

Second Half 2021 Presentation

3 March 2022



NORSK TITANIUM

We are innovating the future of metal alloy manufacturing



Forging then

High labor and energy input



Forging now

High capital and energy input



Rapid Plasma Deposition[®] (RPD[®])

Disruptive technology

Inserting 3D printed parts in existing industrial supply chains



Superior product offering

- Global technology leader in metal 3D printing
- Faster and cheaper with less waste and emissions
- Proven ability to adapt to industry standards

Solid platform for growth

- Unique position in the highly regulated Commercial Aerospace market
- Ample 3D-printing capacity in US and Norway across 35 RPD® machines

Commercial expansion underway

- Rapidly expanding beyond Commercial Aerospace to Defense and Industrial markets
- Investing in material qualifications and test programs to unlock long-term revenue streams

up to **50%**
Cost savings

700 MT
Production capacity

USD 150m
Revenue target 2026

A parts manufacturer with proprietary additive technology



Energy Intensive Forming Methods

Casting, Forging, or Milled Plate



70% raw material reduction



Standard machining



12:1
Raw material to final part ratio

Final Part



4:1
Raw material to final part ratio

Additive RPD® Technology



Near net shape value-added form

Global technology leader additive manufacturing for metals



Material specifications

Superior metallurgy published by SAE¹ and AMS²



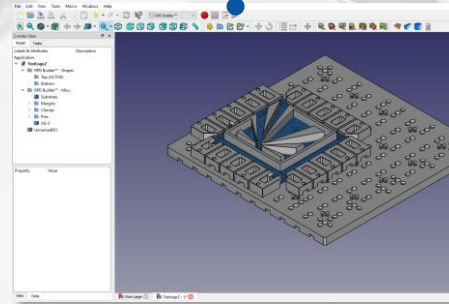
State-of-the-art machines

Strong global patent portfolio
Machine-to machine qualification



Innovative RPD Builder™

Software Development Kit enabling customers to independently design parts



Data platform driving automation

Quality assurance and distributed production



Driving Industry 4.0

Scale to produce cheaper parts in custom batches



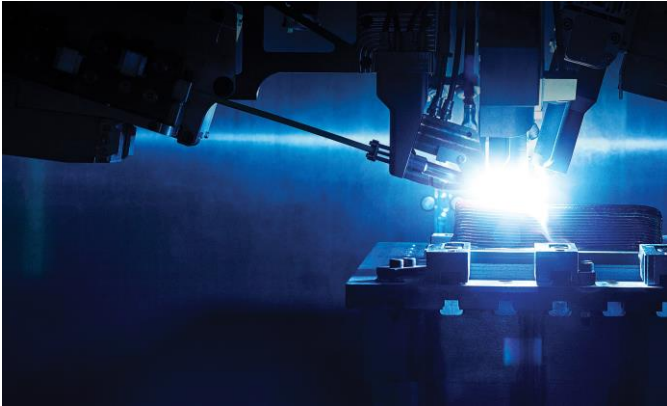
1) Society of Automotive Engineers (SAE)
2) Aerospace Material Specification (AMS)

Faster and cheaper with less waste and emissions



10x

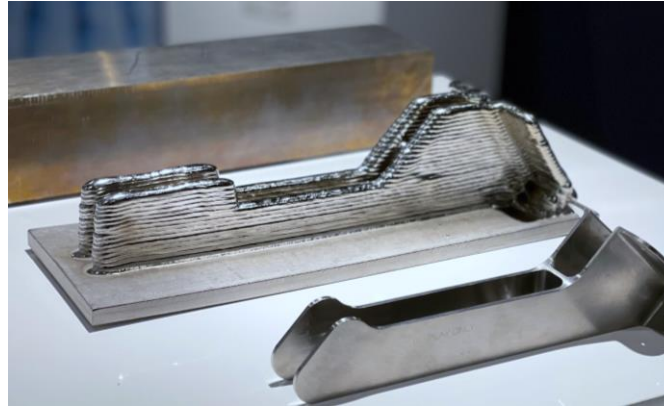
Faster



- Enabling significant lead-time reductions
- High-rate serial production at 5-10 kg per hour

50%

Cheaper



- Low-cost titanium wire and plate feedstock
- RPD® printer yields near net shape with less machining required

