



Q3 2022 financial results

Luc Dionne, CEO Tekna Holding ASA
November 10, 2022

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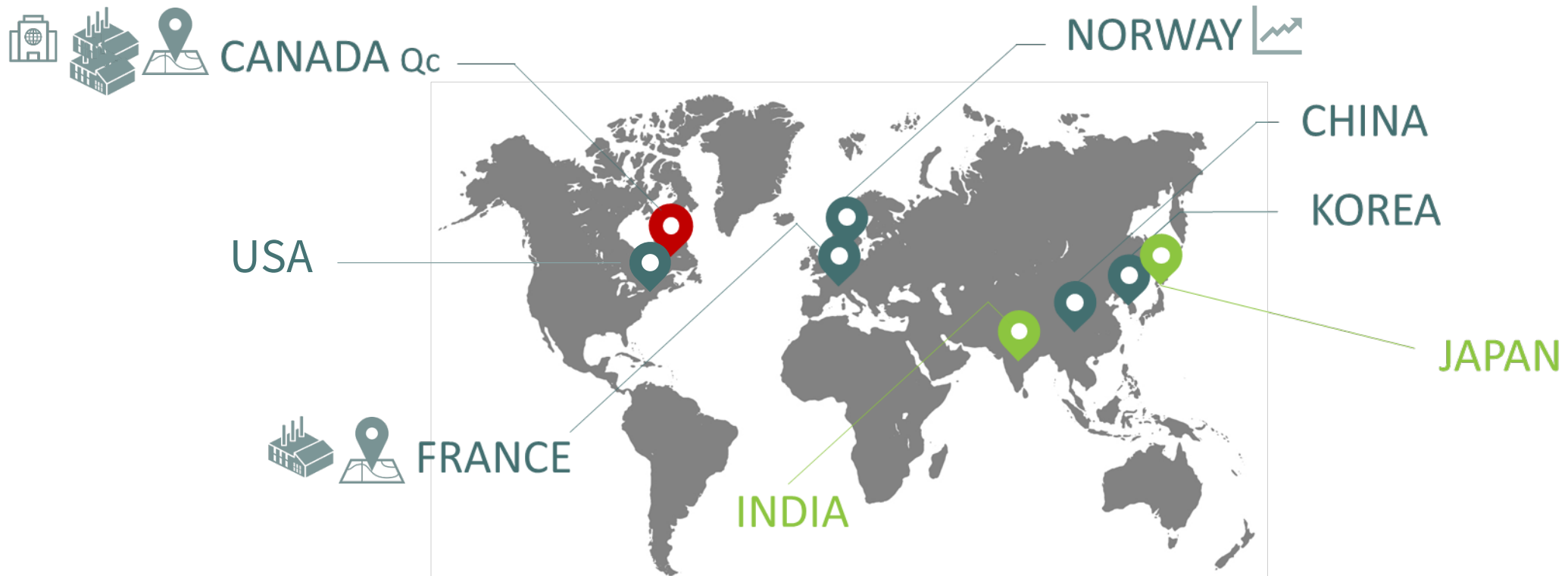
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Tekna in brief

Tekna is a world-leading provider of advanced materials and plasma systems

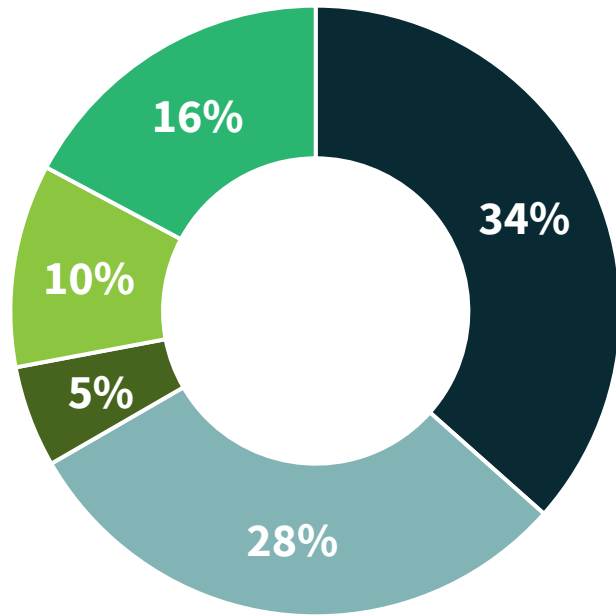
Established organization with world-wide reach



Note: In India and Japan, Tekna has distribution/sales representative agreements

Customers for our advanced materials business

Additive Manufacturing Material sales by Industry Sector



- Aerospace
- AM Machine
- Automotive
- Consumer goods
- Medical

Top 3 global supplier

Large base of blue-chip customers¹



~200 customers

¹ Current and targeted customers

Our Systems business

Academic and Industrial Research Systems

Sought by academic, government and industrial material research centers around the world



Norway's Minister of Trade and Industry Jan Christian Vestre (right) visiting the Mechatronics Innovation Lab in Grimstad, Norway. The lab is a world-leading center for innovation, pilot testing and technology qualification within mechatronics and related fields, and features Tekna's 3D printing technology for testing of new silicon alloys.

