



# NORSK TITANIUM

October 2024

# Summary and Guidance

- Meaningful progress towards 60 parts in serial production by year-end
  - Added 28 new parts in H2'24 to bring total number of parts in serial production to 54
- Short-term market challenges in aerospace and industrial markets have delayed transition of higher value parts and production rates of parts already transitioned
- Lowering 2024 revenue guidance to USD 6 million
- Parts transitioning delayed but not lost - anticipating strong growth throughout 2025, increasing parts in serial production to >120 and generating USD 70 - 90 million in ARR
- Affirming our longer-term target for USD 150 million in revenue in 2026



## Norsk Titanium Equity Story



# *Innovating the Future of Metal Manufacturing*

Rapid Plasma Deposition® - additive manufacturing technology replacing legacy structural forgings



**Forging then**  
Labor intensive



**Forging now**  
Capital and energy intensive

The world's largest and most advanced industrial 3D printing facility



**The future of Forging**  
More labor, capital and energy efficient












# Superior Value Proposition

Rapid Plasma Deposition® vs. Conventional forging



# USD 20bn+ Addressable Market

Acquired serial production contracts in all three core markets

	Market	Size	Characteristics		Status	Customer Base
			Complexity	Volume		
Target markets	 Commercial Aerospace	\$13bn market	High	High	In production	 <b>BOEING</b>  <b>AIRBUS</b>
	 Defense	\$5bn market	High	Low	In production	 <b>NORTHROP GRUMMAN</b>  <b>GENERAL ATOMICS AERONAUTICAL</b>
	 Industrials	\$5bn market	Low	High	In production	 <b>ASML</b>  <b>hitech</b>

*With vast, additional addressable aftermarket and adjacent market opportunities*

Source: Consultant and management estimates



# First Mover with Sustainable Competitive Advantages

Completed extensive development and qualification processes with global aviation authorities and major customers





