



# Q2 2023 financial results

Luc Dionne, CEO  
Espen Schie, CFO  
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# Tekna in brief

Luc Dionne, CEO



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

Established organization with world-wide reach



## Customer location (share of revenues, 2022)

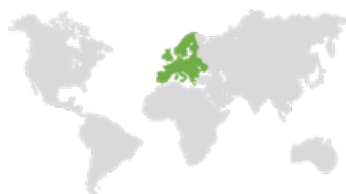
North America

36%



Europe

40%



Asia / Rest of world

24%



## Customer segments (share of revenues, 2022)

Aerospace

35%



3D Machine OEM

20%



Medical Implants

10%



Other

35%




## Current and targeted customers



# Tekna is engaging in four industries that are propelled by global megatrends

Megatrends driving double digit growth in all segments

  
Space exploration  
and hypersonic speed  
travel

  
Shifting economic  
powers and  
deglobelization

  
Climate change  
and environmental  
regulations

  
Connectivity and  
communication

  
Demography and health  
care

Systems

**R&D &  
PlasmaSonic  
wind tunnels**

**CAD 300m**

Emerging industry for  
which Tekna has identified  
CAD 300m of PlasmaSonic  
prospects over the next 10  
years

**Additive  
Manufacturing**

**up to +30%**

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

**Micro-  
electronics**

**+10,4%**

MLCC CAGR 2023-30 as  
projected by Research &  
Market 2023 edition

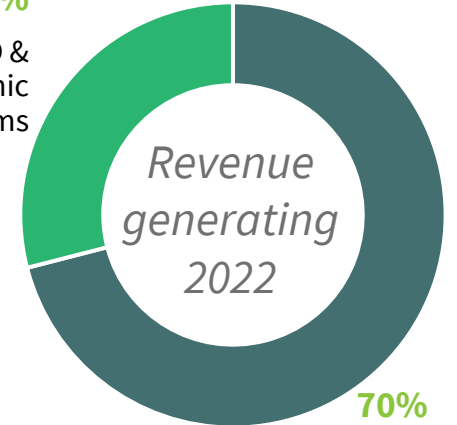
**Energy  
storage**

**+18%, +28%**

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

Advanced materials

**30%**  
R&D &  
PlasmaSonic  
systems



**70%**  
Additive  
manufacturing

*Developing  
business lines*



# Q2 2023 Highlights

Luc Dionne, CEO

## Q2 2023 in brief

### Record revenues and profitability significantly improved

Revenues Q2 2023

CAD **11.0** million  
Q2 2022: 7.6m

#### All time high quarterly revenues continuing in Q2 2023

- **Total revenue** +45% compared to Q2 2022
- **Systems** revenues +66%, driven by strong demand and several successful wins
- **Materials** revenues +37%, also driven by demand and successful capacity expansion

EBITDA (adj) Q2 2023

CAD **-0.6** million  
Q2 2022: -3.2m

#### EBITDA significantly improved, close to break-even

- Continued revenue growth and **improved contribution** margin
- Clear effects of **organizational efficiency** and **cost control** measures


Order backlog 30.06.23


CAD **22.0** million  
Q2 2022: 18.4m


#### Order backlog increased 19% above Q2 2022


- Order intake in Q2 2023 CAD 6.5 million, less than in Q1, but **within normal variations** quarter by quarter.
- Backlog supports previous guidance of revenue growth for 2023 in both **materials** and **systems**

## Strong pipeline of plasma machine prospects converted into firm orders, opportunities in PlasmaSonic are developing according to plan

**TEK15**  
  
**COMPACT LAB SYSTEMS**

**TEK40**  


**TEK80**  


**TEK200**  
  
**INDUSTRIAL SCALE SYSTEMS**

**Tekna plasma machines** are enabling the development of novel materials around the world. Typical industries are energy and space exploration, medical implants production and small-scale production of high value materials

**Market drivers** Industrial and academic research are resuming after 3 years of covid-19. The need for better performing products enabled by novel materials is driving an increase in demand for Tekna's research scale plasma units.

- Systems' order backlog at end of June was CAD 11.0 million, confirming a re-energized industry
- Eight plasma machine orders announced to date this year<sup>1</sup>, at a total value of CAD 6.2 million, from industrial and academic customers in Europe, Asia and North America
- Gross margin has been sustained, as pricing for systems is adjusted to reflect cost inflation
- Prospects in the PlasmaSonic wind tunnel market segment is developing according to plan
- Providing knowledge and technology to continuously improve materials production system

