Tekna Holding ASA

2024

January 1—December 31

Annual Report

one particle at a time...

vision

Advancing the world with sustainable material solutions, one particle at a time...

The magic of Tekna originates in the strong drive of its employees to do better. Better for an earth that is in need of a green transition. At Tekna we make tiny particles of advanced materials that enable this transition.

It is through the **transformation** of the metal supply chain in additive manufacturing, and enabling electrification through the **miniaturization** of microelectronic components that these tiny particles become **magical.**

And so does the plasma technology that produces them.

mission

To be the ultimate partner

We achieve this by leveraging our talented people, our innovations and manufacturing excellence to provide our business partners with plasma technology and material solutions that drive their success, today and tomorrow.

TEKNA

Photo credit: Microsoft

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Website

www.tekna.com | Presentation of the groups profile and activities.
www.tekna.com/investors
Presentation of (non-)financial information (share, financial reports, regulated information, analysts and investors, Annual General Meeting)

Other reporting

The following report can be downloaded at www.tekna.com/investors/finreports

- Remuneration report

Introducing Tekna

Introduction

About Tekna

Tekna is a global leader in the development, manufacturing and sales of advanced micron-sized and nano-sized powders as well as plasma processing solutions.

Since we started in 1990, Tekna has developed a unique and proprietary plasma technology platform for manufacturing micron-sized and nano-sized powders for a range of industries. Our business model relies on two revenue streams, both with synergistic effects:

- Development and sale of systems: We develop and sell systems customized for the purpose of research and development.
- Development and sale of materials: We develop and operate our own proprietary plasma processes to produce and sell micron-sized spherical powders and nano powders.

Tekna is developing in major market verticals thriving on global mega trends such as Space Exploration and Space Tourism, Deglobalization and Climate Change, Digitalisation & Connectivity as well as Demography & Health Care.

Tekna is headquartered in Québec, Canada, and has additional offices in France, China, Korea, USA, and seven distributors operating globally (Europe, Asia and North America).

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

Systems

The Systems business line acts as the technology hub of the corporation and has generated derivative opportunities, such as the Materials business, and the newly launched PlasmaSonic product line.

The flagship product line, **PlasmaSonic**, is a wind tunnel engineered to replicate the extreme heat, pressure, and speed conditions of hypersonic flight, enabling our customers to develop innovative materials for use in space vehicles.

The opportunity pipeline and order intake for these devices have steadily grown. We are targeting at least one new PlasmaSonic system order in 2025 maintaining the momentum observed over the past five years.

Materials

for **additive manufacturing**:

Tekna produces high quality micron-sized, spherical, high-purity metal powders. Its portfolio includes titanium, aluminum, tungsten and tantalum. Currently our fastest growing segment, this global market is on track to outperform, in terms of growth, traditional machining due to improved environmental efficiency, for instance through resource efficiency and speed of availability of parts.

We guide to grow in line with the market.

Materials

for **microelectronics:**

In close cooperation with selected customers, Tekna is in the final development stage of nano nickel powders for the microelectronics industry. Nano powders below 100 nm are expected to become the new industry standard for high-end MLCC devices, and Tekna is one of only three producers that can deliver this.

We aim to secure an industrial scale order to a global tier 1 customer.

Founded in 1990

Tekna Holding ASA listed in OSLO 2022

50% reduction Commitment 2030

Headquartered in Sherbrooke, QC, Canada

185 employees

69 active and 38 pending patents

2 manufacturing and research centers

Global reach

Our focus on profitability and positive cash flow, our dedicated workforce, strategic priorities, and confidence in our long-term ambitions are driving the company's performance today and tomorrow.

Luc Dionne

Chief Executive Officer

I would like to thank you for your trust and hope you enjoy reading this report.

A message from the Group CEO

As we close out 2024, I am pleased to share the significant strides Tekna has made in a year marked by a challenging market environment. Our resilience and adaptability have been key to navigate through these conditions. Notably, our efforts to strengthen our financial position have resulted in a meaningful improvement in cash flow from operations. This achievement is a direct result of our proactive management of net working capital and a favorable outcome in a litigation settlement.

Throughout the year, we remained focused on continuous improvement, driving cost-reduction initiatives and restructuring our management team to enhance transparency and performance across the organization. Our Plasma Systems product line demonstrated strong operational efficiency and maintained solid contribution margins, despite a decrease in revenue. Additionally, our Advanced Material segment experienced strong growth in key sectors such as Medical, Aerospace, and Consumer Electronics, while we saw a decline in sales to 3D printer manufacturers.

As I reflect on my 11 years at the helm of Tekna, I am immensely proud of the progress we have made. From a company with a magnificent potential, Tekna has developed into one of the world's leading players in the manufacturing of plasma systems and advanced materials for 3D printing, with a global presence serving customers across all five continents. This success is a testament to the dedication of the many individuals who have contributed to Tekna's growth and helped shape its remarkable journey. Today, as I transition leadership to Mr. Claude Jean, I am confident that Tekna is well-positioned for continued success. With a strong foundation in place, I know that under Mr. Jean's leadership, Tekna will continue to create value for our customers and stakeholders for years to come.

Key figures at a glance

Revenues ▼
37.2 M CAD
vs 40.9 M CAD in 2023.
Systems (-30%) and Materials (+3%)[1];
Adjusted for service revenues to the JV in 2023, the actual growth in materials revenues was 7%.

Order backlog ▶
16.7 M CAD
vs 24.0 M CAD in 2023.
Systems (-49%) and Materials (-18%)

Adj. EBITDA ▼
-6.9 M CAD
vs –4.1 M CAD in 2023.
The effect of lower systems revenue was –2.9 M CAD

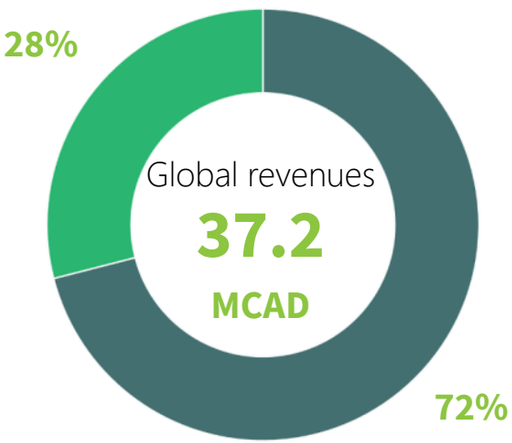
Key financial figures

in CAD million	2024	2023	2022
Revenues	37.2	40.9	26.9
Adjusted EBITDA	-6.9	-4.1	-12.8
EBITDA	-4.0	-8.2	-16.7
Net profit / loss	-11.1	-15.0	-22.5
Cash balance	12.8	10.1	11.4
Employees	185	222	216

Revenue distribution

Business segments

Systems[2]
Plasma systems,
PlasmaSonic wind tunnel
After service and spare parts



Materials
Additive Manufacturing: Micron-sized powder materials including titanium-, aluminum-, nickel alloys, tungsten and tantalum.
Microelectronics: Nano-sized nickel (sample sales)

Geography

North America **46%**

Europe **27%**

Asia / Rest of world **27%**

Customer segments

Aerospace **50%**

3D Machine OEM[3] **9%**

Medical Implants **13%**

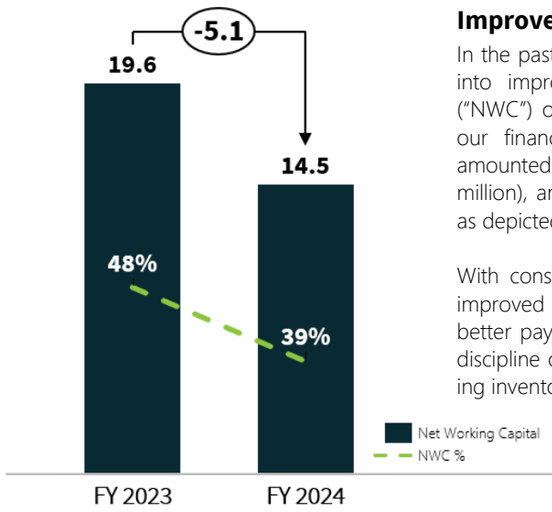
Consumer Electronics **9%**

Other: Academic, Industrial Research and Distributors **20%**

1: Adjusted by CAD 1 million charged by Tekna to the joint venture in 2023.
2: Includes after service and spare parts. 3: OEM stands for Original Equipment Manufacturer.

Highlights and important milestones in 2024[1]

Focus on cash, NWC $-5.1M

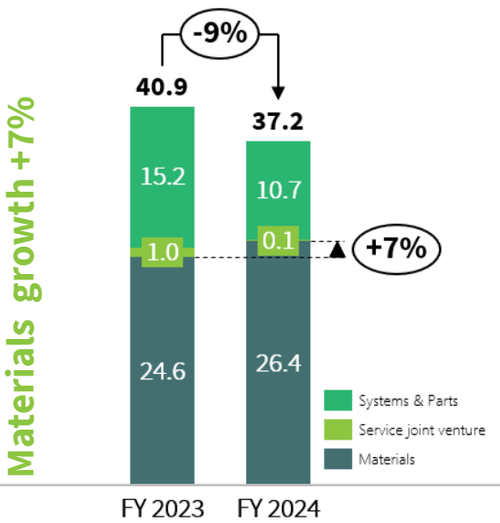


Improvement Net Working Capital

In the past two years, much effort has gone into improving the Net Working Capital ("NWC") of Tekna with the aim to enhance our financial position. NWC at year-end amounted to CAD 14.5 million (CAD 19.6 million), an improvement of CAD 5.1 million as depicted in the graph on the left.

With consistent efforts over time, we have improved the net working capital through better payment terms with suppliers, strong discipline on aging receivables and converting inventory to cash.

Materials growth +7%



Revenue development

On a like-for-like basis[2] and under challenging market circumstances Tekna grew its Materials business by 7% in 2024 from CAD 24.6 M to CAD 26.4M. Aerospace, medical and consumer electronics were the strongest drivers. Revenues from 3D machine manufacturers were significantly reduced from 2023.

Revenue for Systems was affected by slower demand.

OpEx reduced by >$2M

Cost reduction

Tekna continued to execute on its comprehensive profitability improvement program which started in 2022. Efforts focused on simplifying the organization, creating a leaner operation, reducing operating cost and further improving cash flow. Many of the cost reductions executed in 2024 will have recurring effect.

In 2024 headcount was reduced from 222 to 185, more than CAD 2 million was taken out of the operating costs.

The dissolution of a loss-making joint venture will have a positive effect on cash flow going forward.

Cash flow up by $11.5 M

Operating cash flow

In 2024, we achieved a significant enhancement in cash flow from operations, improving from CAD -11.6 million in 2023 to CAD -0.1 million. This turnaround was driven by a CAD 5.1 million reduction in net working capital and a CAD 2.9 million litigation settlement, with an additional CAD 3.6 million improvement attributed to other operational enhancements, underscoring a transformative year.

Business Development

First revenue-generating order for nano nickel particles

In April, Tekna received the first order for nano nickel material samples for developing metal paste suitable for the manufacturing of multi-layer ceramic capacitors (MLCC). Tekna continues to develop its nanomaterials in close cooperation with its potential customers.

Defending our right to operate

Intellectual Property Litigation case won

In a decisive judgement released in June, the Federal Court of Canada ruled strongly in favor of Tekna in an Intellectual Property case concerning competing patent rights to produce titanium powder in Canada. The ruling confirmed that Tekna does not infringe any of Advanced Powders & Coatings Inc.[3] ("AP&C")'s patents at issue.

In December, AP&C paid Tekna CAD 2.9 million as compensation for litigation cost.

1: Read more on all of these highlights in the Board of Directors' report .
2: Adjusted for service revenues of CAD 1 million charged by Tekna to the joint venture in 2023, the actual growth in revenues was 7%.
3: AP&C is a Colibrium Additive company and Colibrium Additive is a GE Aerospace company

Sustainability indicators[1]

Environment

Energy Intensity per kg metal powder produced

Performance vs baseline FY19

Direct electricity of plasma systems within Tekna | Ti64 and AlSiMg | in kWh per kg

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Greenhouse gas emissions

		Target 2030[3]
Renewable energy share **77 %** ▲	vs 66% **(+11 pp)** in 2021 (Location based).	Not defined yet
Scope 1 **596 tCO2e** ▶	vs 577 **(+3%)** in 2021. Tekna has added a third facility in Canada in 2022 increasing natural gas consumption for heating compared to baseline 2021.	**-50 %**
Scope 2 **14 tCO2e** ▼	vs 42 **(-67%)** in 2021. Tekna continues to improve energy efficiency in its powder production[2]. By discontinuing production in France the consumption of nuclear electricity is reducing.	**-50 %**
Scope 3 **27 730 tCO2e**	This is the first year that we have a complete estimation of the value-chain footprint. This creates a solid basis from which to focus our reduction effort.	Not defined yet

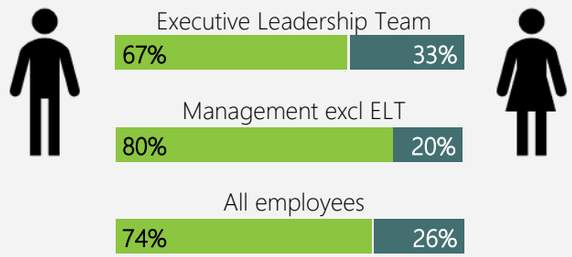
Social

Our people

Total employees
185(222)

Nationalities
23

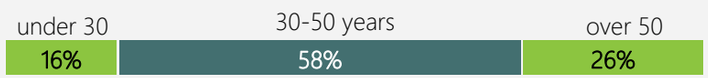
Gender diversity



Voluntary turnover rate
16.3%

Unadjusted Gender Pay Gap
3.9%

Age distribution all employees excl Board of Directors



Governance

Ethics & compliance

Code of Conduct signed
(per 31.3.2024[4])
100%

Compliance incidents detected
0

Successful cyber attacks
0

Health & Safety

Fatalities
0

Lost time injuries | LTIFR
2 | 5.8

Employees sick leave rate
3%

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%. 3: Reduce in absolute terms compared to baseline year. 4: This excludes employees on long-term absence.

Shareholder information

Tekna Holding ("Company") aims to be an attractive investment for shareholders, delivering a competitive return on investment through developing strong positions in high growth verticals representing opportunities for high profitability going forward.

The Company's share capital as of 31 December 2024 was NOK 254 924 466 divided into 127 462 233 shares, each with a nominal value of NOK 2.00.

In March 2024, the Board of Directors of Tekna Holding ASA (the "Company") has resolved to increase the Company's share capital by NOK 4 469 774 by issuing 2 234 887 new shares as part the settlement of the Company's employee share purchase plan (the "ESPP"). Under the ESPP, which was established on 18 February 2021, certain qualified employees purchased Class B Common shares in Tekna Holding Canada Inc ("Tekna Holding Canada"). Pursuant to the terms of the ESPP, there was a three-year lock-up period on these shares. The three-year lock-up period expired on 18 February 2024 and the ESPP has been settled by way of the employees transferring the Class B Common shares in Tekna Holding Canada to Tekna Holding ASA in exchange for the issuance of new shares in Tekna Holding ASA. Following this transaction, Tekna Holding Canada is a wholly owned subsidiary of Tekna Holding ASA.

The Company's shares are registered in book-entry form with the Norwegian Central Securities Depository under ISIN NO 001 0951577. The account operator of the Company's share register is DNB Bank ASA. The Tekna share was listed on Oslo Børs, the main list at the Oslo Stock Exchange, on 1 July 2022.

Shareholder structure

As of 31 December 2024, Tekna had 4 211 shareholders, down from 4 584 at the end of 2023. Arendals Fossekompani ASA remained the Company's largest shareholder, owning 69.5 percent of the shares. No other shareholder held more than five percent while four shareholders held more than two percent.

Share price and market valuation

On 31 December 2024, the closing share price was NOK 3.25 per share, corresponding to a market capitalization of NOK 0.4 billion. The closing share price on 31 December 2023 was NOK 8.30.

Option schemes

The board of directors of Tekna Holding ASA (the "Company") has resolved to implement an employee share option plan (the "Plan"). The Plan is available to eligible individuals as determined by the board of directors. The Plan enables the eligible person to acquire a proprietary interest in the growth and performance of the Company and to enhance the ability of the Company to attract, retain and reward qualified individuals. Options can be granted on an annual or ad hoc basis, with annual grants projected for 2024, 2025, and 2026, all subject to the board's discretion. Upon exercising their options, option holders can choose between acquiring shares after paying the strike price or opting for a cashless transaction. The latter involves the transfer of a number of treasury shares equivalent to the NOK amount of the number of exercised options, multiplied by the difference between the Company's shares' market price and the strike price.

On 23 October 2024, the board of directors has granted a total of 2,124,000 options in the 2024 allocation round. These options have a strike price of NOK 4.88. Issued options vest 33% after one year, 33% after two years, and 33% after three years. The expiry date for any option granted is the date falling 24 months following the vesting date. Link to the 2024 Remuneration Report.

Current Authorizations

During the 2024 Annual General Meeting ("AGM") the Board of Directors of the Company received the authorization to increase the share capital and to acquire shares of the company. The authorizations remain in force until the AGM of 2025, but in no event later than 30 June 2025.

Link to AGM minutes: www.tekna.com/investors

link *AGM minutes*

Investor Relations

Tekna wishes to maintain open communications with its shareholders and other stakeholders. Shareholders and stakeholders are kept informed by announcements to the Oslo stock exchange and press releases.

Please refer to the investor relations section of the Tekna website for further information, including contact details: www.tekna.com/investors or contact investors@tekna.com.

link *Tekna.com/investors*

See appendix for Indicators supporting Investor's SFDR Principal Adverse Impacts (PAI) disclosure

Upcoming events

8 May 2025	Annual General Meeting
8 May 2025	Interim Report for Q1 2025

Board of Directors' report 2024

Board of Directors' report 2024

Board of Directors' Report 2024

The macro-economic circumstances were challenging in 2024, with generally weak growth, inflationary pressures and high interest rates. This had a negative impact on both demand for materials for the Additive Manufacturing industry and for plasma systems. Navigating these challenging market conditions, Tekna Group ("Tekna" or "company") in 2024 mainly focused on enhancing profitability and improving cash flow. In the period, revenues decreased to CAD 37.2 million (40.9) mainly due to delays in new Systems orders. Total order backlog stood at CAD 16.7 million (24.0) at the end of 2024. Adjusted EBITDA declined to negative CAD 6.9 million (negative 4.1) due to lower sales and effects from the discontinuation of a joint venture. The net working capital improved to CAD 14.5 million (19.6).

Introduction

Business and location

The Group currently engages in two main businesses: Materials and Systems (incl. PlasmaSonic). The growth of these businesses is driven by megatrends having significant impact on consumer behavior globally: Space Exploration and Space Tourism, De-globalization and Climate Change, Digitalization & Connectivity, as well as Demography & Health Care.

Tekna is a world-leading provider of advanced materials to industry. Tekna produces high purity, micron-sized and nano-sized metal powders as well as optimized induction plasma systems for industrial research and hypersonic test facilities. Micron-sized powders are used for applications such as 3D printing in the aerospace, medical and consumer electronics sectors. The advanced nano-sized materials are currently developed in close cooperation with potential customers and are to be applied in the manufacturing of microelectronic devices (MLCCs) used in consumer electronics, autonomous vehicles, and 5G and Internet-of-Things (IoT) communications equipment.

The Group develops and operates its own plasma systems and sells customized plasma systems for research applications. The PlasmaSonic product line, a part of Systems, consists of plasma wind tunnel solutions for the simulation of hypersonic and orbital flight conditions.

Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and commitment to its large base of multinational blue-chip customers. Tekna's low carbon technology and high-quality materials increase productivity and enable more efficient use of materials, reducing the climate footprint of the downstream value chain.

Tekna Holding ASA, a Norwegian public limited liability company, is listed on Oslo Stock Exchange. The Group is headquartered in Sherbrooke, Canada, with subsidiaries and teams based across six offices in Canada (2), France, USA, China and South Korea.

All amounts in this document refer to the consolidated financial statements for the Group, unless otherwise stated. The financial statements cover the period from January 1, 2023 to December 31, 2024.

Board of Directors' report (continued)

Analysis of the development and performance of the undertaking's business and its position

Market sectors

Tekna currently has two reporting lines:

- Materials - manufacturing and sales of powders for additive manufacturing industry as well as the business development area nano nickel particles for MLCC.
- Systems - development, manufacturing and sales of sophisticated plasma systems for research and development, including the PlasmaSonic systems for hypersonic test facilities.

Materials

In 2024, revenues in Materials increased by 3.2% to CAD 26.5 million (25.5). This represented 72% of consolidated revenues. Adjusted for service revenues of CAD 1 million charged by Tekna to the discontinued joint venture in 2023, the actual growth in Materials revenues was 7%. Throughout 2024, Tekna continued to experience rising demand for its materials for Additive Manufacturing in customer segments such as Aerospace and Medical, further confirming the company's position in this market. Growth was supported by demand for both small and large particle-sized material, valorizing a greater portion of the production yield.

In addition to the material for additive manufacturing, Tekna is developing nano nickel for Microelectronics. These businesses follow global megatrends and represent major growth opportunities.

Systems

After a record year in 2023, Systems has seen a significant slow-down in order intake in 2024. The year ended at CAD 10.7 million in revenues, compared to CAD 15.2 million in 2023. Contribution margin for Systems for the year was stable at 63%.

Opportunities continued to develop in 2024, particularly for PlasmaSonic systems. Steady progress was made throughout the year, with one opportunity that is advanced in the sales cycle. In addition, business development efforts are directed towards four other similar opportunities that could materialize within the next two-year period, with an average selling price of over CAD 10 million per unit. Space tourism and hypersonic flight ambitions are in rapid development globally and continue to stimulate the demand for PlasmaSonic solutions developed by Tekna. The Systems business is of importance to Tekna as it supports the continued development of the core technology applicable in the inhouse materials production.

Board of Directors' report (continued)

Important events in 2024

Intellectual Property Litigation case won

In a decisive judgement released in June, the Federal Court of Canada has ruled strongly in favor of Tekna in an Intellectual Property case concerning competing patent rights to produce titanium powder in Canada. The ruling confirmed that Tekna does not infringe any of Advanced Powders & Coatings Inc.[1] ("AP&C")'s patents at issue. Furthermore, it was ruled that AP&C's Canadian patent no. 3,003,502 is, and has always been, invalid and void, and that AP&C's Canadian patent no. 3,051,236 is also invalid except for a few select claims that are not infringed by Tekna in any event.

A Notice of appeal was submitted in September by AP&C. It is Tekna's opinion that the risk resulting from the appeal is low. In December, AP&C paid Tekna CAD 2.9 million as compensation for litigation cost.

Cost reduction

Tekna continued to execute on its comprehensive profitability improvement program which started in 2022. Efforts focused on simplifying the organization, creating a leaner operation, reducing operating cost and further improving cash flow.

Key contributors are:

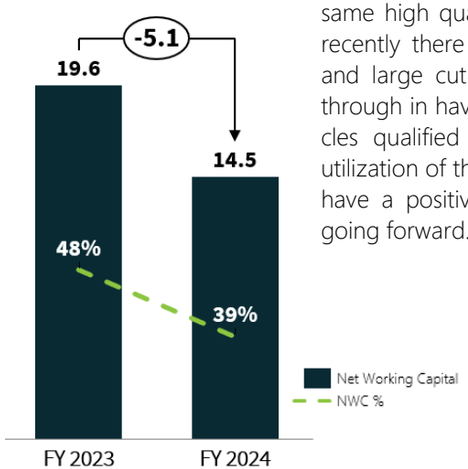
- Discontinuing production of lower margin nickel alloy powders in favour of higher margin products of titanium and aluminum,
- Optimizing sales mix including particle size, and exploring opportunities to valorize a broader specter of powder qualities,
- Reducing overhead and other indirect costs. In 2024 headcount was reduced from 222 to 185, more than CAD 2 million was taken out of the operating costs,
- Dissolution of loss-making joint venture, which will have a positive effect on cash flow going forward.

Many of the cost reductions executed in 2024 will have recurring effect.

Improvement Net Working Capital

Over the past two years much effort has gone into improving cash conversion including optimizing Net Working Capital ("NWC"). NWC at year-end amounted to CAD 14.5 million (CAD 19.6 million), an improvement of CAD 5.1 million as depicted in the graph below. With consistent efforts over time, cash conversion has improved through better payment terms with suppliers, strong discipline on aging receivables and converting inventory to cash.

For details see Financial Review in this report.



First revenue-generating order for nano nickel material

In April, Tekna has received the first order for nano nickel material samples for developing metal paste suitable for the manufacturing of multi-layer ceramic capacitors (MLCC). The customer is a leading producer of MLCC devices, which are critical components in most of the fast-growing consumer electronic applications.

Tekna continues to develop its nanomaterials in close cooperation with its potential customers. Recent validation tests conducted on samples delivered have yielded promising outcomes.

Increased sales of small and large size particles

Metal powder production processes naturally yield a wide distribution of particle sizes. For Tekna, the small and large sizes are byproducts, but with the same high quality as the mean size. However, until recently there was a limited demand for the small and large cut sizes. In 2024, Tekna had a breakthrough in having a wider distribution of these particles qualified by customers, thus maximizing the utilization of the production yield. This is expected to have a positive impact on revenue and cash flow going forward.

Execution of Employee Share Purchase Plan

In March 2024, the Board of Directors of Tekna Holding ASA (the "Company") resolved to increase the Company's share capital by NOK 4 469 774 by issuing 2 234 887 new shares as part the settlement of the Company's employee share purchase plan (the "ESPP"). Under the ESPP, which was established on 18 February 2021, certain qualified employees purchased Class B Common shares in Tekna Holding Canada Inc ("Tekna Holding Canada"). Pursuant to the terms of the ESPP, there was a three-year lock-up period on these shares. The three-year lock-up period expired on 18 February 2024 and the ESPP was settled by way of the employees transferring the Class B Common shares in Tekna Holding Canada to Tekna Holding ASA in exchange for the issuance of new shares in Tekna Holding ASA. Following this transaction, Tekna Holding Canada is a wholly owned subsidiary of Tekna Holding ASA.

Completion Granting of share options

The Board of Directors has resolved to implement an employee share option plan (the "Plan"). The Plan is available to eligible individuals as determined by the Board of Directors. The Plan enables the eligible person to acquire a proprietary interest in the growth and performance of the company and to enhance the ability of the company to attract, retain and reward qualified individuals. For details see Shareholder Information in the annual report and the Remuneration report on the website.

1: AP&C is a Colibrium Additive company and Colibrium Additive is a GE Aerospace company

Board of Directors' report (continued)

Financial review

The Board of Directors believes that the annual financial statements provide a true and fair view of the net assets, financial position and result of Tekna Holding ASA and the Group for the year. The Group's consolidated financial statements are presented in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the reporting currency is Canadian dollars (CAD).

Profit and loss

Revenue was CAD 37.2 million, a 9% decrease from CAD 40.9 million in 2023. EBITDA was negative CAD 4.0 million compared to negative CAD 8.2 million in 2023. Adjusted EBITDA net of non-recurring charges was negative CAD 6.9 million compared to negative CAD 4.1 million in 2023. Tekna had a loss for the period of CAD 11.1 million, compared to a loss of CAD 15.0 million in 2023. Earnings per share were negative CAD 0.09, compared to negative CAD 0.12 in 2023.

Cash flow

Net cash from operating activities was negative CAD 0.1 million, compared to negative CAD 11.6 million in 2023, with improved results and net working capital being the main contributors. Net cash used for investing activities was CAD 2.6 million, compared to CAD 7.8 million in 2023. Net cash from financing activities was CAD 4.8 million and is mainly related to changes in debts and loans, in particular new CAD 5 million loan, compared to negative CAD 18.4 million of net cash from financing activities in 2023. Cash and cash equivalents at year-end were CAD 12.4 million, compared to CAD 10.1 at the end of 2023.

Financial position

Tekna's financial position at the end of the year showed a long-term debt/equity ratio of 1.31, compared to 0.69 at the end of 2023. Interest-bearing debt was CAD 28.6 million and total debt was CAD 31.9 million at year-end, while the cash position was CAD 12.4 million and total assets were CAD 73.0 million. Total equity as of 31 December 2024 amounted to CAD 26.5 million. The credit risk is regarded as low, given that most customers are large multinational companies.

Tekna Holding ASA

The parent company Tekna Holding ASA is a holding company, with limited activity and a few corporate functions. Profit for the year was CAD 2.9 million, compared to CAD 2.0 million in 2023. The positive result of the year was due to interest income on intragroup loans.

Research and development

Investments in research and development (R&D) have been an important part of Tekna's strategy to develop new and innovative solutions and is expected to remain an important part of the company's strategy going forward. Tekna has a long-term ambition to invest significantly in R&D. The company's investments in R&D are critical to its near- and long-term goals and in 2024 it represented 7.1% of its total revenue. The company continued to benefit from the Canadian government's Strategic Innovation Fund, which supports its research and development efforts. This program, running until March 2027, offers Tekna up to CAD 20 million in financial assistance through grants and reimbursable loans.

In 2024, Tekna continued its focus on improving margins, cash flow and further enhancing of organizational productivity.

Board of Directors' report (continued)

The undertakings likely future developments

Subsequent events

New CEO

On March 18, 2025, Tekna Holding ASA announced the appointment of Mr. Claude Jean as the new Chief Executive Officer (CEO) of the Tekna Group, effective April 28, 2025. Mr. Jean, a seasoned technology executive with over 30 years of experience in the semiconductor and digital imaging sectors, succeeds Mr. Luc Dionne, who has led the company since 2014. This leadership transition follows a period of strategic growth for Tekna, and is not expected to have a material financial impact on the company's operations or financial position as of the balance sheet date.

Link to Introduction of the new CEO

Going concern

Based on the situation at the end of 2024 as well as the forecast going forward the company is well-positioned to meet its obligations and continue its business for the foreseeable future. There have been no events to date in 2025 which significantly affect the result for 2024 or valuation of the company's assets and liabilities at the balance sheet date.

