FORGING OUR LEGACY

2023 ANNUAL REPORT

NORSK

CONTENTS

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

FORGING OUR LEGACY

From Norway to New York State, Norsk Titanium is realizing our vision.
One in which innovation fuels success.

We have cultivated a robust foundation built on strategic investments, sustainable growth, and a committed workforce dedicated to creativity and exploration. After years of pioneering research, development, and implementation, we are now delivering additive manufacturing solutions through our Rapid Plasma Deposition® technology that are transforming the commercial aerospace, defense, and industrial sectors. Our parts no longer live only in our imaginations or laboratories—they have taken flight and are soaring.

Additive manufacturing has evolved from its beginnings in prototyping and is now revolutionizing production at an industrial scale. Norsk Titanium is at the forefront of this revolution, setting the stage for next generation manufacturing by breaking down barriers to innovation and shortening lead times while increasing profitability for ourselves and our partners.

The parts we manufacture are not simply components. They are the backbone of progress, powering essential machinery worldwide. They are the future.
Our future. One we are boldly forging, together.

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.

UP TO
50%
COST SAVINGS

70%
LESS WASTE

700 MT
PRINT CAPACITY

*USD
$300M*

Norsk Timeline

2007

Norsk Titanium Founded

2015

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

2017

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

2019

Serial production deliveries to Spirit and Leonardo initiated

First qualification material delivered to Defense industry

2021

Raised USD 38M and listed on Euronext Growth in Oslo

Raised USD 7.2M in a private placement of shares

Launch of proprietary software development kit, RPD Builder™

2022

Development of next DoD production and demonstration parts

Production and delivery of material to commercial aerospace OEM for use in machine qualification

Delivery of first demonstrator part to Hittech

US DoD prime contractors begin full scale article testing

Delivered flight representative 700mm part to a commercial aerospace OEM supplier for machine risk reduction

2023

Entered into full rate production in the industrial market

Delivered critical structural component for US Department of Defense Manned Aircraft

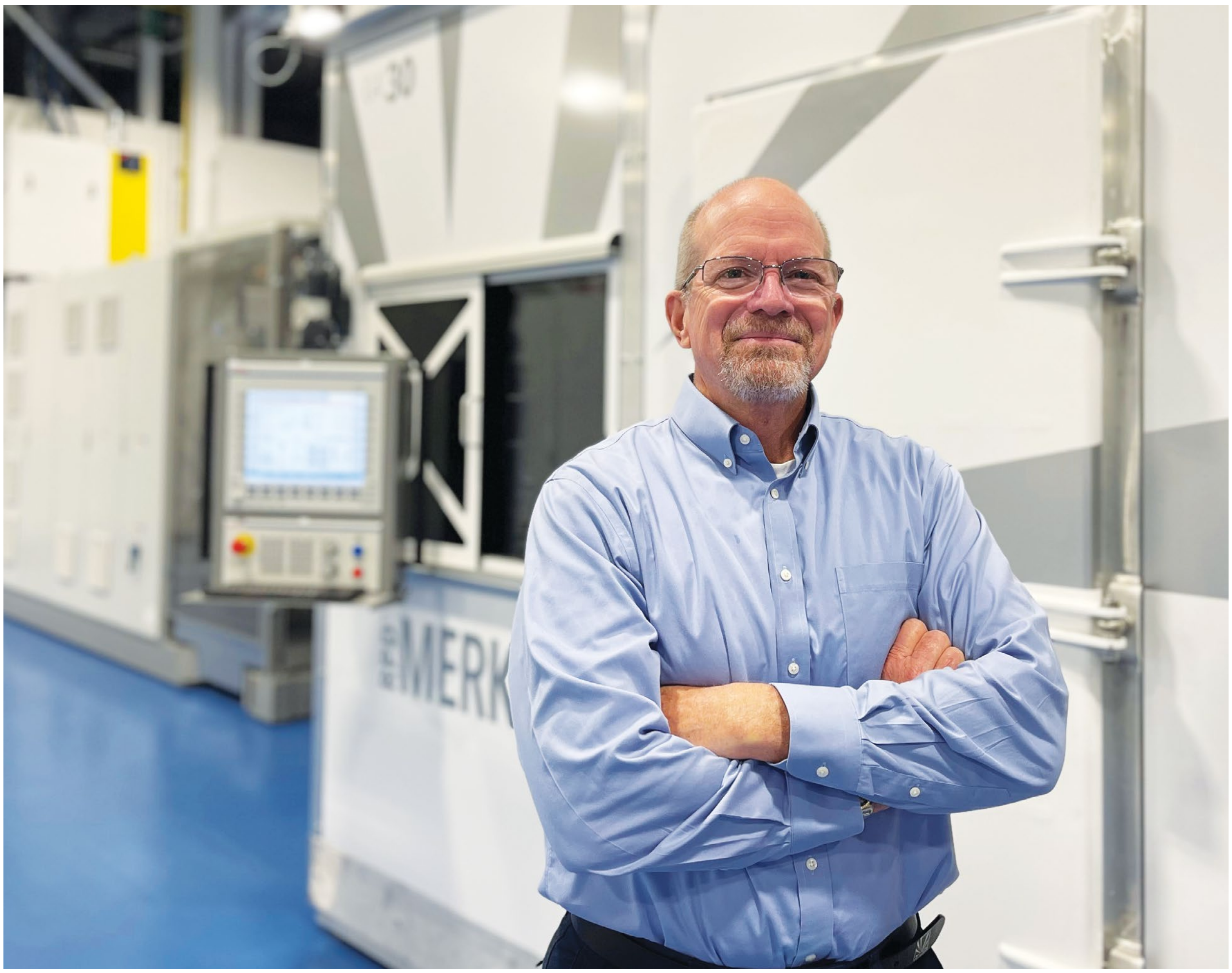
Qualified RPD® process for Airbus production and delivered first production components

Contracted with US DoD agency for nickel superalloy development

LOOK AHEAD

A LETTER FROM THE CEO

RESILIENCE AND STRATEGIC ADAPTATION



This last year has been pivotal for Norsk Titanium, marked by resilience and strategic adaptation. Throughout the year, we navigated a series of challenges, and emerged well positioned for growth in 2024.

Towards the end of 2023, we successfully qualified our technology for production with Airbus, accomplishing a key strategic objective for Norsk Titanium. The path to completion of this milestone was not without obstacles.

The qualification process proved to be more time and resource intensive than we originally anticipated. This impacted our timelines and tested our adaptability and resilience in the face of unexpected challenges. Thanks to the ingenuity of our team of dedicated employees, we have been able to overcome these challenges, and are well positioned to reap the rewards. Norsk Titanium is now the sole wire based directed energy deposition (DED) additive manufacturing technology qualified for Airbus commercial programs, an achievement that unlocks tremendous potential for the Company and solidifies our competitive advantage.

While commercial aerospace offers great potential and remains our key focus area, we are also making progress with our customers in the defense and industrial markets. We faced head-on the complexities of transitioning the 100 kg Hittech carrier tray to full rate production. This entry into the semiconductor market was our largest and most complex part to date.

Looking forward, it is clear that the upcoming year will bring further changes and challenges as we evolve as a manufacturing organization. We are working to enhance our agility and improve our speed to market, while maintaining our reputation for 100% quality and on-time delivery. These will be our guiding principles as we continue to push our own boundaries.

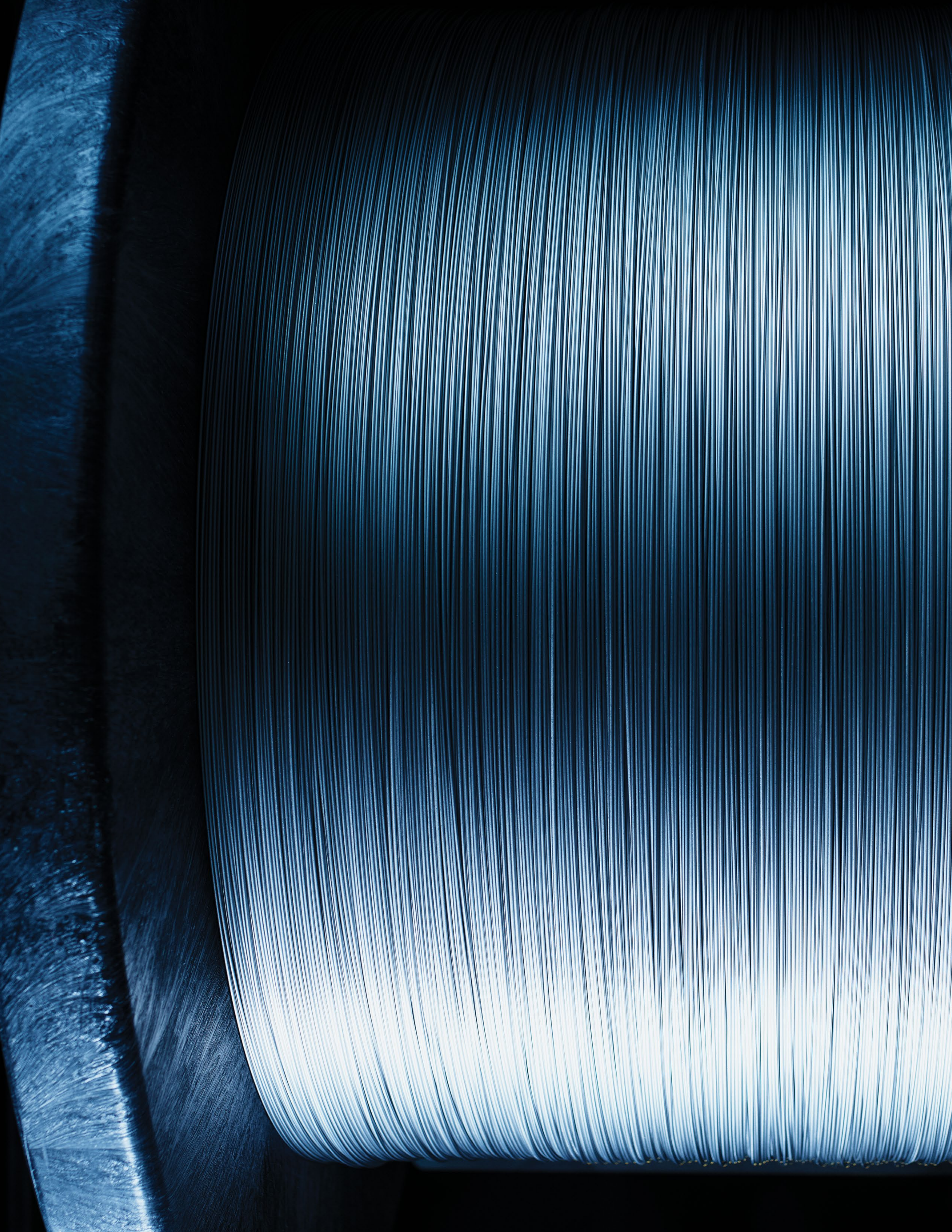
Our strategic focus remains on maturing our part development process and seamlessly transitioning parts from development to serial production. Our commitment extends to the maturation of our production organization and supply chain partners, ensuring timely delivery of high-volume parts in accordance with forecasts.

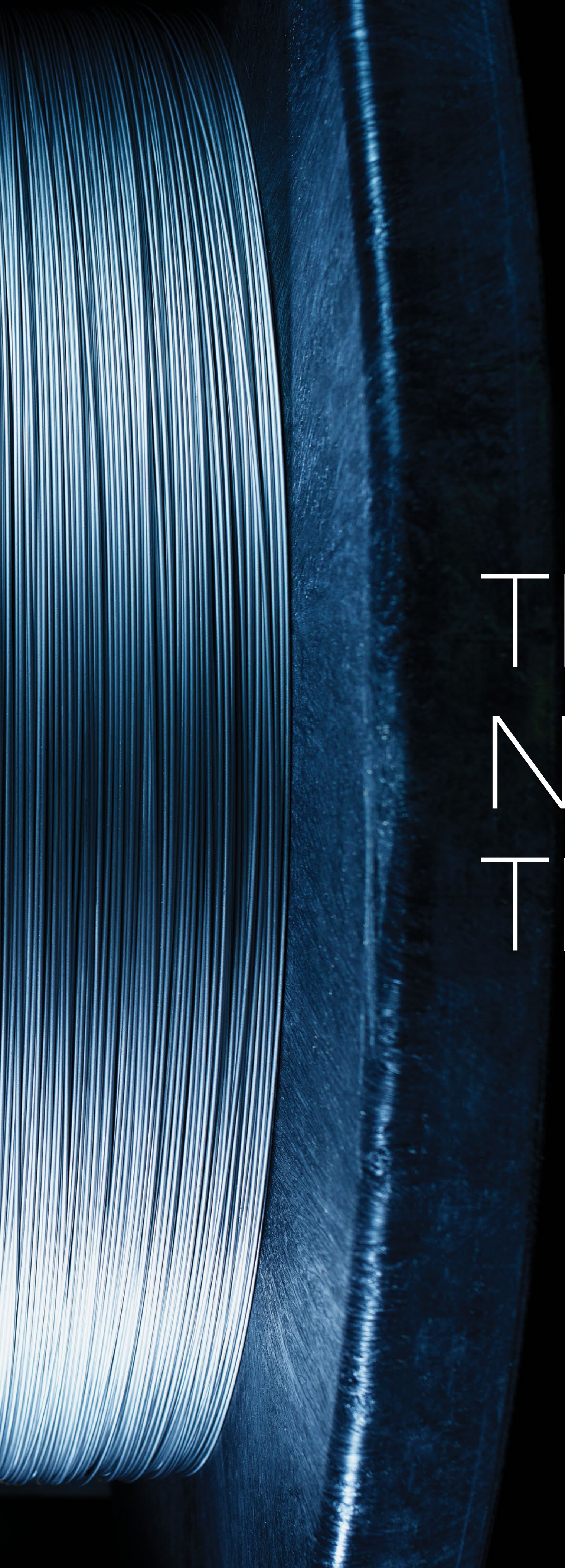
Against the backdrop of ongoing geopolitical challenges, titanium remains a highly sought-after and constrained resource. Leveraging our proprietary technology, we aim to do more with less, producing equivalent titanium parts as legacy manufacturers with significantly less raw material. We believe that our RPD® technology will continue to gain traction as we demonstrate the cost and schedule savings it offers to customers in commercial aerospace, defense and industrial markets.

Moving forward, we have indicated a revenue level of USD 15 million in 2024, as a stepping-stone towards our 2026 revenue target of USD 150 million. We recognize the importance of effective shareholder communication and pledge to provide clear metrics towards the achievement of our revenue targets.

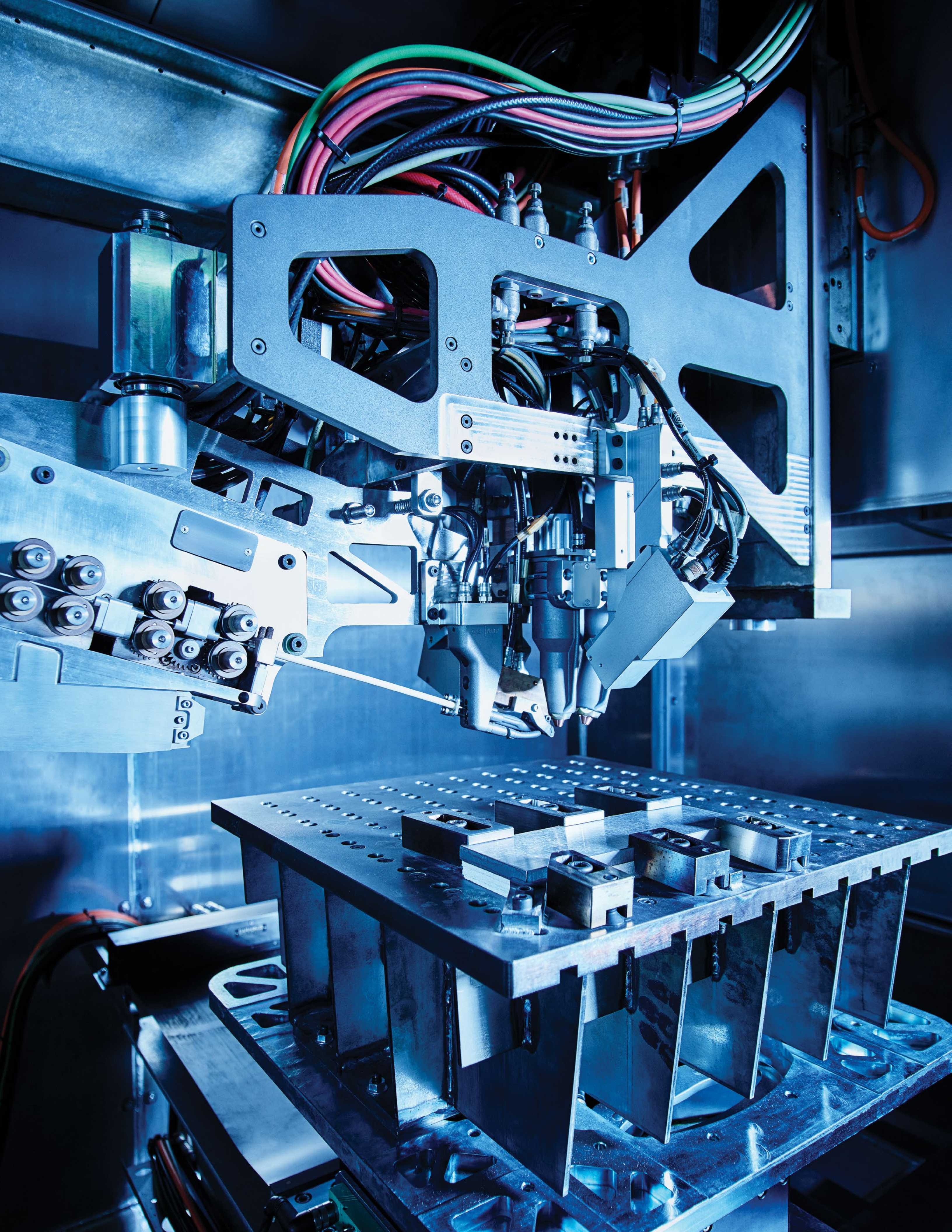
Reflecting on 2023, we acknowledge both our triumphs and the valuable lessons learned from the challenges we encountered. Looking ahead, we are energized and ready to leverage our unique position in the additive manufacturing space. We could not have done this without the continuing support of our employees, shareholders, and other stakeholders and the belief they place in Norsk Titanium. Thank you!

