsk Titanium made strides in developing nickel-based superalloy Inconel 625 for U.S. Navy applications.

These achievements highlight the Company's expanding role in supporting the defense industry's shift toward advanced, resource-efficient manufacturing solutions.

### Industrial

Norsk Titanium achieved significant progress in the industrial sector in 2024, with a continued focus on high-complexity applications for the semiconductor industry.

Building on the initial success of its carrier tray production for Hittech, the Company received an additional serial production order, although the customer's volume offtake under the agreement during 2024 was lower than initially expected. These large, high-value components underscore the scalability of RPD® technology for industrial use cases. While semiconductor market demand developed slower than expected, Norsk Titanium successfully demonstrated the applicability of RPD® in addressing supply chain inefficiencies and material constraints.

Additionally, Norsk Titanium made significant strides in expanding RPD® into other industrial markets, and in demonstrating that RPD® technology produces nickel superalloy components in full accordance with established material specifications and industry standards. This milestone highlights the potential for broader adoption of RPD® in industrial applications including oil and gas, where nickel superalloys are widely used for their high strength and corrosion resistance.

# FINANCIAL REVIEW

The consolidated financial statements of the Company for the Year Ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Company's total revenue and other income in 2024 was USD 5.1 million, compared to USD 2.5 million in 2023. Profit after tax was USD (21.0) million compared to USD (26.7) million in 2023.

## Consolidated Profit & Loss Statement

| USD Million | 2024 | 2023 |
|---|---|---|
| Revenue | 4.5 | 2.2 |
| Other Income | 0.6 | 0.3 |
| Total Income | 5.1 | 2.5 |
| Operating expenses | (29.8) | (25.8) |
| EBITDA | (24.7) | (23.3) |
| Depreciation & Amortization | (1.7) | (1.9) |
| Operating Profit | (26.5) | (25.2) |
| Net Financial Items | 5.5 | (1.5) |
| Profit (Loss) Before Tax | (21.0) | (26.7) |
| Income Tax Expense | - | - |
| Net Profit (Loss) | (21.0) | (26.7) |

Note: See Company financial statements and notes for full overview.

## Revenue & Other Income

Revenue consists of USD 4.5 million from the sale of parts and revenue from products and services delivered on development programs, and Other income of USD 0.6 million related to government grants. The comparable figures for 2023 are USD 2.2 million from the sale of parts, and USD 0.3 million in Other income which included grants from FSMC and Innovation Norway.

This represents a Total income for the Company of USD 5.1 million in 2024, up from USD 2.5 million in 2023 mostly driven by increased sale of parts and deliveries on development programs.

## Operating Costs & EBITDA

Operating expenses amounted to USD 29.8 million in 2024, compared to USD 25.8 million in 2023. The increase in costs is driven by increased production and qualification costs in 2024. Raw Material and Consumables costs, reported as Operating expenses, were USD 7.2 million in 2024, increased from USD 5.1 million in 2023.

The EBITDA loss amounted to USD 24.7 million in 2024, compared to a loss of USD 23.3 million in 2023.

## Depreciation, Amortization & Operating Profit

Depreciation, amortization and impairment amounted to USD 1.7 million in 2024, down from USD 1.9 million in 2023. The Operating loss was USD 26.5 million, compared to a loss of USD 25.2 million in 2023.

## Net Financials & Results

Net financial items amounted to a gain of USD 5.5 million in 2024, mainly reflecting unrealized gain of USD 19.0 million on net foreign exchange offsetting loss of USD 13.8 million due to increase in the fair value of warrants from the Rights Issue. The comparable figure for 2023 was USD (1.5) million.

Loss before tax was USD 21.0 million in 2024, compared to a loss of USD 26.7 million in 2023. Net loss after tax was USD 21.0 million, decreased from the USD 26.7 million loss in 2023. The decrease in the net loss from 2023 to 2024 was driven by gain from net financial items compared to loss in net financial items in 2023.

## Cash Flow & Liquidity

| USD Million | 2024 | 2023 |
|---|---|---|
| Net Cash Flow From Operating Activities | (26.8) | (22.2) |
| Net Cash Flow From Investing Activities | (0.5) | (0.2) |
| Net Cash Flow From Financing Activities | 50.1 | 16.2 |
| Net Increase/ (Decrease) in Cash | 22.7 | (6.2) |

Net cash flow from operating activities was USD (26.8) million. This reflects the loss before tax of USD 21.0 million, adjustments to reconcile non- cash expenditure included in the Loss before tax of USD 3.8 million, and changes in working capital of USD 2.1 million.

Cash flow from investing activities was USD 0.5 million, reflecting only small expenditures for fixed and intangible assets as the Company already has the production capacity needed to reach its long-term targets. Cash flow from financing activities was USD 50.1 million, which mainly reflects net proceeds from a Rights Issue of USD 33.1 million, a private placement of USD 26.2 million and repayment of debt by USD 8.6 million during 2024.

In total, cash and cash equivalents was strengthened by USD 22.7 million in 2024 and ended with a cash balance of USD 22.8 million compared to USD 1.2 million at the end of 2023.

## Consolidated Financial Position

| USD Million | 2024 | 2023 |
|---|---|---|
| Current Assets | 33.0 | 8.8 |
| Non-current Assets | 6.4 | 8.0 |
| Total Assets | 39.4 | 16.8 |
| Current Liabilities | 6.3 | 15.5 |
| Non-current Liabilities | 2.2 | 2.3 |
| Total Liabilities | 8.6 | 17.8 |
| Share Capital & Premium | 60.1 | 22.1 |
| Other Reserves & Equity | (29.3) | (23.1) |
| Total Equity | 30.8 | (1.0) |

## Assets

On 31 December 2024, intangible assets of USD 1.9 million are mainly related to the development of the production platform and RPD® technology-related qualification programs with customers and further development of the MERKE IV® production assets. Property, plant and equipment of USD 3.1 million mainly consists of three MERKE IV® RPD® machines located at Eggemoen and related production infrastructure in both facilities. The Company operates an additional 32 RPD® machines under a subsidized lease arrangement thanks to our partnership with the State of New York.

Current assets mainly reflected the cash balance of USD 22.8 million and inventories at year end of the USD 6.3 million. Total assets amounted to USD 39.4 million at the end of 2024, compared to USD 16.8 million at the end of 2023.

## Equity & liabilities

Total equity amounted to USD 30.8 million on 31 December 2024. The non-current liabilities amounted to USD 2.2 million and current liabilities were USD 6.3 million. Total liabilities at the end of the period were USD 8.6 million at the end of 2024, compared to USD 17.8 million at the end of 2023. This corresponds to an equity to asset ratio of 78% at the end of 2024. Liabilities were decreased and equity increased as a result of the Rights Issue in February 2024. In addition, the Company raised USD 26.2 million in a private placement in the second quarter of 2024.

## Organization

Norsk Titanium employees 133 people globally. Our operations require a highly skilled workforce, including engineers and metallurgists. The Company's reporting on diversity and equal opportunity can be found in the Sustainability section of this Annual Report.

## Corporate Governance

The Board of Directors has made a commitment to ensure trust in the Company and to enhance shareholder value through effective decision- making and improved communication between management, the Board of Directors and our shareholders. The Company's framework for corporate governance is intended to decrease business risk, maximize value and utilize the Company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees, other parties concerned and society at large. We aim to ensure that our current processes and procedures are consistent with the most recent version of the Norwegian Code of Practice for Corporate

Governance. Our assessment of the 15 issues covered by the Norwegian Code is detailed in the Corporate Governance section of this Annual Report.

## Parent Company Result

The Parent Company reports its financial statements in Norwegian Kroner (NOK). During 2024 the Parent Company had an operating loss of NOK 127 million. Due to net financial items gain of NOK 435 million Norsk Titanium AS reported a net profit for the year of NOK 308 million. At 31 December 2024, the Parent Company's total assets were NOK 1,282 million and total equity was NOK 1,229 million.

## Allocation of the Result for the Year

The Board of Directors proposes that the profit for the year for Norsk Titanium AS of NOK 308,143,066 is charged to other equity in the Parent Company. The equity in Norsk Titanium AS as of 31 December 2024 is NOK 1,229 million.

## Going Concern

In accordance with the Accounting Act 3-3a, the financial statements have been prepared under the assumption of going concern. This assumption is based on the current market outlook and financial forecasts for the year 2025 and the Company's long-term strategic plans and access to funding. See Risk and Uncertainty Factors - Financial Risks, and note 4.7 to the financial statements for further information on the board's assessment of Going Concern.

# RISKS AND UNCERTAINTY FACTORS

Norsk Titanium is transitioning from a development stage company to a commercial manufacturing concern. Ongoing commercialization of our RPD® technology in multiple industries and applications remains the Company's primary focus. 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.

**Markets and Competition**

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 commercial aerospace, defense and industrial manufacturers.

The Company competes directly with large organizations employing legacy manufacturing technology such as forging, casting and machining equipment, 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 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 2025 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 plans to ramp up production and increase volume of part deliveries that will increase the initial cash burn and working capital investment during the year. Cash burn is also affected in the near term by increases in the cost of raw materials driven by market uncertainties in the supply for titanium and may be negatively impacted by increases in tariffs. Future revenue growth is important to achieving a positive cash flow from operations. 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®. In the past, 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.

In 2024, the Company raised USD 56 million in net proceeds through a combination of capital raising activities, including a rights issue and a private placement. The Company is negotiating a working capital facility to finance inventory and accounts receivable requirements during this growth phase, as well as a term loan facility, with a combined availability of up to USD 15 million. The Company believes that the funds raised in 2024 together with a working capital facility and the term loan facility will be sufficient to fund operations for the next 12 months. If sales are delayed, the Company has flexibility to defer working capital requirements in response. Beyond the next 12 months, if sales are further delayed and the proceeds of the working capital facility and other debt arrangements prove inadequate to finance expenses, the Company will need to raise additional capital to offset the impact. Based on the forecasted increase in commercial activity with various customers, the continued support from existing shareholders, the availability of a working capital facility and other debt and the steady interest from investors, the Board has formed a judgment that there is a reasonable expectation that the Company has sufficient access to capital to continue in operational existence for the foreseeable future, and that commercialization of the Company's technology will generate significantly higher revenue and margins in the coming years.

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 utilizes a working capital facility to scale its operations.

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 a small number of 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 ongoing risk of further increases in 2025 which could outpace the rate of inflation assumed in our most recent financial forecasts.

The Company is entering a period of expansion in its 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. Recently proposed tariffs in the U.S. may further increase the cost of materials sourced from China and elsewhere, which the Company may not be able to offset with price increases in the short term. The Company continues to explore ways to diversify its supply chain to ensure continuity of supply and are 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 short term and that it is working on 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 Company's proprietary technology and property rights or claims that the Company 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 and 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 report to the Board on any deficiencies or need for enhancement to the existing policies and procedures. The Company has not identified any material deficiencies.

**Events After the Balance Sheet Date**

On 17 January 2025, the Board granted 5,715,365 restricted share units ("RSU") and 5,715,365 performance share units ("PSU) in accordance with the Company's Long Term Incentive Program ("LTIP"). On 9 April 2025, the Board revised the allocation of grants to correct a calculation error, resulting in the increase of total RSUs granted to 5,717,537 and total PSUs granted to 5,717,537, for a total of 11,435,074 instruments granted. In addition, on 3 March 2025 the Board granted awards under the LTIP to Boyd Adams, the Company's newly hired Chief Commercial Officer, consisting of 1,352,635 RSUs and 403,454 PSUs. The total number of RSUs granted by the board equals 0.88% of total shares issued in the Company. If the PSUs vest at target, the total number of shares issued will equal 0.76% of the total shares issued in the Company. The LTIP program is described in note 4.9 Share incentive program.

Also on 17 January 2025, participants in the LTIP exercised a total of 1,682,480 RSUs. The Company settled 364,319 of these RSUs with cash consideration to allow the beneficiaries to settle taxes. The remaining 1,318,161 RSUs exercised were settled by issuance of new shares in the Company.

# OUTLOOK

Norsk Titanium's disruptive additive manufacturing solution is gaining acceptance from commercial aerospace, defense, and industrial customers. Current qualifications are expected to create a long-term pipeline of visible revenue as the Company qualifies to manufacture parts for platforms with 10+ year production runs. Norsk Titanium sees significant expansion potential into new sectors over time by leveraging its published material specifications and software development kit, RPD Builder™.

Increasing costs and reduced availability of raw materials, including titanium, may enable accelerated adoption of its RPD® technology due to its cost savings and reduced requirements for raw material. Norsk Titanium continues to complete key qualification programs necessary to establish long term contracts with customers in commercial aerospace, which represents the largest market for titanium parts employing legacy production processes. Commercial aerospace programs also provide a recurring revenue stream over a long period, typically 5-10 years, resulting in a growing order backlog. At the same time, the Company has established relationships with major customers in the defense and industrial sectors, including part repair.

During 2024, Norsk Titanium achieved critical milestones with its main customers in the industrial, defense and commercial aerospace sectors that are expected to result in a significant increase in the number of parts that will transition to serial production in 2025. The full annualized revenue from parts in serial production represents a leading indication of forecasted revenue for the subsequent period, with the Annual Recurring Revenue (ARR) equaling the total forecasted quantity of in-service programs (e.g. Boeing 787 program, Airbus A350 program, etc.), multiplied by the part price.

Provided that the transitioning of parts develops as forecasted with respect to timing, volumes, and values, the Company expects to have created an ARR of approximately USD 70-90 million by the end of 2025. This would provide a base line revenue for 2026, with incremental revenue from new parts transitioned during 2026 adding to the revenue forecast. Combined with the revenue pipeline from existing customers, this commercial outlook enables the Company to reaffirm its 2026 revenue target of USD 150 million.

# BOARD OF DIRECTORS' STATEMENT

The Board of Directors have today considered and adopted the Annual Report of Norsk Titanium AS for the financial year 1 January to 31 December 2024. The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements for Euronext Growth listed companies.

In our opinion, the Consolidated Financial Statements and Parent Company Financial Statements give a true and fair view of the financial position on 31 December 2024 of the Company and the Parent company and of the results of the Company and Parent company operations and cash flows for 2024.

In our opinion, the Board of the Directors' report includes a true and fair account of the development in the operations and financial circumstances of the Company and the Parent company as well as a description of the most significant risks and elements of uncertainty facing the Company and the Parent company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hønefoss
9 April 2025

John Andersen
Chairman of the Board

Shan A. Ashary
Member of the Board

Mimi K. Berdal
Member of the Board

Tarek Hegazy
Member of the Board

Carl O. Johnson
CEO

# SUSTAINABILITY

Norsk Titanium is innovating the future of metal manufacturing by offering customers the ability to significantly reduce raw material and energy use while slotting seamlessly into their existing supply chains. Our process is faster, cleaner and more sustainable than legacy methods.


For more than 100 years, the process for manufacturing components from structural grade metal alloys has remained essentially the same – bulky forms are produced from forging, casting or milling material and then machined down to the finished part shape. These processes are both energy and time consuming, resulting in considerable waste of the metal machined off as scrap. These traditional processes also require a significant investment in infrastructure, energy and labor and pose a risk of negative impact on both persons and the environment.

The production of raw material is the most significant usage of energy in the manufacture of metal parts. RPD® innovates the production of metallic near net shape forms using an additive process that results in a 75% reduction in raw material use as compared with conventional processes. In addition, the near net shape forms generated using RPD® require substantially less subtractive machining compared to conventional technologies. Less machining means a reduction in the use of lubricants, coolants and overall energy consumption. In addition to raw material savings, we estimate that each fully utilized RPD® machine can save approximately 2 GWh in annual energy consumption as compared with conventional process, representing approximately 1,100 MT of reduced $CO_2$ emissions per machine per year. We have 35 machines capable of producing material.

Norsk Titanium is at the forefront of the use of additive manufacturing for industrial scale production of materials using titanium and other metal alloys. Adoption of our technology allows companies in a variety of industries to reduce the energy used and $CO_2$ emitted in their value chains. As adoption of our technology escalates, we anticipate having a greater impact on the goal of net zero emissions. We are in the process of developing robust tracking mechanisms to evaluate our impact in these areas.

We also strive to reduce the environmental impact of our own operations. The main input factors for our production process are metal wire and plate, energy, machine consumables and inert argon gas. We are exploring opportunities to reduce both direct and indirect greenhouse gas emissions resulting from operations by addressing resource consumption in general, including energy consumption, water use and waste. We also strive to be a good steward of natural resources through increased efficiency in our manufacturing process and recycling efforts for material inputs to our process.

### Corporate Governance

Norsk Titanium believes that good corporate governance is essential to the long-term success of the Company because it is the best mechanism for creating and sustaining shareholder value and investor confidence. Our Board is responsible for the development and implementation of internal processes and procedures to ensure that we follow applicable principles and maintain good corporate governance. We aim to ensure that our current processes and procedures are consistent with the most recent version of the Norwegian Code of Practice for Corporate Governance. Our assessment of the 15 issues covered by the Norwegian Code is detailed in the Corporate Governance Section of this Annual Report.

### Health, Safety and Environmental (HSE) Responsibility – Caring for the Individual and the Environment

Norsk Titanium strives to provide every team member with a healthy and safe working environment. We actively integrate health and safety into all our work practices and into the way we think and act, and comply with all regulations relating to health, safety and the environment. We will never compromise on health or safety, regardless of time pressure, financial situation or desired performance in other areas.

We strive for every day to be a Perfect HSE Day, which we define as a day without fatalities, injuries, first aid or spills. In 2024, we achieved a global total recordable incident rate (TRIR) of 1.83 compared to the industry standard of 3.0.

HSE committees at each site, in conjunction with our global HSE Manager, are responsible for identifying and monitoring HSE risks, ensuring compliance with applicable laws and regulations, planning and follow-up on site specific HSE activities such as safety training, reviewing and follow-up on HSE observations, and documenting HSE work. The committees are led by the respective Site Leads and are comprised of employees from a wide spectrum of disciplines, including operators and administrative personnel, to ensure a strong cross-functional focus on HSE compliance. The site committees meet monthly to assess performance against KPIs for their locations. Additionally, the site teams for Eggemoen and Plattsburgh meeting quarterly to assess our progress globally and share best practices.

In addition to the HSE committee at our Eggemoen operations, we established a Working Environment Committee ("WEC") that functions as an advisory and decision-making committee with regards to HSE. The WEC consists of four employees with decision-making authority and two non-voting members or observers. The WEC has an equal number of management and employee representatives entitled to vote. Its mandate is to establish a fully satisfactory working environment and participate in planning safety and environmental work. The WEC reviews all reports of occupational diseases, occupational accidents and accidents, seeks to identify the cause of the accident or illness, and ensures that we take action to prevent a recurrence.

We believe that we are in full compliance with all regulations relating to health, safety and the environment in the countries in which we operate.

### Social Responsibility

Norsk Titanium is committed to responsible business practices with respect to human rights, labor standards and social conditions, social matters, the external environment, and anti-corruption. We have developed a framework including our Code of Conduct, policies for anti-harassment, anti-corruption, anti-bribery, raising concerns (whistleblowing) and systematic HSE work, as well as a detailed quality manual to secure compliance with the ISO 9001: AS9100D Quality Management Systems. We support the UN's Global Compact initiative, and the Company's Code of Conduct is compatible with UN Global Compact and OECD's guidelines for Multinational Enterprises. The Code covers human rights, workers' rights in accordance with the International Labour Organisation conventions, personnel policy and the working environment, health and safety, environment and climate, as well as competitive behavior and company interactions with customers, third parties, and society at large.