According to section 3-3a of the Norwegian Accounting Act, the Board confirms that the consolidated financial statements and the financial statements of the parent company have been prepared based on the conditions of going concern and that the conditions are present.

Board of Directors' report (continued)

The undertakings likely future developments

Outlook

The macroeconomic sentiment continues to be challenging entering 2025. The global economy is being redefined and geopolitical tension, trade restrictions and tariffs will make lasting changes to supply chains.

A series of tariffs have been introduced by the U.S. administration in 2025. These tariffs have created a lot of uncertainty in the market that had a negative impact on the business of Tekna at the beginning of the year. The situation is fluid, and it is difficult to assess the outcome of a trade war. However, both the materials and systems of Tekna are in compliance with the United States-Mexico-Canada- Agreement ("USMCA") and are therefore currently exempt from the recent tariffs introduced by the U.S. Administration under the IEEPA.

In this environment, maintaining a strong focus on profitability and capital discipline remains the priority moving forward. In 2025, Tekna will benefit from the profitability improvement program implemented - with a leaner organization and a lower cost base.

Tekna remains focused on its core business in Materials, which continues to demonstrate resilience and growth. Tekna's position in the additive manufacturing industry remains strong. The long-term demand for materials to this industry is projected to grow by over 20%[1] annually. Growth opportunities are driven globally by transition towards more efficient manufacturing technology and products as well as supply chain constraints and manufacturing reshoring across multiple industries.

The company's existing machine capacity is projected to adequately meet the anticipated growth in demand for AM materials through the end of 2027. This will be achieved by continuously enhancing machine productivity and energy efficiency. This will shorten delivery lead times and, in turn, positively impact sales. As a result, the company will have a minimal need for capital expenditure for its current operations in the coming years, estimated at CAD 2-3 million per year, excluding leases under IFRS 16.

Tekna has a strong pipeline of potential orders for Systems, where it sees an acceleration of interest for PlasmaSonic wind tunnel solutions that are pivotal to the development of hypersonic flight and spacecraft.

The company will continue its efforts in the development of nano nickel particles for MLCC applications in close cooperation with the industry leading customers.

The current environment is characterized by economic uncertainty, geopolitical instability, and an increasing demand for sustainable solutions. The company's strategy, technology, and products have gained significant relevance in this context, as its customers are increasingly transitioning towards new technology, moving manufacturing closer to markets, and considering more sustainable production processes. At the same time, economic uncertainty and high interest rates may have a dampening effect on the short-term industry growth rate. Tekna expects any volatility in demand to be transitory and remains committed to addressing the market needs as it is well positioned for continued growth in the coming years.

On this basis, the Board of Directors' assessment is that there are reasons for cautious optimism as the fundamentals and long-term prospects for Tekna are positive.

Employee preparing materials for laboratory testing

1: Sources: AMPower Report 2024, Smartech 2024 and internal modelling.

Board of Directors' report (continued)

Description of the principal risks and uncertainties

Risk factors and risk management

Tekna's Enterprise Risk Management ("ERM") aims to contribute to the creation, optimization, and protection of enterprise value by managing Tekna's business risks as it creates value in the marketplace.

Tekna's Board of Directors is ultimately responsible for the governance of risk management. Tekna's Executive Leadership Team is responsible for the ERM, i.e. implementing and overseeing the application of efficient risk management processes. The employees of the Company are expected to follow the requirements defined in the Company's policies. Tekna's Board of Directors and Executive Leadership Team conduct risk assessments related to various dimensions and aspects of operations to verify that adequate risk management systems are in place.

As a global operator, Tekna is exposed to risk scenarios ranging from controllable risks, such as raw material price fluctuation, currency fluctuation, market changes, competition or fuel price volatility, to uncontrollable ones such as natural disasters. The tariffs recently imposed by the U.S. Administration increases geopolitical uncertainty and represent a risk of trade war that may have an impact on supply chains. Supply chain disruptions in terms of lead times and shortages can have a significant impact on the company's business and financial performance.

Qualified labor shortages in the markets where Tekna operates can lead to challenges in retaining and recruiting talent. This could lead to increased pressure on the remaining workforce translating into unfilled client orders, declining competitiveness, a deteriorating product/service quality and eventually a slower growth rate.

Tekna is currently not able to sell the full production yield of metal powders for additive manufacturing at attractive prices, such that a provision of costs for the accumulation of inventory above sales levels is expensed at cost in the financial statements on an ongoing basis. This provision of costs thus limits the financial risk in the financial statements as presented, meanwhile there is a business risk given the uncertainty in timing of market development and higher sales volumes of the full production yield at attractive prices.

Tekna Plasma Systems Inc., the Group's operating subsidiary, is currently involved in an appeal process with AP&C Advanced Powders & Coatings Inc. regarding patent rights related to titanium powder production in Canada. The case concerns two AP&C patents that fall within the same category as one of the Group's key patents. In 2024, the Court ruled decisively in Tekna's favor, invalidating all claims of one of the two disputed AP&C patents and all but a few claims of the second patent. The Court also confirmed that Tekna had not infringed any of the patents in question. AP&C has since filed an appeal, and hearing dates have yet to be scheduled. If the appeal does not conclude in Tekna's favor, the company plans to implement alternative technological solutions to bypass any potential patent restrictions.

The Group's business is subject to price and exchange rate risks. There is no guarantee that the Group will be able to obtain the expected prices for its materials and systems, and any change in the market conditions, including in the global technology and powder markets or in a specific regional and/or end markets in which the Group operates, could lead to lower sales prices or volumes of the Group's products and systems.

The most material climate risks in the short and medium term are physical risks in the supply chain and in Tekna's own operations. There is a risk of extreme weather events impacting Chinese suppliers and their ability to supply Tekna with titanium. Also, higher temperatures put the health and safety of suppliers' workers in China at risk. Physical climate risks might also impact goods transportation. In the medium and long term, physical risks might impact where the company considers establishing new production locations. A more detailed description is to be found in the Sustainability report included in that annual report and available on the company's website from 10 April.

Tekna employees with a Powered Air Purifying Respirator Unit, personal protective equipment

Board of Directors' report (continued)

Sustainability

Tekna has prepared a separate Sustainability report in accordance with Section 3-3 of the Norwegian Accounting Act regarding corporate social responsibility and in line with the European Corporate Sustainability Reporting Directive. The report is included in this annual report and will be available on the company's website from 10 April.

The report describes Tekna's material impacts, risks and opportunities. The materiality assessment identified the following topics to report on:

- Environment: Tekna reports on Climate Change (E1) and Resource use and circular economy (E5),
- Social: Own workforce (S1) and Workers in the value chain (S2),
- Governance: Business Conduct (G1) and Cyber Security (Gx—entity specific).

For all these topics it describes the strategy, how it is operationalized through guidelines, targets and an action plan, followed by measurements consisting of 2024 compared to 2023 where available and a baseline if applicable.

Tekna sets high ethical standards, and communication with the outside world is to be open, clear and honest. The Company is responsible for ensuring safe and good workplaces in the local communities where it is present.

Tekna seeks to create value for society, customers, employees and shareholders.

Environment

Tekna's environmental impact is two-fold. Tekna has a positive environmental impact through developing products which enable a green transition. Tekna produces metal powders for Additive Manufacturing ("AM") that significantly reduce the metal consumption in product manufacturing processes downstream. In the application of AM parts in airplanes and vehicles parts are usually lighter and therefore more energy efficient (less weight, less fuel consumption). On the other hand, the company also has an environmental impact from internal business operations such as emissions from employee commutes, business travels, energy consumption at the company's locations and waste generation.

Tekna started climate accounting in 2019 and for the first time this year it has completed a full estimation of material emissions in scope 3, which are mostly up- and downstream GHG emissions. The carbon accounting was updated using CEMAsys' digital solution, and a full overview can be found in the appendix of the annual report.

For scope 1 and 2 Tekna has already committed to an absolute reduction of 50% by 2030 over 2021.

EU Taxonomy

Tekna has prepared an EU Taxonomy report, which is part of the annual report and published on the website.

The following summarizes the results:

- Tekna's economic activities are eligible under Climate Change Mitigation and not under any of the other five environmental objectives.
- Additive manufacturing and PlasmaSonic wind tunnels are activities assessed as aligned with the EU Taxonomy. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.
- All Tekna revenues are eligible except for its R&D revenue (~1% in 2024). Total eligible revenue: CAD 36.8m.
- 63% of Tekna's CapEx is invested in eligible activities, totaling CAD 2.9m.
- Tekna does not yet have a CapEx plan aimed at increasing the percentage of aligned activities.
- 100% of Tekna's OpEx is spend on eligible activities, totaling CAD 2.5m.

The high percentage of eligible activities reflects the great potential of the company and the challenge for medium sized companies in niche, high-tech industries to comply with the screening criteria as per the current requirements. It is likely that Tekna will not be able to prioritize the third party research required to prove alignment.

Operations

The activities covered by the environmental permit as delivered by the Quebec Ministry of Environment, are metallic powders manufacturing and induction plasma systems and auxiliary manufacturing. The manufacturing of both metallic powders and induction plasma systems has relatively low environmental risks. Limited hazardous waste is generated, and mostly from R&D. It is stored and treated according to regulations, air emissions are purified when needed, and wastewater is treated before being disposed of. There are low CO2 emissions (GHG) in our production process.

The production of nano nickel nano powder is in the industrialization phase, and risk analyses and mitigating measures have been put in place as the team proceeds in this project.

Board of Directors' report (continued)

Social

Tekna Group is subject to the two following legal frameworks, both having the objective of improving respect for fundamental human rights in supply chains and increasing transparency on the topic.

- 1 January 2024, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act came into effect.
- 1 July 2022, the Norwegian Transparency Act came into effect.

The Human Rights and Transparency report is part of the annual and will be published on the website of the company: www.tekna.com/esg.

Tekna takes its social responsibility seriously and continues to embed human rights into company-wide governance and compliance programs.

Both Employee and Business Partner Code of Conduct have been updated recently and approved by this Board of Directors and are in place. Tekna is working to ensure compliance with fundamental human rights and acceptable working conditions in our supply chains and with their business partners.

80 per cent of Tekna's global spend comes from suppliers based in the EU or North America, which we deem well-governed by legal standards. The remaining 20 per cent is spent on a key raw material, i.e. titanium, supplied by two regularly audited manufacturers in China. Both are well-established and qualified suppliers to major western industrial conglomerates.

We have addressed the issue of tantalum and tungsten, sometimes conflict minerals, by asking our suppliers to certify the provenance of the material.

In addition to ensuring Occupational health and safety Tekna respects the freedom of association and does not accept any form of forced labor, child labor or work-related discrimination. Reference is made to Sustainability and Governance documents available at www.tekna.com.

People and organization

The competence of our employees represents a major asset and competitive advantage for Tekna.

At the end of 2024, the Group employed a total of 185 people.

The number of employees were divided across locations as follows:

Canada:	161	(186)
France:	18	(31)
China:	4	(4)
South Korea:	1	(1)
USA:	1	(0)

There were no serious work-related accidents and two lost time injuries in 2024. Sick leave was 2.9% per cent in 2024, compared to 3.3 per cent in 2023.

Activities on gender equality and non-discrimination

Tekna is committed to ensuring that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation or age, have the same opportunities for work and career development at Tekna.

Women represented 26 per cent of the Tekna workforce in 2024. Out of 43 managers (managers with employees reporting to them) 22 per cent were female. Tekna aspires to substantially increase the share of female employees and is working through the employee life cycle to see where measures could be implemented to enhance diversity across the organization. To date, Tekna's workforce comprises 23 different nationalities, of which about 2/3 are Canadian.

In 2022, Tekna has developed and transitioned its workers compensation system to ensure equality, based on an objective job evaluation method that positions employees on the relative value of their jobs. This system is compliant with the legal requirements prescribed by the Commission for labor standards, pay equity and occupational health and safety (CNESST) of the Province of Quebec. Therefore, the average pay for men and women vary due to differences in job categories and years of service, not because of gender. No gender-based differences exist with regard to working hour regulations or the design of workplaces. The unadjusted gender pay gap was 3.9% in 2024.

The Remuneration policy on determination of salary and other remuneration for leading persons was approved by the Extraordinary General Meeting in October 2022 and a full disclosure can be found in the separate Remuneration report. Guidelines for remuneration of leading persons are available in the Corporate Governance Policy on the company's website.

The province of Quebec (Canada) has strong legislation on discriminatory harassment in the workplace. The Employee as well as the Business Partner Code of Conduct clearly reject any form of discrimination and emphasize the importance of respect and civility. It also includes a clear process for reporting and dealing with inappropriate behavior.

In 2024 the Executive Leadership Team had four male and two female members. The Board of Directors has four female members and three male members.

Refer to the CSRD report for further statistical mapping on gender equality.

Board of Directors' report (continued)

Governance

The Company is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (the "Code") available at www.nues.no. Reference is made to the Corporate Governance Report , which is included in the annual report and will be published on the company's website on 10 April.

Tekna launched a new online independent whistleblowing system. Further compliance policies were approved by the board and are in implementation, namely the Human Rights policy and the updated Business Partner Code of Conduct in line with principle 10 of the UN Global Compact[2]. The Ethics and Compliance Committee, which reports to the Audit Committee, is operational.

Tekna's Board of Directors has the overall responsibility for ensuring that the company has a high standard of corporate governance. The Company's corporate governance model is designed to provide a foundation for long-term value creation and to ensure good control. The Board has adopted a corporate governance policy to safeguard the interests of the company's shareholders, employees and other stakeholders. The policy describes the company's main principles for corporate governance and addresses the framework of guidelines and principles regulating the interaction between the company's shareholders, the Board of Directors and the Executive Leadership Team. These principles and associated rules and practices are intended to increase predictability and transparency, and thus reduce uncertainties related to the business. The company follows the Norwegian Code of Practice for Corporate Governance. The company's practice is largely in accordance with these recommendations.

Tekna Holding ASA is a public limited company and is organized under Norwegian law with a governance structure based on Norwegian corporate law and other regulatory requirements. The company's shares are freely transferable and are not subject to ownership restrictions pursuant to law, licensing conditions, articles of association or similar restrictions.

Currently, Tekna has seven Board members, none of whom are members of the company's management. Three Board members are independent of company management and significant business partners. Four Board members, including its Chair Dag Teigland elected in 2023, have an affiliation with Arendals Fossekompani ASA, Tekna's main shareholder. The Audit Committee consists of one dependent and one independent Board member. Tekna's Board of Directors met for a total of nine board meetings with 97% participation.

The Board members and the Executive Leadership Team are covered by liability insurance. The policy has worldwide coverage, and in addition to financial loss, it provides cover for aggravated, punitive and exemplary damages imposed on the insured, where these are insurable by law.

Cyber security

Information and Communications Technology (ICT) security relates to the internal policies and protocols specific to the Group that help ensure that information and data are protected and secure from unwanted breaches or incidents, and handled in such a manner that protect company-specific data and individual rights, and adhere to applicable external regulations.

Executives and Finance positions are at risk for their access to sensitive data and presumed ability to authorize or move money (17 employees in 2024). Tekna does not store personal data of a sensitive nature, except of its own employees.

Tekna keeps a log of (attempted) cyber attacks. No successful cyberattacks have taken place in 2024. Tekna is implementing a cyber security roadmap based on conclusions of a third party vulnerability test performed in 2023. All employees pass compulsory security awareness training on an annual basis and simulated phishing attacks throughout the year. Additional training is imposed to employees failing security training, simulated fishing attacks or as determined by management.

2: Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Board of Directors' report (continued)

Declaration by the Board of Directors and CEO

We hereby confirm that, to the best of our knowledge, the consolidated annual financial statements for 1 January to 31 December 2024 have been prepared in accordance with applicable accounting standards and that the information in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. We confirm that the financial statements give an accurate and fair view of the development, profit and position of the company, as well as a description of the principal risks and uncertainties it is facing.

Arendal, 9 April 2025

The Board of Directors and CEO

Tekna Holding ASA

This document was electronically signed.

Dag Teigland Chair of the Board	Torkil Sigurd Mogstad Member of the Board	Barbara Thierart-Perrin Member of the Board
Anne Lise Meyer Member of the Board	Kristin Skau Åbyholm Member of the Board	Lars Magnus Eldrup Fagernes Member of the Board
Ann-Kari Amundsen Heier Member of the Board	Luc Dionne CEO	

"We would like to express our gratitude to all of Tekna's employees for their dedication and contributions to the company's growth and success."

From left to right: Ann-Kari Amundsen Heier, Dag Teigland (Chair), Lars Magnus Eldrup Fagernes, Barbara Thierart-Perrin, Anne Lise Meyer, Kristin Skau Åbyholm and Torkil Sigurd Mogstad.

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Parent Financial Statements

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Notes to the Parent Financial Statements

Consolidated Financial Statements

Income Statement

Amounts in CAD 1000	Note	FY2024	FY2023
Revenues	2	37 166	40 888
Other income	3	3 914	991
Materials and consumables used		21 165	22 658
Employee benefit expenses	4	16 392	17 143
Other operating expenses	5	7 515	10 248
EBITDA		**-3 993**	**-8 170**
Depreciation and amortisation	10, 11	4 021	4 222
Net operating income/(loss)		**-8 014**	**-12 391**
Share of net income (loss) from associated companies and joint ventures	20	1	-608
Finance income	17	334	575
Finance costs	17	2 620	1 119
Profit/(loss) before income tax		**-10 299**	**-13 543**
Income tax expense	6	851	1 467
Profit/(loss) for the period		**-11 150**	**-15 009**
Attributable to equity holders of the company		-11 036	-14 422
Attributable to non-controlling interests		-114	-587
Basic earnings per share	19	-0.09	-0.12
Diluted earnings per share	19	-0.09	-0.12

Other Comprehensive Income

Amounts in CAD 1000	Note	FY2024	FY2023
Items that may be reclassified to statement of income			
Exchange differences on translation of foreign operations		35	-49
Items that may be reclassified to statement of income		**35**	**-49**
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		**35**	**-49**
Total comprehensive income/(loss) for the period		**-11 115**	**-15 058**
Attributable to equity holders of the company		-10 999	-14 470
Attributable to non-controlling interests		-116	-589

Consolidated Financial Statements (continued)

Balance sheet

Amounts in CAD 1000	Note	31.12.2024	31.12.2023
Non-current assets			
Property, plant and equipment	10	24 446	23 894
Intangible assets	11	6 962	7 785
Associated companies and joint ventures	20	-	-
Non-current receivables	12	4 085	4 531
Deferred tax assets	6	-	-
Total non-current assets		**35 493**	**36 210**
Current assets			
Inventories	7	17 261	17 607
Contract assets	2	1 502	3 905
Trade and other receivables	8	6 421	8 394
Cash and cash equivalents	9	12 352	10 148
Total current assets		**37 536**	**40 054**
Total assets		**73 029**	**76 264**

Amounts in CAD 1000	Note	31.12.2024	31.12.2023
Equity			
Share capital and share premium	18	497 260	494 956
Other reserves		-470 723	-455 405
Capital and reserves attributable to holders of the company		**26 537**	**39 552**
Non-controlling interests		-	-1 197
Total equity		**26 537**	**38 354**
Non-current liabilities			
Borrowings	16	31 486	24 662
Lease liabilities	13	1 637	773
Deferred tax liabilities	6	1 649	1 163
Total non-current liabilities		**34 771**	**26 598**
Current liabilities			
Bank loan	16	-	-
Lease liabilities	13	647	595
Trade and other payables	14	3 741	4 875
Provision for warranties		182	137
Contract liabilities	2	1 513	2 442
Other current liabilities	14	5 217	2 860
Borrowings short-term portion	16	420	402
Total current liabilities		**11 721**	**11 311**
Total liabilities and equity		**73 029**	**76 264**

Arendal, 9 April 2025

The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

Dag Teigland Chair of the Board	Barbara Thierart-Perrin Member of the Board	Torkil Sigurd Mogstad Member of the Board	Anne Lise Meyer Member of the Board
Kristin Skau Åbyholm Member of the Board	Lars Magnus Eldrup Fagernes Member of the Board	Ann-Kari Amundsen Heier Member of the Board	Luc Dionne CEO

Consolidated Financial Statements (continued)

Changes in Equity

Amounts in CAD 1000	Note	Attributable to equity holders of			Non-controlling interests	Total equity
		Share capital and share premium	Other reserves	Total		
Balance at 1 January 2023		494 956	-440 934	54 022	-609	53 412
Profit/(loss) for the period		-	-14 422	-14 422	-587	-15 009
Other comprehensive income/(loss)		-	-47	-47	-2	-49
Balance at 31 December 2023		494 956	-455 405	39 552	-1 197	38 354
Balance at 1 January 2024		494 956	-455 405	39 552	-1 197	38 354
Profit/(loss) for the period		-	-11 036	-11 036	-114	-11 150
Other comprehensive income/(loss)		-	37	37	-2	35
Settlement/conversion share based payment	18	2 304	-4 338	-2 034	1 312	-722
Share-Based Compensation		-	20	20	-	20
Balance at 31 December 2024		497 260	-470 723	26 537	-	26 537

Consolidated Financial Statements (continued)

Cash flow

Amounts in CAD 1000	Note	FY2024	FY2023
Cash flow from operating activities			
Net profit/(loss)		**-11 150**	**-15 009**
Depreciation, amortization and impairment	10, 11	4 021	4 222
Variation in deferred taxes	6	486	1 163
Accretion of discounted loan	16	402	345
Loan discount recognition	10, 11, 16	-354	-775
Share-Based Compensation		20	-
Write-off of license liability	16	-116	-
Write-off of capitalized license costs	11	116	-
(Gain)/Loss from sales of assets		-	9
Net gain from settlement in subsidiary via equity instruments	18	-722	-
Capitalized interests on loan	16	1 946	981
Investing interest received		-334	-364
Financing interest paid		108	138
Share of results from associated companies and joint ventures		-1	608
Total after adjustments to profit before income tax		**-5 579**	**-8 682**
Change in Inventories	7	345	2 985
Change in other assets		4 823	-3 443
Change in other liabilities		339	-2 504
Total after adjustments to net assets		**-72**	**-11 644**
Net cash from operating activities		**-72**	**-11 644**

Amounts in CAD 1000	Note	FY2024	FY2023
Cash flow from investing activities			
Proceeds from the sales of PPE	10	4	-
Purchase of PPE and intangible assets, net of grants	10, 11	-2 891	-8 205
Interest received		334	364
Net cash flow from investing activities		**-2 552**	**-7 841**
Cash flow from financing activities			
Increase (decrease) of bank loan	16	-	-1 197
New loans	16	6 873	21 159
Repayment of loans	16	-1 263	-839
Repayment of lease liabilities	16	-661	-565
Interest paid		-108	-138
Net cash flow from financing activities		**4 840**	**18 420**
Change in cash and cash equivalents		**2 216**	**-1 065**
Cash and cash equivalents at the beginning of the period		10 148	11 364
Effects of exchange rate changes on cash and cash equivalents		-13	-150
Cash and cash equivalents at end of the period		**12 352**	**10 148**

Notes to the Consolidated Financial Statements

Organization and accounting principles

Information about the company

Tekna Holding ASA is domiciled in Norway, and with headquarters in Sherbrooke, Canada. The consolidated financial statements for financial year 2024 include the company and its subsidiaries (as a whole, referred to as "the Group"). Information about the companies included in the scope of consolidation is disclosed in Note 21, together with information about Group investments in associates.

Basis for preparation

The consolidated financial statements have been prepared in accordance with International IFRS® Accounting Standards as adopted by the EU and associated interpretations, as well as Norwegian disclosure requirements pursuant to the Norwegian Accounting Act applicable as of 31 December 2024. The annual and consolidated financial statements were approved by the board of directors on 9 April 2025.

The financial statements are presented in Canadian dollar (CAD), which is the functional currency of the parent company. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand CAD units unless otherwise stated.

The financial statements have been prepared using the historical cost principle, with the exception of the following assets, which are presented at fair value: Financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income.

The Group recognizes changes in equity arising from transactions with owners in the statement of changes in equity. Other changes in equity are presented in the statement of comprehensive income (total return).

Preparation of financial statements in accordance with IFRS requires the use of assessments, estimates and assumptions that influence which accounting policies shall be applied, and also influence recognized amounts for assets and liabilities, revenues and costs. Actual amounts can deviate from estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which they arise if they only apply to that period. If the changes also apply to subsequent periods, the effect is allocated over the current and subsequent periods.

Areas with significant estimation uncertainties, and where assumptions and assessments made have significantly influenced the application of the accounting policies, are disclosed in each relevant note.

Accounting policies

The accounting policies applied in the preparation of the annual and consolidated financial statements are described below. With the exception of effects described in the section on changes in accounting policies below, the policies are applied consistently for all periods. In case that subsidiaries have used other principles to prepare their separate annual financial statements, adjustments have been made so the consolidated financial statements are prepared according to common policies.

Changes in accounting policies for 2024

No new standards have been adopted by the Company and the Group with effect from 1 January 2024.

Principles of consolidation

Foreign currency translation

Functional and presentation currency Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). All amounts disclosed in the consolidated financial statements have been rounded off to the nearest thousand CAD units unless otherwise stated. From the date of incorporation, the functional currency of the parent company has been determined to be Norwegian kroner (NOK) due to its ties to Arendals Fossekompani ASA and predominantly NOK financing.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented

Notes to the Consolidated Financial Statements (- Note Organization and accounting principles—continued)

in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

Revenue recognition

Revenues from contracts with customers

Under IFRS 15, Revenue from Contracts with Customers, the Group recognizes revenue at the agreed transaction price when control of promised goods or services transfers to the customer, reflecting the consideration the Group expects to be entitled to in exchange for those goods or services. Revenue is recognized either at a point in time or over time, depending on when control transfers, as determined at the inception of each contract. The timing of revenue recognition varies based on the nature of the goods or services provided and the specific terms agreed with the customer.

The Group's primary revenue sources are the sale of Materials and the delivery of Systems. Contracts differ based on customer needs, ranging from straightforward material sales to complex system projects involving design, manufacturing, and testing. Customers include universities, research laboratories, niche companies, domain experts, small to large industrial firms, and government research centers across industries such as aerospace, defense, medical, consumer electronics, and 3D printing.

Transaction price - Sale of Materials

The Group determines the transaction price for Materials sales as the amount of consideration it expects to be entitled to in exchange for transferring the promised goods to the customer, net of discounts and sales-related taxes, which are collected on behalf of tax authorities. Revenue is typically recognized at a point in time, upon shipment under EXW (Ex Works) or similar terms, when control transfers to the customer. However, this timing may shift depending on shipping methods, customer location, export/import regulations, or local trade customs.

Materials are sold on standardized or custom specifications, serving a wide range of applications. Pricing is based on market conditions, with discounts periodically offered or applied to high-volume purchases. Payment terms generally align with standard commercial practices (e.g., net 30 days) and may vary depending on customer relationships or order specifics. Customers include small to large industrial companies and government research centers, reflecting a diverse base with needs spanning bulk standardized orders to high-precision custom materials.

Fixed price contracts - Sale of Systems

Revenue from the sale of Systems is recognized in accordance with IFRS 15, with control transferring over time due to the custom-designed nature of the systems, which have no alternative use, and the Group's enforceable right to payment for work completed to date. These fixed-price contracts typically span 6 to 18 months, depending on complexity and standardization, and involve activities such as design, manufacturing, testing, and delivery. Revenue is recognized progressively using the percentage-of-completion method, where income and profits are recorded based on the degree of work completed. The cost-to-cost method is applied, comparing actual costs incurred to total expected costs, provided the sales price is fixed or determinable and collection is reasonably assured.

Payment terms are structured around project milestones, typically including a significant prepayment upon placement of the Purchase Order, a downpayment at design approval, a downpayment at Site Acceptance Test (SAT), and a final payment at Factory Acceptance Test (FAT). Customers, such as universities, research labs, niche companies, and domain experts, collaborate closely with the Group to meet tailored specifications, influencing project timelines and the revenue recognition process.

Contract balances

Contract balances consist of client-related assets and liabilities. Contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to trade receivables when the right to payment has become unconditional, which usually occurs when invoices are issued to the customers. When a client pays consideration in advance, or an amount of consideration is due contractually before transferring of the license or service, then the amount received in advance is presented as a liability.

Notes to the Consolidated Financial Statements (- Note Organization and accounting principles—continued)

Contract liabilities represent mainly prepayments from clients for unsatisfied or partially satisfied performance obligations in relation to licenses and services. Contract assets are within the scope of impairment requirements in IFRS 9. For contract assets the simplified approach is applied, and the expected loss provision is measured at the estimate of the lifetime expected credit losses.

Share-based compensation

For share-based compensation by equity instruments granted that do not vest until the employee completes a specified period of service, it is assumed that the services to be rendered as consideration for the equity instruments will be received in the future, during the vesting period. Such services are accounted for as they are rendered by the employee during the vesting period, with a corresponding increase in equity.

Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The grants related to an expense are presented as other revenues, not against the expense. The grants related to fixed assets or intangible assets are recorded against the cost on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the useful life of a depreciable asset as a reduced depreciation.

Financial Liabilities: Interest-Free Loans

The Group recognizes interest-free loans initially at fair value, determined by discounting the future cash flows using a market-related interest rate that reflects the time value of money, and the credit risk associated with the loan. The difference between the nominal amount of the loan and its fair value at initial recognition is recorded as a loan discount in the statement of financial position.

Subsequently, the loan is measured at amortized cost using the effective interest method in accordance with IFRS 9 Financial Instruments. The loan discount is amortized over the term of the loan, with the amortization recognized under "Loan discount recognition" as a reduction of purchase in PPE and intangible assets in the balance sheet (note 10 and 11), reduction of non-current debt (note 16) and as an increase of grant as other income in the income statement. Additionally, the unwinding of the discount, representing the theoretical or imputed interest, is presented as "Accretion of discounted loan" within finance costs (note 17) in income statement and an increase of non-current debt (note 16). This approach ensures that the interest-free loans are presented in a manner consistent with the economic substance of the transactions, as required by IFRS.

Segment information

The Chief Operating Decision Maker (CODM) assesses the financial performance and position of the Group and makes strategic decisions. The internal financial reporting to the CODM is on a consolidated basis. As a result, the Group has only one reportable segment. The CODM is identified as the Board of Directors.