Carl Johnson, Chief Executive Officer





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 overlayed with physical material testing to understand production parameters that yield the best material quality. Combining our software data with the physical results we are able to automate our process based on causal relationships. Additionally, Norsk has developed analytical tools that are employed for thermodynamic and stress analysis of preforms during deposition.

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

Norsk Titanium employs a mix of trade secrets and patents designed to protect our position as a leader in 3D printing of metal alloys. To date, we have 191 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 – Rapid Plasma Deposition®

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

The MERKE IV® is our 4th generation RPD® 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.

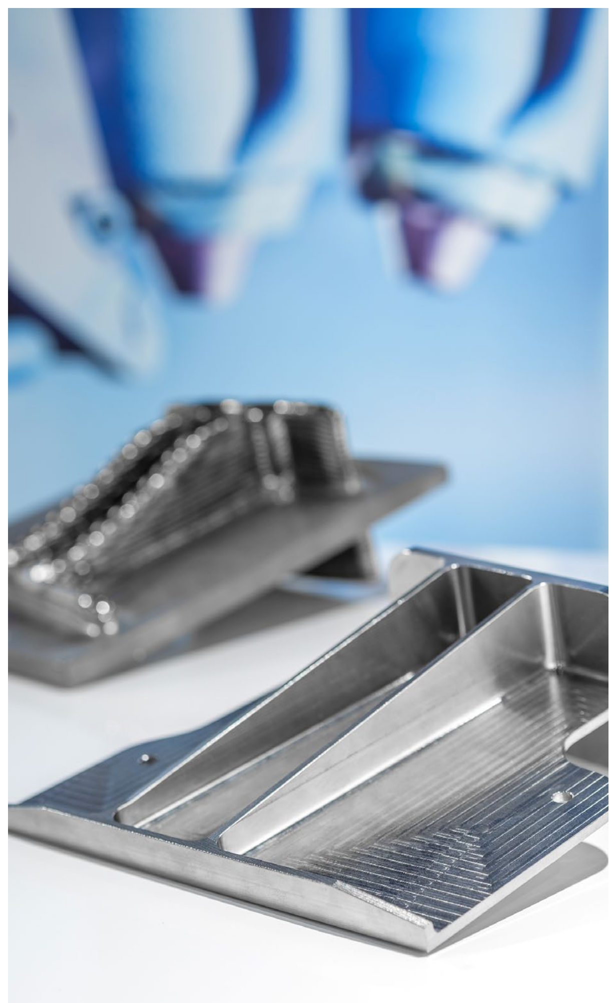
Our development efforts focus on automation, streamlining part development, and improved quality and productivity. Utilizing data collected over a decade, the Company's intelligent software development toolkit, RPD Builder™, can optimize the part design based on thermal parameters and as a result yield parts with superior mechanical properties. In addition

to this software development, Norsk Titanium has also enhanced the RPD® technology to expand the size of parts the machines are able to print. Double-sided printing increases the print envelope and design flexibility, and improves productivity by efficiently managing heating and cooling times.

Industry Material Specifications

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

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



GLOBAL OPERATIONS & ASSETS

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


NORSK TITANIUM


NORSK TITANIUM


STORM OVERFLOW
STORM DRAIN
NORSK

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 440 metric tons / year. Norsk Titanium's machines at PPC were approved for Boeing production in 2022 and Airbus production in December 2023. The Company expects other qualifications with commercial aerospace OEMs and defense contractors as it achieves further market penetration with its technology.

RESEARCH & DEVELOPMENT: EGGEMOEN 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 25,000 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 2024 to support manufacturing activities.

Certifications

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

PROJECTS & INNOVATION NORWAY

Innovation Norway awarded Norsk Titanium a NOK 35 million (approximately USD 4 million) grant to support our technology efforts for automated product development and minimization of machine process variation. We completed the agreed scope of the projects in the first quarter of 2023. The grant provided Norsk Titanium a platform to continue to develop a fully automated design process to transition parts into serial production more efficiently.

THE INNOVATION NORWAY GRANT IS CENTERED ON THREE MAIN AREAS:

Automated Machine & Process Stability:

Each RPD® machine collects 2000 data measurements at up to 1 kHz sampling rate. The database is being utilized to provide information for production parameters to control the geometry for new part programs being generated.

Print-in-a-Day:

Functionality in RPD Builder™, multi-machine operations, and industry 4.0 capabilities.

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. 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 maintain a Long-Term Incentive Plan which provides for the annual award of share-based incentive compensation to employees at all levels of the organization. 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.

MANAGEMENT TEAM

Carl Johnson, Chief Executive Officer

Joined in 2016 as Chief Technical Officer and became Chief Executive Officer and President in November 2023. He has over 40 years of experience in the aerospace industry. His career includes leading teams in advanced technologies. In his 30+ years with Northrop Grumman, he led the Global Hawk Autonomous Unmanned Air System, Triton UAS, and the X-47B UAS which demonstrated autonomous carrier take off and landings and autonomous aerial Refueling. Prior to these roles he held various management positions in the B-2 program.

Ashar A. Ashary, Chief Financial Officer

Joined in 2016, currently serving as Chief Financial Officer. Prior to joining the Company Mr. Ashary was with Tricap Investments, a private equity fund associated with the investment in Norsk Titanium. Mr. Ashary spent over 15 years in private equity, investment banking and advisory where he led technology and growth investment teams, and held senior finance positions at growth companies of private equity firms.

Gail A. Balcerzak, Chief Legal and People Officer

Joined in October 2022 as Vice President and General Counsel. In 2022, she was appointed Chief Legal and People Officer, overseeing the global legal and human resources functions for the Company. Ms. Balcerzak has over 20 years' in-house legal experience with global technology-driven companies in positions of increasing responsibility. Prior to joining the Company, she held the position of Deputy General Counsel at Hexcel Corporation and was responsible for all legal matters for Hexcel's $1.2B Americas Aerospace division.

Steve Eaton, VP Operations

Joined in June 2017 and became VP Operations in 2020. He played a key role in establishing operations in Plattsburgh. Mr. Eaton previously worked at Collins Aerospace as Director of Military Programs responsible for all aspects of program execution and business development. In total, Mr. Eaton has worked in Aerospace and Defense for over 20 years with increasing responsibilities ranging from operations, continuous improvement, compliance and operations finance at Collins Aerospace, United Technologies and Raytheon Defense Systems.

Odd Terje Lium, VP Engineering

Joined in 2018, leading our Eggemoen Technology Center. Mr. Lium has more than 20 years of experience in the aerospace industry, as a leader in both technology development and production. Prior to joining Norsk Titanium, Mr. Lium held the position as VP Engineering Technology Quality at GKN Aerospace Norway AS.

Nicholas Mayer, VP Commercial

Joined in 2015 as the Vice President of Product Development and was appointed Vice President of Commercial in 2020, overseeing all customer relationships, product development and pricing, communications, and marketing. 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, VP Quality

Joined in 2022 as Vice President of Quality, overseeing 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 positions 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 Euronext Growth Oslo with the ticker symbol "NTI". The Parent Company's wholly owned subsidiary, Norsk Titanium US Inc., a Delaware, USA corporation, operates our production facilities in Plattsburgh, NY, USA. The Company is innovating the future of metal manufacturing with its Rapid Plasma Deposition® additive manufacturing technology which replaces legacy structural forgings. Thanks in part to our partnership with the State of New York, Norsk Titanium operates 35 RPD® machines with 700 MT of annual print capacity between its facilities in Norway and the US. When operating at capacity, the manufacturing facility in Plattsburgh is expected to generate revenues of more than USD 300 million per year, which supports our business plan through 2026 and beyond.

OUR MISSION

Enable fast, clean, sustainable metals manufacturing

OUR STRATEGY

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

BOARD OF DIRECTORS

John Andersen Jr., Chairman of the Board

CEO of Scatec Innovation AS, the founding shareholder of the Company. He has extensive experience with rolling out technology-intensive industrial concepts and building global organizations. Mr. Andersen currently serves as the Chairman of the Board of 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 focus on disruptive innovation. 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.

Mimi K. Berdal, Board Member

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

Shan-E-Abbas Ashary, Board Member

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

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. Customers of Norsk Titanium enjoy increased security of supply as they leverage the benefits of the Company's RPD® technology. Norsk Titanium's RPD® technology uses 70% less raw material and energy and takes 90% less time than legacy machining processes, and hence delivers equivalent parts more cost efficiently. The current market dynamics are a catalyst for increased adoption and the Company believes the inherent cost benefits and efficiencies of RPD® will continue to resonate with customers in multiple markets.

The Company operates across three main markets in Commercial Aerospace, Defense and Industrial, with initial focus on the high complexity market in Commercial Aerospace. This represents a directly addressable opportunity of USD 2.5 billion annually within a target market of USD 13 billion. The target markets for Defense and Industrials are each estimated at USD 5 billion, with large adjacent market opportunities within engines and repair and maintenance.

Commercial Aerospace

Norsk Titanium continues to leverage the current geopolitical climate to strengthen its relationship with OEMs in commercial aerospace. The Company is in discussions with multiple OEMs and their tier one suppliers to identify parts that can be readily transitioned into production under the current qualifications.

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. In parallel, Boeing continues to explore additional applications of RPD® in their programs. Norsk Titanium expects to transition additional parts after they complete their evaluation.

In December 2023, the Company announced that it had successfully qualified its Merke IV® machine and RPD® process for Airbus production. Airbus Aerostructures in Varel, Germany, an Airbus subsidiary, has placed an order for an initial structural part, and Norsk Titanium is completing delivery of the first order. The first additively manufactured preforms delivered to Airbus have been machined, qualified and installed into an A350 assembly. Together with Airbus, the Company continues to explore the transition of larger and more complex parts to RPD®.

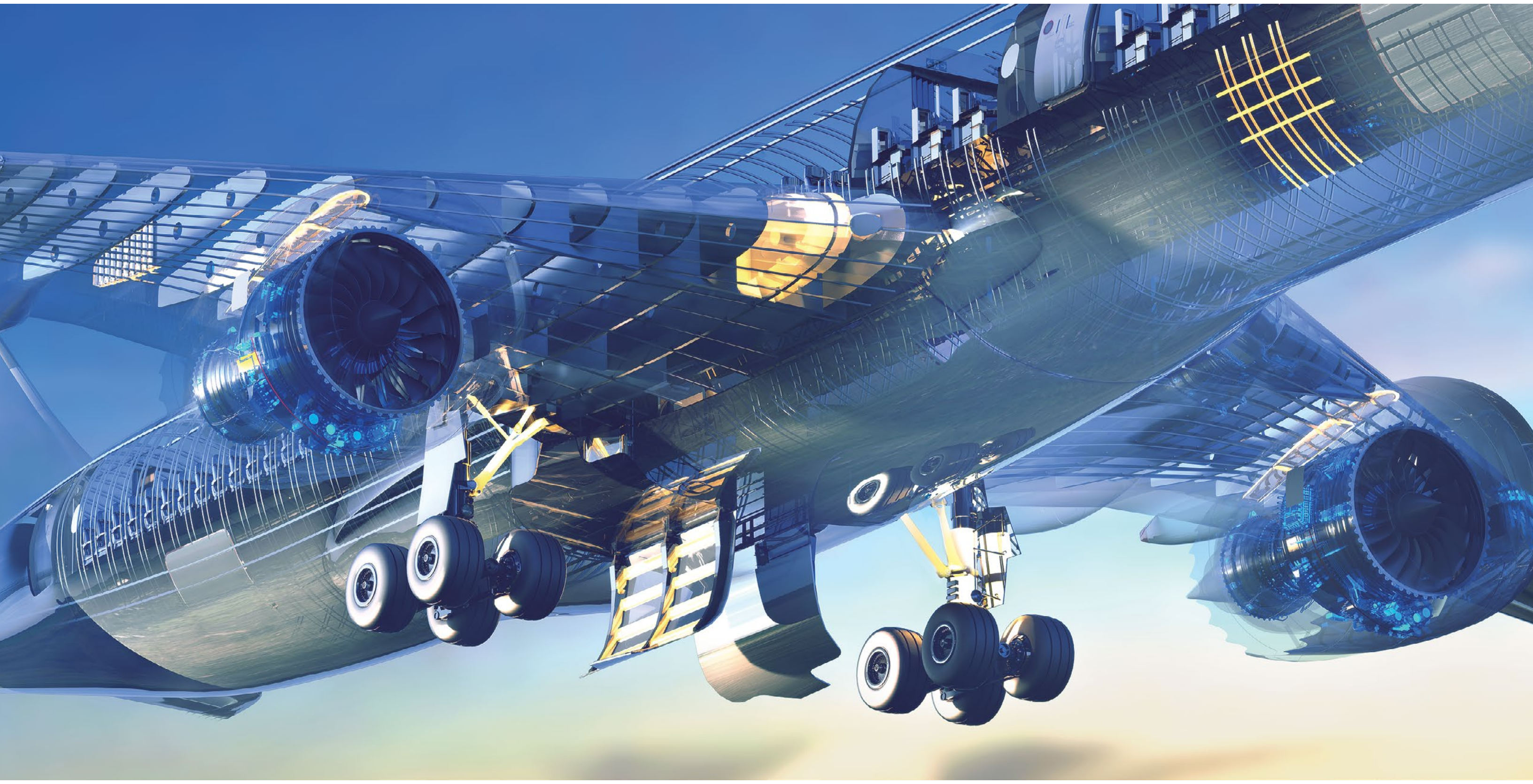
Defense

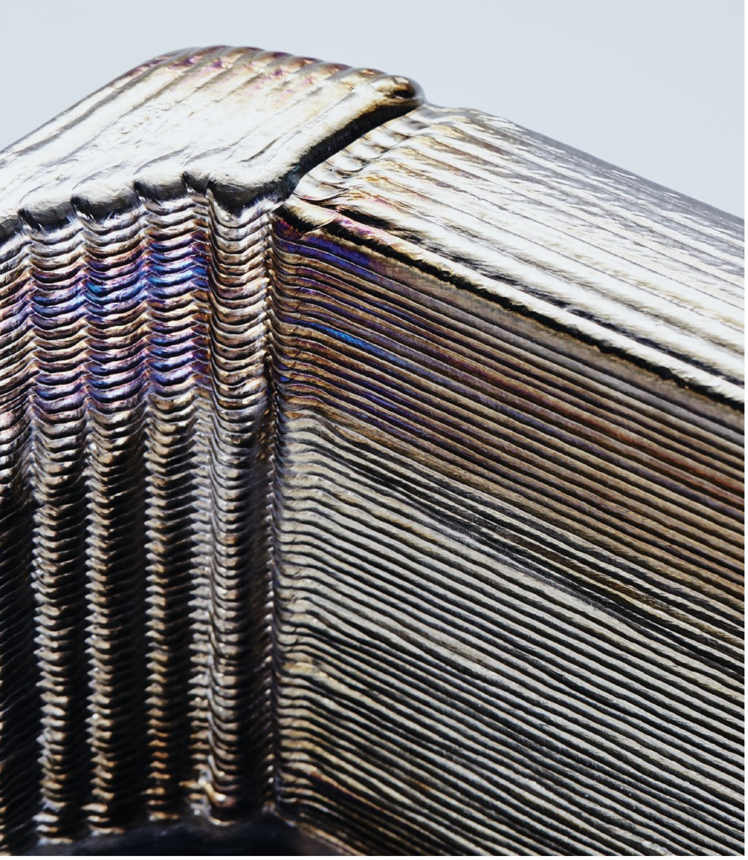
Following the completion of a qualification test program in 2022, Norsk Titanium was added to Northrop Grumman's approved special processor listing for production of wire-fed plasma deposition of titanium. The material specification is in place and the Company expects to receive its first serial production orders in the first half of 2024. In addition to its pioneering work with Northrop Grumman, Norsk Titanium actively engages in development efforts with several other US Department of Defense (DoD) prime contractors. Most recently, Norsk Titanium undertook an extensive qualification effort with General Atomics unmanned aircraft systems which resulted in the development of a flight critical structural component to be applied in General Atomics' next generation platforms. The Company also engaged with Kongsberg Defense & Aerospace to demonstrate RPD®'s applicability to part repair.