<sup>1</sup> Including the two systems booked in July



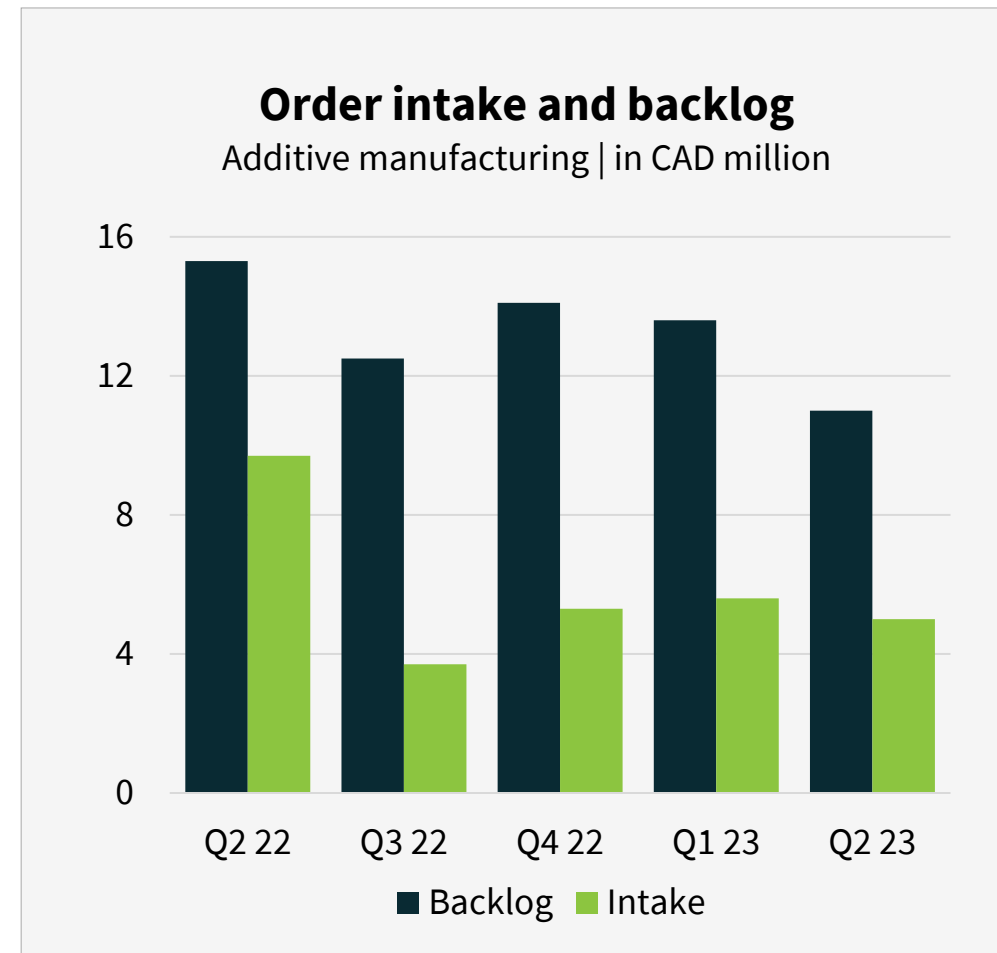
# Responding to increased demand with successful implementation of capacity and productivity improvement programs

## Continued high demand in the market

- The order intake of CAD 5.0 million in line with previous quarters. Order backlog reduced following normal variations and increased capacity which reduces lead time
- The traction for additive materials expected to remain strong in 2023 with average selling price increasing 3% - 6% over 2022
- Further increased capacity throughout the year will translate to higher material availability, shorter delivery lead-times and increased sales in 2023

## Capacity upgrade program

- Technical upgrades successfully implemented. Upgraded machines have proven reliable and factory is now operating at a 70% increased output rate
- New atomisers are scheduled to be commissioned by YE 2023 on Tekna's main selling materials, further increasing capacity



# Tekna's state-of-the-art additive manufacturing powders allow for development and broad adoption of new large volume production methods

## Case 1: Tekna collaborates with TriTech to enable revolutionizing *binder jetting* titanium part production

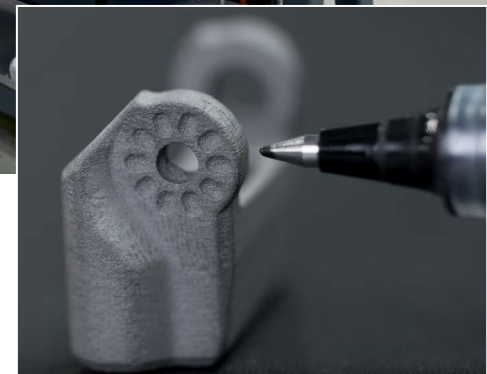
- Tekna's **titanium powder** is designed to achieve exceptional part quality and mechanical properties, and fulfills both **aerospace** AS9100 and **medical** ISO 13485 standards
- **TriTech is the very first** company using **titanium powders** in production for **binder jetting** applications which has the potential for large volume manufacturing

## Case 2: First industrial size shipment of titanium powder for *metal injection molding* to customer in Asia

- Customer will use powder to manufacture components for **personal electronic devices** on a large scale
- Significant **growth potential** for metal injection molding in the consumer electronics industry, as it allows for the creation of **smaller and more intricate components** that can enhance performance and functionality of devices



Photo courtesy TriTech Titanium Parts and Desktop Metal. Screenshots from promotional video available [here](#).



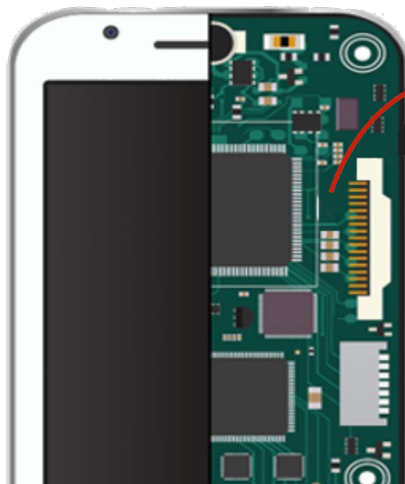
# Examples of MLCC devices and their applications






