



Q4 2022 financial results

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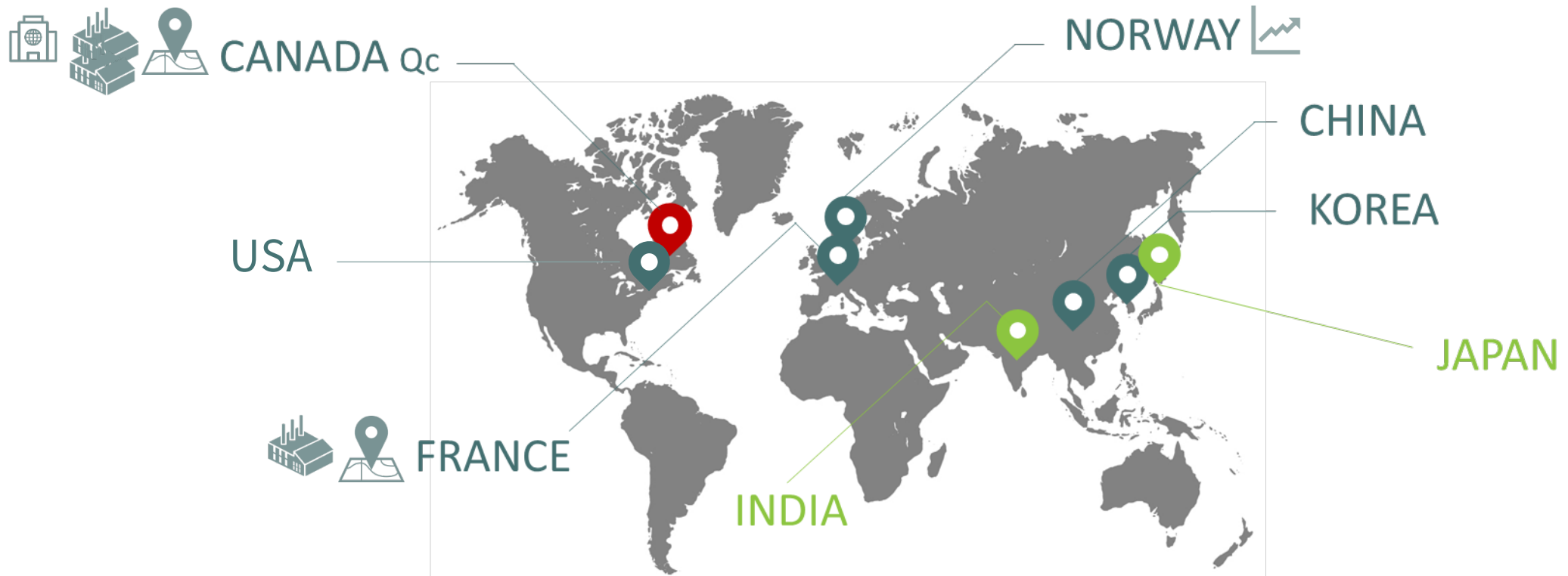


Tekna in brief

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

Established organization with world-wide reach

| | | | | | | | | | |
|--|--|---|---|---|---|---|---|---|--|
|  Founded in 1990 |  Tekna Holding ASA Listed OSLO 2022 |  carbon neutral aspiration 2030 |  Headquartered in Quebec, Canada |  200 employees |  90 active patents |  3 production facilities |  2 research facilities |  7 subsidiaries |  1 joint venture Imphytek Powders (France) |
|--|--|---|---|---|---|---|---|---|--|



Tekna is active in 4 segments driven by global megatrends

Megatrends driving double digit growth in all segments

- 

Space exploration and hypersonic speed travel
- 

Shifting economic powers and deglobalization
- 

Climate change and environmental regulations
- 

Connectivity and communication
- 

Demography and health care

Systems



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

Advanced materials



up to +30%
Materials sales CAGR 2022-2030 as forecast by Grand View Research and Smartech



+14%
MLCC CAGR 2022-27 as projected by Research & Market 2021, 2022 editions



+18%, +28%
Projected CAGR for demand for anode and silicon respectively in 2020-30 as forecast by IHS 2021



Current Revenue Generating Segments



Developing Segments

Customers for our additive materials business

Additive Manufacturing Material sales by Industry Sector



Large base of blue-chip customers¹



~200 customers

¹ Current and targeted customers

Our Plasma Systems segment

R&D Systems in a nutshell ...

- Academic, government and industrial solutions
- CAD 8 - 15m annually
- Induction, DC and Arc plasma know-how
- Over 250 systems delivered worldwide
- In-house machine & peripheral supplier to Tekna powder manufacturing sites



Norway's Minister of Trade and Industry Jan Christian Vestre (right) visiting the Mechatronics Innovation Lab in Grimstad, Norway

Orbital Space & Hypersonic Flight: PlasmaSonic Solutions

- Global leader with no integrated competitors
- Portfolio of comprehensive and advanced tools to reproduce, measure and characterize material behavior exposed to hypersonic flight and orbital space conditions
- Active sales opportunity pipeline CAD 45 – 75m

Current and targeted customers



Corporate and ESG update

Changes in management



Espen **Schie** appointed Chief Financial Officer of Tekna

Schie brings long-term financial management experience. Comes from the role as Vice President of Finance & Controlling at Arendals Fossekompagni ASA, Tekna's largest shareholder

Annual and Sustainability Report



Tekna Holding will publish its Annual and Sustainability Report on 11 April 2023



Full-year and Q4 Highlights and financials

Full year 2022 in brief

Building capacity to meet growing demand

Chasing operational excellence in pursuit of improved profitability

Revenues 2022

CAD **26.9** million
2021: 26.8m

Revenues in 2022 on same level as in 2021

- EBITDA negatively impacted by transitory lower systems margins, materials machine upgrade efforts, and overhead costs related to onboarding of staff in anticipation of the growth plan

EBITDA 2022 (adjusted)

CAD **-12.8** million
2021: -4.6m

Order backlog increased by 64%

- Reflecting growing demand for **additive materials**, significant wins and strong pipeline of **systems** projects