70%

Less waste



- 4:1 input to finished part ratio vs 12:1 in traditional manufacturing
- 30+% lower emissions than traditional manufacturing



700 MT annual
capacity ready
for production

Plattsburgh, New York, USA

- World's largest 3D printing facility, focused on manufacturing customer parts
- 620 MT annual capacity across 31 RPD® machines
- Separate qualification facility for Defense

Eggemoen, Ringerike, Norway

- Focused on research and development of new technologies for 3D printing
- 80 MT annual capacity across 4 RPD® machines
- Own metallurgy lab

Our 3D printed Titanium parts already up and flying



Established in Commercial Aerospace

Established in Commercial Aerospace

**Aerospace Materials Specification (AMS)
7004 / 7005**



**Boeing
Material
Certification**

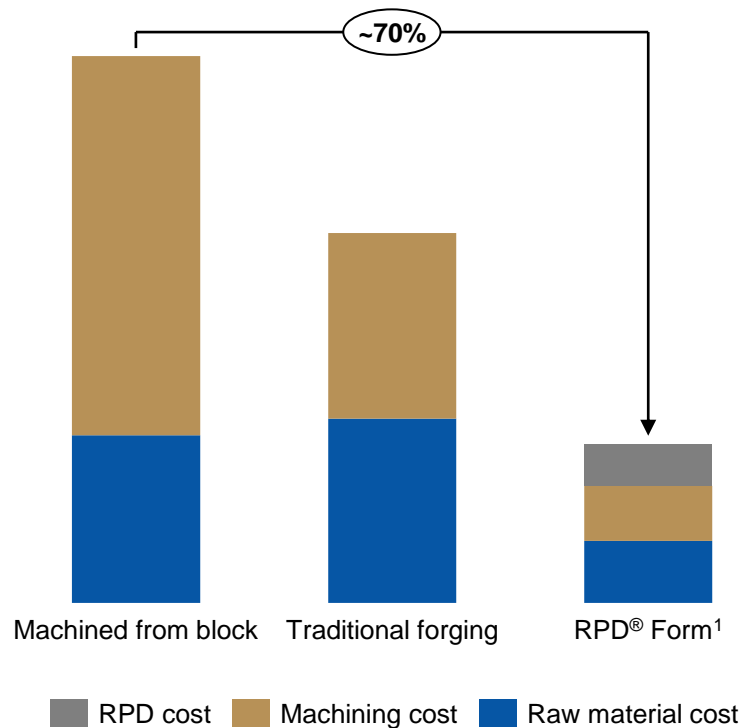


Boeing 787



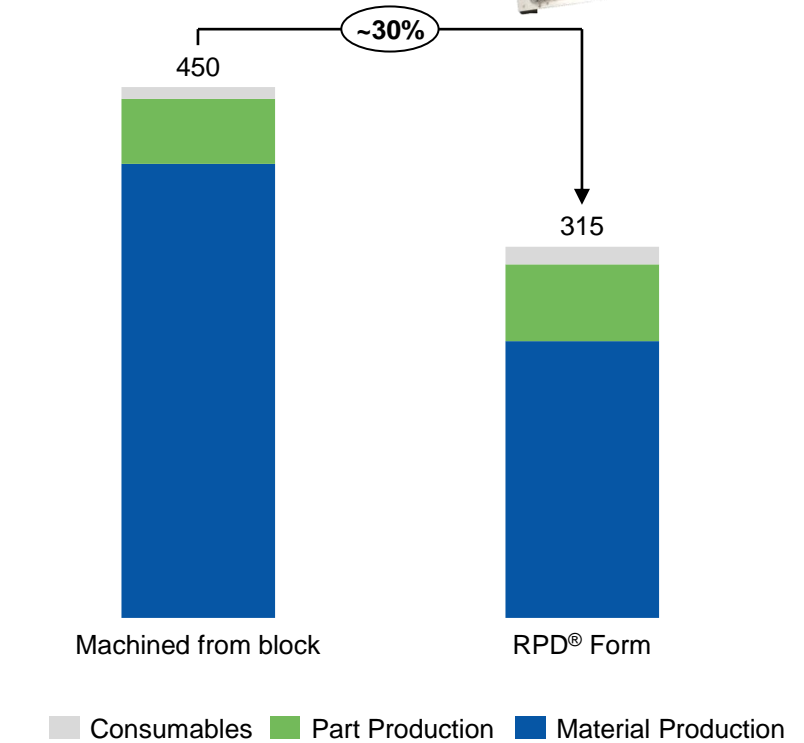
**Airbus
Material
Certification**

Cost reduction - illustration



Environmental impact reduction

CO2 emissions (kg/part) overall²

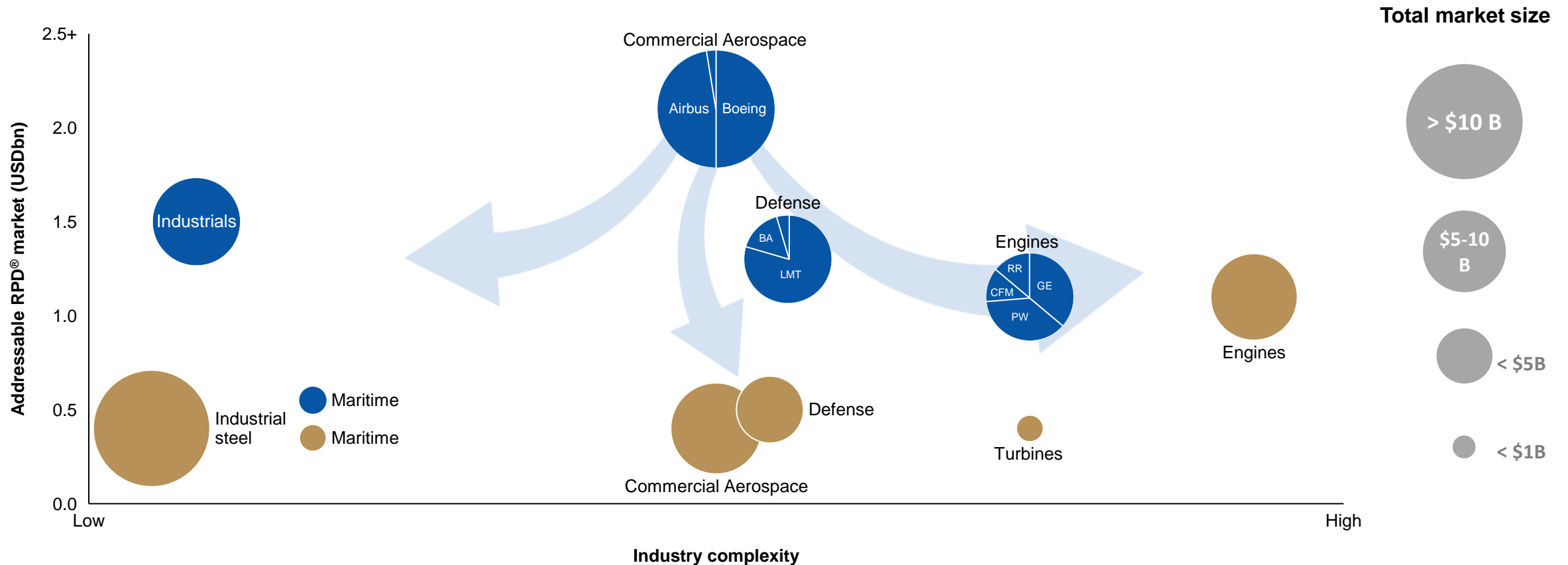


Commercial aerospace enables us to go anywhere



Large potential market for 3D printed parts

● Ti6-4, Titanium Alloys ● Other Alloys



Source: Management estimates

1) Defense Ti6-4: LMT=Lockheed Martin, BA=Boeing

2) Engines Ti6-4: GE=General Electric, RR=Rolls-Royce, CFM= CFM International, PW=Pratt & Whitney