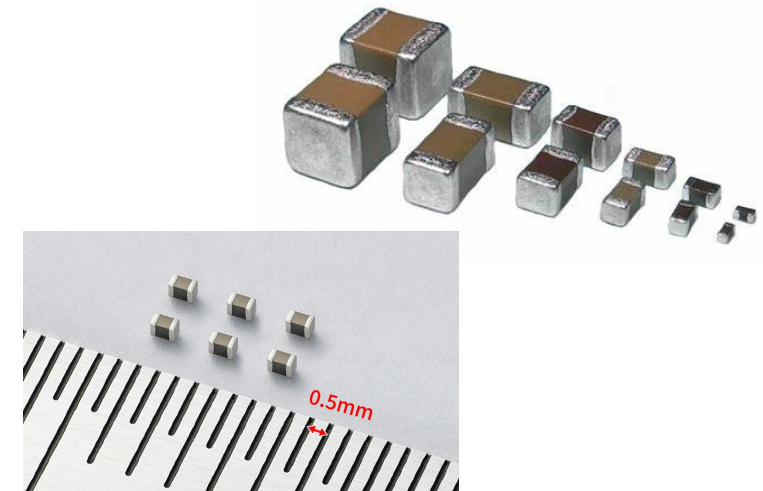
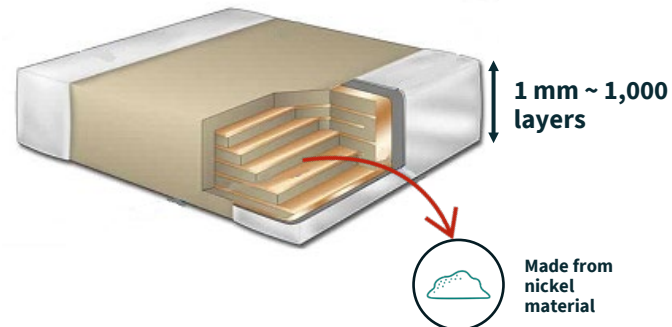
Thousands of MLCCs in everyday devices

Made with extremely fine material

Courtesy: Kyocera



MLCC in electronics	
	800 ~ 1,000
	2,000
	10,000

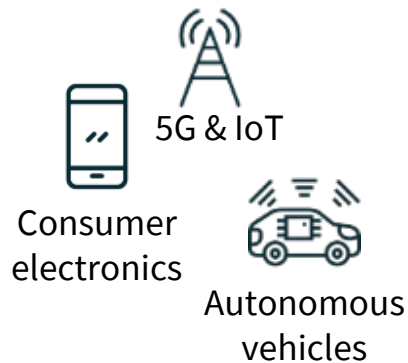




# MLCC opportunities developing in a market characterised by growing demand, supply concerns and miniaturization of electronic devices

## Exponential growth in demand

Industry signaling exponential growth in devices powered by high-capacity multi-layer ceramic capacitors (MLCCs), and market estimated to reach **\$1bn by 2030**



**+10,4%**

MLCC CAGR 2023-30 as projected by Market Watch, June 2023 edition

## Few MLCC manufacturers

MLCC manufacturers developing the technical ability to produce MLCCs required for the smallest devices



Tekna is currently collaborating with the top six global leaders who control 100% of the high-end MLCC device market. Delivered new generation of samples of 80nm and 50nm in Q2 for further development and trials. No feedback dates confirmed by producers yet

## Even fewer suppliers of material

List of existing suppliers of relevant powder is short



## Tekna's position

Favorable due to the company's technical capabilities and quality of the products