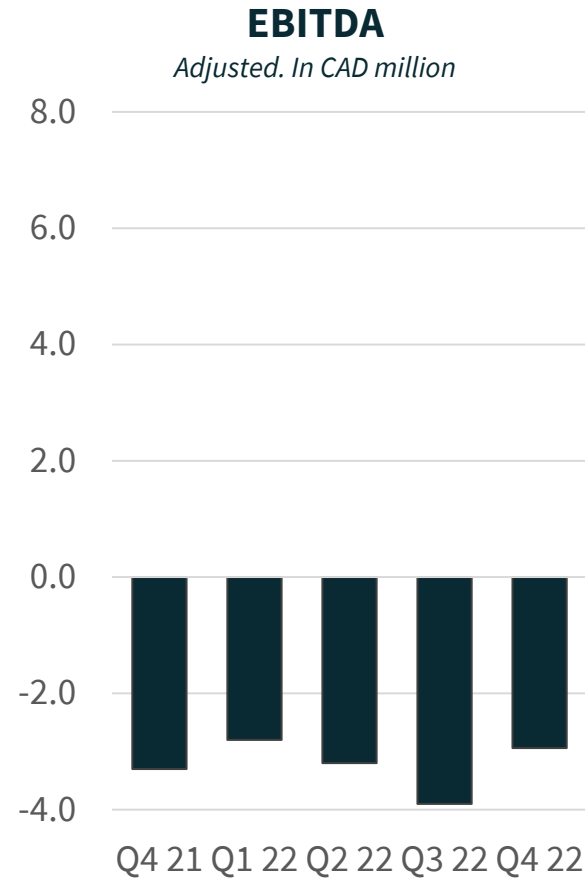
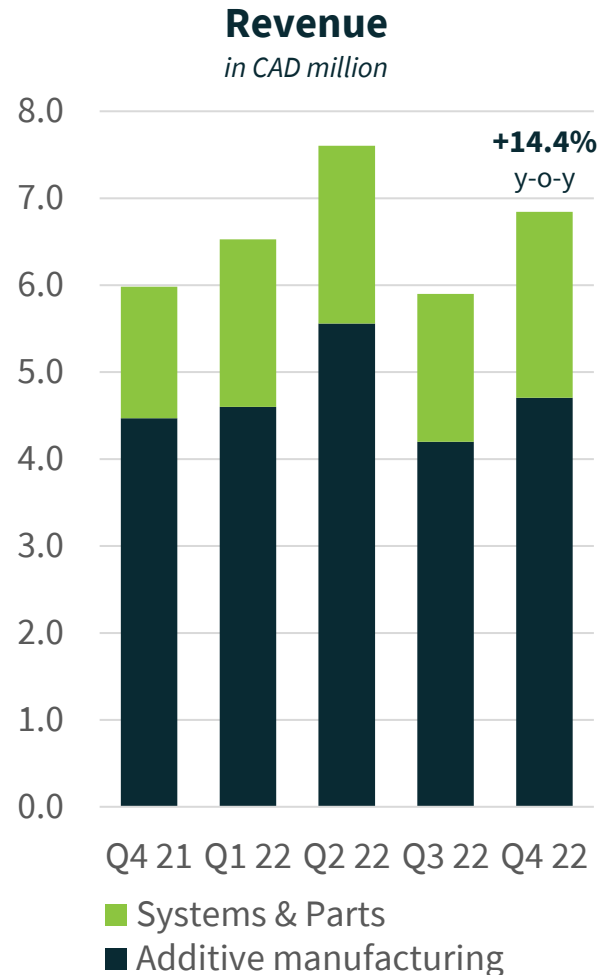
Order backlog 31.12.22

CAD **25.0** million
2021: 15.3m

Important and immediate steps taken towards improving profitability and cash position

- Machine capacity expansion for **additive materials** well underway
- In addition, three powder systems coming online in 2023
- AFK and Tekna have agreed on the terms for a CAD 25 million loan facility
- Improving operational excellence through overhead cost reduction, Capex and organisation right-sizing and strategic focus on near term revenue opportunities

Q4 revenue and EBITDA improved YoY, reflecting favourable systems segment performance

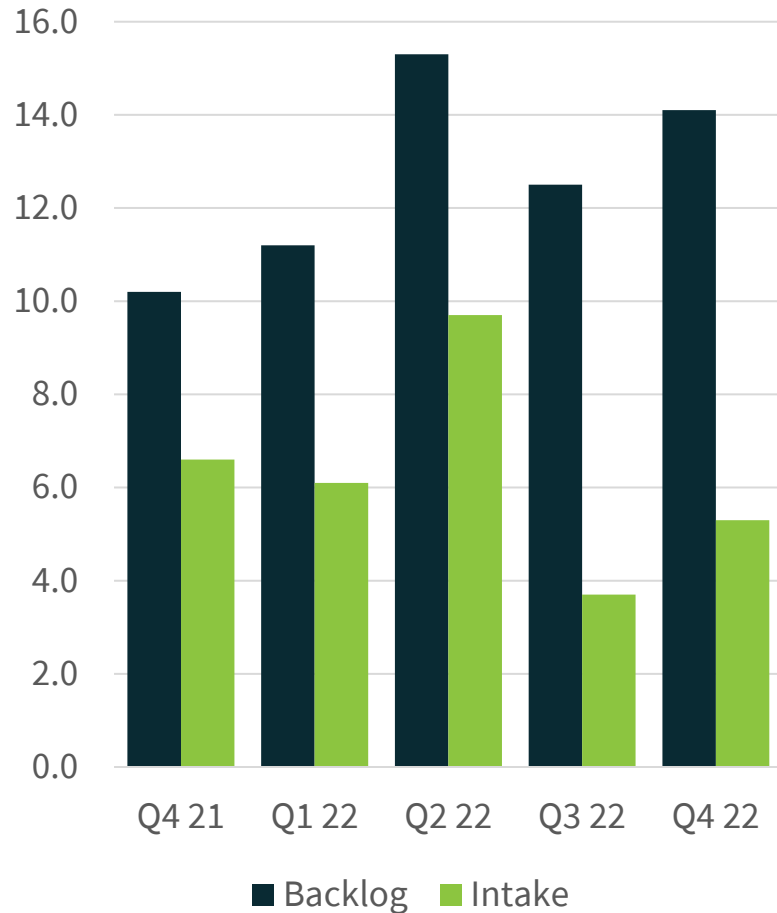


- **Materials revenue** in Q4 2022 CAD 4.7 million, same level as in 2021 as anticipated in Q3 2022
- **Systems revenue** at CAD 2.1 million, 50% increase year-over-year, reflecting market rebound
- Adjusted **EBITDA** CAD -2.9 million improved year-over-year resulting from increase in systems revenues and margins
- Increased focus on profitability and cash improvement

