TEKNA

Q4 2023 Interim Financial Results

Luc Dionne, CEO
Espen Schie, CFO
February 8, 2024

#InvestinTekna

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Tekna in brief

Luc Dionne, CEO

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

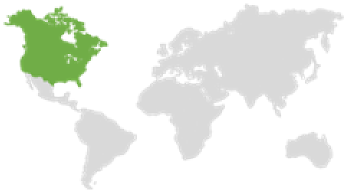
Established organization with world-wide reach

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

Customer location (share of revenues, 2023)

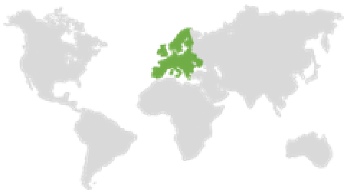
North America

48%



Europe

37%



Asia / Rest of world

15%

Customer segments (share of revenues, 2023)

Aerospace	39%
3D Machine OEM	12%
Medical Implants	7%
Consumer Electronics	5%
Other: Academic, Industrial Research and Distributors	37%

Current and targeted customers

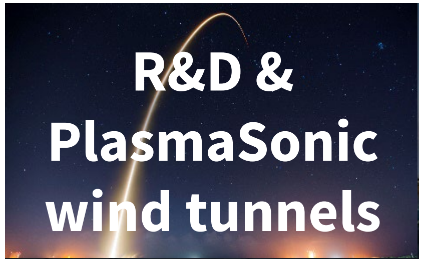
Boeing, Airbus, Hyundai, Honeywell, BASF We create chemistry, Michelin, Mitsubishi Heavy Industries, Toyota, BAE Systems, Thales, Safran Aerospace · Defence · Security, Virgin Galactic, Samsung, GE, Apple, arianeGroup, Siemens, BMW, Pratt & Whitney A United Technologies Company, Fraunhofer, Blue Origin, SpaceX, Lawrence Livermore National Laboratory, Northrop Grumman, esa, Oak Ridge National Laboratory, DRDO, NASA, Honda, Collins Aerospace

Tekna engages 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 deglobalization
- Climate change and environmental regulations
- Connectivity and communication
- Demography and health care

Systems



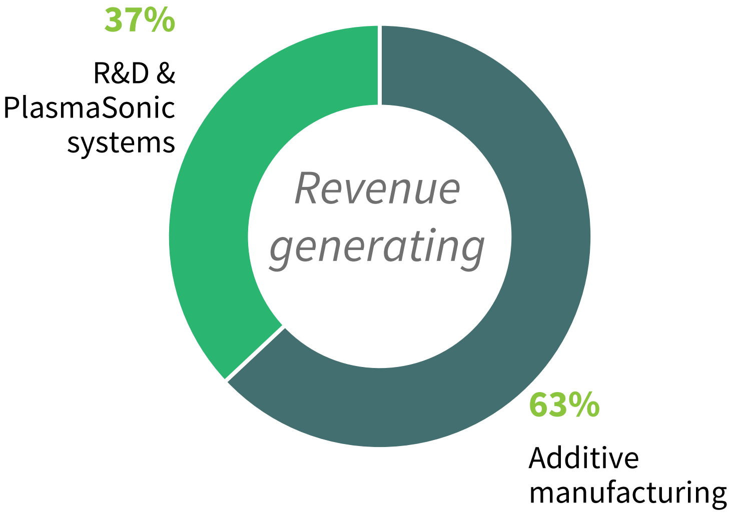
CAD 285m
Emerging industry for which Tekna has identified CAD 285m of PlasmaSonic prospects over the next 10 years

Advanced materials

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

+10.4%
MLCC CAGR 2023-30 as projected by Research & Market 2023 edition

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



Developing business lines

Q4 2023 Highlights

Luc Dionne, CEO

Q4 2023 in brief
Record revenues, strong growth and profitability close to break-even

Revenues Q4 2023

CAD **11.4** million

Q4 2022: 6.8m

EBITDA (adj) Q4 2023

CAD **-0.3** million

Q4 2022: -2.9m

Order backlog 31.12.23

CAD **24.0** million

Q4 2022: 25.0m

Continued strong top-line development in Q4 2023

- **Total revenue** +66% compared to Q4 2022.
- **Systems** revenues +125%, driven by strong demand and consistent backlog
- **Materials** revenues +40% compared to Q4 2022, driven by demand and successful capacity expansion

EBITDA significantly improved from last year

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

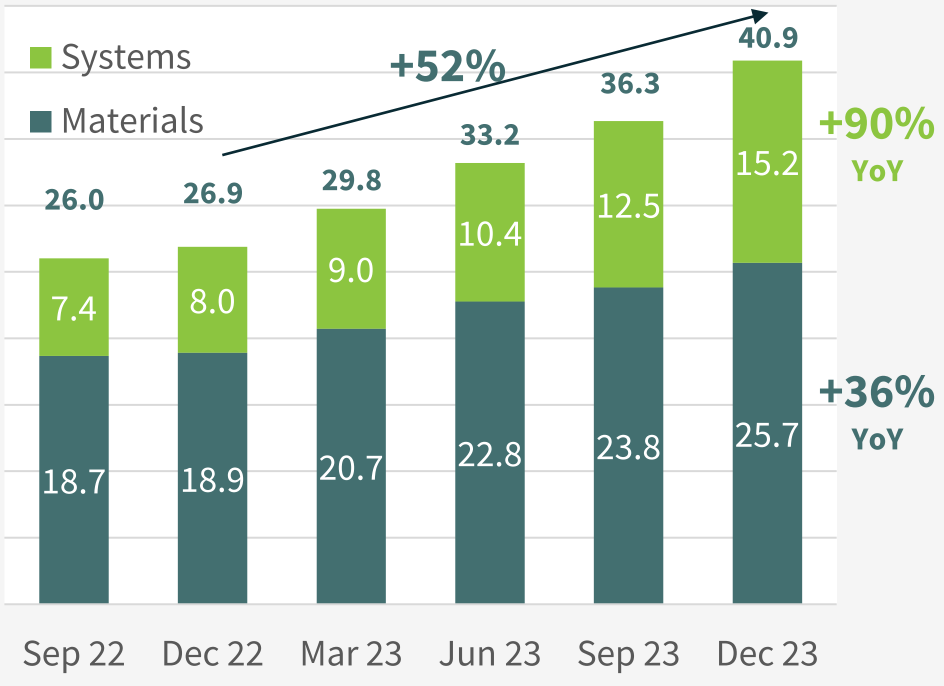
Order backlog on same level as Q4 2022

- Order intake in Q4 2023 CAD 11.2 million, up from 10.4 million in Q3
- Backlog supports continued revenue growth going into 2024