Industrial

Norsk Titanium was awarded a serial production order from the Dutch company Hittech for production of a large 100kg carrier tray for delivery to ASML in February 2023. The first parts were produced in Norway and delivered in the first quarter of 2023. In November 2023, the Company received a follow-on order for delivery of additional carrier trays, which will be produced and shipped from PPC in New York. During 2024, revenue from the carrier tray is expected to represent the highest value sales realized from a single product.

The Company continues to engage with various customers to evaluate the use of RPD® parts in their assemblies, including efforts to identify additional opportunities in the semiconductor industry with similar applications to the carrier tray.





FINANCIAL REVIEW

The consolidated financial statements of the Company for the Year Ended 31 December 2023 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 2023 was USD 2.5 million, compared to USD 3.2 million in 2022. Profit after tax was USD (26.7) million compared to USD (9.4) million in 2022.

Consolidated Profit & Loss Statement

USD Million	2023	2022
Revenue	2.2	1.0
Other Income	0.3	2.2
Total Income	**2.5**	**3.2**
Operating expenses	(25.8)	(22.0)
EBITDA	**(23.3)**	**(18.8)**
Depreciation & Amortization	(1.9)	(2.6)
Operating Profit	**(25.2)**	**(21.4)**
Net Financial Items	(1.5)	12.1
Profit/Loss Before Tax	**(26.7)**	**(9.4)**
Income Tax Expense	0.0	0.0
Net Profit/Loss	**(26.7)**	**(9.4)**

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

Revenue & Other Income

Revenue consists of USD 2.2 million from the sale of parts and revenue from products and services delivered on development programs, and Other income of USD 0.3 million mainly reflecting grants from Innovation Norway and FSMC. The comparable figures for 2022 are USD 1.0 million from the sale of parts, and USD 2.2 million in Other income which included grants from Innovation Norway and Skattefunn.

This represents a Total income for the Company of USD 2.5 million in 2023, down from USD 3.2 million in 2022 mostly driven by reduction in grants during 2023.

Operating Costs & EBITDA

Operating expenses amounted to USD 25.8 million in 2023, compared to USD 22.0 million in 2022. The increase in costs is driven by increased production and qualification costs in 2023. Raw Material and Consumables costs, reported as Operating expenses, were USD 5.1 million in 2023, increased from USD 3.6 million in 2022. Despite rising costs throughout 2023 the Company managed to control expenses to meet budgeted targets.

The EBITDA loss amounted to USD 23.3 million in 2023, compared to a loss of USD 18.8 million in 2022.

D&A & Operating Profit

Depreciation, amortization and impairment amounted to USD 1.9 million in 2023, down from USD 2.6 million in 2022. The Operating loss was USD 25.2 million, compared to a loss of USD 21.4 million in 2022.

Net Financials & Results

Net financial items amounted to USD (1.5) million in 2023, mainly reflecting loss on net foreign exchange and interest expenses. The comparable figure for 2022 was USD 12.1 million.

Loss before tax was USD 26.7 million in 2023, compared to a loss of USD 9.4 million in 2022. Net loss after tax was USD 26.7 million, increased from the USD 9.4 million loss in 2022. The increase in the net loss from 2022 to 2023 was driven by loss from net financial items compared to net gains in the foreign exchange between the US Dollar and the Norwegian Kroner in 2022.

Cash Flow & Liquidity

USD Million	2023	2022
Net Cash Flow From Operating Activities	(22.2)	(19.7)
Net Cash Flow From Investing Activities	(0.2)	(0.4)
Net Cash Flow From Financing Activities	16.2	6.4
Net Increase/ (Decrease) in Cash	**(6.2)**	**(13.9)**

Net cash flow from operating activities was USD (22.2) million. This reflects the loss before tax of USD 26.7 million, adjustments to reconcile non-cash expenditure included in the Loss before tax of USD 3.4 million, and changes in working capital of USD 1.1 million.

Cash flow from investing activities was USD (0.2) million, reflecting only small expenditures for fixed and intangible assets as the Company already has the production capacity needed to reach its long-term targets. Cash flow from financing activities was USD 16.2 million, which in large part reflects net proceeds from a private placement of USD 8.0 million and increase of debt of USD 8.6 million during 2023.

In total, the net change in cash and cash equivalents was USD 6.2 million and 2023 ended with a cash balance of USD 1.2 million compared to USD 7.7 million at the end of 2022. As discussed in Events After the Balance Sheet Date below in this Report, in February 2024 Norsk Titanium carried out a Rights Issue providing the Company with approximately NOK 188.3 million or USD 18 million in gross proceeds.

Consolidated Financial Position

USD million	2023	2022
Current Assets	8.9	16.7
Non-current Assets	8.0	9.9
Total Assets	**16.8**	**26.6**
Current Liabilities	15.5	6.6
Non-current Liabilities	2.3	2.5
Total Liabilities	**17.8**	**9.1**
Share Capital & Premium	22.1	40.3
Other Reserves & Equity	(23.1)	(22.9)
Total Equity	**(1.0)**	**17.4**

Assets

On 31 December 2023, intangible assets of USD 3.1 million are mainly related to the development of the production platform and RPD® technology-related qualification programs with customers and further development of the MERKE IV® production assets. Property, plant and equipment of USD 3.1 million mainly consists of three MERKE IV® RPD® machines located at Eggemoen and related production infrastructure in both facilities. The Company operates an additional 32 RPD® machines under a subsidized lease arrangement thanks to our partnership with the State of New York.

Current assets mainly reflected the cash balance of USD 1.2 million and inventories at year end of the USD 5.9 million. Total assets amounted to USD 16.8 million at the end of 2023, compared to USD 26.6 million at the end of 2022.

Equity & liabilities

Total equity amounted to USD (1.0) million on 31 December 2023. The non-current liabilities amounted to USD 2.3 million and current liabilities were USD 15.5 million. Total liabilities at the end of the period were USD 17.8 million at the end of 2023, compared to USD 9.1 million at the end of 2022. This corresponds to an equity to asset ratio of (6)% at the end of 2023. Liabilities were decreased and equity increased as a result of the Rights Issue in February 2024, as described in note 7.5.

Organisation

Norsk Titanium employees 116 people globally, with representatives from more than 16 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 Directs has made a commitment to ensure trust in the Company and to enhance shareholder value through effective decision-making and improved communication between management, the Board of Directors and our shareholders. The Company's framework for corporate governance is intended to decrease business risk, maximize value and utilize the Company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees, other parties concerned and society at large. We aim to ensure that our current processes and procedures are consistent with the most recent version of the Norwegian Code of Practice for Corporate Governance. Our assessment of the 15 issues covered by the Norwegian Code is detailed in the Corporate Governance section of this Annual Report.

Parent Company Result

The Parent Company reports its financial statements in Norwegian Kroner (NOK). During 2023 the Parent Company had an operating loss of NOK 127.6 million. Due to impairment loss of NOK 602.6 million on investments in subsidiaries and loan to subsidiaries impacting net financial items Norsk Titanium AS reported a net loss of NOK 521.7 million. The impairment of the investment in and loan to the subsidiaries was recognized as the fair value was assessed to be lower than the carrying amount. At 31 December 2023, the Parent Company's total assets were NOK 405.6 million and total equity was NOK 281.3 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 521,717,090 is charged to other equity in the Parent Company. The Company decided to offset accumulated losses against share premium in 2023. The equity in Norsk Titanium AS as of 31 December 2023 is NOK 281.3 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 2024 and the Company's long-term strategic forecast including funding. See Risk and Uncertainty Factors - Financial Risks, and note 4.7 to the financial statements for further information on the board's assessment of Going Concern.

RISKS AND UNCERTAINTY FACTORS

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

Markets and Competition

Norsk Titanium operates in the 3D printing market of forge-equivalent near net shapes and finished parts. Currently, the Company mainly delivers titanium components to commercial aerospace, defense and industrial manufacturers.

The Company competes directly with large organizations employing legacy manufacturing technology such as forging, casting and machining equipment, and is seeking to supplant these legacy techniques with its RPD® technology. These legacy organizations have established qualifications with the Company's targeted customers and more resources, which may impede or delay the conversion of parts from legacy manufacturing methods to RPD®. The Company also competes with other 3D printing companies. The 3D printing industry has experienced an increase in the number of players in recent years and competition is more intense. Some of the Company's competitors in the 3D printing space have more resources than the Company which may impact the Company's ability to effectively compete for adoption with customers in its target markets.

Financial Risks

As a development stage company in the process of transitioning to a commercial manufacturing concern, Norsk Titanium does not generate sufficient income from operations to fund its operations. The Company's primary focus in 2024 is on increasing the number of customer qualifications and the parts transitioned from legacy manufacturing methods to RPD® to generate additional revenue.

The Company has taken active measures to reduce its monthly cash burn rate in 2024 even below the 2023 cash burn rate of USD 2.0 million per month. However, the planned ramp up of production and increased volume of part deliveries may increase the cost level during the year. Cash burn is also being affected in the near term by increases in the cost of raw materials driven by market uncertainties in the supply for titanium. Forecasted revenue growth in 2024 and 2025 is critical to achieving a positive cash flow from operations to finance the future of the Company. The Company's forecast depends on its ability to work with customers to quickly identify and transition parts from legacy production methods to RPD®. The Company can influence, but not control, the pace at which customers transition parts to RPD®. In the past, the Company has experienced delays in the qualification process that have delayed part transition and revenue achievement. Future delays are likely to have a similar effect and will require the Company to raise additional capital to offset the impact.

In March 2023, the Company completed a private placement of shares raising USD 7.7 million which financed operations through August 2023. The Company financed operations for the remainder of the year primarily through bridge loans from existing shareholders while it sought longer-term financing. See note 7.4 to the Company's financial statements for additional information on the bridge loans.

On 4 December 2023, the Company announced its intent to raise additional capital through the initiation of a rights issue (the "Rights Issue"). Net proceeds to the Company from the Rights Issue were NOK 80.0 million before fees. See note 7.5 to the Company's financial statements for additional information on the Rights Issue and settlement of the bridge loans.

As part of the Rights Issue, the Company also issued 164,519,363 warrants to purchase additional shares which may be exercised by the holders during two exercise periods: (i) 10-21 June 2024 and (ii) 18-29 November 2024. If the warrants are exercised in full, the Company will raise between USD 9 million (NOK 91 million) and USD 17 million (NOK 176 million), which will fund operations for an additional six to nine months. Given the inherent uncertainty with respect to timing and amount of proceeds from the warrants, the Company, in close cooperation with its main shareholders, continues to explore alternative financing options, both short- and medium term. The Company envisions raising additional capital through a combination of a working capital debt facility or additional equity which will fund its operations to cash flow breakeven in late 2025.

Based on the increase in commercial activity with various customers, the continued support from existing shareholders, and the increased interest from new investors, 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.

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 has not experienced any losses in receivables.

Operational Risks

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

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

The Company is entering a period of expansion in its operations. To be successful, the Company will need to attract, hire, train and retain talent sufficient to staff operations in the time frame required to support this growth. Although the Company does endeavour to offer an attractive work environment, including competitive wages and benefits, any inability to adequately staff expansion of the Company's operations could pose a risk to its ability to execute on the growth strategy.

Supply Chain Risks

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

Legal and Regulatory Risks

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

EVENTS AFTER THE BALANCE SHEET DATE

On 17 January 2024, the Board granted 2,568,197 restricted share units ("RSU") in accordance with the Company's Long Term Incentive Program ("LTIP"). The total number of RSUs granted by the board equals 0.95% of total shares issued in the Company. The LTIP program is described in note 4.8 Share incentive program.

Also on 17 January 2024, participants in the LTIP exercised a total of 864,606 RSUs. The Company settled 211,368 of these RSUs with cash consideration to allow the beneficiaries to settle taxes. The remaining 653,238 RSUs exercised were settled by issuance of new shares in the Company.

On 21 February 2024 the Company completed the Rights Issue, receiving subscriptions for a total of 229,038,787 shares. Based on the number of shares subscribed and paid for, the Company has also issued 164,519,363 warrants to purchase additional shares.

The subscriptions received provided the Company with net proceeds of approximately NOK 80.0 million after the repayment of certain bridge loans and before fees. The Company also issued 16,904,823 shares to certain underwriters of the Rights Issue to settle fees payable to such underwriters.

On 23 April 2024, the Company announced the signing of a long-term Master Supply Agreement with Airbus Aerostructures to support Airbus A350 production. The Master Supply Agreement outlines the contractual framework for Airbus Aerostructures to procure parts from Norsk Titanium on a long-term basis. Different parts are being qualified to enter serial production, governed by the Master Supply Agreement.

Outlook

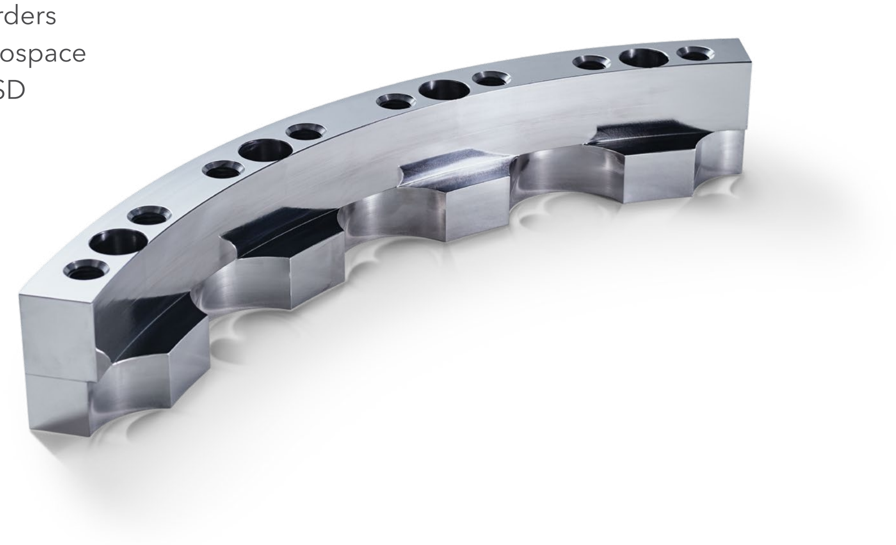
Norsk Titanium's disruptive additive manufacturing solution is gaining acceptance from commercial aerospace, defense, and industrial customers. Current qualifications are expected to create a long-term pipeline of visible revenue as the Company qualifies to manufacture parts for platforms with 10+ year production runs.

Norsk Titanium sees significant expansion potential into new sectors over time by leveraging its published material specifications and software development kit, RPD Builder™. Increasing costs and reduced availability of raw materials, including titanium, may enable accelerated adoption of its RPD® technology due to its cost savings and reduced requirements for raw material.

Norsk Titanium continues to complete key qualification programs necessary to establish long term contracts with customers in commercial aerospace, which represents the largest market for titanium parts employing legacy production processes. Commercial aerospace programs also provide a recurring revenue stream over a long period, typically 5-10 years, resulting in a growing order backlog. At the same time, the Company has established relationships with major customers in the defense and industrial sectors, including part repair.

Based on the projected timetable for qualification and part transitions to serial production in 2024, including potential orders from tier-one suppliers to commercial aerospace OEMs, revenues are expected to reach USD 15 million this year. During 2023, Norsk Titanium achieved critical milestones with its main customers in the industrial, defense and commercial aerospace sectors that will result in a significant increase in the number of parts that will transition to serial production. As these parts begin serial production it creates a leading indicator of annual forecasted revenue for the subsequent period given the certainty of the business opportunity. This is also referred to as the Annual Recurring Revenue (ARR). The ARR represents the full annual value of a part, which is the total quantity of in-service programs (e.g. Boeing 787 program, Airbus A350 program, etc.) completing production during the year multiplied by the part price. By the end of 2024 the Company expects to create an ARR of approximately USD 50 million for the subsequent full fiscal year. The base line revenue forecast for each year is the ARR established in the previous year. Adding the incremental revenue from new parts transitioned during the same year to the starting ARR provides a reliable forecast for the fiscal year. Each new part transitioned into production not only incrementally increases the revenue for the year, but also secures the ARR to be realized in the next full year.