Additive manufacturing industrialization drives significant materials demand, capacity constraints affected Q4 order intake

Order intake and backlog

Additive manufacturing | in CAD million



- The traction for additive materials remains strong in the market
- Tekna materials are instrumental to the industrialisation success of leading original equipment manufacturers (OEMs)
- Lower order intake in Q4 over the same period last year was expected due to longer delivery lead-times caused by capacity constraints
- Increasing capacity will translate into higher material availability, shorter delivery lead-times and increased sales

Strong pipeline and major orders confirmed, including PlasmaSonic equipment from leading aerospace original equipment manufacturer



Market drivers

Tekna's PlasmaSonic solutions are key to advancing the development of thermal protection materials required for hypersonic flight and orbital re-entry vehicles

Illustration: Screen shot from Tekna's Q3 presentation

In Q4 2022: CAD 9 million order confirmed for hypersonic wind tunnel testing facility

- 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

In January 2023: Announced two more plasma system sales valued at CAD 1.57 million for delivery by end of 2023

- TEK15 system for government research center in Belgium, can be used for the development of spherical powder, nanomaterials and coatings
- TEK40 system for a private company in Asia for commercial R&D purposes. System will be used to develop and produce trial size samples of spherical refractory metal powders

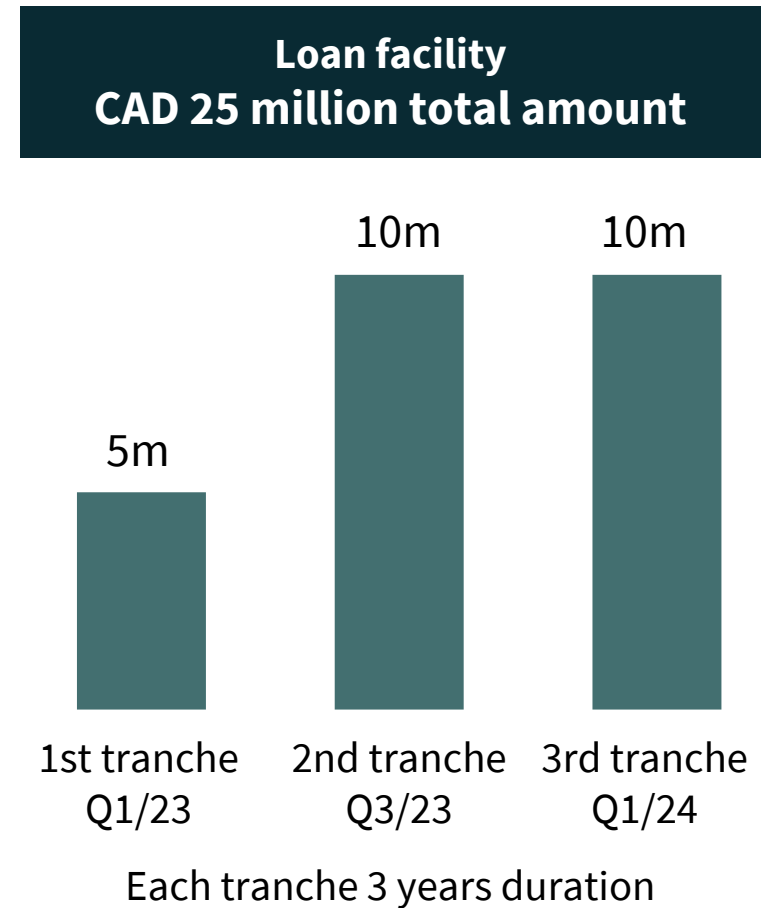
Arendals Fossekompani (AFK) reiterates its support of Tekna

AFK and Tekna have agreed on the terms for a **CAD 25 million loan facility**

Loan agreement will be signed once current public funding institutions have given their consent

Key terms of the agreement

- 3 tranches (loans) released between Q1-2023 and Q1-2024: CAD 5m, 10m, and 10m respectively
- 3rd tranche subject to certain performance criteria
- Repayment for each loan on the date falling three (3) years from the drawdown of the relevant tranche
- Final terms to be disclosed upon finalization of loan agreement



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

Megatrends driving double digit growth in all segments

- Space exploration and hypersonic speed travel
- Shifting economic powers and deglobalization
- Climate change and environmental regulations
- Connectivity and communication
- Demography and health care

Systems



CAD 220m

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

Systems business rebounding. Strong pipeline of potential orders. Reinforcing sales team in US, which represents great potential, especially for PlasmaSonic

Advanced materials



up to +30%

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

Fast growing market with OEMs now operating at an industrial scale. Tekna focuses on increasing capacity through improved machine performance and increasing machine installed base



+14%

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

Qualifications with customers continuing. Have initiated discussions with MLCC partners to implement nickel-nano powder manufacturing in Asia