Our anti-corruption policy and anti-bribery policy were developed in compliance with the U.S. Foreign Corrupt Practices Act, the U.K Bribery Act and other applicable anti-corruption laws, and states that we will not engage in, or otherwise tolerate, any form of bribery or corruption in the business dealings of any member of the Company.

Our commitment to social responsibility extends beyond our internal community. Norsk Titanium is committed to positively influencing equity, inclusiveness, and opportunity in the communities where we live and work through partnerships, philanthropy, community commitments and innovative educational opportunities.

### Norwegian Transparency Act

The Norwegian Transparency Act came into force on 1 July 2022. The objective of the legislation is to promote corporate respect for human rights and decent working conditions in companies' operations and supply chains. To ensure compliance with the law, Norsk Titanium conducted an assessment of its current policies and processes to ensure that we had taken sufficient measures to prevent human rights and worker rights violations in our operations and throughout our supply chain, and to address any deficiencies identified. We believe that we have robust due diligence processes and internal policies in this area and have instituted a procedure to respond to requests for information. For more information on Norsk Titanium's compliance with the Norwegian Transparency Act, see our statement at norsktitanium.com/ TransparencyAct.

### Equal Opportunity

At Norsk Titanium, we believe that diversity, equity and inclusion within our team are key elements to achieving our business strategy and form a fundamental component of our values and commitment to the community. We strive to create a workforce that provides a broad spectrum of perspectives, as only by embracing diversity of thought and experience can we achieve optimal outcomes for the organization and our shareholders.

## Gender Equality in the Company

Norsk Titanium employs team members in Norway and the United States. Our distribution between women and men is shown below.

### Permanent Employees

| Country | Women | Men | Total | % Women |
|---|---|---|---|---|
| Norway | 18 | 43 | 61 | 30% |
| US | 13 | 57 | 70 | 19% |
| Other | - | 2 | 2 | 0% |
| Total | 31 | 102 | 133 | 23% |

### Part Time & Temporary Employees

| Country | Women | Men | Total | % Women |
|---|---|---|---|---|
| Part Time | 2 | - | 2 | 100% |
| Temporary | - | - | - | 0% |

We had 133 Full Time Equivalent Employees in 2024. Both part-time employees are employed in Norway. In 2024 we had no temporary employees in the Company.

All employees are hired based on their qualifications for the role. All job requirements are assessed by professionally trained HR partners and applied in a non-discriminatory manner based on structured procedures, and our employees enjoy equal opportunities irrespective of ethnic background, race, color, sex, gender identity, sexual orientation, age, marital or civil partner status, religion, culture or disability. We work proactively to achieve equity among genders during the recruitment processes, internal promotions and our merit increase process.

Despite our best efforts to hire and promote qualified individuals without regard to sex, our ability to achieve parity between the numbers of men and women in our workforce is hampered by the environments in which we operate. First, Norsk Titanium is a technology-driven company, and a large portion of our jobs are technical and engineering roles. Historically, women are under-represented in these roles generally in the workforce both in Norway and the US, which is reflected in the discrepancy between women and men employed by the Company. Second, we operate a manufacturing plant, another area in which women have historically been under-represented. We have however managed to attract more females into technical roles at the technology center in Norway in 2023, a positive trend achieved through increased focus, outreach, and our enhanced recruitment efforts. As discussed below, the implemented programs and our new activities will help to address this imbalance and support our diversity initiatives going forward.

## Parental Leave

In 2024, one female and six male employees in Norway were eligible for parental leave, for which we offered full salary benefit. We provide paid and unpaid leave benefits in the US that are equal to or better than those required by applicable law, and we strongly encourage all employees to avail themselves of such leave programs as necessary.

## Pay Gap Analysis by Gender

We conduct ongoing analyses of gender-pay equity for the Company to ensure alignment with gender-equality initiatives. In conducting this analysis, we sort positions within the Company into four categories, using an evaluation methodology based on four factors:

- **Know-how** – what does the role need to know to identify and handle the problems
- **Accountability** – what is the contribution of the role to the results of the organization
- **Problem solving in the specific job** – what problems does the role need to solve
- **Working conditions and effort** – special work conditions and requirements for exertion.

The following table shows percentage of the pay of our female employees versus our male employees in each level for our global workforce:

| Country | Description | Women | Men | Total | % Women's Pay Compared to Men's |
|---|---|---|---|---|---|
| Level 1 | Entry Level | 31 | 2 | 33 | 100% |
| Level 2 | Intermediate Level Professionals | 13 | 6 | 19 | 100% |
| Level 3 | Mid-Level Professionals | 40 | 14 | 54 | 98% |
| Level 4 | Senior Professionals | 18 | 9 | 27 | 92% |

If we assess our Norwegian workforce independently of our US employees, the percentage of the pay of our female employee versus our male employees in each level changes slightly from when assessed on a broader basis:

| Country | Description | Women | Men | Total | % Women's Pay Compared to Men's |
|---|---|---|---|---|---|
| Level 1 | Entry Level | 2 | 1 | 4 | 92% |
| Level 2 | Intermediate Level Professionals | 8 | 2 | 10 | 95% |
| Level 3 | Mid-Level Professionals | 26 | 9 | 35 | 95% |
| Level 4 | Senior Professionals | 7 | 6 | 13 | 90% |

Whether assessing pay conditions globally or in Norway alone, the data shows relative parity between men and women in each level. The largest gap for the two locations occurs in Level 4, at 92 per cent, which is mainly driven by a relatively broad bandwidth among Senior Professionals and more males in the upper end of the scale. . For Norway, a small gap also occurs on the other levels, which is driven by recently hired females with less work experience than men on the same level. The gaps are low but closely focused on and aimed closed through awareness, training, and promotions.

## Improving Diversity & Inclusion at Norsk Titanium

### Our Foundation

At Norsk Titanium, we believe that a broadly inclusive workforce strengthens our culture by fostering creativity and curiosity to propel our business forward, while helping us to attract and retain top talent. We strive to provide our employees with a safe, stimulating environment where everyone's voice is heard and respected. Currently, we employ colleagues of 17 nationalities with a variety of skills and interests. This broad diversity in a company of 133 employees enhances our ability to continue to attract talent from a wide spectrum.

Every employee begins their career at Norsk Titanium with our Code of Conduct; they must acknowledge that they have received and read the Code and will abide by the principles set forth in the document. The Code includes a prohibition against discrimination of any kind, and sets out what employees may expect of their work environment, including:

- The opportunity to use their skills and abilities to contribute to the Company's progress as well as their own;
- The right to be treated with respect and provided with a safe working environment;
- The right to equal opportunities irrespective of ethnic background, race, color, gender, gender identity, sexual orientation, age, marital or civil partner status, religion, culture, or disability.

Our inclusive environment starts with our open- door policy. Employees are encouraged to share their ideas for improvements and report any behavior that does not align with the Code and our values. To promote dialog, we encourage employees to speak directly with their managers, and we encourage our managers to listen to employee ideas and concerns and to provide timely feedback. During our annual performance evaluation process, employees have an opportunity to provide

feedback to their managers, as well. Employees who are not comfortable speaking to their managers, however, may seek out other members of the management team or may choose to report concerns anonymously through our whistleblower hotline. We also solicit input through our quarterly employee surveys, where we look for feedback to allow us to track whether we are providing clear messaging in areas such as the importance of compliance and HSE. Generally, employees have ranked our performance in these key areas highly. We have committed to following up on suggestions and concerns raised through the surveys, during regularly scheduled all-hands meetings and through regular Focus Group meetings.

Our HSE committees are dedicated to ensuring that all work is conducted in a safe environment, and that all employees have the ability to raise concerns about their safety and the safety of others. The open-door policy, employee surveys and whistleblower hotline all encourage a safe and respectful social and interpersonal environment in addition to the physical safeguards.

Our pay practices are centered on achieving equity. We conduct an annual review of wages to identify and understand the factors behind any discrepancies between genders within roles and address any inequities. We offer competitive career opportunities to men and women based on objective assessments of skills and competencies both during the hiring phase and when reviewing internal promotion opportunities. We collaborate with our labour unions in Norway to ensure that we are achieving our objectives in this area and perform a formal assessment of our pay differentials at least every two years to track our progress.

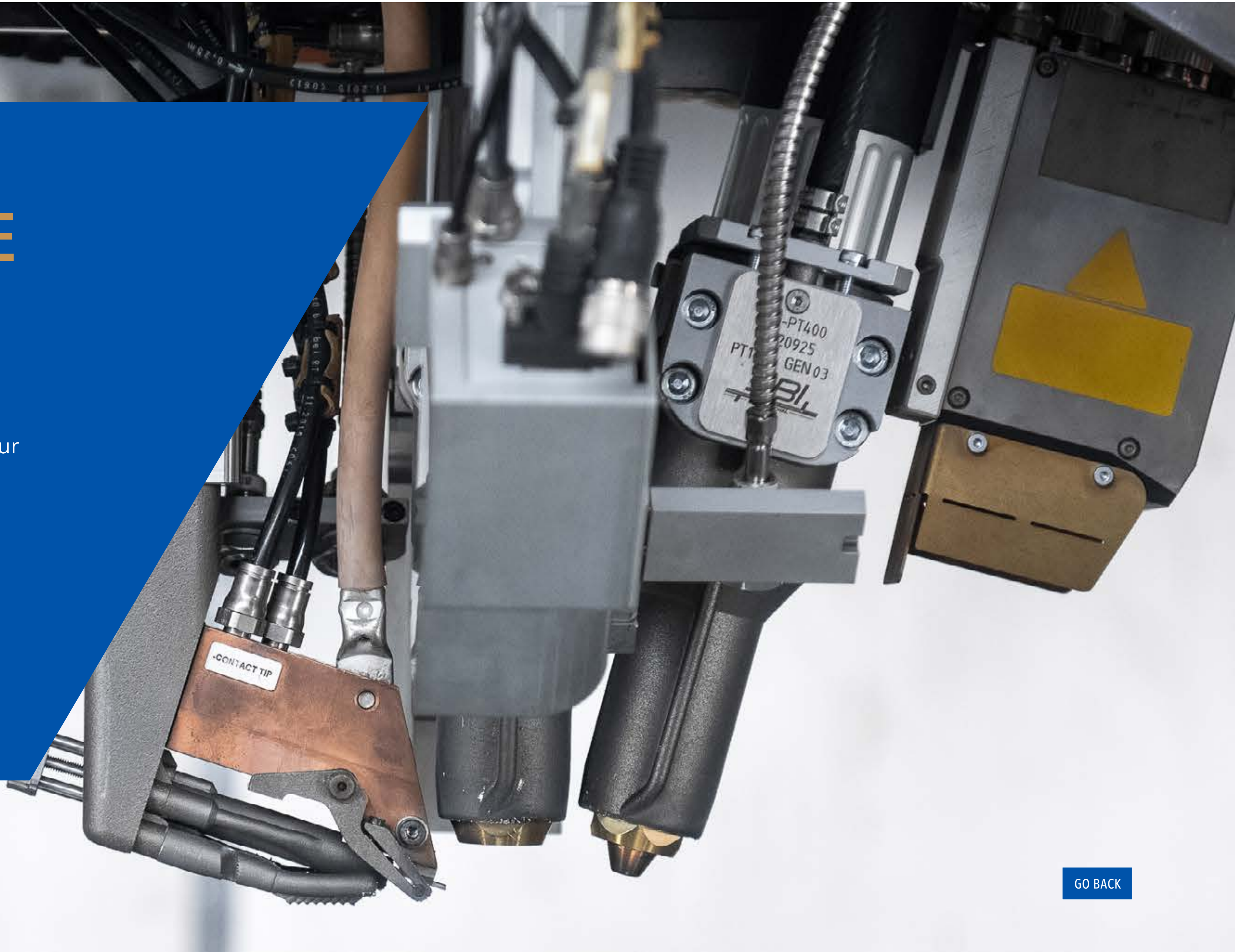
## Ongoing Efforts

Leveraging a sophisticated D&E tool, Norsk Titanium works to mitigate risk of discrimination and other barriers to diversity, equity, and inclusion in the workforce and greater community. This D&E tool allows us to initiate improvements in the areas of recruitment, working conditions, opportunities for training, development and promotion, equal pay, and equal opportunity, among others. We promote a culture that proactively measures and resolves barriers to this mission.

In one such initiative, we seek to rectify the uneven distribution of employees across genders. In response, we have removed all gendered-normative language in job ads and job descriptions. We seek out job fairs and recruitment groups catering to women, and we renewed our photo library to showcase our diverse workforce and conducted training on gender-bias in the recruitment process. In the US, we transparently post wage ranges for each job and have analyzed and refined the physical requirements of all roles, which might have excluded women. As a result, we were able to recruit more women into our engineering and technical roles in 2024 and hope to continue the momentum.

# CORPORATE GOVERNANCE

Norsk Titanium has made a commitment to ensure trust in the Company and to enhance shareholder value through effective decision-making and improved communication between our management, our Board of Directors and our shareholders. Our framework for corporate governance is intended to decrease business risk, maximize value and utilize the Company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees, other parties concerned and society at large.



We are not subject to the Norwegian Code of Practice for Corporate Governance last updated 14 October 2022 (the "Corporate Governance Code"), but we have structured our corporate governance framework in all material aspects according to the Corporate Governance Code. The Code is available at the Norwegian Corporate Governance Committee's web site www.nues.no.

The following provides a review of our corporate governance in relation to each section of the Corporate Governance Code for the period from 1 January 2024 to 31 December 2024. Section numbers refer to the Corporate Governance Code.

*Please see the corresponding headings below for a discussion of the reasons for non-compliance with items 8 and 14*.

| The Corporate Governance Code | Compliance to the Code |
|---|---|
| 1. Implementation & Reporting on Corporate Governance Principles | Compliant |
| 2. Business | Compliant |
| 3. Equity & Dividends | Compliant |
| 4. Equal Treatment of Shareholders | Compliant |
| 5. Share & Negotiability | Compliant |
| 6. General Meetings | Compliant |
| 7. Nomination Committee | Compliant |
| 8. Board of Directors: Composition & Independence | Non-compliant |
| 9. The Work of the Board of Directors | Compliant |
| 10. Risk Management & Internal Control | Compliant |
| 11. Remuneration of the Board of Directors | Compliant |
| 12. Remuneration of Executive Personnel | Compliant |
| 13. Information & Communications | Compliant |
| 14. Take-overs | Non-compliant |
| 15. Auditor | Compliant |

## 1. Implementation & Reporting on Corporate Governance

Our Board of Directors is responsible for the development and implementation of internal procedures and regulations to ensure that we follow applicable principles and maintain good corporate governance. The Board assesses our overall position with regard to such principles annually and reports accordingly in our Annual Report.

Norsk Titanium's vision is to contribute to the world by enabling fast, clean and sustainable metals manufacturing. Our leadership believes that achieving that vision is only possible if the Company and its employees conduct business in accordance with our core values: Glød (passion), Creative Curiosity, Collaboration, Trust and Respect, and Integrity. Our success is further dependent on our reputation for operating with the highest standards for integrity, transparency and trust. To ensure that all employees share in our commitment to integrity, we adopted our Code of Conduct. The Code sets out our expectations for behaviour for our Board of Directors, management, employees, and contractors, consistent with our core values. Each individual is responsible for understanding the Code and doing their best to conduct themselves in accordance with the principles set forth in the Code. Each employee receives a copy of the Code when they are hired and is required to acknowledge that they have read and understood it. We encourage all employees to report any violations of the Code to management, or through our third-party hotline.

## 2. Business

Norsk Titanium was established in 2007 with the business purpose to develop and commercialize radically less expensive and more environmentally friendly aerospace grade titanium components.

The Company's business is defined in the Company's Articles of Association (the "Articles of Association"), section 3:

"The company's business is development of technology for production of titanium, as well as other business relating to this."

We are a global technology leader in additive manufacturing for metals. Our proprietary, high-deposition rate metal 3D printing process, Rapid Plasma Deposition®, or RPD®, delivers superior quality material faster and cheaper than conventional processes, with less waste and emissions.

Norsk Titanium operates an R&D center at Eggemoen, Norway, and manufacturing facilities in Plattsburg, New York, USA.

The Board of Directors has established objectives, strategies and a risk profile for our business within the scope of the definition above, with a goal to create value for our shareholders in a sustainable manner. The Board takes into account economic, social and environmental considerations in setting the Company's objectives, strategies and risk profile. These are subject to annual review by the Board.

Our objectives and principal strategies are further described in this annual report under the heading "This is Norsk Titanium", on our website norsktitanium.com.

## 3. Equity & Dividends

### Equity

At 31 December 2024, the Parent Company's equity was NOK 1,229 million, which is equivalent to 95% of total assets. Our Board considers the Parent Company's equity level to be satisfactory. The Board continuously considers the suitability of the Parent Company's equity level and financial strength in light of our objectives, strategy and risk profile.

### Dividend Policy

We are focused on developing and commercializing our technology and intend to retain future earnings to finance development activities, operations and growth of the business, thus our policy is to not distribute dividends in the short to medium term. As a result, we do not expect to distribute dividends in the near future.

### Capital Increases & Issuance of Shares

Any authorizations granted to the Board of Directors to increase the Company's share capital shall be restricted to defined purposes and shall not last longer than the date of the Company's next annual general meeting.

The Board of Directors currently has two authorizations to increase the share capital of the Company outstanding, which, considering previously utilized amounts, totals a share capital increase (excluding share premium) of up to NOK 9,465,840 by authorizing the Board of Directors to issue up to 118,323,000 shares, each at a par value of NOK 0.08. The authorizations are distributed as follows:

1. An increase of up to NOK 8,265,840, representing 103,323,000 shares, which may be used to issue shares for necessary strengthening of the Company's equity, issuance of shares as consideration to consultants and independent directors, and for issuing shares to be used as consideration in the acquisition of business within the Company's business purpose. The authorization was granted on 14 May 2024 and is valid until the ordinary general meeting in 2025, but not later than 30 June 2025. The Company used this authorization as follows:

| Date | No. of Shares |
|---|---|
| 15 May 2024 | 56,296,370 |
| 6 June 2024 | 11,000,000 |
| 3 December 2024 | 497,893 |

The amount remaining under the authorization is NOK 2,842,299.

2. An increase of up to NOK 1,200,000, representing 15,000,000 shares, which may be used for issuing shares in connection with the Company's incentive schemes for employees. The authorization was granted on 14 May 2024 and is valid until the ordinary general meeting in 2025, but not later than 30 June 2025. On 17 January 2025, the Company used this authorization to issue 1,318,161 shares, further increasing its share capital by NOK 110,493. The remaining amount under this authorization is 1,094,547.

Previous authorizations that have lapsed, been used in full or for which the defined purpose is no longer relevant have been granted in accordance with the Corporate Governance Code.

### Purchase of Own Shares

The Board of Directors has one authorization to purchase own shares with a nominal (par) value of NOK 4,132,920 representing 51,661,500 shares, each at a par value of NOK 0.08. Any shares acquired under this authorization may be deleted in connection with a later reduction of the registered share capital or used as remuneration to the members of the Board of Directors, as means under the Company's incentive programs or as consideration shares in the acquisition of another business or businesses.

Under the foregoing authorization, the purchase price per share cannot exceed NOK 100 and not be less than NOK 1. This authorization was granted on 14 May 2024 and is valid until the ordinary general meeting in 2025, but not later than 30 June 2025. As per the date of this Corporate Governance Report, the authorization remains available in full.