Orbital Space & Hypersonic Flight: PlasmaSonic

PlasmaSonic product line provides comprehensive and advanced tools to reproduce, measure and characterize material behavior exposed to hypersonic flight and orbital space conditions

Current and targeted customers



Further strengthening of Board and Management, reflecting increased global ambitions and investors' expectations within ESG

Board of Directors



Dag
Teigland
Chairman



Morten
Henriksen



Anne Lise
Meyer



Torkil
Mogstad



Barbara
**Thierart-
Perrin**

- **Dag Teigland** appointed Chair of the Board of Directors
A seasoned executive with broad international experience, including the global metal industry. He has held executive management positions in Elkem and was CEO of Tinfos. Most recently, he served 12 years as CEO of Holta Invest, a privately owned investment company.
- A highly competent board with extensive and complementary industry and financial experience and shareholder representation
- Audit Committee established in June 2022 with **Anne Lise Meyer** and **Torkil Mogstad** as members

Sophie Burgaud VP Legal Affairs & Corporate Secretary
Mrs Burgaud joined Tekna in 2022 and has more than 20 years of experience in business law in various jurisdictions around the globe. She has initiated and led several corporate governance programs to ensure compliance with worldwide laws and regulations.





Q3 Highlights and financials

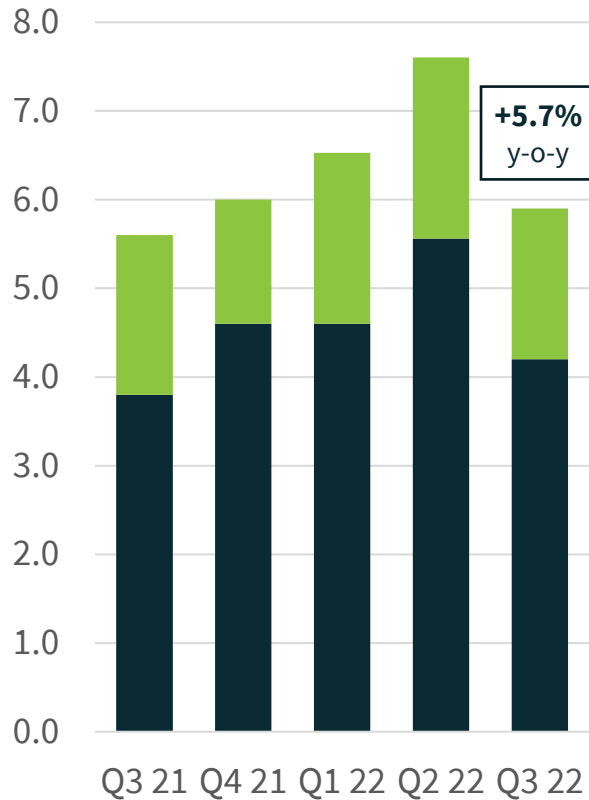
Q3: Slower growth in revenues as expected, continued strong demand for advanced materials, and systems business rebound

- Total revenue increased by 5.7% year-over-year
 - Marked by machine downtime while the machine park undergoes upgrade. Second half 2022 revenues expected at the same level as second half 2021
- Capacity increase for additive materials is progressing, and it's our objective to complete the 70% increase in output by the end of Q1 2023
 - Demand for these materials remains strong
- Continued strong interest for Tekna's advanced materials serving the high-end MLCC industry
 - The development work is still progressing with the leading customers. No order expected before 2023.
 - Recent PlasmaSonic order exceeding CAD 9 million
 - Signals increased demand driven by hypersonic and space travel
- Due to production and development delays, we expect to require additional financing in 2023. Tekna has a constructive dialogue with its main shareholder Arendals Fossekompani regarding future financing.
 - A conclusion to this dialogue is expected no later than the first quarter of 2023.