+18%, +28%

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

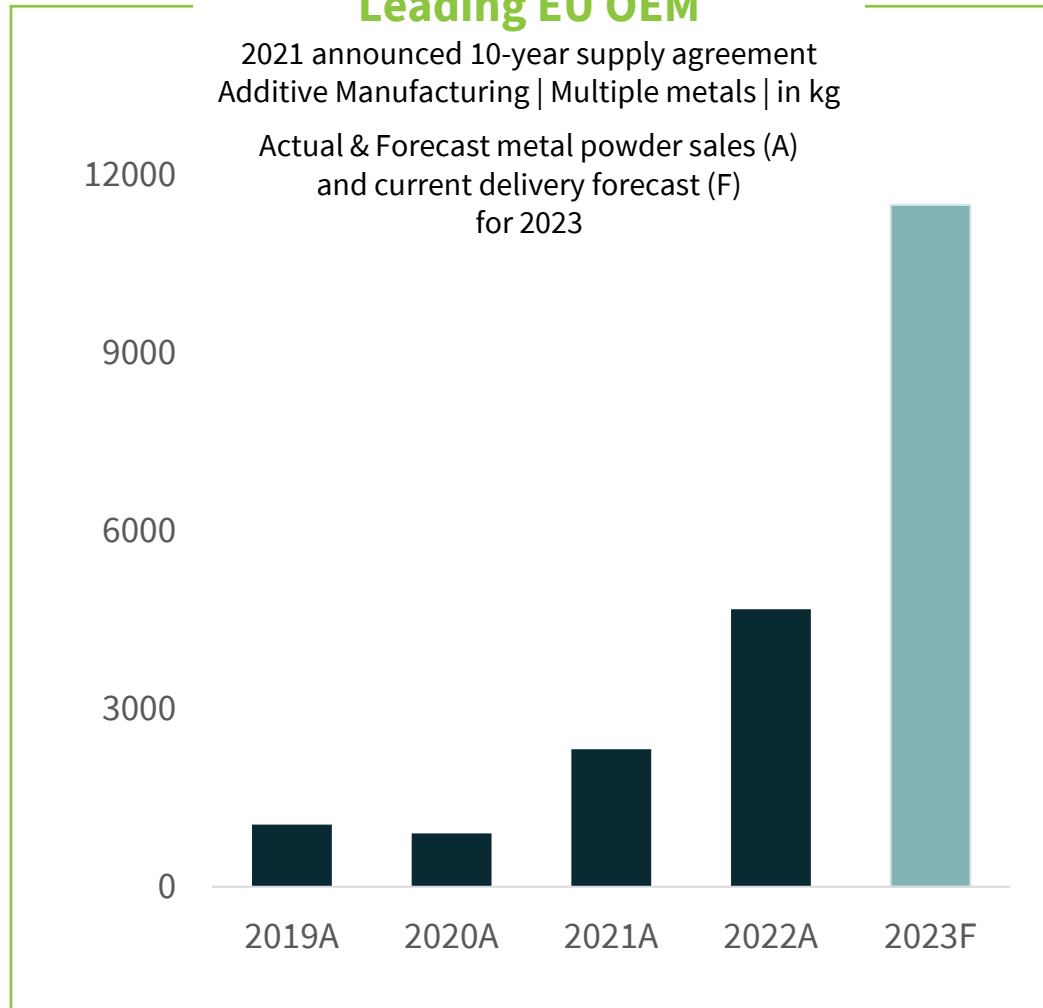
Tekna continues dialogue with strategic partners within energy storage. For the time being, Tekna will prioritize the significant opportunities in the above segments over energy storage

Top tier aerospace customers moving from technology validation to commercial volumes

Customer A

Leading EU OEM

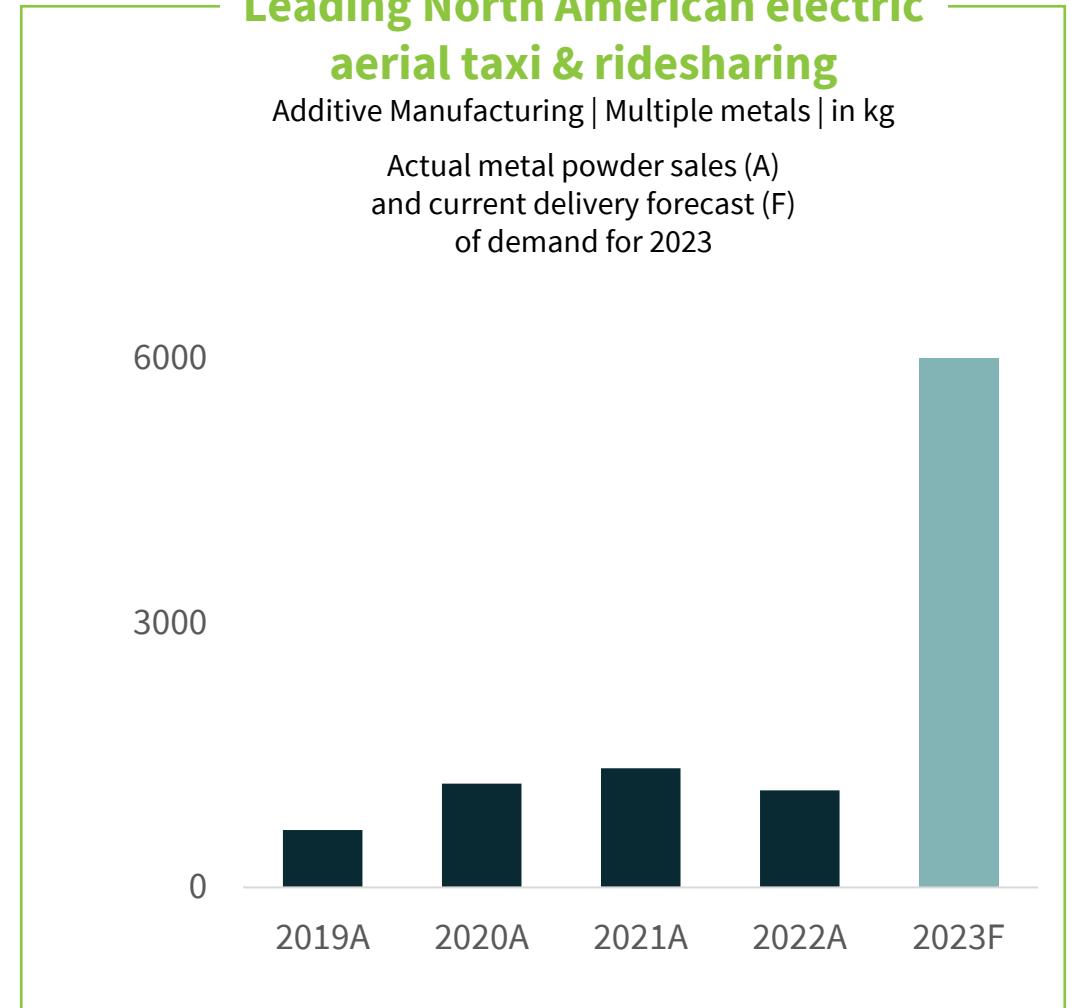
2021 announced 10-year supply agreement
Additive Manufacturing | Multiple metals | in kg
Actual & Forecast metal powder sales (A)
and current delivery forecast (F)
for 2023



Customer B

Leading North American electric aerial taxi & ridesharing

Additive Manufacturing | Multiple metals | in kg
Actual metal powder sales (A)
and current delivery forecast (F)
of demand for 2023