The Company continues to experience a significant increase in the number of new customer engagements, each of which presents an opportunity for recurring revenue. This positive commercial outlook, coupled with the Company's existing revenue pipeline enables the Company to reaffirm its 2026 revenue target of USD 150 million.



BOARD OF DIRECTORS' STATEMENT

The Board of Directors have today considered and adopted the Annual Report of Norsk Titanium AS for the financial year 1 January to 31 December 2023. 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 2023 of the Company and the Parent company and of the results of the Company and Parent company operations and cash flows for 2023.

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

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

Hønefoss
23 April 2024

John Andersen Jr.
Chairman of the Board

Bart van Aalst
Board Member

Mimi Berdal
Member of the Board

Shan A. Ashary
Member of the Board

Carl O. Johnson
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 subtracting form of manufacturing results in considerable waste of the metal machined off as scrap. While 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 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 with conventional process, representing approximately 1,100 MT of reduced CO_2 emissions per machine per year. We have 35 machines capable of producing material.

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

We also strive to reduce the environmental impact of our own operation. 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 2023, we recorded three days that were not Perfect HSE Days; one was the result of local administration of first aid, and two as the result of contained spills.

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 accidents, seeks to identify the cause of the accident or illness, and ensures that we take action to prevent a recurrence.

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

Social Responsibility

Norsk Titanium is committed to responsible business practices with respect to human rights, 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 requests for information. For more information on Norsk Titanium's compliance with the Norwegian Transparency Act, see our statement at norsktitanium.com/TransparencyAct.

Equal Opportunity

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

Gender Equality in the Company

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

PERMANENT EMPLOYEES

Country	W	M	Total	% W
Norway	19	43	62	31%
US	9	43	52	17%
Other	0	2	2	0%
Total	**28**	**88**	**116**	**24%**

W=Women, **M**=Men

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 114 Full Time Equivalent Employees in 2023.

Of our part-time employees, one is employed in the US and three are employed in Norway. In 2023 we had no temporary employees in the Company.

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

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

Parental Leave

In 2023, one female and one male employee in Norway were eligible for parental leave. Each took a minimum of 15 weeks of parental leave, for which we offered full salary benefit. We provide paid and unpaid leave benefits in the US that are equal to or better than those required by applicable law, and we strongly encourage all employees to avail themselves of such leave programs as necessary.

Pay Gap Analysis by Gender

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

- **Know-how** – what does the role need to know to identify and handle the problems
- **Accountability** – what is the contribution of the role to the results of the 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
Level 1	Entry Level	19	5	24	91%
Level 2	Intermediate Level Professionals	12	5	17	98%
Level 3	Mid-Level Professionals	39	10	49	97%
Level 4	Senior Professionals	16	8	24	92%

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 broader basis:

	Description	M	W	Total	% Women's Pay Compared to Men's
Level 1	Entry Level	1	2	3	89%
Level 2	Intermediate Level Professionals	7	2	9	89%
Level 3	Mid-Level Professionals	27	9	36	97%
Level 4	Senior Professionals	8	6	14	92%

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 for the two locations occurs in Level 1, at 91%, which is driven by a lower number of women with seniority as compared to the men in the same level. For Norway, the largest gap occurs in both Level 1 and 2, at 89%, which is mainly driven by recently hired females with less work experience than men on 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, while helping us to attract and retain top talent. We strive to provide our employees with a safe, stimulating environment where everyone’s voice is heard and respected. Currently, we employ colleagues of more than 16 different nationalities with a variety of skills and interests. This broad diversity in a company of 116 employees enhances our ability to continue to attract talent from a wide spectrum.

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

- **The opportunity to use their skills and abilities to contribute to the Company’s progress as well as their own;**
- **The right to be treated with respect and provided with a safe working environment;**
- **The right to equal opportunities irrespective of ethnic background, race, 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 and report any behavior that does not align with the Code and our values. To promote dialog, we encourage employees to speak directly with their managers, and we encourage our managers to listen to employee ideas and concerns and to provide timely feedback. During our annual performance evaluation process, employees have an opportunity to provide feedback to their managers, as well. Employees who are not comfortable speaking to their managers, however, may seek out other members of the management team or may choose to report concerns anonymously through our whistleblower hotline. We also solicit input through our quarterly employee surveys, where we look for feedback to allow us to track whether we are providing clear messaging in areas such as the importance of compliance and HSE. Generally, employees have ranked our performance in these key areas highly. We have committed to following up on suggestions and concerns raised through the surveys, during regularly scheduled all-hands meetings and through regular Focus Group meetings.

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

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

Ongoing Efforts

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

In one such initiative, we seek to rectify the uneven distribution of employees across genders. In response, we have removed all gendered-normative language in job ads and job descriptions. We seek out job fairs and recruitment groups catering to women, and we renewed our photo library to showcase our diverse workforce and conducted training on gender-bias in the recruitment process. In the US, we transparently post wage ranges for each job and have analyzed and refined the physical requirements of all roles, which might have excluded women. As a result, we were able to recruit more women into our engineering and technical roles in 2023 and hope to continue the momentum.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

Norsk Titanium AS (the "Company") 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 2022 (the "Corporate Governance Code"), but we have structured our corporate governance framework in all material aspects according to the Corporate Governance Code. The Code is available at the Norwegian Corporate Governance Committee's web site www.nues.no.

The following provides a review of our corporate governance in relation to each section of the Corporate Governance Code for the period from 1 January 2023 to 31 December 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 7, 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	NON-COMPLIANT
8. Board of Directors: Composition & Independence	NON-COMPLIANT
9. The Work of the Board of Directors	**COMPLIANT**
10. Risk Management & Internal Control	**COMPLIANT**
11. Remuneration of the Board of Directors	**COMPLIANT**
12. Remuneration of Executive Personnel	**COMPLIANT**
13. Information & Communications	**COMPLIANT**
14. Take-overs	NON-COMPLIANT
15. Auditor	**COMPLIANT**

1. Implementation & Reporting on Corporate Governance

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

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

2. Business

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

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

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

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

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

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

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

3. Equity & Dividends

Equity

At 31 December 2023, the Parent Company's equity was NOK 281.3 million, which is equivalent to 69% of total assets. Our Board considers the Parent Company's equity level to be satisfactory. The Board continuously considers the suitability of the Parent Company's equity level and financial strength in light of our objectives, strategy and risk profile.

Dividend Policy

We are focused on developing and commercializing our technology and intend to retain future earnings to finance development activities, operations and growth of the business. 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

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

The Board of Directors currently two authorisations to increase the share capital of the Company outstanding, which, considering previously utilized amounts, totals a share capital increase (excluding share premium) of up to NOK 5,095,212 by authorizing the Board of Directors to issue up to 63,690,153 shares, each at a par value of NOK 0.08. The authorisations are distributed as follows:

1. An increase of up to NOK 4,316,290, representing 53,953,630 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 authorisation was granted on 11 April 2023 and is valid until the ordinary general meeting in 2024, but not later than 30 June 2024. On 3 November 2023, the Company used this authorization to issue 250,000 shares, meaning that remaining amount under the authorization is NOK 4,296,290.
2. An increase of up to NOK 851,181, representing 10,639,761 shares, which may be used for issuing shares in connection with the Company's incentive schemes for employees. On 17 January 2024, the Company used this authorization to issue 653,238 shares, further increasing its share capital by NOK 52,259. The remaining amount under this authorisation is 798,922. The authorisation was granted on 16 May 2023 and is valid until the ordinary general meeting in 2024, but not later than 30 June 2024.

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

Purchase of Own Shares

The Board of Directors has one authorisation to purchase own shares with a nominal (par) value of NOK 2,158,145 representing 26,976,815 shares, each at a par value of NOK 0.08. Any shares acquired under this authorisation may be deleted in connection with a later reduction of the registered share capital, or used as remuneration to the members of the Board of Directors, as means under the Company's incentive programs or as consideration shares in the acquisition of another business or businesses.

Under the foregoing authorisation, the purchase price per share cannot exceed NOK 100 and not be less than NOK 1. This authorization was granted on 16 May 2023 and is valid until the ordinary general meeting in 2024, but not later than 30 June 2024. As per the date of this Corporate Governance Report, the authorization remains available in full.

4. Equal Treatment of Shareholders

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

In connection with a private placement of shares on 30 March 2023, the Board of Directors determined to set aside the pre-emption rights of existing shareholders to subscribe for shares. The justification for such deviation of the pre-emption rights was in particular that the Private Placement would enable the Company to secure equity financing to accommodate the Company's funding requirements. Further, a private placement reduced execution and completion risk, as it enabled the Company to raise equity efficiently and in a timely manner, with a lower discount to the current trading price, at a lower cost and with a significantly reduced completion risk compared to a rights issue. It was also taken into consideration that the private placement would not result in a significant dilution of existing shareholders and that it was based on a publicly announced accelerated book-building process. The board of directors' justification for waiving the pre-emption rights of existing shareholders was publicly disclosed in stock exchange announcements on 30 March 2023. Further, the Board of Directors facilitated for 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 completed on 30 March 2023. On 15 May 2023, the Board of Directors decided, as disclosed via a stock exchange notice the same day, to not proceed with the subsequent offering, citing the fact that the shares had traded, with sufficient trading volume, at prices close to or below the subscription price in the private placement. Accordingly, any shareholders wishing to neutralize the dilutive effect of the private placement had the opportunity to purchase shares in the Company in the market, at prices close to or below what would have been the subscription price in a subsequent offering.

On 3 November 2023, the Board of Directors, pursuant to an authorization to increase the share capital increase, resolved to issue 250,000 new shares in order to settle a facilitation fee in connection with a bridge loan from White Crystals Ltd. Issuance of shares to settle the facilitation fee represented a deviation from the shareholders' pre-emptive right to subscribe for shares. The Board of Directors carefully considered such deviation, considering, among other things, the terms of the loan and the possibility to raise funds in an expedient and flexible manner, and resolved that the issuance was in the best interests of the Company and its shareholders. The justification for such deviation of pre-emption rights was disclosed in a stock exchange announcement on 3 November 2023.

In connection with a rights issue resolved by the general meeting of the Company, agreements for the underwriting of shares in the rights issue provided for settlement of the underwriting fee by issuance of new shares as well as certain warrants. The shares and warrants were issued to the underwriters and thereby represented a deviation from the shareholders' pre-emptive right to subscribe for shares and warrants. The Board of Directors carefully considered such deviation, which was also presented to and resolved by the general meeting. With respect to the shares, that was issued as settlement of the underwriting fee, the justification was presented to the general meeting and thereby disclosed, following which the Board of Directors only had limited discretion in the resolution to issue the shares.

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 two weeks prior to the date of the general meeting. The summons will reference or come with attachments providing support for the resolutions to be discussed and resolved at the general meeting. Such support will be sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the Company's website www.norsktitanium.com concurrently with the distribution to shareholders.

Participation & Execution

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

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

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

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

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

7. Nomination Committee

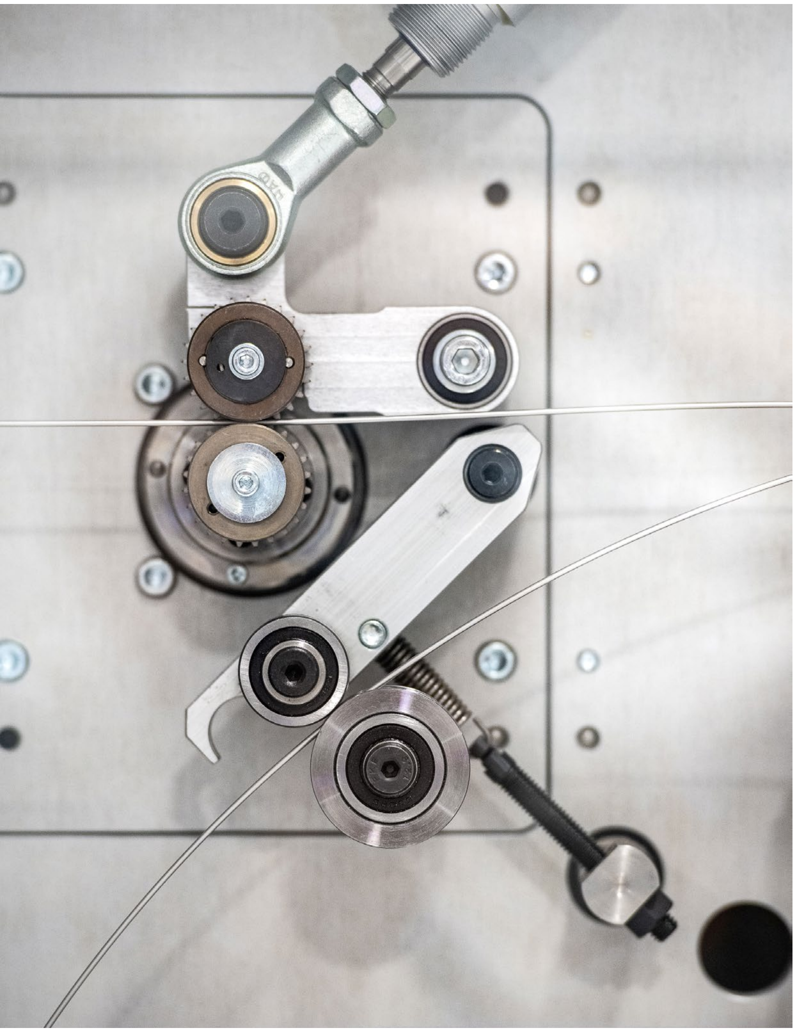
Article 8 of the Company's Articles of Association provides for a nomination committee composed of two or three members (the "Nomination Committee"). The members of the Nomination Committee, including its chair, are elected by the annual general meeting for a term of two years.

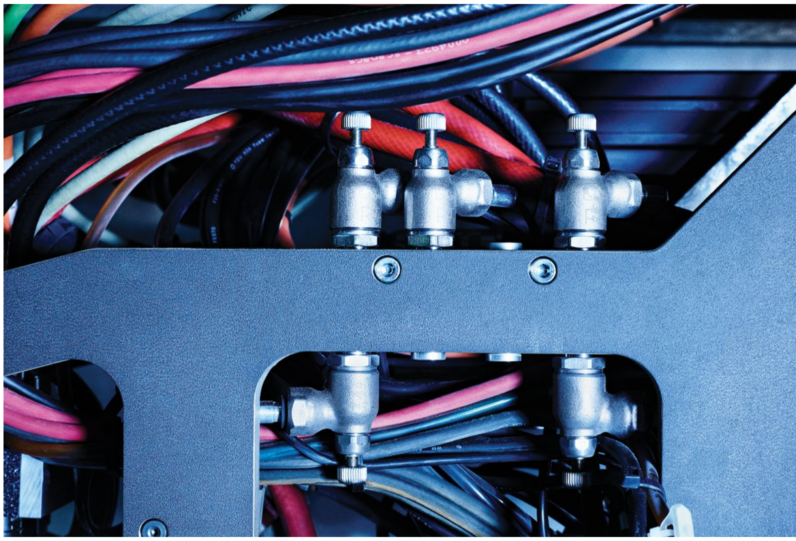
The Nomination Committee is responsible for proposing:

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

The Nomination Committee is also responsible for monitoring the composition of the Board of Directors and evaluating the need for any changes, as well as performing an annual evaluation of the Board's work.

Due to the unanticipated resignation of Steve D. Geskos in 2023, Shan Ashary agreed to stand for election as a director at the 2023 annual general meeting, rendering him ineligible to participate as a member of the Nomination Committee. The Company has not replaced Mr. Ashary on the Nomination Committee, leaving Linda Helland as the sole member. As of the date of this report, the Nomination Committee is comprised solely of Ms. Helland, making the Company non-compliant with the requirement in section 8 of the Company's Articles of Association. The Company intends to remedy this at the 2024 general meeting.





8. Board of Directors: Composition & Independence

Pursuant to section 6 of the Company's Articles of Association, the Board of Directors shall consist of at least four and not more than 10 members. All directors are subject to re-election annually at the general meeting, as is the Chairperson. The four members of our Board are John Andersen, Jr., Bart van Aalst, Shan Ashary and Mimi K. Berdal. Below is information regarding the Board attendance in 2023:

Name	Role	Considered Independent of Main Shareholders	Served Since	Team Expires	Participation in Board Meetings***
John Andersen, Jr.	Chairperson*	No	2013	2024	100%
Shan Ashary	Director	No	2010**	2024	88%
Bart van Aalst	Director	No	2010	2024	89%
Steve D. Geskos**	Director	No	2021	2023	92%
Mimi K. Berdal	Director	Yes	2021	2024	92%

* Mr. Ashary did not stand for reelection at the 2022 annual general meeting, but was re-elected to the Board in 2023. He attended 88% of board meetings held after the 2023 annual general meeting.

**Mr. Geskos resigned from the Board effective 5 May 2023. He attended 92% of the board meetings held prior to his resignation.