## 4. Equal Treatment of Shareholders

According to the Norwegian Private Limited Liability Companies Act, our shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights, however, may be set aside either by the general meeting or by the Board of Directors if the general meeting has authorized the Board to do so. Any resolution to set aside pre-emption rights must be in the best interests of the Company and the shareholders, and we will publicly disclose any such action through a stock exchange notice.

In connection with a private placement of shares on 29 April 2024, the Board of Directors determined to set aside the pre-emption rights of existing shareholders to subscribe for shares. The justification for such deviation of the pre-emption rights was that the Private Placement would enable the Company to secure equity financing to accommodate the Company's funding requirements. Further, a private placement reduced execution and completion risk, as it enabled the Company to raise equity efficiently and in a timely manner, with a lower discount to the current trading price, at a lower cost and with a significantly reduced completion risk compared to a rights issue. It was also taken into consideration that the private placement would not result in a significant dilution of existing shareholders and that it was based on a publicly announced accelerated book-building process. The Board of Directors' justification for waiving the pre-emption rights of existing shareholders was publicly disclosed in stock exchange announcements on 29 April 2024. Further, the Board of Directors facilitated a subsequent share offering of up to 11,000,000 new shares offered at the same subscription price as the shares offered in the private placement completed on 29 April 2024. On 23 May 2024, the Board of Directors disclosed via a stock exchange notice the same day that it would proceed with the subsequent offering and on 6 June 2024, the subsequent offering closed with 11,000,000 shares being issued at NOK 2.50, the same as the price of the shares sold via the private placement.

The Board of Directors further determined to set aside the pre-emption rights of existing shareholders in connection with the exercise of warrants (the "Warrants") issued in the rights issue completed on 21 February 2024 (the "Rights Issue"). Global Portfolio Investments ("GPI"), a shareholder holding 20,000,000 Warrants, offered to commit to subscribe for new shares at the exercise price of the Warrants in the event that not all of the Warrants were exercised during the last exercise period (the "Underwriting"). The board determined that the advantages of having additional support of the Warrants exercise was sufficient to justify the deviation from the equal treatment obligations, noting that the Underwriting would contribute to securing financing for the Company by creating momentum, attracting further participation in the Warrant exercise and represented a limited increase in the share capital and thereby a limited dilution for existing shareholders.

## 5. Shares & Negotiability

We have one class of shares, and all shares carry equal rights. There are no limitations on a party's ability to own, trade or vote shares in the Company.

## 6. General Meetings

The Board of Directors uses its best efforts to schedule and facilitate general meetings in a manner that ensures that all shareholders may exercise their rights to participate in and voting at such meetings, thereby making the general meeting an effective forum for the views of shareholders and the Board of Directors. In accordance with Norwegian Private Limited Liability Companies Act, we are required to hold our annual general meeting of shareholders each year on or prior to 30 June.

### Notification

We will send the notice of the general meeting to shareholders who are registered in the register of shareholders maintained with the Norwegian Central Securities Depository ("VPS") no later than three weeks prior to the date of the general meeting. The summons will reference or come with attachments providing support for the resolutions to be discussed and resolved at the general meeting. Such support will be sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the Company's website www.norsktitanium.com concurrently with the distribution to shareholders.

### Participation & Execution

In accordance with the Norwegian Private Limited Companies Act, only those who are shareholders in the Company five business days prior to the general meeting are entitled to attend and vote at the general meeting. The Board of Directors will arrange for the general meeting to vote separately on each individual matter, including the individual candidates nominated for election to the Company's corporate bodies.

A shareholder may vote at the annual general meeting either in person or by proxy. We will prepare and facilitate the use of proxy forms which allow separate voting instructions to be given for each item on the agenda and nominate a person who will be available to vote on behalf of shareholders as their proxy.

The general meeting will regularly be held as physical meetings, but the Board of Directors may decide other forms of meeting as it deems appropriate. The Board of Directors aims at giving access for shareholders to participate remotely in general meetings by electronic means, to the extent the Board of Directors deems appropriate.

The Board of Directors and the chair of the Nomination Committee (as defined below) shall, as a general rule, be present at general meetings. The auditor will attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances.

The Chairman of the Board will normally be proposed as the chair of the general meetings. The Board of Directors will ensure that an independent chairman is appointed if it deems it appropriate based on the agenda items or other relevant circumstances. The general meeting may also request that an independent chair of the meeting be appointed.

## 7. Nomination Committee

Article 8 of the Company's Articles of Association provides for a nomination committee composed of two or three members (the "Nomination Committee"). The members of the Nomination Committee, including its chair, are elected by the annual general meeting for a term of two years.

The Nomination Committee is responsible for proposing:

- Candidates for members of the Board, deputy members of the Board and members of Board subcommittees;
- Candidates for members of the Nomination Committee;
- Remuneration for such representatives.

The Nomination Committee is also responsible for monitoring the composition of the Board of Directors and evaluating the need for any changes, as well as performing an annual evaluation of the Board's work. The work of the Nomination Committee is governed by instructions adopted by the Board on 20 April 2022. As of 31 December 2024, the Nomination Committee was comprised of Linda Helland (Chair) and Jørn Aage Johansen, neither of whom are active Board members. Linda Helland is the General Counsel for Scatec Innovation, one of the Company's largest shareholders.

## 8. Board of Directors: Composition & Independence

Pursuant to section 6 of the Company's Articles of Association, the Board of Directors shall consist of at least four and not more than 10 members. All directors are subject to re-election annually at the general meeting, as is the Chairperson. Pursuant to a recommendation of the Nomination Committee dated 14 October 2024, on 4 November 2024 an extraordinary meeting of the Company's shareholders elected a new board consisting of John Andersen, Jr., Tarek Hegazy, Shan Ashary and Mimi K. Berdal. Below is information regarding the Board attendance in 2024:

| Name | Role | Considered Independent of Main Shareholders | Served Since | Team Expires | Participation in Board Meetings† |
|---|---|---|---|---|---|
| John Andersen, Jr. | Chairperson [1] | No | 2013 | 2025 | 100% |
| Shan Ashary | Director | No | 2010 [1] | 2025 | 100% |
| Bart van Aalst [2] | Director | No | 2010 | 2024 | 90% |
| Mimi K. Berdal | Director | Yes | 2021 | 2024 | 94% |
| Tarek Hegazy [3] | Director | No | 2024 | 2025 | 100% |

† In 2024, the board held 16 meetings.
[1] Mr. Ashary did not stand for reelection at the 2022 annual general meeting, but was re-elected to the Board in 2023
[2] Mr. van Aalst was not re-elected to the Board at the November EGM. He attended 90 per cent of the board meetings held prior to the November EGM.
[3] Mr. Hegazy was elected to the Board at the November EGM. He attended 100 per cent of meetings held in 2024 after his election.

*See Note 4.8 to the Financial Statements for information on the shareholdings of our directors.*

All members of the Board are considered independent of our executive management and material business contacts except for Shan Ashary, who is the father of Ashar A. Ashary, the Company's Chief Financial Officer. The Board of Directors does not include executive personnel. The Code, however, requires that at least two members of the Board be independent of the Company's main shareholders. Currently only one of our directors meets this requirement.

*See "Board of Directors" in this annual report for information on the expertise of the members of the Board.*

## 9. The Work of the Board of Directors

### Board Instructions

The Board of Directors is responsible for the over-all management of the Company, and supervision of our day-to-day management and activities in general.

The Norwegian Private Limited Liability Companies Act regulates the duties and procedures of the Board of Directors. In addition, the Board of Directors has adopted board instructions which provide further detail on the duties of the Board of Directors and the chief executive officer, the division of work between the Board of Directors and the chief executive officer, the annual plan for the Board of Directors, notices of board proceedings, administrative procedures, minutes, board committees, transactions between the Company and related parties and confidentiality.

### Transactions with Related Parties

The Board of Directors aims to ensure that any material transactions between the Company and its shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties (referred to as "related parties") are entered into on arms-length terms and in accordance with the requirements of the Norwegian Private Limited Liability Companies Act. The Board instructions include guidelines for notification by members of the Board and executive management if they or any other related party have any material direct or indirect interest in any transaction entered into by the Company. The Board instructions also contain provisions requiring evaluation of any such transactions.

*Any transactions with related parties are discussed in Note 7.4 to our financial statements.*

### 10. Risk Management & Internal Control

The Board of Directors seeks to ensure that the Company has sound internal control and systems for risk management, including with respect to our corporate values, ethical guidelines and guidelines for corporate social responsibility, that are appropriate in relation to the extent and nature of our activities. To facilitate this, the Board conducts an annual assessment of our risks in connection with its annual report. As part of this assessment, the Board reviews reports on our business and outlook in order to identify risks and potential risks and remedy any incidents that have occurred. The Board of Directors may engage external expertise to assist with the performance of its risk assessment if it deems it necessary to do so.

In addition to the annual risk assessment, management presents semi-annual financial statements to inform the Board and shareholders on current business performance, including risk reports. These reports are subject to review by the Board prior to release.

### 11. Remuneration of the Board of Directors

Our shareholders decide the level of remuneration to be paid to members of the Board at the Company's annual general meeting. Board remuneration should reflect the Board's responsibilities, expertise, time commitment and the complexity of the business. Board remuneration is not linked to the Company's performance and contains no share option element. Currently, only our independent director Mimi K. Berdal receives any form of remuneration for her services on the Board.

The Nomination Committee shall recommend the remuneration to be paid to the members of the Board at the annual general meeting.

### 12. Salary & Other Remuneration for Executive Personnel

The Board determines the principles applicable to the Company's policy for compensation of executive management. We presented the guidelines for setting the principles at the annual general meeting on 20 April 2022 for an advisory vote, which received the support of a majority of our shareholders. The objectives of the guidelines are to:

- Support the Company's strategic performance and sustainability targets;
- Drive the Company's culture and values;
- Align remuneration with shareholder interests; and
- Provide guidelines for establishing executive management's remuneration to attract, retain and motivate employees with the skills, qualifications and experience needed to maximise value creation for the Company and its shareholders.

### 13. Information & Communications

We strive to build long-term relationships with our shareholders and other stakeholders; the management team therefore meets on an ongoing basis with all stakeholders interested in our business from a social, environmental, or economic perspective. The Company proactively engages them through different platforms to address their needs, listening, and providing information about the Company's projects. The dialogue always strives to raise awareness of both the value and the challenges of what the Company does.

The Board of Directors adopted a manual on disclosure of information, which seeks to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market. We make all stock exchange announcements, financial reports and presentations, other public presentations and press releases available on our website www.norsktitanium.com together with other relevant

information. In addition, we publish an annual financial calendar, providing an overview of the dates for major events such as the annual general meeting and publication of financial reports.

## 14. Take-overs

The Board has not established written guidelines for how it will act in the event of a take-over bid as suggested by the Code, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare. In the event the Company becomes the subject of a take-over offer, the Board of Directors shall seek to ensure that shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board of Directors shall also seek to ensure that the shareholders have sufficient information and time to assess the offer.

There are no defense mechanisms against take- over bids in our Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company.

In the event a take-over was to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the recommendations in the Corporate Governance Code can be complied with or not under the applicable facts and circumstances.

## 15. Auditor

Our external auditor is Ernst & Young AS. The auditor must present its annual audit report to the Board and must participate in any meetings of the Board that deal with the annual accounting. At such meetings the auditor will report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report any material matters on which there have been disagreement between the auditor and the executive management of the Company. The Board must hold at least one meeting each year with the auditor without executive management.

The Board has established guidelines in respect of the use of the auditor by the executive management for services other than the audit to ensure that there are no conflicts of interest and that the auditor remains independent.

The remuneration paid to the auditor for audit and non-audit work is submitted for approval at the ordinary general meeting.

# SHARE PRICE DEVELOPMENT

Norsk Titanium has one class of shares. There were 802,134,365 shares issued at 31 December 2024, and the shares each had a nominal value of NOK 0.08. From January 2, 2024, until year end the shares traded between NOK 0.75 and NOK 4.06 per share, and a total of 772,776,798 shares were traded in the period ending 31 December 2024. The market capitalization was NOK 2,109 million as of 31 December 2024.


## Major Shareholders & Voting Rights

Norsk Titanium AS had registered 3,443 shareholders in VPS at 31 December 2024, of which the 10 largest owned 65.1%. Foreign shareholders held 36.1% of the shares. All shares carry the same voting rights.

## Dividend & Dividend Policy

Norsk Titanium is in a growth phase and is focused on developing and commercializing our technology and intends to retain future earnings to finance development activities, operations and growth of the business, thus our policy is not to distribute dividends in the short to medium term. As a result, we do not expect to distribute dividends in the near future.

## Analyst Coverage

Carnegie had active coverage of Norsk Titanium at year end 2024. See norsktitanium.com/investors for more information and analyst contact details.

## General Meetings & Board Authorizations

As at 31 December 2024, the Board of Directors had the following authorizations:

1. An increase of up to NOK 8,265,840, representing 103,323,000 shares.
2. An increase of up to NOK 1,200,000, representing 15,000,000 shares.
3. A purchase of own shares with a nominal value of up to NOK 4,132,920 representing 51,661,500 shares.

Norsk Titanium will hold its annual general meeting on May 6, 2025. Information will be made available on the company's website and NewsWeb in due time.

## Main shareholders in Norsk Titanium AS as of 31 December 2024

| | Total shares | Ownership | Share-holding/ Voting |
|---|---|---|---|
| White Crystals Ltd. | 167,791,735 | 20.9% | 20.9% |
| Scatec Innovation AS | 133,320,621 | 16.6% | 16.6% |
| Global Portfolio Investments | 63,497,893 | 7.9% | 7.9% |
| Norsk Titanium Cayman Ltd. | 33,869,070 | 4.2% | 4.2% |
| Goldman Sachs & Co.LLC[1] | 31,855,360 | 4.0% | 4.0% |
| MP Pensjon PK | 24,218,167 | 3.0% | 3.0% |
| Nordnet Livsforsikring AS | 21,367,000 | 2.7% | 2.7% |
| Songa Capital AS | 17,827,880 | 2.2% | 2.2% |
| Ferd AS | 15,583,189 | 1.9% | 1.9% |
| Avkast Invest AS | 13,002,921 | 1.6% | 1.6% |
| Others | 279,800,529 | 35.3% | 35.3% |
| Total | 802,134,365 | 100.0% | 100.0% |

[1] Triangle Holding, L.P. and Disruptive Innovation Fund, L.P.

## Financial Calendar 2025

| Event | Date |
|---|---|
| Fourth Quarter 2024 Operational Update | February 4, 2025 |
| Annual Report Release | April 10, 2025 |
| Annual General Meeting | May 6, 2025 |
| First Quarter 2025 Operational Update | May 8, 2025 |
| First Half 2025 Report | August 20, 2025 |
| Third Quarter 2025 Operational Update | November 6, 2025 |

# FINANCIAL STATEMENTS

**Consolidated financial statements** 45

**Parent company financial statements** 82

**Auditor's report** 100

# CONSOLIDATED FINANCIAL STATEMENTS

**Consolidated statement of total comprehensive income** 46

**Consolidated statement of financial position** 47

**Consolidated statement of cash flow** 48

**Consolidated statement of changes in equity** 49

**Notes to the Consolidated financial statements** 50

Note 1.1 Corporate information 50

Note 1.2 Key source of estimation uncertainty, judgement and assumptions 51

Note 2.1 Revenues 52

Note 2.2 Other Income 53

Note 2.3 Raw Materials and Consumables Used 53

Note 2.4 Inventories 54

Note 2.5 Employee Benefits Expenses 54

Note 2.6 Other Operating Expenses 55

Note 2.7 Trade Receivables and Other Current Assets 56

Note 2.8 Trade and Other Payables 56

Note 2.9 Earnings Per Share 57

Note 3.1 Property, Plant and Equipment 57

Note 3.2 Intangible assets 58

Note 4.1 Financial Instruments 59

Note 4.2 Interest-Bearing Debt 60

Note 4.3 Financial Liabilities 61

Note 4.4 Cash and Cash Equivalents 61

Note 4.5 Financial Items 62

Note 4.6 Financial Risk and Capital Management 62

Note 4.7 Liquidity Risk and Going Concern Assumption 64

Note 4.8 Equity and Shareholders 65

Note 4.9 Share Incentive Program 67

Note 4.10 Fair Value 71

Note 5.1 Taxes 72

Note 6.1 Interests in other Entities 73

Note 7.1 Other liabilities 74

Note 7.2 Commitments and contingencies 74

Note 7.3 Leases 75

Note 7.4 Related party transactions 76

Note 7.5 Events after the reporting period 77

Note 8.1 Changes in IFRS standards and interpretations 78

Note 8.2 Significant accounting policies 78

# CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

| Amounts in USD thousand | Notes | 2024 | 2023 |
|---|---|---|---|
| Revenue | 2.1 | **4,479** | 2,203 |
| Other income | 2.2 | **596** | 299 |
| Total revenues and other income | | **5,075** | 2,502 |
| Raw materials and consumable used | 2.3 | **(7,216)** | (5,078) |
| Employee benefits expense | 2.5 | **(16,276)** | (14,781) |
| Other operating expenses | 2.6, 7.2 | **(6,304)** | (5,972) |
| Depreciation and amortisation | 3.1, 3.2 | **(1,749)** | (1,890) |
| Operating profit | | **(26,470)** | (25,220) |
| Financial income | 4.5 | **19,859** | 5,845 |
| Financial expenses | 4.5 | **(14,356)** | (7,276) |
| Profit or loss before tax | | **(20,968)** | (26,650) |
| Income tax expense | 5.1 | **-** | (27) |
| Profit or loss for the year | | **(20,968)** | (26,677) |
| | | | |
| Profit/loss attributable to owners of the parent | | **(20,968)** | (26,677) |
| | | | |
| Basic earnings per share (in USD) | 2.9 | **(0.04)** | (0.10) |
| Diluted earnings per share (in USD) | 2.9 | **(0.04)** | (0.10) |
| | | | |
| **Other comprehensive income** | | | |
| Items that subsequently may be reclassified to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | **(19,416)** | 52 |
| Other comprehensive income for the period | | **(19,416)** | 52 |
| Total comprehensive income for the period | | **(40,383)** | (26,625) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER

| Amounts in USD thousand | Notes | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Deferred tax asset | 5.1 | **36** | 36 |
| Right of use of assets | 7.3 | **1,286** | 1,737 |
| Property, plant and equipment | 3.1 | **3,114** | 3,124 |
| Intangible assets | 3.2 | **1,947** | 3,105 |
| Total non-current assets | | **6,384** | 8,003 |
| **Current assets** | | | |
| Inventories | 2.4 | **6,274** | 5,886 |
| Trade receivables | 2.7 | **1,949** | 584 |
| Other current assets | 2.7 | **1,946** | 1,105 |
| Cash and cash equivalents | 4.4 | **22,815** | 1,194 |
| Total current assets | | **32,984** | 8,769 |
| TOTAL ASSETS | | **39,368** | 16,772 |

| Amounts in USD thousand | Notes | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 4.8 | **6,423** | 2,450 |
| Share premium | 4.8 | **54,843** | 19,618 |
| Other capital reserves | 4.8 | **11,769** | (276) |
| Other equity | 4.8 | **(42,232)** | (22,816) |
| Total equity | | **30,803** | (1,025) |
| **Non-current liabilities** | | | |
| Non-current interest bearing debt | 4.2 | **42** | 53 |
| Non-current lease liabilities | 7.3 | **1,116** | 1,387 |
| Other non-current liabilities | 1.2, 4.9 | **1,086** | 846 |
| Total non-current liabilities | | **2,244** | 2,286 |
| **Current liabilities** | | | |
| Trade and other payables | 2.8 | **1,794** | 1,559 |
| Current interest bearing debt | 4.2, 7.4 | **14** | 6,499 |
| Other current debt | 4.1 | **-** | 2,153 |
| Contract liability | 2.2 | **1,561** | 3,285 |
| Current lease liabilities | 7.3 | **353** | 523 |
| Other current liabilities | 7.1 | **2,600** | 1,493 |
| Total current liabilities | | **6,321** | 15,511 |
| Total liabilities | | **8,565** | 17,797 |
| TOTAL EQUITY AND LIABILITIES | | **39,368** | 16,772 |