Climate Risk Considerations

The company has assessed climate-related risks and their potential impact on the financial statements. In the short and medium term, key physical risks include extreme weather and higher temperatures, which may disrupt the supply of materials like titanium or pose health and safety risks to workers, such as in regions like China, potentially raising costs or delaying production. These risks may also increase transportation costs. In the medium to long term, physical risks could affect decisions on new production locations, impacting future capital expenditures. As of 31 December 2024, no material financial impacts from climate risks have been identified. Management continues to monitor these risks for effects on inventory valuation, cost of sales, and asset impairments, as part of its accounting estimates and judgments.

Key Accounting Estimates and Judgments

The preparation of these financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates, and assumptions. These are based on historical experience, current conditions, and expectations of future events that are considered reasonable under the circumstances. However, actual results may differ from these estimates due to their inherent uncertainty.

A key area of estimation uncertainty is:

- Provision for slow-moving inventory (Note 7 – Inventories): The provision reflects inventory that may not be sold due to fluctuating demand and market penetration levels, assessed using historical sales, growth rates and order intake. Movements in the provision are also considered material and are driven by changes in inventory levels and historical sales performance. This is deemed a key accounting estimate under IAS 1.125, as it is material and depends on future market conditions (demand) and operational outcomes (production). The provision is sensitive to production (inventory buildup) and demand (sales and orders): Scenario one: If production increases inventory by 10% (adding ~CAD 866 thousand to finished goods of CAD 8 664 thousand in 2024) and demand drops by 10%, the provision could rise by ~CAD 600 thousand, reducing profit before tax. Scenario two: If production stops (no new inventory) and demand drops by 10%, the provision could fall by ~CAD 500 thousand, increasing profit before tax.

Estimates are regularly reviewed and updated as new information becomes available.

Notes to the Consolidated Financial Statements (continued)

Note 1 Research and development

Amounts in CAD 1000	2024	2023
Salaries	1 814	1 711
Materials and other costs	902	836
R & D Tax credits	-87	-161
Research and Development costs	2 629	2 386
Less: development capitalized	-508	-428
Research expensed	2 121	1 958

Note 2 Revenue from contracts with customers

Accounting principles and information related to external customers are described in the Organization and accounting principles. There are no customers that represent ten per cent or more of the Group's total revenues on an annual basis in 2024.

Disaggregation of revenue from contracts with customers

2024 *Amounts in CAD 1000*	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	26 504	915	380	27 799
Revenue recognized over time	9 367	-	-	-	9 367
Revenue from external customers	9 367	26 504	915	380	37 166
Contribution margin	5 931	9 083	607	380	16 001
Contribution margin %	63.3%	34.3%	66.4%	100.0%	43.1%
Revenue from external customers specified per geographical area:					
North America	3 606	12 608	544	238	16 997
Europe	496	9 331	219	142	10 188
Asia	5 265	4 564	152	-	9 981
Total	9 367	26 504	915	380	37 166
Order backlog	4 781	11 921	-	-	16 702

(- Note 2 continued)

The backlog is expected to be recognised as revenue within 12 months.

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 per geographical area:					
North America	8 914	10 118	515	244	19 791
Europe	2 599	11 873	515	245	15 233
Asia	2 164	3 700	-	-	5 864
Total	13 677	25 692	1 030	489	40 888
Order backlog	9 442	14 596	-	-	24 038

Overview of non-current asset per geography

Amounts in CAD 1000	2024	2023
Canada	31 884	32 639
France	3 486	3 551
China	17	15
South Korea	3	4
USA	103	-
Total non-current assets	35 493	36 210

Customer concentration

Amounts in CAD 1000	2024	2023
Top 1 customer	6.7%	17.3%
Top 10 customers	38.3%	42.0%
Top 20 customers	55.5%	57.7%

Notes to the Consolidated Financial Statements (continued)

Note 3 Other income

Accounting principles and information related to grants and other income are described in the Accounting Principles.

Disaggregation of other income

Amounts in CAD 1000	2024	2023
Grant	973	1 001
Gain/loss disposals	3	-9
Other (Litigation payment)	2 938	-
Other Income	3 914	991

In 2024, the recognised grant includes CAD 815 thousand from the Canadian Federal Government's Strategic Innovation Fund (SIF), as part of an amended contribution agreement originally announced on June 28, 2018. The SIF program supports research and development initiatives aimed at advancing technology transfer, commercialization, and the growth of innovative firms. The agreement, extended to March 31, 2027, maintains a maximum disbursement of CAD 20 million, with an accumulated CAD 11.2 million disbursed as of 2024.

Other income derived from litigation payments pertains to the settlement received from AP&C as reimbursement for a portion of the legal expenses incurred by Tekna. Refer to Note 23 for additional details.

Under the Investissement Québec government assistance program that ended in 2024, Tekna received funding tied to the creation of 75 new jobs in addition to the 105 existing jobs in Quebec as of 2017. These 75 jobs must be maintained through at least March 31, 2028. The assistance has been recognized in the financial statements based on cash received to date. As of the reporting date, there are no related accruals recorded in the balance sheet, as the company has met the job creation and maintenance conditions thus far. However, a contingency exists: non-compliance with the job maintenance commitment could require repayment of the contribution at a rate of CAD 10 700 per year for each of the 75 jobs not sustained. Management continues to monitor compliance with these conditions.

(- Note 4 continued)

Note 4 Remuneration and employee benefits

Amounts in CAD 1000	2024	2023
Salaries	15 884	16 853
Social security contributions	2 770	2 857
Pension costs	476	504
Other benefits	802	641
Share-Based Compensation	20	-
Capitalized as development, inventories etc.	-3 559	-3 712
Total employee benefit expenses	16 392	17 143
Average number of full time employees	201	218

Share option plan—Tekna Group

The guidelines for remuneration of leading persons in the Tekna group was approved by the shareholders at the annual general assembly dated 3 May 2023.

The establishment of the share option plan was approved by the shareholders at the annual general assembly dated 15 May 2024.

The board of directors of Tekna Holding ASA (the "Company") has resolved to implement an employee share option plan (the "Plan"). The Plan is available to eligible individuals as determined by the board of directors. The Plan enables the eligible person to acquire a proprietary interest in the growth and performance of the Company and to enhance the ability of the Company to attract, retain and reward qualified individuals. Options can be granted on an annual or ad hoc basis, with annual grants projected for 2024, 2025, and 2026, all subject to the board's discretion. Upon exercising their options, option holders can choose between acquiring shares after paying the strike price or opting for a cashless transaction. The latter involves the transfer of a number of treasury shares equivalent to the NOK amount of the number of exercised options, multiplied by the difference between the Company's shares' market price and the strike price.

On 23 October 2024, the board of directors has granted a total of 2 124 000 options in the 2024 allocation round. These options have a strike price of NOK 4.88. Issued options vest 33% after one year, 33% after two years, and 33% after three years. The expiry date for any option granted is the date falling 24 months following the vesting date and will lapse if not exercised.

Notes to the Consolidated Financial Statements (- Note 4 continued)

The share options plan have been treated as an equity-settled plan under IFRS. The strike price of the share options will be based on the volume weighted average share price over the last five last trading days preceding the grant date. The total profit each option holder may achieve shall be limited to 400% of the fair market value of the share at grant, or limited to 400% of annual fixed salary of the option holder in the year of grant.

Set out below are summaries of options granted under the plan:

	2024		2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	-	-	-	-
Granted during the year	4.88	2 124 000	-	-
Exercised during the year	-	-		
Forfeited during the year	-	-	-	-
As at 31 December	4.88	2 124 000	-	-

Vested and exercisable at 31 December

No options expired during the periods covered by the tables above.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	End of period	Contractual days remaining	Expiry date	Exercise price	Share options 2024	Share options 2023
23 Oct 24	31 Dec 24	1 026	23 Oct 27	4.88	708 000	-
23 Oct 24	31 Dec 24	1 392	23 Oct 28	4.88	708 000	-
23 Oct 24	31 Dec 24	1 757	23 Oct 29	4.88	708 000	-
Total					2 124 000	-

Weighted average remaining contractual life (years) of options outstanding at end of period: 3.87

Name	Title	Share options 2024	Share options 2023
Luc Dionne	CEO	319 000	-
Espen Schie	CFO	140 000	-
Other executive management		560 000	-
Other key employees		1 105 000	-
Total share options		2 124 000	-

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2024 was NOK 1.2, 1.5 and 1.7 for the different vesting periods. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model that considers the exercise price, the term of the option, the share price at grand date and expected price volatility of the risk-free interest rate for the term of the option, and the volatilities of the peer group companies.

The model inputs for options granted during the year ended 31 December 2024 included:

Vesting Year	2025	2026	2027
a) Options are granted for no consideration and vest after one, two and three years (service condition). Vested options are exerciseable for a period of 24 months years after vesting.			
b) Share price	4.6	4.6	4.6
c) Exercise price	4.88	4.88	4.88
d) Risk free-rate (3, 4 and 5 year)	3.53%	3.53%	3.53%
e) Volatility	35%	38%	39%
f) Maturity	3	4	5
g) Days (360 per year)	1 080	1 440	1 800
h) Date of exercise	23 Oct 27	23 Oct 28	23 Oct 29
i) Valuation date	23 Oct 24	23 Oct 24	23 Oct 24

The estimated expected price volatility is based on the median of volatilities of the peer group companies over an historical period of 3-5 years since Tekna has a short historical period only. The estimated expected lifetime of the options is set at 3,4 and 5 years.

Notes to the Consolidated Financial Statements (- Note 4 continued)

Total expenses arising from share options are recognized during the period as part of employee benefit expenses and based on vesting of 84% regarding service condition, representing the actual churn, and adjusted for the profit cap of 400% of the fair market value of the share at grant.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized during the period as part of employee benefit expense were as follows:

For this share-based incentive program no new shares have been issued during 2024. The share incentive program was only applicable in 2024 and no new shares have been purchased. For further information see the Remuneration Report.

Amounts in CAD 1000	2024	2023
Expense of options issued under employee share option plan	20	-
Total share options expenses	20	-

Amounts in CAD 1000	2024	2023
Share price 31 Dec 2024	3.25	-
Intrinsic value (out-of-the money @ 4.88 exercise price)	-1.63	-
Number of subscription rights	2 124 000	-
Accrual payroll tax	-	-

Note 5 Other operating expenses

Amounts in CAD 1000	2024	2023
Maintenance equipment & buildings	792	807
Marketing, travel and representation costs	1020	1 439
Consultants and professional fees	1348	1 071
IT costs	1291	1 217
Bad debts	-513	4 033
Manufacturing overhead costs	3577	1 680
Total operating expenses	7 515	10 248

For additional details regarding bad debt, please refer to Note 8 and note 15.

Remuneration to auditor

Amounts in CAD 1000	2024	2023
Statutory audit	500	356
Other assurance services	28	38
Tax advisory	52	20
Other non-audit services	-	5
Total remuneration to auditor	581	420

Notes to the Consolidated Financial Statements (continued)

Note 6 Income tax

Amounts in CAD 1000	2024	2023
Tax payable on ordinary income	366	303
Adjustment for previous years	-	-
Current tax expense	366	303
Deferred tax expense	486	1 163
Total tax expense in the income statement	851	1 467
Reconciliation of effective tax rate		
Profit / (loss) before income tax	-10 299	-13 543
Tax based on current ordinary tax rate	-2 729	-3 589
Effect of non-deductible expenses	524	357
Effect of unrecognised tax loss carryforward	3 026	4 725
Effect of changed tax assessments for previous years	30	-26
Total tax expense	851	1 467
Effective tax rate	-8.26%	-10.83%

Amounts in CAD 1000 2024	Assets	Liabilities	Net assets
Property, plant and equipment	767	-	767
Intangible assets	-	-1 179	-1 179
Other items	113	-	113
Restricted interest - EIFEL	1 241	-	1 241
Tax loss carryforward	21 225	-	21 225
Unrecognised tax assets	-22 167	-	-22 167
Recognised tax loss carryforward	-	-	-
Deferred tax asset/liability	1 179	-1 179	-
Offsetting of assets and liabilities	-	-1 649	-1 649
Net deferred tax asset/liability	1 179	-2 828	-1 649

Amounts in CAD 1000 2023	Assets	Liabilities	Net assets
Property, plant and equipment	236	-	236
Intangible assets	-	-1 207	-1 207
Other items	29	-	29
Tax loss carryforward	20 192	-	20 192
Unrecognised tax assets	-20 192	-	-20 192
Recognised tax loss carryforward	942	-	942
Deferred tax asset/liability	1 207	-1 207	-0
Offsetting of assets and liabilities	-	-1 163	-1 163
Net deferred tax asset/liability	1 207	-2 370	-1 163

The amount of losses carried forward subject to expiration represent $ 60,4 m for federal income tax purposes and $ 66,4 m for provincial tax purposes and $ 9,2 m from France that do not expire. The federal income tax rate is 15% and the provincial income tax rate is 11%. Some of the losses are expiring according to the following tables:

Amounts in CAD 1000 *Losses carried forward, Expiry by Year*	Canada		France
	Federal	Provincial	
2043	7 545	8 093	-
2042	17 416	21 213	-
2041	11 919	11 990	-
2040	3 258	3 171	-
2039	4 929	5 052	-
2038	3 297	3 300	-
2037	4 457	4 644	-
2036	2 288	2 288	-
2035	1 864	1 897	-
2034	1 890	3 151	-
2033	115	115	-
2032	292	291	-
2031	585	585	-
2030	260	260	-
2029	326	328	-
No expiry	-	-	9 297
	60 441	66 377	9 297

Notes to the Consolidated Financial Statements (continued)

Note 7 Inventories

Inventory stock

Amounts in CAD 1000	2024	2023
Raw materials	8 104	10 336
Work in progress	493	386
Finished goods	8 664	6 886
Total inventories (net after provision for obsolescence)	17 261	17 607

Provision for obsolescence related to finished goods

Amounts in CAD 1000	2024	2023
Balance at 1 january	4 737	4 996
New provisions recognised during the year	2 156	3 055
Provisions reversed	-999	-3 313
Balance at 31 December	5 894	4 737

Provision slow moving

When producing powder of a specific alloy, the process generates a distribution of size fractions, which are dedicated to various markets and applications. Some of the size fractions could accumulate in inventory, depending on the demand and on the level of market penetration. A provision for slow moving inventory is recorded by Tekna following a periodic review of historical sales data for each fraction as well as the growth rate of sales and order intake. The provision could fluctuate depending on the level of inventory and the historic performance of sales.

Note 8 Trade and other receivables

Trade receivables

Amounts in CAD 1000	2024	2023
Trade receivables from contracts with customers	4 823	9 930
Loss allowance	-136	-4 075
Total	4 687	5 855

(- Note 8 continued)

Provision for losses *

Amounts in CAD 1000	2024	2023
Balance at 1 january	-4 075	-42
Change in expected losses and outstanding receivables	-121	-4 033
Provisions reversed	1 078	-
Realized bad debts	3 044	-
Exchange differences on translation of foreign operations	-61	-
Balance at 31 December	-136	-4 075

*For more information about credit risk and write-downs, see note 15.

Other receivables

Amounts in CAD 1000	2024	2023
Indirect Tax Receivable	735	363
Refundable deposit on Raw material	308	489
Grant and Investment tax credit receivable	273	167
Loan to employees	-	934
Prepaid Expenses	418	585
Total	1 734	2 538
Total trade and other receivables	6 421	8 394

Tekna made a provision of CAD 4.0 million in the fourth quarter of 2023 related to one joint venture. This provision for bad debt on receivables is considered non-recurring. The expense is excluded from Tekna's Adjusted EBITDA and has no cash effect. The 50/50 joint venture was established with a business partner in 2020 to produce and market nickel alloy powders. The entry into this market has proven less profitable than anticipated due to the market conditions, and the joint venture has been loss making since the inception. The losses have been funded by the joint venture partners. In 2024, the joint venture shareholders, including Tekna, have voted to start a dissolution of the joint venture and it is expected to be completed in 2025. Please refer to Note 20 for more information about the joint venture.

For additional details on credit risk, please refer to note 15.

Notes to the Consolidated Financial Statements (continued)

(- Note 10 continued)

Note 9 Cash and cash equivalents

Amounts in CAD 1000	2024	2023
Total cash at bank	12 352	10 148
Restricted cash	-	-

Note 10 Property, plant and equipment

Property, plant and equipment is recognized at historical cost less depreciation. Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

Asset	Period	Asset	Period
Building	25 years	Permanent systems incl. development cost	10 years
Equipment incl. development cost	5-8 years	Right-of-Use (RoU) assets	5-8 years
Mobile Infrastructure incl. development cost	25 years		

Amounts in CAD 1000 2024	Vehicles, machinery and equipment	Buildings and land	RoU assets	Total
Year ended 31 December 2024				
Cost at 1 January 2024	27 909	13 145	3 471	44 525
Purchase of PPE, net of grants	2 114	329	1 548	3 991
Loan discount recognition	-510	-92	-	-602
Disposal	-13	-23	-	-36
Translation adjustments	107	28	86	221
Cost at 31 December 2024	29 607	13 387	5 105	48 099
Accumulated depreciation at 1 January 2024	13 031	5 469	2 131	20 631
Depreciation	1 673	568	668	2 909
Disposal	-13	-18	-	-31
Translation adjustments	70	16	58	144
Accumulated depreciation at 31 December 2024	14 761	6 035	2 857	23 653
Carrying amount at 31 December 2024	14 846	7 352	2 248	24 446

Amounts in CAD 1000 2023	Vehicles, machinery and equipment	Buildings and land	RoU assets	Total
Year ended 31 December 2023				
Cost at 1 January 2023	21 200	12 460	3 115	36 775
Purchase of PPE, net of grants	7 041	755	351	8 147
Loan discount recognition	-339	-83	-	-422
Disposal	-41	-	-	-41
Translation adjustments	48	14	5	67
Cost at 31 December 2023	27 909	13 145	3 471	44 525
Accumulated depreciation at 1 January 2023	11 106	4 904	1 525	17 535
Depreciation	1 928	559	605	3 092
Disposal	-31	-	-	-31
Translation adjustments	28	7	1	36
Accumulated depreciation at 31 December 2023	13 031	5 469	2 131	20 631
Carrying amount at 31 December 2023	14 878	7 676	1 340	23 894

Notes to the Consolidated Financial Statements (continued)

(- Note 11 continued)

Note 11 Intangible assets

Amounts in CAD 1000 2024	Technologies	IP and licenses	Development	Total
Year ended 31 December 2024				
Cost at 1 January 2024	10 767	5 212	2 605	18 584
Additions, net of grants	-	204	244	448
Loan discount recognition	-	-16	-26	-42
Write-off of capitalized license costs	-	-210	-	-210
Cost at 31 December 2024	10 767	5 190	2 823	18 779
Accumulated amortization at 1 January 2024	7 538	2 785	476	10 799
Amortization	718	265	129	1 111
Write-off of capitalized license costs	-	-94	-	-94
Translation adjustments	-	1	-	1
Accumulated amortzation and impairment at 31 December 2024	8 255	2 957	605	11 817
Carrying amount at 31 December 2024	2 512	2 233	2 217	6 962
Estimated useful lives	15 years	15 years	10 years	

Amounts in CAD 1000 2023	Technologies	IP and licenses	Development	Total
Year ended 31 December 2023				
Cost at 1 January 2023	10 767	4 978	2 466	18 211
Additions, net of grants	-	235	175	410
Loan discount recognition	-	-1	-36	-37
Disposal	-	-	-	-
Cost at 31 December 2023	10 767	5 212	2 605	18 584
Accumulated amortization at 1 January 2023	6 820	2 507	347	9 674
Amortization	718	278	134	1 130
Translation adjustments	-	-	-5	-5
Accumulated amortzation and impairment at 31 December 2023	7 538	2 785	476	10 799
Carrying amount at 31 December 2023	3 230	2 427	2 128	7 785

Intangible assets are recognized at historical cost less amortization. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives. Intangible assets with definite useful life consists of acquired technology, internally generated intangible assets arising from development costs as well as licenses for software. Useful life varies between four and ten years.

If there are indications of impairment for the intangible assets with defined useful life, an impairment test is performed. For 2024, there are no such indications.

Development cost is recognized as an asset when it is identifiable and the company has the power to obtain the future economic benefits following from the underlying resource and to restrict the access of others to those benefits.

Note 12 Non-current receivables

Amounts in CAD 1000	2024	2023
R&D Tax Credit Receivable	4 085	4 531
Total non-current receivables	4 085	4 531

In 2024, Tekna Plasma Europe SAS received a reimbursement from Crédit Impôt Recherche (CIR), as well as set aside a provision for Corporate Income Tax payable.

R&D Tax Credit Carryovers, by Expiry Year

A research and development (R&D) tax credit receivable of CAD 3.8 million is recognized in the balance sheet for Tekna Plasma Systems Inc., representing federal tax credits for R&D activities. The recovery of this

Notes to the Consolidated Financial Statements (-note 12 continued)

amount is dependent on the generation of future taxable profits. These credits expire 20 years from the date of issuance.

A research and development (R&D) tax credit receivable of CAD 287 thousand is recognized in the balance sheet for Tekna Plasma Europe SAS, relating to the French Crédit d'Impôt Recherche (CIR). The recovery of this amount is dependent on future taxable profits. In France, CIR credits do not expire but are subject to specific utilization rules: they may be offset against corporate income tax when the company is profitable or refunded after a delay of up to four years if the company incurs losses.

Amounts in CAD 1000 *Credits by Expiry Year*	Canada	France
2043	237	-
2042	230	-
2041	248	-
2040	245	-
2039	475	-
2038	480	-
2037	465	-
2036	242	-
2035	256	-
2034	288	-
2033	255	-
2032	477	-
2031	77	-
2030	59	-
2029	358	-
No expiry	-	287
R&D Tax Credit Carryovers	4 391	287
Unrecognized tax credits	592	-

Note 13 Leases

This note provides information for leases where the group is a lessee.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Amounts in CAD 1000	2024	2023
Total right-of-use assets	2 248	1 340
Current lease liabilities	647	595
Non-current lease liabilities	1 637	773
Total lease liabilities	2 284	1 369

(- Note 13 continued)

Amounts recognised in the statement of income

The statement of income shows the following amounts relating to leases:

Amounts in CAD 1000	2024	2023
Total depreciation charge right-of-use assets	668	605
Interest expense	80	68

The group has no variable rate leases. Expenses in the statement of income related low value leases are immaterial to these financial statements.

Note 14 Trade payables and other current liabilities

Amounts in CAD 1000	2024	2023
Trade payables	3 741	4 875
Other current liabilities	5 217	2 860
Total	8 958	7 735

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Specification of other current liabilities

Amounts in CAD 1000	2024	2023
Accrued expenses and other current liabilities	3 052	2 860
Accrued Labor cost / holiday pay	2 004	-
Accrued Bonus	161	-
Total	5 217	2 860

The accrued expenses account represents costs incurred by the company that have not yet been recorded in accounts payable.

Notes to the Consolidated Financial Statements (continued)

Note 15 Financial risk and financial instruments

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Tekna operates on an international level, and produces spherical powders and nano powders, and delivers plasma systems for powder production of advanced materials. The Group's metal powders and plasma systems are produced for and delivered to a number of industrial sectors, such as aviation, aerospace, medical, mining and drilling, energy storage and microelectronics, and are delivered to its customers worldwide. The Group is headquartered in Canada and operates manufacturing centres in Canada and France, as well as sales and distribution offices in China, South Korea and USA.

Capital management

Tekna's capital management objectives are to ensure its ability to operate as a going concern, support ongoing business activities, and deliver sustainable returns to shareholders while maintaining sufficient financial flexibility to pursue growth opportunities. Tekna defines its capital as total equity, which includes share capital, reserves, and retained earnings, as well as interest-bearing loans and borrowings, where applicable.

Tekna actively manages its capital structure by monitoring economic conditions, operational cash flow requirements, and the risks associated with its business activities. To maintain an optimal capital structure, Tekna may take actions such as issuing new equity, adjusting dividend distributions, or managing debt levels. Key financial metrics, including the debt-to-equity ratio and working capital levels, are regularly assessed to ensure they align with the Tekna's strategic goals and financial health.

Tekna is currently subject to externally imposed capital requirements in form of financial covenants of its borrowing facilities (bank overdraft), which stipulate a Net Interest Bearing Debt (NIBD) of less than 0 (<0). The loan facility agreement with Arendals Fossekompani ASA of CAD 25 million is exempted from the calculation. As of December 31, 2024, Tekna complied with these requirements.

During the reporting period, there were no significant changes to the Tekna's capital management policies or processes. The Board of Directors conducts a regular review of the capital structure, with additional evaluations as needed in response to material business developments, to ensure it supports Tekna's long-term objectives.

Currency risk

Currency risk arises from the potential fluctuation in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. This risk emerges when financial assets or liabilities are denominated in a currency other than the Group's functional currency, which is the Canadian Dollar (CAD). The Group is exposed to foreign exchange rate risk as its business transactions, operations, and sales are conducted in multiple currencies, including the Canadian Dollar (CAD), U.S. Dollar (USD), Euro (EUR), Chinese Yuan (CNY), Indian Rupee (INR), and South Korean Won (KRW). Additionally, cash outflows are primarily denominated in CAD, USD, EUR, Norwegian Krone (NOK), and CNY, while cash inflows are mainly received in USD, EUR, CNY, and CAD (notably from governmental subsidies and grants).

The Group manages currency risk through natural hedging, whereby the diversity of currencies in its revenue streams and expenditures partially offsets the impact of exchange rate fluctuations. For instance, inflows in USD, EUR, and CNY from sales align with outflows in these currencies for operational costs, reducing net exposure. The Group does not engage in formal hedging activities using derivative financial instruments, relying instead on this natural balance to mitigate risk. Unfavorable fluctuations in exchange rates could still affect the Group's financial position, results of operations, or cash flows, but the impact is generally limited due to the offsetting nature of currency movements across its global operations.

The positive and negative effects of exchange rate changes vary depending on the specific currencies involved and the timing of transactions. Given the Group's diversified currency exposure and natural hedging, a sensitivity analysis indicates that reasonably possible changes in foreign exchange rates would not have a material impact on the Group's profit or equity. Management monitors currency risk on an ongoing basis and assesses the adequacy of its natural hedging strategy in light of market conditions and operational needs.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk through its portfolio of financial instruments, which includes both fixed and floating interest rate components. Fixed-rate instruments expose the Group to fair value risk, as their value may decrease if market interest rates rise, while floating-rate instruments expose the Group to cash flow risk, as interest payments fluctuate with changes in market rates.

Notes to the Consolidated Financial Statements (- Note 15 continued)

As at December 31, 2024, the Group's exposure to interest rate risk is summarized as follows:

- **Cash:** Floating rate, subject to prevailing market rates.
- **Accounts Receivable:** Non-interest bearing, not exposed to interest rate risk.
- **Bank Loan:** Floating rate, with interest payments varying based on market conditions.
- **Accounts Payable and Accrued Liabilities:** Non-interest bearing, not exposed to interest rate risk.
- **Long-Term Debt:** Floating rate on loans totaling CAD 28.6 million, subject to cash flow risk, and non-interest bearing on other loans, not exposed to interest rate risk.

The Group does not currently use derivative financial instruments, such as interest rate swaps, to hedge its exposure to interest rate risk. Instead, management monitors market interest rate trends and assesses the balance between fixed and floating rate instruments to mitigate potential adverse impacts on financial performance. The Group's exposure to floating-rate instruments, particularly the CAD 28.6 million in long-term debt and bank loan, represents the primary source of cash flow risk, while the fixed-rate finance leases mitigate cash flow volatility but introduce fair value sensitivity.

To illustrate the potential impact of interest rate changes, a sensitivity analysis was performed. A reasonably possible increase or decrease of 100 basis points (1%) in market interest rates, with all other variables held constant, would affect the Group's profit before tax as follows:

- **Floating-rate instruments** (CAD 28.6 million long-term debt, bank loan, and cash): An increase of 1% would increase annual interest expense and reduce profit before tax by approximately CAD 286 thousand, while a decrease of 1% would decrease interest expense and increase profit before tax by the same amount.

The sensitivity analysis assumes a parallel shift in interest rates and does not account for management actions that could be taken to mitigate risk. The actual impact of interest rate fluctuations may differ due to changes in the composition of the Group's financial instruments or market conditions. Management reviews interest rate risk exposure regularly to ensure it remains within acceptable levels aligned with the Group's financial strategy.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Group is primarily exposed to liquidity risk through its accounts payable and accrued liabilities, long-term debt, and obligations under committed credit facilities.

The Group manages liquidity risk by maintaining adequate cash reserves, marketable securities, and access to funding through committed credit facilities to ensure it can meet its financial obligations when due. This prudent approach involves maintaining flexibility in funding by keeping available credit lines and monitoring liquidity reserves to support operational and financial commitments. Management prepares rolling forecasts of the Group's liquidity position, which include cash and cash equivalents and undrawn borrowing facilities, based on expected cash flows. These forecasts enable the Group to anticipate and address potential liquidity shortfalls.

As at December 31, 2024, the Group has access to committed credit facilities totaling USD 0.75 million and CAD 4.0 million. These facilities may be drawn at any time, subject to the specified limits, and are subject to termination by the bank with notice as per the terms of the agreements. At year-end, the undrawn portion of these facilities provides additional liquidity to meet short-term obligations and unexpected cash flow needs.

The Group's liquidity risk is influenced by the timing of cash inflows from its operations, including revenue from Systems and Materials sales, and outflows related to operational expenses and debt repayments. Management actively monitors these cash flows to ensure sufficient liquidity is maintained to settle financial liabilities as they mature.

Information on contractual maturities of financial liabilities are available in the table:

2024 *Amounts in CAD 1000*	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Lease liabilities	2 284	2 693	340	307	615	670	761
Trade and other payables	3 741	3 741	3 741	-	-	-	-
Borrowings	31 906	39 865	455	454	25 394	7 864	5 698

Notes to the Consolidated Financial Statements (- Note 15 continued)

2023 *Amounts in CAD 1000*	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Lease liabilities	1 369	1 508	343	256	406	498	5
Trade and other payables	4 875	4 875	4 875	-	-	-	-
Borrowings	25 064	34 245	443	401	739	27 432	5 230

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to meet its obligations, resulting in a financial loss to the Group. The Group's primary exposure to credit risk arises from its cash and trade receivables, which represent the main financial instruments subject to this risk.