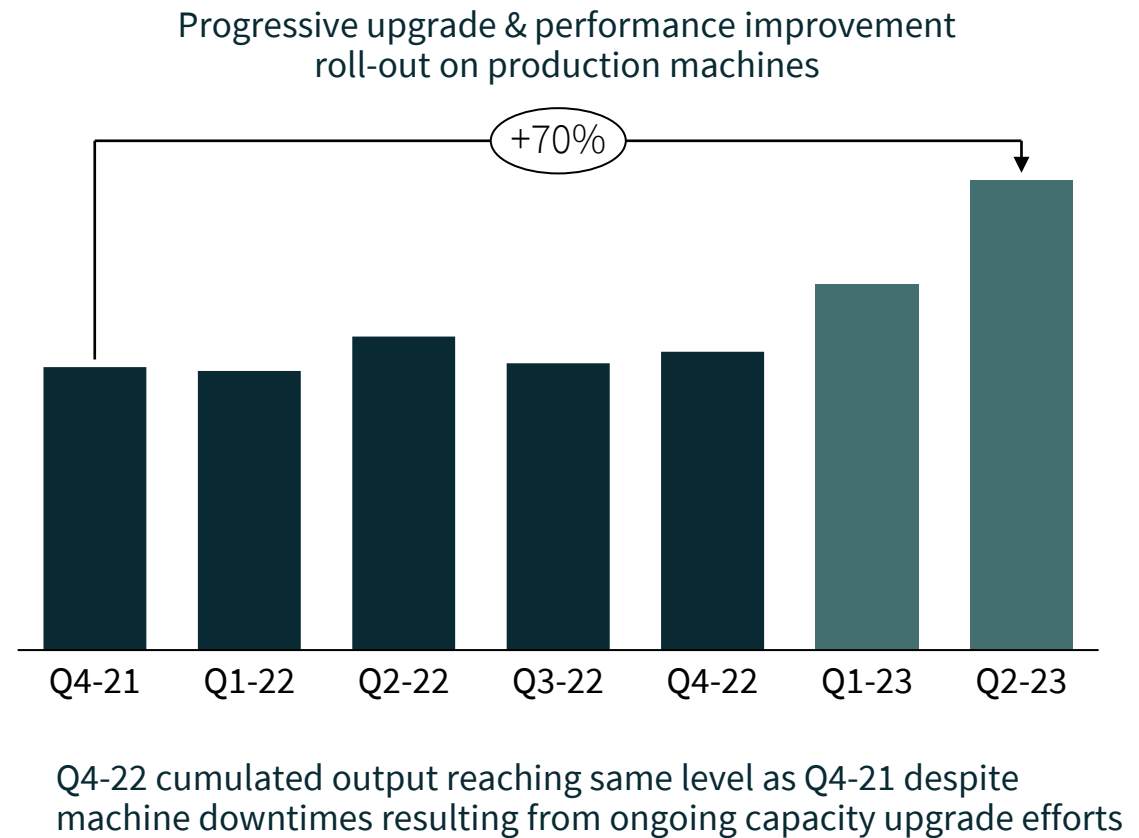


Additive manufacturing powder machine capacity upgrade program

First machine qualified at 40% output increase

- Capacity improvement continued in Q4 with a first machine qualified at 40% output, increasing from 20% achieved in October
- Total Q4 output was marked by machine upgrade related downtime and slowdown during holiday season
- Development and upgrade work continues through Q1-2023. Step-by-step implementation on machines is synchronized with customer qualification roll-out plan
- Targeting 70% increase in production run rate to be qualified by end of Q1 2023, expected to be reflected in output of Q2
- Full effect of output increase will be reflected in sales revenues when all machines are upgraded to the new level

Output increase target



Microelectronics | Strategic development initiatives with customers continue

About our product qualification program Nickel nano powder

- Set-up of customer validation (pilot) line mostly completed, minimal investment is secured to finalize this phase of the program
- 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
- Industrial scale-up investment is postponed and will be synchronized with successful customer pairing

Feedback from most advanced customers

Prospect Korea

MLCC printing trials with Tekna Nickel nano 80nm continues to progress. Customer feedback was received during recent tour, product adjustments to be implemented accordingly with an increase in technical effort on the customer end

Prospect APAC

Good progress achieved on conducting trials with Tekna material samples. Customer feedback is expected in Q1 2023 during an in-presence meeting

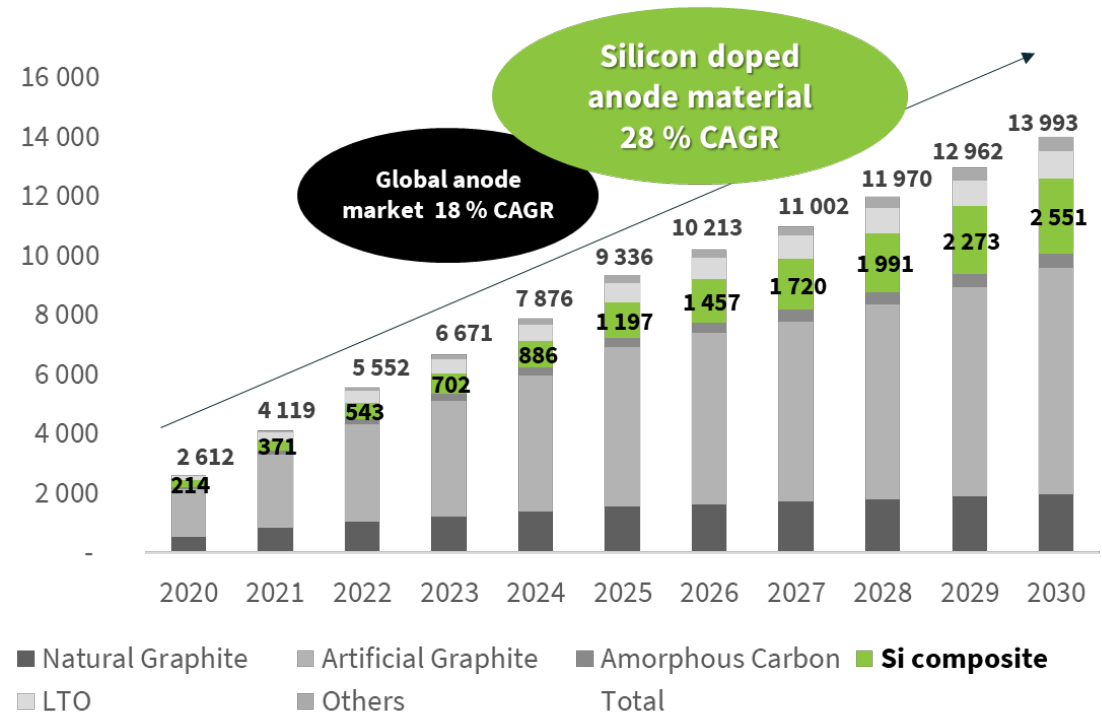
Nickel nano material outlook will be revised following the next round of customer trials