Revenue and EBITDA

Revenue

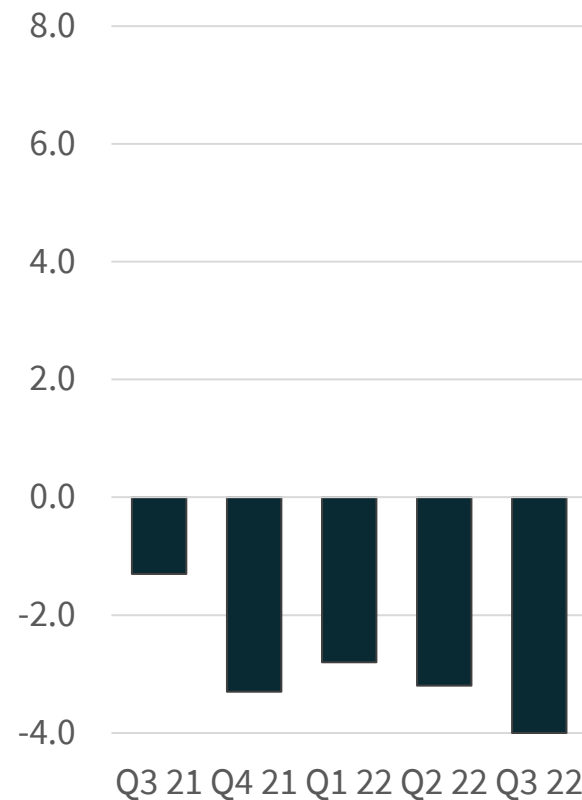
in CAD million and yoy change



■ Systems & Parts
■ Additive manufacturing

EBITDA

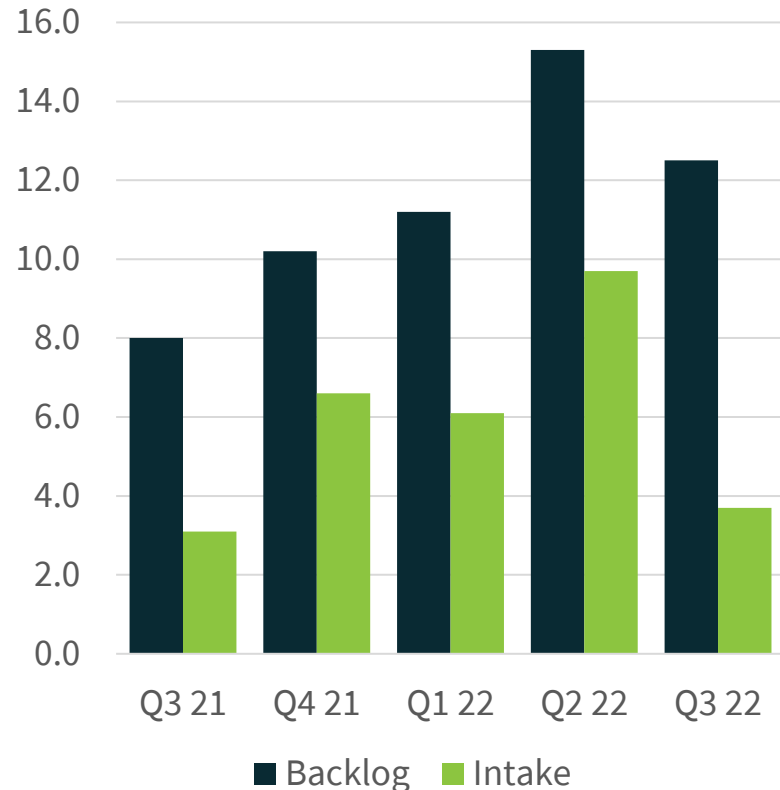
Adjusted. In CAD million



- **Materials revenue** increased by 8.7% from Q3 2021 to CAD 4.2 million in Q3 2022
- Third quarter marked by vacation in the US (July) and Europe (August) and available machine capacity
- **Systems revenue** reached CAD 1.7 million with signs of market rebound
- Adjusted **EBITDA** CAD -4.0 million reflecting lower revenues, powder margins as well as front loading of resources in support of strategy
- On-going assessment of opportunities for cash flow improvement in the context of slower microelectronics market development.

Additive manufacturing industrialization drives significant demand, capacity constraints affected Q3 order intake

**Additive manufacturing
Order intake and backlog**
in CAD million and yoy change



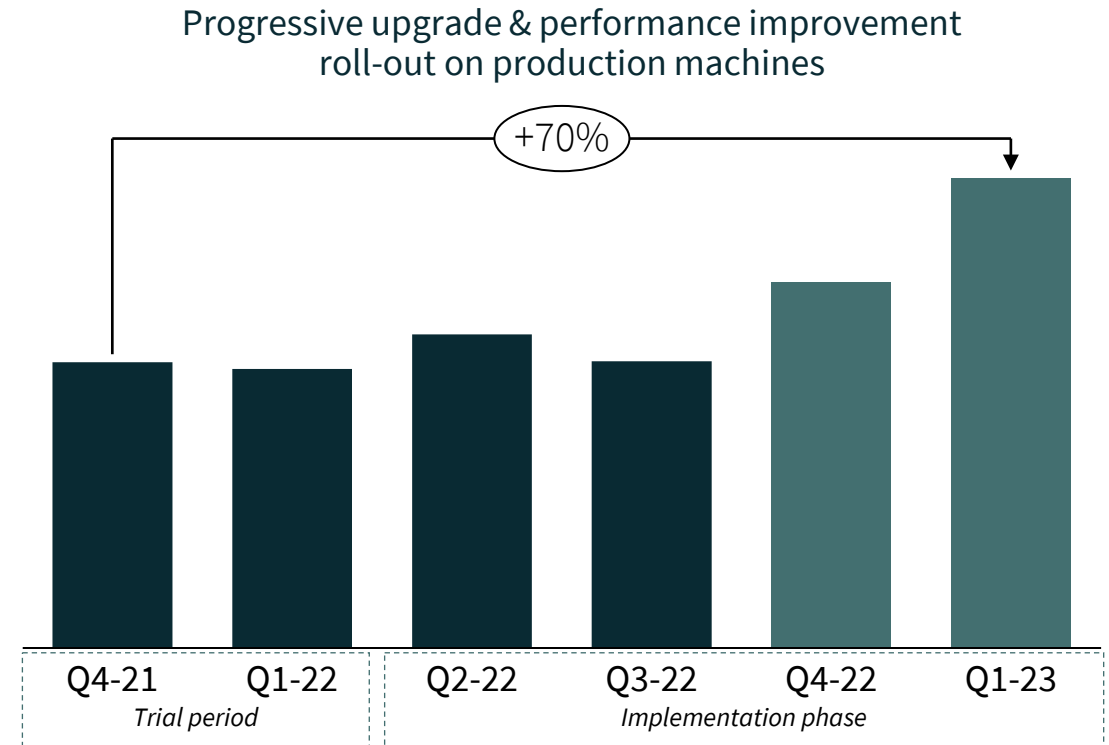
- Lower order intake in Q3 was expected due to seasonality of sales and longer delivery lead-times caused by capacity constraints
- Increasing our capacity will translate into higher material availability, shorter delivery lead-times and increased sales
- The traction for additive powders remains strong in the market and Tekna materials are instrumental to leading OEMs industrialisation success