Eggemoen, April 9, 2025

**John Andersen Jr.**
Chairman of the Board

**Shan A. Ashary**
Member of the Board

**Tarek Sherif Hegazy**
Member of the Board

**Mimi Berdal**
Member of the Board

# CONSOLIDATED STATEMENT OF CASH FLOW

| Amounts in USD thousand | Notes | Full Year 2024 | Full Year 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | **(20,968)** | (26,650) |
| **Adjustments to reconcile profit before tax to net cash flow:** | | | |
| Depreciation and amortisation | 3.1, 3.2 | **1,749** | 1,890 |
| Net financial income/expense related to financing activities | 4.8 | **15,102** | 333 |
| Net foreign exchange differences | 4.5 | **(20,605)** | 1,098 |
| Tax payable | 5.1 | **-** | 27 |
| **Working capital adjustment:** | | | |
| Changes in inventories | 2.4 | **(388)** | (628) |
| Changes in trade and other receivables | 2.7 | **(1,365)** | 119 |
| Changes in other current assets | 2.7 | **(841)** | 1,890 |
| Changes in trade and other payables | 2.8 | **235** | 380 |
| Changes in other accruals | 7.1 | **232** | (618) |
| Net cash flows from operating activities | | **(26,849)** | (22,159) |

| Amounts in USD thousand | Notes | Full Year 2024 | Full Year 2023 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 3.1 | **(1,012)** | (279) |
| Investment in intangible assets | 3.2 | **(115)** | (22) |
| Interest received | 4.4 | **592** | 125 |
| Net cash flow from investing activities | | **(534)** | (176) |
| **Cash flow from financing activities** | | | |
| Proceeds from issuance of share capital | 4.8 | **50,833** | 8,458 |
| Proceeds from issuance of debt instrument | | **3,140** | - |
| Transaction cost | | **(2,784)** | (442) |
| Payment of principle portion of lease liabilities | 4.3, 7.3 | **(364)** | (326) |
| Proceeds/payment of debt | 4.1, 4.2 | **(533)** | 8,704 |
| Interests paid | 4.3, 7.3 | **(198)** | (226) |
| Net cash flow from financing activities | | **50,115** | 16,167 |
| Net change in cash and cash equivalents | | **22,731** | (6,168) |
| Effect of change in exchange rate | | **(1,110)** | (369) |
| Cash and cash equivalents, beginning of period | 4.3 | **1,194** | 7,731 |
| Cash and cash equivalents, end of period | | **22,815** | 1,194 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to the equity holders of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Other equity | | |
| Amounts in USD thousand | Share capital | Share premium | Treasury shares | Other capital reserves | Cumulative translation effect | Accumulated loss | Total equity |
| Balance as of 31 December 2023 | 2,450 | 19,618 | - | (276) | (22,816) | - | (1,025) |
| Profit (loss) | | | | | | (20,968) | (20,968) |
| Other comprehensive income | | | | | (19,416) | | (19,416) |
| Issue of share capital[1] | 3,973 | 56,194 | | - | | | 60,167 |
| Issue of equity instrument[2] | | | | 15,879 | | | 15,879 |
| Transaction costs equity transactions | | | | (3,982) | | | (3,982) |
| Shared-based payment[3] | | | | 148 | | | 148 |
| Transfer from share premium | | (20,968) | | | | 20,968 | - |
| **Balance at 31 December 2024** | 6,423 | 54,843 | - | 11,769 | (42,232) | - | 30,803 |
| | | | | | | | |
| Balance at 31 December 2022 | 2,218 | 38,068 | - | - | (22,869) | - | 17,418 |
| Profit (loss) | | | | | | (26,677) | (26,677) |
| Other comprehensive income | | | | | 52 | | 52 |
| Issue of share capital[1] | 232 | 8,227 | | (442) | | | 8,017 |
| Shared-based payment | | | | 165 | | | 165 |
| Transfer to share premium[2] | | (26,677) | | | | 26,677 | - |
| **Balance at 31 December 2023** | 2,450 | 19,618 | - | (276) | (22,817) | - | (1,025) |

[1] Reference to note 4.8 Equity and shareholders for more information on share capital and share premium.

[2] The Company decided to offset accumulated losses against other capital and share premium in 2024 and 2023.

[3] For further information regarding share capital, shareholders, treasury shares and shares owned by the board and executive employees, see note 4.8.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1.1 Corporate information

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 year ended 31 December 2024 were authorized for issue in accordance with a resolution of the directors on 9 April 2025. Norsk Titanium AS (the Parent) is a limited liability company incorporated and domiciled in Norway. The registered office is located at Karenslyst Allé 9C, Oslo in Norway.

Norsk Titanium specializes in additive manufacturing (AM) and producing structural titanium parts with reduced lead time and cost from traditional methods.

**Basis of preparation**

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 Financial Reporting Standards (IFRS) 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 2025 and the Company's long-term strategic forecast including funding.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss. The consolidated financial statements are presented in USD and all values are rounded to the nearest thousand (000), except when otherwise indicated.

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 31 December 2024. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its return. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

**Foreign currencies**

The Company's consolidated financial statements are presented in USD. The Parent's functional currency is NOK. For each entity, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method. P&L figures are converted from functional currency to presentation currency by use of average rates. Balance sheet figures are converted from functional currency to presentation currency by use of spot rate on the balance sheet date.

**Segments**

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 organisation 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, and therefore no separate Segment note is presented.

## Note 1.2 Key source of estimation uncertainty, judgement and assumptions

**Significant accounting judgements, estimates and assumptions**
In connection with the preparation of the Company's consolidated financial statements, the management has made assumptions and estimates about future events and applied judgements that affect the reported values of assets, liabilities, revenues, expenses and related disclosures.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that the Company's management believes to be relevant at the time the consolidated financial statements are prepared.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The estimates and the underlying assumptions are reviewed on an ongoing basis. The accounting policies applied by the Company in which judgments, estimates and assumptions may significantly differ from actual results are discussed below:

**Judgements**

**Sale and lease agreement with Fort Schuyler Management Corporation ("FSMC")**
In 2015 the Company signed a contract with FSMC under which FSMC is responsible for building a manufacturing facility and purchase manufacturing equipment from Norsk Titanium, and subsequently lease the manufacturing facility and equipment to Norsk Titanium for a term of 10 years at a yearly rent of USD 1 with an option of extending the term. During the third quarter 2016 the Company entered a Master Equipment Purchase Agreement with FSMC, where Norsk Titanium shall build and sell in total 32 RPD® machines to FSMC. In the fourth quarter 2018 NTi executed an Amendment to the Alliance Agreement. The RPD® machines are the main part of the Manufacturing Equipment that are leased to Norsk Titanium under the agreement with FSMC. In return for the subsidized lease, the Company has committed itself to operations related to the manufacturing facility and the hire of new employees as production increases for the 10 year period from 20 December 2019 to 19 December 2029. The production facility is located in Plattsburg, New York.

Based on IAS 17, management treated the lease of the facility and equipment as an operating lease and presented the gain/loss from sale of equipment under the sale/leaseback agreement net in the statement of profit and loss since the equipment are used in production.

Upon the transition to IFRS 16 in 2019, the Company was not required to reassess the sale of the RPD® machines to FSMC, and therefore no adjustments related to these sales was recorded in 2019. The only transition impact for the Company was the recognition of a lease liability reflecting the remaining lease payments and a corresponding right-of-use asset. The financial liability is accounted for applying IFRS 9.

As FSMC meets the definition of a government in accordance to IAS 20, the difference between market rent and agreed rent is treated as a government grant. Applying the guidance in IAS 20, Norsk Titanium has a choice of presenting the grant either as a reduction of the carrying amount of the machines (net presentation), with the grant offsetting the depreciation of the asset, or as deferred income that is recognised over the useful life of the asset (gross presentation). Norsk Titanium has elected to present the deferred revenue as a reduction of the carrying amount of the machines (i.e. net presentation), with difference between the sales price and cost of the RPD® machines being recognised as other income over the lease term. The future net gain from the RPD machines is recognised as contract liability in the balance sheet. Prior to the transition of IFRS 16 in 2019, RPD® machines delivered to FSMC where Site Acceptance Test is not completed but prepaid from FSMC, is presented as contract liability.

In June 2021 Norsk Titanium US Inc. entered into a leasing agreement with FSMC for the Plattsburgh Production Development & Qualification Center facility in Plattsburgh. FSMC purchased the facility from our former landlord, TDC and in doing so met their commitment in the Alliance Agreement to provide 150,000 square feet to support operations in New York. The total utilised grant from FSMC amounts to USD 123 million by 31 December 2024. The accounting treatment of the grant is explained in the above.

### Estimates and assumptions

#### Share based payment

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the assumptions and models used for estimating the fair value are disclosed in note 4.9.

#### Useful lives of Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable judgements. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

## Note 2.1 Revenues

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| **Revenues** | | |
| Sale of printed parts[1] | **2,279** | 672 |
| Revenue from products and services delivered on development programs[2] | **2,201** | 1,531 |
| Total revenues | **4,479** | 2,203 |
| **Geographic information** | | |
| Revenues from customers | | |
| Europe | **1,909** | 680 |
| USA/Canada | **2,570** | 1,523 |
| Total revenues | **4,479** | 2,203 |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | **4,479** | 2,203 |
| Total revenues | **4,479** | 2,203 |

[1] Sale of printed parts are sales to Boeing Tier-1 suppliers, Premium Aerotec Germany and Hittech.

[2] Products and services on development programs include sales to Boeing, Hittech, Northrop Grumman and other prime contractors for the US Department of Defense.

## Note 2.2 Other Income

### OTHER INCOME

| Amounts in USD thousand | Full Year 2024 | Full Year 2023 |
|---|---|---|
| Net gain from RPD machine grant[1] | **174** | 264 |
| Grant from Innovation Norway | **-** | 33 |
| Skattefunn | **421** | - |
| Gain on disposal of assets | **-** | 1 |
| Total other income | **596** | 299 |

Government grants have been received for research and development activities but are not related to a specific program. The grants included in other income contains no unfulfilled conditions or contingencies.

[1] 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 recognised as contract liability in the amount of USD 1,561 thousand in the balance sheet.

## Note 2.3 Raw Materials and Consumables Used

### RAW MATERIALS AND CONSUMABLES USED

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| Cost of materials | **5,712** | 4,205 |
| Cost for machining of components | **147** | 130 |
| Consumables used | **531** | 243 |
| Cost of handling and freight | **826** | 499 |
| Total cost of goods, raw materials and consumables used | **7,216** | 5,078 |

Raw materials and consumables used is related to cost of goods sold, qualifications, test production and development activities.

## Note 2.4 Inventories

### INVENTORIES

| Amounts in USD thousand | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Raw materials | **3,597** | 2,617 |
| Work in progress | **2,535** | 2,978 |
| Finished goods | **151** | 313 |
| Total inventories (gross) | **6,283** | 5,908 |
| Provision for obsolete inventories 31 December | **(9)** | (22) |
| Total inventories (net) | **6,274** | 5,886 |

Raw materials consists of wire, argon and substrate for production of titanium components.

Work in progress consist of manufacturing of production machines in addition to titanium components in progress.

## Note 2.5 Employee Benefits Expenses

### EMPLOYEE BENEFIT EXPENSES

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| Salaries and holiday pay | **12,663** | 11,311 |
| Social security tax | **1,322** | 1,204 |
| Pension costs defined contribution plans | **680** | 608 |
| Cost of share-based payment | **458** | 569 |
| Other personnel costs | **1,154** | 1,089 |
| Total payroll and related costs | **16,276** | 14,781 |
| Full Time equivalent Employees as of 31.12 | **133** | 114 |

### Pensions

The Norwegian companies in the Company are obligated to keep an occupational pension scheme pursuant to the Norwegian Mandatory Occupational Pensions Act. The Company's pension scheme satisfies these requirements.

Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

### Management and board remuneration

| Amounts in USD thousand | Salary | Performance-related bonus | Other remuneration | Total remuneration |
|---|---|---|---|---|
| **Remuneration to management in 2024** | | | | |
| Carl Johnson - CEO | **466** | 10 | 39 | 515 |
| **Remuneration to management in 2023** | | | | |
| Michael Canario - CEO | **445** | - | 57 | 502 |
| Carl Johnson - CEO | **285** | - | 25 | 309 |

CEO Michael Canario terminated his employment for the Company on 6 November 2023.
Carl Johnson, who was the previous CTO, was appointed CEO for the Company on 6 November 2023.

### Benefits to the CEO

Executive management takes part in the general pension scheme described above. Additionally, the CEO is part of the Company's ordinary bonus scheme and does also have the right to severance payment if the Company terminates the employment without Cause. Upon termination of the CEO's employment contract without Cause, he is entitled to six months of salary and insurance continuation. CEO and executive management take part in the Company's share incentive program as described in note 4.9.

### Total remuneration to Board members

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| Board members | **43** | 39 |

In the General Meeting 2023 it was decided that the remuneration for the period from the annual general meeting 2023 to the annual general meeting 2024 shall be increased from USD 40 thousand to USD 42 thousand for board members not associated with the Company's shareholders. Remuneration for one board member for 12 months was USD 42 thousand in 2024. In the General Meeting 2024 it was decided to increase the board remuneration to USD 44 thousand for board members not associated with the Company's shareholders. Total board remuneration in 2024 was USD 43 thousand.

At the end of the financial year, members of the Board and executive employees held shares in the parent company, Norsk Titanium AS. Reference is made to note 4.8 for disclosures on shareholdings.

The board members are not subject to agreements for severance pay, bonuses or profit-sharing.

## Note 2.6 Other Operating Expenses

### OTHER OPERATING EXPENSES

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| Professional services | **1,508** | 1,282 |
| Travel expenses | **553** | 543 |
| Rental and leasing expenses | **241** | 264 |
| Other operating expenses | **4,003** | 3,884 |
| Total other operating expenses | **6,304** | 5,972 |

### AUDITOR RELATED FEES

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| Statutory audit | **147** | 146 |
| Other assurance services | **16** | 20 |
| Tax consultant services | **9** | 8 |
| Non-auditing services | **-** | 8 |
| Total remuneration to the auditor | **172** | 182 |

**Audit fee**: The amounts above are excluding VAT.

## Note 2.7 Trade Receivables and Other Current Assets

### TRADE RECEIVABLES

| Amounts in USD thousand | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Trade receivables | **1,949** | 584 |
| Total trade receivables | **1,949** | 584 |

No provision for expected credit loss has been recognised in 2024 or 2023.

### OTHER CURRENT ASSETS

| Amounts in USD thousand | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Pre-payments | **756** | 381 |
| Deposits | **594** | 578 |
| VAT | **169** | 137 |
| Other receivables [1] | **427** | 9 |
| Total other receivables | **1,946** | 1,105 |

[1] The amount includes Skattefunn USD 421 thousand in 2024.

As at 31 December 2024 the ageing analysis of trade receivables is, as follows:

### AGING ANALYSIS OF TRADE RECEIVABLES

| | | | Past due but not impaired | | | |
|---|---|---|---|---|---|---|
| | Total | Not due | < 30 days | 31-60 days | 61-90 days | > 90 days |
| Trade receivables at 31.12.2024 | 1,949 | 1,860 | 70 | - | 18 | - |
| Trade receivables at 31.12.2023 | 584 | 570 | 13 | - | - | - |

For details regarding the Company's procedures on managing credit risk, reference is made to note 4.6.

## Note 2.8 Trade and Other Payables

### TRADE AND OTHER PAYABLES

| Amounts in USD thousand | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Accounts payables | **1,371** | 1,116 |
| Withholding payroll taxes and social security | **422** | 442 |
| Total trade and other payables | **1,794** | 1,559 |

Trade payables are non-interest bearing and are normally settled on 30-day terms. For an overview of the term date of trade and other payables, reference is made to note 4.1.

## Note 2.9 Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The following table reflects the income and share data used in the basic and diluted EPS calculations.

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| Profit/loss attributable to owners of the parent | **(20,968)** | (26,677) |
| Weighted average number of ordinary shares (thousand)[1] | **528,082** | 262,469 |
| Weighted average dilutive effect from issue of shares (thousand)[1] | **-** | - |
| Weighted average number of ordinary shares diluted (thousand) | **528,082** | 262,469 |
| Basic earnings per share (in USD) | **(0.04)** | (0.10) |
| Diluted earnings per share (in USD) | **(0.04)** | (0.10) |

[1] The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.
[2] Diluted earnings per share equals basic earnings per share as there is a loss in each period.

## Note 3.1 Property, Plant and Equipment

| Amounts in USD thousand | Machinery and equipment | Furniture and vehicles | Buildings, IT | Total |
|---|---|---|---|---|
| Acquisition cost 1 Jan 2023 | 5,971 | 392 | 1,609 | **7,972** |
| Additions | 105 | 82 | 92 | **279** |
| Disposals[1] | (157) | (6) | - | **(163)** |
| Currency translation effects with rates at 31 Dec 2023 | (710) | (46) | (31) | **(787)** |
| Acquisition cost 31 Dec 2023 | 5,208 | 423 | 1,670 | **7,302** |
| Additions | 620 | 6 | 115 | **741** |
| Currency translation effects with rates at 31.12.2024 | (535) | (31) | (5) | **(571)** |
| Acquisition cost 31.12.2024 | 5,293 | 398 | 1,781 | **7,472** |
| Accumulated depreciation and impairment 1 Jan 2023 | 2,627 | 368 | 1,424 | **4,419** |
| Depreciation | 362 | 16 | 85 | **463** |
| Disposals[1] | (157) | - | - | **(157)** |
| Impairment | - | (6) | - | **(6)** |
| Currency translation effects with rates at 31 Dec 2023 | (410) | (41) | (91) | **(541)** |
| Accumulated depreciation and impairment 31.12.2023 | 2,422 | 338 | 1,418 | **4,178** |
| Depreciation | 257 | 20 | 76 | **353** |
| Currency translation effects with rates at 31.12.2024 | (149) | (31) | 7 | **(173)** |
| Accumulated depreciation and impairment 31.12.2024 | 2,531 | 327 | 1,501 | **4,358** |
| Accumulated depreciation and impairment 31 Dec 2024 | 2,381 | 327 | 1,501 | **4,208** |
| Carrying amount 31 Dec 2023 | 2,787 | 85 | 252 | **3,124** |
| Carrying amount 31 Dec 2024 | 2,762 | 71 | 280 | **3,114** |
| Economic life | 5-20 years | 5 years | 5 years | |
| Depreciation plan | linear | linear | linear | |

[1] Aquisition cost has been adjusted for assets that have reached the end of economic life and has been disposed off during the year.