The Group's cash is held with reputable, major financial institutions with high credit ratings, minimizing the risk of non-performance. Consequently, management considers the credit risk associated with cash balances to be negligible. Trade receivables, primarily arising from sales of Systems and Materials, expose the Group to credit risk if customers fail to settle amounts owed. To manage this risk, the Group maintains an allowance for expected credit losses on its trade receivables, which is assessed and updated regularly based on historical collection trends, customer creditworthiness, and economic conditions. As at December 31, 2024, all trade receivables have maturities of less than one year, reducing the duration of credit exposure.

To further mitigate credit risk, the Group employs proactive measures, including regular monitoring of customer credit profiles and requiring advance payments or letters of credit for Systems contracts, which typically involve higher transaction values and longer delivery timelines. These practices help secure payment and reduce the likelihood of default, particularly for significant contracts with universities, research labs, and industrial clients. Historically, the Group has not incurred material losses from trade receivable defaults, reflecting the effectiveness of its credit risk management processes.

Financial assets, including trade receivables, are written off when there is no reasonable expectation of recovery—for example, when a debtor fails to engage in a repayment plan or is deemed insolvent. Even after write-off, the Group continues enforcement efforts to recover amounts due, such as through legal action or collection agencies. Any subsequent recoveries are recognized in profit or loss as they occur, offsetting prior impairments.

The Group's maximum exposure to credit risk at the reporting date is the carrying amount of its cash and trade receivables, as disclosed in the statement of financial position, net of any allowances for expected credit losses. Management considers the concentration of credit risk to be low due to the diverse customer base spanning multiple industries and geographies, including aerospace, defense, medical, and research sectors.

Trade receivables

Provisions for losses are based on individual assessment of each item and customer. Expected loss in categories without any provisions made is based on the assumption that there are not risk of any material losses.

Amounts in CAD 1000	External customer rec not due	External customer rec 1-30 days past due	External customer rec 31-60 days past due	External customer rec 61-90 days past due	External customer rec > 90 days past due	Trade accounts receivable
2024						
Outstanding trade receivables	3 092	1 309	201	-	221	**4 823**
Provision for losses	-	-	-	-	-136	**-136**
2023						
Outstanding trade receivables	3 179	1 556	1 069	514	3 612	**9 930**
Provision for losses	-	-	-264	-380	-3 431	**-4 075**

Provisions for losses are based on individual assessment of each item and customer. Expected loss in categories without any provisions made is based on the assumption that there are not risk of any material losses. For additional details regarding bad debt, please refer to note 8.

Notes to the Consolidated Financial Statements (continued)

Note 16 Borrowings

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings. For more information on the Group's interest rate risk and foreign exchange risk see Note 15.

On April 11th, 2023, a CAD 25 million term loan facility with three tranches was made available for Tekna until June 2024 by Arendals Fossekompani ASA. The loan facility agreement provides financing through three tranches of CAD 10, 10 and 5 million, where each tranche is a loan with 3 years duration. This represents a total amount of CAD 25 million. The interest on the loan is accrued and added to the principal of the loan at the end of each interest period (payment in kind), and it is based on a 300 bps margin on top of the Canadian interbank rate 3-months CORRA.

As of December 31st, 2024, Tekna had drawn CAD 25 million under this loan agreement with Arendals Fossekompani ASA and represents CAD 27.6 million on the balance sheet including accrued interest.

For more information regarding Loan discount recognition and Accretion of discounted loan, please refer to *Financial Liabilities: Interest-Free Loans* in Organization and accounting principles.

The table below reconciles the movement in financial liabilities to cash flow from financing activities.

Amounts in CAD 1000	Borrowings		Lease liabilities		Bank loan (ST)		Total financial liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance at 1 January	25 064	4 651	1 369	1 620	-	1 197	26 433	7 468
New loans	6 873	21 159	-	-	-	-	6 873	21 159
Capitalized interest on loan	1 946	981	-	-	-	-	1 946	981
Cash Flow - repayment	-1 263	-839	-661	-565	-	-1 197	-1 925	-2 601
Write-off of license liability (non-cash)	-116	-	-	-	-	-	-116	-
FX variation loss (gain)	-	-	29	-38	-	-	29	-38
New leases (non-cash)	-	-	1 548	351	-	-	1 548	351
Loan discount recognition	-999	-1 234	-	-	-	-	-999	-1 234
Accretion of discounted loan	402	345	-	-	-	-	402	345
Total debt	**31 907**	**25 064**	**2 284**	**1 369**	**-**	**-**	**34 191**	**26 433**
Short-term portion	-420	-402	-647	-595	-	-	-1 067	-997
Balance long-term portion at 31 December	**31 486**	**24 662**	**1 637**	**773**	**-**	**-**	**33 123**	**25 435**

Amounts in CAD 1000	2024	2023
Loans secured by pledged assets		
Building and land	1 006	1 075
Machinery and equipment	-	-
Universality of movable and immovable property, tangible and intangible, current and future	1 164	983
Universality of movable property, tangible and intangible, current and future	27 561	20 981
Total non-current borrowings secured by pledged assets	**29 731**	**23 039**

Notes to the Consolidated Financial Statements (Note 16—continued)

List of borrowings

Amounts in CAD 1000	2024	2023
Loan from ultimate parent company, bearing floating interest at Canadian Overnight Repo Rate Average (CORRA-3 months) plus 3.00%, capital and interest payable in April 2026.	11 228	10 582
Loan from ultimate parent company, bearing floating interest at Canadian Overnight Repo Rate Average (CORRA-3 months) plus 3.00%, capital and interest payable in July 2026.	11 067	10 399
Loan from ultimate parent company, bearing floating interest at Canadian Overnight Repo Rate Average (CORRA-3 months) plus 3.00%, capital and interest payable in March 2027.	5 266	-
Loan, secured by land and a building with a net carrying amount of $4 394 986 as at December 31, 2024, bearing interest at the lender's prime rate plus 0.75% (as at December 31, 2024 – 6.20%; 2023 – 7.95%), payable in monthly capital instalments of $5 750, maturing in July 2039.	1 006	1 075
Pre-authorized amount from Strategic Innovation Fund for a maximum amount of $10 000 000 non-repayable and $10 000 000 non-interest-bearing debt, evaluated at fair value, payable in 14 equal annual instalments beginning in April 2042.	1 705	1 174
Loan from Investissement Quebec, evaluated at fair value, without interest, secured by a first ranking hypothec totaling $5 000 000 and an additional $1 000 000 movable and immovable hypothec on all of the two Canadian subsidiaries' assets, payable in monthly capital instalments of $45 152, maturing in October 2027.	1 164	983
Loan from Canada Economic Development for Quebec Regions, capital of $1 100 000 (2023 – $1 100 000), evaluated at fair value, payable in 60 monthly instalments of $18 333, maturing in December 2027.	452	600
Loan under the ''Programme de developpement economique du Quebec'', capital of $750 000 (2023 – $750 000), evaluated at fair value, without interest, payable in monthly instalments of $12 500, maturing in August 2024.	-	100
Other loans	19	35
Purchase price balance payable, without interest.	-	116
Total debt	31 907	25 064

Notes to the Consolidated Financial Statements (continued)

Note 17 Finance items

Amounts in CAD 1000	2024	2023
Interest income	334	364
Currency exchange income	-	212
Total Finance income	**334**	**575**
Leasing interest	80	68
Interest expense	2 054	1 119
Accretion of discounted loan	402	345
Loan discount recognition adjustment	-	-414
Currency exchange expense	84	1
Total finance cost	**2 620**	**1 119**
Net finance items	**-2 286**	**-544**

Note 18 Share information

Amounts in CAD 1000	2024	2023
Share capital	37 850	37 277
Share premium	459 410	457 679

At 31 December 2024 there were 127 462 233 ordinary shares each with a par value of NOK 2.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

In 2024, Tekna Holding ASA issued 2 234 887 new shares to settle obligations arising from the Employee Share Purchase Plan (ESPP) established on February 18, 2021. As part of this transaction, Tekna Holding Canada Inc. became a wholly owned subsidiary of Tekna Holding ASA. The settlement of the ESPP involved a non-cash transaction, whereby obligations previously related to shares in Tekna Holding Canada Inc. were settled through the issuance of new shares in Tekna Holding ASA.

(- Note 18 continued)

At the inception of the ESPP, Tekna Holding Canada Inc. provided financing to employees for the purchase of its shares. Upon conversion of these shares into Tekna Holding ASA shares, employees were given the option to either repay the loans in cash or settle them through a corresponding reduction in the number of Tekna Holding ASA shares they were entitled to receive. Certain employees elected to use their entitlement to Tekna Holding ASA shares to settle the outstanding loans. The net impact on equity of CAD 722 thousand from this settlement corresponds to the value of the loans extinguished through the reduction in the number of Tekna Holding ASA shares issued.

There were no paid out dividends in 2024.

Major shareholders at year-end 2024	Number of shares	% of total	Country
ARENDALS FOSSEKOMPANI ASA	88 530 456	69.46%	NOR
ULFOSS INVEST AS	2 941 975	2.31%	NOR
HAVFONN AS	2 913 580	2.29%	NOR
MUST INVEST AS	2 821 245	2.21%	NOR
KVANTIA AS	2 354 862	1.85%	NOR
VICTORIA INDIA FUND AS	1 331 883	1.04%	NOR
CARUCEL FINANCE AS	1 073 791	0.84%	NOR
Other	25 494 441	20.00%	Various
Total number of shares	**127 462 233**	**100.00%**	

Notes to the Consolidated Financial Statements (continued)

Note 19 Earnings per share

Basic earnings per share are based on profit attributable to the equity holders of the parent and the weighted average number of outstanding ordinary shares.

Amounts in CAD 1000	2024	2023
Net profit for the year	-11 150	-15 009
Attributable to non-controlling interests	-114	-587
Attributable to ordinary shares	-11 036	-14 422
Basic weighted number of ordinary shares	127 028 689	125 227 346
Diluted weighted number of ordinary shares	127 028 689	125 227 346
Number of shares end of period	127 462 233	125 227 346
Basic earnings per share	**-0.09**	**-0.12**
Diluted earnings per share	**-0.09**	**-0.12**

The options under the share option program are not in the money by 31.12.2024 and are not dilutive. The options may be dilutive in the future. For further information with regards to the share option program, see note 4.

Note 20 Investment in joint ventures

The Imphytek Powders S.A.S. joint venture is owned in equal parts by the Group (TPE; Tekna Plasma Europe S.A.S.) and Aperam. The business is organized as a company with limited liability corresponding to Norwegian corporations. Guidelines for the operation of companies are based on the shareholders agreement. According to the shareholder agreement it is required unanimity between the parties for making decisions about relevant activities. Accordingly, participants in the companies have joint control over the activities. The Group's responsibility as a participant in Imphytek Powder S.A.S. is limited to the capital contribution, and the return equals the Group's share of profit. Thus, the group as a participant is entitled to the arrangements net assets.

The investments in joint ventures are accounted for according to the equity method.

Entity	Country	Activities	Ownership interest
Imphytek Powders S.A.S.	France	Production of powders	50%

Based on an overall assessment where the size and complexity is taken into consideration Imphytek Powders S.A.S. is considered to be an insignificant joint venture. Further information regarding this company is disclosed below.

Amounts in CAD 1000	Imphytek Powders S.A.S.
Book value 31.12.2022	**579**
Book value as at 01.01.2023	579
Share of profit after tax 2023	-608
Investment during the period	29
FX variations	-
Book value 31.12.2023	**-**
Book value as at 01.01.2024	-
Share of profit after tax 2024	8
Investment during the period	-8
FX variations	-
Book value 31.12.2024	**-**

The company has no observable market value in form of market price or similar.

Notes to the Consolidated Financial Statements (- Note 20 continued)

Description of the business

Imphytek Powders S.A.S. has its headquarters and operations in Mâcon, France. The company is combining Aperam's expertise in Nickel & Specialty Alloys with Tekna's unique wire plasma atomization technology. The joint venture has the exclusive right to sell nickel alloy powder in Europe, and benefits from all market and product developments made by Tekna and Aperam in the past years. The company's main activities are the production of high-performance powder for advanced manufacturing technologies. The company is organized as a company with limited liability similar to Norwegian private limited liability companies, and the company is not publicly traded.

Imphytek Powders S.A.S. has no contingent liabilities or capital commitments as of 31.12.2024. The partners have an agreement with Imphytek Powders S.A.S. that profits of the company will not be distributed until it has the consent of both partners. The partners have not given consent at the reporting date. In 2024, the joint venture shareholders, including Tekna, voted to start a dissolution of the joint venture and it is expected to be completed in 2025. Please refer to Note 8 for more information on the dissolution.

The table below shows the condensed financial information of the joint venture, based on 100% ownership.

Imphytek Powders S.A.S.

Amounts in CAD 1000	2024	2023
Total revenue	1 056	1 645
Depreciations	-	-1 347
Interest income	-	-
Interest expenses	-43	-51
Tax expenses	-5	-
Profit	17	-5 085
Other income and expenses	-	-
Comprehensive income	-	-
The Groups share of comprehensive income	50%	50%
Current assets	241	5 339
whereof cash and cash equivalents	219	1 658
Non-current assets	-	1
Current liabilities	132	8 178
Long-term liabilities	-	4 397
Equity	109	-7 235

The joint venture has the same reporting period as the Group.

Note 21 Subsidiaries

Company	Ownership held by the group	Ownership held by the non-controlling interests	Domicile
Tekna Holdings Canada Inc.	100.00%		Canada
Tekna Plasma Systems Inc.	100.00%		Canada
Tekna Advanced Materials Inc.	100.00%		Canada
Tekna Plasma Europe S.A.S.	100.00%		France
Tekna Plasma Systems Suzhou Co. Ltd.	100.00%		China
Tekna Plasma India Pr. Ltd.	100.00%		India
Tekna Inc.	100.00%		USA
Tekna Plasma Korea Co. Ltd.	100.00%		South Korea

Notes to the Consolidated Financial Statements (continued)

Note 22 Related parties

At year end Arendals Fossekompani ASA (AFK) owned 88 530 456 shares, representing 69.5% of the total number of shares in Tekna.

Board of Directors compensation 2024 and number of shares owned 31 December 2024

Name	Title	Board of Directors remunerated	Remuneration provision				Own Holdings	Related Parties	Number of shares in Tekna Holding ASA
Dag Teigland [1,2]	Chair	82	39				-	728 818	728 818
Torkil Sigurd Mogstad [2,6]	Member of Board	-	-				-	52 125	52 125
Ann-Kari Amundsen Heier [2,7]	Member of Board	-	-				-	17 000	17 000
Lars Magnus Eldrup Fagernes [2]	Member of Board	-	-				-	-	-
Anne-Lise Meyer [3]	Member of Board	77	35				-	-	-
Barbara Thierart Perrin [4]	Member of Board	62	28				-	-	-
Kristin Skau Åbyholm [5]	Member of Board	62	28				-	3 686 745	3 686 745
Total		284	130				-	4 484 688	4 484 688

Name	Title	Fixed salary	Paid bonus	Pension	Share-based compensation	Other benefits	Own Holdings	Related Parties	Number of shares in Tekna Holding ASA
Luc Dionne	CEO	333	10	13	-	20	338 164	-	338 164
Espen Schie	CFO	297	10	14	-	2	-	379 990	379 990
Other executive management		879	62	79	-	20	567 436	-	567 436

*1 Dag Teigland elected from May 2024, representing Tibidabo Industrier AS with 52 000 shares and Tibidabo Invest AS with 676 818 shares. On 22 May 2023, Dag Teigland bought, through his wholly owned company Tibidabo Invest AS, 678 818 shares from Arendals Fossekompani ASA, with a 20% discount against a lock-up period of 3 years.

*2 Representing Arendals Fossekompani ASA with 88 530 456 shares. Lars Magnus Eldrup Fagernes elected from May 2023. Ann-Kari Amundsen Heier from December 2023.

*3 Anne-Lise Meyer elected from May 2024.

*4 Barbara Thierart Perrin elected from May 2024.

*5 Kristin Skau Åbyholm elected from May 2023, representing 1 331 883 shares in Victoria India Fund AS and 2 354 862 in Kvantia AS.

*6 Torkil Mogstad elected from May 2023, representing 52 125 shares in Loma Plata AS.

*7 Ann-Kari Amundsen Heier from December 2023, representing 17 000 shares in Damglott AS.

Notes to the Consolidated Financial Statements (- Note 22 continued)

The CEO's period of notice is eight (8) weeks, with a period of pay of twelve (12) months after termination of employment if the CEO is dismissed by the company. The other members of the Group Executive have a period of notice varying from four (4) weeks to eight (8) weeks.

The purpose of Tekna's compensation and benefits policy is to attract personnel with the competence that the Group requires, develop and retain employees with key expertise and promote a long-term perspective and continuous improvement supporting achievement of Tekna's business goals. The general approach adopted in Tekna's policy is to pay fixed salaries and pensions in line market prices, while offering variable pay linked to results for bonus.

a) Fixed elements

b) Variable elements – annual bonus

Executives in Tekna participate in the Group's central annual bonus program. The program has a maximum ceiling of 25% of the executive's fixed salary and 35% for CEO. The basis for bonus payments is based on financial targets and performance strategic KPIs. In addition, the Group has share-based incentive programs described in (c) below.

(c) Shared incentive program

The establishment of the share option plan was approved by the shareholders at the annual general assembly dated 15 May 2024. On 23 October 2024, the board of directors has granted a total of 2,124,000 options in the 2024 allocation round. These options have a strike price of NOK 4.88. Issued options vest 33% after one year, 33% after two years, and 33% after three years. The expiry date for any option granted is the date falling 24 months following the vesting date and will lapse if not exercised. Please refer to Note 4 and the Remuneration Report for more information.

Board of Directors remunerated corresponds to fees paid in the period, as elected, for the period May 2023 until April 2024.

Board of Directors remuneration provision corresponds to accrued provisions for fees, for the period May 2024 until December 2024.

Note 23 Contingent liabilities

In January 2019, Tekna Plasma Systems Inc. filed a lawsuit in Federal Court against AP&C Advanced Powders & Coatings Inc., challenging the validity of Canadian patents 3,003,502 and 3,051,236 and seeking a non-infringement declaration, while AP&C counterclaimed for infringement; the trial took place in fall 2022. On June 7, 2024, the Federal Court ruled in Tekna's favor, declaring patent '502 entirely invalid and not infringed, and most claims of patent '236 invalid and not infringed, though some '236 claims were upheld as valid but not contested by AP&C for infringement.

AP&C appealed this ruling (file A-274-24), aiming to overturn it, with a hearing expected in late 2025 or early 2026, and Tekna is actively defending the decision. A second Federal Court decision on December 5, 2024, ordered AP&C to pay Tekna $2.9 million for partial legal costs, which AP&C paid in December 2024, but AP&C has also appealed this cost award (file A-55-25), with proceedings just beginning. If both rulings are upheld on appeal, the case may conclude; however, if overturned, Tekna could face repaying the $2.9 million and potentially additional damages to AP&C, depending on the appeal outcomes.

Note 24 Subsequent events

New CEO

On March 18, 2025, Tekna Holding ASA announced the appointment of Mr. Claude Jean as the new Chief Executive Officer (CEO) of the Tekna Group, effective April 28, 2025. Mr. Jean, a seasoned technology executive with over 30 years of experience in the semiconductor and digital imaging sectors, succeeds Mr. Luc Dionne, who has led the company since 2014. This leadership transition follows a period of strategic growth for Tekna, and is not expected to have a material financial impact on the company's operations or financial position as of the balance sheet date.

Parent Financial Statements

Income Statement

Amounts in CAD 1000	Note	FY 2024	FY 2023
Employee benefit expenses	1	277	371
Other operating expenses	2	1 069	1 190
Net operating income/(loss)		-1 346	-1 561
Finance income	7	5 470	5 155
Finance costs	7	372	132
Profit/(loss) before income tax		3 753	3 463
Income tax expense	3	821	1 493
Profit/(loss) for the period		2 932	1 970
Attributable to equity holders of the company		2 932	1 970
Attributable to non-controlling interests		-	-

Other Comprehensive Income

Amounts in CAD 1000	Note	FY 2024	FY 2023
Items that may be reclassified to statement of income			
Exchange differences on translation of foreign operations		-	-
Items that may be reclassified to statement of income		-	-
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		-	-
Total comprehensive income/(loss) for the period		2 932	1 970
Attributable to equity holders of the company		2 932	1 970
Attributable to non-controlling interests		-	-

Parent Financial Statements (continued)

Balance Sheet

Amounts in CAD 1000	Note	2024-12-31	2023-12-31
Non-current assets			
Investment in subsidiaries	4	100 526	97 500
Intercompany loans	6	77 438	74 113
Total non-current assets		177 965	171 613
Current assets			
Trade and other receivables	6	17	270
Cash and cash equivalents	5	563	1 419
Total current assets		579	1 689
Total assets		178 544	173 302

Amounts in CAD 1000	Note	2024-12-31	2023-12-31
Equity			
Share capital and share premium		497 260	494 956
Other reserves		-321 126	-324 058
Capital and reserves attributable to holders of the company		176 135	170 898
Non-controlling interests		-	-
Total equity		176 135	170 898
Non-current liabilities			
Deferred tax liabilities	3	1 649	1 163
Total non-current liabilities		1 649	1 163
Current liabilities			
Trade and other payables	6	203	625
Payable income tax	3	335	330
Other current liabilities	6	223	286
Total current liabilities		761	1 241
Total liabilities and equity		178 544	173 302

Arendal, 9 April 2025 The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

Dag Teigland Chair of the Board	Barbara Thierart-Perrin Member of the Board	Torkil Sigurd Mogstad Member of the Board	Anne Lise Meyer Member of the Board
Kristin Skau Åbyholm Member of the Board	Lars Magnus Eldrup Fagernes Member of the Board	Ann-Kari Amundsen Heier Member of the Board	Luc Dionne CEO

Parent Financial Statements (continued)

Changes in Equity

Amounts in CAD 1000	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital and share premium	Other reserves	Total		
Balance at 1 January 2023	494 956	-326 028	168 928	-	168 928
Profit/(loss) for the period	-	1 970	1 970	-	1 970
Other comprehensive income/(loss)	-	-	-	-	-
Balance at 31 December 2023	494 956	-324 058	170 898	-	170 898
Balance at 1 January 2024	494 956	-324 058	170 898	-	170 898
Profit/(loss) for the period	-	2 932	2 932	-	2 932
Other comprehensive income/(loss)	-	-	-	-	-
Issue of stock	2 304	-	2 304	-	2 304
Balance at 31 December 2024	497 260	-321 126	176 135	-	176 135

Cash flow

Amounts in CAD 1000	Note	FY 2024	FY 2023
Cash flow from operating activities			
Net profit/(loss)		2 932	1 970
Variation in deferred taxes	3	486	1 163
Increase in investment in subsidiary via share issuance	4	-722	-
Capitalized interest on intercompany loans		-3 325	-4 578
Total after adjustments to profit before income tax		-629	-1 445
Change in trade and other receivables		253	-193
Change in trade and other payables		-480	1 082
Total after adjustments to net assets		-857	-556
Net cash from operating activities		-857	-556
Cash flow from investing activities			
Cash Flow from Internal Loans and Borrowings		-	-2 000
Net cash flow from investing activities		-	-2 000
Cash flow from financing activities			
Proceeds from issue of shares		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-857	-2 556
Cash and cash equivalents at the beginning of the financial year		1 419	3 975
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at end of the period		563	1 419

Notes to the Parent Financial Statements

Accounting principles

The financial statements comprise the statement of income, statement of financial position, statement of cash flows, and related notes. The financial statements have been prepared in accordance with the Norwegian Accounting Act §3-9 and Regulations for simplified IFRS issued by the Ministry of Finance on 10 December 2019 (generally accepted accounting principles). This means that recognition and measurement comply with International Financial Reporting Standards (IFRS) and the presentation and disclosures are in accordance with the Norwegian Accounting Act and general accepted accounting practice. All amounts are in CAD, unless otherwise stated.

The financial statements give a true and fair view of the assets and liabilities, financial position, and income.

When applying accounting principles and presenting transactions and other matters, emphasis is placed on economic realities, not just legal form. Contingent losses that are probable and quantifiable are expensed. Transactions are recorded at the value of the consideration at the time of execution. Revenue is recognized in the accounting period in which they are earned and associated costs are matched with revenues.

Assets and liabilities that are due within one year after the balance sheet date are classified as current assets or current liabilities. Current assets and liabilities are valued at the lowest or highest value of acquisition cost and fair value. Fair value is defined as the estimated future sales price less expected sales costs. Other assets are classified as fixed assets. Corresponding principles are normally used as a basis for liability items.

Use of estimates

In the preparation of the annual accounts, estimates and assumptions have been applied that have affected the statement of income and the valuation of assets and liabilities, as well as doubtful assets and liabilities on the balance sheet date in accordance with generally accepted accounting principles. Areas that to a large extent contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are material to the financial statements, are described in the notes.

Foreign currency

Foreign currency transactions are translated at the exchange rate at the time of execution. Cash items in foreign currency are translated into Norwegian kroner using the exchange rate on the balance sheet date. Non-cash items measured at the historical exchange rate expressed in foreign currency are translated into Norwegian kroner using the exchange rate at the time of execution. Non-monetary items that are measured at fair value expressed in foreign currency are translated at the exchange rate determined at the measurement date. Exchange rate fluctuations are recognized in the statement of income on an ongoing basis during the accounting period under other financial income/costs.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax is calculated at 22% percent on the basis of existing temporary differences between accounting and tax values together with tax loss carry forward at the year end. Tax-increasing and tax-reducing temporary differences that are reversed or can be reversed in the same period are offset and netted. Net deferred tax assets are recognized in the balance sheet to the extent that it is probable that this can be utilized.

Non-current financial assets

Fixed assets include assets intended for permanent ownership and use. Long-term receivables are carried at the nominal amount at the time of the transaction. Long-term receivables in foreign currency are carried in the balance sheet based on the exchange rate on the balance sheet date.

Current assets

Current assets and current liabilities normally include items that due within one year after the balance sheet date, as well as items related to the product cycle. Current assets are valued at the lower of acquisition cost and fair value. Current liabilities are carried at the nominal amount at the time of the transaction.

Subsidiaries

Investments in subsidiaries are evaluated at lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement. An impairment to fair value has been recognized when impairment is due to reasons that cannot be expected to be temporary, and it is necessary in accordance with generally accepted accounting principles. Impairment losses are reversed when the basis for impairment is no longer present.

Notes to Parent Financial Statements (- Note Accounting Principles - continued)

Receivables

Trade receivables and other receivables are carried at face value after deduction of provisions for expected credit losses. Provisions for credit losses are made on the basis of a separate assessment of the individual receivables. For other accounts receivable, an unspecified provision is made to cover expected losses.

Statement of cash flows

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments.

Note 1 Remuneration and employee benefits

The company has no employees. Salaries and social security contributions are related to board fees.

The company is not required to have an occupational pension scheme in accordance with Norwegian law on obligatory occupational pension ("lov om obligatorisk tjenestepensjon").

Amounts in CAD 1000	2024	2023
Salaries	235	339
Social security contributions	42	32
Pension costs	-	-
Other benefits	-	-
Capitalized as development, inventories etc.	-	-
Total employee benefit expenses	277	371

Note 2 Other operating expenses

Amounts in CAD 1000	2024	2023
Audit and other fees	245	169
Marketing, travel and representation costs	18	66
ICT expenses	-	-
Other expenses	353	220
Intercompany expenses	453	734
Total operating expenses	1 069	1 190

Amounts in CAD 1000	2024	2023
Statutory audit	150	139
Other assurance services	21	19
Tax advisory	-	-
Other non-audit services	-	-
Total remuneration to auditor	171	158

Notes to Parent Financial Statements (continued)

Note 3 Tax

Income tax - current year

Amounts in CAD 1000	2024	2023
Income tax expense:		
Tax Payable	335	330
Change in deferred tax asset/liability	486	1 163
Income tax expense in the Income Statement	**821**	**1 493**
Taxable income:		
Ordinary profit before tax	3 753	3 463
Unrecognized tax loss carried forward	-	-5 421
Temporary differences	-2 229	3 457
Taxable income	**1 524**	**1 498**
Taxable payable:		
Taxable income	1 524	1 498
Statutory tax rate	22.00%	22.00%
Taxable payable	**335**	**330**
Calculation of effective tax rate		
Ordinary profit before tax	3 753	3 463
Tax at the applicable tax rate	826	762
Unrecognized tax loss carried forward	-	-1 193
Tax effect of temporary differences	-490	760
Change in deferred tax asset/liability	486	1 163
Total tax expense	**821**	**1 493**
Effective tax rate	21.87%	43.11%

The tax effect of temporary differences and loss carry forwards that have given rise to deferred tax and deferred tax asset, specified by type of temporary differences.

Amounts in CAD 1000	2024	2023
Accumulated loss carryforward	-	-
Not included in basis for calculation of deferred tax	-	-
Change in deferred tax liability	486	1 163
Deferred tax asset/liability	**-**	**-**

Deferred tax asset is not carried in the balance sheet.

Deferred tax liability is carried in the balance sheet.

Statutory tax rate in Norway was 22.00% in 2023 and 2024.

The 22% tax rate was used to calculate Deferred tax assets and liabilities as at 31 December 2024.

Notes to Parent Financial Statements (continued)

Note 4 Investments in Subsidiaries

Company	Domicile	Ownership held by the group		Ownership held by the non-controlling interests		Value in Tekna Holding ASA balance sheet	
		2024	2023	2024	2023	2024	2023
Tekna Holding Canada Inc.	Canada	100.00%	96.54%	0.00%	3.46%	100 526 068	97 500 000

In 2024, Tekna Holding ASA issued 2 234 887 new shares to settle the Employee Share Purchase Plan (ESPP) established on February 18, 2021. As a result, Tekna Holding Canada Inc. became a wholly owned subsidiary of Tekna Holding ASA.