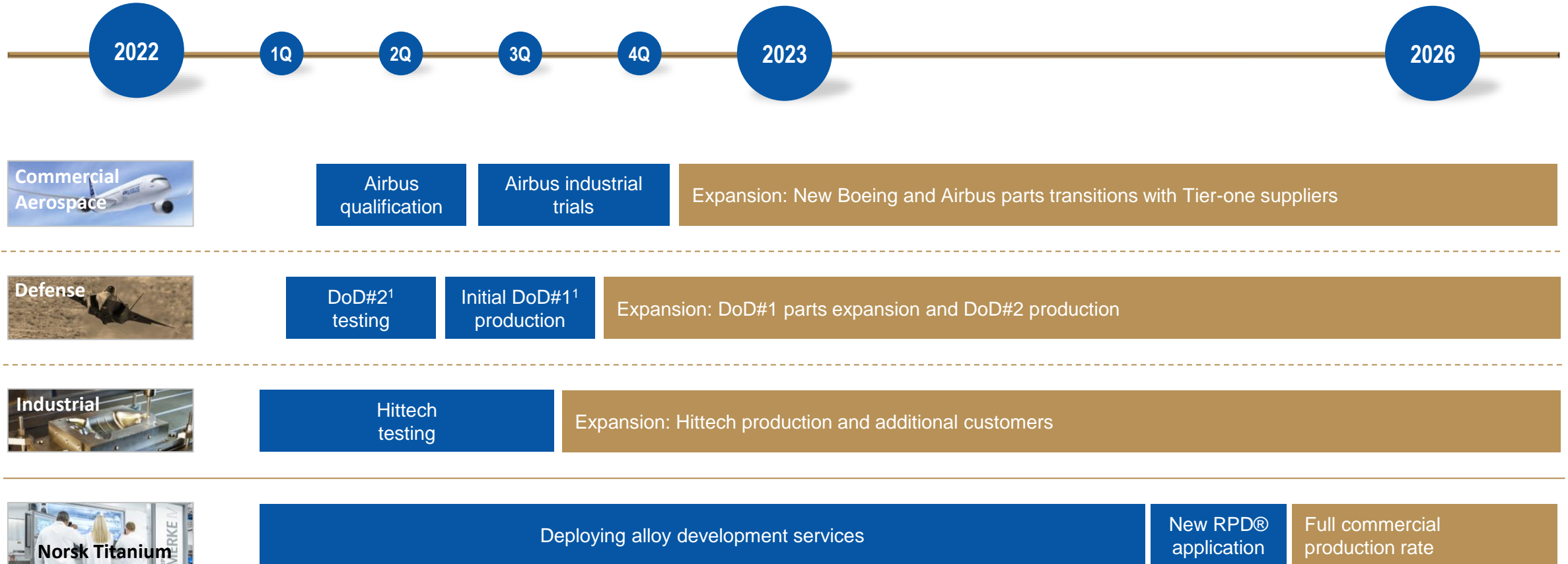


2021

Expansion beyond Commercial Aerospace

- 120 kg demonstrator RPD part delivered to Hittech for a semiconductor manufacturing machine component
- Developing material specification for two US Defense prime contractors for aircraft structural components
- Delivered demonstrator parts to US Defense prime contractors for aircraft structural components
- Surveying adjacent market applications with customers