Additive manufacturing machine capacity upgrade program

Progressive output increase towards Q1 2023

- Capacity improvement program is ongoing. Machines are being upgraded step by step and one at a time
- Output is consistently increasing. As of October, 20% increase has been qualified for production on a selected number of machines
- Additional development work is progressing well and we are still targeting 70% increase in output by end of first quarter 2023
- Full effect of output increase will be reflected in sales revenues when all machines are upgraded to the new level

Output increase target



Additive Manufacturing Industry is buoyant with over 800 exhibitors at Formnext¹ 2022

The Additive industry outlook led by the world's largest OEMs is favourable for Tekna

Tekna materials have achieved historical growth exceeding 50% CAGR from 2015 to 2021

The Additive industry is projected to grow by as much as 30% by 2030



1: Source: [Formnext 2022: exhibition, conference and industry platform for Additive Manufacturing \(mesago.com\)](https://www.mesago.com) (4 November 2022) What is Formnext? As the leading industry platform for Additive Manufacturing and industrial 3D Printing, Formnext is the international meeting point for the next generation of intelligent industrial production.

Major order confirmed for PlasmaSonic equipment from leading aerospace original equipment manufacturer (OEM), strong pipeline

CAD 9 million order confirmed

- Order in excess of CAD 9 million for a PlasmaSonic wind tunnel testing facility
- The equipment will be delivered in early 2024 and is a central piece to the customer's hypersonic wind tunnel ground testing infrastructure

Market drivers

- Tekna's PlasmaSonic solutions are key to advancing the development of new thermal protection materials required for hypersonic flight and orbital re-entry vehicles
- Third PlasmaSonic order within the past two years, confirming the growing interest for hypersonic and space travel

From Tekna's H1 presentation in August 2022 highlighting substantial market opening for PlasmaSonic in space exploration and hypersonic travel



A woman with dark hair pulled back, wearing clear safety glasses and a dark blue shirt, is looking intently at a document she is holding. The background is a blurred laboratory or office environment with shelves and equipment. The text "Market and outlook" is overlaid in white on the right side of the image.

Market and outlook

Materials market and industry attractiveness



**Additive
manufacturing**



up to +30%

Materials sales CAGR 2022-2030
as forecast by Grand View
Research and Smartech

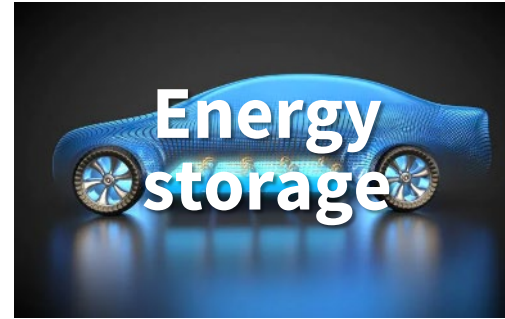


**Micro-
electronics**



+14%

MLCC CAGR 2022-27 as
projected by Research &
Market 2021, 2022 editions



**Energy
storage**



+18%, +28%

Projected CAGR for demand for
anode and silicon in 2020-30 as
forecast by IHS 2021



**Hypersonic
travel**



CAD 220m

Emerging industry for which
Tekna has identified CAD 220m
of PlasmaSonic prospects over
the next 10 years

Supported by megatrends driving double digit growth in all segments



Shifting economic
powers and
deglobalization



Climate change
and environmental
regulations



Connectivity and
communication



Demography and health
care



Space exploration
and hypersonic speed
travel

Microelectronics | Strategic development initiatives with customers continue

About our product qualification program Nickel nano powder

- 18 customers have gone through account and commercial qualification stage together with Tekna
- 12 customers have progressed to product qualification stage, in which we received requirements or shared product specification
- Since 2020, 4 customers (industry leaders) have received material samples from Tekna, starting a cycle of Tekna product to customer technology pairing
- Successful pairing should lead to first order of smaller batches, typically less than 100 kg, followed by a progressive ramp-up

Feedback from most advanced customers

Prospect Korea

MLCC printing trials ongoing with Tekna Nickel nano 80nm. Customer feedback was received during recent tour, product adjustments to be implemented accordingly. Interest confirmed for sourcing material from Korea.

