

# FORGING A BRIGHTER FUTURE

2022 ANNUAL REPORT



## 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



# TABLE OF CONTENTS

Innovating the Future of Metals	7
Key Events	8
Letter from the CEO	9
This is Norsk Titanium	11
Board of Directors' Report	27
Sustainability	41
Corporate Governance	51
Shareholder Information	63
Company Financial Statements and Notes	65
Norsk Titanium AS financial Statements & Notes	113
Auditors' Report	131

## VISION

Innovating the future of metal

## MISSION

Enable fast, clean, sustainable metals manufacturing

## VALUES

Create an innovative, team-oriented culture focused on systematic continuous improvements delivering sustainable value to our stakeholders



**GLØD**

Norwegian  
for "Passion"



**CREATIVE CURIOSITY**



**COLLABORATION**



**INTEGRITY**



**TRUST & RESPECT**



# DO MORE WITH LESS

Because of its light weight, strength, and resistance to corrosion, it is said that titanium is the future designer's metal of choice. Nestled in the spruce-lined forests of Norway, Norsk Titanium has re-imagined the way this precious material is manufactured through a sustainable additive manufacturing process we call **Rapid Plasma Deposition®**. Rather than traditional, wasteful forging practices that pose harm to our environment and communities, we are delivering more with less – less raw material, less energy, less carbon emissions, less waste, and less time.

We believe **technology and nature are not mutually exclusive**. They can work in concert to compose harmonious solutions that carry us toward a cleaner tomorrow or carry us nearly 4,000 miles away across the sea to New York, to the foothills of the Adirondacks where our production scale facilities bring sustainable manufacturing and clean jobs to a place that shares our reverence to the natural world.

Our bold, global vision will inspire even bolder steps to take less from our planet – yet make more. Because here, we are not just producing parts.

**We are forging a brighter future.**



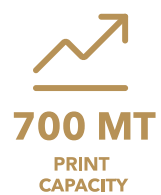


## Innovating the Future of Metal

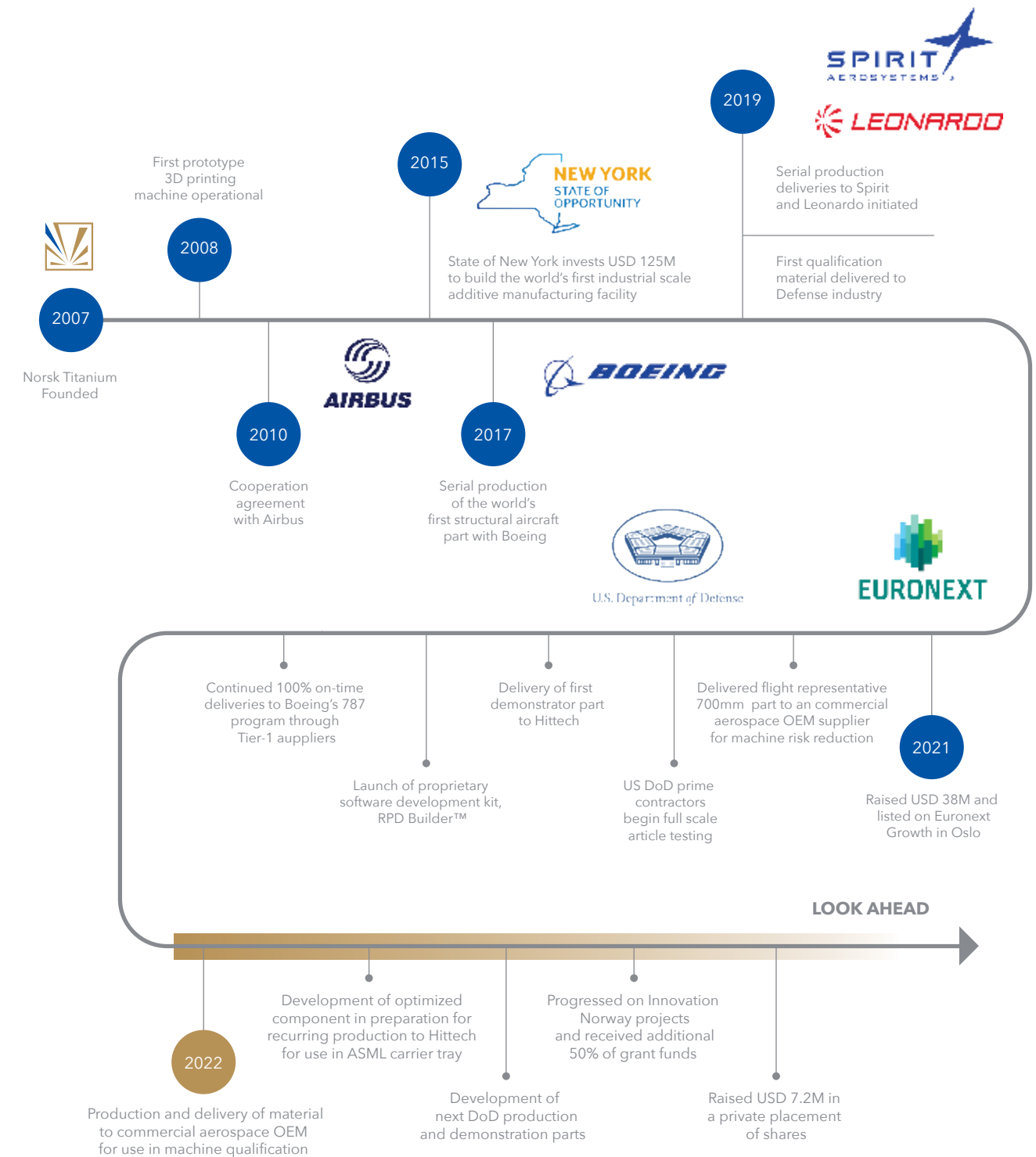
Norsk Titanium and its subsidiaries (referred to herein as “Norsk Titanium”, “the Company”, “we”, “us” or “our”) is a global leader in metal 3D printing that is innovating the future of metal manufacturing by enabling a paradigm shift to **a clean and sustainable manufacturing process** from traditional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

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

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



## Norsk Timeline



A LETTER FROM THE CEO

# A PIVOTAL YEAR FOR NORSK



The economic and geopolitical landscape changed dramatically in 2022, leading many businesses to rethink their operating strategies to focus on localized supply chains, reduction of energy usage and conservation of raw materials. Nowhere was this more pronounced than in industries that rely on titanium for critical components. Major consumers of titanium are seeking advanced manufacturing solutions to meet accelerating demand for multiple end uses. Norsk Titanium is uniquely positioned to take advantage of this transformation with its RPD® technology. RPD® directly addresses the energy and natural resource inefficiency in metal manufacturing by offering significant raw material and energy savings and presenting customers who adopt our technology the opportunity to better manage their input costs and availability.

Norsk Titanium began 2022 engaged in several qualification and development activities with a commercial aerospace OEM, defense industry prime contractors and a semiconductor equipment manufacturer. Our primary objective was to complete these qualification efforts and begin the transition to serial production of parts. We had three key goals for the year supporting this objective: deliver material to the OEM for

testing, complete full-scale testing with two US Department of Defense prime contractors, and complete development efforts with Hittech and ASML to initiate serial production of the semiconductor manufacturing wafer carrier tray. We completed our first major milestone when we advanced into serial production with Hittech by delivering near net shape RPD® forms to be finish machined and installed on

ASML's semiconductor chip-making equipment. By employing our RPD® technology, Hittech lowered its costs to produce each part while simultaneously expanding their machining capacity without new capital investment. We also delivered test materials under ongoing qualification programs and completed testing with General Atomics and Northrop Grumman and expect to continue into serial production with all of these customers in 2023. We are confident that we can provide a compelling business case to our aerospace and defense customers.

Our philosophy is to enable original equipment manufacturers and their supply chain partners to insert additively manufactured parts using RPD® technology as a raw material directly into their production stream. Effectively, our customers can replace their current bulk raw material procurement with RPD® printed near net shape forms. Through our qualifications efforts and publications of material specifications with OEMs and industry governance bodies, such as Society of Automotive Engineers (SAE), we have demonstrated the equivalence of our material and the superiority of the value delivered to our customers.

We believe that Norsk Titanium is uniquely positioned to address several key concerns in our target markets. Many of our customers and potential customers in the commercial aerospace, defense and industrial markets are focused on global supply chain weaknesses revealed by the COVID-19 pandemic. They look to additive manufacturing to provide localized support to their operations faster and cheaper than their existing global supply chains. Escalation in geopolitical tensions as a result of Russia's invasion of Ukraine has led to a severe tightening in the market for raw materials, particularly titanium. Energy prices skyrocketed, and global inflation began to have a dramatic impact on prices for raw materials world-wide. Norsk Titanium capitalized on the

qualification work already underway to help our customers to accelerate their adoption of our RPD® technology for critical components as we continued to demonstrate our ability to provide high quality parts using less raw materials and energy. Our business proposition is simple: allow for improved control over input and downstream costs while meeting increasing product demand in a more environmentally friendly manner.

As we continue to advance towards serial production of components for multiple customers, our growing workforce has worked tirelessly to complete key qualifications, bring machines online and streamline processes. Their passion and dedication to the work that we do is at the heart of our success. I am proud of each and every person on the Norsk Titanium team, and I am honored to work alongside them. I also want to take this opportunity to thank the shareholders who have stood by Norsk Titanium on our journey of innovation and discovery. We value your support and aim to continue to justify your faith in our success. Building on our achievements in 2022, we look forward to advancing into serial production in 2023.

A handwritten signature in black ink, appearing to read 'M. Canario'. The signature is fluid and cursive, with a long horizontal stroke at the end.

**Michael J. Canario, CEO**

THIS IS NORSK  
TITANIUM







# TECHNOLOGY

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 overlaid 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. To date, we have 174 patents in key markets protecting our RPD® technology, with a further 51 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.





## RPD® Technology

The MERKE IV® is our 4th generation production machine. Using our patented RPD® process, the machine transforms metal wire into complex components equivalent to 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, our 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, we have also enhanced the RPD® technology to expand the size of parts our 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). We are also working to establish specification requirement for the Metallic Materials Properties Development and Standardization (MMPDS) Handbook Vol II, the international reference for materials. 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, our customers are able to either procure existing parts from Norsk Titanium or design new parts optimized for use in the RPD® process.





An aerial photograph of a lush, green forest. A winding river or stream flows through the center of the forest, reflecting the surrounding greenery. The trees are dense and vibrant, with varying shades of green. The overall scene is serene and natural.

Norsk Titanium is capable of industrial scale production operations to deliver structural 3D printing solutions to multiple markets. Through an USD 125 million agreement with the State of New York we established a world class manufacturing facility in Plattsburgh, New York, enhancing our leading position in the additive sector. Globally, we have 35 RPD® machines capable of printing 700 MT of metal parts annually. When operating at capacity, the manufacturing facility in Plattsburgh is expected to generate revenues of more than USD 300 million per year. Our technology development center in Norway has four RPD® machines utilised for a mix of development and production efforts.

# GLOBAL OPERATIONS & ASSETS





### RESEARCH & DEVELOPMENT: EGGEMOEN TECHNOLOGY CENTER

The Eggemoen Technology Center was established in 2011, focusing on research and development of new technologies for 3D printing. The facility covers an area of 37,000 sq. ft., and currently has 4 RPD® machines installed with an annual capacity of 80 metric tons / year and a full-scale metallurgy lab. One of the four machines is the large format RPD® machine, G4L, which will be shipped to PPC in late 2023 to support manufacturing activities

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

#### Plattsburgh Defense & Qualification Center (PDQC)

PDQC was established in 2017, following the 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 9 RPD® machines installed with an annual capacity of 180 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 new, large format G4L, with an annual capacity of 460 metric tons / year. Our machines at PPC were approved for Boeing production in 2021 and we expect other qualifications with commercial aerospace OEMs and defense contractors to be complete in 2023.

### 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 us to qualify for orders across multiple industries.





# PROJECTS & INNOVATION NORWAY

Innovation Norway awarded Norsk Titanium a NOK 35 million (approximately USD 4 million) grant to support our technology efforts in automated product development and minimization of machine process variation. By the end of 2022, we completed 94% of our agreed scope. In the first quarter of 2023 we completed the project and accessed the remaining funding of the grant.

## **THE INNOVATION NORWAY GRANT IS CENTERED ON THREE MAIN AREAS:**

### **1. Automated Machine & Process Stability:**

Each RPD® machine collects 600 data measurements at up to 1 kHz sampling rate. The database is being automated to adjust production parameters and control the geometry, energy input, gas supply, and distortion as a part is being printed.

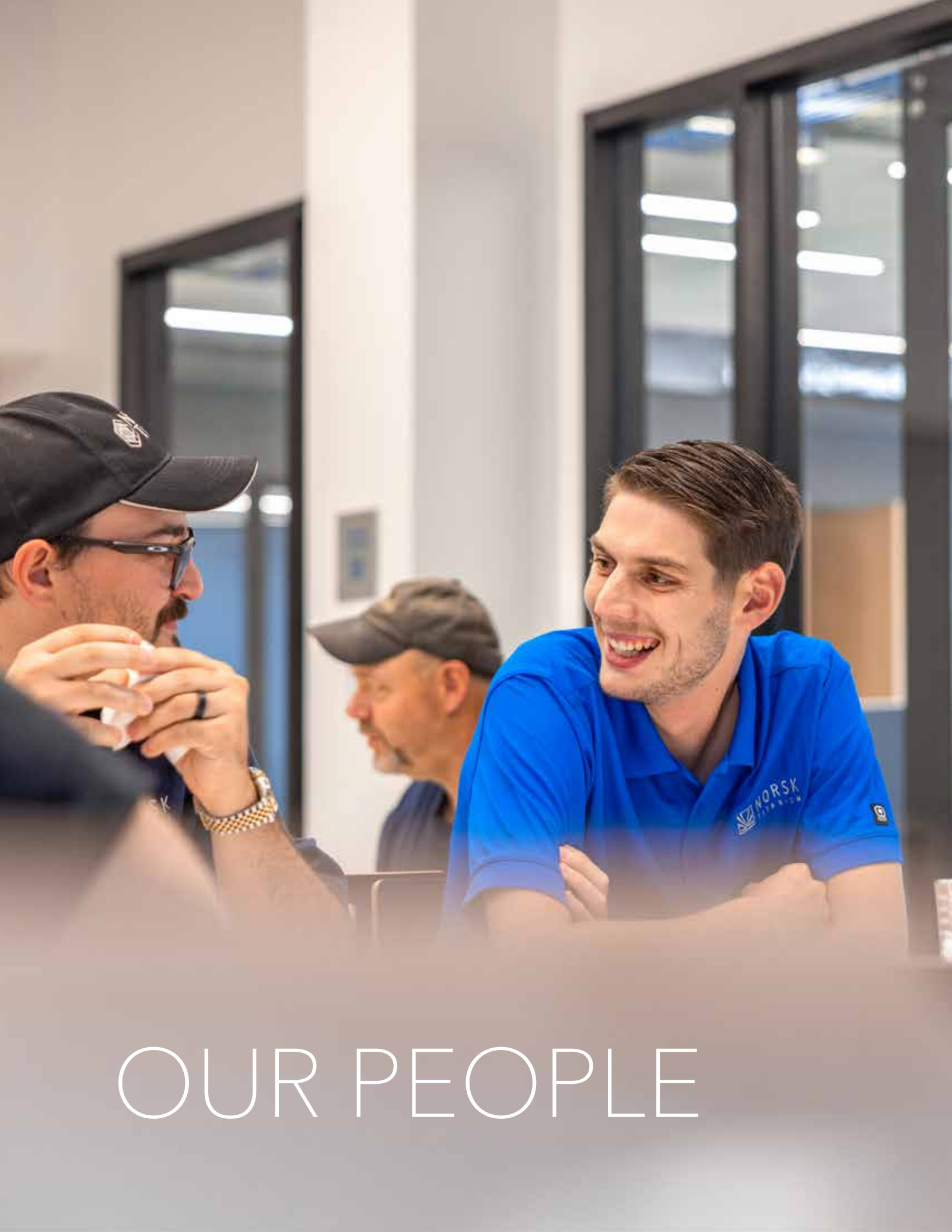
### **2. Print-in-a-Day:**

Go from product design to production printing within a single day. This requires full feature functionality in RPD Builder™, multi machine operations, and industry 4.0 capabilities.