## Industry concerns

Material availability  
Geopolitical and security issues  
Sourcing strategies

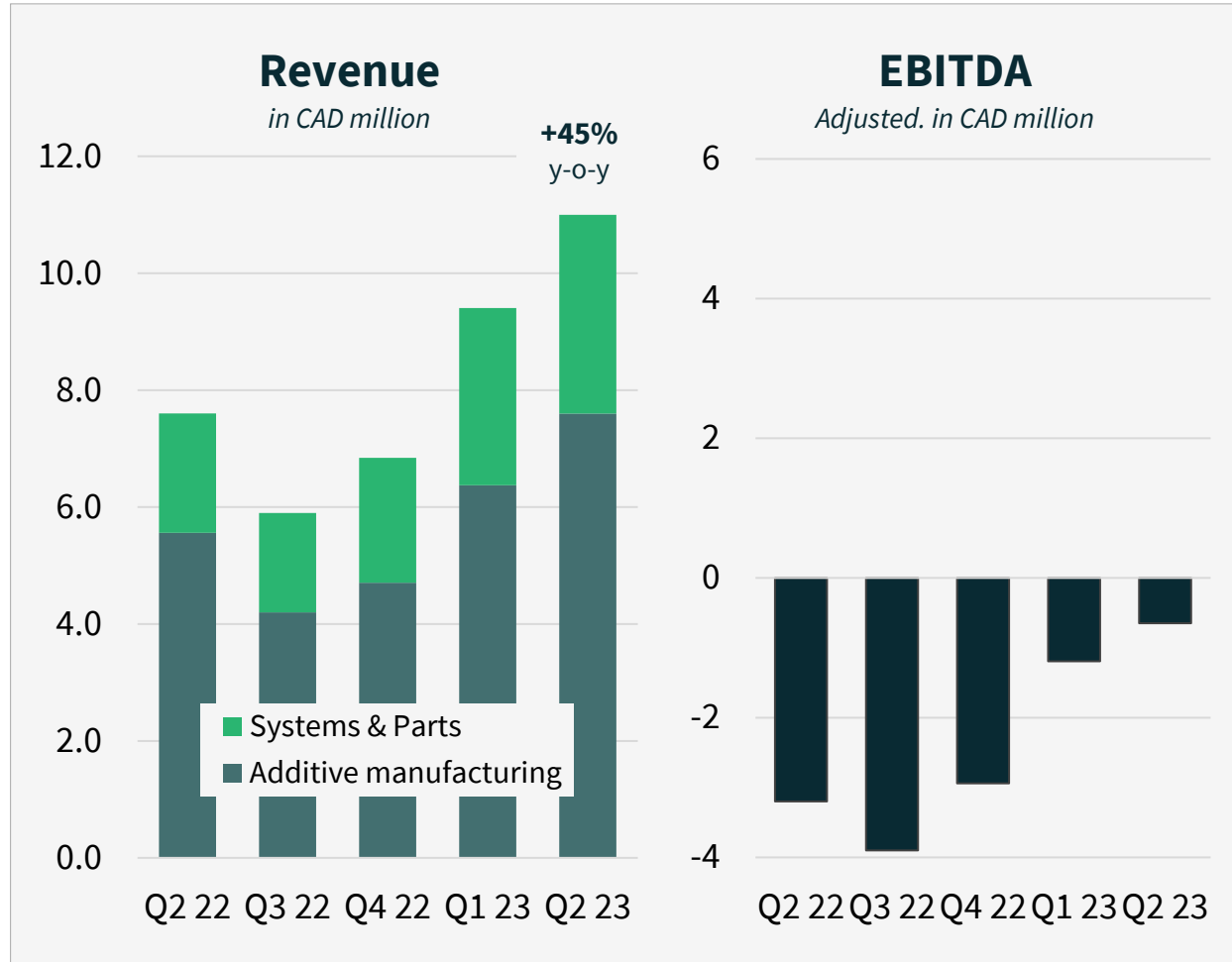


A photograph of two individuals, an adult and a child, standing in a laboratory or industrial setting. They are both wearing dark grey protective suits with blue accents on the sleeves and black helmets with clear face shields. The suits have 'TEKNA' logos on the chest. The adult's helmet has 'TOF' on the front, and the child's helmet has 'AXEL' on the side. They are looking upwards and to the right. The background shows industrial equipment and a door.

# Q2 2023 - Finance

Espen Schie, CFO

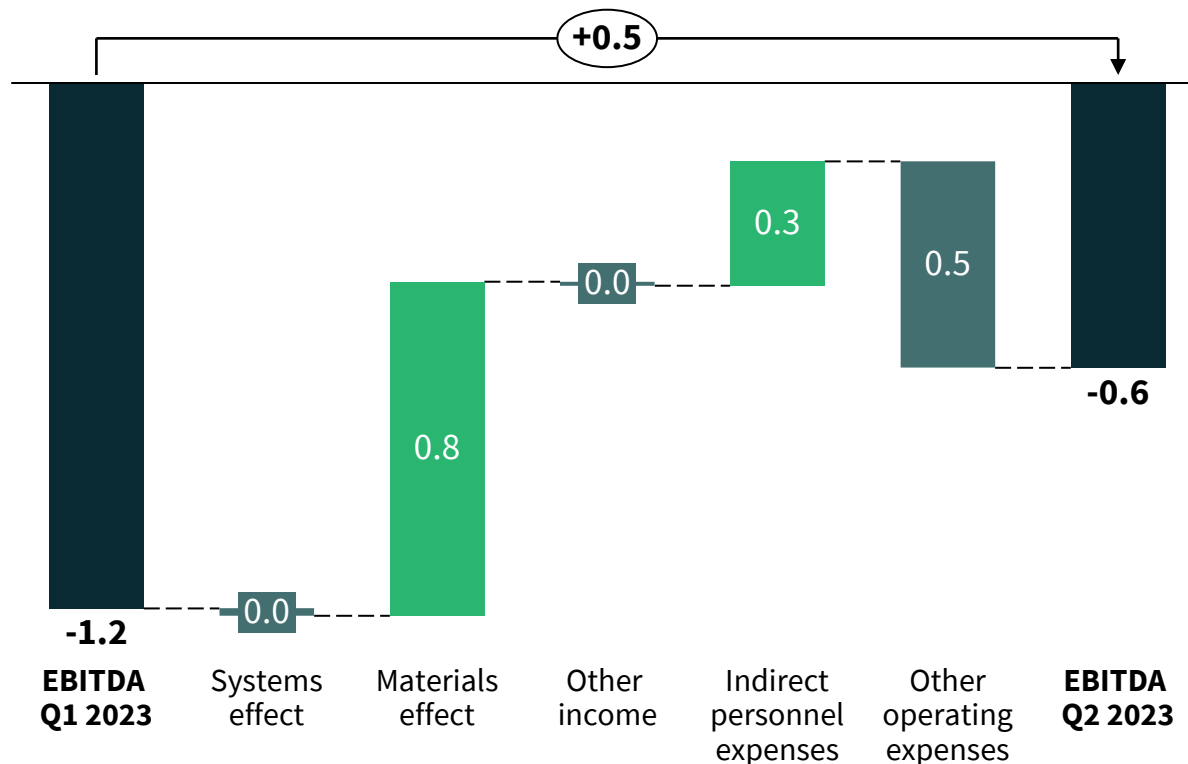
## Q2 revenue and EBITDA improved YoY, reflecting favourable overall performance and market trends



- **Materials revenue** in Q2 2023 CAD 7.6 million, 37% increase from 2022.
- **Systems revenue** at CAD 3.4 million, 66% increase year-over-year, reflecting strong execution of orders on hand
- **EBITDA** at CAD -0.6 million, improved year-over-year resulting from volume, margins and profitability initiatives
- **EBITDA YTD** at CAD -1.8 million, improved by 4.2 million year-over-year
- Continued focus on profitability and cash improvement