Tekna delivered steady growth in revenues and improved margins

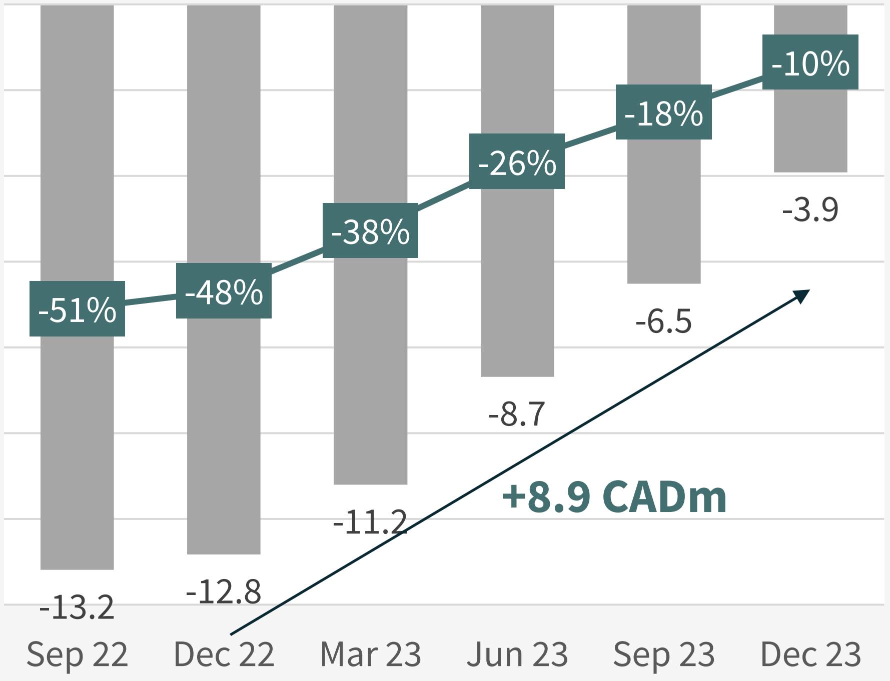
Revenue by business (CADm)

Trailing 12 months (TTM)



EBITDA (CADm) and margin (%) (adj)

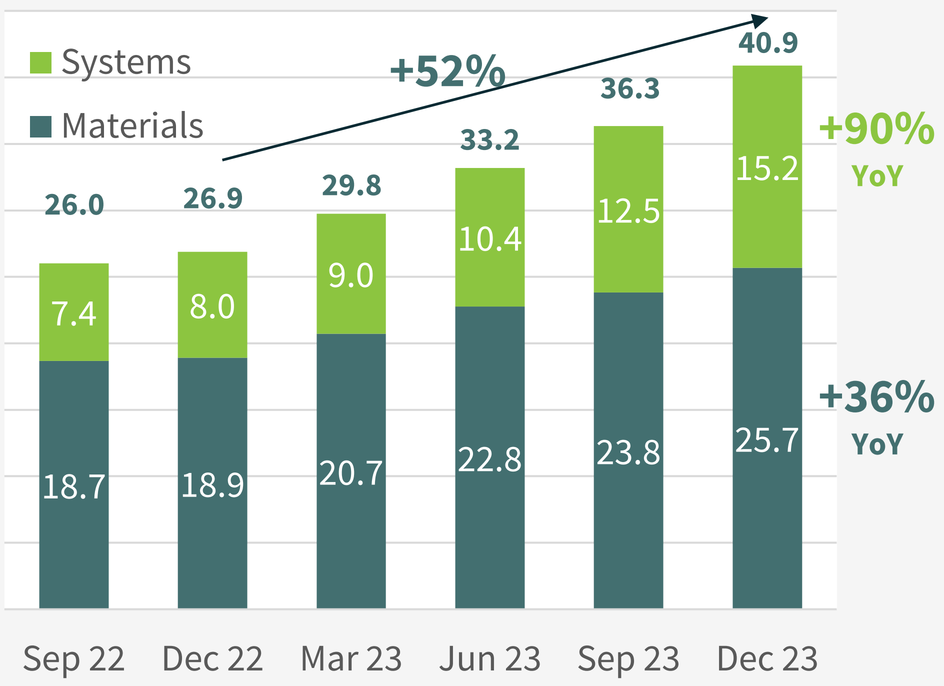
Trailing 12 months (TTM)



Top priority 2023: Build capacity to meet growing demand[1]
Status now: Mission accomplished. Further improvements underway

Revenue by business (CADm)

Trailing 12 months (TTM)



Delivered 2023 revenues
CAD 40.9 million, **52% up from 2022**

- Systems business contributed a strong 90% top line growth year-on-year on the back of PlasmaSonic and R&D scale plasma unit sales.
- Material revenues rose 36% YoY. Successful capacity upgrade and new atomizer commissioned increased availability, shortened delivery lead times, and boosted sales.
- Successful go-to-market strategy addressing large-scale industrial manufacturing of mobile phones and smartwatch frames resulted in expanded market and increased revenues for smaller titanium particle sizes

[1] *Business priority highlighted and commented on in Tekna's Q4 2022 presentation in February 2023*

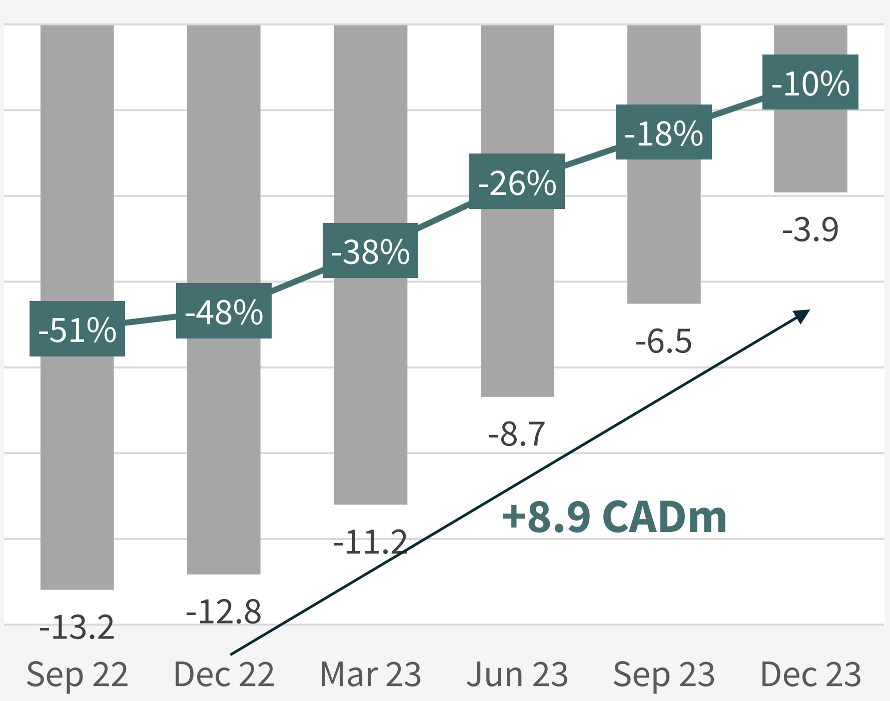
Top priority 2023: Chase operational excellence in pursuit of improved profitability and cash availability[1]. Status: Significantly improved bottom line