# Operational and Financial Update





# On Target With Number of Parts, but Lower Than Expected ARR

## YTD operational review

- 54 parts in serial production
- ARR of USD 12.2 million

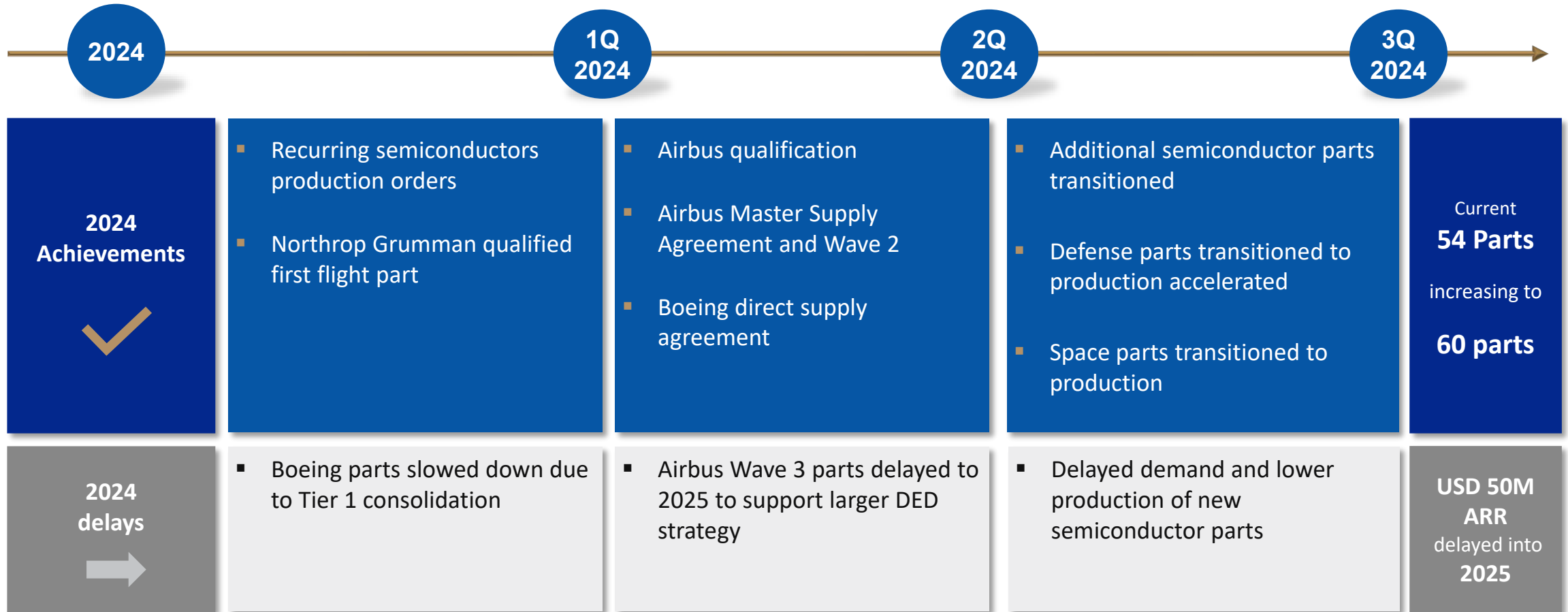
## Parts transitioned

- Majority of the new parts from US DoD prime contractors
  - 22 parts on manned aircrafts
  - 2 parts on unmanned aircrafts
  - 2 parts on space satellite
  - 2 parts for industrial customer

	H1'23	YE 2023	H1'24	YTD'24
Parts in serial production	8	11	26	54
Annual recurring revenue of parts in serial production	\$2.5m	\$4.0m	\$7.4m	\$12.2



# 2024 Part Transitions Demonstrate Industry Acceptance; Aerospace part transitions delayed, not lost



# *Short-term Challenges in the Aerospace and Semiconductor Industries*

## **Commercial Aerospace**

- Ongoing challenges at Boeing – such as the Boeing 737 Max door plug issue and the union strike - have nearly halted production
- Airbus has lowered near-term production forecasts, pointing to supply chain problems
- Current industry consolidations among aerospace OEMs and Tier-1 suppliers is affecting both production rates and attention towards part transitions

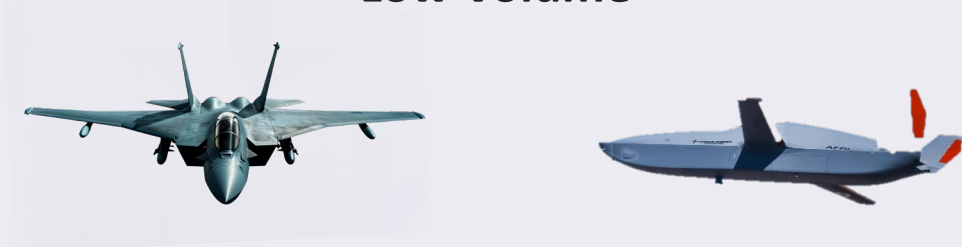
## **Industrials**

- Transitory demand reduction affecting production rates for already transitioned parts; recovery expected in 2025



# Most Recently Transitioned Parts Include Critical Parts on Manned, but Low Volume Aircrafts

## Low Volume



- Defense markets use significant amounts of titanium per aircraft, but production rates can run as low as 4 per year
- Parts tend to be larger and more critical
- Well-positioned to meet low-rate demand at attractive margins

*Low Production Rates, Critical Applications*

## High Volume



- Commercial Aerospace is the dominant market for titanium
- Industry forecasts 200+ new widebody aircraft per year
  - Composite aircraft designs using more titanium
- Industry forecasts 1,300+ new narrowbody aircraft per year
  - Limited titanium use per plane, but much higher volumes

*High Production Rates Create High Annual Revenue*



## Guidance and Outlook



# 2024 Revenue Revised

## FY24 revised forecast

- 2024 revenue revised down to ~USD 6 million from USD 10-12 million
- High-volume parts delayed into 2025
- Development revenue lower due to challenging commercial aerospace dynamics