### **3. New material technology:**

Develop competencies to print high value alloys such as nickel-based alloys and other titanium alloys with non-destructive testing capabilities





# OUR PEOPLE

At Norsk Titanium, our people are our most important asset. We believe our success depends on the skills, experience, and industry knowledge of our key talent. As such, our management team places significant focus and attention on the attraction, development, and retention of employees, as well as ensuring our corporate culture reflects the Company's values. Our values guide our actions and drive our performance, as explained in our Code of Conduct posted on our website at [norsktitanium.com](https://norsktitanium.com). 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.

We believe Norsk Titanium is a stimulating place to work where employees are given the opportunity to use their skills and abilities to contribute to both the Company's and their own development and growth. To more fully align our employees' interests with those of the Company and our shareholders, we recently adopted a new Long Term Incentive Plan which provides for the annual award of share-based incentive compensation to employees at all levels of the organisation. The awards vest over time, enhancing employee retention and fostering a collaborative environment where everyone can influence our success.

An engaged, innovative, skilled, and collaborative workforce is critical to our continued leadership in the additive manufacturing industry. 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 pride ourselves on a work environment that fosters employee participation. We employ quarterly employee surveys to obtain regular feedback from employees and strive for continuous improvement based on the feedback from these surveys and focus groups.







**Michael J. Canario**, Chief Executive Officer

Joined as CEO in June 2018. He previously served as President of Aerospace, Americas & Corporate Business Development for Hexcel Corporation, a world leader in advanced composites for commercial aerospace, space and defense and industrial applications.



**Carl Johnson**, Chief Technology Officer

Joined as the Chief Technology Officer in 2016. Mr. Johnson has 40 years of experience in the aerospace industry, including leading teams in advanced technologies. Two teams led by Mr. Johnson have been awarded the Collier Trophy.



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

Joined in 2016, currently serving as Chief Financial Officer. Prior to joining Norsk Titanium, Mr. Ashary spent over 15 years in private equity, investment banking and advisory where he led technology and growth investment teams.



**Gail A. Balcerzak**, Chief Legal & People Officer

Joined in October 2021 as Vice President, General Counsel, bringing over 20 years of in-house legal experience in roles of increasing responsibility in global, technology-driven companies, most recently as Deputy General Counsel at Hexcel Corporation. In 2022, Ms. Balcerzak took over responsibility for leading the global human resources function for the Company.



**Steve Eaton**, Vice President, Operations

Joined in 2017, playing a key role in establishing our operations in Plattsburgh. He has worked in the aerospace and defense industry for over 20 years, most recently as Director of Military Programs at Collins Aerospace.



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

Joined in 2018, leading our Eggemoen Technology Center. Mr. Lium has more than 20 years of experience in the aerospace industry, both as a leader in technology development and production, most recently at GKN Aerospace Norway AS.



**Nicholas Mayer**, Vice President, Commercial

Joined in 2015, currently serving as Vice President, Commercial. Prior to joining Norsk Titanium, Mr. Mayer held management positions within the advanced development divisions of Northrop Grumman, Aerojet Rocketdyne and Lockheed Martin.



**Khazeem Adesokan**, Vice President, Quality

Joined in 2022, leading the global quality organization. Prior to joining Norsk Titanium, Mr. Adesokan was employed by Pratt & Whitney, a Raytheon Technologies Company, for 17 years where he held various leadership roles within the organization.

# 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 the Euronext Growth Oslo exchange 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. Thanks, in part, to our partnership with the State of New York, Norsk Titanium has 700 MT of annual print capacity between its facilities in Norway and the US, which supports our business plan through 2026 and beyond.

## OUR MISSION

Our mission is to enable fast, clean, sustainable metals manufacturing

## OUR STRATEGY

- Target applications for which the adoption 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

## BOARD OF DIRECTORS



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

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



**Bart van Aalst,** Board Member

Over 20 years of experience in banking and venture capital, with a keen focus on disruptive innovations. From December 2015 to February 2019, Mr. van Aalst held the position of CFO and SVP Administration at the Company. Previously he has worked for the Leasing and Securitization teams at Bank of America, Global Structured Finance at ANZ Investment Bank, and Corporate Banking at Citibank



**Steve D. Geskos,** Board Member

Has invested in public and private companies for over twenty years, most recently at Rose Park Advisors as Managing Director where he focuses on companies that fit the Disruptive Innovation frameworks. Previously, Mr. Geskos was at Fortress Investment Group as a Managing Director in the Credit group



**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 is today Chairperson of Goodtech ASA and Connect Bus AS, and a member of the board of EMGS ASA, Freyr Battery SA, Energima AS, Kongsberg Digital Holding ASA and KLP Eiendom AS.





## OPERATIONAL REVIEW

The market for titanium parts is continuing to gain attention as the price of the raw material increases sharply. Russia and China supply 70% of the world's titanium raw material, raising concerns over the ongoing effects of the current geopolitical climate on the supply. Our customers enjoy increased security of supply as they leverage the benefits of our RPD® technology, which uses less material and less energy while delivering an equivalent part cost-efficiently. Although the current market dynamics are a catalyst for increased adoption, we believe the inherent cost benefits and efficiencies of RPD® will continue to resonate with customers in multiple markets.



## Commercial Aerospace

Norsk Titanium continues to strengthen our relationship with OEMs in commercial aerospace as our RPD® technology provides a solution for customers to reduce their reliance on Russian and Chinese titanium and localize their supply chains. We are in discussions with OEMs and their tier-one suppliers to identify parts that can be readily transitioned into production immediately following qualification.

Boeing previously adopted RPD® for seven parts on the B787 program and has resumed deliveries of the aircraft to customers. As Boeing ramps up production on the B787, volumes have increased steadily. Norsk Titanium continues to achieve 100% on-time delivery and quality for these parts. In parallel, Boeing continues to explore additional applications of RPD® in their programs. We expect to transition additional parts after they complete their evaluation.

## Defense

Norsk Titanium was added to Northrop Grumman's approved special processor listing for production of wire-fed plasma deposition of titanium following the completion of a qualification test program in 2022. The material specification is in place and we expect to receive first production orders in first half 2023. We continued to develop a large (900mm long) structural component with a DoD prime contractor which will be used in the development of part specifications using Norsk Titanium's material. We also engaged with Kongsberg Defense & Aerospace to demonstrate RPD®'s applicability to part repair.

## Industrial

Norsk Titanium was awarded a serial production order from Hittech for production of the carrier tray for delivery to ASML. The first parts were produced in Norway and delivered in the first quarter of 2023. Production of the carrier tray is being transitioned to the Plattsburgh facility and follow-on orders will be shipped from New York.





## FINANCIAL REVIEW

The consolidated financial statements of the Company for the Year Ended 31 December 2022 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 2022 was USD 3.2 million, compared to USD 5.3 million in 2021. Profit after tax was negative USD 9.4 million, compared to negative USD 16.0 million in 2021.

### Consolidated Profit & Loss Statement

USD Million	2022	2021
Revenue	1.0	1.3
Other Income	2.2	4.0
<b>Total Income</b>	<b>3.2</b>	<b>5.3</b>
Operating expenses	(22.0)	(22.0)
<b>EBITDA</b>	<b>(18.8)</b>	<b>(16.7)</b>
Depreciation & Amortization	(2.6)	(3.4)
<b>Operating Profit</b>	<b>(21.4)</b>	<b>(20.1)</b>
Net Financial Items	12.1	4.0
<b>Profit/Loss Before Tax</b>	<b>(9.4)</b>	<b>(16.1)</b>
Income Tax Expense	0	0.1
<b>Net Profit/Loss</b>	<b>(9.4)</b>	<b>(16.0)</b>

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

### Revenue & Other Income

Revenue consists of USD 1.0 million from the sale of parts and revenue from products and services delivered on development programs and Other income of USD 2.2 million, mainly reflecting grants from Innovation Norway and Skattefunn. The comparable figures for 2021 are USD 1.3 million from the sale of parts, and Other income was USD 4.0 million which included additional COVID-19 relief benefits under the US Cares Act.

This represents a Total income for the Company of USD 3.2 million in 2022, down from USD 5.3 million in 2021 mostly driven by reduction in grants during 2022.

### Operating Costs & EBITDA

Operating expenses amounted to USD 22.0 million in 2022, which was similar to the operating expense level in 2021. Raw Material and Consumables costs, reported as Operating expenses, were also flat year-over-year at USD 3.6 million and USD 3.7 million in 2022 and 2021, respectively. Despite rising costs throughout 2022 the company managed to control expenses to meet budgeted targets.

The EBITDA-loss amounted to USD 18.8 million in 2022, compared to a loss of USD 16.7 million in 2021.

### D&A & Operating Profit

Depreciation, amortization and impairment amounted to USD 2.6 million in 2022, down from USD 3.4 million in 2021. The Operating loss was USD 21.4 million, compared to a loss of USD 20.1 million in 2021.

### Net Financials & Results

Net financial items amounted to USD 12.1 million in 2022, mainly reflecting gains on net foreign exchange partly offset by interests and other financial expenses. The comparable figure for 2021 was USD 4.0 million.

Loss before tax was USD 9.4 million in 2022, compared to a loss of USD 16.1 million in 2021. Net loss after tax was USD 9.4 million, down 41% from the USD 16.0 million loss in 2021.

Improvement in the net loss from 2021 to 2022 was driven by improvement in the foreign exchange between the US Dollar and the Norwegian Kroner.

### Cash Flow & Liquidity

USD Million	2022	2021
Net Cash Flow from Operating Activities	(19.7)	(20.9)
Net Cash Flow from Investing Activities	(0.6)	(0.4)
Net Cash Flow from Financing Activities	6.4	42.5
<b>Net Increase/ (Decrease) in Cash</b>	<b>(13.9)</b>	<b>(21.3)</b>

Net cash flow from operating activities was negative USD 19.7 million. From the Loss before tax of USD 9.4 million, adjustments to reconcile non-cash expenditure included in the loss before tax to Net operating cash flow was negative USD 9.4 million, in addition to working capital adjustments which was negative USD 0.9 million.

Cash flow from investing activities was negative USD 0.6 million in small expenditures for fixed and intangible assets, as the Company already has the production capacity needed to reach its long-term targets. The cash flow from financing activities was USD 6.4 million which in large part reflects the net proceeds from the private placement of USD 6.9 million during 2022.

In total, the net change in cash and cash equivalents was USD 13.9 million, and 2022 ended with a cash balance of USD 7.7 million compared to USD 22.9 million at the end of 2021. The cash balance at year end is expected to fund the operations through the first quarter of 2023, and the Company continues to raise capital to fund operations to reach its long-term goals.

### Consolidated Financial Position

USD million	2022	2021
Current Assets	16.7	31.0
Non-current Assets	9.9	11.0
<b>Total Assets</b>	<b>26.6</b>	<b>42.0</b>
Current Liabilities	6.6	6.8
Non-current Liabilities	2.5	1.1
<b>Total Liabilities</b>	<b>9.1</b>	<b>7.9</b>
Share Capital & Premium	17.4	50.6
Other Reserves & Equity	0	(16.5)
<b>Total Equity</b>	<b>17.4</b>	<b>34.1</b>

### Assets

On 31 December 2022, intangible assets of USD 4.3 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 3.6 million mainly consists of three MERKE IV® RPD® machines and related production infrastructure in Plattsburgh and Eggemoen.

Current assets mainly reflected the cash balance of USD 7.7 million, in addition to inventories at year end of USD 5.3 million. Total assets amounted to USD 26.6 million at the end of 2022, compared to USD 42.0 million at the end of 2021.

### Equity & liabilities

Total Equity amounted to USD 17.4 million on 31 December 2022. The non-current liabilities amounted to USD 2.5 million and current liabilities were USD 6.6 million. Total liabilities at the end of the period were USD 9.1 million at the end of 2022, compared to USD 7.9 million at the end of 2021. This corresponds to an equity to asset ratio of 66% at the end of 2022.



## Organisation

Norsk Titanium employs 108 people in Norway and the US, with representatives from more than 12 different nationalities. 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, maximise value and utilise 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 2022 the Parent Company had an operating loss of NOK 102.6 million. Due to impairment loss of NOK 719.2 million on investments in subsidiaries and loan to subsidiaries impacting net financial items Norsk Titanium AS reported a net loss of NOK 571.3 million. The impairment of the of the investment in and loan to the subsidiaries was recognized as the fair value of the operations in the subsidiaries was assessed to be lower than the carrying amount. At 31 December 2022, the

Parent Company's total assets were NOK 759.4 million and total equity was NOK 715.0 million.

## Allocation of the Result for the Year

The Board of Directors proposes that the loss for the year for Norsk Titanium AS of NOK 542,080,336 is charged to other equity. The equity in Norsk Titanium AS as of 31 December 2022 is NOK 715.0 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 2023 and the Company's long-term strategic forecast including funding.

The Company is transitioning from a development phase to serial production, and will continue to require additional capital to fund its operations in 2023 and beyond. The Company raised on 30 March 2023 USD 8.5 million (NOK 89 million) in a private placement of shares which will enable the Company to meet its obligations until August 2023. It also has engaged advisors to explore other longer-term financing options to enable the Company to operate until cash from operations is self-sustaining. The Board has formed a judgment that there is a reasonable expectation that the Company will be able to raise sufficient 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.

## RISKS AND UNCERTAINTY FACTORS

Norsk Titanium is transitioning from a development stage company to a commercial manufacturing concern. The primary focus in 2022 continuing into 2023 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.

### Financial Risks

Given the cash position of USD 7.7 million at 31 December 2022, the Board acknowledges that the Company will need to raise additional capital to continue to fund operations in 2023 and beyond. Our ability to obtain additional capital or financing will depend in part on prevailing market conditions as well as conditions of our business and our operating results.

The current equity-based financing structure limits our interest rate risk. The Company's main operations are linked to the reporting currency USD, with the main exposure related to translation of limited revenue and expenses in other currencies. Credit risks are negligible, and we had no losses in receivables in 2022.

As described above in the 'Going Concern' statement, the Board of Directors and management assess that the Company will need to raise additional capital to continue to fund operations in 2023 and beyond.

### 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. We have received qualification from a small number of customers and expect additional qualifications from several other customers in the next three to six months. Failure to achieve these qualifications in the anticipated time frame or at all will impact our timeline to profitability. We carefully monitor our customer relations throughout the qualification process to assure timely and successful completion, but do not control ultimate timetable on which the qualifications may be granted.

The Company continues to closely monitor inflationary risks. Both labour and material costs increased in 2022 and there is ongoing risk of further increases in 2023 which could outpace the rate of inflation assumed in our most recent financial forecasts.