Delivered 2023 EBITDA (adj) at CAD -3.9 million, an **8.9 million improvement** from 2022

- Focus on group wide organizational efficiency: Several cost saving initiatives and cost control measures implemented
- Increased productivity of plasma system manufacturing through design improvements and standardization
- Increased productivity of powder atomizer: machine output and uptime
- Successfully managing inflationary cost increases to secure and improve margins
- Successful extension to 2027 of Canadian government Strategic Innovation Fund and subsidies recovered

EBITDA (CADm) and margin (%) (adj)

Trailing 12 months (TTM)



[1] Business priority highlighted and commented on in Tekna's Q4 2022 presentation in February 2023

Tekna's systems technology is the result of decades of research and development. It matches the latest technological advances to meet both present and future needs

Plasma machines

COMPACT
LAB SYSTEMS

INDUSTRIAL
SCALE SYSTEMS

Enabling the development of novel materials around the world

Typical industries are energy and space exploration, and small-scale production of high value materials

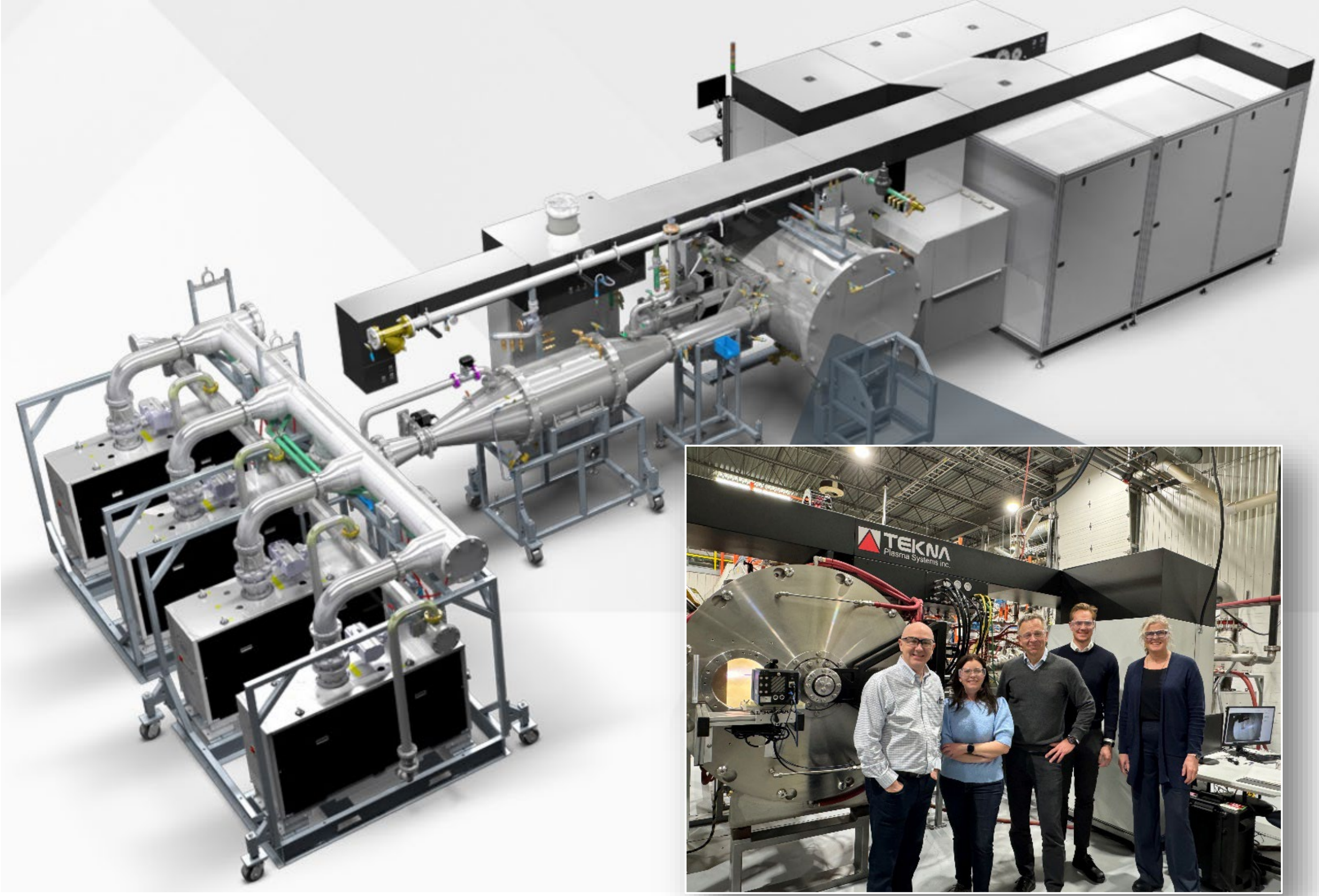
PlasmaSonic

Advancing hypersonic flight and orbital re-entry vehicles

Typically sold to original equipment manufacturers and academic research centers, this configuration is used to simulate, measure and characterize behavior of spacecraft thermal protection materials

Continued strong growth in Systems orders; increased revenues and margin improvement

- Systems' order intake in Q4 was CAD 3.9 million with an order backlog at end of the year of CAD 9.4 million
- 12 plasma machine new orders received during 2023 at a total value of CAD 12.1 million, from industrial and academic customers in Europe, Asia and North America
- Four new orders came in during December. Notably, one order included our first sale of the new PlasmaSonic ICPT-15 system, a lab-scale, cost-effective model designed for materials testing and hypersonic program development
- Contribution margins for systems for the year are at 63%, continuing the good margin development over last year's 45%