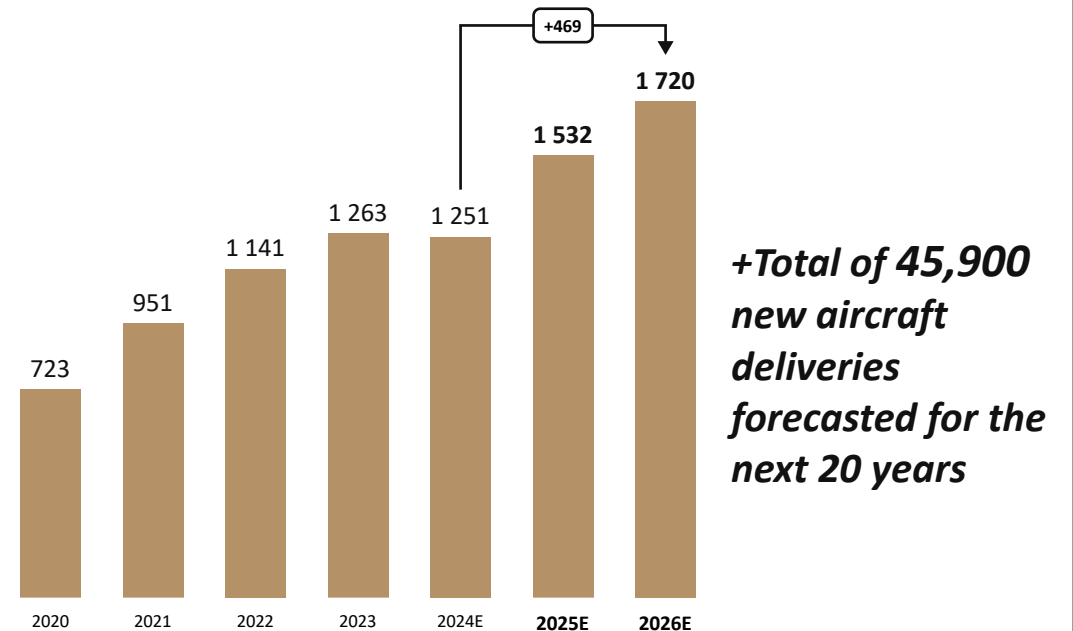
# Long-term Market Growth and Rebound Ahead in the Aerospace Industry

## Demand revival expected after market stagnation in 2023 and 2024

- All aircraft OEMs project increasing production rates throughout 2025 and beyond
- Increased defense spending with \$750bn contract backlog
- Record A&D industry revenue of more than \$800bn in 2023, driven by the Defense sector
- Growing demand for innovative, efficient, and sustainable technologies
- Supply chains are stabilizing and reshoring remain a focus

## Robust outlook in the Commercial Aerospace industry

Commercial Aircraft Deliveries



Source: Airbus, Boeing, Cirium aviation analytics



# Accelerating Revenue Growth in 2025

## Commercial Aerospace

- Engaging corporate and program teams at Airbus and Boeing
- Reengagement with regional aircraft OEMs (e.g. Embraer and Bombardier)
- Directed campaigns towards specific applications
- Examples:
  - Specific High Value Parts
  - Expanding Tier 1 Customer base

## Industrials

- Leveraging experience with Hittech, focus on industrial markets in cooperation with Hittech
- Shorter qualification cycles; publicly available specifications targeted towards:
  - Oil & Gas
  - New markets with lower barriers to entry
- Expanding Sales Force
- 2025 MMPDS<sup>1</sup> industry NTi data release

## Defense & Space

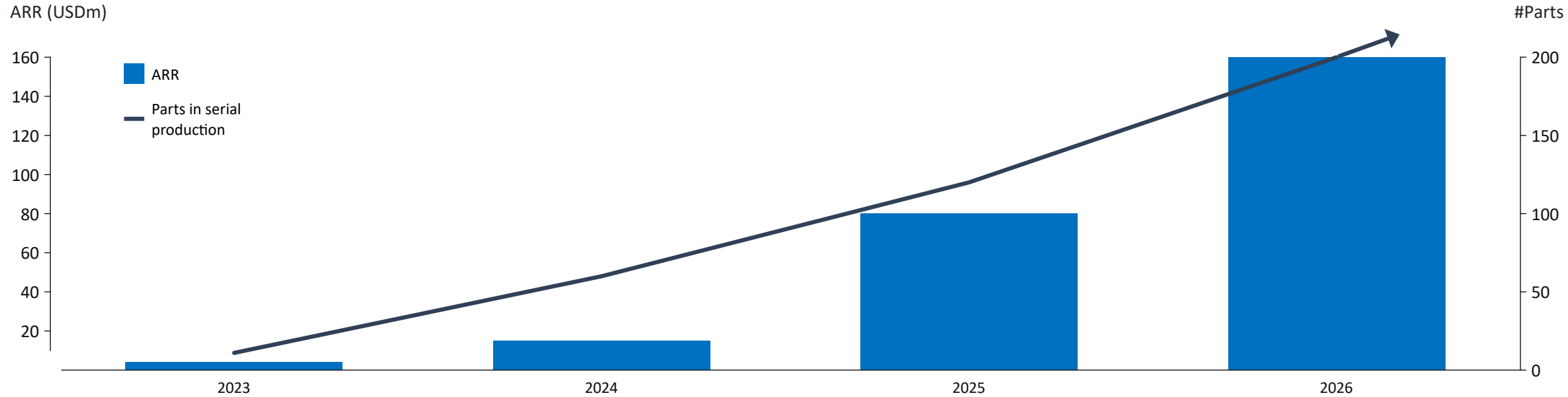
- Identified new opportunities in space, munitions
- Position as a secure second source for near net shape forgings already in the supply chain
- Broaden Tier 1 customer base
  - Use OEM specifications with the Tier-1 supply chain