We are entering a period of expansion in our operations. To be successful, we will need to attract, hire, train and retain talent sufficient to staff operations in the time frame required to support this growth. Although we believe that the Company offers an attractive work environment, including competitive wages and benefits, any inability to adequately staff our expanded operations could pose a risk to our ability to execute our growth strategy.



## Geopolitical 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.

We continue to explore ways to diversify our supply chain to ensure continuity of supply and are closely monitoring the geopolitical situation. Management has informed the Board that 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.

## OUTLOOK

Norsk Titanium's disruptive additive manufacturing solution is gaining acceptance from commercial aerospace, defense and industrial customers. Current qualification programs are expected to create a long-term pipeline of visible revenue as we qualify to manufacture parts for platforms with 10+ year production runs. We see significant potential in expanding into new sectors over time by leveraging our published material specifications and software development kit, RPD Builder™. Increasing costs and reduced availability of raw materials globally, including titanium, offer us the opportunity to accelerate the adoption of RPD® technology.

Norsk Titanium is completing 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, we have established relationships with major customers in the defense and industrial sectors, including part repair. As the Company reaches

## Legal and Regulatory Risks

We are subject to a number of 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. In the most recent report to the Board, management did not identify any material deficiencies.

a commercial inflection point in 2023 with an order from Hittech and the potential orders from tier-one suppliers to commercial aerospace OEMs upon the completion of qualification efforts, revenues are expected to reach USD 7-15 million for the year. The Company is targeting to generate USD 150 million in revenue in 2026, with a utilization of approximately 50% of existing capacity at its production facilities.

Revenue from the aerospace sector is set to increase after the substantial negative impact of the COVID-pandemic, with growing long-term demand for new commercial aircraft. Airbus and Boeing currently forecast full recovery of air traffic to pre-pandemic levels sometime between 2023 and 2025. Norsk Titanium aims to become a preferred supplier of titanium structures in commercial aerospace programs and to deliver serial production preforms under long term supply agreements. We have established a Tier-1 customer base through the completion of extensive qualification programs, creating a substantial barrier to entry for our competitors. We expect that the lower cost, increased energy and raw material efficiency, and high flexibility of our production method will continue to draw interest both from other aerospace customers and new industries.

Within the US defense industry, we are in qualification processes with multiple potential customers with significant production potential after qualification. Ongoing development programs and one new qualification program with prime contractors for the U.S. Department of Defense could open doors to several new opportunities in the industry.

In the industrial sector, we proved out our value proposition to Hittech and their customer, ASML. We rapidly transitioned from development to serial production of a carrier tray for use in ASML's wafer manufacturing process, while allowing Hittech to realize significant cost savings and avoid additional capital investment to meet demand. We expect to continue to employ this further into new markets, such as energy and engine turbomachinery, as we see significant volume potential in these types of industrial applications.

As geopolitical issues dislocate the market for titanium, manufacturers are looking at new solutions that allow them to insulate their supply chains against disruptions while the same time providing sustainable advantages over existing manufacturing methods. We believe that the benefits of RPD® technology with its demonstrated energy and raw material savings and shorter lead times compared to legacy casting and forging technologies offers an incentive for end users of titanium to consider adoption. In addition, Norsk Titanium's digitally enabled technology allows expansion of our business model to support industrial product volumes and localized manufacturing desires.

The Company will continue to raise additional capital to fund ongoing development and the ramp-up of production.





## 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 2022. 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 2022 of the Company and the Parent company and of the results of the Company and Parent company operations and cash flows for 2022.

In our opinion, Board of 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**  
**25 April 2023**

**John Andersen Jr.**  
Chairman

**Bart van Aalst**  
Board Member

**Mimi K. Berdal**  
Board Member

**Steve D. Geskos**  
Board Member

**Michael J. Canario**  
CEO



# SUSTAINABILITY

Norsk Titanium was created to innovate the future of metal by enabling, fast, clean, sustainable manufacturing. We deliver on that promise by offering customers the ability to significantly reduce raw material and energy use while slotting seamlessly into their existing supply chains.

For more than 100 years, the process for manufacturing components from structural grade metal alloys has remained essentially the same. Whether working with forgings, castings or milled material, the traditional processes to create the initial forms are energy intensive and time consuming. Those bulky forms then must be machined down to the finished part shape. This subtractive form of manufacturing results in considerable waste of the metal machined off as scrap. While the traditional processes have become less labour intensive over time, they still require a significant investment in infrastructure, energy and labour and pose a risk of negative impact on both persons and the environment.

The production of the raw material is the most significant usage of energy in the manufacture of metal parts. Conventional manufacturing processes have an average raw material to final part ratio of 12:1. RPD® innovates the production of metallic near net shape forms using an additive process that results in a raw material to final part ratio of 4:1 - 70% less raw material than 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 to conventional processes, representing approximately 1,100 MT of reduced CO2 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. Wide-scale adoption of our technology will allow companies in a variety of industries to reduce the energy used and CO2 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.

Our HSE vision is for Every Day to be a Perfect HSE Day, defined as a day without injuries, first aid administration or spills. In 2022, we recorded only one day that was not a Perfect HSE Day company wide.

HSE committees at each site 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 incidents, 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, labour 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 request for information. For more information on Norsk Titanium’s compliance with the Norwegian Transparency Act, see our statement at [norsktitanium.com/TransparencyAct](https://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 part 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 organisation and our shareholders.





## Gender Equality in the Company

Norsk Titanium employs people in Norway and the United States. Our distribution between women and men in the workforce is nearly the same in both Norway and the US, as shown below.

### PERMANENT EMPLOYEES

Country	W	M	Total	% W
Norway	16	42	58	28%
US	12	38	50	24%
<b>Total</b>	<b>28</b>	<b>80</b>	<b>108</b>	<b>26%</b>

### PART TIME & TEMPORARY EMPLOYEES

Type	W	M	Total	% W
Part Time	2	1	3	67%
Temporary	0	1	1	0%

W=Women, M=Men

We had 107 Full Time Equivalent Employees in 2022.

Of our part-time employees, one is employed in the US and two are employed in Norway. In 2022, we had zero incidents of involuntary part-time work based on feedback from affected employees. In 2022 we had one temporary employee working as an Intern in Norway through a partnership with a Canadian university.

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, colour, sex, gender identity, sexual orientation, age,

marital or civil partner status, religion, culture or disability. We work proactively to achieve equity between the 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. As discussed below, we are seeking to implement programs that will help to address this imbalance and improve our diversity in this area.

### Parental Leave

In 2022, one female and one male employee in Norway were eligible for parental leave. Each took a minimum of 15 weeks of leave. In 2022, we implemented a full salary benefit during parental leave. 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 conducted an analysis of the pay levels of women versus that of men within the Company in 2022. In conducting this analysis, we sorted the various 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 organisation
- **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:

	Description	M	W	Total	% Women's Pay Compared to Men's
<b>Level 1</b>	Entry Level	13	6	19	88%
<b>Level 2</b>	Intermediate Level Professionals	14	5	19	111%
<b>Level 3</b>	Mid-Level Professionals	36	9	45	84%
<b>Level 4</b>	Senior Professionals	17	8	25	86%

W=Women, M=Men

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 global basis:

	Description	M	W	Total	% Women's Pay Compared to Men's
<b>Level 1</b>	Entry Level	0	1	1	N/A
<b>Level 2</b>	Intermediate Level Professionals	9	2	11	95%
<b>Level 3</b>	Mid-Level Professionals	26	7	33	87%
<b>Level 4</b>	Senior Professionals	7	6	13	94%

W=Women, M=Men

Whether assessing pay conditions globally or in Norway alone, the data shows relative parity between men and women in each level. The largest gap occurs in Level 3, at 84% globally and 87% for Norway, which is driven by a lower number of women with seniority and/or in leadership positions as compared to the men in the same level.



## 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 and helps us to attract and retain top talent. We strive to provide our employees with a safe, stimulating environment where every one's voice is heard and respected. Currently, we employ colleagues of more than 12 different nationalities with a variety of skills and interests. This broad diversity in a company of just over 100 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 and 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, colour, 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, as well as to report any behavior that does not agree 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 follow up on suggestions and concerns raised through the surveys during regularly scheduled all hands meetings and through our employee website.

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 also 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

We undertook an internal mapping process in 2021 to determine where risk of discrimination or other barriers to equality in our organisation might be present, primarily consisting of reviewing pay conditions by gender and the use of involuntary part-time work. In 2022, we expanded our mapping process to include other areas through use of a specially designed tool that has enabled systematic review and assessment of equity. Through this tool, we are able to undertake an analysis of the root causes and seek to implement measures that are appropriate and relevant to counteract discrimination in these areas and ensure promotion of greater equality and diversity throughout the Company.

The 2021 analysis of our workforce showed an uneven distribution of employees across genders. To begin to address this imbalance, in 2022 we focused on removing gendered-normative language within job ads and job descriptions. We sought to recruit more women into our engineering and technical roles through our revised recruitment materials. We conducted a review of physical requirements for roles in the USA and participated in job fairs and other associations where we will have an opportunity to market Norsk Titanium to more women.

Through planned expansion of the tool in 2023, we will continue to strive for parity within our workforce in all areas of diversity, equity and inclusion, including a focus on additional measures to evaluate and educate the organisation on subconscious bias in the recruitment process



# CORPORATE GOVERNANCE REPORT





## CORPORATE GOVERNANCE REPORT

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, maximise value and utilise 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 2021 (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](http://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 31 March 2022 to 31 March 2023. 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](http://norsktitanium.com)

### 3. Equity & Dividends

#### Equity

At 31 December 2022, the Company's equity was USD 17.4 million, which is equivalent to 66% of total assets. Our Board considers the Company's equity level to be satisfactory. The Board continuously considers the suitability of the 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. As a result, we do not expect to distribute dividends in the near future, and thus our policy is to not distribute dividends in the short to medium term.

### **Capital Increases & Issuance of Shares**

The Company currently has five authorisations outstanding totalling a share capital increase (excluding share premium) of NOK 9,957,213, authorizing the Board of Directors to issue up to 128,465,160 shares, each at a par value of NOK 0.08. The authorisations are distributed as follows:

1. An increase of up to NOK 3,390,342, representing 42,379,277 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 shares may be issued against cash deposits or against contribution in kind. The Board of Directors is authorised to decide the subscription terms, including the subscription price. On 10 November 2022, the Company used this authorization to issue 27,777,780 new shares in a private placement of securities to raise additional capital, representing an increase in share capital of NOK 2,222,222. On 30 March 2023, the Company used the remaining shares available under this authorization to issue 14,601,497 new shares in a private placement of securities (the "Private Placement") to raise additional capital, representing an increase in share capital of NOK 1,168,120. This authorisation is valid until the ordinary general meeting in 2023, but not later than 30 June 2023.

2. An increase of up to NOK 897,264, representing 11,215,800 shares, which may be used for issuing shares in connection with the Company's incentive schemes for employees. On 17 January 2023, the Company used this authorization to issue 576,039 shares pursuant to vested grants made under its Long Term Incentive Plan, further increasing its share capital by NOK 46,083. This authorisation is valid until the ordinary general meeting in 2023, but not later than 30 June 2023.

3. An increase of NOK 1,193,316, representing 14,916,453 shares, which shall be used for issuing shares to settle the remaining commitments under the Private Placement as follows: (1) 11,443,753 shares in order to return shares to Scatec Innovation AS pursuant to a share lending agreement entered into in connection with the Private Placement, and (2) 3,472,700 shares to be issued to Shan Ashary/Norsk Titanium Cayman Limited as part of the Private Placement. The Company issued 11,443,753 shares to Scatec Innovation AS immediately following the approval of the increase at an Extraordinary General Meeting held 11 April 2023. The shares allocated to Shan Ashary/Norsk Titanium Cayman Limited must be subscribed for prior to 30 April 2023.

4. An increase of up to NOK 160,000, representing 6,000,000 shares, which shall be used to carry out a repair offering towards shareholders in the Company who were not allocated shares in the Private Placement. This authorisation is valid until 30 June 2023.

5. An increase of NOK 4,316,290, representing 53,953,630 shares. This is a renewal of the prior authorization to increase the share capital by up to 20% that was granted at the Annual General meeting held on 20 April 2022. As detailed above,

such prior authorisation has been used in full to complete two private placements, resulting in a strengthening of the Company equity. The authorisation is valid until the ordinary general meeting in 2024, but not later than 30 June 2024.

### **Purchase of Own Shares**

The Company currently has two authorisations to purchase shares with a total nominal (par) value of NOK 2,405,306 representing 30,066,325 shares, each at a par value of NOK 0.08. The authorisations are distributed as follows:

1. A purchase of own shares with a nominal value of up to 1,685,306 representing 21,066,325 shares. Any shares acquired under this authorisation may be 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.

2. A purchase of own shares with nominal value of up to NOK 720,000 representing 9,000,000 shares. This authorisation may only be used to purchase shares from employees under the Company's incentive programs.

Under the foregoing authorisations, the purchase price per share cannot exceed NOK 100 and not be less than NOK 1.

### **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 the private placement of shares on 9 November 2022, the Board of Directors determined that it was in the best interests of the company to set aside the pre-emptive rights of shareholders. Such determination was disclosed via a stock exchange notice on 10 November 2022. In reaching this conclusion, the Board considered the following factors: the limited discount of the new shares compared to the market price of the Company's shares, the availability of capital markets financing in a timely manner and the necessity for the Company to realize its communicated targets in line with its approved strategy. The Board also took into account that the subscription price in the private placement was based on the investor interest obtained following a pre-sounding of the private placement with wall-crossed investors and a publicly announced accelerated book-building process.

In connection with the private placement of shares on 30 March 2023, the Board of Directors determined that it would consider carrying out a subsequent share offering of up to 2,000,000 new shares offered at the same subscription price as the shares offered in the private placement towards shareholders of the Company as of 30 March 2023 who (i) were not included in the pre-sounding phase of the private placement, (ii) were not allocated shares in the private placement, and (iii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action. Any subsequent offering will be subject to (i) the prevailing market price of the Company's shares, (ii) relevant corporate resolutions being passed by the Company, including the approval by the general meeting of the Company and (iii) the registration of a national prospectus with the Norwegian Register of Business Enterprises. This determination was disclosed via a stock exchange notice on 30 March 2023.



## 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 one week 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 [norsktitanium.com](https://norsktitanium.com) concurrently with the distribution to shareholders.

## Participation & Execution

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 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 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

At the Company's annual general meeting held on 20 April 2022, the Company's shareholders approved an amendment to its Articles of Association to add a nomination committee and approved rules of procedure for the nomination committee.

Article 8 of the Company's amended Articles of Association provides for a nomination committee composed of two or three members. 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 and evaluating the need for any changes, as well as performing an annual evaluation of the Board's work. As of 31 December 2022, the Nomination Committee was comprised of Linda Helland (Chair) and Shan Ashary, neither of which are active Board members.



## 8. Board of Directors: Composition & Independence

Pursuant to the 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. The four members of our Board are John Andersen, Jr., Bart van Aalst, Steve D. Geskos and Mimi K. Berdal. Below is information regarding the Board attendance in 2022:

Name	Role	Considered Independent of Main Shareholders	Served Since	Team Expires	Participation in Board Meetings
<b>John Andersen, Jr.</b>	Chairperson*	No	2013	2023	100%
<b>Jeremy Barnes*</b>	Director	No	2018	2022	92%
<b>Shan Ashary**</b>	Director	No	2010	2022	100%
<b>Bart van Aalst</b>	Director	No	2010	2023	100%
<b>Steve D. Geskos</b>	Director	No	2021	2023	93%
<b>Mimi K. Berdal</b>	Director	Yes	2021	2023	100%

\*Mr. Barnes resigned from the Board effective 9 December 2022. He attended 92% of the meetings held prior to his resignation.