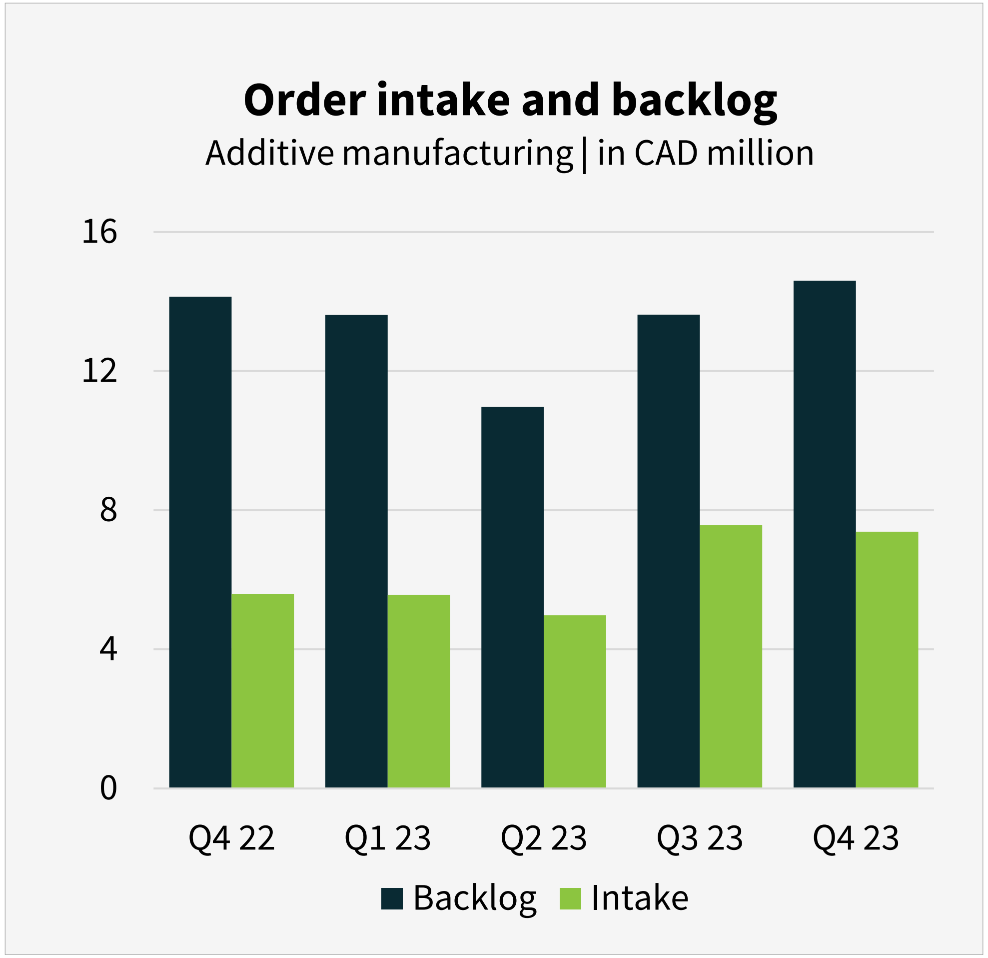


From left in insert photo: Luc Dionne (CEO), Sophie Burgaud (VP Legal), Dag Teigland (Chair), Espen Schie (CFO) and Ann-Kari Amundsen Heier (Director)

Additive Materials order intake up 32% YoY and building-up 2024 order book

Continued high demand in the market

- Order intake of CAD 7.4 million, up 32% from Q4 2022 and on the same, strong level as the previous quarter, reflecting consistent demand for our products
- Order backlog further increasing and closing Q4 at CAD 14.6 million
- A new atomiser commissioned during Q4 on Tekna's main selling materials, and one more in the first half of 2024, keeping up with growing market
- Maintaining a strong opportunity pipeline building-up 2024 order book
- Increasing order intake and pipeline generated by the consumer electronics industry



Additive Materials order intake and backlog

	Delivery	Share of sales	In backlog
Spot orders	0-3 months	~50%	No
Call-off Orders (CoO)	3-12 months	~50%	Yes
Frame agreements	up to 5 years	Converts to CoO before sale	Only when converted to CoO

Spot orders account for approximately 50% of our sales. They originate from both small and large customers including industrial OEMs. Spot orders, typically received and delivered in the same period, do not appear in the backlog. We maintain close dialogue and extensive follow-up with these customers who have a need to secure their supply chain over time through frame agreements.

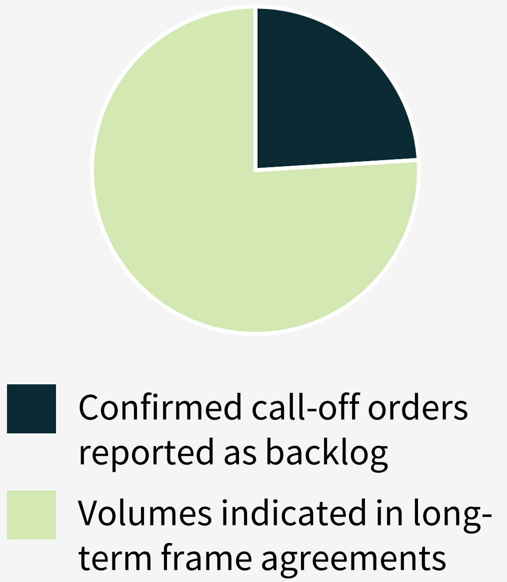
Call-off orders account for the other half of our sales. These orders result either from standard purchase orders with multiple deliveries, recorded in the backlog, or from frame agreements. Tekna has several long-term frame agreements with larger customers. The call-offs from frame agreements are booked as order intake and recorded in the backlog, while the frame agreement itself is not recorded.

Frame agreements provide good visibility for upcoming orders, combining a binding near-term forecast with a non-binding longer-term forecast.