**Measures implemented to shorten customer-controlled schedules and speed up near-term transitions**

1) MMPDS: Metallic Materials Properties Development Standardization is the primary source of statistically based design allowable properties for metals used in industry



# Expect Strong Growth in 2025 on our way to 2026 Target






	YE24e	YE25e	YE 2026e
Parts in serial production	~60	>120	>200
Annual recurring revenue of parts in serial production	\$15m	\$70-90m	~\$160m



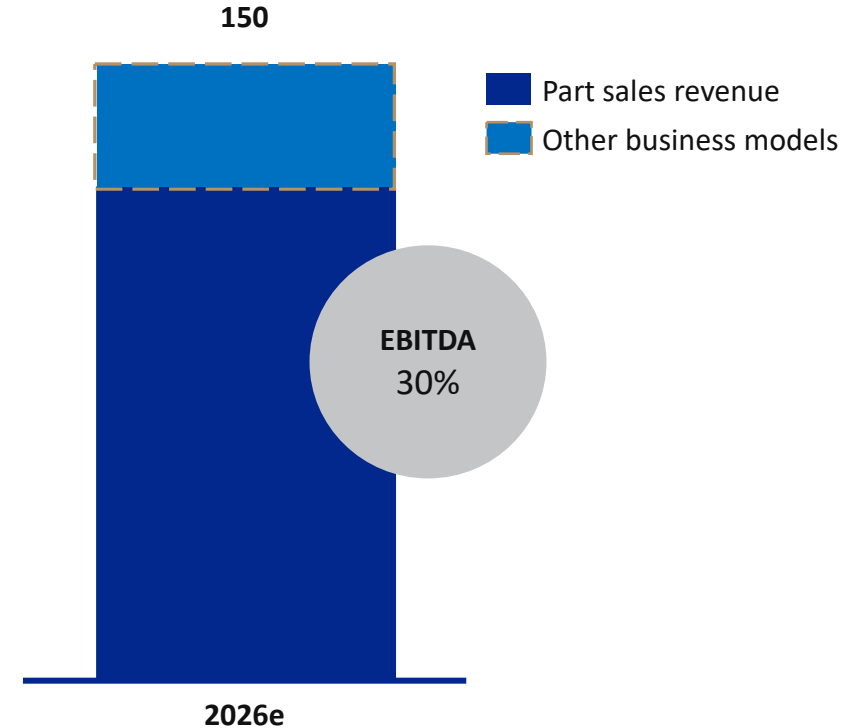
# USD 150 million Revenue Target in 2026 Maintained

Commercial forecasts developed in conjunction with customers, based on identified parts and target production schedules

## Forecasted backlog build up by end 2026

Target markets	Annual parts produced	% Market penetration
 Commercial Aerospace	18,000	3.0%
 Industrials	20,000	0.6%
 Defense	3,000	5.0%
<b>Total / average</b>	<b>41,000</b>	<b>&lt; 3%</b>

## 2026 revenue target (USDm)



Unique parts in production: >200

RPD® capacity utilization: ~50%



# ***NTi Remains Fully Funded to Execute on Current Business Plan***

## **Working to accelerate growth**

- Leveraging success in the semiconductor industry, diversify sales into industrial sectors
- Hiring designated sales teams

## **Aligning costs with revenue**

- Aligning hiring growth with scale-up requirements
- Lowering other operating costs by introducing multi-machine operations by a single operator

## **Financing flexibility**

- Evaluating working capital financing for additional flexibility
- Expect ~USD 13 million in proceeds from upcoming warrant exercise

- **Cash position of USD 20.3m as per 30 September**
- **Average net monthly cash burn<sup>1</sup> of ~ USD 2.3m, set to decline**
- **Cashflow breakeven expected to shift into early 2026**
- **Fully funded with warrants exercised**

1) Alternative performance measure, defined as: (Net change in cash and equivalents – proceeds from issuance of share capital and debt instrument – transaction cost) / number of months in period



# Norsk Titanium set for take off



**USD 450m**  
invested\*



**~USD 145m**  
market cap



**35 machines**  
700 tons capacity



**Parts supplier**  
direct replacement



**USD 300m**  
revenue capacity



**200+ patents**  
granted



**US & Norway**  
locations



**115+**  
employees



**Material specification**  
qualified



**3 markets**  
presence