\*\*Mr. Ashary did not stand for reelection at the 2022 annual general meeting. He attended all meetings held prior to the annual general meeting.

See Note 4.6 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. 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 [norsktitanium.com](https://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 characterised 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 defence 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.

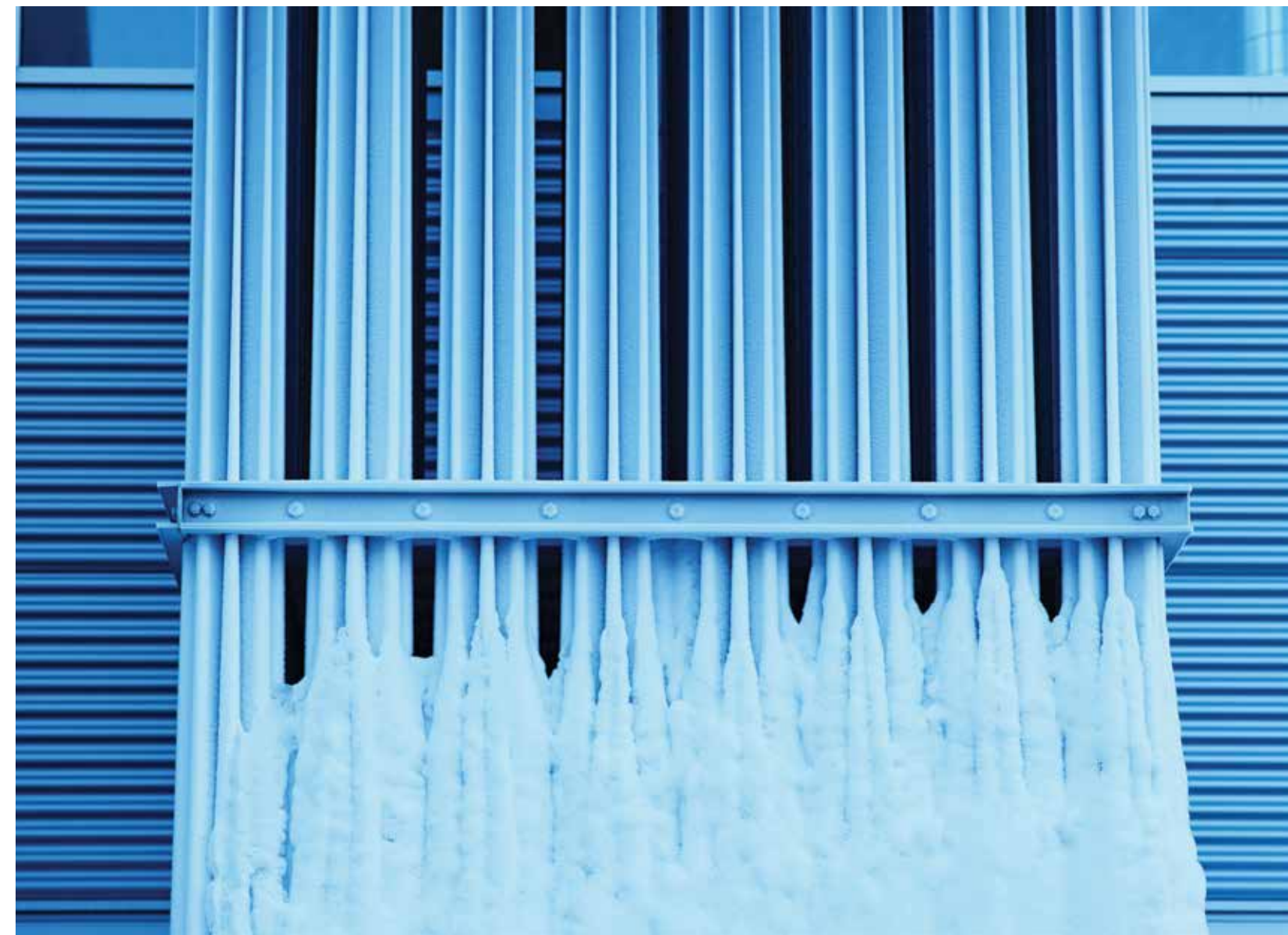
In the event a take-over were to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the recommendations in the Corporate Governance Code can be complied with or not under the applicable facts and circumstances.

## 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.





# SHAREHOLDER INFO





## SHARE PRICE DEVELOPMENT

Norsk Titanium has one class of shares. There were 239,674,165 shares issued at 31 December 2022, and the shares each had a nominal value of NOK 0.08. From January 3, 2022, until year end the shares traded between NOK 6.00 and NOK 2.37 per share, and a total of 41,275,942 shares were traded in the period ending 31 December 2022. The market capitalization was NOK 608.77 million as of 31 December 2022.



## Major Shareholders & Voting Rights

Norsk Titanium AS had registered 587 shareholders in VPS at 31 December 2022, of which the 10 largest owned 92.2%. Foreign shareholders held 61.0% of the shares. All shares carry the same voting rights.

Name	Number of Shares	% of Total
Norsk Titanium Cayman Limited	90,696,591	37.8%
Scatec Innovation AS	59,878,153	25.0%
Triangle Holdings LP	32,145,300	13.4%
Disruptive Innovation Fund LP	16,401,734	6.8%
Ferd AS	9,050,449	3.8%
MP Pensjon PK	4,887,283	2.0%
Avkast Invest AS	2,414,859	1.0%
Sauar Invest AS	1,570,838	0.7%
Orchard International Inc.*	1,301,100	0.5%
Toluma Norden AS	1,289,487	0.5%
<b>Top 10 Shareholders</b>	<b>219,635,794</b>	<b>91.6%</b>
<b>TOTAL</b>	<b>239,674,165</b>	<b>100%</b>

\*Orchard International Inc. shares are held in the Share Lending Program with NTi Holding AS

## Dividend & Dividend Policy

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

## Analyst Coverage

Two investment banks, Carnegie and SEB, had active coverage of Norsk Titanium at year end 2022. See [norsktitanium.com/investors](https://norsktitanium.com/investors) for more information and analyst contact details.

## General Meetings & Board Authorizations

As at 31 December 2022, the Board of Directors had the following authorizations:

1. An increase of up to NOK 3,370,612, representing 42,132,650 shares.
2. An increase of up to NOK 720,000, representing 9,000,000 shares.
3. A purchase of own shares with a nominal value of up to NOK 1,685,306 representing 21,066,325 shares.
4. A purchase of own shares with a nominal value of up to NOK 720,000 representing 9,000,000 shares.

On 11 April 2023, an extraordinary general meeting of the company's shareholders approved the following authorizations:

1. An increase of NOK 1,193,316, representing 14,916,453 shares, which shall be used for issuing shares to settle the commitments under a private placement which closed on 30 March 2023.
2. An increase of up to NOK 160,000, representing 6,000,000 shares, which shall be used to carry out a repair offering towards shareholders in the company who were not allocated shares in the private placement.
3. An increase of NOK 4,316,290, representing 53,953,630 shares.

Reference Note 7.5 to the Consolidated Financial Statements for further information on the private placement.

Norsk Titanium will hold its annual general meeting on May 16, 2023. Information will be made available on the company's website and NewsWeb in due time.

## Financial Calendar 2023

Event	Date
Annual General Meeting	May 16, 2023
Half Year 2023 Results	August 30, 2023



# COMPANY FINANCIAL STATEMENTS & NOTES




Consolidated Statement of Total Comprehensive Income  
for the Year Ended 31 December 2022

Amounts in USD thousand	Notes	2022	2021
Revenue	2.1	1,003	1,267
Other income	2.2	2,225	3,985
<b>Total revenues and other income</b>		<b>3,228</b>	<b>5,252</b>
Raw materials and consumable used	2.3	(3,630)	(3,748)
Employee benefits expense	2.5	(12,632)	(12,586)
Other operating expenses	2.6,7.2	(5,778)	(5,651)
Depreciation and amortisation	3.1,3.2	(2,305)	(3,369)
Impairment of intangible assets	3.2	(316)	0
<b>Operating profit</b>		<b>(21,434)</b>	<b>(20,103)</b>
Financial income	4.5	16,238	8,613
Financial expenses	4.5	(4,182)	(4,597)
<b>Profit or loss before tax</b>		<b>(9,378)</b>	<b>(16,087)</b>
Income tax expense	5.1	6	94
<b>Profit or loss for the year</b>		<b>(9,373)</b>	<b>(15,993)</b>
Profit/loss attributable to owners of the parent		(9,373)	(15,993)
Basic earnings per share (in USD)	2.9	(0.04)	(0.09)
Diluted earnings per share (in USD)	2.9	(0.04)	(0.08)
Weighted average number of ordinary shares (thousand)	2.9	215,778	172,298
Weighted average number of ordinary shares diluted (thousand)	2.9	215,778	188,488
<b>Other comprehensive income</b>			
<i>Items that subsequently may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(14,442)	(6,436)
Other comprehensive income for the period		(14,442)	(6,436)
<b>Total comprehensive income for the period</b>		<b>(23,814)</b>	<b>(22,429)</b>
Total comprehensive income attributable to owners of the parent		(23,814)	(22,429)

Consolidated Statement of Financial Position

Amounts in USD thousand	Notes	At 31 December 2022	At 31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax asset	5.1	24	24
Right of use of assets	7.3	1,992	501
Property, plant and equipment	3.1	3,554	4,080
Intangible assets	3.2	4,299	6,358
<b>Total non-current assets</b>		<b>9,868</b>	<b>10,962</b>
<b>Current assets</b>			
Inventories	2.4	5,259	5,166
Trade receivables	2.7	703	389
Other current assets	2.7	2,995	2,536
Cash and cash equivalents	4.3	7,731	22,932
<b>Total current assets</b>		<b>16,688</b>	<b>31,023</b>
<b>TOTAL ASSETS</b>		<b>26,556</b>	<b>41,985</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	4.6	2,218	2,005
Share premium		38,068	48,627
Other capital reserves		(0)	(908)
Other equity		(22,869)	(15,622)
<b>Total equity</b>		<b>17,418</b>	<b>34,102</b>
<b>Non-current liabilities</b>			
Non-current lease liabilities	7.3	1,611	221
Long term liabilities		912	897
<b>Total non-current liabilities</b>		<b>2,523</b>	<b>1,118</b>
<b>Current liabilities</b>			
Trade and other payables	2.8	1,179	1,297
Contract liability	2.2	3,839	4,068
Current lease liabilities	7.3	495	387
Other current liabilities	7.1	1,137	1,045
Tax payable	5.1	(35)	(33)
<b>Total current liabilities</b>		<b>6,616</b>	<b>6,764</b>
<b>Total liabilities</b>		<b>9,138</b>	<b>7,882</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,556</b>	<b>41,985</b>

  
John Andersen Jr.  
Chairman of the Board

  
Bart Cornelius Gerardus Van Aalst  
Chairman of the Board

  
Steve D. Geskos  
Member of the Board

  
Mimi Berdal  
Member of the Board



Consolidated Statement of Cash Flows  
for the Year Ended 31 December 2022

Amounts in USD thousand	Notes	2022	2021
<b>Cash flow from operating activities</b>			
Profit before tax		(9,378)	(16,087)
<i>Adjustments to reconcile profit before tax to net cash flow:</i>			
Depreciation and amortisation	3.1,3.2	2,305	3,369
Impairment of intangible assets	3.2	316	0
Net financial income/expense included in financing activities	4.4	239	1,361
Net foreign exchange differences	4.4	(12,294)	(5,377)
Tax payable	5.1	35	31
<i>Working capital adjustment:</i>			
Changes in inventories and right of use assets	2.4	(1,584)	261
Changes in trade and other receivables	2.7	(313)	397
Changes in other current assets	2.7	(459)	(1,575)
Changes in trade and other payables	2.8	(118)	(311)
Changes in other accruals	7.1	1,559	(2,942)
<b>Net cash flow from operating activities</b>		<b>(19,692)</b>	<b>(20,873)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	3.1	(488)	(353)
Investment in intangible assets	3.2	(146)	(64)
Interest received	4.4	84	4
Proceeds from other investing activities	4.4	0	61
<b>Net cash flow from investing activities</b>		<b>(550)</b>	<b>(353)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shared capital	4.6	7,205	40,213
Transaction cost		(297)	(1,840)
Purchase of treasury shares	4.6	0	(2)
Sale of treasury shares	4.6	0	783
Payment of principle portion of lease liabilities	7.3	(303)	(684)
Increase of debt	4.2	0	6,000
Repayment of debt	4.2	0	(1,828)
Interests paid	7.3	(247)	(111)
<b>Net cash flow from financing activities</b>		<b>6,358</b>	<b>42,532</b>
Net change in cash and cash equivalents		(13,884)	21,306
Effect of change in exchange rate		(1,317)	(570)
Cash and cash equivalents, beginning of period	4.3	22,932	2,196
<b>Cash and cash equivalents, end of period</b>		<b>7,731</b>	<b>22,932</b>

Consolidated Statement of Changes in Equity

Amounts in USD thousand	Attributable to the equity holders of the parent						
	Share capital	Share premium	Treasury shares	Other capital reserves	Cumulative translation effect	Accumulated loss	Total equity
<b>Balance at 31 December 2020</b>	<b>464</b>	<b>0</b>	<b>(10)</b>	<b>0</b>	<b>(1,991)</b>	<b>(78,984)</b>	<b>(80,521)</b>
Profit (loss)						(15,993)	(15,993)
Other comprehensive income					(6,436)		(6,436)
Issue of share capital	1,541	136,528		(2,077)			135,991
Purchase of treasury shares			(0)	(2)			(2)
Sales of treasury shares			10	773			783
Shared-based payment				279			279
Transfer to other capital reserves**				119		(119)	0
Transfer to share premium**		(87,901)			0	87,901	0
<b>Balance at 31 December 2021</b>	<b>2,005</b>	<b>48,627</b>	<b>0</b>	<b>(908)</b>	<b>(8,427)</b>	<b>(7,195)</b>	<b>34,102</b>
<b>Balance at 31 December 2021</b>	<b>2,005</b>	<b>48,627</b>	<b>0</b>	<b>(908)</b>	<b>(8,427)</b>	<b>(7,195)</b>	<b>34,102</b>
Profit (loss)						(9,373)	(9,373)
Other comprehensive income					(14,442)		(14,442)
Issue of share capital*	213	6,992		(297)			6,908
Purchase of treasury shares							0
Sales of treasury shares							0
Shared-based payment				221			221
Transfer to other capital reserves**				983		(983)	0
Transfer to share premium**		(17,551)				17,551	0
<b>Balance at 31 December 2022</b>	<b>2,218</b>	<b>38,068</b>	<b>0</b>	<b>(0)</b>	<b>(22,869)</b>	<b>0</b>	<b>17,418</b>

\* Reference to note 4.6 Equity and shareholders for more information on share capital and share premium

\*\* The Company decided to partially offset accumulated losses against other capital reserves and share premium in 2021 and 2022.

For further information regarding share capital, shareholders, treasury shares and shares owned by the board and executive employees, see note 4.6



## Notes to 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 2022 were authorized for issue in accordance with a resolution of the directors on 25 April 2023. 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 2023 and the Company's long-term strategic forecast including funding.

The Company is transitioning from a development phase to serial production, and will continue to require additional capital to fund its operations in 2023 and beyond. The Company on 30 March 2023 raised USD 8.5 million (NOK 89 million) in a private placement of shares which will enable the Company to meet its obligations until August 2023. It also has engaged advisors to explore other longer-term financing options to enable the Company to operate until cash from operations is self-sustaining. The Board has formed a judgement that there is a reasonable expectation that the Company will be able to raise sufficient 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 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 2022. 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 120 million by 31 December 2022 with an additional USD 1 million committed. The accounting treatment of the grant is explained in the above.