## Note 3.2 Intangible assets

| Amounts in USD thousand | Development costs | Other intangible assets | Total |
|---|---|---|---|
| **Intangible assets** | | | |
| Acquisition cost 1 Jan 2023 | 12,760 | 1,591 | **14,351** |
| Additions | - | 22 | **22** |
| Currency translation effects with rates at 31 Dec 2023 | (1,560) | (236) | **(1,796)** |
| **Acquisition cost 31 Dec 2023** | 11,200 | 1,377 | **12,577** |
| Additions | 40 | 75 | **115** |
| Currency translation effects with rates at 31 Dec 2024 | (1,058) | (162) | **(1,219)** |
| **Acquisition cost 31 Dec 2024** | 10,182 | 1,291 | **11,473** |
| | | | |
| Accumulated amortisation and impairment 1 Jan 2023 | 8,607 | 1,446 | **10,053** |
| Amortisation for the year | 989 | 54 | **1,043** |
| Currency translation effects with rates at 31 Dec 2023 | (1,362) | (261) | **(1,623)** |
| **Accumulated depreciation and impairment 31 Dec 2023** | 8,234 | 1,239 | **9,473** |
| Amortisation for the year | 961 | 43 | **1,004** |
| Currency translation effects with rates at 31 Dec 2024 | (801) | (150) | **(951)** |
| **Accumulated amortisation and impairment 31 Dec 2024** | 8,394 | 1,132 | **9,526** |
| | | | |
| Carrying amount 31 Dec 2023 | 2,966 | 138 | **3,105** |
| Carrying amount 31 Dec 2024 | 1,788 | 159 | **1,947** |
| Economic life | 10 years | 3–10 years | |
| Amortisation plan | Straight-line | Straight-line | |

Norsk Titanium has invested heavily in researching and developing the market-leading high-deposition rate additive manufacturing (AM) process. Based on available plasma welding technology the Company has developed an automated process for the production of "near net shape" titanium components with titanium wire and titanium substrate as the main feedstock.

Norsk Titanium has capitalized technology development of the RPD Production Platform reflecting the deposition process and the associated qualification programs and fourth generation production machinery. Additions of USD 40 thousand in 2024 relates to development regarding additional materials.

Additions of USD 75 thousand in Other intangible assets mainly reflect purchase of software related to RPD Builder. There was no impairment of intangible assets in 2024.

### Research and development

Research costs are expensed as incurred. Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate they fulfil the criteria in IAS 38 and the goods have a proven market. The Company operates in a highly regulated market, where the customer needs to qualify and approve the components before they can be sold in the market. Due to these inherent conditions in the industry for which goods are developed, the development costs and qualification activities for the component sales are expensed as incurred.

In 2024 the research and developement expenses amounted to USD 2.5 million compared to USD 3.1 million in 2023. The development costs are activity related to parts development and modeling, the software development kit RPD Builder, fatigue qualification, lab activity and wire and substrate improvement. During 2024 Norsk Titanium further matured the RPD® process to enhance efficiency from development to printing.

# Note 4.1 Financial Instruments

The following tables shows the various financial assets and liabilities, grouped in the different categories of financial instruments:

### AT 31 DECEMBER 2024

| Amounts in USD thousand | Financial assets at amortised cost | Financial liabilities at amortised cost | Financial liabilities at FV through profit and loss | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Trade receivables | 1,949 | | | **1,949** |
| Other receivables [1] | 1,946 | | | **1,946** |
| Cash and cash equivalents | 22,815 | | | **22,815** |
| Total financial assets | 26,710 | - | - | **26,710** |
| **Liabilities** | | | | |
| Non-current interest bearing debt | | 42 | | **42** |
| Trade and other payables | | 1,794 | | **1,794** |
| Contract liability | | 1,561 | | **1,561** |
| Long term liabilities [1] | | 2,018 | 184 | **2,202** |
| Other current liabilities [1] | | 2,411 | 189 | **2,600** |
| Current interest bearing debt | | 14 | - | **14** |
| Total financial liabilities | - | 7,839 | 373 | **8,212** |

Warrants issued as part of the right issue in 2024 The terms of the warrants issues as part of the rights issue in February 2024 included a variability in the payable amount when exercised. Based on this variability the warrants were classified as a financial liability at fair value thru profit or loss. The warrants were accounted for at fair value thru profit or loss until they exercised or expired in December 2024. Financial expenses (note 4.5) include loss due to the change in fair value related to these warrants of US 14,050 thousand.

### AT 31 DECEMBER 2023

| Amounts in USD thousand | Financial assets at amortised cost | Financial liabilities at amortised cost | Financial liabilities at FV through profit and loss | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Trade receivables | 584 | | | **584** |
| Other receivables [1] | 1,105 | | | **1,105** |
| Cash and cash equivalents | 1,194 | | | **1,194** |
| Total financial assets | 2,883 | - | - | **2,883** |
| **Liabilities** | | | | |
| Non-current interest bearing debt | | 53 | | **53** |
| Trade and other payables | | 1,559 | | **1,559** |
| Contract liability | | 3,285 | | **3,285** |
| Long term liabilities [1] | | 2,009 | 224 | **2,233** |
| Other current liabilities [1] | | 1,365 | 128 | **1,493** |
| Current interest bearing debt | | 6,499 | - | **6,499** |
| Other current debt [2] | | 2,153 | | **2,153** |
| Total financial liabilities | - | 16,922 | 352 | **17,274** |

[1] Financial liabilities at fair value through profit and loss related to the Long Term Incentive Program.

[2] On 2 November 2023 the Company entered into a loan agreement with White Crystals Ltd., as lender, providing the Company with a short-term loan of USD 2,153 thousand (NOK 21,900 thousand). The Bridge Loan is non-interest bearing, but the Company paid a one-time fee equal to 250,000 Shares as a facilitation fee. The Bridge Loan was settled in full during 2024.

### Financial assets at amortised cost

When determining the classification for financial assets, the Company evaluates the investment related to the "SPPI" test and the "Business model" test. The "SPPI" test involves evaluating if the instruments consist of solely payments of principal and interest (hence, SPPI). If the instruments pass the "SPPI" test, the Company further evaluates the "Business model" test. When doing so, the Company evaluates the purpose of the investment. If the investment is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, the investments will be valued at amortized cost.

Financial assets at amortised cost includes cash and short-term deposits, trade receivables and contract assets.

### Financial liabilities

Financial liabilities are measured either at fair value through profit or loss or at amortised cost.

Financial liabilities are measured at fair value through profit or loss when they meet the definition of held for trading, or when they are designated as such on initial recognition. Derivatives are always recognised at fair value through profit or loss. In addition, hybrid instruments (embedded derivative in a non-derivative host contract), are recognised at fair value through profit or loss when the Company choose not to separate the embedded derivative and account for the contract as a whole. All other financial liabilities, are generally classified as subsequently measured at amortised cost using the effective interest method.

## Note 4.2 Interest-Bearing Debt

| Amounts in USD thousand | Effective interest rate | Maturity | 31.12.2024 | 31.12.2023 |
|---|---|---|---|---|
| **Non-current interest bearing loans and borrowings** | | | | |
| Loan from Huttig CDJR[3] | 13.39% | 2028 | **42** | 53 |
| Total non-current interest bearing loans and borrowings | | | **42** | 53 |
| **Current interest bearing loans and borrowings** | | | | |
| Current bridge loan - Scatec Innovation AS[1] | 12% | 2024 | - | 2,184 |
| Current bridge loan - Norsk Titanium Cayman Ltd.[1] | 12% | 2024 | - | 2,180 |
| Current bridge loan - Buntel AB[2] | 9% | 2024 | - | 2,120 |
| Short term portion of Loan from Huttig CDJR[3] | | | **14** | 14 |
| **Current interest bearing debt** | | | **14** | 6,499 |

All material external financing was settled during 2024.

[1] On 30 August 2023 the Company entered into a loan agreement, as amended on 27 September 2023, under which Scatec Innovation AS and Norsk Titanium Cayman Ltd. have provided a short-term loan to the Company in the total amount of NOK 21,500,000 from each of Scatec Innovation AS and Norsk Titanium Cayman Ltd. The Bridge loan agreements are considered related party transactions and further described in note 7.4. The utilized amounts including accrued interest is USD 2,184 thousand for Scatec Innovation AS and USD 2,180 thousand for Norsk Titanium Cayman Ltd at 31 December 2023.

[2] On 4 December 2023 the Company entered into an agreement with Buntel AB, a subsidiary of MolCap Invest AB, regarding an additional bridge loan of NOK 53,750 thousand. The Bridge Loan carry an interest of 0.75% per month, based on each month the loan is outstanding, and the utilized amount including accrued interest is USD 2,120 thousand at 31 December 2023.

[3] On 23 August 2023 the Company entered into a loan agreement with Huttig CDJR for the purchase of a Dodge Ram Box Truck in the US facilities.

The Company has not given any guarantees to or on behalf of third parties in the current and previous period.

## Note 4.3 Financial Liabilities

Reconciliation of changes in liabilities incurred as a result of financing activities.

| Amounts in USD thousand | 01.01.2024 | Cash flow effect | Foreign exchange movement | Other non-cash changes | 31.12.2024 |
|---|---|---|---|---|---|
| Current interest bearing debt (note 4.2) | 6,499 | (6,499) | - | - | **-** |
| Other current debt (note 4.1) | 2,153 | (2,153) | | | **-** |
| Non-current lease liabilities | 1,387 | | | (271) | **1,116** |
| Current lease liabilities | 523 | (562) | (187) | 579 | **353** |
| Total liabilities from financing | 10,562 | (9,214) | (187) | 307 | **1,468** |

| Amounts in USD thousand | 01.01.2023 | Cash flow effect | Foreign exchange movement | Other non-cash changes | 31.12.2023 |
|---|---|---|---|---|---|
| Current interest bearing debt (note 4.2) | - | 6,499 | - | - | **6499** |
| Other current debt (note 4.1) | - | 2,153 | | | **2153** |
| Non-current lease liabilities | 1,611 | | | (224) | **1,387** |
| Current lease liabilities | 495 | (552) | (34) | 614 | **523** |
| Total liabilities from financing | 2,106 | 8,100 | (34) | 390 | **10,562** |

## Note 4.4 Cash and Cash Equivalents

### CASH AND CASH EQUIVALENTS

| Amounts in USD thousand | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Bank deposits, unrestricted | **22,603** | 976 |
| Bank deposits, restricted [1] | **211** | 218 |
| Total cash and cash equivalents | **22,815** | 1,194 |

[1] Restricted bank deposits relates to cash for withholding taxes which may not be used for other purposes. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

## Note 4.5 Financial Items

### FINANCIAL INCOME AND EXPENSES

| Amounts in USD thousand | Full Year 2024 | Full Year 2023 |
|---|---|---|
| **Financial income** | | |
| Interest income | **592** | 131 |
| Foreign exchange gains | **19,265** | 5,713 |
| Other financial income | **2** | 2 |
| Total financial income | **19,859** | 5,845 |
| **Financial expenses** | | |
| Interest expenses | **(289)** | (139) |
| Foreign exchange losses | **(306)** | (6,810) |
| Other financial expenses[1] | **(13,761)** | (326) |
| Financial expenses | **(14,356)** | (7,276) |

[1] 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. In 2024, the interest expenses and other financial expenses in the income statement reflect a loss of USD 13,164 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 0.97 per warrant as at the last day of trading in November 2024. All warrants are settled as of year end.

## Note 4.6 Financial Risk and Capital Management

Norsk Titanium is transitioning from a development stage company to a commercial manufacturing concern. The primary focus in 2024 continuing into 2025 is 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.

### Markets and Competition

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 commercial aerospace, defense and industrial manufacturers.

The Company competes directly with large organizations employing legacy manufacturing technology such as forging, casting and machining equipment, and is seeking to supplant these legacy techniques with its RPD® technology. These legacy organizations have established qualifications with the Company's targeted customers and 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.

The Company is exposed to a range of risks affecting its financial performance, including market risk (interest rate risk and foreign exchange risk), liquidity risk and credit risk. The Company seeks to minimise potential adverse effects of such risks through sound business practices. Currently no derivatives are used to hedge risk exposures, which are summarized below.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

### Interest rate risk

For the last three years, the Company has had an equity-based financing structure which limited the Company's interest rate risk. Interest rate risk briefly increased with the addition of the bridge loan financing during the second half of 2023, but was reduced as these loans were settled upon the successful completion of the rights issue.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

### Sensitivity market risk (currency risk)

As of year-end 2024 the group has a significant currency exposure relate to a loan denominated in USD from the parent company to the US subsidiary. The carrying amount of the loan as of 31 December 2024 amount to USD 82,250 thousand (USD 29,353 thousand in 2023). The loan is a part of the net investment in the US subsidiary, currency changes will therefor only have an impact on other comprehensive income and equity. The functional currency of the parent is NOK, a 5% decline in USD towards NOK would result in a reduction of equity of USD 4,127 thousand (a reduction of USD 1,468 thousand in 2023).

### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The maturity date of the group's financial liabilities are presented below, further information on going concern and liquidity risk is included in Note 4.7.

#### AGEING OF FINANCIAL LIABILITIES 31 DECEMBER 2024

| Amounts in USD thousand | 1 year | 2 years | 3-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Non-current interest bearing debt (note 4.2) | - | 14 | 28 | - | **42** |
| Trade and other payables (note 2.8) | 1,794 | - | - | - | **1,794** |
| Current interest bearing debt (note 4.2) | 14 | - | - | - | **14** |
| Non - current lease liabilities (note 7.3) | - | 341 | 821 | 547 | **1,709** |
| Current lease liabilities (note 7.3) | 374 | - | - | - | **374** |
| Total | 2,182 | 355 | 849 | 547 | **3,933** |

#### AGEING OF FINANCIAL LIABILITIES 31 DECEMBER 2023

| Amounts in USD thousand | 1 year | 2 years | 3-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Non-current interest bearing debt (note 4.2) | - | 14 | 39 | - | **53** |
| Trade and other payables (note 2.8) | 1,559 | - | - | - | **1,559** |
| Long term liabilities (Note 4.1) | 6,499 | | | | **6,499** |
| Current interest bearing debt (note 4.2) | 2153 | - | - | - | **2,153** |
| Non - current lease liabilities (note 7.3) | - | 378 | 952 | 885 | **2,215** |
| Current lease liabilities (note 7.3) | 555 | - | - | - | **555** |
| Total | 10,766 | 392 | 991 | 885 | **13,034** |

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Norsk Titanium is currently in a technology development stage but has accounts receivable at year end. The Company has currently few customers, which generally might imply a concentration of credit risk. However, major part of the limited revenues was related to governmental funding agreements and large firms in the aerospace industry with limited credit risk.

The company has not provided any guarantees for third parties liabilities. It is the management's opinion that the credit risks are negligible, and we had no losses in receivables in 2024. For an overview of the ageing of trade receivables, please refer to note 2.7.

For the assessment of liquidity risk and going concern assumption, reference to note 4.7.

## Note 4.7 Liquidity Risk and Going Concern Assumption

As of the end to 2023 the Company financed operations for the remainder of 2023 primarily through bridge loans from existing shareholders while it sought longer-term financing. During 2024 the company has raised USD 58,970 thousand in new equity, and settle all material external debt.

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 2025 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 plans to ramp up production and increase volume of part deliveries that will increase the initial cash burn and working capital investment during the year. Cash burn is also affected in the near term by increases in the cost of raw materials driven by market uncertainties in the supply for titanium and may be negatively impacted by increases in tariffs. Future revenue growth is important to achieving a positive cash flow from operations. 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®. In the past, 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.

The Company is negotiating a working capital facility to finance inventory and accounts receivable requirements during this growth phase, as well as a term loan facility, with a combined availability of up to USD 15 million. The Company believes that the funds raised through the Rights Issue, the private placement and the subsequent offering together with a working capital facility and other debt arrangements will be sufficient to fund operations. If sales are delayed, the Company has flexibility to defer working capital requirements in response. Beyond the next 12 months, if sales are further delayed and the proceeds of the working capital facility and other debt arrangements prove inadequate to finance expenses, the Company will need to raise additional capital to offset the impact. Based on the forecasted increase in commercial activity with various customers, the continued support from existing shareholders, the availability of a working capital facility and other debt and the steady interest from investors, the Board has formed a judgment that there is a reasonable expectation that the Company has sufficient access to capital to continue in operational existence for the foreseeable future, and that commercialization of the Company's technology will generate significantly higher revenue and margins in the coming years.

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 2025 and the Company's long-term strategic forecast including funding.

# Note 4.8 Equity and Shareholders

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a healthy cash flow to cover ongoing operations and maximise shareholder value over time.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. Refer to descriptions in note 4.6 related to financial risk and capital management and note 4.7 related to liquidity risk and going concern assumption.

Total equity for the Company increased from negative USD 1,025 thousand at 31 December 2023 to USD 30,803 thousand at 31 December 2024. During 2024 the nominal share capital was in total increased by USD 3,973 thousand by issuance of 532,116,211 new shares.

## Issued capital and reserves in Norsk Titanium AS

### NUMBER OF SHARES IN NORSK TITANIUM AS AT 31 DECEMBER 2024

| | Number of shares |
|---|---|
| At 31 December 2023 | 270,018,154 |
| Issuance of shares LTIP program | 653,238 |
| Rights Issue Feb 2024 | 245,943,610 |
| Private placement May, including subsequest offering | 121,000,000 |
| Warrant exercise June | 28,722,823 |
| Warrant exercise November | 135,796,540 |
| At 31 December 2024 | 802,134,365 |

### NUMBER OF SHARES IN NORSK TITANIUM AS AT 31 DECEMBER 2023

| | Number of shares |
|---|---|
| At 31 December 2022 | 239,674,165 |
| Issuance of shares LTIP program | 576,039 |
| Private placement capital raise 30 March 2023 | 29,517,950 |
| Issuance of shares bridge loan facilitation fee | 250,000 |
| At 31 December 2023 | 270,018,154 |

## Share capital in Norsk Titanium AS

### AT 31 DECEMBER 2024

| Amounts in USD thousand | Number of shares | Nominal Share capital | Share premium |
|---|---|---|---|
| At 31 December 2023 | 270,018,154 | 2,450 | 19,618 |
| Issuance of share capital | 532,116,211 | 3,973 | 56,194 |
| Transfer to share premium | - | - | (20,968) |
| At 31 December 2024 | 802,134,365 | 6,423 | 54,843 |

### AT 31 DECEMBER 2023

| Amounts in USD thousand | Number of shares | Nominal Share capital | Share premium |
|---|---|---|---|
| At 31 December 2022 | 239,674,165 | 2,218 | 38,068 |
| Issuance of share capital | 30,343,989 | 232 | 8,227 |
| Transfer to share premium | - | - | (26,677) |
| At 31 December 2023 | 270,018,154 | 2,450 | 19,618 |

Each share has a nominal value of NOK 0.08. AS of 31 December 2024 the group holds 400 treasury shares. All issued shares have equal voting rights and the right to receive dividend.

### Dividend distribution to shareholders

The company has not paid dividend in 2023, and has proposed not to pay dividend for 2024.

### Treasury shares

There are 400 treasury shares at 31 December 2024. There are no purchase or sale of treasury shares in 2024.