*** In 2023, the board held 37 meetings.

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

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

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

9. The Work of the Board of Directors

Board Instructions

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

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

Transactions with Related Parties

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

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

10. Risk Management & Internal Control

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

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

11. Remuneration of the Board of Directors

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

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

12. Salary & Other Remuneration for Executive Personnel

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

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

13. Information & Communications

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

The Board of Directors adopted a manual on disclosure of information, which seeks to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market. We make all stock exchange announcements, financial reports and presentations, other public presentations and press releases available on our website 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 defense mechanisms against take-over bids in our Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company.

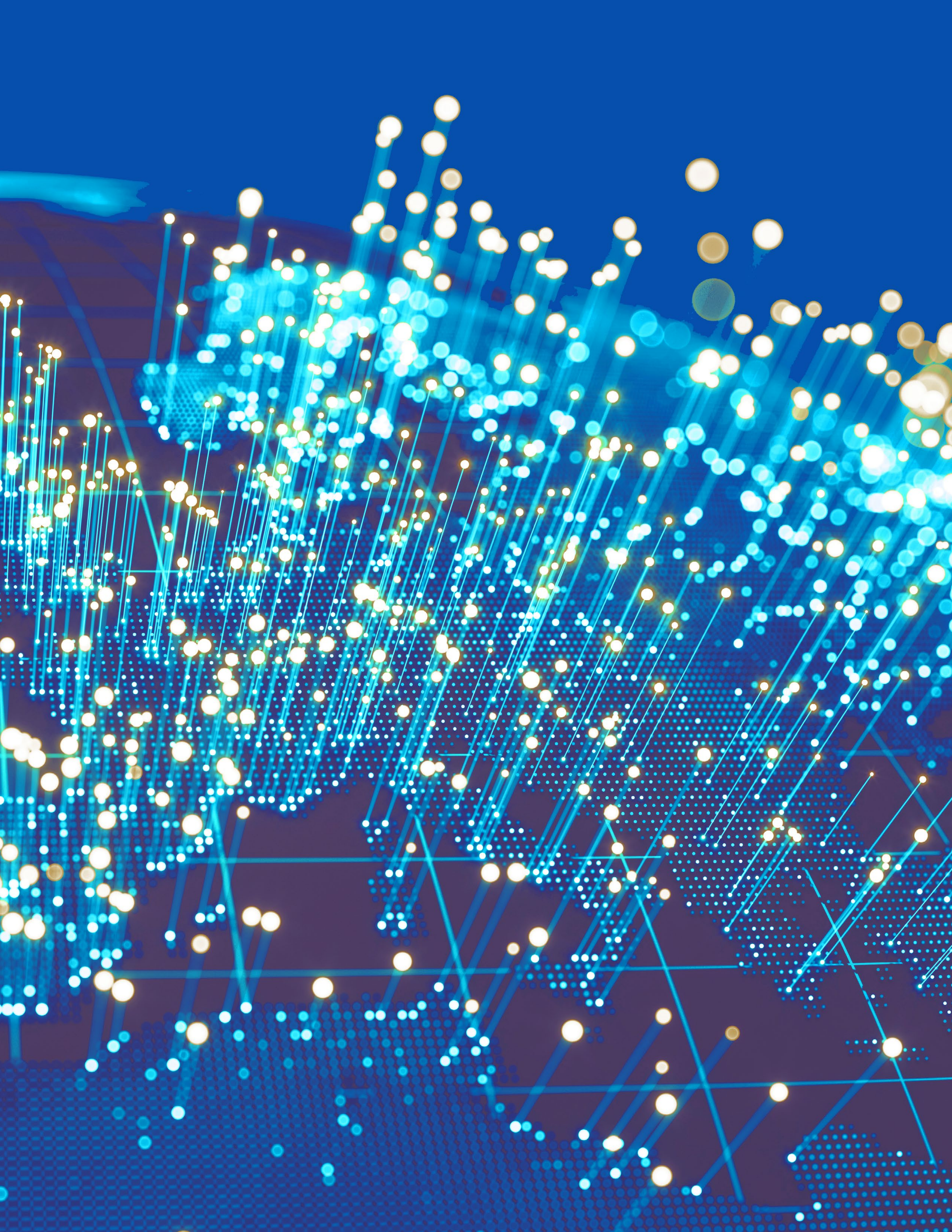
In the event a take-over was to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the recommendations in the Corporate Governance Code can be complied with or not under the applicable facts and circumstances.

15. Auditor

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

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

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



SHAREHOLDER INFORMATION

SHARE PRICE DEVELOPMENT

Norsk Titanium has one class of shares. There were 270,018,154 shares issued at 31 December 2023, and the shares each had a nominal value of NOK 0.08. From January 2, 2023, until year end the shares traded between NOK 0.72 and NOK 6.94 per share, and a total of 80,684,824 shares were traded in the period ending 31 December 2023. The market capitalization was NOK 670.3 million as of 31 December 2023.

Major Shareholders & Voting Rights

Norsk Titanium AS had registered 838 shareholders in VPS at 31 December 2023, of which the 10 largest owned 88.1%. Foreign shareholders held 56% of the shares. All shares carry the same voting rights.

Main shareholders in Norsk Titanium AS as of 31 December 2023	Total Shares	Ownership	Share-holding/ Voting
Norsk Titanium Cayman Ltd.	94,169,291	34.9%	34.9 %
Scatec Innovation AS	68,559,903	25.4%	25.4 %
Triangle Holdings L.P.	32,145,300	11.9%	11.9 %
Rose Park Advisors, LLC	16,401,734	6.1%	6.1 %
Ferd AS	10,786,799	4.0%	4.0 %
Mp Pensjon PK	5,753,658	2.1%	2.1 %
Avkast Invest AS	4,665,004	1.7%	1.7 %
Toluma Norden AS	2,556,177	0.9%	0.9 %
Sauar Invest AS	1,557,910	0.6%	0.6 %
Blue River Invest AS	1,415,151	0.5%	0.5 %
Other shareholders	**32,007,227**	**11.9%**	**11.9 %**
TOTAL	**270,018,154**	**100 %**	**100%**

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.

Analyst Coverage

Carnegie had active coverage of Norsk Titanium at year end 2023. See norsktitanium.com/investors for more information and analyst contact details.

General Meetings & Board Authorizations

As at 31 December 2023, the Board of Directors had the following authorizations to increase share capital:

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 to increase share capital:

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 14, 2024. Information will be made available on the company's website and NewsWeb in due time.

Event	Date
Annual Report Release	April 24, 2024
Annual General Meeting	May 14, 2024
First Half 2024 Report	Aug 28, 2024

COMPANY FINANCIAL STATEMENTS & NOTES

Consolidated statement of total comprehensive income for the year ended 31 December 2023

Amounts in USD thousand	Notes	Full Year 2023	Full Year 2022
Revenue	2.1	2,203	1,003
Other income	2.2	299	2,225
Total revenues and other income		**2,502**	**3,228**
Raw materials and consumable used	2.3	(5,078)	(3,630)
Employee benefits expense	2.5	(14,781)	(12,632)
Other operating expenses	2.6,7.2	(5,972)	(5,778)
Depreciation and amortisation	3.1,3.2	(1,890)	(2,305)
Operating profit		**(25,220)**	**(21,434)**
Financial income	4.5	5,845	16,238
Financial expenses	4.5	(7,276)	(4,182)
Profit or loss before tax		**(26,650)**	**(9,378)**
Income tax expense	5.1	(27)	6
Profit or loss for the year		**(26,677)**	**(9,373)**
Profit/loss attributable to owners of the parent		(26,677)	(9,373)
Basic earnings per share (in USD)	2.9	(0.10)	(0.04)
Diluted earnings per share (in USD)	2.9	(0.10)	(0.04)
Weighted average number of ordinary shares (thousand)	2.9	262,469	215,778
Weighted average number of ordinary shares diluted (thousand)	2.9	262,469	215,778
Other comprehensive income			
Items that subsequently may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		52	(14,442)
Other comprehensive income for the period		52	(14,442)
Total comprehensive income for the period		**(26,625)**	**(23,814)**

Consolidated Statement of Financial Position

For the years ended 31 December

Amounts in USD thousand	Notes	2023	2022
ASSETS			
Non-current assets			
Deferred tax asset	5.1	36	24
Right of use of assets	7.3	1,737	1,992
Property, plant and equipment	3.1	3,124	3,554
Intangible assets	3.2	3,105	4,299
Total non-current assets		**8,003**	**9,868**
Current assets			
Inventories	2.4	5,886	5,259
Trade receivables	2.7	584	703
Other current assets	2.7	1,105	2,995
Cash and cash equivalents	4.4	1,194	7,731
Total current assets		**8,769**	**16,688**
TOTAL ASSETS		**16,772**	**26,556**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.8	2,450	2,218
Share premium	4.7	19,618	38,068
Other capital reserves	4.7	(276)	(0)
Other equity	4.7	(22,816)	(22,869)
Total equity		**(1,025)**	**17,418**
Non-current liabilities			
Non-current interest bearing debt	4.2	53	0
Non-current lease liabilities	7.3	1,387	1,611
Other non-current liabilities	1.2,4.9	846	912
Total non-current liabilities		**2,286**	**2,523**
Current liabilities			
Trade and other payables	2.8	1,559	1,179
Current interest bearing debt	4.2, 7.4	6,499	0
Other current debt	4.1	2,153	0
Contract liability	2.2	3,285	3,839
Current lease liabilities	7.3	523	495
Other current liabilities	7.1	1,493	1,137
Tax payable	5.1	0	(35)
Total current liabilities		**15,511**	**6,616**
Total liabilities		**17,797**	**9,138**
TOTAL EQUITY AND LIABILITIES		**16,772**	**26,556**

John Andersen Jr. Chairman of the Board	**Bart van Aalst** Member of the Board	**Shan A. Ashary** Member of the Board	**Mimi Berdal** Member of the Board

Consolidated Statement of Cash Flows for the Year Ended 31 December 2023

Amounts in USD thousand	Notes	Full Year 2023	Full Year 2022
Cash flow from operating activities			
Profit before tax		(26,650)	(9,378)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation	3.1,3.2	1,890	2,305
Net financial income/expense included in financing activities	4.4	333	239
Net foreign exchange differences	4.4	1,098	(12,294)
Tax payable	5.1	27	35
Working capital adjustment:			
Changes in inventories	2.4	(628)	(1,584)
Changes in trade and other receivables	2.7	119	(313)
Changes in other current assets	2.7	1,890	(459)
Changes in trade and other payables	2.8	380	(118)
Changes in other accruals	7.1	(618)	1,559
Net cash flow from operating activities		**(22,159)**	**(19,692)**
Cash flow from investing activities			
Purchase of property, plant and equipment	3.1	(279)	(488)
Investment in intangible assets	3.2	(22)	(146)
Interest received	4.4	125	84
Net cash flow from investing activities		**(176)**	**(550)**
Cash flow from financing activities			
Proceeds from issuance of shared capital	4.8	8,458	7,205
Transaction cost		(442)	(297)
Payment of principle portion of lease liabilities	4.3,7.3	(326)	(303)
Increase of debt	4.1,4.2	8,704	0
Interests paid	4.3,7.3	(226)	(247)
Net cash flow from financing activities		**16,167**	**6,358**
Net change in cash and cash equivalents		(6,168)	(13,884)
Effect of change in exchange rate		(369)	(1,317)
Cash and cash equivalents, beginning of period	4.3	7,731	22,932
Cash and cash equivalents, end of period		**1,194**	**7,731**

Consolidated Statement of Changes in Equity

	Attributable to the equity holders of the parent						
					Other equity		
Amounts in USD thousand	Share capital	Share premium	Treasury shares	Other capital reserves	Cumulative translation effect	Accumulated loss	Total equity
Balance at 31 December 2022	**2,218**	**38,068**	**0**	**(0)**	**(22,869)**	**0**	**17,418**
Profit (loss)						(26,677)	(26,677)
Other comprehensive income					52		52
Issue of share capital*	232	8,227		(442)			8,016
Purchase of treasury shares							0
Sales of treasury shares							0
Shared-based payment				165			165
Transfer to other capital reserves	0	0	0	0	0	0	0
Transfer to share premium**		(26,677)		0		26,677	0
Balance at 31 December 2023	**2,450**	**19,618**	**0**	**(276)**	**(22,817)**	**(0)**	**(1,025)**
Balance at 31 December 2021	**2,005**	**48,627**	**0**	**(908)**	**(8,427)**	**(7,195)**	**34,102**
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
Balance at 31 December 2022	**2,218**	**38,068**	**0**	**(0)**	**(22,869)**	**0**	**17,418**

* Reference to note 4.8 Equity and shareholders for more information on share capital and share premium.

** The Company decided to offset accumulated losses against other capital reserves and share premium in 2023 and 2022.

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

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 2023 were authorized for issue in accordance with a resolution of the directors on 23 April 2024. 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® Accounting Standards) as adopted by the European Union (EU).

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. This assumption is based on the current market outlook and financial forecasts for the year 2024 and the Company's long-term strategic forecast including funding.

In March 2023, the Company completed a private placement of shares raising USD 7.7 million which financed operations through August 2023. The Company financed operations for the remainder of the year primarily through bridge loans from existing shareholders while it sought longer-term financing. See note 7.4 to the Company's financial statements for additional information on the bridge loans.

On 4 December 2023, the Company announced its intent to raise additional capital through the initiation of a rights issue (the "Rights Issue"). Net proceeds to the Company from the Rights Issue were NOK 80.0 million before fees. See note 7.5 to the Company's financial statements for additional information on the Rights Issue and settlement of the bridge loans.

As part of the Rights Issue, the Company also issued 164,519,363 warrants to purchase additional shares which may be exercised by the holders during two exercise periods: (i) 10-21 June 2024 and (ii) 18-29 November 2024. If the warrants are exercised in full, the Company will raise between USD 9 million (NOK 91 million) and USD 17 million (NOK 176 million), which will fund operations for an additional six to nine months. Given the inherent uncertainty with respect to timing and amount of proceeds from the warrants, the Company, in close cooperation with its main shareholders, continues to explore alternative financing options, both short- and medium term. The Company envisions raising additional capital through a combination of a working capital debt facility or additional equity which will fund its operations to cash flow breakeven in late 2025.

Based on the increase in commercial activity with various customers, the continued support from existing shareholders, and the increased interest from new investors, 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.

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 2023. 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 122 million by 31 December 2023 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 2023, the carrying amount of intangible assets was USD 3.1 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 4.9.

2.1 Revenues

Amounts in USD thousand	Full Year 2023	Full Year 2022
Revenues		
Sale of printed parts*	672	96
Revenue from products and services delivered on development programs**	1,531	906
Total revenues	**2,203**	**1,003**
Geographic information		
Revenues from customers		
Europe	680	17
USA/Canada	1,523	986
Total revenues	**2,203**	**1,003**
Timing of revenue recognition		
Goods transferred at a point in time	2,203	1,003
Services transferred over time	0	0
Total revenues	**2,203**	**1,003**

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

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

2.2 Other Income

Amounts in USD thousand	Full Year 2023	Full Year 2022
Other income		
Net gain from RPD machine grant*	264	121
Grant from Innovation Norway**	33	1,598
Skattefunn	0	466
Gain on disposal of assets	1	40
Total other income	**299**	**2,225**

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.

**The Innovation Norway project was completed in the first half of 2023, recognizing remaining USD 33 thousand as Other income. In total NTi received USD 3,689 thousand in grant from Innovation Norway, collecting the remaining USD 500 thousand of the grant in the first half 2023.

2.3 Raw Materials and Consumables Used

Amounts in USD thousand	2023	2022
Raw materials and consumables used		
Cost of materials	4,205	3,026
Cost for machining of components	130	122
Consumables used	243	265
Cost of handling and freight	499	216
Total cost of goods, raw materials and consumables used	**5,078**	**3,630**

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

2.4 Inventories

Amounts in USD thousand	2023	2022
Inventories	**31.12.2023**	**31.12.2022**
Raw materials	2,617	2,406
Work in progress	2,978	2,853
Finished goods	313	0
Total inventories (gross)	**5,908**	**5,259**
Provision for obsolete inventories 31.12	(22)	0
Total inventories (net)	**5,886**	**5,259**

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

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

2.5 Employee Benefits Expenses

Amounts in USD thousand	2023	2022
Employee benefit expenses		
Salaries and holiday pay	11,311	9,470
Social security tax	1,204	1,109
Pension costs defined contribution plans	608	597
Cost of share-based payment	569	464
Other personnel costs	1,089	993
Total cost of goods, raw materials and consumables used	**14,781**	**12,632**
Full Time equivalent Employees as of 31.12	114	107

Pensions

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

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

Management and board remuneration

Amounts in USD thousand	Salary	Performance-related bonus	Other remuneration	Total remuneration
Remuneration to management in 2023				
Michael Canario – CEO	445	0	57	**502**
Carl Johnson – CEO	285	0	25	**309**
CEO Michael Canario terminated his employment for the Company on 6 November 2023.				
Carl Johnson, who was the previous CTO, was appointed CEO for the Company on 6 November 2023.				
Remuneration to management in 2022				
Michael Canario – CEO	519	0	47	**566**

Benefits to the CEO

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

Total remuneration to the Board members

Amounts in USD thousand	2023	2022
Board members	39	38

Board members
In the General Meeting 2022 it was decided that the remuneration for the period from the annual general meeting 2022 to the annual general meeting 2023 shall be increased from USD 30 thousand to USD 40 thousand for board members not associated with the Company's shareholders. Remuneration for one board member for 12 months was USD 38 thousand in 2022. In the General Meeting 2023 it was decided to increase the board remuneration to USD 42 thousand for board members not associated with the Company's shareholders. Total board remuneration in 2023 was USD 39 thousand.