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

Status

- Implemented nano-silicon plasma machine
- Produced samples
- Tekna continues dialogue with strategic partners within energy storage
- For the time being Tekna will prioritize the significant opportunities within additive manufacturing and microelectronics over the potential within energy storage
- LG Chem joint development agreement progress continues

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

Concluding remarks

Building capacity to meet growing demand Chasing operational excellence in pursuit of improved profitability

- AFK reiterated its support of Tekna and together have agreed on the terms for a **CAD 25 million loan facility**
- Increasing sales, production and delivery of additive materials remains **top priority**
- Pursuing significant potential in microelectronics while **carefully managing cashflow** and resources
- **Roadmap to profitability drawn up**, emphasising operational excellence, right-sizing of organisation and strict prioritisation of R&D efforts towards additive materials and microelectronics
- Operating revenues and margins **expected to increase** during 2023, supported by strong systems and materials backlog



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

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

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|--|-----------|
| Consolidated financial statements | 23 |
| Income statement | 24 |
| Other comprehensive income | 24 |
| Balance sheet | 25 |
| Equity | 26 |
| Cash flow | 27 |

Notes to the Consolidated Financial Statements 28

- Note 1 Confirmation of financial framework
- Note 2 Key accounting policies
- Note 3 Revenue from contracts with customers

Alternative Performance Measures 30

Appendix Q4 Financial Statements

Financial Statements

CONSOLIDATED STATEMENT OF INCOME

| Amounts in CAD 1000 | Note | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|---|------|----------------|---------------|----------------|---------------|
| Revenues | 3 | 26,889 | 6,843 | 26,810 | 5,982 |
| Other income | | 767 | 357 | 486 | 200 |
| Materials and consumables used | | 17,540 | 4,876 | 14,893 | 4,332 |
| Employee benefit expenses | | 16,009 | 4,198 | 12,733 | 3,439 |
| Other operating expenses | | 10,835 | 2,443 | 8,401 | 2,182 |
| EBITDA | | -16,727 | -4,317 | -8,731 | -3,771 |
| Depreciation and amortisation | | 3,978 | 1,065 | 3,742 | 1,520 |
| Net operating income/(loss) | | -20,706 | -5,382 | -12,473 | -5,291 |
| Share of net income (loss) from associated companies and joint ventures | | -1,510 | -437 | -1,472 | -421 |
| Finance income | | 144 | 709 | 400 | -94 |
| Finance costs | | 332 | -54 | 656 | 110 |
| Profit/(loss) before income tax | | -22,404 | -5,057 | -14,201 | -5,915 |
| Income tax expense | | 114 | - | -114 | - |
| Profit/(loss) for the period | | -22,517 | -5,057 | -14,087 | -5,915 |
| Attributable to equity holders of the company | | -21,688 | -4,814 | -13,601 | -5,691 |
| Attributable to non-controlling interests | | -829 | -242 | -486 | -224 |
| Basic earnings per share | - | 0.17 | 0.04 | 0.14 | 0.05 |
| Diluted earnings per share | - | 0.17 | 0.04 | 0.14 | 0.05 |

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| Amounts in CAD 1000 | Note | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|---|------|----------------|---------------|----------------|---------------|
| <i>Items that may be reclassified to statement of income</i> | | | | | |
| Exchange differences on translation of foreign operations | | -178 | -636 | 6 | 6 |
| Items that may be reclassified to statement of income | | -178 | -636 | 6 | 6 |
| <i>Items that will not be reclassified to statement of income</i> | | | | | |
| Exchange differences on translation of foreign operations | | - | - | -6,207 | -381 |
| Items that will not be reclassified to statement of income | | - | - | -6,207 | -381 |
| Other comprehensive income/(loss) for the period, net of tax | | -178 | -636 | -6,201 | -375 |
| Total comprehensive income/(loss) for the period | | -22,696 | -5,693 | -20,288 | -6,290 |
| Attributable to equity holders of the company | | -21,876 | -5,448 | -19,802 | -6,066 |
| Attributable to non-controlling interests | | -820 | -245 | -486 | -224 |

Consolidated revenues for the Tekna Group in 2022 was CAD 26.9 million, compared to CAD 26.8 in 2021. Revenues for Systems reduced compared to last year but was compensated by an 8% increase in Materials sales.

Contribution margin in 2022 was CAD 9.5 million corresponding to 35 percent of revenues. In the last year, the contribution margin was 44 percent. The reduced margins is a result of an increase in cost of materials and transitory lower margins for Systems.

Adjusted earnings before interest, tax, depreciation, and amortisation (Adj. EBITDA) in 2022 was negative CAD 12.8 million, and was marked by a planned increase in costs in support of the company's growth strategy, materials machine upgrade efforts, its development programs in emerging segments and upfront investments in staff and R&D.

Loss for 2022 was CAD 22.5 million of which share of net loss from associated companies and joint ventures was negative CAD 1.5 million and net financial items was minus CAD 0.2 million.

Financial Statements

CONSOLIDATED BALANCE SHEET

| <i>Amounts in CAD 1000</i> | Note | 31.12.2022 | 31.12.2021 |
|---|------|---------------|---------------|
| Non-current assets | | | |
| Property, plant and equipment | | 19,474 | 16,573 |
| Intangible assets | | 8,537 | 9,217 |
| Associated companies and joint ventures | | 579 | 1,231 |
| Non-current receivables | | 5,270 | 5,598 |
| Deferred tax assets | | - | - |
| Total non-current assets | | 33,860 | 32,619 |
| Current assets | | | |
| Inventories | | 20,592 | 14,415 |
| Contract assets | | 167 | 1,039 |
| Trade and other receivables | | 9,430 | 5,680 |
| Cash and cash equivalents | | 11,364 | 38,649 |
| Total current assets | | 41,553 | 59,783 |
| Total assets | | 75,413 | 92,402 |

Equity ratio at the end of December 2022 was 70.1 percent compared with 82.4 percent at the end of 2021.