Frame agreements

For delivery of advanced materials for additive manufacturing

Illustrative



OEM means Original Equipment Manufacturer

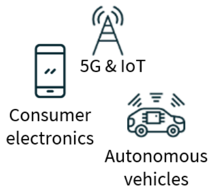
Capacity expansion in the MLCC industry continues, with Tekna providing R&D and qualifying samples

- The **MLCC industry continues to invest** in R&D and production facilities, both to increase overall capacity and to relocate country of production
- **Tekna focuses on the two industry leaders** who have the most promising outcome in the near term as they mature their R&D efforts into high-end MLCCs[1]
- **One of these OEMs has introduced Tekna to its manufacturing division**, signaling a possible intention to accelerate progress towards production of high-end MLCC. Samples will be shared in Q1 2024
- A tier-2 MLCC manufacturer with whom we have worked said it would for now concentrate its efforts in the low-end segment of the market as the demand continues to expand

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 MLLCs required for the smallest devices

TAIYO YUDEN
TDK
muRata
YAGEO
SAMSUNG
KYOCERA

Tekna is currently collaborating with several high-end MLCC producers. 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

SHOEI
GuangBo
广博文具

Tekna's position

TEKNA

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

Industry concerns

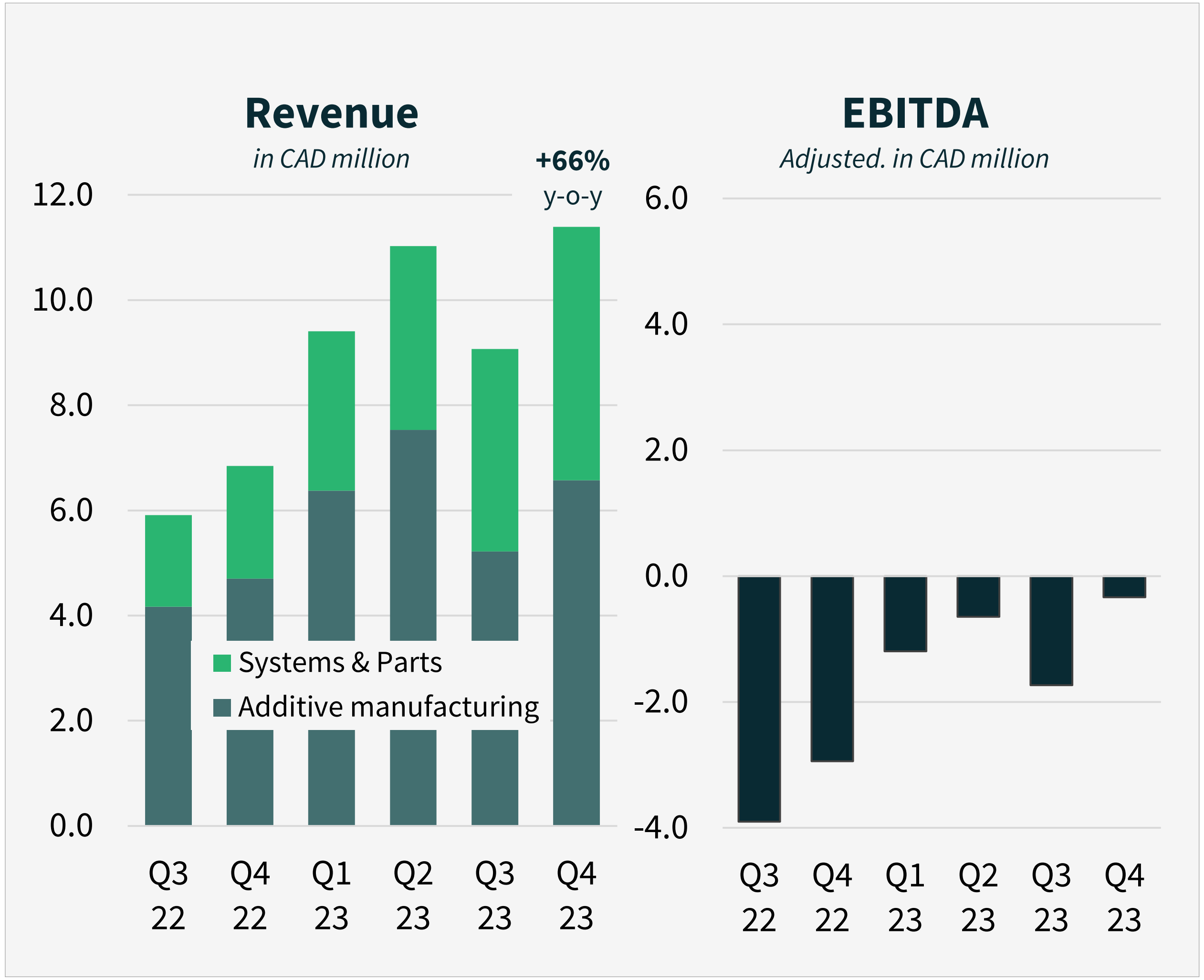
Material availability
Geopolitical and security issues
Sourcing strategies

1: High-end MLCC (Multilayer Ceramic Capacitor) refers to the next generation devices with higher value in the market, ie the smallest in size on the market. For Tekna these refer to powder particle size with an average diameter of less than 80nm.

Q4 2023 - Finance

Espen Schie, CFO

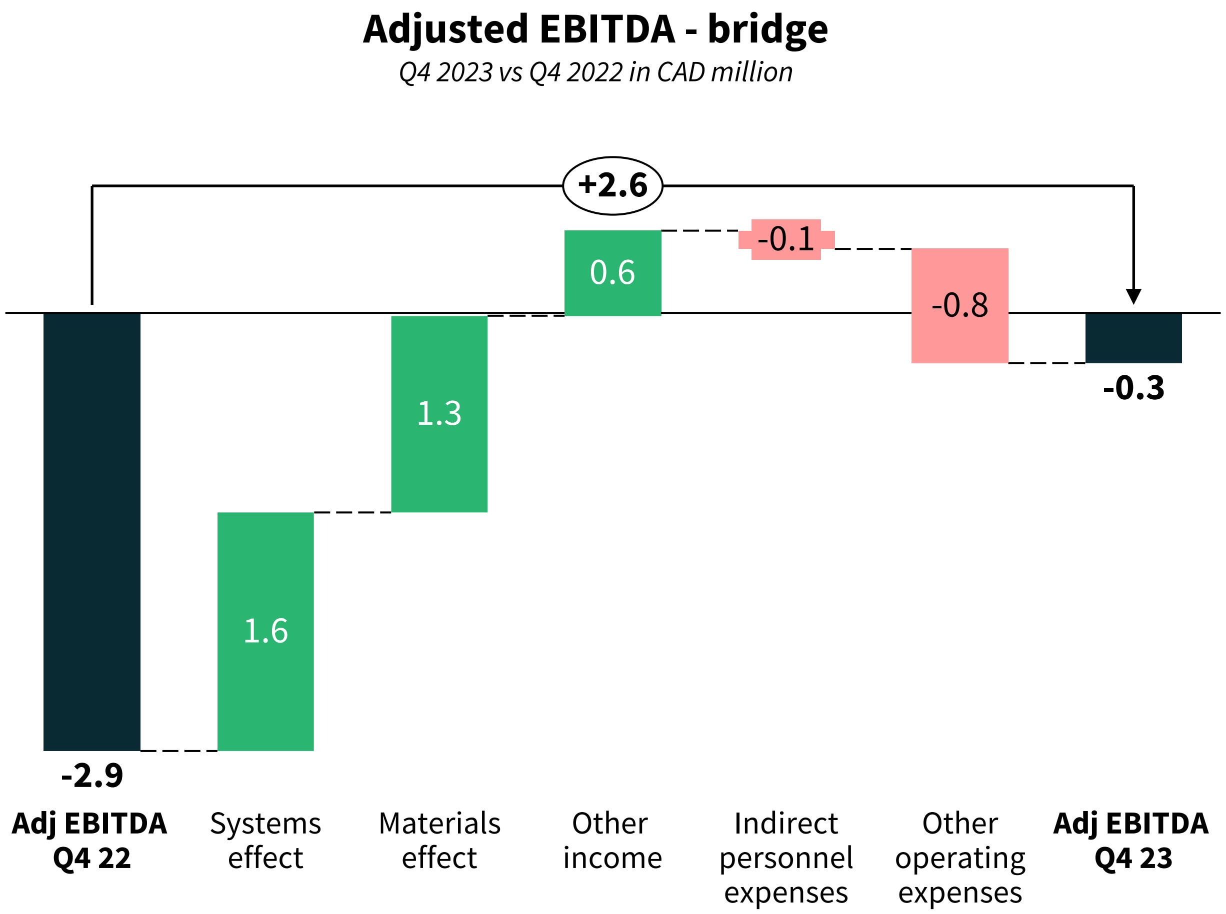
Q4 YoY 66% strong growth, with record quarterly revenue