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

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

2.6 Other Operating Expenses

Amounts in USD thousand	2023	2022
Other operating expenses		
Professional services	1,282	1,336
Travel expenses	543	512
Rental and leasing expenses	264	252
Other operating expenses	3,884	3,679
Total other operating expenses	**5,972**	**5,778**

Auditor related fees	2023	2022
Statutory audit	146	220
Other assurance services	20	7
Tax consultant services	8	7
Non-auditing services	8	7
Total remuneration to the auditor	**182**	**240**

Audit fee: The amounts above are excluding VAT.

2.7 Trade Receivables and Other Current Assets

Amounts in USD thousand	**2023**	**2022**
Trade receivables	**31.12.2023**	**31.12.2022**
Trade receivables	584	703
Total trade receivables	**584**	**703**

No provision for expected credit loss has been recognised in 2023 or 2022.

Other current assets	**31.12.2023**	**31.12.2022**
Pre-payments	381	1,229
Deposits	578	613
VAT	137	174
Grants earned*	0	979
Other receivables	9	(0)
Total other receivables	**1,105**	**2,995**

* Related to Skattefunn and Innovation Norway.

As at 31 December 2023 the ageing analysis of trade receivables is, as follows:

Aging analysis of trade receivables

			Past due but not impaired			
	Total	**Not due**	**<30 days**	**31-60 days**	**61-90 days**	**>90 days**
Trade receivables at 31.12.2023	**584**	570	13	0	0	0
Trade receivables at 31.12.2022*	**703**	192	140	233	0	138

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

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

2.8 Trade and Other Payables

Amounts in USD thousand	**2023**	**2022**
Trade and other payables	**31.12.2023**	**31.12.2022**
Accounts payables	1,116	772
Withholding payroll taxes and social security	442	407
Total trade and other payables	**1,559**	**1,179**

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 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	**2023**	**2022**
Profit/loss attributable to owners of the parent	**(26,677)**	**(9,373)**
Weighted average number of ordinary shares (thousand)*	262,469	215,778
Weighted average dilutive effect from issue of shares (thousand)	0	0
Weighted average number of ordinary shares diluted (thousand)	**262,469**	**215,778**
Basic earnings per share (in USD)	(0.10)	(0.04)
Diluted earnings per share (in USD)	(0.10)	(0.04)

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

3.1 Property, Plant and Equipment

Amounts in USD thousand	Machinery & equipment	Furniture & vehicles	Buildings, IT	Total
Acquisition cost 1.1.2022	**7,451**	**458**	**1,820**	**9,731**
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)
Acquisition cost 31.12.2022	**5,971**	**392**	**1,609**	**7,973**
Additions	105	82	92	279
Disposals	(157)	(6)	0	(163)
Currency translation effects with rates at 31.12.2023	(710)	(46)	(31)	(787)
Acquisition cost 31.12.2023	**5,208**	**423**	**1,670**	**7,302**
Accumulated depreciation & impairment 1.1.2022	**3,952**	**387**	**1,312**	**5,651**
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)
Accumulated depreciation & impairment 31.12.2022	**2,627**	**368**	**1,424**	**4,419**
Depreciation	362	16	85	463
Disposals*	(157)	(6)	0	(163)
Currency translation effects with rates at 31.12.2023	(410)	(41)	(91)	(541)
Accumulated depreciation & impairment 31.12.2023	**2,421**	**338**	**1,419**	**4,178**
Carrying amount 31.12.2022	**3,344**	**24**	**185**	**3,554**
Carrying amount 31.12.2023	**2,787**	**85**	**252**	**3,124**
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**
Intangible assets			
Acquisition cost 1.1.2022	**14,262**	**1,616**	**15,878**
Additions	0	146	146
Currency translation effects with rates at 31.12.2022	(1,502)	(170)	(1,672)
Acquisition cost 31.12.2022	**12,760**	**1,591**	**14,351**
Additions	0	22	22
Currency translation effects with rates at 31.12.2023	(1,560)	(236)	(1,796)
Acquisition cost 31.12.2023	**11,200**	**1,377**	**12,577**
Accumulated amortisation and impairment 1.1.2022	**8,471**	**1,049**	**9,520**
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)
Accumulated depreciation and impairment 31.12.2022	**8,607**	**1,446**	**10,053**
Amortisation for the year	989	54	1,043
Currency translation effects with rates at 31.12.2023	(1,362)	(261)	(1,623)
Accumulated amortisation and impairment 31.12.2023	**8,234**	**1,239**	**9,473**
Carrying amount 31.12.2022	**4,153**	**145**	**4,299**
Carrying amount 31.12.2023	**2,966**	**138**	**3,105**
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 22 thousand in Other intangible assets mainly reflect purchase of software related to RPD Builder. There was no impairment of intangible assets in 2023.

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

Research costs are expensed as incurred. Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Company can demonstrate they fulfil the criteria in IAS 36/38 and the goods have a proven market. The Company operates in a highly regulated market, where the customer needs to qualify and approve the components before they can be sold in the market. Due to these inherent conditions in the industry for which goods are developed, the development costs and qualification activities for the component sales are expensed as incurred.

All R&D activities in 2022 and 2023 have been expensed. In 2023 the research and developement expenses amounted to USD 3.1 million compared to USD 4.8 million in 2022. 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 2023 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 2023 in USD thousand	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities at FV through profit and loss	Total
Assets				
Trade receivables	584			584
Other receivables*	1,105			1,105
Cash and cash equivalents	1,194			1,194
Total financial assets	**2,883**	**0**	**0**	**2,883**
Liabilities				
Non-current interest bearing debt		53		53
Trade and other payables		1,559		1,559
Contract liability		3,285		3,285
Long term liabilities*		2,009	224	2,233
Other current liabilities*		1,365	128	1,493
Current interest bearing debt		6,499	0	6,499
Other current debt**		2,153		2,153
Total financial liabilities	**0**	**16,922**	**352**	**17,274**

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

** On 2 November 2023 the Company entered into a loan agreement with White Crystals Ltd., as lender, providing the Company with a short-term loan of USD 2,153 thousand (NOK 21,900 thousand). The Bridge Loan is non-interest bearing, but the Company paid a one-time fee equal to 250,000 Shares as a facilitation fee. The Bridge Loan is repayable upon the completion of a financing by the Company or at the latest on 2 November 2025. White Crystals may, but is not obligated to, convert the loan into Shares at a conversion price equal to the subscription price of any Company funding subject to necessary corporate resolutions.

At 31 December 2022 in USD thousand	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities at FV through profit and loss	Total
Assets				
Trade receivables	703			703
Other receivables*	2,995			2,995
Cash and cash equivalents	7,731			7,731
Total financial assets	**11,429**	**0**	**0**	**11,429**
Liabilities				
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
Total financial liabilities	**0**	**8,472**	**206**	**8,678**

* Accrual for Innovation Norway and Skattefunn of USD 979 thousand is reflected in the Other receivables of USD 2,995 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 Interest-Bearing Debt

Amounts in USD thousand	Effective interest rate	Maturity	31.12. 2023	31.12. 2022
Non-current interest bearing loans & borrowings				
Loan from Huttig CDJR***	13.39%	2028	53	0
Total non-current interest bearing loans & borrowings			**53**	**0**
Current interest bearing loans and borrowings				
Current bridge loan - Scatec Innovation AS*	12%	2024	2,184	
Current bridge loan - Norsk Titanium Cayman Ltd.*	12%	2024	2,180	
Current bridge loan - Buntel AB**	9%	2024	2,120	
Short term portion of Loan from Huttig CDJR***			14	
Total financial liabilities			**6,499**	**0**

The Company has entered into bridge loans to secure the Company's liquidity until a more long-term strengthening of its equity can be completed. Reference to note 7.5 subsequent events describing completion of the Rights Issue in February 2024 and conversion of the bridge loans from existing shareholders.

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

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

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

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

4.3 Financial Liabilities

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

Amounts in USD thousand	1/1/2023	Cash flow effect	Foreign exchange movement	Other non-cash changes	12/31/23
Current interest bearing debt (note 4.2)	0	6,499	0	0	**6499**
Other current debt (note 4.1)	0	2,153			**2153**
Non-current lease liabilities	1,611			(224)	**1,387**
Current lease liabilities	495	(552)	(34)	614	**523**
Total liabilities from financing	**2,106**	**8,099**	**(34)**	**390**	**10,562**

Amounts in USD thousand	1/1/2022	Cash flow effect	Foreign exchange movement	Other non-cash changes	12/31/22
Non-current lease liabilities	221			1,390	**1,611**
Current lease liabilities	387	(550)	(21)	679	**495**
Total liabilities from financing	**608**	**(550)**	**(21)**	**2,069**	**2,106**

4.4 Cash and Cash Equivalents

Amounts in USD thousand		
Cash and cash equivalents	**31.12.2023**	**31.12.2022**
Bank deposits, unrestricted	976	7,483
Bank deposits, restricted*	218	248
Total liabilities from financing	**1,194**	**7,731**

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

4.5 Financial Items

Amounts in USD thousand	2023	2022
Financial income		
Interest income	131	85
Foreign exchange gains	5,713	16,151
Other financial income	2	2
Total financial income	**5,845**	**16,238**
Financial expenses		
Interest expenses	(139)	0
Foreign exchange losses	(6,810)	(3,856)
Other financial expenses	(326)	(326)
Financial expenses	**(7,276)**	**(4,182)**

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

4.6 Financial Risk and Capital Management

Norsk Titanium is transitioning from a development stage company to a commercial manufacturing concern. The primary focus in 2023 continuing into 2024 is the commercialization of our RPD® technology in multiple industries and applications. We must balance continued technological development with efforts designed to foster the adoption of our technology by potential customers, both of which may be constrained by limited resources.

Markets and Competition

Norsk Titanium operates in the 3D printing market of forge-equivalent near net shapes and finished parts. Currently, the Company mainly delivers titanium components to commercial aerospace, defense and industrial manufacturers.

The Company competes directly with large organizations employing legacy manufacturing technology such as forging, casting and machining equipment, and is seeking to supplant these legacy techniques with its RPD® technology. These legacy organizations have established qualifications with the Company's targeted customers and more resources, which may impede or delay the conversion of parts from legacy manufacturing methods to RPD®. The Company also competes with other 3D printing companies. The 3D printing industry has experienced an increase in the number of players in recent years and competition is more intense. Some of the Company's competitors in the 3D printing space have more resources than the Company which may impact the Company's ability to effectively compete for adoption with customers in its target markets.

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

Market risk

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

Interest rate risk

For the last three years, the Company has had an equity-based financing structure which limited the Company's interest rate risk. Interest rate risk briefly increased with the addition of the bridge loan financing during the second half of 2023, but was reduced as these loans were mostly offset upon the successful completion of the rights issue. Norsk Titanium Cayman Ltd, a major shareholder in Norsk Titanium, provided USD 2.0 million bridge loan and converted USD 0.9 million into equity at the rights issue. The remaining balance of approximately USD 1.1 million and accrued interest is expected to be repaid at the end of 2024.

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).

Ageing of financial liabilities

Amounts in USD thousand	1 year	2 years	3-5 years	> 5 years	Total
At 31 December 2023					
Non-current interest bearing debt (note 4.2)	0	14	39	0	**53**
Trade and other payables (note 2.8)	1,559	0	0	0	**1,559**
Current interest bearing debt (note 4.2)	6499	0	0	0	**6,499**
Other current debt (note 4.1)	2153	0	0	0	**2,153**
Non-current lease liabilities (note 7.3)	0	378	952	885	**2,216**
Current lease liabilities (note 7.3)	555	0	0	0	**555**
Total	**10,766**	**392**	**991**	**885**	**13,034**
At 31 December 2022					
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**
Total	**1,734**	**530**	**998**	**1191**	**4,453**

Credit risk

Credit risk is the risk that a counter party 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 2023. For an overview of the ageing of trade receivables, please refer to note 2.7.

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

4.7 Liquidity Risk and Going Concern Assumption

As a development stage company in the process of transitioning to a commercial manufacturing concern, Norsk Titanium does not generate sufficient income from operations to fund its operations. The Company's primary focus in 2024 is on increasing the number of customer qualifications and the parts transitioned from legacy manufacturing methods to RPD® to generate additional revenue.

The Company has taken active measures to reduce its monthly cash burn rate in 2024 even below the 2023 cash burn rate of USD 2.0 million per month. However, the planned ramp up of production and increased volume of part deliveries may increase the cost level during the year. Cash burn is also being affected in the near term by increases in the cost of raw materials driven by market uncertainties in the supply for titanium. Forecasted revenue growth in 2024 and 2025 is critical to achieving a positive cash flow from operations to finance the future of the Company. The Company's forecast depends on its ability to work with customers to quickly identify and transition parts from legacy production methods to RPD®. The Company can influence, but not control, the pace at which customers transition parts to RPD®. In the past, the Company has experienced delays in the qualification process that have delayed part transition and revenue achievement. Future delays are likely to have a similar effect and will require the Company to raise additional capital to offset the impact.

In March 2023, the Company completed a private placement of shares raising USD 7.7 million which financed operations through August 2023. The Company financed operations for the remainder of the year primarily through bridge loans from existing shareholders while it sought longer-term financing. See note 7.4 to the Company's financial statements for additional information on the bridge loans.

On 4 December 2023, the Company announced its intent to raise additional capital through the initiation of a rights issue (the "Rights Issue"). Net proceeds to the Company from the Rights Issue were NOK 80.0 million before fees. See note 7.5 to the Company's financial statements for additional information on the Rights Issue and settlement of the bridge loans.

As part of the Rights Issue, the Company also issued 164,519,363 warrants to purchase additional shares which may be exercised by the holders during two exercise periods: (i) 10-21 June 2024 and (ii) 18-29 November 2024. If the warrants are exercised in full, the Company will raise between USD 9 million (NOK 91 million) and USD 17 million (NOK 176 million), which will fund operations for an additional six to nine months. Given the inherent uncertainty with respect to timing and amount of proceeds from the warrants, the Company, in close cooperation with its main shareholders, continues to explore alternative financing options, both short- and medium term. The Company envisions raising additional capital through a combination of a working capital debt facility or additional equity which will fund its operations to cash flow breakeven in late 2025.

Based on the increase in commercial activity with various customers, the continued support from existing shareholders, and the increased interest from new investors, 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.

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 2024 and the Company's long-term strategic forecast including funding.

4.8 Equity and Shareholders

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

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

Total equity for the Company decreased from USD 17,418 thousand at 31 December 2022 to negative USD 1,037 thousand at 31 December 2023. During 2023 the nominal share capital was in total increased by USD 232 thousand by issuance of 30,343,989 new shares.

Issued capital and reserves in Norsk Titanium AS

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

Number of shares in Norsk Titanium AS at 31 December 2022	Number of shares
At 31 December 2021	**211,896,385**
Private placement capital raise	27,777,780
At 31 December 2022	**239,674,165**

Share capital in Norsk Titanium AS

At 31 December 2023 Amounts in USD thousand	Number of shares	Nominal Share capital	Share premium
At 31 December 2022	**239,674,165**	**2,218**	**38,068**
Issuance of share capital	30,343,989	232	8,227
Transfer to share premium	0	0	(26,677)
At 31 December 2023	**270,018,154**	**2,450**	**19,618**

At 31 December 2022 Amounts in USD thousand	Number of shares	Nominal Share capital	Share premium
At 31 December1 2021	**211,896,385**	**2,005**	**48,627**
Issuance of share capital	27,777,780	213	6,992
Transfer to share premium	0	0	(17,551)
At 31 December 2022	**239,674,165**	**2,218**	**38,068**

Each share has a nominal value of NOK 0.08. Included in ordinary shares outstanding, 400 treasury shares as of 31 December 2023. All issued shares have equal voting rights and the right to receive dividend.

Dividend distribution to shareholders

The company has not paid dividend in 2022, and has proposed not to pay dividend for 2023.

Treasury shares

There are 400 treasury shares at 31 December 2023. There are no purchase or sale of treasury shares in 2023.