# EBITDA improved CAD 0.5 million from Q1 2023

**EBITDA - bridge**  
Q2 2023 vs Q1 2023 in CAD million



- **Higher revenue** from systems and materials contributed positively
- **Improved margins** within materials. Systems with lower margins than previous quarter
- **Increased productivity** and organizational efficiency
- Other operating expenses include a CAD 0.3 million **negative FX effect** in Q2
- Maintaining **cost control** while scaling revenue and managing inflationary cost increases remains our focus





# Concluding remarks

Luc Dionne, CEO



# Market outlook

## Systems



**CAD 300m**

Emerging industry for which Tekna has identified CAD 300m of PlasmaSonic prospects over the next 10 years

- Re-energized global interest in **developing, testing and manufacturing novel materials**: Industrial and Academic
- Emergence of **new industrial segments** : Space tourism, Satellite Internet & Networks & strategic defense
- Need for better performing products enabled by novel materials in additive manufacturing is driving an increase in demand for Tekna's research scale plasma units
- Parts of strong pipeline already converted to backlog carrying through 2023 and into 2024
- Pipeline of potential PlasmaSonic orders for 2024 developing according to plan

## Materials



**up to +30%**

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

- Growing market with increasing number of OEMs now operating at an industrial scale
- Break-through in use of titanium powders in production for metal injection molding and binder jetting applications with potential for large volume manufacturing
- Increased factory output rate will continue to translate into increased sales throughout the year

## Q2 2023: Strong top line growth and bottom-line improvement

- **Revenue growth** of 45% and adjusted **EBITDA improved** by CAD 2.6 million compared to Q2 2022
- Target for the capacity increase program reached. Increasing sales, production and delivery of **additive materials** remains top priority
- **Order intake** of CAD 10.4 million in the quarter, with several significant wins especially in Systems
- Typical seasonality (summer vacations) in Tekna's main markets will affect the company's revenues in Q3 compared to Q2
- Order backlog **supporting a significant revenue growth** for 2023 compared to 2022
- **Reiterating a substantial improvement of margins** in 2023 compared to 2022, supported by increased production capacity and organizational productivity



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

Q&A

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## Q2 Financial Statements



# Financial Statements

## CONSOLIDATED STATEMENT OF INCOME

Amounts in CAD 1000	Note	2023 H1	2023 Q2	2022 H1	2022 Q2
Revenues	3	20,430	11,025	14,139	7,603
Other income		46	19	405	305
Materials and consumables used		10,555	5,716	8,550	4,861
Employee benefit expenses		8,676	4,197	7,962	4,076
Other operating expenses		3,088	1,778	5,504	2,848
<b>EBITDA</b>		<b>-1,842</b>	<b>-648</b>	<b>-7,472</b>	<b>-3,877</b>
Depreciation and amortisation		2,122	1,084	1,986	846
<b>Net operating income/(loss)</b>		<b>-3,965</b>	<b>-1,732</b>	<b>-9,458</b>	<b>-4,723</b>
Share of net income (loss) from associated companies and joint ventures		-742	-342	-762	-430
Finance income		-0	-173	-585	-292
Finance costs		326	223	247	134
<b>Profit/(loss) before income tax</b>		<b>-5,034</b>	<b>-2,471</b>	<b>-11,051</b>	<b>-5,579</b>
Income tax expense		-	-	-	-
<b>Profit/(loss) for the period</b>		<b>-5,034</b>	<b>-2,471</b>	<b>-11,051</b>	<b>-5,579</b>
Attributable to equity holders of the company		-4,804	-2,366	-10,701	-5,411
Attributable to non-controlling interests		-230	-105	-351	-168
Basic earnings per share		-0.04	-0.02	-0.09	-0.04
Diluted earnings per share		-0.04	-0.02	-0.09	-0.04

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in CAD 1000	Note	2023 H1	2023 Q2	2022 H1	2022 Q2
<i>Items that may be reclassified to statement of income</i>					
Exchange differences on translation of foreign operations		154	238	424	170
<b>Items that may be reclassified to statement of income</b>		<b>154</b>	<b>238</b>	<b>424</b>	<b>170</b>
<i>Items that will not be reclassified to statement of income</i>					
Exchange differences on translation of foreign operations		-	-	-	-
<b>Items that will not be reclassified to statement of income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>154</b>	<b>238</b>	<b>424</b>	<b>170</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>-4,880</b>	<b>-2,234</b>	<b>-10,627</b>	<b>-5,409</b>
Attributable to equity holders of the company		-4,655	-2,137	-10,289	-5,240
Attributable to non-controlling interests		-225	-97	-339	-169

**Consolidated revenues** for the Tekna Group in Q2 2023 were CAD 11.0 million, an increase of 17 % compared to Q1 2023 (CAD 9.4 million) and 45% over the same quarter last year (CAD 7.6 million). Revenues for H1 2023 have increased by CAD 6.3 million and 44 % compared to the same period last year.

Revenues for Systems, Spare parts and Other increased by 65% compared to Q2 2022. Revenues for Materials increased by 37% compared to the same period last year.

**Contribution margin** in Q2 2023 was CAD 5.3 million corresponding to 48 percent of revenues. In the same period last year, the contribution margin was 36 percent. The increased margins are a result of higher margins in the Systems business, of which partly transitory high in H1 2023.