Successfully expanding our technology to new industries

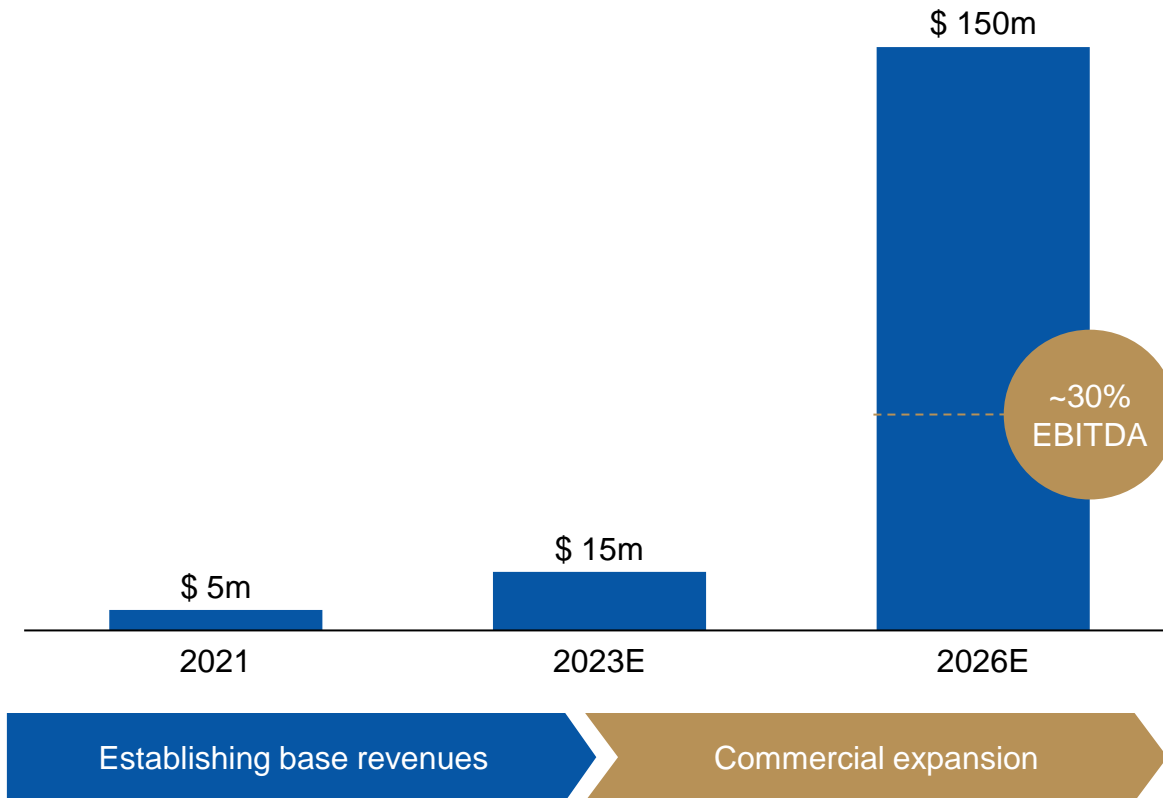


1) DoD = US Department of Defense, Undisclosed customer names

Progressing towards long-term targets



Long-term revenue targets



Revenue expansion pending product qualifications, contract awards and deliveries of produced parts

- Technology adoption by 2023
 - Revenue from programs currently in development and qualification
- Mass additive manufacturing by 2026
 - Expansion within Commercial Aerospace, Defense and Industrial industries
 - Utilizing only ~50% of current capacity

Establishing a long-term target EBITDA margin of ~30% beyond commercialization

Profit and loss statement



USD million (unaudited)	2H'21	1H'21	2021	2020*
Revenue	1.0	0.3	1.3	0.4
Other income	1.4	2.6	4.0	0.6
Total revenues and other income	2.4	2.8	5.3	1.0
Operating expenses	-11.0	-11.0	-22.0	-28.3
EBITDA	-8.5	-8.2	-16.8	-27.3
Depreciation and amortisation	-1.9	-1.4	-3.4	-3.0
Net financials	3.0	1.0	4.0	-12.6
Profit/loss before tax	-7.4	-8.6	-16.1	-42.8
Income tax expense	0.1	0.0	0.1	-0.1
Net profit/loss	-7.3	-8.6	-16.0	-42.9

*Audited

Total income of USD 5.3 million in 2021

- USD 1.3 million from sale of printed parts and development activities
 - 2H'21 impacted by temporary delays in the Boeing 787 deliveries
 - 2H'21 revenues from development activities was USD 1.0 million
- USD 4.0 million from grants and US CARES program
 - 2H'21 mainly reflecting recognition of Innovation Norway and Skattefunn grants