## Ownership structure

### MAIN SHAREHOLDERS IN NORSK TITANIUM AS AS OF 31 DECEMBER 2024

| | Total shares | Ownership | Share-holding/ Voting |
|---|---|---|---|
| White Crystals Ltd. | 167,791,735 | 20.9% | 20.9% |
| Scatec Innovation AS | 133,320,621 | 16.6% | 16.6% |
| Global Portfolio Investments | 63,000,000 | 7.9% | 7.9% |
| Norsk Titanium Cayman Ltd. | 33,869,070 | 4.2% | 4.2% |
| Goldman Sachs & Co.LLC [1] | 31,855,360 | 4.0% | 4.0% |
| MP Pensjon PK | 24,218,167 | 3.0% | 3.0% |
| Nordnet Livsforsikring AS | 21,367,000 | 2.7% | 2.7% |
| Songa Capital AS | 17,827,880 | 2.2% | 2.2% |
| Ferd AS | 15,583,189 | 1.9% | 1.9% |
| Avkast Invest AS | 13,002,921 | 1.6% | 1.6% |
| Others | 280,298,422 | 34.9% | 34.9% |
| Total | 802,134,365 | 100% | 100% |

1 Triangle Holding, L.P. and Disruptive Innovation Fund, L.P.

Reconciliation of equity is shown in the statement of changes in equity.

At the end of the financial year, members of the Board and executive employees held shares in the parent company, representing the following ownership:

### OWNERSHIP INTERESTS HELD BY BOARD MEMBERS

| Ownership as of 31 December 2024 | |
|---|---|
| **Board of Directors:** | |
| John Andersen - Chairman of the board[1] | 0.0% |
| Shan A. Ashary - member of the board[2] | 0.0% |
| Total | 0.1% |

| Ownership as of 31 December 2023 | |
|---|---|
| **Board of Directors:** | |
| John Andersen - Chairman of the board[1] | 0.0% |
| Bart van Aalst - member of the board[2] | 0.2% |
| Shan A. Ashary - member of the board | 0.1% |
| Total | 0.3% |

[1] Related party of Scatec Innovation AS which controls 16.6% of the Company in 2024 and 25.4% in 2023.

[2] Related party of NT Cayman Ltd which controls 4.2% of the Company in 2024 and 34.9% in 2023. Bart van Aalst resigned from the Board on 4 November 2024.

## Note 4.9 Share Incentive Program

NTi has a share option program for employees in the company divided into 7 programs. As of 31 December 2024, outstanding options has was unchanged at 1,377,000 from 31 December 2023. As of 31 December 2024, 1,377,000 of the options have vested of which 12,500 (the 2011-2013 program) do not have an expiration date.

In the event of termination of employment the company has the right, but not an obligation, to repurchase all shares purchased by the employees.

The outstanding options are equity settled and the fair value at grant date is expensed over the vesting period. There was no new option program granted in 2024.

According to the authorisation from the EGM 14 December 2021 NTi implemented a new Long Term Incentive Program (LTIP) for employees in January 2022. The Board authorised in January 2024 to make a total grant of 2,568,197 restricted share units ("RSU") and performance shares ("Performance Shares") in accordance with the LTIP. Due to some employees ending their employment with the Company before the award, the total number of actual RSUs and Performance Shares granted was 2,568,197 shares equals 1.2% of total shares issued in the Company. The granted RSUs are subject to a time-based vesting. Total grants will vest rateably on each of the first three anniversaries of the grant date. Vesting of the Performance Shares is based on the achievement of performance goals, which are based on the Company's financial target. The number of Performance Shares that vest will be decided by the board of directors after year end 2025 with vesting on 17 January 2026. RSUs and Performance Shares are automatically exercised at vesting with an exercise price corresponding to the par value of the shares being NOK 0.08.

For the LTIP program and the option program USD 474 thousand have been expensed as payroll (2023 USD 519 thousand) and USD -7 thousand have been expensed as social security tax (2023 USD 49 thousand), net impact of USD 467 thousand (2023 USD 569 thousand).

## Outstanding instruments Year End - RSU

### QUANTITY AND WEIGHTED AVERAGE PRICES

| Activity | Number of instruments | Weighted Average Strike Price NOK |
|---|---|---|
| Outstanding as of 1 January 2024 | 1,974,517 | 0,08 |
| Granted | 2,568,197 | 0,08 |
| Released | (864,606) | 0,08 |
| Terminated | (101,177) | 0,08 |
| Outstanding as of 31 December 2024 | 3,576,931 | 0,08 |
| Vested as of 31 December 2024 | - | - |
| Weighted average market price of settled instruments at settlement during the period | | 1,65 |

| Activity | Number of instruments | Weighted Average Strike Price NOK |
|---|---|---|
| Outstanding as of 1 January 2023 | 2,540,909 | 0,08 |
| Granted | 902,196 | 0,08 |
| Released | (680,248) | 0,08 |
| Terminated | (788,340) | 0,08 |
| Outstanding as of 31 December 2023 | 1,974,517 | 0,08 |
| Vested as of 31 December 2023 | - | - |

### OUTSTANDING INSTRUMENTS OVERVIEW

| | Number of instruments | Weighted Average remaining contractual life | Weighted Average Strike Price NOK | Vested instruments 31.12.2023 | Weighted Average Strike Price NOK |
|---|---|---|---|---|---|
| Strike price NOK | Outstanding Instruments | | | Vested Instruments | |
| 0,08 | 3,576,931 | 7,53 | 0,08 | - | - |

## Outstanding instruments Year End - PSU

### QUANTITY AND WEIGHTED AVERAGE PRICES

| Activity | Number of instruments | Weighted Average Strike Price NOK |
|---|---|---|
| Outstanding as of 1 January 2024 | 3,776,987 | 0,08 |
| Performance Adjusted | (1,697,886) | 0,08 |
| Terminated | (118,722) | 0,08 |
| Outstanding as of 31 December 2024 | 1,960,379 | 0,08 |
| Vested as of 31 December 2024 | - | - |

| Activity | Number of instruments | Weighted Average Strike Price NOK |
|---|---|---|
| Outstanding as of 1 January 2023 | 2,177,595 | 0,08 |
| Granted | 2,471,503 | 0,08 |
| Terminated | (872,114) | 0,08 |
| Outstanding as of 31 December 2023 | 3,776,984 | 0,08 |
| Vested as of 31 December 2023 | - | - |

### OUTSTANDING INSTRUMENTS OVERVIEW

| | Number of instruments | Weighted Average remaining contractual life | Weighted Average Strike Price NOK | Vested instruments 31.12.2024 | Weighted Average Strike Price NOK |
|---|---|---|---|---|---|
| Strike price NOK | Outstanding Instruments | | | Vested Instruments | |
| 0,08 | 1,960,376 | 8,05 | - | - | - |

## GRANTED INSTRUMENTS 2024

| Instrument | RSU | PSU |
|---|---|---|
| Quantity 31 December 2024 (instruments) | 2,568,197 | - |
| Quantity 31 December 2024 (shares) | 2,568,197 | - |
| Contractual life [1] | 10,0 | |
| Strike price [1] | 0,08 | |
| Share price [1] | 1,7 | |
| Expected lifetime [1] | - | |
| Volatility [1] | - | |
| Interest rate [1] | - | |
| Dividend [1] | - | |
| FV per instrument [1] | 2,0 | |
| Vesting conditions | | |

## GRANTED INSTRUMENTS 2023

| Instrument | RSU | PSU |
|---|---|---|
| Quantity 31 December 2023 (instruments) | 902,196 | 2,471,503 |
| Quantity 31 December 2023 (shares) | 902,196 | 2,471,503 |
| Contractual life [1] | 10,0 | 10,0 |
| Strike price [1] | 0,08 | 0,08 |
| Share price [1] | 3,2 | 3,2 |
| Expected lifetime [1] | - | 3,0 |
| Volatility [1] | - | 60,0% |
| Interest rate [1] | - | 3,1% |
| Dividend [1] | - | - |
| FV per instrument [1] | 3,2 | 3,5 |
| Vesting conditions | | |

[1] Weighted average parameters at grant of instrument

Fair value of RSUs is the difference between in the share price and strike price at the time of valuation.

The fair value of the PSUs has been calculated using Monte Carlo simulation. The performance period for the PSUs related to the market criterion has been agreed upon as 01 January 2022 to 31 December 2024. Based on this performance period, the expected lifetime has been set to 3. The expected volatility of 60% is based on a set of comparable companies' historical volatility. The risk-free interest rates are the zero-coupon government bond issues of the country in whose currency the price is expressed. Since the share price is expressed in NOK, the Norwegian Government Bond rates are used.

### Outstanding instruments Year End - options

| Activity | Number of instruments | Weighted average exercise price USD |
|---|---|---|
| Outstanding options as of 1 January 2024 | 1,377,000 | 4,70 |
| **Outstanding options as of 31 December 2024** | **1,377,000** | **4,70** |
| Exercisable at 31 December 2024 | 1,377,000 | 4,70 |

| Activity | Number of instruments | Weighted average exercise price USD |
|---|---|---|
| Outstanding options as of 1 January 2023 | 1,404,300 | 4,75 |
| Expired | 27,300 | 5,96 |
| **Outstanding options as of 31 December 2023** | **1,377,000** | **4,70** |
| Exercisable at 31 December 2023 | 1,377,000 | 4,70 |

There was no new option program in 2023 and 2024 and no options were granted.

Assumptions used in prior years to determine fair value of the 7 prior years option programs currently active as of 31 December 2024.

| Option programs | Expected life of options | Exercise price USD | Number of share options |
|---|---|---|---|
| 2011-2013 Program | 2,0 | 0,49 | 12,500 |
| 2014-2015 Program | 0,5 | 156,73 | - |
| 2015-LTI Program | 2,0 | 4,00 | 858,000 |
| 2016-LTI Program | 3,0 | 500,00 | - |
| 2017 LTI Program | 4,0 | 6,00 | 44,500 |
| 2017 STI $NO_2$020 Program | 3,0 | 555,27 | - |
| 2017-STI $NO_2$021 Program | 4,0 | 502,97 | |
| 2018 LTI Program | 3,6 | 6,00 | 260,000 |
| 2018 STI NO 2021 Program | 2,0 | 5,46 | - |
| 2018 STI US 2021 Program | 2,0 | 4,94 | - |
| 2019 STI NO 2022 Program | 2,0 | 6,00 | 22,200 |
| 2019 STI US 2022 Program | 2,0 | 6,00 | 17,800 |
| 2019 LTI Program | 4,0 | 6,00 | 162,000 |
| Weighted average at 31.12.2024 | 2,6 | 4,70 | 1,377,000 |

*Pricing model:*
The fair value of the options has been calculated using the Black-Scholes-Merton option-pricing model for european options.

*Share price on the grant date:*
The share price is set to 77.3% of the valuation price on the grant date. The share price was reduced by a liquidity discount of 22.7%.

*The strike price per option:*
The strike price is the share price on the grant date.

*Volatility:*
The expected volatility is set to 30%-50% based on a peer group analysis at the grant date.

*The term of the option:*
The expected life of the share options are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. It is assumed that 100% of the employees will exercise the options if the market price of the shares are abow the strike price.

*Dividend:*
The estimated dividend per share is NOK 0 per annum.

*Risk-free interest rate:*
The risk-free interest rate is set equal to the interest rate on government bonds during the term of the option 2-2.5%.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2023 was 2.6 years.

## OPTIONS AND LTIP SHARES HELD BY BOARD AND SENIOR MANAGEMENT

| | Number of RSU/PSU | % of total |
|---|---|---|
| Senior Management | 2,517,739 | 45% |
| Board | - | - |

# Note 4.10 Fair Value

### Determination of fair value

The fair value of quoted financial assets classified as financial assets at fair value through profit or loss, or OCI is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices.

The following of the Company's financial instruments are not measured at fair value: cash and cash equivalents, accounts receivables, other current receivables and payables and bank loans.

The fair value of financial assets and liabilities recognised at their carrying amount is calculated as the present value of estimated cash flows discounted by the interest rate that applies to corresponding liabilities and assets at the end of the reporting period. This applies to the Fair value hierarchy.

### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For recurring measurements, transfers between the levels in the fair value hierarchy are evaluated when reassessing the categories of the financial instruments at the end of the period.

The following groups of financial instruments were measured at fair value as of 31 December:

#### 31 DECEMBER 2024

| | | | Fair value measurement using | | |
|---|---|---|---|---|---|
| | Note | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value** | | | | | |
| Long term liabilities | 4.1 | 184 | - | 184 | - |
| Other current liabilities | 4.1 | 189 | - | 189 | - |
| Total financial liabilities | | 373 | - | 373 | - |

#### 31 DECEMBER 2023

| | | | Fair value measurement using | | |
|---|---|---|---|---|---|
| | Note | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Liabilities measured at fair value** | | | | | |
| Long term liabilities | 4.1 | 224 | - | 224 | - |
| Other current liabilities | 4.1 | 128 | - | 128 | - |
| Total financial liabilities | | 352 | - | 352 | - |

### Balance sheet as of 31.12.2024

Changes in the fair value of the financial liabilities have been recognised in statement of comprehensive income. During the reporting period there were no changes in the fair value measurement which caused transfers between level 1 and level 2, and no transfers to or from level 3.

### Valuation technique

Financial liabilities measured at fair value is the cash settled instruments of the LTIP program. The valuation of the PSU financial instruments was conducted using the Monte Carlo Simulation Model. The variables, assumptions and relevant theoretical foundations used in the calculation of the fair value per awarded instrument is estimated according to the IFRS-2 standard. Reference to note 4.9 Share incentive program.

The fair value of the RSUs are derived from the share price at the valuation date.

## Note 5.1 Taxes

| Amounts in USD thousand | 2024 | 2023 |
|---|---|---|
| **Current income tax expense** | | |
| Change deferred tax/deferred tax assets recognized | **-** | (13) |
| Adjustments in respect of current income tax of previous year | **-** | 40 |
| Total income tax expense | **-** | 27 |
| | | |
| **Tax payable** | | |
| Profit before taxes | **(20,968)** | (26,650) |
| Permanent differences[1] | **(3,116)** | (687) |
| Change in temporary differences | **(12)** | (13) |
| Deferred tax assets not recognized | **24,095** | 27,351 |
| Tax basis | **-** | - |
| | | |
| Current taxes according to statutory tax rate 22% | **-** | - |
| | | |
| **Deferred tax liabilities (assets)** | | |
| Property, plant and equipment | **(1,685)** | (1,886) |
| Other current assets | **(182)** | (173) |
| Losses carried forward (including tax credit) | **(227,360)** | (222,070) |
| Dissallowed interest expenses | **(2,165)** | (2,417) |
| Basis for deferred tax liabilities (assets) | **(231,393)** | (226,545) |
| | | |
| Calculated deferred tax assets | **(49,026)** | (47,727) |
| Deferred tax assets not recognised | **48,990** | 47,691 |
| Net Deferred tax | **(36)** | (36) |

[1] Permanent differences is related to share-based payments, costs related to capital increase and non-deductible costs.

Deferred tax asset related to temporary differences from right of use assets and lease liabilities that is offset over time. Deferred tax assets not recognised of USD 48,986 thousands related mainly to losses carried forward and disallowed interest are not recorded in the balance sheet as it is more likely than not that the tax assets will not be utilized. The unrecognised tax asset may offset future taxable income. The Company has USD 2,165 thousand of disallowed interest deduction carried forward. These interest expenses are relate to the interest limitation legislation in Norway which became effective from 1 January 2019, USD 2,165 thousand expire in 6 years, and may not be used to offset taxable income elsewhere in the Company.

The Company has USD 227,360 thousand (2023: USD 222,070 thousand) of tax losses carried forward. These losses relate to a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Company. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Company was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by USD 48,986 thousand.

The Company's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 19% to 22%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the Company. A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

### RECONCILIATION OF INCOME TAX EXPENSE

| | **2024** | **2023** |
|---|---|---|
| **Profit before taxes** | **(20,968)** | (26,650) |
| Tax expense (Norway tax rate) | **(4,613)** | (5,863) |
| Permanent differences[1] | **(685)** | (151) |
| Effects of foreign tax rates | **358** | 299 |
| Effect of deferred tax asset not recognised | **5,301** | 6,017 |
| Adjustments in respect of current income tax of previous years | **-** | 40 |
| Other changes | **(361)** | (314) |
| Recognised income tax expense | **-** | 27 |

[1] Permanent differences is related to share-based payments, costs related to capital increase and non-deductible costs.

## Note 6.1 Interests in other Entities

The Company's interests in subsidiaries are presented below:

| Consolidated entities | Office | CUR | Date of acquisition | Share-holding | Voting owner-ship share |
|---|---|---|---|---|---|
| Shares in Norsk Titanium Equipment AS | Norway | NOK | 2015/11/09 | 100% | 100% |
| Shares in NTi MH AS | Norway | NOK | 2015/07/10 | 100% | 100% |
| Shares in Norsk Titanium US Inc. | US | USD | 2015/07/07 | 100% | 100% |
| Shares in Norsk Titanium Services Ltd. | UK | GBP | 2016/12/01 | 100% | 100% |
| Shares in NTi Equipment Leasing (US) One LLC | US | USD | 2018/10/09 | 100% | 100% |

Norsk Titanium Equipment AS was established in 2015 and is the Company's equipment sale company. NTi MH AS was established in 2015 and is the Company's holding company for manufacturing subsidiaries. Norsk Titanium US Inc. was established in 2015 and is the Company's entity for US manufacturing. Norsk Titanium Services Ltd. was established in 2016. The entity provides services to the Company. NTi Equipment Leasing (US) One LLC is the Company's equipment leasing company. Norsk Titanium US Inc. and Norsk Titanium UK Services Ltd. have been financed with loans from Norsk Titanium AS.

During 2023 Norsk Titanium closed down the activity in Norsk Titanium UK Services Ltd. The company was struck off from the UK register on Companies House, effective on 30 January 2024.

All subsidiaries are included in the Norsk Titanium consolidated statement of financial position.

## Note 7.1 Other liabilities

### OTHER CURRENT LIABILITIES

| Amounts in USD thousand | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Accrued bonus | 424 | 129 |
| Unpaid holiday pay | 496 | 512 |
| Other accrued costs | 1,680 | 853 |
| Total other current liabilities | 2,600 | 1,493 |

## Note 7.2 Commitments and contingencies

There are no contractual purchase obligations beyond 2024. Norsk Titanium has committed itself to hiring a total of 383 employees in Norsk Titanium and Norsk Titanium's Supply Chain partners during the 10 years period, with a minimum 231 direct employees in Norsk Titanium. Reference to note 1.2.

For non cancelable leases, reference is made to note 7.3.

**Assets pledged as security**
The Company has no assets pledged as security and guarantee liabilities.

**Contingent assets and liabilities**
The Company has no contingent assets that meet the criteria for recognition or disclosure.