Consolidated accounts for Tekna Holdings Canada Inc for 2024 reported a net loss of CAD 13 823 thousands and booked equity of CAD –49 071 thousands.

Tekna Holdings Canada Inc owns 100 % of the following 7 subsidiaries:

- Tekna Plasma Systems Inc; Canada
- Tekna Advanced Materials Inc; Canada
- Tekna Plasma Europe S.A.S; France
- Tekna Plasma Systems Suzhou Co Ltd; China
- Tekna Plasma India Pr Ltd; India
- Tekna Inc; USA
- Tekna Plasma Korea Co Ltd; South Korea

Note 5 Cash and cash equivalents

Amounts in CAD 1000	2024	2023
Total cash at bank	563	1 419
Restricted cash	-	-

Tax deduction deposits (restricted deposits) amounts to 0 CAD.

Unused credit facilities as of 31 December 2024 was 4 000 000 CAD and 750 000 USD.

Tekna Holding ASA are compliant with the financial covenant requirements in the loan facilities at the end of 2024.

Note 6 Intercompany balances

Amounts in CAD 1000	2024	2023
Intercompany loans to group companies	77 438	74 113
Trade accounts receivables from group companies	17	270
Total intercompany receivables	**77 455**	**74 383**

Amounts in CAD 1000	2024	2023
Trade accounts payables to group companies	42	613
Total intercompany payables	**42**	**613**

Loans to group companies consists of one loan in CAD and one loan in EUR.

The CAD 69 516 044 loan is to the subsidiary Tekna Holdings Canada Inc. The loan will be repaid with CAD 500 000 every quarter from 15 June 2026. Interest on the loan is calculated at a rate corresponding to the Canadian 3 month Interbank rate (CIBOR) + 2% on an annual basis.

The EUR 5 300 000 loan is to the subsidiary Tekna Plasma Europe S.A.S. The loan will be repaid with EUR 300 000 every quarter from 15 April 2026. Interest on the loan is calculated with EURIBOR 3 months + 2% on an annual basis.

Notes to Parent Financial Statements (continued)

Note 7 Financial items

Amounts in CAD 1000	2024	2023
Interest income	7	21
Currency exchange income (net)	545	246
Interest Income, IC	4 918	4 888
Total financial income	5 470	5 155

There was no impairment loss in 2024.

Amounts in CAD 1000	2024	2023
Interest expense	8	-
Currency exchange expense (net)	364	126
Other finance cost	-	6
Total financial expense	372	132

Note 8 Financial risk

The company's operations consist of financing the operations of the subsidiaries.

The company is exposed to various types of financial risk: market risk (including currency, interest rate and market price risk), credit risk and liquidity risk. The company is somewhat sensitive to currency exchange rate fluctuations, limited cash flows, relatively low interest rate exposure.

Interest rate risk

The company has loans to group companies with interest rate returns based on the 3 month EURIBOR and CIBOR; see note 6.

Returns from interest rates on bank deposits are also exposed to rate levels. The funds are deposited at a floating interest rate.

Credit risk

The company is only exposed to credit risk on receivables from subsidiaries. The risk that counterparties do not have the financial ability to meet their obligations is considered moderate.

Currency risk

The company's currency exposure is related to CAD and EUR receivables from subsidiaries, as well as EUR bank deposits.

Market price risk

The company's is mainly invested in subsidiaries and associated companies. The value of these investments is to a high degree connected to the underlying operations of these companies.

Liquidity risk

The company is financed through a combination of bank and equity financing. See note 6 for more information on unused credit facilities.

Notes to Parent Financial Statements (- note 9 continued)

Note 9 Share Capital and Shareholder Information

Amounts in CAD 1000	2024	2023
Share capital	37 850	37 277
Share premium	459 410	457 679

At 31 December 2024 there were 127 462 233 ordinary shares each with a par value of NOK 2.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

In 2024, Tekna Holding ASA issued 2 234 887 new shares to settle obligations arising from the Employee Share Purchase Plan (ESPP) established on February 18, 2021. As part of this transaction, Tekna Holding Canada Inc. became a wholly owned subsidiary of Tekna Holding ASA. The settlement of the ESPP involved a non-cash transaction, whereby obligations previously related to shares in Tekna Holding Canada Inc. were settled through the issuance of new shares in Tekna Holding ASA.

At the inception of the ESPP, Tekna Holding Canada Inc. provided financing to employees for the purchase of its shares. Upon conversion of these shares into Tekna Holding ASA shares, employees were given the option to either repay the loans in cash or settle them through a corresponding reduction in the number of Tekna Holding ASA shares they were entitled to receive. Certain employees elected to use their entitlement to Tekna Holding ASA shares to settle the outstanding loans. The net impact on equity of CAD 722 thousand from this settlement corresponds to the value of the loans extinguished through the reduction in the number of Tekna Holding ASA shares issued.

There were no paid out dividends in 2024.

Major shareholders at year-end 2024	Number of shares	% of total	Country
ARENDALS FOSSEKOMPANI ASA	88 530 456	69.46%	NOR
ULFOSS INVEST AS	2 941 975	2.31%	NOR
HAVFONN AS	2 913 580	2.29%	NOR
MUST INVEST AS	2 821 245	2.21%	NOR
KVANTIA AS	2 354 862	1.85%	NOR
VICTORIA INDIA FUND AS	1 331 883	1.04%	NOR
CARUCEL FINANCE AS	1 073 791	0.84%	NOR
MUEN INVEST AS	899 611	0.71%	NOR
TOLUMA NORDEN AS	850 000	0.67%	NOR
Other	23 744 830	18.63%	Various
Total number of shares	127 462 233	100.00%	

At year end Arendals Fossekompani ASA (AFK) owned 88 530 456 shares, representing 69,46 % of the total number of shares in Tekna.

Board of Directors remunerated corresponds to fees paid in the period, as elected, for the period May 2023 until April 2024.

Board of Directors remuneration provision corresponds to accrued provisions for fees, for the period May 2024 until December 2024.

Board of Directors compensation 2024 and number of shares owned 31 December 2024						
Name	Title	Board of Directors remunerated	Remuneration provision	Own Holdings	Related Parties	Number of shares in Tekna Holding ASA
Dag Teigland [1,2]	Chair	82	39	-	728 818	728 818
Torkil Sigurd Mogstad [2,6]	Member of Board	-	-	-	52 125	52 125
Ann-Kari Amundsen Heier [2,7]	Member of Board	-	-	-	17 000	17 000
Lars Magnus Eldrup Fagernes [2]	Member of Board	-	-	-	-	-
Anne-Lise Meyer [3]	Member of Board	77	35	-	-	-
Barbara Thierart Perrin [4]	Member of Board	62	28	-	-	-
Kristin Skau Åbyholm [5]	Member of Board	62	28	-	3 686 745	3 686 745
Total		284	130	-	4 484 688	4 484 688

*1 Dag Teigland elected from May 2024, representing Tibidabo Industrier AS with 52 000 shares and Tibidabo Invest AS with 676 818 shares. On 22 May 2023, Dag Teigland bought, through his wholly owned company Tibidabo Invest AS, 678 818 shares from Arendals Fossekompani ASA, with a 20% discount against a lock-up period of 3 years.

*2 Representing Arendals Fossekompani ASA with 88 530 456 shares. Lars Magnus Eldrup Fagernes elected from May 2023. Ann-Kari Amundsen Heier from December 2023.

*3 Anne-Lise Meyer elected from May 2024.

*4 Barbara Thierart Perrin elected from May 2024.

*5 Kristin Skau Åbyholm elected from May 2023, representing 1 331 883 shares in Victoria India Fund AS and 2 354 862 in Kvantia AS.

*6 Torkil Mogstad elected from May 2023, representing 52 125 shares in Loma Plata AS.

*7 Ann-Kari Amundsen Heier from December 2023, representing 17 000 shares in Damglott AS.

Notes to Parent Financial Statements

10 Subsequent Events

New CEO

On March 18, 2025, Tekna Holding ASA announced the appointment of Mr. Claude Jean as the new Chief Executive Officer (CEO) of the Tekna Group, effective April 28, 2025. Mr. Jean, a seasoned technology executive with over 30 years of experience in the semiconductor and digital imaging sectors, succeeds Mr. Luc Dionne, who has led the company since 2014. This leadership transition follows a period of strategic growth for Tekna, and is not expected to have a material financial impact on the company's operations or financial position as of the balance sheet date.

Independent auditor's report

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To the General Meeting of Tekna Holding ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tekna Holding ASA, which comprise:

- the financial statements of the parent company Tekna Holding ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, other comprehensive income, changes in equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Tekna Holding ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, other comprehensive income, changes in equity and cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Tekna Holding ASA for 4 years from the election by the general meeting of the shareholders on 26 February 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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The Group's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other events that qualified as new Key Audit Matters for our audit of the 2024 financial statements. Furthermore, *Revenue recognized over time* and *Inventory Valuation* have the same characteristics and risks as in the prior year and therefore continue to be areas of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue recognized over time	
In 2024 revenue recognized over time from contracts with customer constituted CAD 9 367 thousand, equal to approximately 25% of the Group's total revenues. We focused on revenue recognized over time as the contracts may have a long duration, and the recognition of contract revenues and costs is subject to management judgement which may be complex. In particular, management applied judgement in estimating the total contract costs and stage of completion which in turn affects the recognition of revenue. Management's judgement affects several significant financial statement line items and thus has a pervasive effect on the financial statements. The accounting principles and note 2 to the consolidated financial statements include further information on the Group's recognition of revenue over time.	We obtained a sample of contracts and assessed the accounting treatment against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that the accounting treatment was consistent with the content of the contracts and that accounting principles were based on IFRS 15. We obtained an understanding of internal controls relevant to revenue recognized over time. We also performed procedures to assess management's application of judgement, including: • Obtained and read contract agreements, and change orders, when applicable to understand contract scope and key terms. • Evaluated the timely identification of circumstances that may warrant a modification to the total estimated costs including, but not limited to, contracts subject to claims and contract modifications. • Held discussions with project leaders and management to evaluate progress to date, estimate of costs to be incurred, and factors impacting the amount of time and cost to complete the project. • Compared the costs incurred and the estimated costs to complete to the original total estimated costs. • Tested on a sample basis, the costs incurred to supporting evidence. • Compared the original total estimated costs to the total costs incurred for contracts completed during the year. We found that assumptions used, and judgements made by management were reasonable. We further evaluated the disclosures in note 2 and found them to be appropriate.

Independent auditor's report (continued)

Inventory valuation

At 31 December 2024, the net book value of the Group's inventories was CAD 17 261 thousand, inclusive of provision for obsolescence of CAD 5 894 thousand. Management estimates the net realizable value based on the Group's periodic review of historical sales data for both raw materials, work in progress and finished goods as well as the growth rate of sales and order intake.

We considered inventory valuation to be a key audit matter due to the significant carrying amount of inventory and because estimating net realizable value of inventory is subject to significant management judgement.

The accounting principles and note 7 to the consolidated financial statements include further information on the Group's inventory valuation.

We obtained an understanding and evaluated the implementation of controls relating to inventory provisioning. We also performed further procedures to assess whether management's judgements and assumptions were reasonable, including:

- Observed the physical condition of inventories during inventory counts.
- Evaluated the appropriateness of management's process for developing estimates of net realizable value.
- Tested data used by management in determining the net realizable value by agreeing the data to underlying records. In particular, we tested the reasonableness of the assumptions for quality, damages, future demand, selling prices and market conditions by considering historical trends and consistency with evidence obtained in other areas of the audit.

We found that assumptions used, and judgements made by management were reasonable. We further evaluated the disclosures in note 7 and found them to be appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

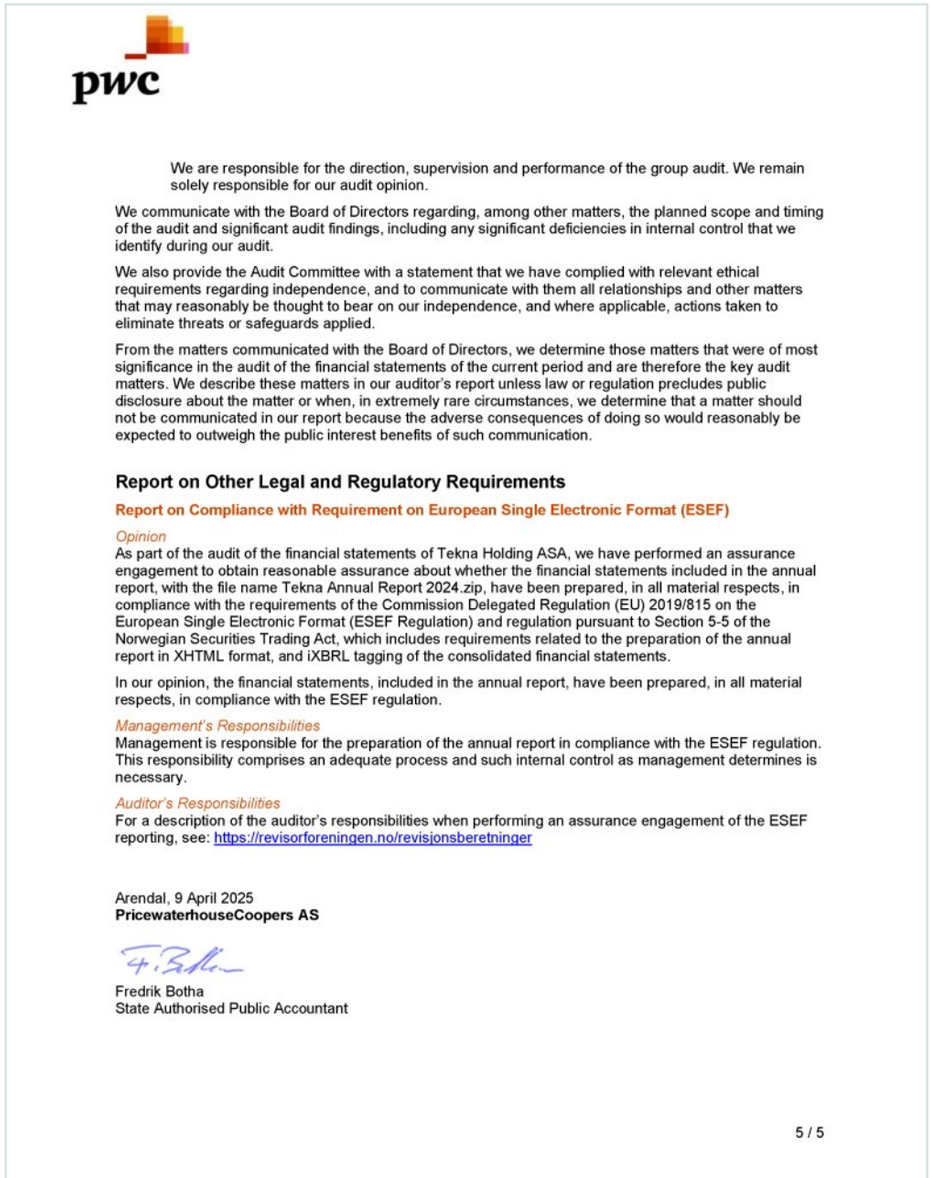
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

Independent auditor's report (continued)



We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Tekna Holding ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Tekna Annual Report 2024.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Arendal, 9 April 2025
PricewaterhouseCoopers AS

Fredrik Botha
State Authorised Public Accountant

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Corporate Governance

Tekna Holding ASA

Report 2024

(part of **Annual Report** Tekna Group)

January 1—December 31

Corporate Governance Report

Corporate Governance

Incorporating best governance standards

Tekna refers to the Norwegian Code of Practice for Corporate Governance and has drafted its own Corporate Governance Code. It publishes an annual Corporate Governance Report.

Segregation of duties Board of Directors and Executive Leadership Team

To ensure Tekna benefits from strong governance there is a segregation between the members of the Executive Leadership Team and the members of the Board of Directors. The complementary profiles of Dag Teigland and Luc Dionne enable a transparent and balanced exchange between the Board of Directors and the Executive Leadership Team.

Committees addressing important topics

Already in 2022 Tekna created the Audit Committee. Reporting to them is the newly created Ethics and Compliance Committee as well as External Assurance, ie the Auditors.

Reporting to Executive Leadership are the Occupational Health & Safety Management Committee (CRD), the Employee Committee (CORE) and the Environmental Committee.

Additional diversity and skills

Changes and additions in the board of directors has increased the number of independent members and contributed a diverse range of profiles, skills, expertise and experience to the board improving the company's preparedness to navigate an increasingly complex business environment.

The following relevant skills and experiences are included: Aerospace, Battery and other industries, Sustainability, IT security, Strategy, Finance and controls, M&A and international experience.

2024 key figures	Board of Directors	Audit Committee
Members	7	2
Meetings	9	5
Participation	97%	100%
Independence	43%	50%

Enterprise Risk Management ("ERM")

A diligent process from identification to monitoring

Identification, appraisal, processing and control of major risks is regularly updated by Finance and reviewed with the Audit Committee.

Main risks

Material risks, exposure greater than 10% of revenue, identified by the Group are organized in a risk matrix reflecting its impact in various (mitigation) scenarios and the probability of occurrence.

Quarterly monitoring with Audit Committee

To ensure continuous monitoring and management, material risks are reviewed in the quarterly Audit Committee meeting. Standard agenda items include:

- Significant events during quarter
- Compliance (incidents and legal)
- Risk management update
- Tax (Controls and Tax matters)

Risk relating to the Group's trade environment

- Geopolitical risks and supply chain difficulties
- Risks related to inflation
- Competitive risks and cycle effects
- Financial market risks
- ESG risks
- Legal and regulatory risks
- Risks of negative media coverage

Risk related to the Group operations

- Risks relating to Group products
- Business line profitability risks
- Partner risks
- Supplier and subcontracting risks
- Property and (Occupational) Health & Safety risks

Risk related to the Group's strategic development

- Risks relating to technological innovation
- Risks related to digitalization (data confidentiality and cyber threats)
- Human resources risks

1: In 2024 the external auditor was PWC. 2: Internal Audit function remains to be instated.

Board of Directors and Executive Leadership

Members of the Board of Directors

The Board of Directors ("BoD") is at the head of Tekna Holding ASA's ("Tekna") governance system. The BoD and its Audit Committee remained unchanged in composition in 2024. All seven members are independent of executive management, three members are independent of the main shareholder Arendals Fossekompani ASA.

Responsibilities of the Board of Directors

In accordance with Norwegian law, the Board of Directors ("BoD") is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and asset management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Dag Teigland [1]
(1966)

Chair (2022)

Shares per 31.12.2024: **728 818**[2]

Attended board meetings: **9**

Dag Teigland is a board professional and strategic advisor to several companies. He is a seasoned executive with broad international experience, including in the global metal industry. He has previously held executive management positions in Elkem and been CEO of Tinfos and Holta Invest.

Mr. Teigland is a board room veteran, serving as member and chair of the Board of Directors of several Norwegian and international companies. He holds a bachelor's degree in finance, an MBA from IESE and AMP from Harvard Business School.

Torkil S. Mogstad
(1958)

Director and member of the audit committee
(2023)

Shares per 31.12.2024:**52 125**[3]

Attended board meetings: **8**

Torkil Mogstad is Executive Vice President at Arendals Fossekompani ASA since 2015. He has previously held several executive management positions, including CEO at Markedskraft ASA, Director at Icon Medialab Norge AS and Engagement Manager at McKinsey & Company. He started his career in R&D at McDonnell Douglas Aerospace (now Boeing) in the US.

Mr. Mogstad also holds Directorships in the satellite communications company NSSL Global Ltd. He holds a M.Sc. from NTNU, a SM from MIT and an MBA from the Norwegian School of Management (BI).

Barbara Thierart-Perrin (1977)

Director | Independent
(2022)

Shares per 31.12.2024: **0**

Attended board meetings: **9**

Barbara Thierart-Perrin is Head of innovation and development of Veolia Group, providing game-changing solutions for water, waste and energy management worldwide. She was formerly President of Northvolt Systems, a European supplier of sustainable, high-quality lithium-ion battery cells.

An engineer by education, Ms Thierart-Perrin has two decades of previous experience from the automotive industry, holding senior management positions with Groupe Renault and Nissan Motor Corporation. She has been based in France, Japan and Sweden, held business P&L responsibility, led operational and global teams and worked extensively in corporate social responsibility.

Anne Lise Meyer
(1968)

Director and Chair of the audit committee | Independent (2022)

Shares per 31.12.2024: **0**

Attended board meetings: **9**

Anne Lise Meyer is an experienced CEO, Chair and board member, with more than 25 years of experience from several management positions. Meyer was previously the CEO of the investment firm Hamang AS, CEO of the Gillette Group Norway and has held several leading positions with Hewlett-Packard and Netcom (now Telia).
Ms. Meyer holds several Directorships, both as chair and member of the Board of Directors of Bertel O. Steen Kapital, Pancom AS, Sissener AS and Skeie Kapital AS. Meyer holds a Bachelor of Management from the Norwegian School of Management.

(Section continues on the next page.)

1: Mr. Teigland is engaged by Arendals Fossekompani as a senior business advisor with a special focus on Tekna and, as such, is not to be considered as an independent Chair of the Board; 2: Mr. Teigland owns shares through his 100% owned company Tibidabo Invest AS and Tibidabo Industrier AS. 3: Mr. Mogstad is representing Arendals Fossekompani ASA. He owns shares through his 100% owned company Loma Plata AS.

Board of Directors and Executive Leadership (continued)

Members of the Board of Directors (continued)

Kristin Skau Åbyholm (1978)

Director | Independent (05.2023)

Shares per 31.12.2024: 3 686 745[1]

Attended board meetings: 9

Kristin Skau Åbyholm is an experienced board executive with a keen focus on operations and strategy. She is currently member of the board at Marketer Tech and Ocean Sun. She has over a decade experience in IT technology organizations. In Confirmit ASA she worked with global 500 brands - working at the Oslo, London and San Francisco office. Then working for Cicero Consulting, creating platforms and solutions for the Norwegian financial industry.

Ms. Åbyholm has a Master of Science in computer technology from NTNU in Trondheim and an Executive Master of Management from the Norwegian Business School (BI) in Oslo.

Lars Magnus Eldrup Fagernes (1991)

Director (05.2023)

Shares per 31.12.2024: 0[2]

Attended board meetings: 9

Lars Magnus Eldrup Fagernes has several years experience from EY, working as Manager within Strategy & Transactions and from the Group finance function of Cermaq Group.

He is currently Investment Manager in Arendals Fossekompani.

Mr. Eldrup Fagernes holds a Master of Science in Economics and Business Administration from the Norwegian School of Economics (NHH) in Bergen.

Ann-Kari Amundsen Heier (1966)

Director (12.2023)

Shares per 31.12.2024: 17 000[2,3]

Attended board meetings: 8

Ann-Kari Heier is Executive Vice President at Arendals Fossekompani ASA (AFK) since 2023. She has previously held several executive management positions in industry sectors such as Oil & Gas, Maritime, and Telecom. She holds a M.Sc. degree in Technical Cybernetics from NTNU in Trondheim, Norway. She started her career as R&D engineer at CERN in Geneva, and at Data Respons in Norway, before entering management positions. Ms. Heier is member of the board of directors of Space Norway AS, NHO Agder, NSSLGlobal Ltd, AFK Property AS and Bøylestad Energipark AS (Chair).

1: Ms Åbyholm represents Kvantia AS (2.354.862) and Victoria India Fund AS (1.331.883) 2: Ms Heier and Mr Fagernes represent Arendals Fossekompani ASA. 3: Ms. Heier owns shares through her 100% owned company Damgløtt AS.

Board of Directors and Executive Leadership (continued)

Profile of incoming CEO: Claude Jean

Let us introduce the incoming CEO. Tekna announced on March 18, 2025 that Mr. Claude Jean will take over as Chief Executive Officer of Tekna Group per April 28, 2025.

Dag Teigland, Chair of the Board of Tekna Holding ASA said: "*I am happy to announce the appointment of Claude as the new CEO of Tekna. He is well known in the industry for driving business results and maximizing profitability through the delivery of exceptional product quality, service and effective management of people, technology, processes and financial resources. I am confident that he will further strengthen the great platform of Tekna and ensure that we bring the company to the next level. His extensive background from the semiconductor industry will also be valuable as we progress with our nano nickel project for MLCC production.*"

"It is an honor for me, and I am excited to take over as CEO of this impressive high-tech company. Together with the highly competent Tekna team I am looking forward to executing on its strategy and growth plan to increase value for our customers and shareholders."

Claude Jean

Chief Executive Officer
(starting 28 April 2025)

Claude Jean is known within the industry for driving business results and maximizing profitability through the delivery of exceptional product quality and service and effective management of people, technology and processes. He has managed companies and budgets in excess of $100 million and is driven by achieving his (business) goals and exceeding client expectations.

Mr. Jean is an accomplished Senior Technology Executive with a proven track record for building and leading world-class electronic manufacturing services and R&D. His expertise includes: General management, Research/Development, Production management, Continuous improvement, margin enhancement, Partnership Development, Strategic Planning, P&L Management.

He has a Master of Physics, Microelectronics (MSc) as well as a Master of Business Administration (MBA) from the university of Sherbrooke, Canada.

When asked about his strengths , he points out he is a highly effective communicator with great people skills along with strong leadership, problem solving and decision-making abilities.

Board of Directors and Executive Leadership (continued)

Members of the Executive Leadership Team

The Tekna group Executive Leadership Team ("ELT") currently consists of six executives with extensive experience from relevant industries.

Refer to the 2024 Remuneration report for more details on shareholdings and stock options.

Luc Dionne

Chief Executive Officer
(2014 - April 2025)

Luc Dionne has been the CEO of Tekna Holding Canada and its global subsidiaries since 2014 and was appointed CEO of Tekna Holding ASA in 2021. Mr. Dionne has extensive experience from various Directorships and executive management positions in advanced materials research, aerospace, microelectronics and defense.

Mr. Dionne served on the Canadian government strategic table for advanced manufacturing and was awarded the Technology Innovation Award from Polytechnic Engineering School.

Shares per 31.12.2024: **338 164**

Espen Schie

Chief Financial Officer
(2023)

Espen Schie took over the CFO position of the Tekna group in early 2023. Mr. Schie brings long-term financial management experience and comes from the role as Vice President of Finance & Controlling at Arendals Fossekompani ASA ("AFK"), Tekna's largest shareholder. Mr. Schie has held several different roles at AFK, was previously CFO at EFD Induction Group and holds a double master's degree in finance from Nova School of Business and Economics (Portugal) and Fundação Getulio Vargas São Paulo School of Economics (Brazil).

Shares per 31.12.2024: **379 990**[1]

Arina van Oost

VP Corporate Strategic Dev. and Innovation
(2020)

Arina van Oost joined Tekna early 2020 as VP Corporate and Strategic Development & Innovation. ESG, IR and Corporate Communication are part of her portfolio. She has held several executive positions at ThyssenKrupp ("TK"), including VP GM of its Canadian Aerospace division and Global Head of Marketing and Sales of their Access Solutions division. Further roles included Managing Director in UK, Spain, and Netherlands for companies of TK Elevator.

She holds an eMBA from ESMT, Germany, and a BSc in International Management, Netherlands.

Shares per 31.12.2024: **392 384**

Rémy Pontone

EVP Sales and Marketing AM Materials
(2016)

Rémy Pontone has been the Vice President Sales & Marketing since Mars 2016; prior to this he held various management positions in sales, business development and product management. Rémy Pontone has 25 years' experience in management, sales, marketing and product development. Prior to joining Tekna he held several int. management and sales positions in five different countries for Johnson Matthey and research and development center of Saint Gobain. Mr. Pontone is graduated engineer in material science and chemical engineering.

Shares per 31.12.2024: **175 052**

Yanick Fontaine

Executive Director Operations AM Materials
(2019)

Yanick Fontaine currently holds the position of Executive Director – AM Powder Operations. Mr. Fontaine joined Tekna's ranks in 2019 and held various leadership positions evolving around ERP systems, procurement, and logistics. His involvement in quality regulated manufacturing environment began more than 15 years ago first in medical devices at ArjoHuntleigh then in the automotive / powersports industry supply chain.

He graduated in business administration and holds a M.B.A.

Shares per 31.12.2024: **56 361**

Romain Vert

Executive Director Plasma Systems
(2012)

Romain Vert is the Executive Director – Plasma Systems, driving strategic growth in advanced plasma technologies. Since joining Tekna in 2012, Mr. Vert has held key roles in R&D, business development, and sales, contributing to the advancement of both materials and plasma equipment. Before Tekna, he worked in the thermal spray industry, specializing in energy and defense applications. With a PhD in Materials Science & Processes, Mr. Vert combines deep technical expertise with strategic leadership to drive technological advancements and market expansion in the field of plasma systems.

Shares per 31.12.2024: 0

1: Mr. Schie owns shares through his 100% owned company ESC Holding AS.

Corporate Governance report

Tekna aims to maintain high standards for corporate governance. In the Company's opinion, good corporate governance is an important condition for value creation.

Tekna Holding ASA's (the "Company") corporate governance defines the business framework within which all activities in the Company should operate and clarifies the roles and responsibilities between governing bodies in the Company.

The Company is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (the "Code") available at www.nues.no. The Board of Directors' Statement of Corporate Governance follows the structure of the Code.

This report provides an overview of how Tekna follows the 15 points set out in the Code and the deviations from the Code in Tekna's operations. This report should be viewed in conjunction with all the measures relating to corporate governance detailed in the Company's annual report 2024.

1. Implementation and reporting on corporate governance

Our governance structure

The Board has the overall responsibility for ensuring that the Company has a high standard of corporate governance. The Board has adopted a corporate governance policy document (the "Policy"). This Policy describes the Company's main principles for corporate governance and addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors, the Chief Executive Officer (the "CEO") and the Tekna Group senior management (the "Executive Leadership Team"). The Company is a holding company, and the operations of the Tekna group of Companies are carried out through the operating subsidiaries of the Company (the "Tekna Group"). The Policy is based on the Code, the Company's goal is to act in accordance with every recommendation in the Code.