**Research and Development**

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The assessment of when product development is capitalised is highly subjective, as the outcome of these projects may be uncertain. At 31 December 2022, the carrying amount of intangible assets was USD 4.3 million.

**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 4.7.

**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.



## 2.1 Revenues

Amounts in USD thousand	2022	2021
<b>Revenues</b>		
Sale of printed parts*	96	267
Revenue from products and services delivered on development programs**	906	999
<b>Total revenues</b>	<b>1,003</b>	<b>1,267</b>
<b>Geographic information</b>		
<b>Revenues from customers</b>		
Europe	17	75
USA	986	1,192
<b>Total revenues</b>	<b>1,003</b>	<b>1,267</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	1,003	1,267
<b>Total revenues</b>	<b>1,003</b>	<b>1,267</b>

\* Sale of printed parts are sales to Boeing Tier-1 suppliers.

\*\* Products and services on development programs include sales to Boeing, a prime contractor for the US Department of Defense and Hittech.

## 2.2 Other Income

Amounts in USD thousand	2022	2021
<b>Other income</b>		
Net gain from RPD machine grant*	121	135
US CARES Payroll Protection Program**	0	1,246
Grant from Innovation Norway***	1,598	2,058
Skattefunn****	466	545
Gain on disposal of assets	40	2
<b>Total other income</b>	<b>2,225</b>	<b>3,985</b>

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.

\*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 balance sheet.

\*\* US CARES Payroll Protection Program reflect a loan granted from US government following the COVID-19 pandemic. In 2021 the loan was forgiven and recognized as a grant under Other income.

\*\*\* Additional 44% of NOK 35 million grant from Innovation Norway recognized as Other income in 2022 (USD 1,598 thousand) following further 44% of project costs occurred in 2022. In total for the Innovation Norway project 94% of project costs have occurred by the end of 2022. 50% of NOK 35 million grant from Innovation Norway recognized as Other income for the full year 2021 (USD 2,058 thousand) following 50% of project costs occurred by year end 2021.

30% of the NOK 35 million grant from Innovation Norway was collected in 2021. Additional 50% of the grant (USD 1,978 thousand) was collected in 2022.

\*\*\*\* NTi has been granted Skattefunn from Forskningsrådet for the years 2021 and 2022. Total grant is capped at USD 1,011 thousand and dependent on cost incurred pending the capital requirement in the project. Costs occurred in 2022 are capped at USD 466 thousand, recognised as Other income in 2022. Costs occurred in 2021 were capped at USD 545 thousand, recognised as Other income in 2021.

## 2.3 Raw Materials and Consumables Used

Amounts in USD thousand	2022	2021
<b>Raw materials and consumables used</b>		
Cost of materials	3,026	3,301
Cost for machining of components	122	93
Consumables used	265	164
Cost of handling and freight	216	190
<b>Total cost of goods, raw materials and consumables used</b>	<b>3,630</b>	<b>3,748</b>

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

## 2.4 Inventories

Amounts in USD thousand	2022	2021
<b>Inventories</b>	31.12.2022	31.12.2021
Raw materials	2,406	1,929
Work in progress	2,853	3,237
<b>Total inventories</b>	<b>5,259</b>	<b>5,166</b>

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



## 2.5 Employee Benefit Expenses

Amounts in USD thousand	2022	2021
<b>Employee benefit expenses</b>		
Salaries and holiday pay	9,470	9,776
Social security tax	1,109	1,239
Pension costs defined contribution plans	597	527
Cost of share-based payment	464	282
Other personnel costs	993	762
<b>Total payroll and related costs</b>	<b>12,632</b>	<b>12,586</b>
Full Time equivalent Employees as of 31.12	107	97

### 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
<b>Remuneration to management in 2022</b>				
Michael Canario – CEO	519		47	<b>566</b>
<b>Remuneration to management in 2021</b>				
Michael Canario – CEO	500		586	<b>1,086</b>

### 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. Upon termination of the CEO's employment contract, he is entitled to one year of the annual salary and one year of target incentive compensation based on that annual salary. CEO and executive management take part in the Company's share incentive program as described in note 4.7.

### Total remuneration to the Board members

Amounts in USD thousand	2022	2021
<b>Remuneration to Board members</b>	<b>38</b>	<b>23</b>

### Board members

In the General Meeting 2021 it was decided that the remuneration for the period from the annual general meeting 2021 to the annual general meeting 2022 shall be USD 30 thousand for board members not associated with the Company's shareholders. Remuneration for one board member for 9 months was USD 23 thousand in 2021. In the General Meeting 2022 it was decided to increase the board remuneration to USD 40 thousand for board members not associated with the Company's shareholders. Total board remuneration in 2022 was USD 38 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 4.6 for disclosures on shareholdings.

## 2.6 Other Operating Expenses

Amounts in USD thousand	2022	2021
<b>Other operating expenses</b>		
Professional services	1,336	1,945
Travel expenses	512	205
Rental and leasing expenses	252	273
Other operating expenses	3,679	3,229
<b>Total other operating expenses</b>	<b>5,778</b>	<b>5,651</b>

Auditor related fees	2022	2021
Statutory audit	220	228
Other assurance services	7	37
Tax consultant services	7	6
Non-auditing services	7	7
<b>Total remuneration to the auditor</b>	<b>240</b>	<b>278</b>

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

## 2.7 Trade Receivables and Other Current Assets

Amounts in USD thousand	2022	2021
<b>Trade receivables</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Trade receivables	703	389
<b>Total trade receivables</b>	<b>703</b>	<b>389</b>

No provision for expected credit loss has been recognised in 2022 or 2021.

Other current assets	31.12.2022	31.12.2021
Pre-payments	1,229	502
Deposits	613	575
VAT	174	110
Grants earned*	979	1,347
Other receivables	(0)	2
<b>Total other receivables</b>	<b>2,995</b>	<b>2,536</b>

\* Related to Skattefunn and Innovation Norway.

As at 31 December 2022 the ageing analysis of trade receivables is, as follows:

### Ageing analysis of trade receivables

	Total	Not due	<30 days	31-60 days	61-90 days	>90 days
Trade receivables at 31.12.2022*	<b>703</b>	192	140	233	0	138
Trade receivables at 31.12.2021	<b>389</b>	249	0	0	2	138

\* The trade receivables more than 90 days past due of USD 138 thousand were collected in the first quarter of 2023.

## 2.8 Trade and Other Payables

Amounts in USD thousand	2022	2021
<b>Trade and other payables</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Accounts payables	772	930
Withholding payroll taxes and social security	407	366
<b>Total trade and other payables</b>	<b>1,179</b>	<b>1,297</b>

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.

## 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 (after adjusting for interest on the convertible preference shares) 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	2022	2021
<b>Profit/loss attributable to owners of the parent</b>	<b>(9,373)</b>	<b>(15,993)</b>
Weighted average number of ordinary shares (thousand)*	215,778	172,298
Weighted average dilutive effect from issue of shares (thousand)**	0	16,190
<b>Weighted average number of ordinary shares diluted (thousand)</b>	<b>215,778</b>	<b>188,488</b>
Basic earnings per share (in USD)	(0.04)	(0.09)
Diluted earnings per share (in USD)	(0.04)	(0.08)

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

\*\* The weighted average dilutive effect of 16,190 thousand in 2021 are issue of convertible preference shares.



### 3.1 Property, Plant and Equipment

Amounts in USD thousand	Machinery & equipment	Furniture & vehicles	Buildings, IT	Total
<b>Acquisition cost 1.1.2021</b>	<b>10,542</b>	<b>454</b>	<b>1,614</b>	<b>12,611</b>
Additions	76	19	259	353
Disposals*	(2,735)			(2,735)
Currency translation effects with rates at 31.12.2021	(432)	(15)	(52)	(499)
<b>Acquisition cost 31.12.2021</b>	<b>7,451</b>	<b>458</b>	<b>1,820</b>	<b>9,731</b>
Additions	369	3	116	488
Disposals*	(1,184)	(30)	(299)	(1,514)
Currency translation effects with rates at 31.12.2022	(666)	(39)	(28)	(733)
<b>Acquisition cost 31.12.2022</b>	<b>5,971</b>	<b>392</b>	<b>1,609</b>	<b>7,973</b>
<b>Accumulated depreciation and impairment 1.1.2021</b>	<b>6,390</b>	<b>315</b>	<b>1,047</b>	<b>7,753</b>
Depreciation	677	101	256	1,034
Disposals*	(2,735)			(2,735)
Currency translation effects with rates at 31.12.2021	(381)	(29)	9	(401)
<b>Accumulated depreciation and impairment 31.12.2021</b>	<b>3,952</b>	<b>387</b>	<b>1,312</b>	<b>5,651</b>
Depreciation	474	42	186	701
Disposals*	(1,163)	(30)	(50)	(1,244)
Impairment	0	5	0	5
Currency translation effects with rates at 31.12.2022	(636)	(35)	(24)	(694)
<b>Accumulated depreciation and impairment 31.12.2022</b>	<b>2,627</b>	<b>368</b>	<b>1,424</b>	<b>4,419</b>
<b>Carrying amount 31.12.2021</b>	<b>3,500</b>	<b>72</b>	<b>508</b>	<b>4,080</b>
<b>Carrying amount 31.12.2022</b>	<b>3,344</b>	<b>24</b>	<b>185</b>	<b>3,554</b>
Economic life	5-20 years	5 years	5 years	
Depreciation plan	linear	linear	linear	

\*Acquisition cost has been adjusted for assets that have reached the end of economic life and has been disposed off during the year.

### 3.2 Intangible Assets

Amounts in USD thousand	Development costs	Other intangible assets	Total
<b>Intangible assets</b>			
<b>Acquisition cost 1.1.2021</b>	<b>14,656</b>	<b>1,604</b>	<b>16,260</b>
Additions	0	64	64
Currency translation effects with rates at 31.12.2021	(394)	(52)	(446)
<b>Acquisition cost 31.12.2021</b>	<b>14,262</b>	<b>1,616</b>	<b>15,878</b>
Additions	0	146	146
Currency translation effects with rates at 31.12.2022	(1,502)	(170)	(1,672)
<b>Acquisition cost 31.12.2022</b>	<b>12,760</b>	<b>1,591</b>	<b>14,351</b>
Accumulated amortisation and impairment 1.1.2021	7,455	603	8,057
Amortisation for the year	1,212	463	1,675
Currency translation effects with rates at 31.12.2021	(196)	(17)	(213)
<b>Accumulated depreciation and impairment 31.12.2021</b>	<b>8,471</b>	<b>1,049</b>	<b>9,520</b>
Amortisation for the year	1,090	164	1,254
Impairment for the year	0	311	311
Currency translation effects with rates at 31.12.2022	(954)	(78)	(1,032)
<b>Accumulated amortisation and impairment 31.12.2022</b>	<b>8,607</b>	<b>1,446</b>	<b>10,053</b>
<b>Carrying amount 31.12.2021</b>	<b>5,791</b>	<b>567</b>	<b>6,358</b>
<b>Carrying amount 31.12.2022</b>	<b>4,153</b>	<b>145</b>	<b>4,299</b>
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 146 thousand in Other intangible assets reflect implementation of Teamcenter Product Lifecycle Management software system. The impairment loss of USD 311 thousand recognised as impairment of Other intangible assets for 2022 is related to the legacy ERP system that has been replaced in 2022.

#### Research and development

All R&D activities in 2021 and 2022 have been expensed. In 2022 the research and development expenses amounted to USD 4.8 million compared to USD 4.6 million in 2021. 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 2022 Norsk Titanium further matured the RPD® process to enhance efficiency from development to printing.

## 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 2022 in USD thousand	Financial assets at a mortised cost	Financial liabilities	Financial liabilities at FV through profit and loss	Total
<b>Assets</b>				
Trade receivables	703			703
Other receivables*	2,995			2,995
Cash and cash equivalents	7,731			7,731
<b>Total financial assets</b>	<b>11,429</b>	<b>0</b>	<b>0</b>	<b>11,429</b>
<b>Liabilities</b>				
Trade and other payables		1,179		1,179
Contract liability		3,839		3,839
Long term liabilities**		2,400	122	2,523
Other current liabilities**		1,053	84	1,137
<b>Total financial liabilities</b>	<b>0</b>	<b>8,472</b>	<b>206</b>	<b>8,678</b>

\* Accrual for Innovation Norway and Skattefunn of USD 979 thousand is reflected in the Other receivables of USD 2,995 thousand.

\*\* Financial liabilities at fair value through profit and loss related to the Long Term Incentive Program.

At 31 December 2021 in USD thousand	Financial assets at a mortised cost	Financial liabilities	Financial liabilities at FV through profit and loss	Total
<b>Assets</b>				
Trade receivables	389			389
Other receivables*	2,536			2,536
Cash and cash equivalents	22,932			22,932
<b>Total financial assets</b>	<b>25,857</b>	<b>0</b>	<b>0</b>	<b>25,857</b>
<b>Liabilities</b>				
Trade and other payables		1,297		1,297
Contract liability		4,068		4,068
Long term liabilities		1,118		1,118
Other current liabilities		1,045		1,045
<b>Total financial liabilities</b>	<b>0</b>	<b>7,528</b>	<b>0</b>	<b>7,528</b>

\* Accrual for Innovation Norway and Skattefunn of USD 1,347 thousand is reflected in the Other receivables of USD 2,536 thousand.

### 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.

## 4.2 Financial Liabilities

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

Amounts in USD thousand	1/1/2022	Cash flow effect	Foreign exchange movement	Other non-cash changes	12/31/2022
Non-current lease liabilities	221			1,390	1,611
Current lease liabilities	387	(550)	(21)	679	495
<b>Total liabilities from financing</b>	<b>608</b>	<b>(550)</b>	<b>(21)</b>	<b>2,069</b>	<b>2,106</b>

Amounts in USD thousand	1/1/2022	Cash flow effect	Foreign exchange movement	Other non-cash changes	12/31/2022
Current interest-bearing debt	90,301	4,172	(2,937)	(91,537)	
Non-current lease liabilities	513		(1)	(292)	221
Current lease liabilities	843	(794)	(20)	359	387
<b>Total liabilities from financing</b>	<b>91,657</b>	<b>3,378</b>	<b>(2,957)</b>	<b>(91,470)</b>	<b>608</b>



### 4.3 Cash and Cash Equivalents

Amounts in USD thousand		
	31.12.2022	31.12.2021
Cash and cash equivalents		
Bank deposits, unrestricted	7,483	22,719
Bank deposits, restricted*	248	213
<b>Total cash and cash equivalents</b>	<b>7,731</b>	<b>22,932</b>

\* 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 Group, and earn interest at the respective short-term deposit rates.

### 4.4 Financial Items

Amounts in USD thousand		
Financial income and expenses	2022	2021
<b>Financial income</b>		
Interest income	85	4
Foreign exchange gains	16,151	8,548
Other financial income	2	61
<b>Total financial income</b>	<b>16,238</b>	<b>8,613</b>
<b>Financial expenses</b>		
Interest expenses	0	(232)
Foreign exchange losses	(3,856)	(3,171)
Other financial income	(326)	(1,194)
<b>Financial expenses</b>	<b>(4,182)</b>	<b>(4,597)</b>

Other financial expenses primarily comprises interest of IFRS 16 leases and security agent fee for the share lending program.