# Note 7.3 Leases

## RIGHT-OF-USE ASSETS

| Amounts in USD thousand | Buildings | Machinery and equipment | Other equipment | Total |
|---|---|---|---|---|
| Acquisition cost 1 January 2023 | 1,697 | 937 | 66 | **2,700** |
| Adjustments | 83 | 83 | 21 | **187** |
| Currency exchange differences | (56) | - | - | **(56)** |
| Acquisition cost 31 December 2023 | 1,724 | 1,020 | 87 | **2,831** |
| Adjustments | 57 | 11 | 17 | **86** |
| Currency exchange differences | (137) | (6) | (5) | **(147)** |
| Acquisition cost 31 December 2024 | 1,644 | 1,026 | 100 | **2,770** |
| | | | | |
| Accumulated depreciation and impairment 1 January 2023 | 132 | 524 | 52 | **708** |
| Depreciation | 175 | 194 | 16 | **385** |
| Currency exchange differences | 1 | - | - | **1** |
| Accumulated depreciation and impairment 31 December 2023 | 308 | 718 | 68 | **1,094** |
| Depreciation | 180 | 190 | 20 | **390** |
| Accumulated depreciation and impairment 31 December 2024 | 488 | 908 | 88 | **1,484** |
| | | | | |
| Carrying amount right-of-use assets 31 December 2023 | 1,416 | 302 | 19 | **1,737** |
| Carrying amount right-of-use assets 31 December 2024 | 1,156 | 118 | 12 | **1,286** |
| | | | | |
| Lower of remaining lease term or economic life | 1-10 years | 1-4 years | 1-3 years | |
| Depreciation method | Linear | Linear | Linear | |

## Lease liabilities

### UNDISCOUNTED LEASE LIABILITIES AND MATURITY OF CASH OUTFLOWS

| | 2024 | 2023 |
|---|---|---|
| Less than 1 year | **(374)** | (555) |
| 1-2 years | **(341)** | (378) |
| 2-3 years | **(274)** | (362) |
| 3-4 years | **(274)** | (295) |
| 4-5 years | **(274)** | (295) |
| More than 5 years | **(547)** | (885) |
| Total undiscounted lease liabilities at 31 December | **(2,084)** | (2,771) |

### SUMMARY OF THE LEASE LIABILITIES

| | 2024 | 2023 |
|---|---|---|
| Balance as of 01.01 | **1,933** | 2,106 |
| New lease liabilities recognised in the year | **-** | - |
| Adjustments | **86** | 187 |
| Cash payments for the principal portion of the lease liability | **(364)** | (326) |
| Cash payments for the interest portion of the lease liability | **(198)** | (226) |
| Interest expense on lease liabilities | **198** | 226 |
| Currency exchange differences | **(187)** | (34) |
| Total lease liabilities at 31 December | **1,468** | 1,933 |
| Current lease liabilities | **353** | 523 |
| Non-current lease liabilities | **1,116** | 1,387 |
| Total cash outflows for leases | **562** | 552 |

### SUMMARY OF OTHER LEASE EXPENSES RECOGNISED IN PROFIT OR LOSS

| | 2024 | 2023 |
|---|---|---|
| Variable lease payments expensed in the period | **-** | - |
| Operating expenses in the period related to short-term leases (including short-term low value assets) | **34** | 34 |
| Operating expenses in the period related to low value assets (excluding short-term leases included above) | **1** | - |
| Total lease expenses included in other operating expenses | **35** | 34 |

## Note 7.4 Related party transactions

Related parties are Norsk Titanium companies, major shareholders, board and senior management in the parent company and the group subsidiaries. Note 6.1 provides information about the Company's structure, including details of the subsidiaries and the holding company. Management and board remuneration is disclosed in note 2.5.

All transactions within the Company or with other related parties are based on the principle of arm's length.

The Company has entered into an agreement with NTi Holding AS ("NTi Holding"), whose chairperson is represented at the Board of Directors by John Andersen, regarding the operation of a share registration arrangement for shareholders in the Company that do not hold a VPS account. Pursuant to the agreement, the Company agreed to cover actual costs incurred by NTi Holding AS. In 2024 and 2023 the amounts owed to NTi Holding AS per 31 December was USD 45 thousand and USD 51 thousand respectively. The agreement is deemed concluded at arm's length.

On 30 August 2023 the Company entered into a loan agreement, as amended on 27 September 2023, under which Scatec Innovation AS and Norsk Titanium Cayman Ltd. have provided a short-term loan to the Company in the total amount of NOK 21,500 thousand from each of Scatec Innovation AS and Norsk Titanium Cayman Ltd. At the time of the loan, Scatec Innovation AS and Norsk Titanium Cayman Ltd. were the Company's two largest shareholders at 25.4% and 34.9%, respectively.

On 2 November 2023 the Company entered into a loan agreement with White Crystals Ltd., as lender ("White Crystals"), providing the Company with a short-term loan of NOK 21,900 thousand. At the time of the loan, White Crystals was a shareholder in Norsk Titanium Cayman Ltd., acting on its own behalf in connection with the Second Bridge Loan. Concurrently with the announcement of the Second Bridge Loan, the Company announced that White Crystals had initiated a process whereby it would receive its pro rata portion of the Company's shares held by Norsk Titanium Cayman Ltd. On 19 January 2024, Norsk Titanium Cayman Ltd. distributed 76,334,196 shares to White Crystals, making White Crystals the Company's largest shareholder at 28.4%.

Loans from related parties was settled by issuing of shares as part of the rights issue in February 2024, with the exception of USD 1,288 thousand of the loan from Norsk Titanium Cayman Ltd which was settled in cash in December 2024. Together with certain other existing shareholders, Scatec Innovation AS, Norsk Titanium Cayman Ltd. and White Crystals Ltd. Did underwrite a total of NOK 139 million (equivalent to approx. USD 13 million) of the Rights Issue (the "Bottom Guarantee"), and received a compensation of 10% of their underwritten amount under the Bottom Guarantee, payable in new shares in the Company at the subscription price in the Rights Issue.

## Note 7.5 Events after the reporting period

On 17 January 2025, the Board granted 5,715,365 restricted share units ("RSU") and 5,715,365 performance share units ("PSU) in accordance with the Company's Long Term Incentive Program ("LTIP"). On 9 April 2025, the Board revised the allocation of grants to correct a calculation error, resulting in the increase of total RSUs granted to 5,717,537 and total PSUs granted to 5,717,537, for a total of 11,435,074 instruments granted. In addition, on 3 March 2025 the Board granted awards under the LTIP to Boyd Adams, the Company's newly hired Chief Commercial Officer, consisting of 1,352,635 RSUs and 403,454 PSUs. The total number of RSUs granted by the board equals 0.88% of total shares issued in the Company. If the PSUs vest at target, the total number of shares issued will equal 0.76% of the total shares issued in the Company. The LTIP program is described in note 4.9 Share incentive program.

Also on 17 January 2025 participants in the Company's LTIP program exercised a total of 1,682 480 restricted share units ("RSU's"). The Company settled 364,319 of these RSUs with cash consideration to allow the beneficiaries to settle taxes. The remaining 1,381,161 RSUs exercised were settled by issuance of new shares in the Company.

## Note 8.1 Changes in IFRS standards and interpretations

New and amended accounting standards and interpretations issued by the IASB may affect the Company's future financial reporting. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

The Consolidated Financial Statements for 2024 are based on the accounting standards applicable for annual periods beginning 1 January 2024.

The following amendments are effective for the period beginning 1 January 2024:
- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

None of the amendments listed above have had any material impact on the financial statements.

### New pronouncements

#### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. IFRS 18 introduces new requirements for presentation of line items and subtotals in the income statement, following a structure with five defined categories in the income statement, which are operating, investing, financing, income tax, and discontinued operations. The group has yet to start analysing the impact of the requirements introduced by IFRS 18.

## Note 8.2 Significant accounting policies

### Revenue from sale of goods

The Company recognises revenue from the sale of goods at the point in time when control of the goods is transferred to the customer. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset, and the ability to prevent others from directing the use of and receiving the benefits from the asset. Revenue is generally recognised on delivery of the goods. Company recommended incoterms are Ex Works, Free Carrier (FCA) or Free On Board (FOB).

### Taxes

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

#### VAT

Expenses and assets are recognised net of the amount of sales tax, except: When vat incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. When receivables and payables are stated with the amount of vat included. The net amount of vat recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### Patents and licenses

The Company made upfront payments to purchase patents and licenses. Amounts paid for patents and licenses are capitalised and amortised in a straight line over the expected useful life.

## Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Machinery and equipment 5-20 years
- Furniture and vehicles 5 years
- Buildings and IT 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## Leases

### Identifying a lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lese. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

For contracts that constitute, or contain a lease, the Company separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Company then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

### Recognition of leases and exemptions

At the lease commencement date, the Company recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the exemptions for short-term leases (defined as 12 months or less) and low value assets. For these leases, the Company recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

### Lease liabilities and Right-of-use assets

The Company does not include variable lease payments in the lease liability. Instead, the Company recognises these variable lease expenses in profit or loss. The Company presents its lease liabilities as separate line items in the statement of financial position.

The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

## Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

## Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

Raw materials: purchase cost on a first-in/first-out basis. Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## Trade Receivables

Trade receivables are recognised at their transaction value.

## Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## Statement of cash flows

The company presents the statement of cash flow using the indirect method. Cash inflows and cash outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash items. Value added tax and other similar taxes are regarded as collection of tax on behalf of authorities and are reported net.

## Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Share options exercised during the reporting period are satisfied with treasury shares.

## Pensions and other post-employment benefits

The Company operates a defined contribution pension plan in Norway, which requires contributions to be made to a separately administered fund. Contributions have been made to the pension plan for full-time. The pension premiums are charged to expenses as they are incurred.

## Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

This program is measured at fair value at the date of the grant. The fair value at the grant date is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest, adjusted for the effect of non-market based vesting conditions.

The fair value share-based program is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

Social security tax on options is recorded as a liability and is recognised over the estimated vesting period.

## Financial instruments

### Financial assets

Financial assets within the scope of IFRS 9 are classified in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification is dependent on the type of instrument and the purpose for which the investments were acquired or originated. In order for a financial asset to be classified and measured at amortised cost or at fair value through OCI with recycling, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

### Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at amortized cost: Trade receivables and other current receivables

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

## Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## Financial liabilities

Financial liabilities are classified, as measured at amortised cost except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of income, as well as any gain or loss on derecognition.

Financial liabilities are measured at fair value through profit or loss when they meet the definition of held for trading, or when they are designated as such on initial recognition. Derivatives are always recognised at fair value through profit or loss. In addition, hybrid instruments (embedded derivative in a non-derivative host contract), are recognised at fair value through profit or loss when the Company choose not to separate the embedded derivative and account for the contract as a whole. All other financial liabilities are generally classified as subsequently measured at amortised cost using the effective interest method.

## Cash flows

The consolidated statements of cash flows are prepared using the indirect method. Cash flows in foreign currencies have been translated into NOK using the exchange rate at the cash flow date.

# PARENT COMPANY FINANCIAL STATEMENTS

**Parent company statement of profit and loss** 83

**Parent company statement of financial position** 84

**Parent company statement of cash flows** 85

**Notes to the Parent company financial statements** 86

| | | |
|---|---|---|
| Note 1 | General information and accounting policies | 86 |
| Note 2 | Revenues | 88 |
| Note 3 | Related parties transactions and balances | 88 |
| Note 4 | Other income | 89 |
| Note 5 | Employee benefit expenses | 90 |
| Note 6 | Other operating expenses | 91 |
| Note 7 | Property, plant and equipment | 91 |
| Note 8 | Intangible assets | 92 |
| Note 9 | Financial income and expenses | 93 |
| Note 10 | Taxes | 93 |
| Note 11 | Equity and shareholders | 94 |
| Note 12 | Investments in subsidiaries | 95 |
| Note 13 | Inventories | 95 |
| Note 14 | Trade receivables and other current assets | 96 |
| Note 15 | Cash and cash equivalents | 96 |
| Note 16 | Share incentive program | 97 |
| Note 17 | Trade and other payables | 97 |
| Note 18 | Other current liabilities | 98 |
| Note 19 | Commitments and contingencies | 98 |
| Note 20 | Going concern assumption | 99 |
| Note 21 | Subsequent events | 99 |

# PARENT COMPANY STATEMENT OF PROFIT AND LOSS

FOR THE YEARS ENDED 31 DECEMBER

| NOK 1,000 | Notes | 2024 | 2023 |
|---|---|---|---|
| Revenue | 2 | **40,241** | 27,952 |
| Other income | 4 | **4,644** | 338 |
| **Total revenues and other income** | | **44,886** | 28,290 |
| Raw materials and consumable used | | **(33,114)** | (26,438) |
| Employee benefits expense | 5 | **(82,371)** | (76,208) |
| Other operating expenses | 6 | **(43,082)** | (39,464) |
| Depreciation and amortisation | 7 | **(13,235)** | (13,824) |
| **Operating profit** | | **(126,916)** | (127,644) |
| Financial income | 9 | **438,480** | 213,925 |
| Financial expenses | 9 | **(3,421)** | (607,998) |
| **Profit or loss before tax** | | **308,143** | (521,717) |
| Income tax expense | 10 | **-** | - |
| **Profit or loss for the year** | | **308,143** | (521,717) |
| | | | |
| **Transfers and allocations** | | | |
| Allocation to / (from) other equity | 11 | **308,143** | (521,717) |
| Transfer from share premium | 11 | **-** | 521,717 |
| **Total transfers and allocations** | | **308,143** | - |

# PARENT COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED 31 DECEMBER

| NOK 1,000 | Notes | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | **23,078** | 25,216 |
| Intangible assets | 8 | **21,350** | 31,511 |
| Investments in subsidiaries | 12 | **10,693** | 30 |
| Long term loan to subsidiary | 3 | **941,323** | 298,602 |
| Total non-current assets | | **996,444** | 355,359 |
| | | | |
| **Current assets** | | | |
| Inventories | 13 | **19,673** | 15,287 |
| Trade receivables | 14 | **9,945** | 12,265 |
| Other current assets | 14 | **18,210** | 11,389 |
| Cash and cash equivalents | 15 | **238,168** | 11,291 |
| Total current assets | | **285,996** | 50,232 |
| TOTAL ASSETS | | **1,282,440** | 405,592 |

| NOK 1,000 | Notes | 2024 | 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 11 | **64,171** | 21,601 |
| Share premium | 11 | **906,762** | 790,411 |
| Treasury shares | 11 | **-** | - |
| Other capital reserves | 11 | **(49,795)** | (9,030) |
| Other equity | 11 | **308,143** | (521,717) |
| Total equity | | **1,229,281** | 281,265 |
| | | | |
| **Non-current liabilities** | | | |
| Intercompany debt | 3 | **-** | 196 |
| Long term liabilities | 16 | **788** | 1,062 |
| Total non-current liabilities | | **788** | 1,258 |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | 17, 18 | **16,269** | 8,720 |
| Current interest bearing debt | | **-** | 65,964 |
| Other current debt | | **-** | 21,900 |
| Other current liabilities | 18, 19 | **36,102** | 26,485 |
| Total current liabilities | | **52,371** | 123,068 |
| | | | |
| Total liabilities | | **53,159** | 124,326 |
| TOTAL EQUITY AND LIABILITIES | | **1,282,440** | 405,592 |

Eggemoen, April 9, 2025

**John Andersen Jr.**
Chairman of the Board

**Shan A. Ashary**
Member of the Board

**Tarek Sherif Hegazy**
Member of the Board

**Mimi Berdal**
Member of the Board

# PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER

| NOK 1,000 | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | **308,143** | (521,717) |
| Depreciation and amortisation | 7, 8 | **13,235** | 13,761 |
| Net financial income/expense included in financing activities | 9 | **(6,593)** | (1,032) |
| Impairment of financial items | 3, 9 | **-** | 602,606 |
| Elements without cash effect | 3, 9 | **(205,803)** | (201,670) |
| **Working capital adjustment:** | | | |
| Changes in inventories | 13 | **(4,387)** | 3,072 |
| Changes in trade and other receivables | 14 | **2,320** | (9,908) |
| Changes in other current assets | 14 | **(6,821)** | 14,252 |
| Changes in trade and other payables | 17 | **7,549** | (773) |
| Changes in other liabilities | 18 | **9,344** | 1,195 |
| Net cash flows from operating activities | | **116,986** | (100,214) |

| NOK 1,000 | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Net purchase of property, plant and equipment | 7 | **(355)** | (1,414) |
| Investment in intangible assets | 8 | **(581)** | (142) |
| Interest recieved | 9 | **6,299** | 1,022 |
| Proceeds from other investing activities | 9 | **294** | 11 |
| Proceeds from liquidation of subsidiaries | 12 | | 449 |
| Investment in loans to subsidiaries | 3 | **(447,776)** | (121,888) |
| Net cash flow from investing activities | | **(442,119)** | (121,962) |
| **Cash flow from financing activities** | | | |
| Proceeds from issuance of share capital | 11 | **672,736** | 83,991 |
| Transaction cost | 11 | | (4,629) |
| Purchase of treasury shares | 11 | **(35,474)** | - |
| Sale of treasury shares | 11 | **2,611** | - |
| Proceeds of debt | | **-** | 87,864 |
| Repayment of debt | | **(87,864)** | - |
| Net cash flow from financing activities | | **552,009** | 167,226 |
| Net change in cash and cash equivalents | | **226,876** | (54,951) |
| Cash and cash equivalents, beginning of period | | **11,291** | 66,243 |
| Cash and cash equivalents, end of period | | **238,168** | 11,291 |

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## Note 1 General information and accounting policies

The separate financial statements for Norsk Titanium AS has been prepared in accordance with the Norwegian Accounting Act of 1988 and generally accepted accounting principles in Norway.

**Use of estimates**
The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway

**Foreign currency translation**
Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

**Revenue recognition**
Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services and long-term manufacturing projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenues equal to the project costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

**Income tax**
The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

**Balance sheet classification**
Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

**Research and development**
Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred.

**Property, plant and equipment**
Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realisable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted are used.

### Subsidiaries and investment in associates
Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a lather period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

### Inventories
Inventories are recognised at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

### Trade and other receivables
Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

### Short term investments
Short term investments (stocks and shares seen as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other financial income.

### Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

### Share based payment
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the assumptions and models used for estimating the fair value are disclosed in note 4.8 in the consolidated financial statements.

### Treasury shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Share options exercised during the reporting period are satisfied with treasury shares.

### Pensions and other post-employment benefits
The Company has a defined contribution pension plan in Norway, which requires contributions to be made to a separately administered fund. Contributions have been made to the pension plan for full-time. The pension premiums are charged to expenses as they are incurred.

### Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

### Classification as equity or liability
The company classifies financial instruments as equity instruments when it is np binding obligation to settle the financial instruments in cash and the financial instruments contain a right associated with an interest in the entity's residual value.

## Note 2 Revenues

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| **Revenues** | | |
| Sale of goods and services | **40 241** | 27 952 |
| Total revenues | **40 241** | 27 952 |
| **Geographic information** | | |
| Norway | **9 485** | 12 704 |
| Europe | **24 741** | 6 027 |
| USA | **6 015** | 9 222 |
| Total revenues | **40 241** | 27 952 |

Revenues from two customers exceeded 10% of the total revenues in 2024, one made up 35% and the other made up 28% of revenues. In 2023 revenues from four customers exceeded 10%, with the percentages 20%, 14%, 14% and 11%.

## Note 3 Related parties transactions and balances

| Related parties | Shareholder/Subsidiary | Ownership interest |
|---|---|---|
| White Crystals Ltd. | Shareholder | 20.9% |
| Scatec Innovation AS | Shareholder | 16.6% |
| Norsk Titanium Equipment AS | Subsidiary | 100% |
| Norsk Titanium US Inc. | Subsidiary | 100% |
| Norsk Titanium Services Ltd | Subsidiary | 100% |
| NTi MH AS | Subsidiary | 100% |

Reconciliation of equity is shown in the statement of changes in equity.