- **Total revenues** were CAD 11.4 million, a +66% increase over same period last year
    - **Revenue** FY23 at CAD 40.9 million, an increase by CAD 14.0 million or +52% over same period last year
- **Materials revenue** in Q4 2023 was CAD 6.6 million, a 40% increase from Q4 2022
- **Systems revenue** at CAD 4.8 million, a 125% increase year-over-year, reflecting strong execution of orders on hand
- **Adjusted EBITDA**[1] at CAD -0.3 million, improved year-over-year by CAD 2.6 million resulting from volume, margins and profitability initiatives
    - **Adjusted EBITDA**[1] FY23 at CAD -3.9 million, improved by 8.9 million year-over-year
    - Quarterly variations, with improvements over time
- Continued focus on profitability and cash improvement
    - CAD 10.1 million cash and CAD 5 million unused loan with Arendals Fossekompani ASA

1) See note for Alternative Performance Measures for adjustment

Adjusted EBITDA improved CAD 2.6 million YoY from Q4 2022



- **Systems** revenue was a significant contributor above last year (+125%), together with strong margins
- **Materials** revenue and margins were strongly positive to the EBITDA, over same quarter last year (+40%)
- Other operating expenses include a CAD 0.1 million **negative FX effect** in Q4 2023
- **Adjusted EBITDA** improved by CAD 2.6 million YoY to CAD -0.3 million
  - **Adjusted EBITDA** FY23 improved by CAD 8.9 million YoY to CAD -3.9 million
- Maintaining **cost control** while scaling revenue and managing inflationary cost increases remains our focus
- A bad debt provision (non-cash and non-recurring) of CAD 4 million has been excluded from Adj EBITDA in Q4 2023.

Concluding remarks

Luc Dionne, CEO

Long-term outlook
Positioned to thrive on exciting megatrends with accelerating demand

Systems

Unique IP protected technology, providing superior solutions in the market, and steady business

- Continued sale of systems for R&D and production of advanced materials not competing in Tekna's current material segments
- Growing demand for PlasmaSonic in hypersonic and space industry

Additive materials

Reliable provider of high-quality materials for additive manufacturing

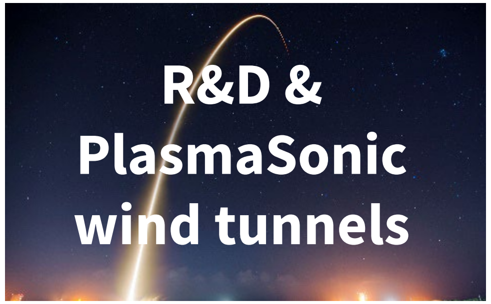
- Market expected to grow significantly over the next years
- Target to at least follow the industry growth and keep our market share
- Sticky business model with high barriers of entry and 80% recurring revenue

Microelectronics

Exponential growth in demand expected towards 2030. Tekna well placed and in dialogue with the major MLCC players

Market outlook; short to medium term

Systems



CAD 285m
Emerging industry for which Tekna has identified CAD 285m of PlasmaSonic prospects over the next 10 years

- Parts of strong pipeline already converted to CAD 9.4 million backlog putting us on a solid pace for 2024
- 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 is driving an increase in demand for Tekna's research scale plasma units
- Pipeline of potential PlasmaSonic orders for 2024 developing according to plan

Additive Materials

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

- Strong pipeline delivered CAD 14.6 million in 2024 backlog
- 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

Strong and consistent top line growth and bottom-line improvement

- **Revenue growth** of 66% in Q4. 2023 revenues of CAD 40.9 million, up 52% from 2022.
- Adjusted **EBITDA of CAD -0.3 million,** a CAD 2.6 million improvement compared to Q4 2022. Full year adjusted EBITDA of CAD -3.9 million, a CAD 8.9 million improvement from last year.
- **Order intake** of CAD 11.2 million in the quarter, with several significant wins especially in Systems. Order backlog and available capacity **supporting revenue growth** in 2024
- Aiming for **continued margin improvement** in 2024, supported by increased revenue and efforts to further improve organizational productivity. Some variations foreseen from quarter to quarter
- Strong focus on **cash management** and **cash flow** :
  - High ambitions for **improved cash conversion** from smaller and larger powder fractions
  - After capex intensive years, **capex will be gradually eased** for a period