### 4.5 Financial Risk and Capital Management

Norsk Titanium is transitioning from a development stage company to a commercial manufacturing concern. The primary focus in 2022 continuing into 2023 is the commercialization of its RPD® technology in multiple industries and applications. We must balance continued technological development with efforts designed to foster the adoption of its technology by potential customers, both of which may be constrained by limited resources. In addition to financial risks, the Company faces residual risks as operational risks, geopolitical risks and legal and regulatory risks.

The Group 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 Group 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

The current equity-based financing structure limits our interest rate risk. The Company has no interest bearing debt at year end 2021 and in 2022. Previous interest bearing debt from Shareholder loans was converted to equity and the Development Corp Clinton County NY was repaid in 2021, hence the Company's exposure to interest rate risk is limited.

#### 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).

As the Company reports its consolidated results in USD, any change in exchange rates between USD and its subsidiaries' functional currencies, primarily with respect to changes in NOK, affects the consolidated financial statements when those subsidiaries are translated to USD for reporting purposes. The Company's main operations are linked to the reporting currency USD, with the main exposure related to translation of limited revenue and expenses in other currencies. The Company does not hedge currency exposure with financial instruments at the current time, but monitors the net exposure and may chose to use financial derivatives to manage this risk in the future.

#### Liquidity risk and Going concern assumption

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 2023 and the Company's long-term strategic forecast including funding.

The Company is transitioning from a development phase to serial production, and will continue to require additional capital to fund its operations in 2023 and beyond. The Company raised on 30 March 2023 USD 8.5 million (NOK 89 million) in a private placement of shares which will enable the Company to meet its obligations until August 2023. It also has engaged advisors to explore other longer-term financing options to enable the Company to operate until cash from operations is self-sustaining. The Board has formed a judgement that there is a reasonable expectation that the Company will be able to raise sufficient 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.

#### Ageing of financial liabilities:

Amounts in USD thousand					
At 31 December 2021	1 year	2 years	3-5 years	> 5 years	Total
Trade and other payables (note 2.8)	1,179	0	0	0	1,179
Non - Current lease liabilities (note 7.3)	0	530	998	1191	2,719
Current lease liabilities (Note 7.3)	555	0	0	0	555
<b>Total</b>	<b>1,734</b>	<b>530</b>	<b>998</b>	<b>1191</b>	<b>4,453</b>
At 31 December 2021	1 year	2 years	3-5 years	> 5 years	Total
Trade and other payables (note 2.8)	1,297	0	0	0	1,297
Non - Current lease liabilities (note 7.3)	418	146	132	0	696
Current lease liabilities (note 7.3)	387	0	0	0	387
<b>Total</b>	<b>2,103</b>	<b>146</b>	<b>132</b>	<b>0</b>	<b>2,380</b>

#### 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 2022. For an overview of the ageing of trade receivables, please refer to note 2.7

#### 4.6 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 4.5 related to financial risk and capital management.

Total equity for the Company decreased from USD 34,102 thousand at 31 December 2021 to USD 17,418 thousand at 31 December 2022. During 2022 the nominal share capital was in total increased by USD 213 thousand by issuance of 27,777,780 new shares

#### Issued capital and reserves in Norsk Titanium AS

Number of shares in Norsk Titanium AS at 31 December 2022	Number of ordinary shares	Number of preference shares	Total number of shares
<b>At 31 December 2021</b>	<b>211,896,385</b>	<b>0</b>	<b>211,896,385</b>
Private placement capital raise	27,777,780	0	27,777,780
<b>At 31 December 2022</b>	<b>239,674,165</b>	<b>0</b>	<b>239,674,165</b>
Number of shares in Norsk Titanium AS at 31 December 2021	Number of ordinary shares	Number of preference shares	Total number of shares
<b>At 31 December 2020</b>	<b>498,212</b>	<b>0</b>	<b>498,212</b>
Debt conversion shareholder loans	621,492	567,024	1,188,516
Private placement repair offer shareholders	0	78,687	78,687
Conversion of preference shares	645,711	(645,711)	0
Share split 1:100	174,776,085		174,776,085
Debt conversion convertible loan	8,833,900	0	8,833,900
Private placement capital raise	25,287,850	0	25,287,850
Exercise of greenshoe option	1,233,135	0	1,233,135
<b>Issue of shares</b>	<b>211,398,173</b>	<b>0</b>	<b>211,398,173</b>
<b>At 31 December 2021</b>	<b>211,896,385</b>	<b>0</b>	<b>211,896,385</b>

#### Share capital in Norsk Titanium AS

At 31 December 2022 Amounts in USD thousand	Number of shares	Nominal share capital	Share premium
<b>At 31 December 2021</b>	<b>211,896,385</b>	<b>2,005</b>	<b>48,627</b>
Issuance of share capital	27,777,780	213	6,992
Transfer to share premium	0	0	(17,551)
<b>At 31 December 2022</b>	<b>239,674,165</b>	<b>2,218</b>	<b>38,068</b>



At 31 December 2021 USD thousand	Amounts in	Number of shares	Nominal share capital	Share premium
<b>At 31 December 2020</b>		<b>498,212</b>	<b>464</b>	<b>0</b>
Debt conversion shareholder loans		1,188,516	1,128	87,205
Private placement repair offer shareholders		78,687	73	5,775
Share split 1:100		174,776,085	0	0
Debt conversion convertible loan		8,833,900	85	9,199
Private placement capital raise		25,287,850	243	32,786
Exercise of greenshoe option		1,233,135	12	1,562
<b>Issuance of share capital</b>		<b>211,398,173</b>	<b>1,541</b>	<b>136,528</b>
Transfer to share premium				(87,901)
<b>At 31 December 2021</b>		<b>211,896,385</b>	<b>2,005</b>	<b>48,627</b>

Each share has a nominal value of NOK 0.08 after the share split in 2021. Included in ordinary shares outstanding, 400 treasury shares as of 31 December 2022 are included. All issued shares have equal voting rights and the right to receive dividend.

#### Dividend distribution to shareholders

The company has not paid dividend in 2021, and has proposed not to pay dividend for 2022.

#### Treasury shares

There are 400 treasury shares at 31 December 2022. There are no purchase or sale of treasury shares in 2022.

Number of treasury shares decreased from 10 541 shares at 1 January 2021 to 400 treasury shares at 31 December 2021. NTi purchased 4 treasury shares and sold 10 541 treasury shares during 2021. Following the share split 1:100 there were 400 treasury shares at December 31 2021.

#### Ownership structure:

Main shareholders in Norsk Titanium AS as of 31 December 2022	Total shares	Ownership	Share-holding/ Voting
Norsk Titanium Cayman Ltd.	90,696,591	37.8 %	37.8 %
Scatec Innovation AS	59,878,153	25.0 %	25.0 %
Triangle Holdings L.P.	32,145,300	13.4 %	13.4 %
Rose Park Advisors, LLC	16,401,734	6.8 %	6.8 %
Ferd AS	9,050,449	3.8 %	3.8 %
Mp Pensjon PK	4,887,283	2.0 %	2.0 %
Avkast Invest AS	2,414,859	1.0 %	1.0 %
Sauar Invest AS	1,570,838	0.7 %	0.7 %
Orchard International Inc*	1,301,100	0.5 %	0.5 %
Toluma Norden AS	1,289,487	0.5 %	0.5 %
Other shareholders	20,038,371	8.4 %	8.4 %
<b>Total</b>	<b>239,674,165</b>	<b>100 %</b>	<b>100%</b>

\*Orchard International Inc. shares are held in the Share Lending Program with NTi Holding AS

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 interest held by Board members:	Ownership as of 31 December 2022
<i>Board of Directors:</i>	
John Andersen - Chairman of the board*	0.00%
Bart van Aalst - member of the board**	0.24%
Steve D. Geskos - member of the board***	0.00%
<b>Total</b>	<b>0.24%</b>

Ownership interest held by Board members:	Ownership as of 31 December 2021
<i>Board of Directors:</i>	
John Andersen - Chairman of the board*	0.00%
Bart van Aalst - member of the board**	0.27%
Shan A. Ashary - member of the board**	0.10%
Jeremy Barnes - member of the board***	0.00%
Steve D. Geskos - member of the board***	0.00%
<b>Total</b>	<b>0.37%</b>

\* Related party of Scatec Innovation AS which controls 25.0% of the Company in 2021 and 2022

\*\* Related party of NT Cayman Ltd which controls 37.8% in 2022 of the Company and 36.4% in 2021

\*\*\* Jeremy Barnes and Steve D. Geskos represent Triangle Holding L.P. and Rose Park Advisors, LLC respectively, each of which is a top ten shareholder of the Company

#### 4.7 Share Incentive Program

NTi has a share option program for employees in the company divided into 9 programs. As of 31 December 2022, outstanding options has decreased from 3,678,800 options as of 1 January 2022 to 1,404,300 as of 31 December 2022, mainly related to the implementation of the new LTIP program. As of 31 December 2022, 1,400,300 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 2022.

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 to make a total grant of 4,928,435 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 4,855,618 shares equals 2.0% of total shares issued in the Company. The granted RSUs are subject to a time-based vesting. Of the total granted, 4,355,618 will vest rateably on each of the first three anniversaries of the grant date and 500,000 granted to our CEO Michael Canario will vest in full on 17 January 2025. Vesting of the Performance Shares is based on the achievement of financial or other performance goals. The number of Performance Shares that vest will be decided by the board of directors after year end 2024 with vesting on 17 January 2025. 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 413 thousand have been expensed as payroll (2021 USD 283 thousand) and USD 51 thousand have been expensed as social security tax (2021 negative USD 1 thousand), net impact of USD 464 thousand (2021 USD 282 thousand). Cancellation of previous option programs replaced by the new LTIP program resulted in a reversal of previous expenses of USD 355 thousand. Part of the shares units in the LTIP program is settled in cash due to the Company offering the participants a cashless transaction and cover tax triggered by the exercise.

#### Outstanding Instruments Year End – RSU

##### Quantity and weighted average prices

Activity	Number of instruments	Weighted Average Strike Price
Outstanding as of 1 January 2022	0	0.00
Granted	2,627,104	0.08
Terminated	(86,195)	0.08
Expired	0	0.00
<b>Outstanding as of 31 December 2022</b>	<b>2,540,909</b>	<b>0.08</b>
<b>Vested as of 31 December 2022</b>	<b>0</b>	<b>0.00</b>

##### Outstanding Instruments Overview

Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price
	Outstanding Instruments			Vested Instruments	
<b>0.08</b>	2,540,909	3.05	0.08	0	0.00



## Outstanding Instruments Year End – PSU

### Quantity and weighted average prices

Activity	Number of instruments	Weighted Average Strike Price
Outstanding as of 1 January 2022	0	0.00
Granted	2,228,514	0.08
Terminated	(50,919)	0.08
	0	
<b>Outstanding as of 31 December 2022</b>	<b>2,177,595</b>	<b>0.08</b>
<b>Vested as of 31 December 2022</b>	<b>0</b>	<b>0.00</b>

### Outstanding Instruments Overview

Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2022	Weighted Average Strike Price
Outstanding Instruments			Vested Instruments		
<b>0.08</b>	<b>2,177,595</b>	<b>3.05</b>	<b>0.08</b>	<b>0</b>	<b>0.00</b>

### Granted instruments 2022

Instrument	RSU	PSU
Quantity 31 December 2022 (shares)	2,627,104	2,228,514
Contractual life*	4.0	4.0
Strike price*	0.08	0.08
Share price*	4.9	4.9
Expected lifetime*	NA	3.0
Volatility*	NA	60.0%
Interest rate*	NA	1.6%
FV per instrument*	4.9	5.8

\*Weighted average parameters at grant of instrument

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

	Weighted average exercise price USD	Number of share options
Outstanding options as of 1 January 2022	<b>4.65</b>	<b>3,678,800</b>
Options granted	0.00	0
Options forfeited	4.64	2,176,300
Options exercised		0
Options expired	2.38	98,200
<b>Outstanding options as of 31 December 2022</b>	<b>4.75</b>	<b>1,404,300</b>
Exercisable at 31 December	4.74	1,400,300

	Weighted average exercise price USD	Number of share options
Outstanding options as of 1 January 2021*	4.36	4,413,200
Options granted		0
Options forfeited	4.31	734,400
Options exercised	0.00	0
Options expired	0.00	0
<b>Outstanding options as of 31 December 2021</b>	<b>4.65</b>	<b>3,678,800</b>
Exercisable at 31 December	4.41	3,123,600

\* Adjusted for share split 1:100.

There was no new option program in 2021 and 2022 and no options were granted.

Assumptions used in prior years to determine fair value of the 9 prior years option programs currently active as of 31 December 2022:

Option programs	Expected life of options	Exercise price USD	Number of share options
2011-2013 Program	2.0	0.49	12,500
2015-LTI Program	2.0	4.00	858,000
2017 LTI Program	4.0	4.80	44,500
2018 LTI Program	3.6	5.50	260,000
2018 STI NO 2021 Program	2.0	5.46	16,300
2018 STI US 2021 Program	2.0	4.94	11,000
2019 STI NO 2022 Program	2.0	5.80	22,200
2019 STI US 2022 Program	2.0	5.23	17,800
2019 LTI Program	4.0	6.00	162,000
<b>Weighted average at 31.12.2022</b>	<b>2.6</b>	<b>4.75</b>	<b>1,404,300</b>

**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 above 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 2022 was 2.6 years.

Options and shares held by Board members and Senior Management:	Number of RSU/PSU	% of total
Senior Management	2,543,806	52%

## 4.8 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:

Fair value measurement using					
At 31 December 2022	Note	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term liabilities	4.1	122	0	122	0
Other current liabilities	4.1	84	0	84	0
<b>Total financial liabilities</b>		<b>206</b>	<b>0</b>	<b>206</b>	<b>0</b>

Fair value measurement using					
At 31 December 2021	Note	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Debt instruments – Loan from shareholders		0	0	0	0
<b>Total financial liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Balance sheet as of 31.12.2022

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 4.7 Share Incentive Program.

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

## 5.1 Taxes

Amounts in USD thousand	2022	2021
<b>Current income tax expense:</b>		
Tax payable	0	6
Change deferred tax/deferred tax assets	0	(24)
Adjustments in respect of current income tax of previous year	(6)	(77)
<b>Total income tax expense</b>	<b>(6)</b>	<b>(94)</b>

Tax payable	2022	2021
<b>Profit before taxes</b>	<b>(9,378)</b>	<b>(16,087)</b>
Permanent differences*	(477)	(2,227)
Change in temporary differences	261	(1,587)
Deferred tax assets not recognized	9,594	19,821
<b>Tax basis</b>	<b>0</b>	<b>(80)</b>
Current taxes according to statutory tax rate 22%	0	(18)

Deferred tax liabilities (assets):	2022	2021
Property, plant and equipment	(1,960)	(1,898)
Other current assets	(115)	(107)
Losses carried forward (including tax credit)	(202,262)	(201,319)
Dissallowed interest expenses	(2,494)	(2,787)
<b>Basis for deferred tax liabilities (assets):</b>	<b>(206,831)</b>	<b>(206,111)</b>
Calculated deferred tax assets	(43,344)	(42,171)
Deferred tax assets not recognised	43,320	42,148
<b>Net Deferred tax</b>	<b>(24)</b>	<b>(24)</b>

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 43,344 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 2,494 thousand of disallowed interest deduction carried forward. These interest expenses are relate to a the interest limitation legislation in Norway which became effective from 1 January 2019, USD 2,494 thousand expire in 8 years, and may not be used to offset taxable income elsewhere in the Company.