The Board and Executive Leadership Team perform an annual assessment of its principles for corporate governance.

The Board members and the Executive Leadership Team are requested once a year to complete a Directors and Officers compliance questionnaire, disclosing any conflicts of interest.

Code of Conduct for suppliers and for employees

In 2021 Tekna implemented the supplier code of conduct ("sCoC") and the employee code of conduct ("eCoC"). It gives clear guidance to our employees and business partners that we expect clean, transparent and fair business dealings.

In 2024, the sCoC, was updated to a Business Partner Code of Conduct and signed off by the Board of Directors on November 5.

The eCoC was updated in 2023 and signed off at the most senior level by the Board of Directors of Tekna on December 15 as part of the corporate code of governance. Both documents can be found here: www.tekna.com/esg.

Deviations from the Code of Practice: None

2. The business

The Company business is to conduct business development, including investments, and to be co-owner of other companies. The Company is the owner of the Tekna Group. The Tekna Group's core business is to produce high-purity metal powders for applications such as 3D printing in the aerospace, medical and automotive sectors, as well as optimized induction plasma systems for industrial research and production.

The Board has prepared clear goals, strategies, and a risk profile for the Company. The Company has guidelines for how it integrates the interests of the society at large into its value creation for shareholders in a sustainable manner. The ESG – Environmental, Social, Governance - report is included in the annual report and is available on the Company's website. The Board evaluates targets, strategies and a risk profile on an annual basis, at a minimum.

Deviations from the Code of Practice: None

3. Equity and dividends

Equity

Total equity for the group at 31 December 2024 was CAD 26.5 million, corresponding to a long-term debt/equity ratio of 1.31. Considering the nature and scope of Tekna's business, the Board considers that the Company has adequate equity and capital structure. The Board constantly assesses the company's financial capacity in light of its objectives, strategy and risk profile.

Dividend policy

The Company strives to follow a dividend policy favourable to its shareholders. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account legal restrictions as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

The Company has not distributed any dividends since the date of its incorporation.

1: In 2024 the external auditor was PWC. 2: Internal Audit function remains to be instated.

Corporate Governance report (continued)

Capital increase and Repurchase of shares

Existing mandates granted to the Board, to issue shares and to purchase its own shares, are presented in the shareholder information section of the annual report. The mandates are restricted to defined purposes and limited in time to no later than the date of the next Annual General Meeting, but in no event later than 30 June 2025.

Deviations from the Code of Practice: None

4. Equal treatment of shareholders and transactions with close associates

Equal treatment of shareholders

There is only one class of shares, and all shares have equal voting rights. At 31 December 2024 there were 127 462 233 ordinary shares each with a par value of NOK 2.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. The articles of association place no restriction on voting rights. Shareholders do not have pre-emption rights upon any change of ownership of shares in the company.

Largest shareholder

Arendals Fossekompani ASA ("AFK") is the Company's largest shareholder, owning 69.5% of the Company's shares at 31 December 2024. The Company's guidelines require that AFK acts in a manner conducive to equal treatment of Company's shareholders.

Transaction with close associates

All transactions with close associates are disclosed in the notes to the annual accounts. All business activities are based on arm's length terms. In the event of transactions with insiders or close associates, procedures apply to ensure the respect of the Norwegian Public Limited Liability Companies Act.

Deviations from the Code of Practice: None

5. Shares and negotiability

The Shares in Company are listed on the Oslo Stock Exchange and are freely negotiable. There are no provisions in the Company's Articles of Association that limit the right to own, trade or vote for shares in the Company.

Deviations from the Code of Practice: None

6. General meetings

Through the General Meeting, the shareholders exercise the highest authority in the Company. All shareholders have a right to attend, make a statement and vote at the General Meeting as long as they are recorded in the Company's share register no later than two business days before the date of the general meeting. The General Meeting deals with such matters as required by Norwegian law.

The notice of the meeting, the agenda and detailed and comprehensive supporting information, are made available on Tekna's website at least 21 days before a general meeting takes place. At the same time the notice and agenda are distributed to all shareholders.

The Annual General Meeting for 2024 takes place on 8 May 2025.

Shareholders who cannot attend the meeting in person can vote by proxy and voting instructions can be given on each item on the agenda. In addition, shareholders may vote in advance, either in writing or by electronic means.

The General Meetings are opened by the Chair of the Board. Normally, the Board proposes that the Chair of the Board shall also chair the General Meetings. The Board will propose an independent Chair for the General Meeting if any of the matters to be considered calls for such arrangement.

The notices and minutes of the General Meetings are published in Oslo Børs' information system (https://newsweb.oslobors.no, ticker: TEKNA) and on Tekna's website (www.tekna.com/investors).

Deviations from the Code of Practice: two deviations from this section:

1) "the members of the Board of Directors and the Chair of the nomination committee attend the general meeting": The Company does not have a Nomination Committee. All members of Board of Directors have normally not participated in the general meeting. Matters under consideration at the general meeting of shareholders have not previously required this. The Chair of the Board of Directors is always on hand to present the report and answer any questions. Other board members participate as needed. The Board considers this to be adequate.

2) "the general meeting is able to elect an independent Chair for the general meeting": The General Meetings are opened by the Chair of the Board. Normally, the Board proposes that the Chair of the Board shall also chair the General Meetings. The Board will propose an independent Chair for the General Meeting if any of the matters to be considered calls for such arrangement.

7. The nomination committee

The Company has not established a nomination committee.

The remuneration of the members of the Board has been voted by the General Meeting.

Deviations from the Code of Practice: The Company has not established a nomination committee. The function and responsibilities of a nomination committee are considered by the Company to have been sufficiently handled by the Board of Directors in close dialog with the major shareholders.

Corporate Governance report (continued)

8. Board of directors: composition and independence

Composition and election

According to the Articles of Association, the Board shall consist of minimum three and maximum nine members. At 31 March 2025, the Board consisted of seven members. Four of the seven Board members are women. The Public Limited Companies Act states that there should be at least 40 per cent of each gender on the Board of Directors.

None of the Board members are executive personnel. The Board members are elected for a period of up to two years. The Board members including the Chair are elected by the General Meeting. There is no corporate assembly in Tekna.

The Board of Directors currently has the following composition:

- Dag Teigland, Chair of the Board re-elected on May 15, 2024
- Torkil Sigurd Mogstad, re-elected on May 3, 2023
- Barbara Thierart-Perrin, re-elected on May 15, 2024
- Anne Lise Meyer, re-elected on May 15, 2024
- Kristin Åbyholm, elected on May 3, 2023
- Lars Magnus Eldrup Fagernes, elected on May 3, 2023
- Ann-Kari Amundsen Heier, elected on December 19, 2023

See presentation of Board members in the annual report for details.

Independence of the Board of Directors

The composition of the Board ensures that it can operate independently of any special interest. The current Board meets the requirement set forth in the Code that the majority of board members should be independent of the Group's executive personnel and material business contacts, and that at least two of the seven board members should be independent of the main shareholders.

Executive Vice President Torkil Mogstad, Executive Vice President Ann-Kari Amundsen Heier, Business Developer Lars Magnus Eldrup Fagernes and Dag Teigland engaged by Arendals Fossekompani ASA ("AFK"), are not considered to be independent of the main shareholders due to their respective positions in, and engagement by AFK, the Company's majority shareholder. All other Board members are considered to be independent.

The Board members are requested once a year to complete a Directors and Officers compliance questionnaire, disclosing any conflicts of interest.

Board members' shareholdings

Board members are encouraged to own shares of the Company. Board members' shareholdings in the Company are disclosed in Note 22 Related Parties of Tekna's consolidated financial statements.

Deviations from the Code of Practice: None

9. Work of the Board of Directors

Duties of the Board of Directors

The Board of Directors has adopted Rules of Procedures for the Board, which indicate rules as to the work and administrative procedures of the Board and as to the functions and duties of the CEO towards the Board.

The overall management of the Company is vested in the Board and the Executive Leadership Team. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization and allocation of responsibilities and duties, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board leads the governance system and meets with relevant Board Committees a minimum of four times a year to gain insights, review and ensure proper implementation of internal control mechanisms and risk management processes for good governance. The Board meets the CEO, the CFO and the Executive Leadership Team as often as necessary to perform its duties. ESG, including climate-related risks and opportunities are subject to an annual review with the Board. Top risks and emerging risks are reported in the company's Enterprise Risk Management.

The Board had 9 meetings during 2024 with 97 per cent participation.

The Board has evaluated its performance in 2024.

Agreements with related party

The Board has also adopted Guidelines for Related Party Agreements to ensure proper handling of agreements between the Company and related parties. These Guidelines stipulate that Members of the Board and the Executive Leadership Team must notify the Board if they have any material direct or indirect interest in any agreement to be entered into by the Company. In each case, the Board will consider whether it is necessary to obtain an independent evaluation.

In 2024, no Related Party Agreements were executed.

The Audit Committee

In light of the company's conversion to public limited company Tekna's Board established an Audit Committee in 2022 (the "Audit Committee") and adopted Guidelines for the Audit Committee. The Audit Committee is a subcommittee of the Board and acts as a preparatory and advisory body for the Board and supports the Board in the exercise of its responsibility for financial reporting, internal control, and risk management. The Audit Committee also reviews and monitors the independence of the Company's auditor.

The Audit Committee consists of two members who are members of the Board: Anne Lise Meyer and Torkil Mogstad. They have been appointed by the

Corporate Governance report (continued)

Board which has also designated Anne Lise Meyer as the Chair of the Audit Committee. The members of the Audit Committee have collectively the expertise required for the performance of the tasks assigned to the Audit Committee.

Deviations from the Code of Practice: "The majority of the members of the Audit Committee should be independent.": The Audit Committee has two members, one is independent, the other is not. The Board considers this to be adequate.

10. Risk Management and Internal Control

The Board ensures that Tekna has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the company's activities. The internal control and the systems also encompass the Company's corporate values and ethical guidelines.

The objective of the risk management and internal control is to manage exposure to risks to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

The Board carries out an annual review of the Company's most important areas of exposure to risk and the Board and the Executive Leadership Team conduct risk assessments related to various dimensions and aspects of operations to verify that adequate risk management systems are in place.

The Board provides an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Internal control of financial reporting is conducted through day-to-day follow- up by Executive Leadership Team, and supervision by the Audit Committee.

Deviations from the Code of Practice: None

11. Board remuneration

The General Meeting determines the Board's remuneration annually. Remuneration of Board members is reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The remuneration of the Board members is not performance-related nor includes share option elements.

The Board is informed if individual Board members perform tasks for the Company other than exercising their role as Board members. Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

Additional information on remuneration paid to the individual Board members can be found in Note 22 of the financial statements for 2024.

Deviations from the Code of Practice: None

12. Salary and other remuneration for executive personnel

The Board has resolved guidelines to the CEO for remuneration to the Executive Leadership Team, including performance-related remuneration. The Guidelines can be found in the Corporate Governance Policy of the Company.

The salary and other remuneration of the CEO are decided by the Board.

The Company's senior executive remuneration policy is based primarily on the principle that executive pay should be competitive and motivating, in order to attract and retain key personnel with the necessary competence, in order to ensure the long terms interest of the Company.

The performance-related remuneration portion is limited in the variable compensation plan.

Details relating to the salary and benefits payable to the CEO and other subsidiaries' senior executives are available in note 22 to the financial statements and the Remuneration Report 2024.

Deviations from the Code of Practice: None

13. Information & communication

Communication with shareholders, investors and analysts is a priority for the Company. The Board has implemented an Investor Relations Policy with the objective to provide the public with accurate, comprehensive and timely information to form a good basis for making decisions related to valuation and trade of the Company share. The Company's communication is based on openness and respects the requirement for equal treatment of all shareholders.

All notices sent to the stock exchange are made available on the Company website and at https://newsweb.oslobors.no.

The dates for major events such as the Annual General Meeting, the publication of interim reports and public presentations are published on the Company's website: www.tekna.com/investors/calendar and at https://newsweb.oslobors.no.

Deviations from the Code of Practice: None

Corporate Governance report (continued)

14. Take-over situations

The Board has adopted Guidelines relating to take-over bids. In the event of a take-over bid being made for the Company, the Board will follow the overriding principle of equal treatment for all shareholders and will seek to ensure that the Company's business activities are not disrupted unnecessarily. The Board will strive to ensure that shareholders are given sufficient information and time to form a view of the offer.

The Board will not seek to prevent any take-over bid unless it believes that the interests of the Company and the shareholders justify such actions. The Board will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the General Meeting following the announcement of the bid.

If a take-over bid is made, the Board will issue a statement in accordance with statutory requirements and the recommendations in the Code.

In the event of a take-over bid, the Board will obtain a valuation from an independent expert. If a major shareholder, any member of the Board or Executive Leadership Team, or related parties or close associates of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in a take-over bid, the Board will arrange for an independent valuation.

Any transaction that is in effect a disposal of the Company's activities will be submitted to the General Meeting for its approval.

Deviations from the Code of Practice: None

15. Auditor

Role of Auditor

PwC is the Company's Auditor.

The primary task of the Auditor is to perform the audit work required by law and professional standards with the level of care, competence and integrity required by law and such standards. The Auditor participates in all meetings of the Audit Committee. The Minutes of the Audit Committee are shared with the Board Members. If required by the Board, the Auditor can assist to the Board.

The Auditor has assisted the Board related to 2024 Annual financial results.

Use of the Auditor for services other than the audit.

The Audit Committee reviews and monitors the independence of the Company's auditor, including the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The Auditor provides the Board with an annual written confirmation that it continues to satisfy the requirements for independence.

The Auditor annually provides the Board with a summary of all services in addition to audit work that have been undertaken for the Company. The fees paid for audit work and fees paid for other specific assignments are specified in the notes to the financial statements.

Deviations from the Code of Practice: None

Testing the flowability of metal powder materials

Sustainability Statement

Tekna Holding ASA

2024

January 1—December 31

(part of **Annual Report** Tekna Group)

Every particle counts…

Sustainability Statement

Every year Tekna employees embark on a spring cleaning of the Sherbrooke industrial park, every particle (or bathtub :-) *removed from the environment* counts

General disclosures

Contents

link ESG-related reports

This Sustainability statement is prepared in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS).

The report describes Tekna's material impacts, risks and opportunities. The materiality assessment identified the following topics to report on:

- Environment: Tekna reports on Climate Change (E1) and Resource use and circular economy (E5),
- Social: Own workforce (S1) and Workers in the value chain (S2),
- Governance: Business Conduct (G1) and Cyber Security (Gx—entity specific).

For all these topics it describes the strategy, how it is operationalized through guidelines, targets and an action plan, followed by measurements consisting of 2024 compared to 2023 where available and a baseline if applicable.

Corporate culture

Tekna Group ("Tekna") has integrated sustainability at the highest level of its corporate strategy, starting with its new company vision: "To advance the world with sustainable material solutions, one particle at a time."

Subsequent to that Tekna has defined its Sustainability Commitment (also referred to as green mission) as:

"We are committed to collaborate in powerful partnerships along our value chain to deliver ever more sustainable and ultimately climate neutral materials solutions."

To ensure employees understand its importance, it is also anchored in the company value "We strive for excellence" with the following subtext: "We aim for exceptional quality in everything. We are personally committed to achieving our mission while caring for environmental sustainability and regeneration, safety, and the well-being of our people and the success of our customers."

General requirements and disclosures [ESRS 1&2]

General basis for preparation

This report is in accordance with Section 3-3c of the Norwegian Accounting Act regarding corporate social responsibility and published in the annual report 2024 and available on the company's website from 10 April 2025.

Tekna also reports according to the Norwegian Transparency Act and the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Finally, the report comprises information for communicating on progress to the UN Global Compact and thus underlines Tekna's ongoing commitment to the Ten Principles on human and labor rights, environment and anti-corruption.

This is the first time Tekna is reporting in accordance with CSRD and ESRS and best efforts have been put into translating the quantitative and qualitative disclosure requirements into relevant descriptions and data points. As a guiding tool, Tekna has relied on the implementation guides made available by the European Financial Reporting Advisory Group (EFRAG). The quantitative ESRS data points in the report are marked with the ESRS ID number in accordance with IG-3.

Furthermore, Tekna follows ESRS recommendations regarding one or three-year phase-in periods. These data points will be reported in 2025 and 2027, respectively.

This report was not externally assured on its publication date. The Group is well below established thresholds for (audited) CSRD reporting. Note that most CSRD datapoints and GHG metrics were internally audited.

The index on page 81 shows material disclosures and their location throughout the report. On page 107 there is a list of abbreviations commonly used in sustainability reports.

Going forward, Tekna will continue to assess and develop its disclosures in line with the disclosure requirements of the ESRS.

Scope of reporting

The sustainability statements are consistent with the financial statements in terms of undertaking (Tekna Holding ASA and its subsidiaries) and reporting period (1 January to 31 December 2024). See Group chart on page 104.

A 3rd facility in Sherbrooke is used in the climate accounting (Warehouse [JLM], Canada) This is not a legal entity and not included in the financial statements. The joint venture Imphytek Powders SAS [Imphytek], France is in dissolution and not included in the scope of this report, refer to note 20 and 21 of the financial statements.

The Sustainability Statement covers Tekna's up- and downstream value chain. See further details in the sections: 'Business model and value chain' and 'Material impacts, risks and opportunities' on pages 37 and 38.

Time horizons

The short-term time horizon for data in the Sustainability Statement refer to maximum two years. Medium and long-term horizons refer to up to five years and more than five years respectively in line with the double materiality analysis.

Sources of estimation and outcome uncertainty

Tekna aims to disclose data as correctly and accurately as possible by using primary measurement data and by standardizing the calculation of emissions using emission factors from Tekna's carbon accounting system. Tekna relies on the following key methods of measurement aligned with the recommendations of the GHG protocol: 1) Spend-based, 2) Activity-based and 3) Hybrid.

Tekna uses estimates in its reporting on selected data points due to its dependency on and lack of data from its value-chain partners. A defined process for assessing and, if necessary, adjusting estimates is in place.

For further information on estimates, please refer to the specific disclosure requirement regarding the GHG calculation. Any potential sources of measurement uncertainty, assumptions or estimates are described in the accounting principles of the respective disclosure point.

Changes in reporting or reporting errors

Materiality thresholds are defined for when to restate quantitative information together with procedures for how a restatement should be performed, which also covers cases of reporting errors in prior periods. If data has been restated, this will be clearly stated.

Sustainability governance

The responsibility for sustainability & ESG resides with the VP for Corporate Strategic Development and Innovation to ensure proper oversight of sustainability matters.

ESG is included in the monthly management report to the board. It is discussed with the Audit Committee in the quarterly meetings. At least once a year the topic is on the agenda in the Board of Directors' meeting.

In 2024, the focus of the Board has centered around the preparation of the ESG focus areas and targets as well as CSRD reporting. This covers, among other themes, Tekna's climate commitment, EU Taxonomy and double materiality assessment.

Environment Committee (CDD)

The environment committee consists of volunteers from across the organisation driven by the green cause. They have driven projects from waste reduction and recycling to using secondary resources as well as driving more sustainable choices throughout the organisation.

Ethics and Compliance Committee (ECC)

The ECC is responsible for the development of policies and ensuring its implementation and adherence throughout the group. In 2024, the Committee was led by the VP Legal and consisted of various VPs and managers.

Remuneration

There is no specific remuneration element anchored in sustainability.

Risk management and internal controls

Risk assessments are integrated into the data collection process to prevent misleading information, statements, figures or conclusions based on inaccurate or incomplete data.

Data collection and estimation processes are developed and discussed at the executive level to ensure quality reporting.

Due diligence

We are conducting due diligence for CSRD reporting by assessing and gathering relevant ESG data across our operations. This involves evaluating our sustainability practices, identifying risks and opportunities, and ensuring accurate integration into our financial reports. By implementing this process, we aim to meet CSRD requirements, enhance transparency, and improve our long-term sustainability.

Contact

For any enquiries about sustainability reporting, please contact the VP for Corporate Strategic Development and Innovation , Ms. Arina van Oost, at esg@tekna.com.

Strategy, business model and value chain

Tekna Holding ASA, a Norwegian public limited liability company, is listed on Oslo Stock Exchange. The Group is headquartered in Sherbrooke, Canada, with subsidiaries and teams based across six offices in Canada (2), France, USA, China and South Korea.

The Group currently engages in two main businesses: Systems (incl. PlasmaSonic) and Materials. The growth of these businesses is driven by megatrends having significant impact on consumer behavior globally: Space Exploration and Space Tourism, Deglobalization and Climate Change, Digitalization & Connectivity, as well as Demography & Health Care.

Customer centricity and high quality service and solutions are key to our success and rewarded with over 80% recurring revenues.

Tekna produces high purity, micron-sized and nano-sized metal powders as well as optimized induction plasma systems for industrial research and hypersonic test facilities.

Micron-sized powders are used for applications such as 3D printing in the aerospace, medical and consumer electronics sectors while advanced nano-sized materials are applied in the manufacturing of micro-electronic devices (MLCCs) used in consumer electronics, autonomous vehicles, and 5G and Internet-of-Things (IoT) communications equipment.

The Group develops and operates its own plasma systems and sells customized plasma systems for research applications to academic and industrial research organizations. The PlasmaSonic product line, a part of Systems, consists of plasma wind tunnel solutions for the simulation of hypersonic and orbital flight conditions.

The groups activities are classified in the manufacturing sector. Our value-chain includes activities in the mining and quarrying sector. In 2024 Tekna Group accumulated CAD 37.2 M in revenues.

Value chain

In figure 1 is a simplified overview of the Tekna value chain for the two business units. We have indicated in red the part with the highest potential for negative impact, which materials are on the Critical raw material list, and which are potential conflict materials.

REACH, RoHS and potential conflict minerals

Our procurement team has delivered third-party verification guaranteeing our powder products are meeting REACH (toxic chemicals) and RoHS (hazardous substances) requirements.

Tekna is following the Responsible minerals initiative (Conflict minerals reporting) for tungsten and tantalum. Both are sourced exclusively from Conflict-Free material based on OECD due diligence and Dodd-Frank requirements. Tekna has the declaration on conflict-free material, which is made with all the information from partners in the entire supply-chain from smelters up to Tekna.

We have a general understanding of the potential impacts and risks associated with the upstream value chain and the highest risk is likely to be found in raw material extraction and refining. This may include child labor, forced labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions.

As a medium sized company we have access to our business partners and are able to inform ourselves about their practices, associated risks and potential impacts. The suppliers of our business partners have proven to be more difficult to assess. Much work remains to be done to complete the understanding.

Risk mitigation

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The remaining 20 per cent, approximately, is spent on a key raw material, i.e. titanium, supplied by two regularly audited manufacturers in China. Both are well-established and qualified suppliers to major western industrial conglomerates.

Value chain (VC)	Upstream value chain	Own Operations (OO)	Downstream value chain (VC)	
Business unit:	Raw materials and supply chain	Production, distribution, marketing	Customers	End-users (& End-of-life-stage)
Materials: for additive manufacturing industry	*Mining and sourcing of raw materials*		*Production of:*	*Utilization:*
	Aluminum, Tantalum[1,2], Titanium[1], Tungsten[1,2]	Production of micron-sized materials (A, Ti, W, Ta).	Tier 1 and Tier 2 Metal part manufacturers	Aerospace, medical implants, consumer electronics, 3D Machine Manufacturers
for micro-electronics industry	Nickel	Production of nano-sized materials (Ni).	Multi-Layer Ceramic Capacitors (MLCC) Original Equipment Manufacturers	Electronics in devices, EVs,
Systems	Production of hardware (Parts and subassemblies)	Production and development of plasma technology	(Materials) Research institutes and companies	Research and small production of (new) materials
General	Transportation associated with above activities. Sourcing of parts, electricity, water	Storage, packaging, transportation and logistics Sales and Marketing, personnel and office		Disposal and end-of-life handling

Figure 1: simplified overview of the Tekna value chain for the two businesses.

1: Critical raw material list. 2: Potential conflict material Tekna's supplier guaranteed material purchased non-conflict.

Material impacts, risks and opportunities (MRO)

Stakeholders

Tekna strives to maintain an open dialogue with its stakeholders and throughout the year engages with employees and other workers, customers and end-users, suppliers, local communities and authorities and investors. Tekna held topic specific stakeholder interviews with customers, employee representatives, investors, a trade association and the local government in Q4 2023. Throughout 2024, conversations with stakeholders included sustainability, particularly with employees, customers and investors.

Affected stakeholders in the (upstream) value-chain have not been identified.

Tekna is proud to find amongst its major investors many that are driven by sustainability. We are thankful for the insights and support they have provided to improve our sustainability strategy. Tekna is seen as very well positioned in the future as we can enable the green transition. Furthermore, our work on the safety of our employees and efforts to improve transparency were praised.

Tekna's customer base consists mostly of large OEMs that have adopted sustainability as part of their strategies. When Tekna is qualified as a supplier sustainability is usually part of the discussion. Customers frequently enquire about the environmental footprint of our technology. Our customers believe that low carbon solutions will be the standard in the future. They encourage Tekna to perform a Life Cycle Assessment for Materials and are looking for an increase in recycled materials in their feedstock.

The expectations of the society-at-large are clear: a more equitable and sustainable future for all, addressing the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. We aim to make our value-chain as sustainable as possible. We were pleased to hear our stakeholders describe Tekna as being an 'industry leader, reputable and innovative'. As part of our stakeholder interview process, we interviewed an organization from our local community that supports industries, and they believe Tekna's customer success comes from our quality, experience, and diversified markets.

Tekna conducted its first materiality assessment in 2021, which led to defining our material topics. Our employees have shown their approval of the focus area 'Enabling stakeholders' positive impact' as our product allows our clients to obtain a better yield. Employees raised the topic of resources available to improve Tekna's footprint in relation to how much effort has to go into sustainability reporting. Tekna has committees for advocating key sustainability topics: Health and Safety committee, Ethics and Compliance committee, the Environment committee and the CORE employee committee.

Material impacts, risks and opportunities (IRO)

In the IRO exercise Tekna has assessed its own operation (OO) and value chain (VC) for negative (NI) and positive impact (PI), risks (R) and opportunities (O) across the CSRD topics. See insert on the right for high-level thoughts on the topics.

Climate change:

- O (OO): Higher material efficiency than competitors
- O (OO): Attractive and relevant for companies demanding carbon neutrality in supply chain
- PI (OO): Energy efficiency and climate friendly parts for aviation, medical and energy section
- NI (OO): Use of non-renewable electricity (outside Canada)
- O (VC): Enabling technology
- O (VC): Energy efficient operations

Pollution:

- NI (VC): Transportation and production of upstream materials, including mining
- NI (VC): Mining and mineral extraction impact on soil
- NI (VC): Wastewater management from mining + production of upstream materials
- NI (OO): Transportation and business travel related emissions
- PI (OO): No pollution from production
- NI (OO): Emissions from business travel and office space

Water and Marine resources:

- NI (OO): Water consumption in production
- O (OO): Water recycling in production

Biodiversity and Ecosystems:

- NI (VC): Mineral extraction (Land degradation, land-use change)
- NI (OO): Red list species with habitats in areas affected by operations

Circular Economy:

- O (OO): Resource efficiency - use of recycled products/ components for additive manufacturing
- PI/O (OO): Reuse of raw materials and gas in production
- NI (OO): Generation of waste in production
- O (OO): Reuse of packing containers
- O (VC): Resource efficiency
- NI (VC): Hardware + packaging end-of-life issues (waste, recycling, reuse), incl. electronic waste

Own workforce:

- NI (OO): Potential accidents of dangerous materials/substances impacting own workers
- PI (OO): Health and safety for own workers
- PI (OO): Equal treatment and opportunities of own workforce in production and distribution.
- PI (OO): Gender equality, diversity and inclusion
- O (OO): Being an attractive employer to attract talents and competence in a competitive market
- PI (OO): Employee education and development

Workers in the value chain:

- PI (VC): Labor conditions and human rights in raw material production. Freedom of association and the effective recognition of the right to collective bargaining. Safe and healthy working environment and conditions
- PI (VC): Equal treatment and opportunities in the value chain (direct and indirect suppliers in all countries)
- NI (VC): Risk of forced labor and child labor in value chain
- PI (VC): Cooperation and training on equipment for safe use

Affected communities:

- NI (VC): Impacts in less regulated countries, incl. zones in conflict, related to the use of communities' land for mining and other upstream production, access to water and sanitation and health and safety in local communities related to the transport of materials, mine sites, and substance emission
- NI (VC): Minority's rights and rights of indigenous people
- PI (VC): Supporting local communities and university

Consumers and end-users:

- PI (VC): Enabling medical and dental application
- R (VC): Application for warfare
- O (VC): High quality products (safety, lifespan)

Business Conduct:

- PI (VC): Supply chain transparency
- R (VC): Risk of raw material sourcing from sanctioned countries (trade war). Dependency on sourcing with China
- PI (VC): Traceability of raw materials
- PI (VC): Business ethics in procurement practices
- PI (OO): Business ethics in own operations, global sales and management
- PI (OO): Protection of whistleblowers for own workers
- R (OO): Anti-corruption and bribery

Double Materiality Assessments (DMA)

Double Materiality Assessments (DMA)

A double materiality assessment takes into account two perspectives: the impact Tekna's activities have on its surroundings, environment and society (impact materiality) and the impact climate change may have on the company (financial materiality).

Impacts can be positive or negative, actual or potential, and relate to the company's effect on people and planet Risks and Opportunities are financial and are incurred by the company due to ESG-related matters.

Methodologies and assumptions

The goal of the assessment is to identify the material IROs related to matters to be reported.

The followed MA process considering both impact and financial materiality is summarised below:

1) identification of impacts;

2) assessment of whether such impacts lead to risks and opportunities.

3) identification of risks and opportunities not sourced from impacts.

For most material impacts, a material risk and/or opportunity may emerge over time.

The double materiality assessment was performed supported by the topics included in the CSRD and GRI (Global Reporting Initiative) as well as the dependence on natural, social, and human resources. The impact assessment includes positive, negative, actual, and potential impacts. The mapping and understanding of impacts were primarily centred on the value chain where impacts were deemed most likely to occur.

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on the company that are likely to influence its future cash flow.