**Loss for Q2 2023** was CAD 2.5 million, an improvement of CAD 3.1 million over the same period last year. Part of the improvement is due to CAD 0.7 million of non-recurring legal costs incurred in Q2 2022.

# Financial Statements

## CONSOLIDATED BALANCE SHEET

Amounts in CAD 1000	30.06.2023	31.12.2022
<b>Non-current assets</b>		
Property, plant and equipment	22,006	19,240
Intangible assets	8,184	8,537
Associated companies and joint ventures	-121	579
Non-current receivables	5,378	5,339
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>35,446</b>	<b>33,696</b>
<b>Current assets</b>		
Inventories	20,205	20,592
Contract assets	463	167
Trade and other receivables	12,826	7,880
Cash and cash equivalents	5,424	11,364
<b>Total current assets</b>	<b>38,918</b>	<b>40,003</b>
<b>Total assets</b>	<b>74,364</b>	<b>73,699</b>

**Equity ratio** at the end of June 2023 was 65.3 percent compared to 72.5 percent at the end of 2022.

**Total cash and cash equivalents** at the end of June 2023 was CAD 5.4 million versus CAD 20.8 million at the same time last year (June 30, 2022)

**Trade and other receivables** at the end of June 2023 was CAD 12.8 million versus CAD 9.3 million at the same time last year. The increase by CAD 4.9 million since December 2022 was driven by higher invoices due to sales volume.

**Trade and other payables** at the end of June 2023 was CAD 4.5 million versus CAD 5.6 million at the same time last year. The reduction by CAD 3.4 million since December 2022 was driven by a reduction in overdue payables and less provision for inventory in transit.

Amounts in CAD 1000	30.06.2023	31.12.2022
<b>Equity</b>		
Share capital and share premium	494,956	494,956
Other reserves	-445,590	-440,934
<b>Capital and reserves attributable to holders of the company</b>	<b>49,366</b>	<b>54,022</b>
Non-controlling interests	-833	-609
<b>Total equity</b>	<b>48,533</b>	<b>53,413</b>
<b>Non-current liabilities</b>		
Borrowings	14,102	4,119
Lease liabilities	982	1,161
Deferred tax liabilities	-	-
<b>Total non-current liabilities</b>	<b>15,084</b>	<b>5,280</b>
<b>Current liabilities</b>		
Bank loan	-0	1,197
Lease liabilities	552	459
Trade and other payables	4,461	7,852
Provision for warranties	130	130
Contract liabilities	2,495	2,647
Other current liabilities	2,612	2,189
Borrowings short-term portion	498	532
<b>Total current liabilities</b>	<b>10,748</b>	<b>15,006</b>
<b>Total liabilities and equity</b>	<b>74,364</b>	<b>73,699</b>

# Financial Statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
<i>Amounts in CAD 1000</i>	Share capital and share premium	Other reserves	Total		
Balance at 1 January 2022	494,956	-419,058	75,899	211	76,109
Profit/(loss) for the period	-	-21,688	-21,688	-829	-22,517
Other comprehensive income/(loss)	-	-187	-187	9	-178
Balance at 31 December 2022	494,956	-440,934	54,022	-609	53,413

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
<i>Amounts in CAD 1000</i>	Share capital and share premium	Other reserves	Total		
Balance at 1 January 2023	494,956	-440,934	54,022	-609	53,413
Profit/(loss) for the period	-	-2,437	-2,437	-125	-2,563
Other comprehensive income/(loss)	-	-81	-81	-3	-84
Balance at 31 March 2023	494,956	-443,453	51,502	-736	50,766

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
<i>Amounts in CAD 1000</i>	Share capital and share premium	Other reserves	Total		
Balance at 31 March 2023	494,956	-443,453	51,502	-736	50,766
Profit/(loss) for the period	-	-2,366	-2,366	-105	-2,471
Other comprehensive income/(loss)	-	230	230	8	238
Balance at 30 June 2023	494,956	-445,589	49,366	-833	48,533

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
<i>Amounts in CAD 1000</i>	Share capital and share premium	Other reserves	Total		
Balance at 1 January 2023	494,956	-440,934	54,022	-609	53,413
Profit/(loss) for the period	-	-4,804	-4,804	-230	-5,034
Other comprehensive income/(loss)	-	149	149	5	154
Balance at 30 June 2023	494,956	-445,589	49,366	-833	48,533

# Financial Statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in CAD 1000	2023 H1	2023 Q2	2022 H1	2022 Q2
<b>Cash flow from operating activities</b>				
<b>Net profit/(loss)</b>	<b>-5,034</b>	<b>-2,471</b>	<b>-11,051</b>	<b>-5,579</b>
Depreciation, amortization and impairment	2,122	1,084	1,986	846
Variation in deferred taxes	-	-	-	-
Interest accretion on LT debt	172	86	150	81
Discounted value of long-term loan	-	-	-399	-152
FX variation on long-term loan	-	-	-	-
(Gain)/Loss from sales of assets	-	-	-	-
Share of results from associated companies and joint ventures	742	342	762	430
<b>Total after adjustments to profit before income tax</b>	<b>-1,997</b>	<b>-959</b>	<b>-8,552</b>	<b>-4,374</b>
Change in Inventories	387	-498	-3,308	-913
Change in other assets	-5,280	-3,817	-3,534	-2,031
Change in other liabilities	-3,121	-1,475	830	-2,222
<b>Total after adjustments to net assets</b>	<b>-10,011</b>	<b>-6,748</b>	<b>-14,564</b>	<b>-9,541</b>
<b>Net cash from operating activities</b>	<b>-10,011</b>	<b>-6,748</b>	<b>-14,564</b>	<b>-9,541</b>
<b>Cash flow from investing activities</b>				
Proceeds from the sales of PPE	-	-	-	-
Purchase of PPE and intangible assets	-4,535	-2,270	-2,891	-1,237
Other investing activities	-	-	-646	-646
Purchase of shares in subsidiaries	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>-4,535</b>	<b>-2,270</b>	<b>-3,537</b>	<b>-1,883</b>