The Company has USD 202,262 thousand (2021: USD 201,319 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 43,320 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	2022	2021
<b>Profit before taxes</b>	(9,378)	(16,087)
Tax expense (Norway tax rate)	(2,063)	(3,539)
Permanent differences*	(105)	(490)
Effects of foreign tax rates	244	208
Effect of deferred tax asset not recognised	2,111	3,448
Adjustments in respect of current income tax of previous years	(6)	(77)
Other changes	(187)	357
<b>Recognised income tax expense</b>	<b>(6)</b>	<b>(94)</b>

\* Permanent differences is related to share-based payments, costs related to capital increase, grants and non-deductible costs.

## 6.1 Interests in other Entities

The Company's interests in subsidiaries are presented below:

### Amounts in USD thousand

Consolidated entities	Office	CUR	Date of acquisition	Shareholding	Group's voting ownership 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.

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

## 7.1 Other Liabilities

### Amounts in USD thousand

Other current liabilities	31.12.2022	31.12.2021
Accrued bonus	0	15
Unpaid holiday pay	465	476
Other accrued costs	672	555
<b>Total other current liabilities</b>	<b>1,137</b>	<b>1,045</b>

## 7.2 Commitments and Contingencies

### Amounts in USD thousand

Contractual obligations (non-cancellable)	2022	Matures within 1 year	Matures 2-5 years	Matures more than 5 years	Total
Contractual purchase obligations	0	0	0	0	0
<b>Total non-cancellable contractual obligations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

There are no contractual purchase obligations beyond 2022. 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.

### 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"

## 7.3 Leases

### Amounts in USD thousand

Right-of-use assets	Buildings	Machinery & equipment	Other equipment	Total
<b>Acquisition cost 1 January 2022</b>	<b>1,027</b>	<b>687</b>	<b>57</b>	<b>1,772</b>
Addition of right-of-use assets	1,740	11	0	1,751
Disposals *	(808)	0	0	(808)
Adjustments	(144)	238	9	104
Currency exchange differences	(118)	0	0	(118)
<b>Acquisition cost 31 December 2022</b>	<b>1,697</b>	<b>937</b>	<b>66</b>	<b>2,700</b>
<b>Accumulated depreciation &amp; impairment 1 January 2022</b>	<b>860</b>	<b>374</b>	<b>38</b>	<b>1,488</b>
Depreciation	184	151	15	349
Disposals *	(808)	0	0	(808)
Currency exchange differences	(104)	0	0	(104)
<b>Accumulated depreciation &amp; impairment 31 December 2022</b>	<b>132</b>	<b>524</b>	<b>52</b>	<b>708</b>
<b>Carrying amount right-of-use assets 31 December 2022</b>	<b>1,565</b>	<b>412</b>	<b>14</b>	<b>1,992</b>
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	Total	2022	2021
Less than 1 year		(555)	(418)
1-2 years		(530)	(146)
2-3 years		(358)	(132)
3-4 years		(342)	0
4-5 years		(298)	0
More than 5 years		(1,191)	0
<b>Total undiscounted lease liabilities at 31 December</b>		<b>(3,274)</b>	<b>(696)</b>

Summary of the lease liabilities	Total	2022	2021
Balance as of 01.01		608	1,356
New lease liabilities recognised in the year		1,751	36
Adjustments		71	(80)
Cash payments for the principal portion of the lease liability		(303)	(684)
Cash payments for the interest portion of the lease liability		(247)	(111)
Interest expense on lease liabilities		247	111
Currency exchange differences		(21)	(21)
<b>Total lease liabilities at 31 December</b>		<b>2,106</b>	<b>608</b>
<b>Current lease liabilities</b>		<b>495</b>	<b>387</b>
<b>Non-current lease liabilities</b>		<b>1,611</b>	<b>221</b>
<b>Total cash outflows for leases</b>		<b>550</b>	<b>794</b>

Summary of other lease expenses recognised in profit or loss	Total	2022	2021
Operating expenses in the period related to short-term leases (including short-term low value assets)		45	76
Operating expenses in the period related to low value assets (excluding short-term leases included above)		0	0
<b>Total lease expenses included in other operating expenses</b>		<b>45</b>	<b>76</b>

\*Disposal of acquisition cost and accumulated depreciation are reduced during 2022 due to renewal of the rent agreement of the Engineering & Technology Center in Norway.

## 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 following table provides the total amount of transactions that have been entered into with related parties (outside the Company) for the relevant financial year. The amounts owed to related parties per 31 December:

Amounts in USD thousand			
Related party transactions	Relationship	2022	2021
NTi Holding AS	Shareholder	40	17

The amounts owed to related parties per 31 December 2021 and 2022 reflect share lending agent fees.

## 7.5 Events After the Reporting Period

According to the authorisation from the EGM 14 December 2021 the board of directors resolved on 17 January 2023 to make a total grant of 3,413,032 restricted share units ("RSU") and performance shares ("Performance Shares") in accordance with the LTIP. The total number of RSUs and Performance Shares granted by the board of directors equals 1.4% of total shares issued in the Company. The LTIP program is described in note 4.7 Share incentive program.

Participants in the Company's LTIP program have on 17 January 2023 exercised a total of 680,248 restricted share units ("RSU's"). The Company has resolved to settle 104,209 RSUs with cash consideration to allow the beneficiaries to settle taxes. The remaining 576,039 RSUs exercised will be settled by issuance of new shares in the Company.

On 30 March 2023 the Company completed a Private Placement, raising approximately NOK 89 million, equivalent to USD 8.5 million, in gross proceeds through the allocation of 29,517,950 new shares each at a subscription price of NOK 3.00 per share. Reference to the authorisation from the EGM 11 April 2023.

## 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 2022 are based on the accounting standards applicable for annual periods beginning 1 January 2022. A few amendments to IFRS have been implemented for the first time in the current year, including amendments to IAS 37 and measurement of onerous contracts. The amendments did not have any material impact for the Group. In addition, several amendments to IFRS are issued up to the date of issuance of the consolidated financial statements but are not yet effective. The Group has not applied the new IFRSs and the impact of applying the amendments is not expected to have a material impact on the Group's financial statements.

## Note 8.2 Significant Accounting Policies

### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

### 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.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

### Sale of Property, plant and equipment

Revenue from sale of property, plant and equipment items is presented net of the carrying amount at the time of sale.

### Interest income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

### Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### Taxes

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### 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, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

#### **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. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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.

#### **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:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- Its ability to use or sell the intangible asset
- The availability of adequate, technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually. Estimating recoverable amounts of assets must in part be based on management's evaluations, including determining appropriate cash-generating units, determining discounting rates, estimates of future performance, revenue generating capacity of the assets and assumptions of the future market conditions. The operations are to a large extent affected by economic conditions which result in considerable fluctuations in the Company's fair value. As the market is still immature, these values can vary in time.

#### **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 lease. 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

The lease liability is recognised at the commencement date of the lease. The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Company is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option, if the Company is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

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.

### Right-of-use assets

The Company measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognised
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Company. An estimate of the costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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.

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 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 include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are regarded as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also regarded as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

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.

#### **De-recognition of financial instruments**

A financial asset is derecognised when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset and either (i) the Company has transferred substantially all the risks and rewards relating to the instrument, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards relating to the instrument, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, this is treated as derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **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 Statement of Profit and Loss

For the years ended 31 December

NOK 1000	Notes	2022	2021
Revenue	2	11,809,321	8,083
Other income	4	20,181,248	22,264
<b>Total revenues and other income</b>		<b>31,990,569</b>	<b>30,347</b>
Raw materials and consumable used		(15,024)	(9,409)
Employee benefits expense	5	(65,243)	(52,944)
Other operating expenses	6	(35,578)	(38,932)
Depreciation and amortisation	7	(15,603)	(19,605)
Impairment of intangible assets	8	(3,158)	0
<b>Operating profit</b>		<b>(102,614)</b>	<b>(90,544)</b>
Financial income	9	259,851	152,316
Financial expenses	9	(728,492)	(35,068)
<b>Profit or loss before tax</b>		<b>(571,256)</b>	<b>26,704</b>
Income tax expense	10	0	0
<b>Profit or loss for the year</b>		<b>(571,256)</b>	<b>26,704</b>
<b>Transfers and allocations</b>			
Allocation to / (from) other equity	11	(571,256)	26,704
<b>Total transfers and allocations</b>		<b>(571,256)</b>	<b>26,704</b>

## Parent Company Statement of Financial Position

For the years ended 31 December

NOK 1000	Notes	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	26,559	29,046
Intangible assets	8	42,373	56,072
Investments in subsidiaries	12	4,478	40,583
Long term loan to subsidiary	3	573,367	913,065
<b>Total non-current assets</b>		<b>646,778</b>	<b>1,038,767</b>
<b>Current assets</b>			
Inventories	13	18,358	14,274
Trade receivables	14	2,357	636
Other current assets	14	25,641	28,774
Cash and cash equivalents	15	66,243	173,830
<b>Total current assets</b>		<b>112,600</b>	<b>217,517</b>
<b>TOTAL ASSETS</b>		<b>759,377</b>	<b>1,256,281</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	19,174	16,952
Share premium	11	704,218	1,167,236
Treasury shares	11	0	0
Other capital reserves	11	(8,368)	(7,463)
Other equity	11	0	35,460
<b>Total equity</b>		<b>715,024</b>	<b>1,212,185</b>
<b>Non-current liabilities</b>			
Intercompany debt	3	8,509	9,050
Long term liabilities	16	471	0
<b>Total non-current liabilities</b>		<b>8,980</b>	<b>9,050</b>
<b>Current liabilities</b>			
Trade and other payables	17,18	9,492	7,892
Other current liabilities	18,19	25,881	27,154
<b>Total current liabilities</b>		<b>35,374</b>	<b>35,046</b>
<b>Total liabilities</b>		<b>44,353</b>	<b>44,096</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>759,377</b>	<b>1,256,281</b>

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

  
**Bart Cornelius Gerardus Van Aalst**  
 Chairman of the Board

  
**Steve D. Geskos**  
 Member of the Board

  
**Mimi Berdal**  
 Member of the Board

## Parent Company Statement of Cash Flows

For the years ended 31 December

Cash flows from operating activities	Notes	2022	2021
<b>Profit before tax</b>		<b>(571,256)</b>	<b>26,704</b>
Depreciation and amortisation	7,8	15,603	19,605
Impairment of intangible assets	8	3,158	0
Net financial income/expense included in financing activities	9	(28)	16,924
Impairment of financial items	3	719,190	0
Elements without cash effect	3	(238,936)	(102,409)
<i>Working capital adjustment:</i>			
Changes in inventories	13	(4,084)	(5,326)
Changes in trade and other receivables	14	(1,721)	(636)
Changes in other current assets	14	3,133	(14,503)
Changes in trade and other payables	17	1,600	(375)
Changes in other liabilities	18	(802)	(22,517)
<b>Net cash flows from operating activities</b>		<b>(74,143)</b>	<b>(82,532)</b>
<b>Cash flows from investing activities</b>			
Net purchase of property, plant and equipment	7	(2,609)	(1,515)
Investment in intangible assets	8	(1,400)	(566)
Interest received	9	803	30
Proceeds from other investing activities	9	(775)	511
Investment in loans to subsidiaries	3	(101,375)	(132,078)
<b>Net cash flow from investing activities</b>		<b>(105,356)</b>	<b>(133,618)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of share capital	11	75,000	338,776
Transaction cost	11	(3,088)	(15,324)
Purchase of treasury shares	11	0	(17)
Sale of treasury shares	11	0	6,564
Proceeds of debt		0	50,815
Repayment of debt		0	(2,992)
Interests paid	9	0	(1,631)
<b>Net cash flow from financing activities</b>		<b>71,912</b>	<b>376,191</b>
Net change in cash and cash equivalents		(107,587)	160,042
Cash and cash equivalents, beginning of period		173,830	13,788
<b>Cash and cash equivalents, end of period</b>		<b>66,243</b>	<b>173,830</b>

## Notes to the Parent company financial statements

### 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 later 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.

## 2. Revenues

### Amounts in NOK thousand

Revenues	2022	2021
Sale of goods and services	11,809	8,083
<b>Total revenues</b>	<b>11,809</b>	<b>8,083</b>

Geographic information	2022	2021
Norway	65	0
Europe	1,920	652
USA	9,824	7,431
<b>Total revenues</b>	<b>11,809</b>	<b>8,083</b>

## 3. Related parties transactions and balances

Related parties	Shareholder/Subsidiary	Ownership interest
Norsk Titanium Cayman Ltd.	Shareholder	37.8 %
Scatec Innovation AS	Shareholder	25.0 %
Triangle Holdings L.P.	Shareholder	13.4 %
Rose Park Advisors, LLC	Shareholder	6.8 %
Ferd AS	Shareholder	3.8 %
Mp Pensjon PK	Shareholder	2.0 %
Avkast Invest AS	Shareholder	1.0 %
Sauar Invest AS	Shareholder	0.7 %
Orchard International Inc*	Shareholder	0.5 %
Tolma Norden AS	Shareholder	0.5 %
Board of Directors	Shareholder	0.2 %
Other shareholders	Shareholder	8.2%
Norsk Titanium Equipment AS	Subsidiary	100%
Norsk Titanium US Inc.	Subsidiary	100%
Norsk Titanium Services Ltd.	Subsidiary	100%
NTi MH AS	Subsidiary	100%
<b>Total</b>		<b>100%</b>

\* Orchard International Inc. shares are held in the Share Lending Program with NTi Holding AS

### Amounts receivable (payable) to subsidiaries:

#### Amounts in NOK thousand

Included in the balance sheet 31.12.2022	Norsk Titanium Equip. AS	Norsk Titanium US Inc.	Norsk Titanium Services Ltd	NTi MH AS	Board of directors	31.12.2022	31.12.2021
Long term loan to subsidiary*		572,123				572,123	913,064
Other current assets	1,241			3		1,244	1
Trade and other payables						0	(3,234)
Debt to subsidiaries**			(8,509)			(8,509)	(5,816)
<b>Net receivable (payable)</b>	<b>1,241</b>	<b>572,123</b>	<b>(8,509)</b>	<b>3</b>	<b>0</b>	<b>564,858</b>	<b>904,015</b>

\* Impairment charge of NOK 682,961 thousand recorded in 2022. The fair value of the receivable is based on the implicit value from private placement on 10 November 2022.

\*\* No debt is due later than 5 years

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

## 4. Other Income

### Amounts in NOK thousand

Other income	2022	2021
Grant from Innovation Norway*	15,400	17,500
Skattefunn**	4,750	4,750
Gain on disposal of inventory	31	14
<b>Total other income</b>	<b>20,181</b>	<b>22,264</b>

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.

\* Additional 44% of NOK 35 million grant from Innovation Norway recognized as Other income in 2022 (NOK 15,400 thousand) following further 44% of project costs occurred in 2022. In total for the Innovation Norway project 94% of project costs have occurred by the end of 2022. 50% of NOK 35 million grant from Innovation Norway recognized as Other income for the full year 2021 (NOK 17,500 thousand) following 50% of project costs occurred by year end 2021.

30% of the NOK 35 million grant from Innovation Norway was collected in 2021. Additional 50% of the grant (NOK 17,500 thousand) was collected in 2022.

\*\* NTi has been granted Skattefunn from Forskningsrådet for the years 2021 and 2022. Total grant is capped at NOK 9,500 thousand and dependent on cost incurred pending the capital requirement in the project. Costs occurred in 2022 are capped at NOK 4,750 thousand, recognised as Other income in 2022. Costs occurred in 2021 were capped at NOK 4,750 thousand, recognised as Other income in 2021.