Material topics and subtopics

Based on the double materiality assessment, Tekna has adopted the following topics and subtopics for the 2024 CSRD reporting. Note that there are more material topics and we will continue our journey to develop reporting on those.

- Topic E1: Climate Change

Sub-topics: Climate change adaptation, Climate change mitigation and Energy

Tekna contributes to climate change through our GHG emissions, and we also work to enable the green transition with our clean technology and downstream gains. We are attractive and relevant for companies demanding carbon neutrality in their supply chain. We are vulnerable to a changing climate, if we do not adapt.

- Topic E5: Resource Use and Circular Economy

Sub-topic: Resource inflows including resource use

We rely on the extraction of raw materials upstream, for our Materials. The opportunity lies in the use of secondary resources as well as the resource-efficiency additive manufacturing brings.

- Topic S1: Own Workforce

Sub-topics: Working conditions, Equal treatment and opportunities for all

As a global high-tech organization the group is reliant on our people as our most valuable asset. This dependency on employees' wellbeing and safety presents a financial risk that requires continuous attention. We also see an opportunity to continue nurturing diversity and equality throughout the group's global workforce.

- Topic S2 Workers in the value chain

In the climate-risk assessment the working conditions of our main supplier(s) in China is an important topic (excessive heat). Furthermore, locations of certain partners are known for lack of respect for human rights and labor conditions.

- Topic G1: Business Conduct

With own operations in five countries and business partners in many more, Tekna Group is exposed to corruption risks in business conduct, and generally risks of breaches to our corporate conduct that require ongoing focus.

- Topic Gx: Cyber security

We are vulnerable to cyber attacks, which demand sophisticated prevention and strong internal controls. We have added Cyber security as an entity-specific sub-topic to our Governance reporting.

Tekna focus area	SDG[2]	ESG[3]	CSRD[4]	See also this Report
Sustainability: Enabling customers' positive impact	SDG 9	S	ESRS E1, E5	EU Taxonomy Report 2024
Circularity: Strive for circular and sustainable production	SDG 12	E, G	ESRS E1, E5	Emissions Accounting Report 2024 Human Rights and Transparency Report 2024
Society: Great place to work	SDG 8	S	ESRS S1 -S4	CSRD Report 2024 (=this report) Remuneration Report 2024
Governance: Ethical business conduct	SDG 16	G	ESRS G1, Gx	Corporate Governance Report 2024

1: Coding at the end of the topic relates to the map in the materiality analyses in Appendix A. "O" is opportunity and "R" is risk.
2: UN Strategic Development Goals. 3: Environment, Social, Governance. 4 Corporate Sustainability Reporting Directive (EU)

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Environment

Contents

Tekna's environmental impact is two-fold. Tekna has a positive environmental impact through developing products which enable a green transition in line with United Nations Global Compact principle 9[3] and as substantiated per the EU taxonomy.

Tekna produces metal powders for additive manufacturing ("AM") that significantly reduce the metal consumption in product manufacturing processes downstream and simplifies the supply chain, transport and warehousing logistics by reducing the number of parts in mechanical assemblies. In the application of AM, parts in airplanes and vehicles are usually lighter and therefore more energy efficient (less weight, less fuel consumption). On the other hand, the company also has an environmental impact from internal business operations such as emissions from employee commutes, business travels, energy consumption at the company's locations and waste generation.

Tekna started climate accounting in 2019 and continues to gain insights on its footprint, particularly for up- and downstream GHG emissions (scope 3). For scope 1 and 2 Tekna has already committed to an absolute reduction of 50% by 2030 over 2021. The carbon accounting was updated in 2024 using CEMAsys' digital solution. A summary is presented here and a full overview can be found in the Carbon Accounting report in the appendix of the annual report and on the website..

Decarbonization

Scope 1 emissions have been stable since baseline year 2021. The source of emissions is the natural gas heating system in the Canadian facilities. We are looking to solidify the decision for the best alternative to lower these emissions, from electrical heating to biogas. We plan to budget for this before 2030.

Scope 2 emissions are down by 67% compared to baseline 2021. We are approaching scope 2 in the two obvious ways, ie a) by moving consumption to renewable energy sources, and b) reducing consumption. The renewable energy share (a) is up by 10 percentage points since 2021 baseline (2024: 77%). This is due to stopping production in France, which uses clean energy, yet not renewable (nuclear).

In reduction (b) we are focusing on increasing the productivity of our powder production. Compared to 2019 we have reduced by 26% the kWh required to produce 1 kg of powder (2024: 12.1 kWh/kg).

It is clear that the most significant emissions are in Scope 3. Tekna has yet to communicate reduction targets for the scope 3 categories. With the full scope 3 now transparently available we can start prioritising actions further. Nonetheless, we have started taking actions to reduce emissions

Replacing single-use packaging

Additive manufacturing ("AM") materials are typically transported in single-use packaging, with aluminum powder being shipped in 5kg plastic drums and titanium powder in metallic bottles of 2.5kg each. Unfortunately, once they have been used, the single-use packaging are left with small quantities of residual metal powder making them not easily reusable nor recyclable.

As the volumes of AM materials are increasing, the business case for returning the powder to Tekna for reconditioning will become stronger.

In order to reduce single-use packaging, Tekna has developed a Universal and Reusable CONTAINER for Additive Materials together with industry partners (see image). One container replaces 25 single-use plastic drums or 80 metallic bottles.

The key benefits of this solution:

- Enabling resource efficiency, circularity and GHG reduction: the sturdy containers can be reused "indefinitely" and will be used to deliver pristine powder to the customer and the customer can return degraded material back to Tekna
- Eliminating the use of single-use packaging and disposal activities
- Allowing for safer handling both during transportation and at the point of use. This means 1) reducing the risk of exposure to powder, 2) since

3: Principle 9: encourage the development and diffusion of environmentally friendly technologies.

the container has wheels, eliminating the risk of drops and lifting related injuries, and 3) based on the plug-and-play nature of the container solution, increasing user-friendliness and reducing the risk of handling mistakes
- Increasing efficiency as more material is loaded to the machine per packaging unit

The container is ready to be put into operation. Given Tekna's projected volumes, the company will avoid ~1 Million tCO2e over the next 5-years in the category Purchased goods & services (upstream) and the category Use of sold products (downstream as single-use waste)

Reducing logistics emissions

In 2023, we completed the assessment of the category Upstream transportation and distribution. Metal powder is considered a hazardous good when in transport, therefore short-term our opportunities are limited. As volumes increase with it will come the possibility of reducing air transport in favor of boat or train.

Other elements we are applying where possible:

- Divert transport to carriers with a "green" fleet
- Consolidate shipments
- Improve packaging to reduce shipping "air"

Carbon accounting

Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organization to benchmark performance indicators and evaluate progress over time.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Noteworthy

Refer to footprint overview on the next page.

- 2030 Target to reduce scope 2 by 50% achieved!
- Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%
  - Energy intensity down 26% to 12.1 kWh/kg of powder produced
- Closing production in France resulted in a shift away from Nuclear while increasing Hydro power.
  - Increased renewable energy percentage (+11pp)
  - Reduced scope 2 emissions significantly (-67%)
  - Total kWh increased by +32% as production in Canada increased
- Reduction in business travel (Cost-saving measure) has reduced related emissions (down 11%)[2]
- All material categories in scope 3 mapped (+4 additional baselines established)

Restatements

Multiple items had to be restated for 2023, based on improved information, new estimation and extrapolation methodologies applied in 2024, which we applied also to 2023 for comparability and unfortunate errors detected.

Corrections have been made to the following categories:

- Scope 2 Electricity, France (Tekna Plasma Europe)
- Scope 3.3 Fuel and Energy related activities.
- Scope 3.4 Upstream Transportation and Distribution
- Scope 3.7 Employee Commute

The most significant change was the incorrect way of estimating the transport emissions. In comparing with the online transport emission calculator Eco-Transit we found we had largely overstated the emissions. Consequence: Reduction of 245 523.5 tCO2e [former 246 757.0 tCO2e restated to 1233.5 tCO2e].

Details are disclosed in the restatement section of the carbon accounting report. A summary of the changes below is included in the table below.

in tCO2e	2023 published	2023 restated	2024
Total Scope 1	589.0	589.0	595.9
Total Scope 2	29.6	29.1	13.9
Total Scope 3	247 482.0	1 981.2	27 730.3
Total	248 100.5	2 599.2	28 340.1

External Assurances

Internally the Audit Committee approves the Emissions Accounting report. This report was not externally assured on its publication date; Note that the CO2 metrics were internally audited.

Link to the full report in the appendix.

Carbon Accounting (continued)

Tekna's climate footprint

Energy Intensity per kg metal powder produced

Performance vs baseline FY19

Direct electricity of plasma systems within Tekna | Ti64 and AlSiMg | in kWh per kg

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Renewable energy share

77 % ▲ vs 66% **(+11 pp)** in 2021 (Location based).

Scope 1

596 tCO2e ▶ vs 577 **(+3%)** in 2021. Tekna has added a third facility in Canada in 2022 increasing natural gas consumption for heating compared to baseline 2021.

Scope 2

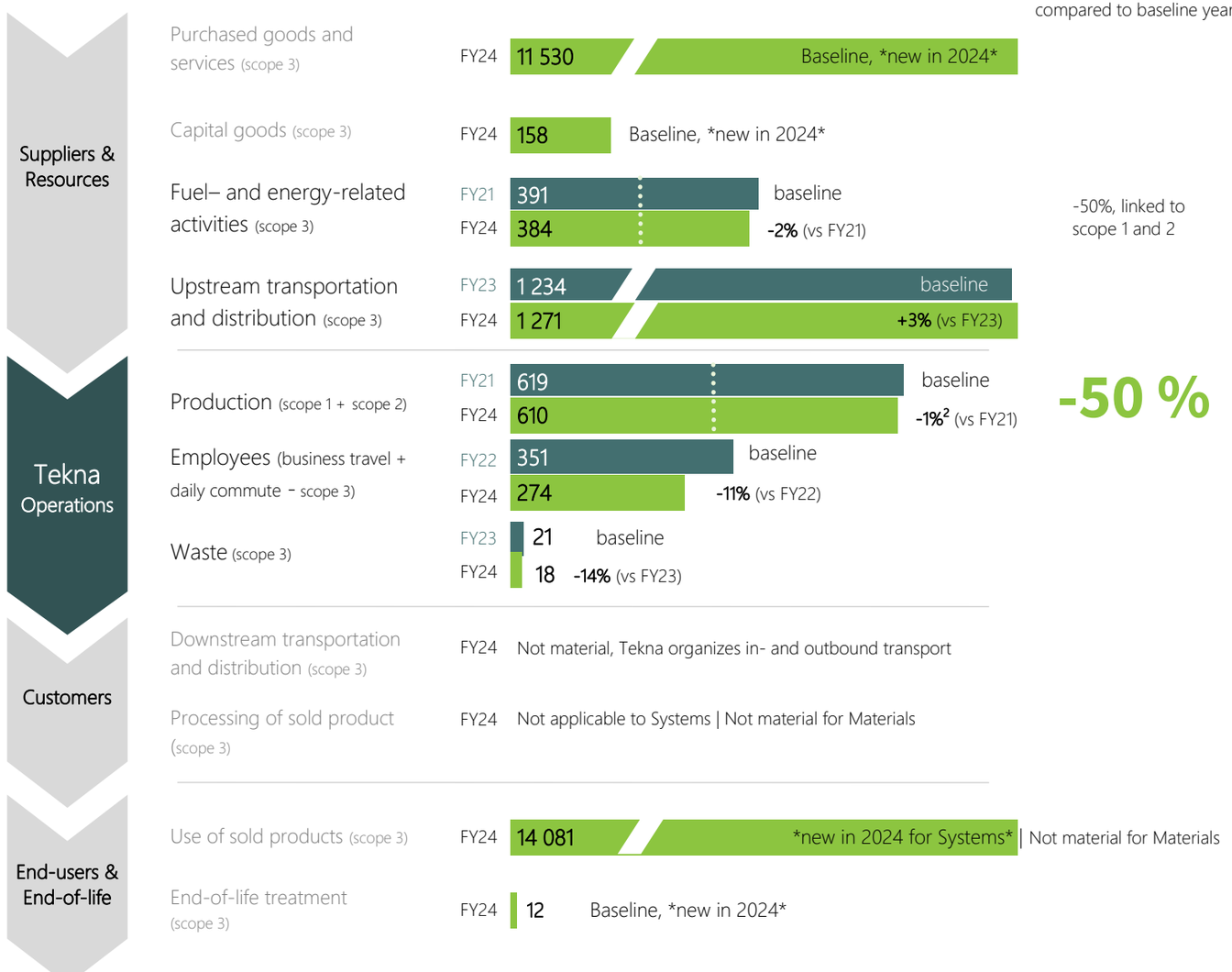
14 tCO2e ▼ vs 42 **(-67%)** in 2021. Tekna continues to improve energy efficiency in its powder production[2]. By reducing production in France the consumption of nuclear electricity is reducing.

Scope 3

27 730 tCO2e This is the first year that we have a complete estimation of the value-chain footprint. This creates a solid basis from which to focus our reduction effort.

Tekna's climate footprint at different stages of the value chain

(GHG protocol[1] | in tCO2e)



Target 2030

Reduce in absolute terms compared to baseline year

-50%, linked to scope 1 and 2

-50 %

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%.

Climate change [ESRS E1]

Climate change mitigation / adaptation

Strategy

Tekna's approach to environmental sustainability, within all aspects of our business operations, is based on two main pillars:

- Minimizing our environmental footprint - Dedicated to avoiding and minimizing any adverse environmental impacts linked to our business operations. This includes adverse impacts as a result of Tekna's business operations directly, as well as any indirect impacts such as impacts related to business partners, suppliers and other third parties. The ultimate goal is to become climate neutral (without relying on carbon offsetting) by reducing more greenhouse gas (GHG) emissions than the Tekna value chain emits, while growing the business.
- Promoting environmental sustainability - Dedicated to improving resource efficiency and sustainability across the value chains we operate in. This includes developing new and improving existing sustainable technologies and products that are resource efficient, eco-friendly, recyclable, recoverable and best in class in terms of environmental sustainability.

Tekna shall prioritize its efforts within environmental sustainability based on the double materiality assessments.

Company value: We strive for excellence

Progress made in the year

- Finished the scope 3 GHG baseline in 2024.
- Furthered the decarbonization plan, including improved energy efficiency and productivity of the powder production system
- Updated the climate risk assessment according to 4 scenarios and with outlook from 2030-2080 for Tekna locations as well is main suppliers' locations.

Comments on material changes in KPI's

Scope 1 remains stable as we study options to achieve the 50% reduction from biogas to installing heat pumps.

Scope 2 reduced by more than 50% whilst production output increased by 26% compared to 2023 in Canada which uses only renewable energy. This does increase the Energy Consumption in MWh. Production in France reduced further (nuclear energy), which improved the renewable energy share.

Scope 3 first year with a complete assessment for this scope. Reductions were achieved in waste and business travel.

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
Environmental policy Sustainable events policy Employee Handbook (MAGRH-01)	Scope 1: 50% absolute reduction of CO2 emissions by 2030 compared to baseline 2021. Scope 2: 50% absolute reduction of CO2 emissions by 2030 compared to baseline 2021. 100% Carbon neutral by 2050 (incl. scope 3)	Continue to improve accuracy and understanding of scope 3 upstream and downstream emissions and set reduction target(s) in 2025 Ensure budget planning to execute on decarbonization plan by 2027 Quantify potential financial effects linked to significant physical and transition risks and climate related opportunities in 2026 Development of climate risk mitigation plan by 2026

Measurement

	KPI (per year)	**2024** (vs baseline)	**2023** (vs baseline)	**baseline** (year)
I	Scope 1	596 tCO2e (+ 3%)	589 tCO2e (+ 2%)	577 tCO2e (2021)
II	Scope 2	14 tCO2e (-67%)	30 tCO2e (-29%)	42 tCO2e (2021)
III	Scope 3	27 730 tCO2e (n/a)	1 981 tCO2e (incomplete)	n/a
IV	Total GHG emissions	28 340 tCO2e (na)	2 599 tCO2e (incomplete)	n/a
V	Energy consumption	12 750 MWh (+21%)	11 553 MWh (+9%)	10 561 MWH (2021)
VI	Renewable energy share (location-based)	77% (+11pp)	72% (+6pp)	66% (2021)
VII	Energy intensity per kg of metal powder	12.1 kWh/kg (-26%)	12.4 kWh/kg (-24%)	16.3kWh/kg (2019)

Resource use and circular economy [ESRS E5]

Resources inflows, including resource use

The Executive Leadership Team has oversight and management of all the resources that are used. The majority falls under direction of the VP operations. Our ERP records the resources in our own operations and they are categorized for the GHG emission calculation. Apart from a general understanding of the value chain we have not mapped the upstream resources in detail.

For materials, the opportunity to use secondary resources may seem obvious. The requirements on characteristics of metal powder are stringent to such extend that purity and oxygen content limit our ability to use recycled materials in feedstock. We are striving to work with our customers to develop a solution for this.

Strategy

From the Environmental policy:

Tekna is dedicated to responsible sourcing of natural resources and strives to use all energy and natural resources as efficiently as possible.

Our ambition is to regenerate resources while growing the Tekna business. We aim to consistently increase the use of responsibly sourced, renewable or recycled materials in our offer, and have a positive impact by regenerating resources and protecting ecosystems.

Progress made in the year

- Assessed the resource use for manufacturing our systems and materials
- Quantified and categorized the elements

Comments on (material changes in) KPI's

This is the first year we assessed our resource use. Current scope is the resources we use to produce our products, ie the feedstock for materials, process gases, packaging and the subassemblies for our systems. General resources (for instance buildings, production equipment, ICT etc) are not included.

Own operations

To manufacture Tekna's products the following business-specific resources are required for Materials:

- *Production equipment:* plasma systems and peripherals, sieves, blenders, containers, forklifts, storage racking, recycling bins
- *Production enablers:* metals (titanium alloy, aluminum alloys, tungsten, tantalum), process gases (argon, helium), cooling water, packaging (plastic curtec containers, aluminum bottles, pallets, straps, labels), laboratory (test chemicals), OHS (GVP masks, gloves, boots)

And for Systems:

- *Production equipment:* tools, welding equipment, storage racking, recycling bins, specific software
- *Production enablers:* metals, composites, electrical wiring, tubes, pipes, hardware, software, packaging (wooden crates)

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
Environmental policy	○ Improve percentage of recycled material in feedstock to 75%. No target year assigned yet[1]	○ Define R&D collaborations project to develop powder product with increased recycled feedstock ○ Further develop the list of main resource inflows related to the products Tekna manufactures (SG&A not a priority).

Measurement				
	KPI (per year)	**2024**	**2023**	**baseline** (year)
I	% of resource inflows from secondary sources	0.00%	n/a	not established
II	% of renewable resource inflows	16.66%	n/a	not established

Notes: 1: We have not set a target date for achieving this target. Using recycled material affects important parameters of the powder and how it can be applied. Strong dependence on partners to progress.

Upstream value-chain

(based on unverified assumptions)

To obtain the mentioned "production enablers" the following processes are likely required upstream for Materials:

- *Metal feedstock* (titanium alloy, aluminum alloys, tungsten, tantalum): ore extraction (mining and beneficiation resources) > refining and chemical processing > reduction and metal processing > melting and casting resources > transformation to feedstock (processing (casting and wire drawing or powder production) and packaging resources.

Systems:

- *Stainless steel:* From ore to stainless steel sheet, this process involves mining and ore beneficiation, smelting and alloying, rolling and shaping, and finishing.

Refer to table on resource inflows for manufacturing of products only.

Table of Resource inflows

Component	Resource	Finite or renewable resource	Circularity depends on biological or technical processes	Virgin or non-virgin resource	Location in value chain	Critical Raw Material or Rare Earth Element	Current use of the resource	Original weight (in kg)	Method for estimating weight	Uncertainties in the data in this table
Metal feedstock for materials	Titanium wire	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	not disclosed	Quantity as purchased, not adjusted for yield loss across the value chain	Tekna purchased volume only
	Aluminum wire	Finite	Technical	Virgin	Own operations	Yes	Manufacturing			
	Tantalum	Finite	Technical	Virgin	Own operations	Yes	Manufacturing			
	Tungsten	Finite	Technical	Virgin	Own operations	Yes	Manufacturing			
Gas for plasma system, post-processing and packaging	Argon	Finite	Technical	Virgin	Own operations	No	Manufacturing Packaging	568 865		
Gas for plasma system	Helium	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	2 752		
	Nitrogen	Renewable	Biological	Virgin	Own operations	No	Manufacturing	159 407		
Packaging for materials	7004 and 7011 in virgin HDPE	Finite	Technical	Virgin	Direct supplier	No	Packaging	n/a		
	aluminum	Finite	Technical	Virgin	Direct supplier	Yes	Packaging	n/a		
Resources to produce Systems	Aluminium	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	5 700	As per GHG scope 3.12 End-of-life calculation incl assumptions. Not adjusted for yield loss across the value chain.	
	Iron	Finite	Technical	Virgin	Own operations	No	Manufacturing	1 796		
	Stainless steel	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	27 701		
	Copper	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	9 636		
	Metals (bronze, brass)	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	805		
	Wood	Renewable	Biological	Virgin	Direct supplier	No	Packaging	13 647		
	Electronic materials	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	1 131		
	Ceramic	Finite	Technical	Virgin	Own operations	No	Manufacturing	337		
	PVC	Finite	Technical	Virgin	Own operations	No	Manufacturing	83		
	Rubber	Renewable	both	Virgin	Own operations	No	Manufacturing	117		
	Polymer	Finite	Technical	Virgin	Own operations	No	Manufacturing	2 204		
	Silicon	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	136		
	Plastic PP/PE	Finite	Technical	Virgin	Own operations	No	Manufacturing	24		
	Mineral oil	Finite	Technical	Virgin	Own operations	No	Manufacturing	89		

EU Taxonomy | Summary of disclosures pursuant EU Taxonomy regulation (Article 8)

As part of the European Union's Green Deal, the EU Taxonomy is a classification system for sustainable economic activities, consisting of the following six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Tekna has assessed for the six objectives, where only climate change mitigation and climate change adaptation could be applicable.

Tekna's activities are all deemed eligible under the economic activity: 3.6 Manufacture of other low carbon technologies (CCM). The production of additive material powders and PlasmaSonic are deemed aligned and further supporting documentation needs to be obtained in order to report it as such.

Activity assessment

Production of additive material powders: Eligible, not aligned

The activity is believed to provide substantial life-cycle GHG emission savings compared to the best performing alternative. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings. The AMGTA reports used in 2023 are not considered sufficient, hence the change from aligned to eligible.

Production of PlasmaSonic wind tunnels: Eligible, not aligned.

The Plasmasonic wind tunnels are believed to provide substantial life-cycle GHG emission savings compared to the best performing alternative. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.

Production of turnkey plasma systems: Eligible

As of today, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the plasma systems segment is not considered compliant with the substantial contribution requirement.

(Development and) Production of Nanomaterials for MLCC: Eligible

The documentation requirement regarding life-cycle GHG emissions calculation has not been fulfilled, hence the substantial contribution criteria is considered not met. Since the economic activity is not considered eligible for the environmental objective CCA, no further assessment of technical screening criteria has been carried out.

Do no significant harm

For screened activities the criteria for Climate Change Adaptation, Water and Marine Resources, Circular Economy, Pollution Prevention and Control and Biodiversity and Ecosystems have been assessed and are considered met.

Minimum Safeguards

Minimum safeguard requirements are defined in article 18 of the EU Taxonomy regulation. According to which, an undertaking shall implement procedures to ensure the alignment with:

- The OECD Guidelines for Multinational Enterprises (OECD Guidelines for MNE)
- The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

These requirements are considered met.

For further information on the process, considerations and assessment results, accounting policies, etc, please refer to the full EU taxonomy report in the appendix.

	Measurement			
	KPI (KPI CCM[1] | in M)	**2024** (% of total | audited[2])	**2023** (% of total | unaudited[3])	**baseline** (year)
I	Revenue eligible and aligned	- (0%)	25.7 (64%)	- (2024)
II	Revenue eligible	36.8 (99%)	14.7 (36%)	99% (2024)
III	Revenue not eligible, nor aligned	0.4 (1%)	- (0%)	1% (2024)
IV	CapEx eligible and aligned	- (0%)	6.7 (82%)	- (2024)
V	CapEx eligible	2.9 (63%)	1.5 (18%)	63% (2024)
VI	CapEx not eligible, nor aligned	1.4 (37%)	- (0%)	37% (2024)
VII	OpEx eligible and aligned	- (0%)	1.2 (11%)	- (2024)
VIII	OpEx eligible	2.5 (100%)	1.6 (58%)	100% (2024)
IX	OpEx not eligible, nor aligned	- (0%)	- (0%)	- (2024)

Notes: 1: Assessed vs Taxonomy objective Climate Change Mitigation ("CCM"). 2: Sample-audited on behalf of main shareholder Arendals Fossekompani ASA. 3: The 3rd party verification to support alignment of Additive Manufacturing was not specific enough to Tekna products

Definitions and Accounting principles Environment

Definitions E1

Climate change adaptation	The process of adjustment to actual and expected climate change and its impacts.
Climate change mitigation	The process of reducing GHG emissions and holding the increase in the global average temperature to 1,5°C above pre-industrial levels, in line with
Greenhouse gas (GHG) emission reduction	Decrease in Scope 1, 2, 3 or total GHG emissions at the end of the reporting period, relative to emissions in the base year. Emission reductions may result from, among others, energy efficiency, electrification, suppliers ' decarbonisation, electricity mix decarbonisation, sustainable products development or changes in reporting boundaries or activities (e.g., outsourcing, reduced capacities), provided they are achieved within the company's own operations and upstream and downstream value chain. Removals and avoided emissions are not
Transition plan for climate change mitigation	An aspect of a company's overall strategy that lays out the targets, actions and resources for its transition towards a lower--carbon economy, including actions such as reducing its GHG emissions with regard to the objective of limiting global warming to 1.5°C and climate neutrality.

Definitions E5

Circular economy	Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy. The goal is to maximize and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, remanufacturing, recycling and nutrient cycling.
Original weight	Refers to the weight of the material in its original state, as opposed to any weight estimations with data manipulation such as "dry weight".
Resource inflows	Resource that enters the company's facilities. These include products (incl. packaging), materials (incl. critical raw materials and rare earths), water and property, plant and equipment used in the company's own operations and along the upstream value chain.
Finite materials	Materials that are non-renewable on timescales relevant to the economy, i.e. not geological timescales. Examples include: metals and minerals; fossil forms of carbon such as oil, coal, and natural gas; and sand, rocks, and stones.
Renewable materials	Materials that are continually replenished at a rate equal to or greater than the rate of depletion. Examples include: cotton, hemp, maize, wood, wool, leather, agricultural by-products, nitrogen, carbon dioxide, and sea salt. To fit in a circular economy such materials (where relevant) must be produced using regenerative production practices.
Biological materials	Products and materials that flow through the biological cycle. In the biological cycle, processes - such as composting and anaerobic digestion - together help to regenerate natural capital. The only materials suitable for these processes are those that can be safely returned to the biosphere. Biological materials are natural materials (common elements are carbon, hydrogen, and oxygen).
Technical materials	Products and materials that flow through the technical cycle. In the technical cycle, if products and materials are to be kept in circulation, it is through processes such as reuse, repair, remanufacture and recycling. Materials suitable for these processes are those that are not consumed during use - such as metals, plastics and wood. [Definition from Ellen Macarthur Foundation].
Virgin materials	Materials that have not yet been used in the economy. These include both finite materials (e.g. iron ore mined from the ground) and resources that can be renewable (e.g. newly produced cotton).
Non-virgin materials (a.k.a. Secondary materials)	Materials that have been previously used. This includes: materials in products that have been reused, refurbished or repaired; components that have been remanufactured; materials that have been recycled. Also referred to as secondary materials.

Accounting principles E1

Emissions accounting

Refer to the emissions accounting report in the appendix for detailed accounting principles of the GHG emissions.

Energy Intensity

Energy Intensity is expressed in kilowatt hour per kilogram of metal powder produced. The total of direct electricity used by all the production plasma systems for titanium and aluminum divided by the total volume produced in a year. The baseline for the indicator is 2019.

Accounting principles E5

Due to a lack of understanding of the supply chain, we have categorized conservatively. Ie classified all materials as virgin and own operations. If the material is not on the Critical Raw Material list or Rare Earth Element, but its components are (assumed to be), then we included a yes.

Renewable resources:

In general the items identified as renewable are considered renewable. Tekna does not have certificates to warrant this. Rubber, wood, and nitrogen are considered renewable resources because they are part of natural cycles or systems that can regenerate over time.

Accounting principles EU Taxonomy

Refer to the EU Taxonomy report in the appendix for detailed accounting principles.

Social

Contents

Through the development of its policies, training and (future) audits Tekna aims to ensure the two human rights and four labor-related principles of the United Nations Global Compact are fully adhered to in its operations and its value-chain.

The competence of our employees represents a major asset and competitive advantage for Tekna. At the end of 2024, the Group employed a total of 185 people.

The number of employees were divided across locations as follows:

Canada:	161	(186)
France:	18	(31)
China:	4	(4)
South Korea:	1	(1)
USA:	1	(0)

Women represented 26 per cent of the Tekna workforce in 2024. Out of 43 managers (managers with employees reporting to them) 22 per cent were female. Tekna aspires to substantially increase the share of female employees and is working through the employee life cycle to see where measures could be implemented to enhance diversity across the organization. To date, Tekna's workforce comprises 23 different nationalities, of which about 2/3 are Canadian.

There were no serious work-related accidents and two lost time injuries in 2024. Sick leave was 2.9% per cent in 2024, compared to 3.3 per cent in 2023.

All Tekna policies in the Social and Governance space mention and align with :

- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises

Social protection

All employees of our employees in all countries are covered by social protection against loss of income due to significant life events, like sickness; unemployment starting from when the employee is working for the company; employment injury and acquired disability; parental leave; and retirement. They are also entitled to family-related leave.