EBITDA-loss of USD 16.8 million in 2021

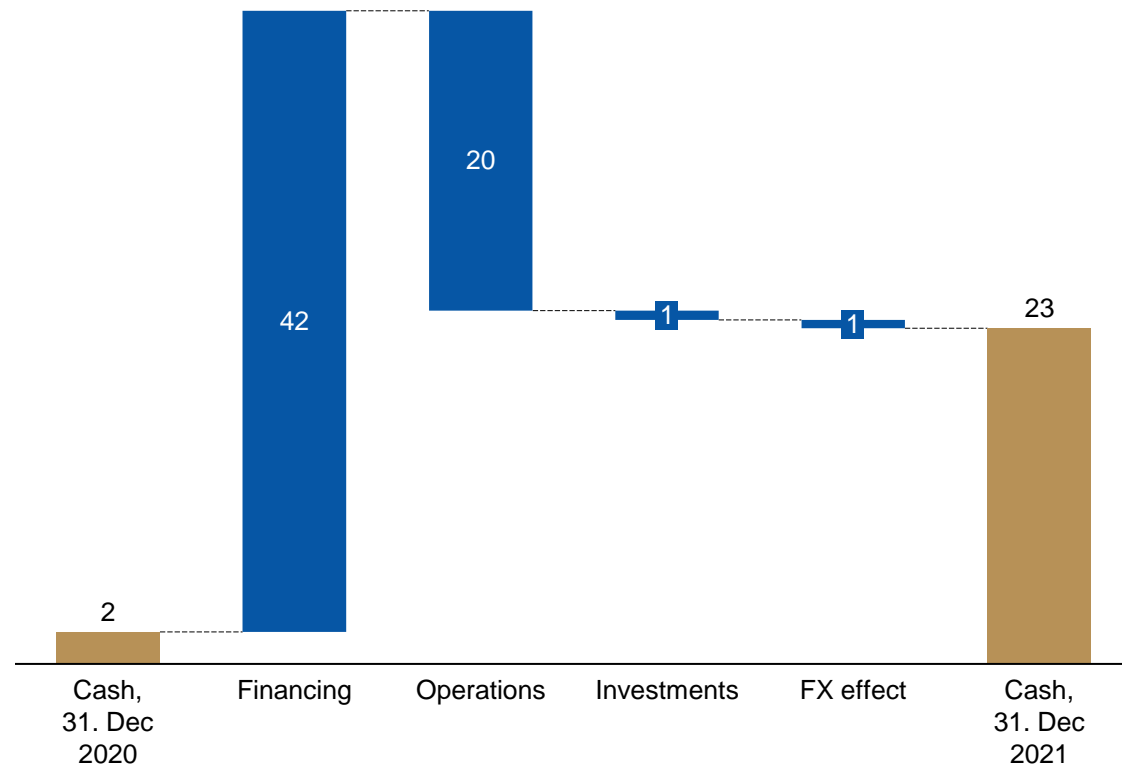
- Operating expenses reflecting employee expenses and raw materials and consumables

Net loss of USD 16.0 million in 2021

Our resources are focused on commercial expansion



2021 Cash flow
USD million



Net financing activities of USD 42 million

- Mainly reflecting the net proceeds from the private placement of new shares in May 2021 and repayment of debt

Cash draw downs primarily from in operating activities

- Company resources are directed towards qualification and testing to ensure customers can utilize the RPD® material commercially
- Average monthly cash burn rate of USD 1.8 million in 2021

Limited investment activities with ample production capacity in place to meet long-long term revenue targets

Equity ratio of 81% on 31 December 2021

- As of 30 June 2021 the equity ratio was 83%

Current operations funded through end of 2022



Delivering on strategy

Superior product offering

- Developing to maintain position as technology leader
- 100% on-time deliveries and operational excellence

Solid platform for growth

- No need for further investments in machinery
- Proof-of-Concept in the highly regulated Commercial Aerospace industry
- 148 patents with 21 new patents awarded in 2H'21

Commercial expansion

- Rapid pace of technology adoption in Defense and Industrial industries
- Airbus first parts in industrial trials in 2022
- Investing in qualification programs to secure long-term revenue streams



Appendix

2H 2021

Reported financials



Half year consolidated statement of profit and loss

	Second half	Second half	Full year	Full year
unaudited, in USD thousand	2021	2020	2021	2020*
Revenue	1,011	230	1,267	357
Other income	1,415	579	3,985	619
Total revenues and other income	2,427	809	5,252	977
Raw materials and consumable used	(2,388)	(1,930)	(3,748)	(3,891)
Employee benefits expense	(5,921)	(9,229)	(12,586)	(13,741)
Other operating expenses	(2,657)	(4,003)	(5,676)	(10,645)
Depreciation and amortisation	(1,931)	(1,550)	(3,369)	(2,968)
Operating profit	(10,471)	(15,903)	(20,128)	(30,269)
Financial income	5,852	(5,390)	8,613	17,458
Financial expenses	(2,830)	1,001	(4,572)	(30,024)
Profit or loss before tax	(7,449)	(20,292)	(16,087)	(42,835)
Income tax expense	105	(20)	94	(62)
Profit or loss for the year	(7,344)	(20,312)	(15,993)	(42,896)