Total cash and cash equivalents amounted to CAD 11.4 million at the end of December 2022 versus CAD 38.6 million at the same time last year.

| <i>Amounts in CAD 1000</i> | Note | 31.12.2022 | 31.12.2021 |
|--|------|---------------|---------------|
| Equity | | | |
| Share capital and share premium | | 494,956 | 494,956 |
| Other reserves | | -440,934 | -419,058 |
| Capital and reserves attributable to holders of the company | | 54,022 | 75,899 |
| Non-controlling interests | | -609 | 211 |
| Total equity | | 53,413 | 76,109 |
| Non-current liabilities | | | |
| Borrowings | | 4,119 | 3,778 |
| Lease liabilities | | 1,161 | 227 |
| Deferred tax liabilities | | - | - |
| Total non-current liabilities | | 5,280 | 4,005 |
| Current liabilities | | | |
| Bank loan | | 1,197 | 3,733 |
| Lease liabilities | | 693 | 235 |
| Trade and other payables | | 7,782 | 4,772 |
| Contract liabilities | | 4,197 | 1,473 |
| Other current liabilities | | 2,319 | 1,874 |
| Borrowings short-term portion | | 532 | 200 |
| Total current liabilities | | 16,720 | 12,288 |
| Total liabilities and equity | | 75,413 | 92,402 |

Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Amounts in CAD 1000 | Note | Attributable to equity holders of the Company | | | | Total equity |
|---|------|---|-----------------|---------------|---------------------------|---------------|
| | | Share capital and share premium | Other reserves | Total | Non-controlling interests | |
| 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 | | 394,898 | -417,295 | -22,397 | 683 | -21,714 |
| Issue of ordinary shares for cash | | 100,044 | | 100,044 | - | 100,044 |
| Balance at 31 December 2021 | | 494,956 | -419,058 | 75,898 | 211 | 76,109 |
| Balance at 1 January 2022 | | 494,956 | -419,058 | 75,898 | 211 | 76,109 |
| Profit/(loss) for the period mm | | | -21,688 | -21,688 | -829 | -22,517 |
| Other comprehensive income/(loss) | | | -187 | -187 | 9 | -178 |
| Adjustment | | - | | - | - | - |
| Balance at 31 December 2022 | | 494,956 | -440,934 | 54,022 | -609 | 53,413 |

Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

| Amounts in CAD 1000 | Note | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|---|------|----------------|---------------|----------------|---------------|
| Cash flow from operating activities | | | | | |
| Net profit/(loss) | | -22,517 | -5,057 | -14,087 | -5,915 |
| Depreciation, amortization and impairment | | 3,978 | 1,065 | 3,742 | 1,520 |
| Variation in deferred taxes | | | | - | - |
| Interest accretion on LT debt | | 290 | 57 | 258 | 67 |
| Discounted value of long-term loan | | -640 | -241 | -378 | -215 |
| FX variation on long-term loan | | | | -515 | -515 |
| (Gain)/Loss from sales of assets | | | | -10 | -10 |
| Share of results from associated companies and joint ventures | | 1,510 | 437 | 1,472 | 421 |
| Total after adjustments to profit before income tax | | -17,379 | -3,739 | -9,517 | -4,648 |
| Change in Inventories | | -6,177 | -1,482 | -2,378 | -1,265 |
| Change in other assets | | -2,551 | -1,099 | -2,773 | 954 |
| Change in other liabilities | | 6,180 | 5,130 | 790 | 3,519 |
| Total after adjustments to net assets | | -19,927 | -1,190 | -13,878 | -1,439 |
| Net cash from operating activities | | -19,927 | -1,190 | -13,878 | -1,439 |
| Cash flow from investing activities | | | | | |
| Proceeds from the sales of PPE | | | | 28 | -64 |
| Purchase of PPE and intangible assets | | -6,199 | -1,981 | -3,637 | -1,474 |
| Other investing activities | | -816 | -51 | -1,296 | 44 |
| Purchase of shares in subsidiaries | | - | - | -23,480 | 0 |
| Net cash flow from investing activities | | -7,015 | -2,032 | -28,385 | -1,493 |

| Amounts in CAD 1000 | Note | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|--|------|----------------|---------------|---------------|---------------|
| Cash flow from financing activities | | | | | |
| Proceeds from issue of shares | | - | | 100,044 | -14 |
| Proceeds from issue of shares in THC | | -42 | - | 1,331 | - |
| Increase (decrease) of bank loan | | -2,536 | 728 | 3,100 | 2,881 |
| New loan | | 3,551 | 847 | 17,898 | -12,562 |
| Repayment of loan | | -263 | -64 | -37,535 | 14,072 |
| Repayment of lease liabilities | | -874 | -208 | -226 | -170 |
| Net cash flow from financing activities | | -164 | 1,303 | 84,612 | 4,208 |
| Net increase in cash and cash equivalents | | -27,105 | -1,919 | 42,348 | 1,275 |
| Cash and cash equivalents at the beginning of the financial year | | 38,649 | 13,918 | 2,537 | 38,621 |
| Effects of exchange rate changes on cash and cash equivalents | | -180 | -636 | -6,237 | -1,247 |
| Cash and cash equivalents at end of the period | | 11,364 | 11,364 | 38,649 | 38,649 |

Net cash flow from operating activities was negative CAD 19.9 million in 2022, of which an increase in inventories was CAD 6.2 million. Corresponding cash flow in 2021 was negative CAD 13.9 million in the last year.

Net cash flow from investing activities was negative CAD 7.0 million in 2022, mainly due to purchase of property, plant and equipment, compared with negative CAD 28.4 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 0.2 million in 2022. CAD 3.5 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 for 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

| FY 2022 | Systems & Equipment | Materials | Spare parts | Other | Total |
|--|---------------------|---------------|--------------|------------|---------------|
| <i>Amounts in CAD 1000</i> | | | | | |
| Revenue recognized at a point in time | - | 18,909 | 1,521 | 222 | 20,652 |
| Revenue recognized over time | 6,238 | - | 0 | - | 6,238 |
| Revenue from external customers | 6,238 | 18,909 | 1,521 | 222 | 26,889 |
| Contribution margin | 2,794 | 5,677 | 657 | 222 | 9,350 |
| Contribution margin % | 44.8% | 30.0% | 43.2% | 100.0% | 34.8% |
| Revenue from external customers specified pr geographical area: | | | | | |
| North America | 1,608 | 7,204 | 760 | 111 | 9,684 |
| Europe | - | 9,827 | 760 | 111 | 10,698 |
| Asia | 4,629 | 1,878 | - | - | 6,507 |
| Total | 6,238 | 18,909 | 1521 | 222 | 26,889 |