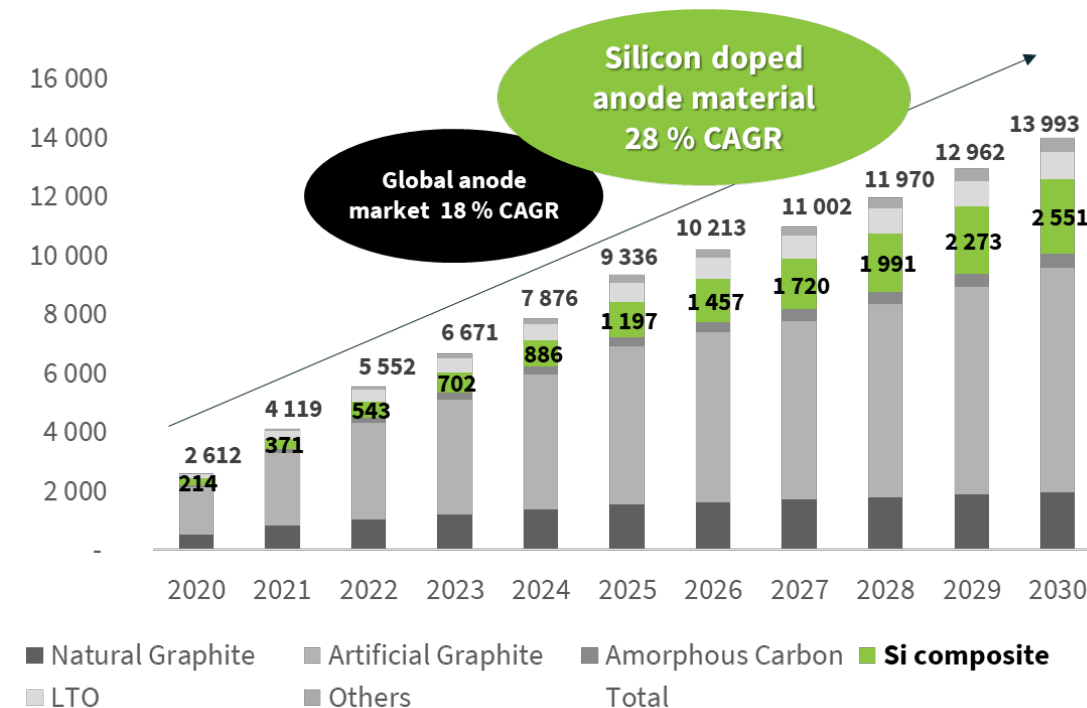
Prospect APAC

Expected customer feedback regarding Tekna's 80nm powder delayed to Q1 2023. Confirmed the start-up of a new plant for high-end MLCC in late 2023. Planning a visit in Canada in Q4. Reconfirmed volume demand at maturity of around 40 tons per year.

Discussions are still underway with both customers' decision and development schedules. No orders expected before 2023.

Energy storage | Nano-silicon in the lithium-ion battery anode value chain

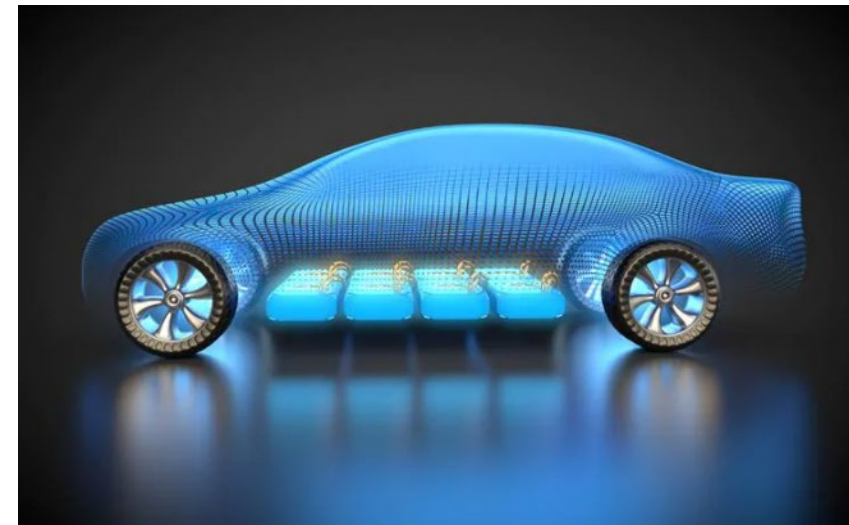
Global Lithium-ion battery growth driving the demand for silicon materials. Demand for silicon nano composite forecast to grow tenfold to \$10B by 2030



*Source: IHS 2021

Why nano-silicon as anode material is a game-changer in the industry

- Increasing the driving distance per charge
- Reducing the size (volume) of the battery
- Reducing the need for critical material such as lithium and cobalt



Short term priorities

- Additive manufacturing remains the most commercialised segment with strong market growth. Increasing materials production capacity is the top priority to generating revenue. Full effect of the output increase will be reflected in sales revenues when all machines are upgraded to the new level in 2023
- Due to production and development delays we expect to require additional financing in 2023. Tekna has a constructive dialogue with its main shareholder Arendals Fossekompani regarding future financing. A conclusion to this dialogue is expected no later than the first quarter of 2023
- Pursuing significant potential in microelectronics and energy storage (longer term) while carefully managing cashflow and resources.