*Audited

Reported financials



Statement of financial position: Assets

unaudited, in USD thousand	31 December 2021	30 June 2021	31 December 2020*
ASSETS			
Non-current assets			
Deferred tax asset	24		
Right of use of assets	501	731	1,202
Property, plant and equipment	4,080	4,543	4,859
Intangible assets	6,358	7,654	8,202
Total non-current assets	10,962	12,929	14,264
Current assets			
Inventories	5,166	4,788	4,724
Trade receivables	389	350	787
Other current assets	2,536	1,164	961
Cash and cash equivalents	22,932	35,150	2,196
Total current assets	31,023	41,452	8,669
TOTAL ASSETS	41,985	54,381	22,933

*Audited

Statement of financial position: Equity and Liabilities

unaudited, in USD thousand	31 December 2021	30 June 2021	31 December 2020*
EQUITY AND LIABILITIES			
Equity			
Share capital	2,005	2,005	464
Share premium	48,627	48,627	0
Treasury shares	0	0	(10)
Other capital reserves	(908)	(997)	0
Other equity	(15,622)	(4,357)	(80,975)
Total equity	34,102	45,278	(80,521)
Non-current liabilities			
Deferred tax	0	0	0
Non-current lease liabilities	221	364	513
Long term liabilities	897	992	1,022
Derivative financial liabilities	0	0	0
Loan measured at fair value	0	0	0
Total non-current liabilities	1,118	1,356	1,535
Current liabilities			
Trade and other payables	1,297	2,054	1,608
Current interest bearing debt	17	31	21,195
Current loan measured at fair value	0	0	69,106
Contract liability	4,068	4,072	3,927
Current lease liabilities	387	501	843
Other current liabilities	1,029	1,091	5,192
Tax payable	(33)	(2)	47
Total current liabilities	6,764	7,746	101,918
Total liabilities	7,882	9,102	103,453
TOTAL EQUITY AND LIABILITIES	41,985	54,381	22,933

*Audited

Reported financials



Statement of cash flow













unaudited, in USD thousand	Second half	Second half	Full year	Full year
	2021	2020	2021	2020*
Cash flows from operating activities				
Profit before tax	(7,449)	(20,292)	(16,087)	(42,835)
<i>Adjustments to reconcile profit before tax to net cash flow:</i>				
Depreciation and amortisation	1,931	1,550	3 369	2,968
Net financial income/expense included in financing activities	17	5,942	1 336	14,569
Net foreign exchange differences	(3,039)	(1,553)	(5,377)	(2,003)
Tax payable	35	(93)	(11)	(182)
	0	0		
<i>Working capital adjustment:</i>	0	0		
Changes in inventories and right of use assets	(147)	730	261	(8)
Changes in trade and other receivables	(39)	(776)	397	120
Changes in other current assets**	(1,372)	97	(1,575)	615
Changes in trade and other payables	(757)	(578)	(311)	(782)
Changes in other accruals	(174)	259	(2,501)	212
Net cash flows from operating activities	(10,994)	(14,713)	(20,499)	(27,325)
Cash flows from investing activities				
Purchase of property, plant and equipment	(699)	(652)	(951)	(372)
Investment in intangible assets	338	(1,166)	257	(358)
Interest received	4	1	65	7
Net cash flow from investing activities	(357)	(1,816)	(629)	(724)
Cash flow from financing activities				
Proceeds from issuance of shared capital	0	0	38,374	0
Purchase of treasury shares	0	(22)	(2)	(22)
Sale of treasury shares	0	0	783	0
Payment of principle portion of lease liabilities	(281)	(415)	(807)	(853)
Increase of debt	0	17,226	6,000	29,192
Repayment of debt	(14)	(80)	(1,828)	(80)
Interests paid	(19)	(198)	(88)	(198)
Net cash flow from financing activities	(314)	16,510	42,433	28,039
Net change in cash and cash equivalents	(11,665)	(19)	21,305	(10)
Effect of change in exchange rate	(554)	246	(570)	62
Cash and cash equivalents, beginning of period	35,150	1,969	2,196	2,145
Cash and cash equivalents, end of period	22,931	2,196	22,931	2,196