Appendix
Q4 Financial Statements

Financial Statements

CONSOLIDATED STATEMENT OF INCOME

Amounts in CAD 1000	Note	FY2023	2023 Q4	FY 2022	2022 Q4
Revenues	3	40 888	11 390	26 889	6 843
Other income		991	930	767	357
Materials and consumables used		22 658	6 504	17 540	4 876
Employee benefit expenses		17 143	4 320	16 009	4 198
Other operating expenses		10 052	5 894	10 835	2 443
EBITDA		**-7 973**	**-4 398**	**-16 727**	**-4 317**
Depreciation and amortisation		4 222	1 062	3 978	1 065
Net operating income/(loss)		**-12 195**	**-5 460**	**-20 706**	**-5 382**
Share of net income (loss) from associated companies and joint ventures		-608	702	-1 510	-437
		-			
Finance income		233	257	144	709
Finance costs		777	47	332	-54
Profit/(loss) before income tax		**-13 347**	**-4 548**	**-22 404**	**-5 057**
Income tax expense		74	-26	114	-
Profit/(loss) for the period		**-13 420**	**-4 522**	**-22 517**	**-5 057**
		-			
Attributable to equity holders of the company		-12 840	-4 335	-21 688	-4 814
Attributable to non-controlling interests		-580	-187	-829	-242
		-			
Basic earnings per share		-0.10	-0.03	-0.17	-0.04
Diluted earnings per share		-0.10	-0.03	-0.17	-0.04

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in CAD 1000	Note	FY2023	2023 Q4	FY 2022	2022 Q4
Items that may be reclassified to statement of income					
Exchange differences on translation of foreign operations		-49	-209	-178	-636
Items that may be reclassified to statement of income		**-49**	**-209**	**-178**	**-636**
Items that will not be reclassified to statement of income					
Exchange differences on translation of foreign operations		-	-	-	-
Items that will not be reclassified to statement of income		**-**	**-**	**-**	**-**
Other comprehensive income/(loss) for the period, net of tax		**-49**	**-209**	**-178**	**-636**
Total comprehensive income/(loss) for the period		**-13 469**	**-4 730**	**-22 696**	**-5 693**
Attributable to equity holders of the company		-12 887	-4 536	-21 876	-5 448
Attributable to non-controlling interests		-582	-194	-820	-245

Consolidated revenues for the Tekna Group in Q4 2023 were CAD 11.4 million, an increase of 66% over the same quarter last year (CAD 6.8 million). Revenues for 2023 have increased by CAD 14.0 million and 52 % compared to last year.

Revenues for Systems, Spare parts and Other increased by 125% compared to Q4 2022. Revenues for Materials increased by 40% compared to the same period last year.

Contribution margin in Q4 2023 was CAD 4.9 million corresponding to 43 percent of revenues. In the same period last year, the contribution margin was 29 percent. The increased margins are a result of higher revenues in the Systems business and higher margins in Materials. Materials include a non-recurring expense of 372 thousand in Q4-23 due to inventory adjustment at year-end.

Loss for Q4 2023 was CAD 4.5 million, an improvement of CAD 0.5 million over the same period last year. Other operating expenses includes a bad debt provision of CAD 4.06 million in Q4-23, for receivables towards its joint venture.

Financial Statements

CONSOLIDATED BALANCE SHEET

Amounts in CAD 1000	31.12.2023	31.12.2022
Non-current assets		
Property, plant and equipment	22 450	19 240
Intangible assets	7 785	8 537
Associated companies and joint ventures	0	579
Non-current receivables	5 465	5 339
Deferred tax assets	-	-
Total non-current assets	**35 700**	**33 696**
Current assets		
Inventories	19 050	20 592
Contract assets	3 905	167
Trade and other receivables	8 289	7 880
Cash and cash equivalents	10 148	11 364
Total current assets	**41 393**	**40 003**
Total assets	**77 093**	**73 699**

Equity ratio at the end of December 2023 was 51.8 percent compared to 72.5 percent at the end of 2022.

Borrowings at the end of December 2023 was CAD 24.6 million, including CAD 21 million with accrued interest owed to Arendals Fossekompani ASA.

Total cash and cash equivalents at the end of December 2023 was CAD 10.1 million versus CAD 11.3 million at the same time last year (December 31, 2022)

Amounts in CAD 1000	31.12.2023	31.12.2022
Equity		
Share capital and share premium	494 956	494 956
Other reserves	-453 822	-440 934
Capital and reserves attributable to holders of the company	**41 134**	**54 022**
Non-controlling interests	-1 190	-609
Total equity	**39 943**	**53 413**
Non-current liabilities		
Borrowings	24 662	4 119
Lease liabilities	773	1 161
Deferred tax liabilities	-	-
Total non-current liabilities	**25 435**	**5 280**
Current liabilities		
Bank loan	-0	1 197
Lease liabilities	595	459
Trade and other payables	4 875	7 852
Provision for warranties	130	130
Contract liabilities	3 075	2 647
Other current liabilities	2 638	2 189
Borrowings short-term portion	402	532
Total current liabilities	**11 715**	**15 006**
Total liabilities and equity	**77 093**	**73 699**

Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				
Amounts in CAD 1000	**Share capital and share premium**	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
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				
Amounts in CAD 1000	**Share capital and share premium**	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2023	**494 956**	**-440 934**	**54 022**	**-609**	**53 413**
Profit/(loss) for the period	-	-12 840	-12 840	-580	-13 420
Other comprehensive income/(loss)	-	-47	-47	-2	-49
Balance at 31 December 2023	**494 956**	**-453 822**	**41 134**	**-1 190**	**39 943**

Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in CAD 1000	FY2023	2023 Q4	FY 2022	2022 Q4
Cash flow from operating activities				
Net profit/(loss)	**-13 420**	**-4 522**	**-22 517**	**-5 057**
Depreciation, amortization and impairment	4 222	1 062	3 978	1 065
Interest accretion on LT debt	345	88	290	57
Discounted value of long-term loan	-1 234	-1 234	-640	-241
(Gain)/Loss from sales of assets	9	9	-	
Share of results from associated companies and joint ventures	608	-702	1 510	437
Total after adjustments to profit before income tax	**-9 470**	**-5 299**	**-17 379**	**-3 739**
Change in Inventories	1 542	963	-6 177	-1 482
Change in other assets	-4 273	-463	-1 070	381
Change in other liabilities	-2 101	2 636	4 699	3 650
Total after adjustments to net assets	**-14 302**	**-2 162**	**-19 927**	**-1 190**
Net cash from operating activities	**-14 302**	**-2 162**	**-19 927**	**-1 190**
Cash flow from investing activities				
Proceeds from the sales of PPE	-	-	-	
Purchase of PPE and intangible assets	-6 689	-1 009	-5 965	-1 747
Other investing activities	-	-	-816	-51
Purchase of shares in subsidiaries	-	-	-	
Net cash flow from investing activities	**-6 689**	**-1 009**	**-6 781**	**-1 798**