| 2022 Q4 | Systems & Equipment | Materials | Spare parts | Other | Total |
|--|---------------------|--------------|-------------|-----------|--------------|
| <i>Amounts in CAD 1000</i> | | | | | |
| Revenue recognized at a point in time | | 4,705 | 411 | 56 | 5,173 |
| Revenue recognized over time | 1,670 | | | | 1,670 |
| Revenue from external customers | 1,670 | 4,705 | 411 | 56 | 6,843 |
| Contribution margin | 1,032 | 624 | 254 | 56 | 1,967 |
| Contribution margin % | 61.8% | 13.3% | 61.8% | 100.0% | 28.7% |
| Revenue from external customers specified pr geographical area: | | | | | |
| North America | 1,019 | 1,563 | 206 | 28 | 2,816 |
| Europe | | 2,641 | 206 | 28 | 2,875 |
| Asia | 651 | 501 | | | 1,152 |
| Total | 1,670 | 4,705 | 411 | 56 | 6,843 |

Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Disaggregation of revenue from contracts with customers (continued)

| FY 2021 <i>Amounts in CAD 1000</i> | Systems & Equipment | Materials | Spare parts | Other | Total |
|--|---------------------|---------------|-------------|------------|---------------|
| Revenue recognized at a point in time | - | 17,492 | 974 | 414 | 18,880 |
| Revenue recognized over time | 7,931 | - | 0 | - | 7,931 |
| Revenue from external customers | 7,931 | 17,492 | 974 | 414 | 26,810 |
| Contribution margin | 4,468 | 6,518 | 517 | 414 | 11,917 |
| Contribution margin % | 56.3% | 37.3% | 53.1% | 100.0% | 44.4% |
| Revenue from external customers specified pr geographical area: | | | | | |
| North America | 4,386 | 6,730 | 487 | 207 | 11,810 |
| Europe | - | 8,196 | 487 | 207 | 8,890 |
| Asia | 3,545 | 2,566 | - | - | 6,111 |
| Total | 7,931 | 17,492 | 974 | 414 | 26,810 |

| 2021 Q4 <i>Amounts in CAD 1000</i> | Systems & Equipment | Materials | Spare parts | Other | Total |
|--|---------------------|--------------|-------------|-----------|--------------|
| Revenue recognized at a point in time | | 4,470 | 235 | 82 | 4,788 |
| Revenue recognized over time | 1,194 | | | | 1,194 |
| Revenue from external customers | 1,194 | 4,470 | 235 | 82 | 5,982 |
| Contribution margin | 65 | 1,490 | 13 | 82 | 1,651 |
| Contribution margin % | 5.4% | 33.3% | 5.4% | 100.0% | 27.6% |
| Revenue from external customers specified pr geographical area: | | | | | |
| North America | 216 | 1,650 | 118 | 41 | 2,024 |
| Europe | | 2,049 | 118 | 41 | 2,207 |
| Asia | 978 | 772 | | | 1,750 |
| Total | 1,194 | 4,470 | 235 | 82 | 5,982 |

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)

| Amounts in CAD thousands | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|------------------------------------|---------------|---------------|---------------|---------------|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 26,889 | 6,843 | 26,810 | 5,982 |
| Materials and consumables used | 17,540 | 4,876 | 14,893 | 4,332 |
| (b) Contribution margin | 9,350 | 1,967 | 11,917 | 1,651 |
| (c) Revenues | 26,889 | 6,843 | 26,810 | 5,982 |
| Contribution margin % (b/c) | 34.77% | 28.74% | 44.45% | 27.59% |

| Amounts in CAD thousands | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|---|----------------|----------------|----------------|----------------|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Net profit/loss | -22,517 | -5,057 | -14,087 | -5,915 |
| Income tax expense (income) | -114 | - | 114 | - |
| Finance costs | 332 | -54 | 656 | 110 |
| Finance income | -144 | -709 | -400 | 94 |
| Share of net income (loss) from associated companies and joint ventures | 1,510 | 437 | 1,472 | 421 |
| Depreciation and amortization | 3,978 | 1,065 | 3,742 | 1,520 |
| (a) EBITDA | -16,727 | -4,317 | -8,731 | -3,771 |
| Legal and listing cost | 3,901 | 1,378 | 2,982 | 382 |
| Retrospective implementation of cloud-based services | - | - | 1,121 | 374 |
| (b) Adjusted EBITDA | -12,827 | -2,940 | -4,628 | -3,015 |
| (c) Revenues | 26,889 | 6,843 | 26,810 | 5,982 |
| EBITDA margin (a/c) | -62.21% | -63.09% | -32.56% | -63.03% |
| Adjusted EBITDA margin (b/c) | -47.70% | -42.96% | -17.26% | -50.41% |

| Amounts in CAD thousands | FY 2022 | 2022 Q4 | FY 2021 | 2021 Q4 |
|---|----------------|----------------|----------------|----------------|
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Net profit/loss | -22,517 | -5,057 | -14,087 | -5,915 |
| Income tax expense (income) | -114 | - | 114 | - |
| Finance cost | 332 | -54 | 656 | 110 |
| Finance Income | -144 | -709 | -400 | 94 |
| Share of net income (loss) from associated companies and joint ventures | 1,510 | 437 | 1,472 | 421 |
| (a) EBIT | -20,706 | -5,382 | -12,473 | -5,291 |
| Legal and listing cost | 3,901 | 1,378 | 2,982 | 382 |
| Retrospective implementation of cloud-based services | - | - | 1,121 | 374 |
| (b) Adjusted EBIT | -16,805 | -4,004 | -8,370 | -4,535 |
| (c) Revenues | 26,889 | 6,843 | 26,810 | 5,982 |
| EBIT margin (a/c) | -77.00% | -78.65% | -46.52% | -88.44% |
| Adjusted EBIT margin (b/c) | -62.50% | -58.52% | -31.22% | -75.81% |

| Amounts in CAD thousands | 31.12.2022 | 31.12.2021 |
|--|-------------|-------------|
| | (Unaudited) | (Audited) |
| (a) Total non-current liabilities | 5,280 | 4,005 |
| (b) Total equity | 53,412 | 76,109 |
| Long Term Debt/Equity Ratio (a/b) | 0.10 | 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 ...**