Amounts in CAD 1000	2023 H1	2023 Q2	2022 H1	2022 Q2
<b>Cash flow from financing activities</b>				
Proceeds from issue of shares	-	-	-	-
Proceeds from issue of shares in THC	-	-	-42	-42
Increase (decrease) of bank loan	-1,197	-2,398	-2,003	-770
New loan	10,405	10,139	2,704	830
Repayment of loan	-425	-209	-136	-73
Repayment of lease liabilities	-289	-144	-531	-296
<b>Net cash flow from financing activities</b>	<b>8,494</b>	<b>7,389</b>	<b>-8</b>	<b>-352</b>
<b>Net increase in cash and cash equivalents</b>	<b>-6,052</b>	<b>-1,629</b>	<b>-18,109</b>	<b>-11,776</b>
Cash and cash equivalents at the beginning of the financial year	11,364	6,823	38,649	32,404
Effects of exchange rate changes on cash and cash equivalents	112	230	258	169
<b>Cash and cash equivalents at end of the period</b>	<b>5,424</b>	<b>5,424</b>	<b>20,798</b>	<b>20,798</b>

**Net cash flow from operating activities** was negative CAD 6.7 million in Q2 2023, including an increase of CAD 3.4 million in the trade receivables and a reduction of CAD 1.5 million in liabilities. Corresponding cash flow in Q2 2022 was negative CAD 9.5 million.

**Net cash flow from investing activities** was negative CAD 2.3 million in Q2 2023, mainly due to purchase of property, plant and equipment, compared with negative CAD 1.9 million in the same period last year.

**Net cash flow from financing activities** was positive CAD 7.4 million in Q2 2023, of which an increase of CAD 10.1 million in new financing and a decrease of CAD 2.4 million in the bank loan. In Q2 2022, the comparable cash flow was negative CAD 0.4 million.



# 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 2022.

### Note 2 | Key accounting policies

The accounting policies for 2023 are described in the Annual Report for 2022. The financial statements have been prepared in accordance with EU-approved IFRS 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 2022. The same policies have been applied in the preparation of the interim financial statements for 2023.

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.

### Disaggregation of revenue from contracts with customers

2023 Q2	Systems & Equipment	Materials	Spare parts	Other	Total
<i>Amounts in CAD 1000</i>					
Revenue recognized at a point in time	-	7,530	140	115	7,785
Revenue recognized over time	3,240	-	-	-	3,240
<b>Revenue from external customers</b>	<b>3,240</b>	<b>7,530</b>	<b>140</b>	<b>115</b>	<b>11,025</b>
Contribution margin	2,085	3,018	90	115	5,308
Contribution margin %	64.4%	40.1%	64.4%	100.0%	48.2%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	2,371	3,277	70	58	5,776
Europe	250	3,324	70	57	3,701
Asia	619	929	-	-	1,548
<b>Total</b>	<b>3,240</b>	<b>7,530</b>	<b>140</b>	<b>115</b>	<b>11,025</b>

2023 H1	Systems & Equipment	Materials	Spare parts	Other	Total
<i>Amounts in CAD 1000</i>					
Revenue recognized at a point in time	-	13,903	560	289	14,752
Revenue recognized over time	5,678	-	-	-	5,678
<b>Revenue from external customers</b>	<b>5,678</b>	<b>13,903</b>	<b>560</b>	<b>289</b>	<b>20,430</b>
Contribution margin	3,904	5,277	403	289	9,874
Contribution margin %	68.8%	38.0%	72.0%	100.0%	48.3%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	4,267	5,929	280	145	10,620
Europe	546	6,517	280	145	7,488
Asia	866	1,456	-	-	2,322
<b>Total</b>	<b>5,678</b>	<b>13,903</b>	<b>560</b>	<b>289</b>	<b>20,430</b>

# Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### Disaggregation of revenue from contracts with customers (continued)

2022 Q2	Systems & Equipment	Materials	Spare parts	Other	Total
<i>Amounts in CAD 1000</i>					
Revenue recognized at a point in time	-	5,489	504	71	6,063
Revenue recognized over time	1,540	-	0	-	1,540
<b>Revenue from external customers</b>	<b>1,540</b>	<b>5,489</b>	<b>504</b>	<b>71</b>	<b>7,603</b>
Contribution margin	389	2,155	127	71	2,742
Contribution margin %	25.3%	39.3%	25.3%	100.0%	36.1%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	0	2,066	252	35	2,353
Europe	-	2,939	252	35	3,226
Asia	1,540	483	-	-	2,024
<b>Total</b>	<b>1,540</b>	<b>5,489</b>	<b>504</b>	<b>71</b>	<b>7,603</b>

2022 H1	Systems & Equipment	Materials	Spare parts	Other	Total
<i>Amounts in CAD 1000</i>					
Revenue recognized at a point in time	-	10,039	683	128	10,849
Revenue recognized over time	3,290	-	-	-	3,290
<b>Revenue from external customers</b>	<b>3,290</b>	<b>10,039</b>	<b>683</b>	<b>128</b>	<b>14,139</b>
Contribution margin	1,179	4,074	208	128	5,589
Contribution margin %	35.8%	40.6%	30.5%	100.0%	39.5%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	195	3,765	341	64	4,365
Europe	0	5,292	341	64	5,698
Asia	3,095	982	-	-	4,076
<b>Total</b>	<b>3,290</b>	<b>10,039</b>	<b>683</b>	<b>128</b>	<b>14,139</b>

### Note 4 | Events after balance sheet date

In July 2023, Tekna received a second loan tranche of CAD 10 million from Arendals Fossekompani ASA, its majority shareholder, as part of the of a CAD 25 million term loan facility announced on April 11, 2023. A total of CAD 20 million has been received to date.