### AMOUNTS RECEIVABLE (PAYABLE) TO SUBSIDIARIES

| Amounts in NOK thousand | Norsk Titanium Equipment AS | Norsk Titanium US Inc. | NTi MH AS | Board of directors | 31.12.2024 | 31.12.2023 |
|---|---|---|---|---|---|---|
| **Included in the balance sheet 31.12.2024** | | | | | | |
| Long term loan to subsidiary[1] | | 937,109 | | | **937,109** | 298,595 |
| Other current assets | | | 7 | | **7** | 7 |
| Trade and other receivables | 4,207 | | | | **4,207** | (196) |
| Net receivable (payable) | 4,207 | 937,109 | 7 | - | **941,323** | 298,406 |

[1] Impairment charge of NOK 600,882 thousand recorded in 2023. The principle used for the calculation is the discounted cash flow method. No impairment or reversal of impairment in 2024.

Reference to note 7.4 in the consolidated financial statements for Related party transactions.

## Note 4 Other income

### OTHER INCOME

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Grant from Innovation Norway[1] | **-** | 335 |
| Skattefunn[2] | **4,644** | - |
| Gain on disposal of inventory | **-** | 3 |
| Total other income | **4,644** | 338 |

Government grants have been received for research and development activities but are not related to a specific program. The grants included in other income contains no unfulfilled conditions or contingencies.

[1] The Innovation Norway project was completed in the first half of 2023, recognizing remaining NOK 335 thousand as Other income. In total NTi received NOK 33,235 thousand in grant from Innovation Norway, collecting the remaining NOK 5,235 thousand of the grant in the first half 2023.

[2] In 2024 the Company qualified for being eligible for "Skattefunn" on four development projects. "Skattefunn" is a government grant with a maximum grant of NOK 4 750 thousand on an annual basis. One of the qualified projects was concluded in 2024, whereas the remaining 3 will be concluded in 2026. Of the grant for 2024 NOK 106 thousand is accounted for as an investment grant and netted against the capitalized cost in the balance sheet.

# Note 5 Employee benefit expenses

### EMPLOYEE BENEFIT EXPENSES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Salaries and holiday pay | **66,081** | 58,143 |
| Social security tax | **9,300** | 8,458 |
| Pension costs defined contribution plans | **5,115** | 4,306 |
| Cost of share-based payment | **(95)** | 3,437 |
| Other personnel costs | **1,970** | 1,864 |
| Total payroll and related costs | **82,371** | 76,208 |
| Full Time equivalent Employees as of 31.12 | **61** | 62,5 |

## Pensions

The Norwegian companies in the Group are obligated to keep an occupational pension scheme pursuant to the Norwegian Mandatory Occupational Pensions Act. The company pension scheme satisfies these requirements.

Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

## Remuneration to Board members

### TOTAL REMUNERATION TO BOARD MEMBERS

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Board members | **454** | 429 |

In the General Meeting 2023 it was decided that the remuneration for the period from the annual general meeting 2023 to the annual general meeting 2024 shall be increased from USD 40 thousand to USD 42 thousand for board members not associated with the Company's shareholders. Remuneration for one board member for 12 months was USD 42 thousand in 2024. In the General Meeting 2024 it was decided to increase the board remuneration to USD 44 thousand for board members not associated with the Company's shareholders. Total board remuneration in 2024 was USD 43 thousand.

At the end of the financial year, members of the Board and executive employees held shares in the parent company, Norsk Titanium AS. Reference is made to note 4.8 for disclosures on shareholdings.

The board members are not subject to agreements for severance pay, bonuses or profit-sharing.

## Note 6 Other operating expenses

### OTHER OPERATING EXPENSES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Professional services | **10,336** | 9,680 |
| Travel expenses | **1,396** | 1,732 |
| Rental and leasing expenses | **4,912** | 4,878 |
| IT expenses | **9,178** | 10,839 |
| Equipment and tools | **5,101** | 1,983 |
| Patent expenses | **4,704** | 3,214 |
| Insurances | **1,689** | 1,717 |
| Other operating expenses | **5,767** | 5,422 |
| Total other operating expenses | **43,082** | 39,464 |

### AUDITOR RELATED FEES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Statutory audit | **1,367** | 1,260 |
| Other assurance services | **16** | 204 |
| Tax consultant services | **-** | 78 |
| Non-auditing services | **172** | 82 |
| Total remuneration to the auditor | **1,638** | 1,624 |

**Audit fee**: The amounts above are excluding VAT.

## Note 7 Property, plant and equipment

| Amounts in NOK thousand | Machinery and equipment | Furniture and vehicles | Buildings, IT | Assets under construction | Total |
|---|---|---|---|---|---|
| Acquisition cost 01.01.2023 | 46,851 | 3,024 | 2,048 | 236 | **52,159** |
| Additions | 860 | - | 838 | - | **1,698** |
| Disposals[1] | (63) | - | - | (222) | **(285)** |
| Acquisition cost 31.12.2023 | 47,648 | 3,024 | 2,886 | 14 | **53,572** |
| Additions | 189 | - | 181 | - | **371** |
| Disposals[1] | (16) | - | - | - | **(16)** |
| Transfer between categories | 14 | - | - | (14) | **-** |
| Acquisition cost 31.12.2024 | 47,835 | 3,024 | 3,067 | - | **53,927** |
| | | | | | |
| Accumulated depreciation and impairment 1.1.2023 | 20,976 | 2,963 | 1,660 | - | **25,600** |
| Depreciation for the year 2023 | 2,664 | 39 | 117 | - | **2,820** |
| Disposals for the year 2023 | (63) | - | - | - | **(63)** |
| Accumulated depreciation and impairment 31.12.2023 | 23,578 | 3,002 | 1,777 | - | **28,357** |
| Depreciation for the year 2024 | 2,200 | 8 | 284 | - | **2,492** |
| Disposals for the year 2024 | (16) | - | - | - | **(16)** |
| Sales for the year 2024 | 16 | - | - | - | **16** |
| Accumulated depreciation and impairment 31.12.2024 | 25,777 | 3,010 | 2,061 | - | **30,848** |
| | | | | | |
| Carrying amount 31.12.2023 | 24,070 | 22 | 1,109 | 14 | **25,216** |
| Carrying amount 31.12.2024 | 22,058 | 14 | 1,006 | - | **23,078** |
| | | | | | |
| Economic life | 5-20 years | 5 years | 5 years | | |
| Depreciation plan | linear | linear | linear | | |

[1] Aquisition cost has been adjusted for assets that have reached the end of economic life and has been disposed off during the year.

# Note 8 Intangible assets

## INTANGIBLE ASSETS

| Amounts in NOK thousand | Development costs | Other intangible assets | Total |
|---|---|---|---|
| **Intangible assets** | | | |
| Acquisition cost 1.1.2023 | 103,431 | 15,651 | **119,082** |
| Additions | | 143 | **143** |
| Acquisition cost 31.12.2023 | 103,431 | 15,794 | **119,225** |
| Additions | 450 | 131 | **581** |
| Acquisition cost 31.12.2024 | 103,881 | 15,925 | **119,806** |
| | | | |
| Accumulated amortisation and impairment 1.1.2023 | 62,810 | 13,899 | **76,709** |
| Amortisation for the year 2023 | 10,448 | 557 | **11,005** |
| Impairment for the year 2023 | - | | **-** |
| Accumulated amortisation and impairment 31.12.2023 | 73,258 | 14,456 | **87,714** |
| Amortisation for the year 2024 | 10,324 | 419 | **10,742** |
| Accumulated amortisation and impairment 31.12.2024 | 83,582 | 14,875 | **98,456** |
| | | | |
| Carrying amount 31.12.2023 | 30,173 | 1,338 | **31,511** |
| Carrying amount 31.12.2024 | 20,300 | 1,050 | **21,350** |
| | | | |
| Economic life | 10 years | 3–10 years | |
| Amortisation plan | Straight-line | Straight-line | |

### Additions and Impairment of intangible assets

Norsk Titanium has capitalized technology development of the RPD Production Platform reflecting the deposition process and the associated qualification programs and fourth generation production machinery. Additions of NOK 450 thousand in 2024 relates to development regarding additional materials.

Additions in 2024 of NOK 131 thousand in Other intangible assets mainly reflect purchase of software related to RPD Builder. There was no impairment of intangible assets in 2024.

Additions in 2023 of NOK 143 thousand in Other intangible assets mainly reflect purchase of software related to RPD Builder. There was no impairment of intangible assets in 2023.

## Note 9 Financial income and expenses

### FINANCIAL INCOME AND EXPENSES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| **Financial income** | | |
| Interest income | **231,573** | 177,044 |
| Foreign exchange gains | **206,906** | 31,153 |
| Group contribution | - | 5,728 |
| Total financial income | **438,480** | 213,925 |
| **Financial expenses** | | |
| Interest expenses | **(2,883)** | (2,019) |
| Foreign exchange losses | **(532)** | (2,290) |
| Impairment financial items[1] | - | (602,606) |
| Other financial expenses | **(6)** | (1,083) |
| Financial expenses | **(3,421)** | (607,998) |

[1] An impairment charge of 602,606 thousand was recorded to financial expenses related to the investment and working capital loan in Norsk Titanium US Inc as of December 31, 2023. The fair value of the receivable of NOK 298 595 thousand is based on the implicit value from the Rights Issue in February 2024. No impairment or reversal of impairment in 2024.

## Note 10 Taxes

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| **Current income tax expense** | | |
| Change deferred tax/deferred tax assets | - | - |
| Total income tax expense | - | - |
| **Tax payable** | | |
| Profit before taxes | **308,143** | (521,717) |
| Permanent differences[1] | **(35,374)** | 595,615 |
| Change in temporary differences | **(52)** | (137) |
| Use of losses carried forward | **(272,718)** | (73,760) |
| Tax basis | - | - |
| Current taxes according to statutory tax rate 22% | - | - |
| **Deferred tax liabilities (assets)** | | |
| Property, plant and equipment | **(19,037)** | (19,186) |
| Other differences | **(98)** | - |
| Losses carried forward (including tax credit) | **(344,264)** | (616,981) |
| Dissallowed interest expenses | **(24,582)** | (24,582) |
| Basis for deferred tax liabilities (assets) | **(387,980)** | (660,750) |
| Calculated deferred tax assets | **(85,356)** | (145,365) |
| Deferred tax assets not recognised | **(85,356)** | (145,365) |
| Deferred tax recognised in balance sheet | - | - |

Deferred tax assets of NOK 85,356 thousands related mainly to losses carried forward and disallowed interest are not recorded in the balance sheet as it is more likely than not that the tax assets will not be utilized. The unrecognised tax asset may offset future taxable income. The company has NOK 24,582 thousand of disallowed interest deduction carried forward. These interest expenses are related to the interest limitation legislation in Norway which became effective from 1 January 2019, NOK 24,582 thousand expire in 6 years, and may not be used to offset taxable income elsewhere in the company.

### RECONCILIATION OF INCOME TAX EXPENSE

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| **Profit before taxes** | **308,143** | (521,717) |
| Tax expense 22% | **67,791** | (114,778) |
| Permanent differences[1] | **(7,782)** | 131,035 |
| Effect of deferred tax asset not recognised | **(60,010)** | (16,257) |
| Recognised income tax expense | **-** | - |

[1] Permanent differences are related to 'share-based payments, skattefunn, transaction costs recorded against equity, and non-deductible costs

## Note 11 Equity and shareholders

### EQUITY AND SHAREHOLDERS

| Amounts in NOK thousand | Share capital | Share premium | Treasury shares | Other paid in capital | Other equity | Total equity |
|---|---|---|---|---|---|---|
| Balance as of 31.12.2022 | 19,174 | 704,218 | - | (8,368) | - | **715,024** |
| Profit (loss) for the year | - | - | - | - | (521,717) | **(521,717)** |
| Issue of share capital | 2,428 | 86,192 | - | (4,629) | - | **83,991** |
| Share-based payment | - | - | - | 3,968 | - | **3,968** |
| Transfer to share premium | - | (521,717) | - | - | 521,717 | **-** |
| Balance as of 31.12.2023 | 21,601 | 268,694 | - | (9,030) | - | **281,265** |
| Profit (loss) for the year | - | - | - | - | 308,143 | **308,143** |
| Issue of share capital | 42,569 | 638,068 | | (43,376) | - | **637,262** |
| Share-based payment | - | - | - | 2,611 | - | **2,611** |
| Balance as of 31.12.2024 | 64,171 | 906,762 | - | (49,795) | 308,143 | **1,229,281** |

The Company decided to offset NOK 521,717 thousand in accumulated losses against share premium in 2023.

For further information regarding share capital, shareholders, treasury shares and shares owned by the board and executive employees, see note 4.8 in the consolidated financial statements.

## Note 12 Investments in subsidiaries

### INVESTMENTS IN SUBSIDIARIES

| Amounts in NOK thousand | Office | Date of acquisition | Shareholding/ voting rights | Equity | Carrying amount 31.12.2024 |
|---|---|---|---|---|---|
| Shares in Norsk Titanium Equipment AS | Norway | 2015/11/09 | 100% | (482) | 7,980 |
| Shares in NTi MH AS | Norway | 2015/07/10 | 100% | (1) | 50 |
| Shares in Norsk Titanium US Inc. | US | 2015/07/07 | 100% | (2,140,412) | 2,663 |
| Shares in Norsk Titanium Services Ltd. | UK | 2016/12/01 | | | |
| Total Investments in subsidiaries | | | | (2,140,895) | 10,693 |

During 2023 Norsk Titanium closed down the activity in Norsk Titanium UK Services Ltd. The company was struck off from the UK register on Companies House, effective on 30 January 2024.

## Note 13 Inventories

### INVENTORIES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Raw materials | **9,556** | 10,481 |
| Work in progress | **9,384** | 4,040 |
| Finished goods | **831** | 992 |
| Total inventories (gross) | **19,771** | 15,513 |
| Provision for obsolete inventories 31.12 | **(98)** | (227) |
| Total inventories (net) | **19,673** | 15,287 |

Raw materials consists of wire, argon and substrate for production of titanium components.

Work in progress consist of manufacturing of production machines in addition to titanium components in progress.

## Note 14 Trade receivables and other current assets

### TRADE RECEIVABLES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Receivable to external parties | **9,945** | 12,265 |
| Total trade receivables | **9,945** | 12,265 |

No provision for bad debt has been recognised in 2024 or 2023.

### OTHER CURRENT ASSETS

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Pre-payments | **3,138** | 1,666 |
| Deposits | **986** | 974 |
| VAT | **1,924** | 1,397 |
| Other receivables | **12,163** | 7,353 |
| Total other receivables | **18,210** | 11,389 |

## Note 15 Cash and cash equivalents

### CASH AND CASH EQUIVALENTS

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Bank deposits, unrestricted | **235,767** | 9,070 |
| Bank deposits, restricted [1] | **2,400** | 2,221 |
| Total cash and cash equivalents | **238,168** | 11,291 |

[1] Restricted bank deposits relates to cash for withholding taxes which may not be used for other purposes.

## Note 16 Share incentive program

Reference to note 4.9 in the consolidated financial statements for information related to the Company's share intencive program vesting and number of vested options and shares, total outstanding options and shares, number of options and shares granted, forfeited and exercised in the year, weighted average strike price and assumptions used to compute fair value of the options and shares granted.

The fair value of the options is set on the traded price at grant date and expensed over the vesting period. There was no new options program granted in 2024.

For the LTIP programs and the option program NOK 1,960 thousand and NOK (94) thousand have been expensed as payroll and social security tax respectively.

Reference to note 4.9 in the consolidated financial statements for disclosures on share share incentive program held by management and the board of directors in the Company.

## Note 17 Trade and other payables

### TRADE AND OTHER PAYABLES

| **Amounts in NOK thousand** | **2024** | **2023** |
|---|---|---|
| Accounts payable | **11,473** | 4,220 |
| Withholding payroll taxes and social security | **4,796** | 4,500 |
| Total trade and other payables | **16,269** | 8,720 |

## Note 18 Other current liabilities

### OTHER CURRENT LIABILITIES

| Amounts in NOK thousand | 2024 | 2023 |
|---|---|---|
| Prepaid revenues | 13,550 | 15,378 |
| Accrued bonus | 696 | 696 |
| Unpaid holiday pay | 5,635 | 5,207 |
| Group contribution | 8,000 | - |
| Other accrued costs | 8,221 | 5,203 |
| Total other current liabilities | 36,102 | 26,485 |

## Note 19 Commitments and contingencies

### MINIMUM LEASE PAYMENTS (NON-CANCELLABLE OPERATING LEASES)

| Amounts in NOK thousand | 2024 | Matures within 1 year | Matures 2-5 years | Matures more than 5 years | Total |
|---|---|---|---|---|---|
| Buildings and argon tank lease | 3,451 | 3,215 | 12,219 | 6,003 | **24,887** |
| Total non-cancellable operating leases | 3,451 | 3,215 | 12,219 | 6,003 | **24,887** |

**Contingent assets and liabilities**

The company has no contingent assets and liabilities.

## Note 20 Going concern assumption

Reference to note 4.6 and 4.7 in the consolidated financial statements for disclosures on financial risk and Going concern assumption for the company.

## Note 21 Subsequent events

Reference to note 7.5 in the consolidated financial statements for disclosures on subsequent events for the company.

EY
Shape the future with confidence

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of Norsk Titanium AS

**INDEPENDENT AUDITOR'S REPORT**

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Norsk Titanium AS (the Company) which comprise:

- The financial statements of the Company, which comprise the statement of financial position as at 31 December 2024 and the statement of profit and loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of total comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

### Other information

The Board of Directors (management) is responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises the information included in the annual report other than the financial statements and our auditors report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.







EY
Shape the future with confidence

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

Shape the future
with confidence

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 9 April 2025
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus H. Birkeland
State Authorized Public Accountant (Norway)







*Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.*

*"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."*

**Birkeland, Magnus Hegertun**
**Statsautorisert revisor**
På vegne av: Ernst & Young AS
*Serienummer: no_bankid:9578-5990-4-2796687*
*IP: 147.161.xxx.xxx*
*2025-04-09 14:26:57 UTC*

bankID



Dette dokumentet er signert digitalt via **Penneo.com**. De signerte dataene er validert ved hjelp av den matematiske hashverdien av det originale dokumentet. All kryptografisk bevisføring er innebygd i denne PDF-en for fremtidig validering.

Dette dokumentet er forseglet med et kvalifisert elektronisk segl ved bruk av et sertifikat og et tidsstempel fra en kvalifisert tillitstjenesteleverandør.

**Slik kan du bekrefte at dokumentet er originalt**
Når du åpner dokumentet i Adobe Reader, kan du se at det er sertifisert av **Penneo A/S.** Dette beviser at innholdet i dokumentet ikke har blitt endret siden tidspunktet for signeringen. Bevis for de individuelle signatørenes digitale signaturer er vedlagt dokumentet.

Du kan bekrefte de kryptografiske bevisene ved hjelp av Penneos validator, **https://penneo.com/validator**, eller andre valideringsverktøy for digitale signaturer.

Worldwide
HQ

**Engineering
Technology Center**
Norsk Titanium AS
Flyplassveien 20
3514 Hønefoss, Norway
Phone +47 97 42 22 00
post@norsktitanium.no

Production &
Qualification

**Plattsburgh Defense
& Qualification Center**
Norsk Titanium US Inc.
44 Martina Circle
Plattsburgh, NY 12901 USA
Phone +1 518 324 4010
info@norsktitanium.com

Industrial Scale
Production

**Plattsburgh Production
Center (2020)**
Norsk Titanium US Inc.
44 Martina Circle
Plattsburgh, NY 12901 USA
Phone +1 518 324 4010
info@norsktitanium.com


NORSK TITANIUM

NORSKTITANIUM.COM