## 5. Employee Benefit Expenses

### Amounts in NOK thousand

Employee Benefit Expenses	2022	2021
Salaries and holiday pay	48,993	42,061
Social security tax	7,340	7,059
Pension costs defined contribution plans	4,876	3,167
Cost of share-based payment	2,953	375
Other personnel costs	1,081	281
<b>Total payroll and related costs</b>	<b>65,243</b>	<b>52,944</b>
Full Time equivalent Employees as of 31.12	58	54

### 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	2022	2021
Board members	371	196

In the General Meeting 2021 it was decided that the remuneration for the period from the annual general meeting 2021 to the annual general meeting 2022 shall be USD 30 thousand for board members not associated with the Company's shareholders. Remuneration for one board member for 9 months was NOK 196 thousand in 2021. In the General Meeting 2022 it was decided to increase the board remuneration to USD 40 thousand for board members not associated with the Company's shareholders. Total board remuneration in 2022 was NOK 371 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 4.7 for disclosures on shareholdings.

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

## 6. Other Operating Expenses

### Amounts in NOK thousand

Other operating expenses	2022	2021
Professional services	7,708	12,176
Travel expenses	1,241	408
Rental and leasing expenses	5,013	5,067
IT expenses	10,960	6,852
Equipment and tools	2,035	996
Patent expenses	3,787	3,816
Insurances	1,243	1,137
Other operating expenses	3,591	5,573
<b>Total other operating expenses</b>	<b>35,578</b>	<b>38,932</b>

Auditor related fees	2022	2021
Statutory audit	1,723	1,364
Other assurance services	66	310
Tax consultant services	64	55
Non-auditing services	72	61
<b>Total remuneration to the auditor</b>	<b>1,925</b>	<b>1,790</b>

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

## 7. Property, Plant and Equipment

Amounts in NOK thousand

Property, plant and equipment	Machinery & equipment	Furniture & vehicles	Buildings, IT	Assets under construction	Total
<b>Acquisition cost 1.1.2021</b>	<b>75,784</b>	<b>3,284</b>	<b>9,241</b>	<b>633</b>	<b>88,942</b>
Additions	418	0	256	841	1,515
Disposals	(20,454)	0	(7,172)	0	(27,626)
<b>Acquisition cost 31.12.2021</b>	<b>55,748</b>	<b>3,284</b>	<b>2,324</b>	<b>1,474</b>	<b>62,831</b>
Additions	2,371	32	206	0	2,609
Disposals*	(11,268)	(292)	(482)	(1,238)	(13,281)
<b>Acquisition cost 31.12.2022</b>	<b>46,851</b>	<b>3,024</b>	<b>2,048</b>	<b>236</b>	<b>(10,672)</b>
<b>Accumulated depreciation and impairment 1.1.2021</b>	<b>49,873</b>	<b>2,982</b>	<b>3,404</b>	<b>0</b>	<b>56,260</b>
Depreciation for the year 2021	4,166	751	207	0	5,124
Disposals for the year 2021*	(25,522)	(442)	(1,635)	0	(27,599)
Transfer between categories	341	(341)	0	0	0
<b>Accumulated depreciation and impairment 31.12.2021</b>	<b>28,858</b>	<b>2,951</b>	<b>1,976</b>	<b>0</b>	<b>33,785</b>
Depreciation for the year 2022	3,191	253	167	0	3,611
Impairment for the year 2022**	0	51	0	0	51
Disposals for the year 2022	(11,194)	(292)	(482)	0	(11,969)
Reclassification for the year 2022	122	0	0	0	122
<b>Accumulated depreciation and impairment 31.12.2022</b>	<b>20,976</b>	<b>2,963</b>	<b>1,660</b>	<b>0</b>	<b>25,600</b>
<b>Carrying amount 31.12.2021</b>	<b>26,891</b>	<b>333</b>	<b>348</b>	<b>1,474</b>	<b>29,046</b>
<b>Carrying amount 31.12.2022</b>	<b>25,875</b>	<b>61</b>	<b>387</b>	<b>236</b>	<b>26,559</b>
Economic life	5-20 years	5 years	5 years		
Depreciation plan	linear	linear	linear		

\* Acquisition cost has been adjusted for assets that have reached the end of economic life and has been disposed off during the year 2022.

\*\* Impairment of furniture of NOK 51 thousand is recognized in 2022.

## 8. Intangible Assets

Amounts in NOK thousand

Intangible assets	Development costs	Other intangible assets	Total
Acquisition cost 1.1.2021	103,431	13,686	117,117
Additions	0	566	0
<b>Acquisition cost 31.12.2021</b>	<b>103,431</b>	<b>14,251</b>	<b>117,682</b>
Additions	0	1,400	1,400
<b>Acquisition cost 31.12.2022</b>	<b>103,431</b>	<b>15,651</b>	<b>119,082</b>
<b>Accumulated amortisation and impairment 1.1.2021</b>	<b>41,915</b>	<b>5,215</b>	<b>47,129</b>
Amortisation for the year 2021	10,448	4,033	14,481
Impairment for the year 2021	0	0	0
<b>Accumulated amortisation and impairment 31.12.2021</b>	<b>52,362</b>	<b>9,248</b>	<b>61,610</b>
Amortisation for the year 2022	10,448	1,545	11,992
Impairment for the year 2022	0	3,106	0
<b>Accumulated amortisation and impairment 31.12.2022</b>	<b>62,810</b>	<b>13,899</b>	<b>76,709</b>
<b>Carrying amount 31.12.2021</b>	<b>51,069</b>	<b>5,003</b>	<b>56,072</b>
<b>Carrying amount 31.12.2022</b>	<b>40,621</b>	<b>1,752</b>	<b>42,374</b>
Economic life	10 years	3-10 years	
Amortisation plan	Straight-line	Straight-line	

### Impairment of intangible assets

Additions of NOK 1,400 thousand in Other intangible assets reflect implementation of Teamcenter Product Lifecycle Management software system. The impairment loss of NOK 3,106 thousand recognised as impairment of Other intangible assets for 2022 is related to the legacy ERP system that has been replaced in 2022.

### Other intangible assets

Other intangible assets consist of software and acquired patents.



## 9. Financial Income and Expenses

Amounts in NOK thousand

Financial income and expenses	2022	2021
<b>Financial income</b>		
Interest income	136,633	95,464
Foreign exchange gains	123,218	55,297
Group contribution	0	1,556
<b>Total financial income</b>	<b>259,851</b>	<b>152,317</b>
<b>Financial expenses</b>		
Interest expenses	(1,096)	(12,491)
Foreign exchange losses	(7,413)	(20,997)
Impairment financial items*	(719,190)	0
Other financial expenses	(793)	(1,579)
<b>Financial expenses</b>	<b>(728,492)</b>	<b>(35,067)</b>

\* An impairment charge of 719,193 thousand was recorded to financial expenses related to the investment and working capital loan in Norsk Titanium US Inc as of December 31, 2022. The fair value of the receivable of NOK 572 120 thousand is based on the implicit value from private placement on 10 November 2022.

## 10. Taxes

Amounts in NOK thousand	2022	2021
<b>Current income tax expense:</b>		
Change deferred tax/deferred tax assets	0	0
<b>Total income tax expense</b>	<b>0</b>	<b>0</b>

Tax payable	2022	2021
<b>Profit before taxes</b>	<b>(571,256)</b>	<b>26,704</b>
Permanent differences*	714,492	(19,640)
Change in temporary differences	2,586	(13,055)
Use of losses carried forward	(145,823)	0
<b>Tax basis</b>	<b>0</b>	<b>(5,990)</b>
Current taxes according to statutory tax rate 22%	0	(1,318)

Deferred tax liabilities (assets)	2022	2021
Property, plant and equipment	(19,324)	(16,738)
Losses carried forward (including tax credit)	(690,742)	(837,634)
Dissallowed interest expenses	(24,582)	(24,582)
<b>Basis for deferred tax liabilities (assets)</b>	<b>(734,647)</b>	<b>(878,954)</b>
Calculated deferred tax assets	(161,622)	(193,370)
Deferred tax assets not recognised	(161,622)	(193,370)
<b>Deferred tax recognised in balance sheet</b>	<b>0</b>	<b>0</b>

Deferred tax assets of NOK 161,622 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 relate to a the interest limitation legislation in Norway which became effective from 1 January 2019, NOK 24,582 thousand expire in 8 years, and may not be used to offset taxable income elsewhere in the company.

Reconciliation of income tax expense	2022	2021
<b>Profit before taxes</b>	<b>(571,256)</b>	<b>26,704</b>
Tax expense 22%	(125,676)	5,875
Permanent differences*	157,188	(4,321)
Effect of deferred tax asset not recognised	(31,512)	(1,306)
Other changes**	0	(251)
<b>Recognised income tax expense</b>	<b>0</b>	<b>(2)</b>

\* Permanent differences are related to "share-based payments, Impairment of share in subsidiaries and intercompany debt, non taxable governmental grants, transactions costs recorded against equity and non-deductible costs".

\*\* Other changes are related to adjustments in respect of temporary differences of previous years.

## 11. Equity and shareholders

### Amounts in NOK thousand

Equity and shareholders	Share capital	Share premium	Treasury shares	Other paid in capital	Other equity	Total equity
<b>Balance as of 31.12.2020</b>	<b>3,986</b>	<b>29,441</b>	<b>(84)</b>	<b>0</b>	<b>0</b>	<b>33,342</b>
Profit (loss) for the year	0	0	0	0	26,704	26,704
Issue of share capital	12,966	1,147,542	0	(17,326)	0	1,143,182
Purchase of treasury shares	0	0	0	(17)	0	(17)
Sales of treasury shares	0	0	84	6,480	0	6,564
Share-based payment	0	0	0	2,409	0	2,409
Transfer to other paid in capital	0	0	0	992	(992)	0
Transfer to share premium	0	(9,747)	0	0	9,747	0
<b>Balance as of 31.12.2021</b>	<b>16,952</b>	<b>1,167,236</b>	<b>(0)</b>	<b>(7,463)</b>	<b>35,460</b>	<b>1,212,185</b>
Profit (loss) for the year	0	0	0	0	(571,256)	(571,256)
Issue of share capital	2,222	72,778	0	(3,088)	0	71,912
Purchase of treasury shares	0	0	0	0	0	0
Sales of treasury shares	0	0	0	0	0	0
Share-based payment	0	0	0	2,183	0	2,183
Transfer to other paid in capital	0	0	0	0	0	0
Transfer to share premium	0	(535,796)	0	0	535,796	0
<b>Balance as of 31.12.2022</b>	<b>19,174</b>	<b>704,218</b>	<b>(0)</b>	<b>(8,368)</b>	<b>(0)</b>	<b>715,024</b>

The Company decided to offset NOK 535,796 thousand in accumulated losses against share premium in 2022. For further information regarding share capital, shareholders, treasury shares and shares owned by the board and executive employees, see note 4.6 in the consolidated financial statements.

## 12. Investments in Subsidiaries

### Amounts in NOK thousand

Investments in subsidiaries	Office	Date of acquisition	Shareholding/ voting rights	Equity	Carrying amount
Shares in Norsk Titanium Equipment AS	Norway	2015/11/09	100%	666	30
Shares in NTi MH AS	Norway	2015/07/10	100%	0	0
Shares in Norsk Titanium US Inc.	US	2015/07/07	100%	1,215,162	0
Shares in Norsk Titanium Services Ltd.	UK	2016/12/01	100%	(11,286)	4,448
<b>Total Investments in subsidiaries</b>				<b>1,204,543</b>	<b>4,478</b>

## 13. Inventories

### Amounts in NOK thousand

Inventories	31.12.2022	31.12.2021
Raw materials	14,387	11,276
Work in progress	3,971	2,998
<b>Total inventories</b>	<b>18,358</b>	<b>14,274</b>

Work in progress consist of manufacturing of production machines, for own or external use, in addition to titanium components in progress. Inventories consists of wire, argon and substrate for production of titanium components as well as spare parts for production machines.

## 14. Trade Receivables and Other Current Assets

### Amounts in NOK thousand

Trade receivables	2022	2021
Receivable to external parties	2,357	636
<b>Total trade receivables</b>	<b>2,357</b>	<b>636</b>

No provision for bad debt has been recognised in 2021 or 2022.

Other current assets	2022	2021
Pre-payments	2,516	2,249
Deposits	967	966
VAT	1,717	969
Grant from Innovation Norway	4,900	7,000
Skattefunn	4,750	4,750
Other receivables	10,790	11,285
Group contribution	0	1,556
<b>Total other receivables</b>	<b>25,641</b>	<b>28,775</b>

## 15. Cash and Cash Equivalents

### Amounts in NOK thousand

Cash and cash equivalents	2022	2021
Bank deposits, unrestricted	63,795	171,954
Bank deposits, restricted*	2,448	1,876
<b>Total cash and cash equivalents</b>	<b>66,243</b>	<b>173,830</b>

\* Restricted bank deposits relates to cash for withholding taxes which may not be used for other purposes.



## 16. Share Incentive Program

Reference to note 4.7 in the consolidated financial statements for information related to the Company's share incentive 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 2022.

The new Long Term Incentive Program (LTIP) was implemented in January 2022.

For the LTIP program and the option program NOK 2,953 thousand and NOK 271 thousand have been expensed as payroll and social security tax respectively.

Reference to note 4.7 for disclosures on share options held by management and the board of directors in the Company.

## 17. Trade and Other Payables

### Amounts in NOK thousand

Trade and other payables	2022	2021
Accounts payable	5,060	4,406
Withholding payroll taxes and social security	4,432	3,485
<b>Total trade and other payables</b>	<b>9,492</b>	<b>7,891</b>

## 18. Other Current Liabilities

### Amounts in NOK thousand

Other current liabilities	2022	2021
Prepaid revenues	18,335	20,164
Accrued bonus	0	133
Unpaid holiday pay	4,584	4,196
Other accrued costs	2,962	2,662
<b>Total other current liabilities</b>	<b>25,881</b>	<b>27,154</b>

## 19. Commitments and Contingencies

### Amounts in NOK thousand

Minimum lease payments (non-cancellable operating leases)	2022	Matures within 1 year	Matures 2-5 years	Matures more than 5 years	Total
Buildings and argon tank lease	3,259	3,215	11,671	11,461	29,605
<b>Total non-cancellable operating leases</b>	<b>3,259</b>	<b>3,215</b>	<b>11,671</b>	<b>11,461</b>	<b>29,605</b>

### Contingent assets and liabilities

The company has no contingent assets and liabilities.

## 20. Going Concern Assumption

Reference to note 4.5 in the consolidated financial statements for disclosures on financial risk and capital management for the company.

## 21. Subsequent Events

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

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norsk Titanium AS

### Opinion

We have audited the financial statements of Norsk Titanium AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2022, the statement of profit and loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2022, statement of total comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statement, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 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,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting 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)* (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.

### Material uncertainty related to going concern

The group incurred a net loss of USD 9.4 million for the year ended 31 December 2022. According to Note 4.5 under "Liquidity risk and going concern" in the consolidated financial statements and the going concern section in the Board of Director's report, the Group and the Company is dependent on raising additional funding and/or a significant reduction in cash outflows from operations, to meet its obligations as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.



## Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

## Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and 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.

- 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, 25 April 2023  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Magnus H. Birkeland  
State Authorised Public Accountant (Norway)



# PENNEO

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."

## Magnus Hegertun Birkeland

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: UN:NO-9578-5990-4-2796687

IP: 83.241.xxx.xxx

2023-04-25 13:36:02 UTC



Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service** <penneo@penneo.com>. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validator>