# 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 include 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 include 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)

	2023 H1	2023 Q2	2022 H1	2022 Q2
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Revenues</b>	<b>20,430</b>	<b>11,025</b>	<b>14,139</b>	<b>7,603</b>
Materials and consumables used	10,555	5,716	8,550	4,861
<b>(b) Contribution margin</b>	<b>9,875</b>	<b>5,308</b>	<b>5,589</b>	<b>2,742</b>
<b>(c) Revenues</b>	<b>20,430</b>	<b>11,025</b>	<b>14,139</b>	<b>7,603</b>
<b>Contribution margin % (b/c)</b>	<b>48.33%</b>	<b>48.15%</b>	<b>39.53%</b>	<b>36.06%</b>

	2023 H1	2023 Q2	2022 H1	2022 Q2
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Net profit/loss</b>	<b>-5,034</b>	<b>-2,471</b>	<b>-11,051</b>	<b>-5,579</b>
Income tax expense (income)	-	-	-	-
Finance costs	326	223	247	134
Finance income	0	173	585	292
Share of net income (loss) from associated companies and joint ventures	742	342	762	430
Depreciation and amortization	2,122	1,084	1,986	846
<b>(a) EBITDA</b>	<b>-1,842</b>	<b>-648</b>	<b>-7,472</b>	<b>-3,877</b>
Legal and listing cost	-	-	1,486	710
<b>(b) Adjusted EBITDA</b>	<b>-1,842</b>	<b>-648</b>	<b>-5,986</b>	<b>-3,167</b>
<b>(c) Revenues</b>	<b>20,430</b>	<b>11,025</b>	<b>14,139</b>	<b>7,603</b>
<b>EBITDA margin (a/c)</b>	<b>-9.02%</b>	<b>-5.88%</b>	<b>-52.85%</b>	<b>-50.99%</b>
<b>Adjusted EBITDA margin (b/c)</b>	<b>-9.02%</b>	<b>-5.88%</b>	<b>-42.34%</b>	<b>-41.66%</b>

	2023 H1	2023 Q2	2022 H1	2022 Q2
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Net profit/loss</b>	<b>-5,034</b>	<b>-2,471</b>	<b>-11,051</b>	<b>-5,579</b>
Income tax expense (income)	-	-	-	-
Finance cost	326	223	247	134
Finance Income	0	173	585	292
Share of net income (loss) from associated companies and joint ventures	742	342	762	430
<b>(a) EBIT</b>	<b>-3,965</b>	<b>-1,732</b>	<b>-9,458</b>	<b>-4,723</b>
Legal and listing cost	-	-	1,486	710
<b>(b) Adjusted EBIT</b>	<b>-3,965</b>	<b>-1,732</b>	<b>-7,972</b>	<b>-4,013</b>
<b>(c) Revenues</b>	<b>20,430</b>	<b>11,025</b>	<b>14,139</b>	<b>7,603</b>
<b>EBIT margin (a/c)</b>	<b>-19.41%</b>	<b>-15.71%</b>	<b>-66.89%</b>	<b>-62.11%</b>
<b>Adjusted EBIT margin (b/c)</b>	<b>-19.41%</b>	<b>-15.71%</b>	<b>-56.38%</b>	<b>-52.78%</b>

	30.06.2023	30.06.2023	30.06.2022	30.06.2022
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(a) Total non-current liabilities	15,084	15,084	5,432	5,432
(b) Total equity	48,533	48,533	65,481	65,481
<b>Long Term Debt/Equity Ratio (a/b)</b>	<b>0.31</b>	<b>0.31</b>	<b>0.08</b>	<b>0.08</b>



# Additional 2022 reporting available on [www.tekna.com/investors](http://www.tekna.com/investors)

## [Annual Report 2022](#)

- Tekna's annual report containing the Board of Directors' report and consolidated and audited financial statements among other

## [GRI Report 2022](#)

- Sustainability information provided in the structure of the GRI General Disclosures 2021. This also includes metrics from 2019-2022 per GRI definition.

## [Carbon Accounting Report 2022](#)

- Quantitative and Qualitative information on the CO2 emissions of the Company

## [Human Rights and Transparency Act Report 2022](#)

- Reporting on Supply Chain governance following the Norwegian Transparency Act

## [Corporate Governance Report 2022](#)

- Reporting on the Company's Governance structure following the Norwegian Code of practice for Corporate Governance

## [EU taxonomy Progress Report 2022](#)

- Progress report ahead of the EU taxonomy reporting requirement per 2023

## [TCFD Progress Report 2021](#)

- Progress report on preparations following the structure of the Task Force on Climate-Related Financial Disclosures (TCFD). Keep an eye out for the update in 2023.

## [UN Global Compact CoP](#)

- United Nations Global Compact communication on progress. This is an online reporting in the UN system due in June 2023



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