Amounts in CAD 1000	FY2023	2023 Q4	FY 2022	2022 Q4
Cash flow from financing activities				
Proceeds from issue of shares	-	-	-	
Proceeds from issue of shares in THC	-	-	-42	-
Increase (decrease) of bank loan	-1 197	0	-2 536	728
New loan	22 484	1 681	3 317	847
Repayment of loan	-839	-206	-263	-64
Repayment of lease liabilities	-596	-168	-874	-208
Net cash flow from financing activities	**19 853**	**1 308**	**-398**	**1 303**
Net increase in cash and cash equivalents	**-1 139**	**-1 864**	**-27 105**	**-1 685**
Cash and cash equivalents at the beginning of the period	11 364	12 192	38 649	13 918
Effects of exchange rate changes on cash and cash equivalents	-77	-180	-180	-870
Cash and cash equivalents at end of the period	**10 148**	**10 148**	**11 364**	**11 364**

Net cash flow from operating activities was negative CAD 2.2 million in Q4 2023, including an increase of CAD 1.7 million of trade receivables and an increase of CAD 1.6 million in payables. Corresponding cash flow in Q4 2022 was negative CAD 1.2 million.

Net cash flow from investing activities was negative CAD 1.0 million in Q4 2023, mainly due to purchase of property, plant and equipment, compared with negative CAD 1.8 million in the same period last year.

Net cash flow from financing activities was positive CAD 1.3 million in Q4 2023, of which an increase of CAD 1.7 million in new financing and a decrease of CAD 0.4 million in repayment of loan and lease liabilities. In Q4 2022, the comparable cash flow was negative CAD 1.6 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.

Note 4 | Adjustments in Alternative Performance Measures (APM)

A bad debt provision of CAD 4.06 million has been booked in Q4-23 towards its joint venture. This item is presented in other operating expenses and excluded from Adjusted EBITDA.

Note 5 | Available liquidity

As of 31st December 2023, Tekna had available and undrawn CAD 5 million loan with Arendals Fossekompani ASA.

Disaggregation of revenue from contracts with customers

FY 2023 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time	-	25 692	1 031	489	27 212
Revenue recognized over time	13 677	-	-	-	13 677
Revenue from external customers	**13 677**	**25 692**	**1 031**	**489**	**40 888**
Contribution margin	8 572	8 493	675	489	18 230
Contribution margin %	62.7%	33.1%	65.5%	100.0%	44.6%
Revenue from external customers specified pr geographical area:					
North America	8 914	10 118	516	244	19 792
Europe	2 599	11 873	515	245	15 233
Asia	2 164	3 700	-	-	5 864
Total	**13 677**	**25 692**	**1031**	**489**	**40 888**

2023 Q4 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time	-	6 571	180	129	6 880
Revenue recognized over time	4 510	-	-	-	4 510
Revenue from external customers	**4 510**	**6 571**	**180**	**129**	**11 390**
Contribution margin	2 706	1 943	108	129	4 886
Contribution margin %	60.0%	29.6%	60.0%	100.0%	42.9%
Revenue from external customers specified pr geographical area:					
Americas	2 453	2 351	90	64	4 958
Europe	1 207	2 605	90	64	3 967
Asia	850	1 616	-	-	2 465
Total	**4 510**	**6 571**	**180**	**129**	**11 390**

Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

FY 2022 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time	-	18 909	1 521	222	20 652
Revenue recognized over time	6 238	-	-	-	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 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
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**

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)

Amounts in CAD thousands	FY 2023 (Unaudited)	2023 Q4 (Unaudited)	FY 2022 (Audited)	2022 Q4 (Unaudited)
Revenues	**40 888**	**11 390**	**26 889**	**6 843**
Materials and consumables used	22 658	6 504	17 540	4 876
(b) Contribution margin	**18 230**	**4 886**	**9 350**	**1 967**
(c) Revenues	**40 888**	**11 390**	**26 889**	**6 843**
Contribution margin % (b/c)	**44.59 %**	**42.89 %**	**34.77 %**	**28.74 %**

Amounts in CAD thousands	FY 2023 (Unaudited)	2023 Q4 (Unaudited)	FY 2022 (Audited)	2022 Q4 (Unaudited)
Net profit/loss	-13 420	**-4 522**	**-22 517**	**-5 057**
Income tax expense (income)	-74	26	-114	-
Finance costs	777	47	332	-54
Finance income	-233	-257	-144	-709
Share of net income (loss) from associated companies and joint ventures	608	-702	1 510	437
Depreciation and amortization	4 222	1 062	3 978	1 065
(a) EBITDA	**-7 973**	**-4 398**	**-16 727**	**-4 317**
Legal and listing cost	-	-	3 901	1 378
Provision for bad debts on accounts receivable from the joint venture	4 060	4 060	-	-
(b) Adjusted EBITDA	**-3 913**	**-337**	**-12 827**	**-2 940**
(c) Revenues	**40 888**	**11 390**	**26 889**	**6 843**
EBITDA margin (a/c)	**-19.50 %**	**-38.61 %**	**-62.21 %**	**-63.09 %**
Adjusted EBITDA margin (b/c)	**-9.57 %**	**-2.96 %**	**-47.70 %**	**-42.96 %**

Amounts in CAD thousands	FY 2023 (Unaudited)	2023 Q4 (Unaudited)	FY 2022 (Audited)	2022 Q4 (Unaudited)
Net profit/loss	**-13 420**	**-4 522**	**-22 517**	**-5 057**
Income tax expense (income)	-74	26	-114	-
Finance cost	777	47	332	-54
Finance Income	-233	-257	-144	-709
Share of net income (loss) from associated companies and joint ventures	608	-702	1 510	437
(a) EBIT	**-12 195**	**-5 460**	**-20 706**	**-5 382**
Legal and listing cost	-	-	3 901	1 378
Provision for bad debts on accounts receivable from the joint venture	4 060	4 060	-	-
(b) Adjusted EBIT	**-8 135**	**-1 400**	**-16 805**	**-4 004**
(c) Revenues	**40 888**	**11 390**	**26 889**	**6 843**
EBIT margin (a/c)	**-29.82 %**	**-47.94 %**	**-77.00 %**	**-78.65 %**
Adjusted EBIT margin (b/c)	**-19.89 %**	**-12.29 %**	**-62.50 %**	**-58.52 %**

Amounts in CAD thousands	FY 2023 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Audited)	31.12.2022 (Audited)
(a) Total non-current liabilities	25 435	25 435	5 280	5 280
(b) Total equity	39 943	39 943	53 413	53 413
Long Term Debt/Equity Ratio (a/b)	**0.64**	**0.64**	**0.10**	**0.10**

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