Ownership Structure

Main shareholders in Norsk Titanium AS	Number of shares	Ownership	Share-holding/ Voting
At 31 December 2023			
Norsk Titanium Cayman Ltd.	94,169,291	34.9 %	34.9 %
Scatec Innovation AS	68,559,903	25.4 %	25.4 %
Triangle Holdings L.P.	32,145,300	11.9 %	11.9 %
Rose Park Advisors, LLC	16,401,734	6.1 %	6.1 %
Ferd AS	10,786,799	4.0 %	4.0 %
Mp Pensjon PK	5,753,658	2.1 %	2.1 %
Avkast Invest AS	4,665,004	1.7 %	1.7 %
Toluma Norden AS	2,556,177	0.9 %	0.9 %
Sauar Invest AS	1,557,910	0.6 %	0.6 %
Blue River Invest AS	1,415,151	0.5 %	0.5 %
Other shareholders	32,007,227	11.9 %	11.9 %
Total	**270,018,154**	**100 %**	**100%**

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 2023
Board of Directors	
John Andersen - Chairman of the board*	0.0%
Bart van Aalst - member of the board**	0.2%
Shan A. Ashary - member of the board**	0.1%
Total	**0.3%**

Ownership Interest Held By Board Members

	Ownership as of 31 December 2022
Board of Directors	
John Andersen - Chairman of the board*	0.0%
Bart van Aalst - member of the board**	0.2%
Steve D. Geskos - member of the board***	0.0%
Total	**0.2%**

* Related party of Scatec Innovation AS which controls 25.4% of the Company in 2023 and 25.0% in 2022.

** Related party of NT Cayman Ltd which controls 34.9% of the Company in 2023 and 37.8% in 2022.

*** Steve D. Geskos represented Rose Park Advisors, LLC, which is a top ten shareholder of the Company. Steve D. Geskos resigned from the Board on 5 May 2023.

4.9 Share Incentive Program

NTi has a share option program for employees in the company divided into 7 programs. As of 31 December 2023, outstanding options has decreased from 1,404,300 options as of 1 January 2023 to 1,377,000 as of 31 December 2023, mainly related to expired options in 2023. As of 31 December 2023, 1,377,000 of the options have vested of which 12,500 (the 2011-2013 program) do not have an expiration date.

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

The outstanding options are equity settled and the fair value at grant date is expensed over the vesting period. There was no new option program granted in 2023.

According to the authorisation from the EGM 14 December 2021 NTi implemented a new Long Term Incentive Program (LTIP) for employees in January 2022. The Board authorised in January 2023 to make a total grant of 3,413,032 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 3,373,699 shares equals 1.2% of total shares issued in the Company. The granted RSUs are subject to a time-based vesting. Total grants will vest rateably on each of the first three anniversaries of the grant date. Vesting of the Performance Shares is based on the achievement of performance goals, which are based on the Company’s financial target. The number of Performance Shares that vest will be decided by the board of directors after year end 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 519 thousand have been expensed as payroll (2022 USD 413 thousand) and USD 49 thousand have been expensed as social security tax (2022 USD 51 thousand), net impact of USD 569 thousand (2022 USD 464 thousand). In 2022 cancellation of previous option programs replaced by the new LTIP program resulted in a reversal of previous expenses of USD 355 thousand. In 2023 termination of 1,660,454 RSUs and PSUs resulted in a reversal of previous expenses of USD 227 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. The LTIP program settled in cash are measured at fair value through profit & loss.

Outstanding Instruments Year End – RSU

Quantity and weighted average prices

Activity	Number of instruments	Weighted Average Strike Price NOK
Outstanding as of 1 January 2023	2,540,909	0.08
Granted	902,196	0.08
Released	(680,248)	0.08
Terminated	(788,340)	0.08
Outstanding as of 31 December 2023	**1,974,517**	**0.08**
Vested as of 31 December 2023	**0**	**0.00**

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

Outstanding Instruments Overview

Strike price NOK	Number of instruments	Weighted average remaining contractual life	Weighted average strike price NOK	Vested instruments 31.12.2023	Weighted average strike price NOK
	Outstanding Instruments			Vested Instruments	
0.08	1,974,517	4.61	0.08	0	0.00

Outstanding Instruments Year End – PSU

Quantity and weighted average prices

Activity	Number of instruments	Weighted Average Strike Price NOK
Outstanding as of 1 January 2023	2,177,595	0.08
Granted	2,471,503	0.08
Terminated	(872,114)	0.08
Outstanding as of 31 December 2023	**3,776,984**	**0.08**
Vested as of 31 December 2023	**0**	**0.00**

Activity	Number of instruments	Weighted Average Strike Price NOK
Outstanding as of 1 January 2022	0	0.00
Granted	2,228,514	0.08
Terminated	-50,919	0.08
Outstanding as of 31 December 2022	**2,177,595**	**0.08**
Vested as of 31 December 2022	**0**	**0.00**

Outstanding Instruments Overview

Strike price NOK	Number of instruments	Weighted average remaining contractual life	Weighted average strike price NOK	Vested instruments 31.12.2023	Weighted average strike price NOK
	Outstanding Instruments			Vested Instruments	
0.08	3,776,984	5.83	0.08	0	0.00

Granted instruments 2023

Instrument	RSU	PSU
Quantity 31 December 2023 (instruments)	902,196	2,471,503
Quantity 31 December 2023 (shares)	902,196	2,471,503
Contractual life*	10.0	10.0
Strike price*	0.08	0.08
Share price*	3.2	3.2
Expected lifetime*	0.0	3.0
Volatility*	0%	60.0%
Interest rate*	0%	3.1%
Dividend*	0	0
FV per instrument*	3.2	3.5
Vesting conditions		

*Weighted average parameters at grant of instrument

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

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

Outstanding instruments Year End – Options

Activity	Number of share options	Weighted avg. exercise price USD
Outstanding as of 1 January 2023	1,404,300	4.75
Expired	27,300	5.96
Outstanding as of 31 December 2023	**1,377,000**	**4.70**
Exercisable at 31 December 2023	**1,377,000**	**4.70**

Activity	Number of share options	Weighted avg. exercise price USD
Outstanding as of 1 January 2022	3,678,800	4.65
Forfeited	2,176,300	4.64
Expired	98,200	2.38
Outstanding options as of 31 December 2022	**1,404,300**	**4.75**
Exercisable at 31 December 2022	**1,400,300**	**4.74**

There was no new option program in 2022 and 2023 and no options were granted.

Assumptions used in prior years to determine fair value of the 7 prior years option programs currently active as of 31 December 2023:

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	6.00	44,500
2018 LTI Program	3.6	6.00	260,000
2019 STI NO 2022 Program	2.0	6.00	22,200
2019 STI US 2022 Program	2.0	6.00	17,800
2019 LTI Program	4.0	6.00	162,000
Weighted average at 31.12.2023	**2.6**	**4.70**	**1,377,000**

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

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

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

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

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

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

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

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

Options and shares held by Board Members and Senior Management:	Number of RSU/PSU	% of total
Senior Management	2,471,969	73%
Board	0	0

4.10 Fair Value

Determination of fair value

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

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

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

Fair value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

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

			Fair value measurement using		
At 31 December 2023	Note	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Long term liabilities	4.1	224	0	224	0
Other current liabilities	4.1	128	0	128	0
Total financial liabilities		**352**	**0**	**352**	**0**

			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
Total financial liabilities		**206**	**0**	**206**	**0**

Balance sheet as of 31.12.2023

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

Valuation technique

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

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

5.1 Taxes

Amounts in USD thousand	2023	2022
Current income tax expense		
Tax payable	0	0
Change deferred tax/deferred tax assets	(13)	0
Adjustments in respect of current income tax of previous year	40	(6)
Total income tax expense	**27**	**(6)**
Tax payable		
Profit before taxes	**(26,650)**	**(9,378)**
Permanent differences*	(687)	(477)
Change in temporary differences	(13)	261
Deferred tax assets not recognized	27,351	9,594
Tax basis	**0**	**0**
Current taxes according to statutory tax rate 22%	0	0
Deferred tax liabilities (assets)		
Property, plant and equipment	(1,886)	(1,960)
Other current assets	(173)	(115)
Losses carried forward (including tax credit)	(222,070)	(202,262)
Disallowed interest expenses	(2,417)	(2,494)
Basis for deferred tax liabilities (assets)	**(226,545)**	**(206,831)**
Calculated deferred tax assets	(47,727)	(43,344)
Deferred tax assets not recognised	47,689	43,320
Net Deferred tax	**(38)**	**(24)**

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 47,727 thousands related mainly to losses carried forward and dissallowed 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 2,417 thousand of disallowed interest deduction carried forward. These interest expenses are related to the interest limitation legislation in Norway which became effective from 1 January 2019, USD 2,417 thousand expire in 7 years, and may not be used to offset taxable income elsewhere in the Company.

The Company has USD 222,070 thousand (2022: USD 202,262 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 47.689 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

	2023	2022
Profit before taxes	**(26,650)**	**(9,378)**
Tax expense (Norway tax rate)	(5,863)	(2,063)
Permanent differences*	(151)	(105)
Effects of foreign tax rates	299	244
Effect of deferred tax asset not recognised	6,017	2,111
Adjustments in respect of current income tax of previous years	40	(6)
Other changes	(314)	(187)
Recognised income tax expense	**27**	**(6)**

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

6.1 Interests in other Entities

The Company's interests in subsidiaries are presented below:

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

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

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

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

7.1 Other Liabilities

Amounts in USD thousand		
Other current liabilities	**31.12.2023**	**31.12.2022**
Accrued bonus	129	0
Unpaid holiday pay	512	465
Other accrued costs	853	672
Total other current liabilities	**1,493**	**1,137**

7.2 Commitments and Contingencies

There are no contractual purchase obligations beyond 2023. Norsk Titanium has committed itself to hiring a total of 383 employees in Norsk Titanium and Norsk Titanium's Supply Chain partners during the 10 years period, with a minimum 231 direct employees in Norsk Titanium. Reference to note 1.2.

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

Assets pledged as security

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

Contingent assets and liabilities

The Company has no contingent assets that meet the criteria for recognition or disclosure.

7.3 Leases

Amounts in USD thousand	Buildings	Machinery & equipment	Other equipment	Total
Right-of-use assets				
Acquisition cost 1 January 2023	**1,697**	**937**	**66**	**2,700**
Adjustments	83	83	21	**187**
Currency exchange differences	(56)	0	0	**(56)**
Acquisition cost 31 December 2023	**1,724**	**1,020**	**87**	**2,831**
Accumulated depreciation and impairment 1 January 2023	132	524	52	**708**
Depreciation	175	194	16	**385**
Currency exchange differences	1	0	0	**1**
Accumulated depreciation and impairment 31 December 2023	**308**	**718**	**68**	**1,094**
Carrying amount right-of-use assets 31 December 2023	**1,416**	**302**	**19**	**1,737**
Lower of remaining lease term or economic life	1-10 years	1-4 years	1-3 years	
Depreciation method	Linear	Linear	Linear	

Lease Liabilities

	2023	2022
Other current liabilities		
Less than 1 year	(555)	(555)
1-2 years	(378)	(530)
2-3 years	(362)	(358)
3-4 years	(295)	(342)
4-5 years	(295)	(298)
More than 5 years	(885)	(1,191)
Total undiscounted lease liabilities at 31 December 2023	**(2,771)**	**(3,274)**

Summary of the Lease Liabilities

	2023	2022
Balance as of 01.01	2,106	608
New lease liabilities recognised in the year*	0	1,751
Adjustments	187	71
Cash payments for the principal portion of the lease liability	(326)	(303)
Cash payments for the interest portion of the lease liability	(226)	(247)
Interest expense on lease liabilities	226	247
Currency exchange differences	(34)	(21)
Total lease liabilities at 31 December 2023	**1,933**	**2,106**
Current lease liabilities	**495**	**387**
Non-current lease liabilities	**1,611**	**221**
Total cash outflows for leases	**550**	**794**

Summary of Other Lease Expenses Recognised in Profit or Loss

	2023	2022
Variable lease payments expensed in the period	0	0
Operating expenses in the period related to short-term leases (including short-term low value assets)	34	45
Operating expenses in the period related to low value assets (excluding short-term leases included above)	0	0
Total lease liabilities at 31 December 2023	**34**	**45**

* In 2022 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.

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

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

The bridge loans as described above are deemed to be on arm's length terms.

In addition to the above, the Company has entered into an agreement with NTi Holding AS ("NTi Holding"), whose chairperson is represented at the Board of Directors by John Andersen, regarding the operation of a share registration arrangement for shareholders in the Company that do not hold a VPS account. Pursuant to the agreement, the Company agreed to cover actual costs incurred by NTi Holding AS. In 2023 and 2022 the amounts owed to NTi Holding AS per 31 December was USD 51 thousand and USD 40 thousand respectively. The agreement is deemed concluded at 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:

Related party transactions

Amounts in USD thousand	Relationship	2023	2022
NTi Holding AS	Shareholder	51	40
Scatec Innovation AS	Shareholder	2,184	0
Norsk Titanium Cayman Ltd.	Shareholder	2,180	0
White Crystals Ltd.	Shareholder	2,153	0

7.5 Events After the Reporting Period

On 9 January 2024, an Extraordinary General Meeting approved a proposed partially underwritten rights issue of shares with preferential rights for existing shareholders in the Company (the "Rights Issue").

On 17 January 2024, the Board granted 2,568,197 restricted share units ("RSU") in accordance with the LTIP program. The total number of RSUs granted by the board equals 0.95% of total shares issued in the Company. The LTIP program is described in note 4.8 Share incentive program.

Also on 17 January 2024 participants in the Company's LTIP program exercised a total of 864,606 restricted share units ("RSU's"). The Company settled 211,368 of these RSUs with cash consideration to allow the beneficiaries to settle taxes. The remaining 653,238 RSUs exercised were settled by issuance of new shares in the Company.

On 21 February 2024 the Company completed the Rights Issue, receiving valid subscriptions for a total of 229,038,787 shares. Based on the number of shares subscribed and paid for, the Company also issued 164,519,363 warrants to purchase additional shares.

The subscriptions received provided the Company with approximately NOK 188.3 million (approximately USD 18 million) in gross proceeds, of which approximately NOK 53.6 million (approximately USD 5.1 million) was settled by conversion of bridge loans from existing shareholders. Following receipt of the net proceeds, the Company repaid the NOK 53.75 million bridge loan plus interest from Buntel AB, a subsidiary of MolCap Invest AB. Net proceeds to the Company after conversion and repayment of loans was approximately NOK 80.0 million before fees. If the Rights Issue and conversion of debt described above had taken place prior to closing balance at 31 December 2023, it would have implied a positive impact on total consolidated equity of the Company resulting in an equity ratio of approximately 104%. The remaining balance for the bridge loans is approximately USD 1.3 million including accrued interest. The Company also issued 16,904,823 shares to certain underwriters of the Rights Issue to settle fees payable to such underwriters.

On 23 April 2024, the Company announced the signing of a long-term Master Supply Agreement with Airbus Aerostructures to support Airbus A350 production. The Master Supply Agreement outlines the contractual framework for Airbus to procure parts from Norsk Titanium on a long-term basis. Different parts are being qualified to enter serial production, governed by the Master Supply Agreement. Subject to this qualification, the Company expects to see the first revenue generating deliveries under the Master Supply Agreement during the second quarter 2024.

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 2023 are based on the accounting standards applicable for annual periods beginning 1 January 2023.

Amendments to IFRS have been implemented for the first time in the current year. Amendments to IAS 8 Accounting policies replaced the definition of accounting estimates to "monetary amounts in financial statements that are subject to measurement uncertainty". Amendments to IAS 1 and PS 2 replace the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. Changes have been made to information on accounting principles, but there has been no effect on recognition and measurement. IAS 12 (BEPS pillar II) regulations are not applicable due to turnover below the threshold, and the Company does not have companies in low-tax countries. The amendments to IFRS did not have any material impact for the Company.