*Audited

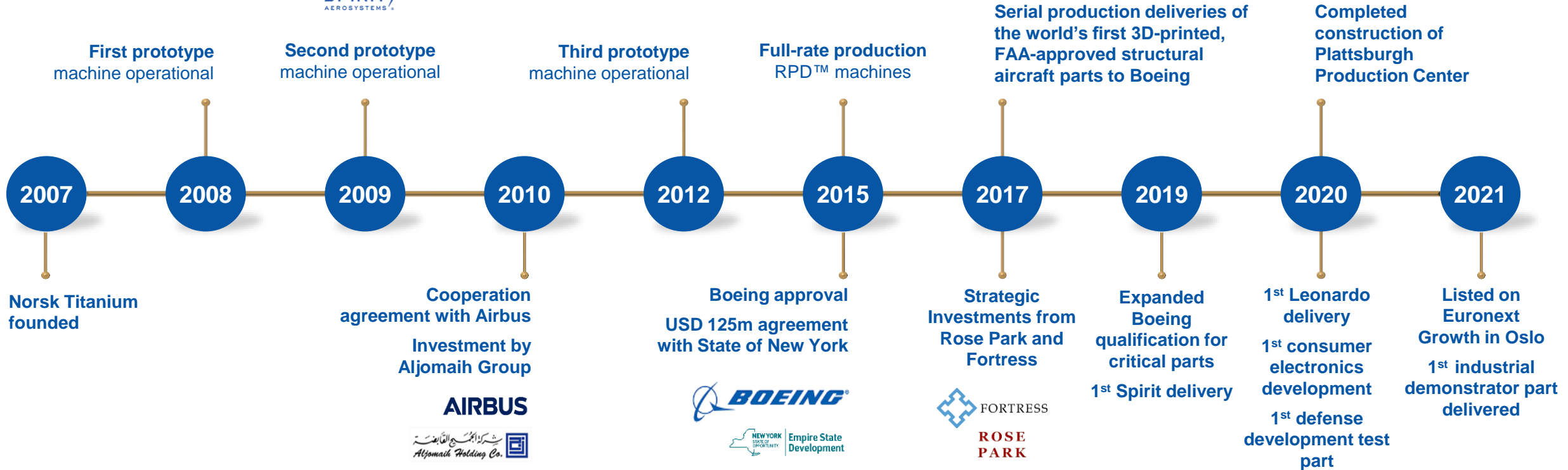
** Accrual for Innovation Norway and Skattefunn of USD 1,347 thousand is reflected in the Other receivables of USD 2,487 thousand.

RPD[®] is benefits versus other technologies



<p>Rapid Plasma Deposition (4 : 1)</p>	<p>Low-cost titanium wire and plate feedstock</p>  <p>4 kg raw input</p>	<p>RPD[™] printer yields near net shape with less CNC machines required</p> 	<p>Batch of finished parts completed</p>  <p>1 kg final part</p>	<ul style="list-style-type: none"> ✓ Homogenous material quality ✓ High-rate serial production (5-10kg/hr) ✓ Lower capital and tooling cost ✓ Just-in time manufacturing ✓ Mass customization ✓ 30+% lower carbon footprint
<p>Traditional metal 3D printing (1.5 : 1)</p>	<p>Most 3D printers start with expensive powder (\$150-600/kg)</p>  <p>1.5 kg raw material input</p>	<p>Slow rate printers sufficient only for rapid prototyping</p>  <p>Slow rate print</p>	<p>Printer outputs a finished part</p>  <p>1 kg final part</p>	<ul style="list-style-type: none"> ✓ Complex finished part ✓ Smaller carbon footprint ✗ Slow print rate (0.1-1.0 kg/hr) ✗ No serial production ✗ Inconsistent material quality ✗ Lack industrial scale
<p>Traditional titanium forging (12 : 1)</p>	<p>Forging starts with a block</p>  <p>12 kg raw input</p>	<p>Forged using a >\$95m press and CNC machines removing material</p> 	<p>Only 8% of the block remains in the finished part</p>  <p>1 kg final part</p>	<ul style="list-style-type: none"> ✓ Homogenous material quality ✓ Scalable serial production ✗ Costly material waste ✗ Extremely high capital and tooling cost ✗ Inflexible, long lead times ✗ Significant carbon footprint
<p>Traditional titanium machining (12 : 1)</p>	<p>Machining starts with Ti block</p>  <p>12 kg raw input</p>	<p>Large number of CNC machines used to remove material</p> 	<p>Only 8% of the block remains in the finished part</p>  <p>1 kg final part</p>	<ul style="list-style-type: none"> ✓ Homogenous material quality ✗ Costly material waste ✗ High capital and tooling cost ✗ Slow, long lead times ✗ Significant carbon footprint

Matured RPD[®] technology setting industry standards



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