**Changing the world one
particle at a time ...**

**Q&
A**

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Q3 Financial Statements

Financial Statements

CONSOLIDATED STATEMENT OF INCOME

Amounts in CAD 1000	Note	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
Revenues	3	20,047	5,908	20,828	5,589
Other income		410	5	286	33
Materials and consumables used		12,664	4,113	10,562	2,652
Employee benefit expenses		11,811	3,849	9,293	3,199
Other operating expenses		8,392	2,888	6,219	2,467
EBITDA		-12,410	-4,938	-4,960	-2,695
Depreciation and amortisation		2,914	928	2,222	749
Net operating income/(loss)		-15,324	-5,866	-7,182	-3,444
Share of net income (loss) from associated companies and joint ventures		-1,072	-311	-1,051	-369
Finance income		-565	20	493	-365
Finance costs		386	139	546	110
Profit/(loss) before income tax		-17,347	-6,296	-8,286	-4,289
Income tax expense		114	114	-114	3
Profit/(loss) for the period		-17,461	-6,410	-8,172	-4,291
Attributable to equity holders of the company		-16,870	-6,172	-7,910	-4,147
Attributable to non-controlling interests		-591	-237	-262	-144
Basic earnings per share		- 0.13	- 0.05	- 0.09	- 0.03
Diluted earnings per share		- 0.13	- 0.05	- 0.09	- 0.03

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in CAD 1000	Note	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
<i>Items that may be reclassified to statement of income</i>					
Exchange differences on translation of foreign operations		458	34	-	-
Items that may be reclassified to statement of income		458	34	-	-
<i>Items that will not be reclassified to statement of income</i>					
Exchange differences on translation of foreign operations		-	-	-5,826	186
Items that will not be reclassified to statement of income		-	-	-5,826	186
Other comprehensive income/(loss) for the period, net of tax		458	34	-5,826	186
Total comprehensive income/(loss) for the period		-17,003	-6,376	-13,998	-4,106
Attributable to equity holders of the company		-16,428	-6,139	-13,736	-3,962
Attributable to non-controlling interests		-575	-236	-262	-144

Consolidated revenues for the Tekna Group Q3-22 YTD was CAD 20.0 million, compared with CAD 20.8 in the corresponding period of 2021. Revenue in the System and Parts segment was reduced mainly because of pandemic related restrictions and almost fully compensated by continued growth in sales of advanced spherical powders.

Contribution margin Q3-22 YTD was CAD 7.4 million corresponding to 37 percent of revenues. In the same period of last year, the contribution margin was 49 percent. The reduced margin is a result of lower revenue and an increase in cost of materials and consumables used.

Adjusted earnings before interest, tax, depreciation, and amortisation (Adj. EBITDA) Q3-22 YTD was negative CAD 9.9 million, and includes a planned increase in costs in support of the company's growth strategy, its ongoing development programs in microelectronics and energy storage and upfront investments in staffing and R&D.

Loss for Q3-22 YTD was CAD 17.5 million of which share of net loss from associated companies and joint ventures was negative CAD 1.1 million and net financial items was minus CAD 1.0 million.

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CONSOLIDATED BALANCE SHEET

Amounts in CAD 1000	Note	30.09.2022	31.12.2021
Non-current assets			
Property, plant and equipment		18,164	16,573
Intangible assets		8,931	9,217
Associated companies and joint ventures		966	1,231
Non-current receivables		5,159	5,598
Deferred tax assets		-	-
Total non-current assets		33,219	32,620
Current assets			
Inventories		19,110	14,415
Contract assets		1,807	1,038
Trade and other receivables		6,802	5,680
Cash and cash equivalents		13,918	38,649
Total current assets		41,637	59,783
Total assets		74,857	92,402

Equity ratio at the end of September 2022 was 79.0 percent compared with 82.4 percent at the end of 2021.

Total cash and cash equivalents amounted to CAD 13.9 million at the end of September 2022 versus CAD 38.6 million at the same time last year.

Amounts in CAD 1000	Note	30.09.2022	31.12.2021
Equity			
Share capital and share premium		494,957	494,957
Other reserves		-435,487	-419,059
Capital and reserves attributable to holders of the company		59,469	75,897
Non-controlling interests		-364	211
Total equity		59,106	76,109
Non-current liabilities			
Borrowings		4,119	3,778
Lease liabilities		1,078	227
Deferred tax liabilities		-	-
Total non-current liabilities		5,197	4,005
Current liabilities			
Bank loan		469	3,734
Lease liabilities		456	235
Trade and other payables		5,719	4,772
Contract liabilities		1,102	1,473
Other current liabilities		2,348	1,874
Borrowings short-term portion		461	200
Total current liabilities		10,555	12,289
Total liabilities and equity		74,857	92,402

Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in CAD 1000	Note	Attributable to equity holders of the Company				
		Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2021		14	18,525	18,539	-	18,539
Profit/(loss) for the period mm		-	-7,910	-7,910	-262	-8,172
Other comprehensive income/(loss)		-	-5,826	-5,826	-	-5,826
Share capital increase Arendals Fossekompagni		394,899	-417,735	-22,836	702	-22,134
Issue of ordinary shares for cash		100,044		100,044		100,044
Balance at 30 September 2021		494,957	-412,947	82,010	440	82,451
Balance at 1 January 2021		14	18,525	18,539	-	18,539
Profit/(loss) for the period mm		-	-14,087	-14,087	-472	-14,559
Other comprehensive income/(loss)		-	-6,201	-6,201	-	-6,201
Share capital increase Arendals Fossekompagni		394,899	-417,295	-22,396	683	-21,713
Issue of ordinary shares for cash		100,044		100,044	-	100,044
Balance at 31 December 2021		494,957	-419,059	75,898	211	76,109
Balance at 1 January 2022		494,957	-419,059	75,897	211	76,109
Profit/(loss) for the period mm			-16,870	-16,870	-591	-17,461
Other comprehensive income/(loss)			442	442	16	458
Adjustment		-		-	-	-
Balance at 30 September 2022		494,957	-435,487	59,470	-364	59,106

Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in CAD 1000	Note	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
Cash flow from operating activities					
Net profit/(loss)		-17,461	-6,410	-8,172	-4,291
Depreciation, amortization and impairment		2,914	928	2,222	749
Variation in deferred taxes		-	-	-	-
Interest accretion on LT debt		233	83	191	65
Discounted value of long-term loan		-399	-	-163	-
FX variation on long-term loan		-	-	-	-
(Gain)/Loss from sales of assets		-	-	-	-
Share of results from associated companies and joint ventures		1,072	311	1,051	369
Total after adjustments to profit before income tax		-13,640	-5,088	-4,870	-3,108
Change in Inventories		-4,695	-1,387	-1,113	-191
Change in other assets		-1,409	2,125	-3,727	-595
Change in other liabilities		1,058	228	-2,729	-1,089
Total after adjustments to net assets		-18,686	-4,122	-12,439	-4,983
Net cash from operating activities		-18,686	-4,122	-12,439	-4,983
Cash flow from investing activities					
Proceeds from the sales of PPE		-	-	92	-
Purchase of PPE and intangible assets		-4,218	-1,327	-2,163	-96
Other investing activities		-646	0	-1,340	0
Purchase of shares in subsidiaries		-	-	-23,480	-0
Net cash flow from investing activities		-4,864	-1,327	-26,892	-96

Amounts in CAD 1000	Note	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
Cash flow from financing activities					
Proceeds from issue of shares		-	-	100,058	-
Proceeds from issue of shares in THC		-42	-	1,331	-
Increase (decrease) of bank loan		-3,273	-1,270	219	-2,150
New loan		2,704	-	30,460	-
Repayment of loan		-200	-63	-51,607	-63
Repayment of lease liabilities		-665	-135	-56	-56
Net cash flow from financing activities		-1,476	-1,468	80,405	-2,269
Net increase in cash and cash equivalents		-25,027	-6,918	41,074	-7,348
Cash and cash equivalents at the beginning of the financial year		38,649	20,798	2,524	45,716
Effects of exchange rate changes on cash and cash equivalents		296	38	-4,976	254
Cash and cash equivalents at end of the period		13,918	13,918	38,621	38,621

Net cash flow from operating activities was negative CAD 18.7 million in the first nine months of 2022, of which an increase in inventories was CAD 4.7 million. Corresponding cash flow in 2021 was negative CAD 12.4 million in the same period last year.

Net cash flow from investing activities was negative CAD 4.9 million in the first nine months of 2022, mainly due to purchase of property, plant and equipment, compared with negative CAD 26.9 million in the same period last year. The latter amount included CAD 23.5 million in purchase of shares in subsidiaries.

Net cash flow from financing activities was negative CAD 1.4 million in the first nine months. CAD 2.7 million in a new loan was largely balanced out by repayment of loan and reduced lease liabilities. In 2021, a CAD 100 million share issue and debt refinancing resulted in a CAD 80.4 million positive cash flow from financing.

Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 | Confirmation of financial framework

The financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information required in full annual financial statements and should be read in conjunction with the consolidated financial statements for 2021.

Note 2 | Key accounting policies

The accounting policies for 2021 are described in the Annual Report for 2021. The financial statements have been prepared in accordance with EU-approved IFRSs and associated interpretations, as well as the additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and stock exchange regulations and rules, applicable as at 31 December 2021. The same policies have been applied in the preparation of the interim financial statements as at 30 June 2022. The figures are presented in CAD rounded to the nearest thousand. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Note 3 | Revenue from contracts with customers

Accounting principles and information related to external customers are described in note 1. There are no customers that represents 10 per cent or more of the Group's total revenues on an annual basis

Disaggregation of revenue from contracts with customers

2022 Q3 YTD	Systems & Equipment	Materials	Spare parts	Other	Total
<i>Amounts in CAD 1000</i>					
Revenue recognized at a point in time	-	14,204	1,109	166	15,479
Revenue recognized over time	4,568	-	0	-	4,568
Revenue from external customers	4,568	14,204	1,109	166	20,047
Contribution margin	1,762	5,053	403	166	7,383
Contribution margin %	38.6%	35.6%	36.3%	100.0%	36.8%
Revenue from external customers specified pr geographical area:					
North America	590	5,641	555	83	6,868
Europe	-	7,186	555	83	7,823
Asia	3,978	1,377	-	-	5,355
Total	4,568	14,204	1109	166	20,047

2022 Q3	Systems & Equipment	Materials	Spare parts	Other	Total
<i>Amounts in CAD 1000</i>					
Revenue recognized at a point in time		4,165	427	38	4,630
Revenue recognized over time	1,278				1,278
Revenue from external customers	1,278	4,165	427	38	5,908
Contribution margin	583	979	194	38	1,794
Contribution margin %	45.6%	23.5%	45.6%	100.0%	30.4%
Revenue from external customers specified pr geographical area:					
North America	395	1,876	213	19	2,503
Europe		1,894	213	19	2,126
Asia	883	395			1,279
Total	1,278	4,165	427	38	5,908

Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Disaggregation of revenue from contracts with customers (continued)