Note 8.2 Significant Accounting Policies

Revenue from sale of goods

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

Taxes

Deferred tax

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

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

VAT

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

Intangible assets

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

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

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

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

Patents and licenses

The Company made upfront payments to purchase patents and licenses. Amounts paid for pa-tents 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 be-tween the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

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

Leases

Identifying a lease

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

Company as a lessee

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

Recognition of leases and exemptions

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

Lease liabilities and Right-of-use assets

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

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

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are record-ed 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 deduct-ed 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 a Monte Carlo simulation pricing model for the PSUs and the Black-Scholes-Merton option-pricing model for European options. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

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

Financial instruments

Financial assets

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

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

The classification is dependent on the type of instrument and the purpose for which the in-vestments 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 out-standing. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

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

Impairment of financial assets

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

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

Financial liabilities

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

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

Cash flows

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

Parent Company Statement of Profit and Loss

For the years ended 31 December

NOK 1000	Notes	2023	2022
Revenue	2	27,952	11,809
Other income	4	338	20,181
Total revenues and other income		**28,290**	**31,991**
Raw materials and consumable used		(26,438)	(15,024)
Employee benefits expense	5	(76,208)	(65,243)
Other operating expenses	6	(39,464)	(35,578)
Depreciation and amortisation	7	(13,824)	(15,603)
Impairment of intangible assets	8	0	(3,158)
Operating profit		**(127,644)**	**(102,614)**
Financial income	9	213,925	259,851
Financial expenses	9	(607,998)	(728,492)
Profit or loss before tax		**(521,717)**	**(571,256)**
Income tax expense	10	0	0
Profit or loss for the year		**(521,717)**	**(571,256)**
Transfers and allocations			
Allocation to / (from) other equity	11	(521,717)	(571,256)
Transfer from share premium	11	521,717	535,796
Total transfers and allocations		**0**	**(35,460)**

Parent Company Statement of Financial Position

For the years ended 31 December

NOK 1000	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	7	25,216	26,559
Intangible assets	8	31,511	42,373
Investments in subsidiaries	12	30	4,478
Long term loan to subsidiary	3	298,602	573,367
Total non-current assets		**355,359**	**646,778**
Current assets			
Inventories	13	15,287	18,358
Trade receivables	14	12,265	2,357
Other current assets	14	11,389	25,641
Cash and cash equivalents	15	11,291	66,243
Total current assets		**50,232**	**112,600**
TOTAL ASSETS		**405,592**	**759,377**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	21,601	19,174
Share premium	11	268,694	704,218
Other capital reserves	11	(9,030)	(8,368)
Total equity		**281,265**	**715,024**
Non-current liabilities			
Intercompany debt	3	196	8,509
Long term liabilities	16	1,062	471
Total non-current liabilities		**1,258**	**8,980**
Current liabilities			
Trade and other payables	17,20	8,720	9,492
Other current debt	18	21,900	0
Current interest bearing debt	19	65,964	0
Other current liabilities	20,21	26,485	25,881
Total current liabilities		**123,068**	**35,374**
Total liabilities		**124,326**	**44,353**
TOTAL EQUITY AND LIABILITIES		**405,592**	**759,377**

Eggemoen, April 23, 2024

John Andersen Jr. Chairman of the Board	**Bart van Aalst** Member of the Board	**Shan A. Ashary** 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	2023	2022
Profit before tax		**(521,717)**	**(571,256)**
Depreciation and amortisation	7,8	13,761	15,603
Impairment of intangible assets	8	0	3,158
Net financial income/expense included in financing activities	9	(1,032)	(28)
Impairment of financial items	3,9	602,606	719,190
Elements without cash effect	3,9	(201,670)	(238,936)
Working capital adjustment			
Changes in inventories	13	3,072	(4,084)
Changes in trade and other receivables	14	(9,908)	(1,721)
Changes in other current assets	14	14,252	3,133
Changes in trade and other payables	17	(773)	1,600
Changes in other liabilities	20	1,195	(802)
Net cash flows from operating activities		**(100,214)**	**(74,143)**
Cash flows from investing activities			
Net purchase of property, plant and equipment	7	(1,414)	(2,609)
Investment in intangible assets	8	(142)	(1,400)
Interest received	9	1,022	803
Proceeds from other investing activities	9	11	(775)
Proceeds from liguidation from subsidiary	12	449	0
Investment in loans to subsidiaries	3	(121,888)	(101,375)
Net cash flow from investing activities		**(121,962)**	**(105,356)**
Cash flow from financing activities			
Proceeds from issuance of share capital	11	83,991	75,000
Transaction cost	11	(4,629)	(3,088)
Proceeds of debt	18,19	87,864	0
Net cash flow from financing activities		**167,226**	**71,912**
Net change in cash and cash equivalents		(54,951)	(107,587)
Cash and cash equivalents, beginning of period		66,243	173,830
Cash and cash equivalents, end of period		**11,291**	**66,243**

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 1998 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

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

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

Inventories

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

Trade and other receivables

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

Short term investments

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

Cash flow statement

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

Share based payment

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

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company'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	**2023**	**2022**
Sale of goods and services	27,952	11,809
Total revenues	**27,952**	**11,809**

Geographic information	**2023**	**2022**
Norway	12,704	65
Europe	6,027	1,920
USA	9,222	9,824
Total revenues	**27,952**	**11,809**

3. Related Parties Transactions and Balances

Related parties	**Shareholder/Subsidiary**	**Ownership interest**
Norsk Titanium Cayman Ltd.	Shareholder	34.90%
Scatec Innovation AS	Shareholder	25.40%
Board of Directors	Shareholder	0.30%
Norsk Titanium Equipment AS	Subsidiary	100%
Norsk Titanium US Inc.	Subsidiary	100%
Norsk Titanium Services Ltd	Subsidiary	100%
NTi MH AS	Subsidiary	100%

Reference to note 11 for reconciliation of equity.

Amounts receivable (payable) to subsidiaries

Amounts in NOK thousand

Included in the balance sheet 31.12.2023	Norsk Titanium Equipment AS	Norsk Titanium US Inc.	NTi MH AS	Board of directors	31.12. 2023	31.12. 2022
Long term loan to subsidiary*		298,595			298,595	572,123
Other current assets			7		7	1,244
Trade and other payables	(196)				(196)	0
Debt to subsidiaries**					0	(8,509)
Net receivable (payable)	**(196)**	**298,595**	**7**	**0**	**298,406**	**564,858**

* Impairment charge of NOK 600,882 thousand recorded in 2023. Reference to note 9 Financial income and expenses.

** 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	2023	2022
Grant from Innovation Norway*	335	15,400
Skattefunn	0	4,750
Gain on disposal of inventory	3	31
Total other income	**338**	**20,181**

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.

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

5. Employee Benefit Expenses

Amounts in NOK thousand

Employee Benefit Expenses	2023	2022
Salaries and holiday pay	58,143	48,993
Social security tax	8,458	7,340
Pension costs defined contribution plans	4,306	4,876
Cost of share-based payment	3,437	2,953
Other personnel costs	1,864	1,081
Total payroll and related costs	**76,208**	**65,243**
Full Time equivalent Employees as of 31.12	62.5	58

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

Amounts in NOK thousand

Total remuneration to Board members	2023	2022
Board members	USD 429	USD 371

In the General Meeting 2022 it was decided that the remuneration for the period from the annual general meeting 2022 to the annual general meeting 2023 shall be increased from USD 30 thousand to USD 40 thousand for board members not associated with the Company's shareholders. Remuneration for one board member for 12 months was USD 38 thousand in 2022. In the General Meeting 2023 it was decided to increase the board remuneration to USD 42 thousand for board members not associated with the Company's shareholders. Total board remuneration in 2023 was USD 39 thousand.

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

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

6. Other Operating Expenses

Amounts in NOK thousand

Other operating expenses	2023	2022
Professional services	9,680	7,708
Travel expenses	1,732	1,241
Rental and leasing expenses	4,878	5,013
IT expenses	10,839	10,960
Equipment and tools	1,983	2,035
Patent expenses	3,214	3,787
Insurances	1,717	1,243
Other operating expenses	5,422	3,591
Total other operating expenses	**39,464**	**35,578**

Auditor related fees	2023	2022
Statutory audit	1,260	1,723
Other assurance services	204	66
Tax consultant services	78	64
Non-auditing services	82	72
Total remuneration to the auditor	**1,624**	**1,925**

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
Acquisition cost 1.1.2022	**55,748**	**3,284**	**2,324**	**1,474**	**62,831**
Additions	2,371	32	206	0	2,609
Disposals	(11,268)	(292)	(482)	(1,238)	(13,281)
Acquisition cost 31.12.2022	**46,851**	**3,024**	**2,048**	**236**	**52,159**
Additions	860	0	838	0	1,698
Disposals*	(63)	0	0	(221)	(284)
Acquisition cost 31.12.2023	**47,648**	**3,024**	**2,886**	**15**	**53,573**
Accumulated depreciation and impairment 1.1.2022	**28,858**	**2,951**	**1,976**	**0**	**33,785**
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
Accumulated depreciation and impairment 31.12.2022	**20,976**	**2,963**	**1,660**	**0**	**25,600**
Depreciation for the year 2023	2,664	39	117	0	2,819
Disposals for the year 2023*	(63)	0	0	0	(63)
Accumulated depreciation and impairment 31.12.2023	**23,577**	**3,002**	**1,777**	**0**	**28,356**
Carrying amount 31.12.2022	**25,875**	**61**	**387**	**236**	**26,559**
Carrying amount 31.12.2023	**24,071**	**22**	**1,109**	**15**	**25,216**
Economic life	5-20 years	5 years	5 years		
Depreciation plan	linear	linear	linear		

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

8. Intangible Assets

Amounts in NOK thousand

Intangible assets	Development costs	Other intangible assets	Total
Acquisition cost 1.1.2022	**103,431**	**14,251**	**117,682**
Additions	0	1,400	1,400
Acquisition cost 31.12.2022	**103,431**	**15,651**	**119,082**
Additions	0	142	142
Acquisition cost 31.12.2023	**103,431**	**15,793**	**119,224**
Accumulated amortisation and impairment 1.1.2022	**52,362**	**9,248**	**61,610**
Amortisation for the year 2022	10,448	1,545	11,992
Impairment for the year 2022	0	3,106	3,106
Accumulated amortisation and impairment 31.12.2022	**62,810**	**13,899**	**76,709**
Amortisation for the year 2023	10,448	557	11,005
Accumulated amortisation and impairment 31.12.2023	**73,257**	**14,456**	**87,713**
Carrying amount 31.12.2022	**40,621**	**1,752**	**42,374**
Carrying amount 31.12.2023	**30,174**	**1,337**	**31,511**
Economic life	10 years	3-10 years	
Amortisation plan	Straight-line	Straight-line	

Additions and Impairment of intangible assets

Additions of NOK 142 thousand in Other intangible assets mainly reflect purchase of software related to RPD Builder. There was no impairment of intangible assets in 2023.

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 license.

9. Financial Income and Expenses

Amounts in NOK thousand

Financial income and expenses	2023	2022
Financial income		
Interest income	177,044	136,633
Foreign exchange gains	31,153	123,218
Liquidation dividend from subsidiaries	5,728	0
Total financial income	**213,925**	**259,851**
Financial expenses		
Interest expenses	(2,019)	(1,096)
Foreign exchange losses	(2,290)	(7,413)
Impairment financial items*	(602,606)	(719,190)
Other financial expenses	(1,083)	(793)
Financial expenses	**(607,998)**	**(728,492)**

* An impairment charge of 602,606 thousand was recorded to financial expenses related to the investment and working capital loan in Norsk Titanium US Inc as of December 31, 2023. The fair value of the receivable of NOK 298 595 thousand is based on the implicit value from the Rights Issue in February 2024.

* An impairment charge of 719,190 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

	2023	2022
Current income tax expense		
Change deferred tax/deferred tax assets	0	0
Total income tax expense	**0**	**0**
Tax Payable		
Profit before taxes	(521,717)	(571,256)
Permanent differences*	595,615	714,492
Change in temporary differences	(137)	2,586
Use of losses carried forward	(73,760)	(145,823)
Tax basis	**0**	**0**
Current taxes according to statutory tax rate 22%	0	0
Deferred tax liabilities (assets)		
Property, plant and equipment	(19,186)	(19,324)
Losses carried forward (including tax credit)	(616,981)	(690,742)
Dissallowed interest expenses	(24,582)	(24,582)
Basis for deferred tax liabilities (assets)	**(660,750)**	**(734,647)**
Calculated deferred tax assets	(145,365)	(161,622)
Deferred tax assets not recognised	(145,365)	(161,622)
Deferred tax recognised in balance sheet	**0**	**0**

Deferred tax assets of NOK 145,365 thousands related mainly to losses carried forward and dissallowed 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 7 years, and may not be used to offset taxable income elsewhere in the company.

Reconciliation of income tax expense	**2023**	**2022**
Profit before taxes	**(521,717)**	**(571,256)**
Tax expense 22%	(114,778)	(125,676)
Permanent differences*	131,035	157,188
Effect of deferred tax asset not recognised	(16,257)	(31,512)
Recognised income tax expense	**0**	**0**

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

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
Balance as of 31.12.2021	**16,952**	**1,167,236**	**(0)**	**(7,463)**	**35,460**	**1,212,185**
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
Balance as of 31.12.2022	**19,174**	**704,218**	**(0)**	**(8,368)**	**(0)**	**715,024**
Profit (loss) for the year	0	0	0	0	(521,717)	(521,717)
Issue of share capital	2,428	86,192	0	(4,629)	0	83,991
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	3,968	0	3,968
Transfer to other paid in capital	0	0	0	0	0	0
Transfer to share premium	0	(521,717)	0	0	521,717	0
Balance as of 31.12.2023	**21,601**	**268,694**	**(0)**	**(9,030)**	**(0)**	**281,265**

The Company decided to offset NOK 521,717 thousand in accumulated losses against share premium in 2023. For further information regarding share capital, shareholders, treasury shares and shares owned by the board and executive employees, see note 4.8 in the consolidated financial statements.

12. Investments in Subsidiaries

Amounts in NOK thousand

Investments in subsidiaries (Shares In)	Office	Date of aquisition	Shareholding/ voting rights	Equity	Carrying amount 31.12.23
Norsk Titanium Equipment AS	Norway	2015/11/09	100%	(669)	30
NTi MH AS	Norway	2015/07/10	100%	(1)	0
Norsk Titanium US Inc.	US	2015/07/07	100%	(1,556,226)	0
Norsk Titanium Services Ltd. *	UK	2016/12/01	100%	0	0
Total Investments in subsidiaries				**(1,556,896)**	**30**

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

13. Inventories

Amounts in NOK thousand

Inventories	31.12.2023	31.12.2022
Raw materials	10,481	11,117
Work in progress	4,040	7,241
Finished goods	992	0
Total inventories (gross)	**15,513**	**18,358**
Provision for obsolete inventories 31.12	(227)	0
Total inventories (net)	**15,287**	**18,358**

Raw materials consists of wire, argon and substrate for production of titanium components.
Work in progress consist of manufacturing of production machines in addition to titanium components in progress.

14. Trade Receivables and Other Current Assets

Amounts in NOK thousand

Trade receivables	2023	2022
Receivable to external parties	12,265	2,357
Total trade receivables	**12,265**	**2,357**

No provision for bad debt has been recognised in 2022 or 2023.

Other current assets	2023	2022
Pre-payments	1,666	2,516
Deposits	974	967
VAT	1,397	1,717
Grant from Innovation Norway	0	4,900
Skattefunn	0	4,750
Other receivables	7,353	10,790
Total other receivables	**11,389**	**25,641**

15. Cash and Cash Equivalents

Amounts in NOK thousand

Cash and cash equivalents	2023	2022
Bank deposits, unrestricted	9,070	63,795
Bank deposits, restricted*	2,221	2,448
Total cash and cash equivalents	**11,291**	**66,243**

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

16. Share Incentive Programme

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

The fair value of the options is set on the traded price at grant date and expensed over the vesting period. There was no new options program granted in 2023.

For the LTIP programme and the option programme NOK 3,085 thousand and NOK 352 thousand have been expensed as payroll and social security tax respectively.

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

17. Trade and Other Payables

Amounts in NOK thousand

Trade and other payables	2023	2022
Accounts payable	4,220	5,060
Withholding payroll taxes and social security	4,500	4,432
Total trade and other payables	**8,720**	**9,492**

18. Other Current Debt

Amounts in NOK thousand

Other current debt	2023	2022
Bridge Loan - White Crystal	(21,900)	0
Total other current liabilities	**(21,900)**	**0**

For further information regarding White Crystal Bridge Loan, see note 4.1 in the consolidated financial statements.

19. Current Interest Bearing Debt

Amounts in NOK thousand

Current interest bearing debt	2023	2022
Current Bridge Loan to shareholders	(65,964)	0
Total Current interest bearing debt	**(65,964)**	**0**

For further information regarding Current interest bearing debt, see note 4.2 in the consolidated financial statements.

20. Other Current Liabilities

Amounts in NOK thousand

Other current liabilities	2023	2022
Prepaid revenues	15,378	18,335
Accrued bonus	696	0
Unpaid holiday pay	5,207	4,584
Other accrued costs	5,203	2,962
Total other current liabilities	**26,485**	**25,881**

21. Commitments and Contingencies

Amounts in NOK thousand

Minimum lease payments (non-cancellable operating leases)	2023	Matures within 1 year	Matures 2-5 years	Matures >5 years	Total
Buildings and argon tank lease	3,447	3,451	12,432	9,005	28,334
Total non-cancellable operating leases	**3,447**	**3,451**	**12,432**	**9,005**	**28,334**

Contingent assets and liabilities

The company has no contingent assets and liabilities.

22. Going Concern Assumption

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

23. Subsequent Events

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

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norsk Titanium AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Norsk Titanium AS (the Company) which comprise the financial statements of the Company 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 2023 and 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 2023, the statement of total comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 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 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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

According to Note 4.7 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 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, 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 contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- 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, 23 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Magnus H. Birkeland
State Authorised Public Accountant (Norway)

Birkeland, Magnus Hegertun
Statsautorisert revisor
På vegne av: ERNST & YOUNG AS
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