2021 Q3 YTD <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	13,021	739	331	14,092
Revenue recognized over time	6,736	-	0	-	6,736
Revenue from external customers	6,736	13,021	739	331	20,828
Contribution margin	4,403	5,028	504	331	10,266
Contribution margin %	65.4%	38.6%	68.2%	100.0%	49.3%
Revenue from external customers specified pr geographical area:					
North America	4,170	5,080	370	166	9,785
Europe	-	6,147	370	166	6,682
Asia	2,566	1,794	-	-	4,360
Total	6,736	13,021	739	331	20,828

2021 Q3 <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time		3,832	233	117	4,182
Revenue recognized over time	1,407				1,407
Revenue from external customers	1,407	3,832	233	117	5,589
Contribution margin	925	1,741	153	117	2,937
Contribution margin %	65.8%	45.4%	65.8%	100.0%	52.5%
Revenue from external customers specified pr geographical area:					
North America	213	1,492	117	59	1,881
Europe		1,493	117	59	1,669
Asia	1,194	846			2,039
Total	1,407	3,832	233	117	5,589

Alternative Performance Measures

DEFINITIONS

Tekna presents alternative performance measures as a supplement to measures regulated by IFRS. The Group considers these measures to be an important supplemental measure for investors to understand the Groups' activities. They are meant to provide an enhanced insight into the operations, financing, and future prospects of the company.

These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period. The definitions of these measures are as follows:

- **Backlog:** Sales order intake awaiting completion or awaiting call off by customer (release) in case of blanket orders.
- **Contribution Margin:** Is defined as revenues less direct variable costs such as direct labour, raw material, electricity, gas consumption, commissions, freight, customs and brokerage fees, laboratory supplies and packaging. The Contribution Margin is used to evaluate performance of production before any allocation of fixed manufacturing costs.
- **Contribution Margin %:** is defined as the Contribution Margin divided by revenues in the period.
- **EBITDA:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization.
- **EBITDA Margin:** Is defined as EBITDA as a percentage of revenues.
- **Adjusted EBITDA:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization adjusted for certain special operating items affecting comparability. These special operating items includes listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019) and litigation fees.
- **Adjusted EBITDA Margin:** Is defined as Adjusted EBITDA as a percentage of revenues.
- **EBIT:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures.
- **EBIT Margin:** Is defined as EBIT as a percentage of revenues.
- **Adjusted EBIT:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures adjusted for certain special operating items affecting comparability. These special operating items includes listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019), and litigation fees.
- **Adjusted EBIT Margin:** Is defined as Adjusted EBIT as a percentage of revenues. Adjusted EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.
- **Long Term Debt/Equity Ratio:** Is defined as total non-current liabilities divided by total equity. Long Term Debt/Equity Ratio is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Please see the Annual Report for a further detailed description of the Group's alternative performance measures.

Alternative Performance Measures

(continued)

<i>Amounts in CAD thousands</i>	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenues	20,047	5,908	20,828	5,589
Materials and consumables used	12,664	4,113	10,562	2,652
(b) Contribution margin	7,383	1,794	10,266	2,937
(c) Revenues	20,047	5,908	20,828	5,589
Contribution margin % (b/c)	36.83%	30.37%	49.29%	52.55%

<i>Amounts in CAD thousands</i>	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit/loss	-17,461	-6,410	-8,172	-4,291
Income tax expense (income)	-114	-114	114	-3
Finance costs	386	139	546	110
Finance income	565	-20	-493	365
Share of net income (loss) from associated companies and joint ventures	1,072	311	1,051	369
Depreciation and amortization	2,914	928	2,222	749
(a) EBITDA	-12,410	-4,938	-4,960	-2,695
Legal and listing cost	2,523	1,037	2,600	974
Retrospective implementation of cloud-based services	-	-	1,121	374
(b) Adjusted EBITDA	-9,887	-3,901	-1,239	-1,347
(c) Revenues	20,047	5,908	20,828	5,589
EBITDA margin (a/c)	-61.91%	-83.59%	-23.81%	-48.23%
Adjusted EBITDA margin (b/c)	-49.32%	-66.03%	-5.95%	-24.11%

<i>Amounts in CAD thousands</i>	2022 Q3 YTD	2022 Q3	2021 Q3 YTD	2021 Q3
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit/loss	-17,461	-6,410	-8,172	-4,291
Income tax expense (income)	-114	-114	114	-3
Finance cost	386	139	546	110
Finance Income	565	-20	-493	365
Share of net income (loss) from associated companies and joint ventures	1,072	311	1,051	369
(a) EBIT	-15,324	-5,866	-7,182	-3,444
Legal and listing cost	2,523	1,037	2,600	974
Retrospective implementation of cloud-based services	-	-	1,121	374
(b) Adjusted EBIT	-12,801	-4,829	-3,461	-2,096
(c) Revenues	20,047	5,908	20,828	5,589
EBIT margin (a/c)	-76.44%	-99.30%	-34.48%	-61.63%
Adjusted EBIT margin (b/c)	-63.86%	-81.74%	-16.62%	-37.51%

<i>Amounts in CAD thousands</i>	30.09.2022	31.12.2021
	<i>(Unaudited)</i>	<i>(Audited)</i>
(a) Total non-current liabilities	5,197	4,005
(b) Total equity	59,106	76,109
Long Term Debt/Equity Ratio (a/b)	0.09	0.05

A black and white photograph showing a stream of small, bright particles falling from the top center into a large, conical pile of the same particles at the bottom. The background is dark, making the particles stand out. The text is centered over the image.

**Changing the world one
particle at a time ...**