All new employees complete a confidential self-identification questionnaire kept by the HR team. This information is required by the government and helps identify vulnerable groups (women, visible minorities, indigenous people and persons with disabilities) in order to promote employment equity in the workplace. Employees may consult the HR department at any time to discuss a disability that would require accommodation.

Training and skills development

New employees follow a training plan that outlines all the responsibilities and skills they need to acquire, including the internal trainer and the timeline for skill acquisition. Annually, we develop a company training plan based on the needs identified by managers in collaboration with their employees. We also offer internal conferences led by our employees, focusing on technical topics.

Employees active at the annual spring cleaning event of the industrial park organized by Tekna

Own workforce [ESRS S1]

Working conditions

Strategy

Tekna understands the value of its workforce and works in ongoing dialogue to improve the corporate culture, the workplace and conditions. Well-being and work/life balance are an important part of this.

At Tekna, health and safety are integral parts of our growth strategy and long-term success. We are committed to establishing and promoting a culture that prioritizes health and safety in the workplace through continuous improvement, involving all employees.

Company value: We strive for excellence

We have committees in place to address issues related to employee health, safety and well-being. In addition, we have communication channels through managers and human resources departments that allow us to continually evolve our policies so that they are aligned with best business practices. We conduct periodic Employee Satisfaction survey.

We provide a base training plan on health and safety for all workers to ensure a strong foundation of safety knowledge and practices. Additionally, we offer more specific training tailored to particular roles, work-related hazards, activities, and situations to address the unique requirements of different jobs. This approach ensures that all employees are equipped to work safely and effectively in their specific environments.

Progress made in the year

- Implemented a Human Rights policy in 2024.
- Safety culture
- Training and risk assessments
- Root cause analyses for accidents and near-misses
- Social dialogue through CORE

Comments on (material changes in) KPI's

The updated social KPIs reflect advancements in diversity, safety, and workforce stability. Workplace safety improved, with the lost time injury frequency rate decreasing from 8.1 to 5.8, though the number of lost time injuries was two in 2024. The voluntary turnover rate decreased from 19% to 16%, and succession planning for at-risk positions reached 93% coverage. These figures underscore continued efforts toward equity and employee well-being.

Tekna has implemented economic layoffs, resulting in the closure of its production site in France and global workforce reductions (from 221 to 185 employees) as part of cost saving measures.

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
(Employee) Code of Conduct and Ethics Employee Handbook (MAGRH-01) OHS policy (PL-SST & DRSST-03) Zero tolerance policy OHS employee training plan OHS Management Committee OHS Committee Employee committee (CORE)	○ Zero fatalities, zero high consequence injuries ○ 10% reduction per year on the Severity index ○ 95% of behaviour audits completed compared to annual audit plan ○ 90% of risk analyses completed	○ Improve maturity independent safety culture ○ Continuous training and risk assessments ○ Root cause analyses of any and all incidents ○ Encourage and continue social dialogue through CORE employee committee

Measurement				
	KPI (per year)	**2024**	**2023**	**baseline** (year)
I	Fatalities	0	0	0 (2022)
II	# of lost time injuries	2	1	1 (2023)
III	Lost Time Injury Frequency Rate	5.8	8.1	2.7 (2022)
IV	Sick leave rate	2.9%	3.3%	3% (2022)
V	Voluntary turnover rate	16.3%	19.0%	22% (2022)
VI	% of succession plans in place for at-risk positions	92.9%	N/A	92.9% (2024)

Own workforce [ESRS S1] continued

Equal treatment and opportunities for all

(Activities on gender equality and non-discrimination)

The power of diversity comes from welcoming differences to any discussion. These may come from gender differences, which at Tekna is developing slowly. Fortunately, we can count on a high level of diversity in the mix of nationalities in the team. In 2024 there were people from 23 countries working across the globe.

Tekna has a workers compensation system that ensures equality, based on an objective job evaluation method that positions employees on the relative value of their jobs. This system is compliant with the legal requirements prescribed by the Commission for labor standards, pay equity and occupational health and safety (CNESST) of the Province of Quebec. In France, with the new collective agreement for Metallurgy that started on January 1, 2024, equity is ensured among jobs. Therefore, the average pay for men and women vary due to differences in job categories and years of service, not because of gender. No gender-based differences exist with regard to working hour regulations or the design of workplaces.

Quebec (Canada) and France have strong legislation on discriminatory harassment in the workplace. Our Code of Conduct clearly reject any form of discrimination and emphasize the importance of respect and civility. It also includes a clear process for reporting and dealing with inappropriate behavior.

Strategy

Tekna is committed to ensuring that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation or age, have the same opportunities for work and career development at Tekna. Tekna aspires to substantially increase the share of female employees and is working through the employee life cycle to see where measures could be implemented to enhance diversity across the organization.

Ensuring diversity and inclusion starts with creating awareness and fostering an open speak-up culture. A framework of guidelines, processes and systems, as well as training for our leadership and employees enable continuous improvement. Unbiased skill-based recruitment, addressing the gender pay gap, mentorships and work-life balance are part of our strategy.

Tekna's policies are aligned with UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises.

Progress made in the year

The reduction in headcount has had an unfortunate side effect that the gender diversity has reduced.

Comments on (material changes in) KPI's

Women/non-binary representation in management reached 22% in 2024, where workforce representation was relatively stable at 26%. The composition of the Board of Directors is unchanged (57% female). the gender pay gap for 2024 shows a gap of 3.9%.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
(Employee) Code of Conduct and Ethics Employee Handbook (MAGRH-01) Workplace Harassment policy (PLGRH-08) Human Rights Policy (PLRSE-04) Workers' compensation equity system Remuneration policy - leading persons Guideline Training / Competences	✓ 50% female Board of Directors ○ 50% female management	Tekna does not have a specific action plan at present.

Measurement

	KPI (per year)	2024 (vs baseline)	2023 (vs baseline)	baseline (year)
I	% of women / non-binary in Board of Directors	57%	57%	0% (2021)
II	% of women / non-binary in management	22%	29%	25% (2022)
III	% of women / non-binary in workforce	26%	27%	25% (2022)
IV	Unadjusted gender pay gap	3.93%	2.95%	9.16% (2022)

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Employees								
S1-6 50d/51	Total number of employees, and a breakdown of this total by gender and by region;	#	Tekna	Total	185	100.0%	222	100.0%
				M	136	73.5%	162	73.0%
				F	49	26.5%	60	27.0%
				X	0	0.0%	0	0.0%
				F+X	0	0.0%	0	0.0%
			Europe	M	11	5.0%	21	9.5%
				F	7	3.2%	10	4.5%
				X	0	0.0%	0	0.0%
			America	M	121	54.8%	137	62.0%
				F	41	18.6%	49	22.2%
				X	0	0.0%	0	0.0%
			Asia	M	4	1.8%	4	1.8%
				F	1	0.5%	1	0.5%
				X	0	0.0%	0	0.0%
S1-6 50b/52	Total number of employees, and a breakdown of total per contract type by gender and by region;	#	Full time	Total	185	100.0%	221	99.5%
				M	136	73.5%	162	73.0%
				F	49	26.5%	59	26.6%
				X	0	0.0%	0	0.0%
				Europe	18	9.7%	31	14.0%
				America	162	87.6%	185	83.3%
				Asia	5	2.7%	5	2.3%
				<30	30	16.2%		n/a
				30-50	107	57.8%		n/a
				>50	48	25.9%		n/a
			Part-time	Total	0	0.0%	1	0.5%
				M	0	0.0%	0	0.0%
				F	0	0.0%	1	0.5%
				X	0	0.0%	0	0.0%
				Europe	0	0.0%	1	0.5%
				America	0	0.0%	0	0.0%
				Asia	0	0.0%	0	0.0%
				<30	0	0.0%		n/a
				30-50	0	0.0%		n/a
				>50	0	0.0%		n/a

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
	Employees continued	#	Permanent	Total	185	100.0%	221	99.5%
				M	136	73.5%	162	73.0%
				F	49	26.5%	59	26.6%
				X	0	0.0%	0	0.0%
				Europe	18	9.7%	31	14.0%
				America	162	87.6%	185	83.3%
				Asia	5	2.7%	5	2.3%
				<30	30	16.2%		n/a
				30-50	107	57.8%		n/a
				>50	48	25.9%		n/a
			Temporary	Total	0	0.0%	1	0.5%
				M	0	0.0%	0	0.0%
				F	0	0.0%	1	0.5%
				X	0	0.0%	0	0.0%
				Europe	0	0.0%	0	0.0%
				America	0	0.0%	1	0.5%
				Asia	0	0.0%	0	0.0%
				<30	0	0.0%		n/a
				30-50	0	0.0%		n/a
				>50	0	0.0%		n/a
			Non-guaranteed hours	Total	0	0.0%	1	0.5%
				M	0	0.0%	0	0.0%
				F	0	0.0%	1	0.5%
				X	0	0.0%	0	0.0%
				Europe	0	0.0%	0	0.0%
				America	0	0.0%	1	0.5%
				Asia	0	0.0%	0	0.0%
				<30	0	0.0%		n/a
				30-50	0	0.0%		n/a
				>50	0	0.0%		n/a
Workers who are not employees								
S1-7 55	Self-employed people				1		1	
	People provided by companies primarily engaged in				0		0	

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024		2023	
					=	%	=	%
Diversity of governance bodies and employees								
S1-9 66	Headcount of all own employees by age and by gender, on 31-Dec-2024	#	Tekna	Tekna Total	185	100%	222	100%
				M	136	74%	162	88%
				F	49	26%	60	32%
				X	0	0%	0	0%
				< 30 | Total	30	16%	37	17%
				M	18	60%		n/a
				F	12	40%		n/a
				X	0	0%		n/a
				30-50 | Tot.	107	58%	126	57%
				M	78	73%		n/a
				F	29	27%		n/a
				X	0	0%		n/a
				> 50 | Total	48	26%	59	27%
				M	40	83%		n/a
				F	8	17%		n/a
				X	0	0%		n/a
	Headcount breakdown of company leadership by gender	#%	All management	Total	43	100%	56	100%
				M	31	72%	38	68%
				F	12	28%	18	32%
				X	0	0%	0	0%
				F+X	12	28%	18	32%
			Board	Total	7	100%	7	100%
				M	3	43%	3	43%
				F	4	57%	4	57%
				X	0	0%	0	0%
			C-suite	Total	6	100%	7	100%
				M	4	67%	5	71%
				F	2	33%	2	29%
				X	0	0%	0	0%
			Non-executive level management	Total	30	100%	42	100%
				M	24	80%	30	71%
				F	6	20%	12	29%
				X	0	0%	0	0%

Requirement	Description	Unit	Coverage	Category	2024		2023	
					=	%	=	%
Collective bargaining coverage | Workers' representatives coverage								
S1-8 60	Number and percentage of employees covered by collective bargaining agreements by region	#	Tekna	Total	18	10%	30	14%
				EEA	1	100.0%	1	100%
				America	0	0.0%	0	0%
				Asia	0	0.0%	0	0%
S1-8 63	Number and percentage of employees covered by workers' representatives by region	#	Tekna	Total	18	10%	30	14%
				EEA	1	100.0%	1	100%
				America	0	0.0%	0	0%
				Asia	0	0.0%	0	0%
Training and skills development								
S1-13 83	Headcount of employees that participated in regular performance and career development reviews	#	Tekna	Total	185	100.0%	222	100.0%
				M	136	73.5%	162	73.0%
				F	49	26.5%	60	27.0%
				X	0	0.0%	0	0.0%
	Total number of training hours in 2024 across all employees	hrs	Training	Total	5 578	100.0%		n/a
				M	4 101	73.5%		n/a
				F	1 477	26.5%		n/a
				X	0	0.0%		n/a

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Work-related injuries								
S1-14 88	# of fatalities as a result of work-related injuries and work-related ill health	#	Tekna	employees	0		0	
				non empl.	0		0	
				Ext workers @ Tekna	0		0	
	# of recordable work-related accidents	#	Tekna	employees	4		6	
				non empl.	0		0	
	# of cases of recordable work-related injuries	#	Tekna	employees	4		6	
				non empl.	0		0	
	# of cases of recordable work-related ill health	#	Tekna	employees	0		0	
				non empl.	0		0	
	# of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	#	Tekna	employees	29			
				non empl.	0			
	Rate of recordable work-related accidents		Tekna	Total	2.15%		n/a	
	Lost time injury frequency rate (LTIFR) per million exposed hours		Tekna	Total	5.8		8.1	

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Family-related leave								
S1-15 93	Headcount of employees entitled to take family-related leave	#	Tekna	Total	11	100%	11	100%
				M	9	100%	9	100%
				F	2	100%	2	100%
				X		not applicable		not applicable
	Headcount of entitled employees who took family-related leave	#	Tekna	Total	11	100%	11	100%
				M	9	100%	9	100%
				F	2	100%	2	100%
				X		not applicable		not applicable
Workers covered by an occupational health and safety management system								
S1-14 88	# of people covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	#	Tekna	employees	181	97%		n/a
				non empl.	0	98%		n/a

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Remuneration								
	in Canadian Dollars (CAD)				Avg. remuneration	Avg. annual salary	Avg. remuneration	Avg. annual salary
	Remuneration by employee category	CAD	Board	M	81 934	81 934	15 161	15 161
				F	67 227	67 227	34 883	34 883
				X		not applicable		not applicable
			C-suite	M	303 437	245 940	243 544	208 143
				F	245 893	204 911		consolidated
				X		not applicable		not applicable
			Non-executive level management	M	148 893	120 439		n/a
				F	120 607	96 929		n/a
				X		not applicable		n/a
			All other employees	M	86 913	70 075		n/a
				F	77 521	62 664		n/a
				X		not applicable		not applicable
					Basic salary	Variable components		
S1-16 97b / 98	Highest paid individual in the company				329 379	46 648		n/a
	Remuneration of CEO				329 379	46 648		n/a
	Remuneration of median pay level				82 961	0		n/a
	Average gross hourly pay for own workforce		All other employees	M	49.1			
				F	47			
				X	0			
S1-16 97a	Gender pay gap				3.93		2.95	

Employees active at the annual spring cleaning event of the industrial park organized by Tekna

Workers in the value chain [ESRS S2]

Strategy

Tekna is working to ensure compliance with fundamental human rights and acceptable working conditions in our supply chains and with their business partners.

Tekna's first experience with supply-chain due diligence stems from its 2022/23 effort to engage with the top 25 suppliers ranked on the basis of risk of location, location of their supply-chain and or spend. We used a professional tool developed for this purpose, Factlines.com, and after numerous follow-ups we managed to get 9 completed assessments. For results refer to the 2023 report.

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The highest risk supplier (rank 1/25), based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location (China classified as a country with high risk because there is no guarantee of workers' rights), completed the self-assessment, signed the SCoC and was audited on site. They are well-established and a qualified supplier to major western industrial conglomerates.

Therefore, the Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024 (see Subjects for the Board). In 2025, we will initiate a second due diligence round to identify, measure and understand the most important risks in our supply chain.

We aim to covers topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

Progress made in the year

- Implementation of Human Rights Policy and the Business Partner Code of Conduct

Comments on (material changes in) KPI's

These are the same KPIs as the Human Rights and transparency report. In 2024, the focus was on implementing policies. We have not progressed on improving the participation in the due diligence. We will restart in 2025.

Refer to the Human Rights and transparency report.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
Human Rights Policy (PLRSE-04) Business Partner Code of Conduct Routine - Transparency Act	○ Improve the % of signatories of the updated Business Partner Code of Conduct to 50% ○ Improve participation in its due diligence process and act on "high risk" assessments ◔ Due diligence with top 25 highest-risk suppliers	○ Increase BP CoC signatories - simplify process ◔ Define most critical suppliers and reinitiate Due diligence on 25 most critical suppliers, ECC to track ◕ Continue to ensure ethical provenance of potential conflict minerals, such as tungsten and tantalum.

Measurement

	KPI (per year)	2024	2023	Target
I	% of new suppliers that were screened using social criteria	0% (priority focus on risk suppliers)	0% (priority focus on risk suppliers)	10%
II	# of suppliers assessed for social impacts ("s.i.")	9	9+3 in progress	25
III	# of suppliers with significant actual and potential negative s.i.	0	0	n/a
IV	% of KPI #III with which improvements were agreed	0%	0 (high risk)	n/a
V	% of KPI #III with which relationships were terminated	0%	0	n/a

Human Rights and Transparency Summary

Tekna Group ("Tekna" or "Group") is subject to the two following legal frameworks, both having the objective of improving respect for fundamental human rights in supply chains and increasing transparency on the topic.

- 1 January 2024, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act came into effect.
- 1 July 2022, the Norwegian Transparency Act came into effect.

Guidelines and routines

In the last few years Tekna has put in place a solid base of guidelines to serve as an ethical compass for its employees and business partners.

Since 2022, the Board of Directors approves all ESG policies. Important policies publicly available on www.tekna.com/esg

- Code of Conduct and Ethics (CoC, 2023 update)
- Business Partner Code of Conduct (BPCoC, 2024 update)
- Corporate Governance policy (2022)
- Human Rights Policy (2024)
- Routine - Transparency Act (2023)
- Anti-Corruption policy (2023)
- Competition law compliance policy (2023)

Relevant internal policies approved by the CEO:

- Donations and Sponsorships Policy
- Work Harassment policy
- Workers' compensation equity system
- Occupational Health & Safety policy

Whistleblowing

Tekna will endeavour to protect whistleblowers against retaliation. Tekna may, however, disclose information to competent authorities to the extent appropriate.

Tekna established a partnership with Whistleblower Software, enabling us to introduce an anonymous whistleblowing platform to our valued employees and stakeholders. By providing a secure, anonymous and confidential channel for individuals to report concerns, we have strengthened our commitment to maintaining the highest standards of integrity within our organization.

In 2024, there were no reported incidents of discrimination, anti-corruption or breaches of the BPCoC or CoC. Tekna received three whistleblowing reports involving two (internal) incidents.

Performance

The Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024.

In 2025, we will initiate a second due diligence round to identify, measure and understand the most important risks in our supply chain. We aim to cover topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

Process to remediate negative impacts

To date, Tekna has not detected or been informed of any negative impact to remediate.

In line with our 2024 Human Rights Policy and commitment, Tekna ensures that complaints are handled promptly, impartially, and according to applicable laws and regulations. Our grievance handling team will conducts thorough investigations, taking action, and ensuring transparency throughout the remediation process.

Actions planned for 2025

- Employee training in CoC— including focus on child and forced labour, Anti-Corruption and Compliance
- Increase BPCoC signatories - simplify process
- Reinitiate Due diligence on 25 most critical suppliers, ECC to track

For further information on the process, considerations and assessment results, accounting policies, etc, please refer to the full Human Rights and Transparency Report in the appendix.

	Measurement			
	KPI (per year)	**2024**	**2023**	**Target**
I	% of new suppliers that were screened using social criteria	0% (priority focus on risk suppliers)	0% (priority focus on risk suppliers)	10%
II	# of suppliers assessed for social impacts ("s.i.")	9	9+3 in progress	25
III	# of suppliers with significant actual and potential negative s.i.	0	0	n/a
IV	% of KPI #III with which improvements were agreed	0%	0 (high risk)	n/a
V	% of KPI #III with which relationships were terminated	0%	0	n/a

Definitions and Accounting principles Social

Employee	An individual who is in an employment relationship with the company according to national law or practice.
Non-employee	Non-employees in the company's own workforce include both individual contractors supplying labor to the company (self-employed people) and people provided by other companies that are primarily engaged in employment activities (such as employment placing agencies, human resources provision, etc. as covered by NACE Code N78). We consider that interns and volunteers (if applicable) fall in this category.
All other employees	Employees who are not a part of the Board of Directors, the C-suite, or the non-executive level management.
Non-executive level management	Management team excluding the C-suite. This includes Directors, Sales directors, First line manager, Management committee members in Tekna Plasma Europe.
Regular performance review	A regular performance review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the worker's direct superior, peers, or a wider range of employees . The review can also involve the human resources department.
Training	Initiatives put in place by the company aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.
Remuneration	Annual total remuneration to own workforce includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided
Collective bargaining agreements	All negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations, on the other, for: i. determining working conditions and terms of employment; and/or ii. regulating relations between employers and workers; and/or regulating relations between employers or their organizations and a workers' organization (s).
Social dialogue	All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, their organizations and workers' representatives, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between workers' representatives and management (or trade unions and employers' organizations).
Social protection	The set of measures designed to reduce and prevent poverty and vulnerability. In this context social protection can be provided through public programs (e.g. the welfare system offered by the country) or through benefits offered by the company.
Persons with disabilities	Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. Disability is the umbrella term for impairments, activity limitations and participation restrictions, referring to the negative aspects of the interaction between an individual (with a health condition) and that individual's contextu-
Ill health	Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (for example, noise-induced hearing loss, vibration-caused diseases), and mental illnesses (for example, anxiety, post-traumatic stress disorder). For the purpose of the required disclosures, the undertaking shall, at a minimum, include in its disclosure those cases outlined in the ILO List of Occupational Diseases.
Lost-time injuries	Work-related injuries that lead to an employee missing work. In this metric, each injury counts as 1 (regardless of the length of time lost).
Sickness absence	Leave taken by an employee due to sickness, either short-term (16 days or less) or long-term (more than 16 days).
Work-related accidents	A work-related incident that results in injury or ill health. This is to be distinguished from an incident that has the potential to result in injury or ill health but where none occurs, which is often referred to as a 'close call', 'near-miss', or 'near-hit'. Accidents related to commuting are only included if the employer organized the transportation.
Work-related hazards	Work-related hazards can be physical (e.g. radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment), ergonomic (e.g. improperly adjusted work stations and chairs, awkward movements, vibration), chemical (e.g. exposure to solvents, carbon monoxide, flammable materials, pesticides), biological (e.g. exposure to blood and bodily fluids, fungi, bacteria, viruses, insect bites), and/or psychosocial (e.g. verbal abuse, harassment, bullying, excessive workload demands, shift work, long hours, night work,
Work-related injuries or ill health	Work-related injury or ill health that results in any of the following: i. death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or ii. significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. Examples of work situations or activities that can cause occupational diseases can include stress or regular exposure to harmful chemicals.
Family-related leave	Family-related leave include maternity leave, paternity leave, parental leave, and carers' leave (leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each state) that is available under national law or collective agreements. In some

Definitions and Accounting principles Social

Adequate wage	A wage that provides for the satisfaction of the needs of the worker and their family in the light of national economic and social conditions.
Lowest wage	The company's lowest pay category, excluding interns and apprentices. This is to be based on the basic wage plus any fixed additional pay-
Applicable benchmarks	In EEA: The minimum wage set by the state in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council. Outside EEA: The minimum wage set by: i. the wage level established in any existing international, national or sub-national legislation, official norms or collective agreements, based on an assessment of a wage level needed for a decent standard of living; ii. if none of the instruments identified in (i) exist, any national or sub-national minimum wage established by legislation or collective bargaining ; or iii. if none of the instruments identified in (i) or (ii) exist, any benchmark that meets the criteria set out by the Sustainable Trade Initiative (IDH) (' Roadmap on Living Wages - A Platform to Secure Living Wages in Supply Chains '), including applicable benchmarks aligned with the Anker methodology, or provided by the Wage Indicator Foundation or Fair Wage Network, provided the primacy of collective bargaining for the establishment of terms and conditions of employment is ensured.
Gross hourly pay	Total annual remuneration paid to an employee (see definition of Remuneration) divided by the number of hours they work in the year.
Median pay level	The pay of the employee that would have half of the employees earn more and half less than they do, excluding the highest-paid individual.
Discrimination	Discrimination can occur directly or indirectly. Direct discrimination occurs when an individual is treated less favorably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a 'protected ground'. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group is disadvantaged by a decision when compared to a comparator group.
Harassment	A situation where an unwanted conduct related to a protected ground of discrimination (for example, gender, religion or belief, disability, age or sexual orientation) occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment.
Incident	A legal action or complaint registered with the company or competent authorities through a formal process, or an instance of non-compliance identified by the company through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mecha-

Accounting principles S1

Methodology: we use headcount at the end of the reporting period. All data from 1-Jan-2024 to 31-Dec-2024 is included unless stated otherwise. If a group contains fewer than 5 people, personal information is not considered anonymous. Privacy regulations such as GDPR may apply and are therefore not disclosed.

Definitions for full-time, part-time, permanent, temporary, and non-guaranteed hours are measured according to definitions in the national laws of the countries where the employee is based.

Available work days and hours

Estimated on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work, e.g. paid vacations, paid sick leave, public holiday

Lost Time Injury Frequency Rate (LTIFR)

This shows the average number of injuries occurring over 1 million working hours. LTIFR is calculated as: ([Number of injuries from work situations in the reporting period] x 1,000,000) / (Total hours worked in the reporting period).)

Unadjusted gender pay gap

Unadjusted gender pay gap' is defined as the difference between average gross hourly earnings of man and women expressed as a percentage of the average gross hourly earnings of men. Tekna group.

Sick leave rate

Ratio of total sick leave to total available work days.

Voluntary turnover rate

Number of employees leaving voluntarily (e.g. resignation) divided by the average number of employees.

Average number of employees

Calculated as [total number of employees at the beginning of the year + total number of employees at the end of the year divided by 2].

Total number of training hours

Each year, we record all completed training sessions and produce a report highlighting the training hours and costs. The data established by gender were calculated on the basis of the number of employees by gender.

Family-related leave

This reporting relates to all data for the entirety of 2024. For matters such as family-related leave, it is possible that leave would have started in 2023 and continued into 2024. All days in 2024 are included here (but no days from 2023).

Accounting principles S2 | Human Rights and Transparency

Refer to the Human Rights and Transparency report in the appendix for detailed accounting principles.

Governance

Contents

Business conduct

Responsible business conduct is fundamental for Tekna's business, its credibility, and its ability to succeed with its strategy. Tekna expects its internal and external stakeholders to comply with this responsibility.

By working together, the Board of Directors ("BoD") and Executive Leadership Team ("ELT") create a strong ethical foundation, promoting compliance, and building trust with employees, customers, and stakeholders.

The board sets the overall ethical tone and governance framework for the company, ensuring that business conduct aligns with the organization's core values, mission, and long-term strategy. They review and approve key policies, including the company's Code of Conduct and whistleblower policy. The board monitors the effectiveness of the company's business conduct policies through periodic reports from management, audits, and the ethics and compliance committees. They identify and assess risks related to ethical lapses and misconduct and ensures that adequate mitigation measures are in place. They ensure that violations are addressed appropriately, including taking disciplinary action against senior executives when necessary and encourage a Speak-Up Culture. By endorsing whistleblower protections and ensuring confidentiality, the board fosters an environment where employees feel safe reporting misconduct.

The Executive Leadership Team focuses on implementing policies and enforcing them in day-to-day operations. They ensure employees are aware and training is up to date and promote ethical leadership by being role models in our organization. They monitor on report on potential risks and findings to the Audit Committee on a quarterly basis and strive for continuous improvement of business conduct.

Collaboration between the BoD and ELT ensures accountability, information flow and policy development. The bodies consist of an experienced team of individuals with a strong ethical compass and personal values.

Code of Conduct

Tekna has implemented its Code of Conduct ("CoC") in 2020 and updated it in December 2023. The Board of Directors approved the policy. Amongst other important topics, the CoC includes Corruption and Bribery, Sanctions, Human Rights, Whistleblowing and Protection and Market communication and disclosure.

The CoC is available in the Document Management System "Isovision" and on the website. It is part of the introduction program of every employee as well as compulsory (re-)lecture when significant updates are done. Further relevant policies are:

- Business partner code of conduct
- Anti-Corruption policy
- Competition Law Compliance policy
- Donations and Sponsorships policy
- Employee handbook

A new video training has been developed in 2024 and roll out has started early 2025. Its completion in Q1 is compulsory for all employees. No training was provided in 2024.

Whistleblowing

Tekna is connected to an independent online platform hosted on : https://whistleblowersoftware.com/secure/tekna. Tekna has the link on its website as it is available for use by any stakeholder. We do not actively inform business partners that the channel exists as other governance actions are deemed more important and urgent.

The reports are sent for review and action to the HR director and HR business partner (unless they are specifically named in the report) and for information: to the CEO, VP Legal Affairs, VP Corporate Strategy

In 2024, there were three reports via the Whistleblowing channel concerning two internal incidents of breach of the CoC (verbal behavior employees). Currently, there is no independent investigative body, like Internal Audits, in place. Tekna has plans to set one up when it reaches a revenue / transaction threshold. The CEO / CFO may retain a 3rd party on a case by case basis to investigate incidents.

All cases were resolved by year-end and in average within seven weeks.

Risks

Positions considered most at risk in respect of corruption and bribery are management (30 people), procurement (4) and sales (14) due to the seniority of their positions as well as exposure to reputational leverage.

We have identified one high risk business partner based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location ((ranking on the corruption index). They have completed the self-assessment, signed the CoC and were audited on site in 2023.

Prevention and detection

(based on the anti-corruption policy)

Prevention is based on policies in place and training for key employees.

Tekna will conduct periodic audits of its international offices, manufacturing facilities, Business Partners in order to evaluate the effectiveness of and compliance with the requirements of the policies. Audits may be conducted internally by Tekna, or externally by retained third parties. All Representative complaints or reports of violations must be addressed to the VP Legal Affairs. All reports received will be promptly and fully investigated.

There have be no incidents of corruption or bribery in 2024.

Business Conduct [ESRS G1]

Strategy

Ensuring proper business conduct within Tekna is based on putting in place guidelines, processes, systems and training for our leadership and employees, demonstrating a zero tolerance for infringement as well as performing due diligence in selecting and cooperating with business partners.

Company value: We build trust

Progress made in the year

- Ethics and Compliance Committee instated, with regular meetings on progressing governance at Tekna.
- Continued implementation of Whistleblower solution and emphasized its existence with employees.
- Training on Code of Conduct and Compliance developed, which was launched early 2025 with compulsory completion in Q1.

Comments on material changes in KPI's

The governance KPIs highlight robust measures to strengthen integrity and cybersecurity. In 2024, 100% of employees and high-risk business partners signed the respective Codes of Conduct, up from 78% in 2023 for employees. Whistleblowing cases were all handled within seven weeks, showcasing a focus on addressing stakeholder concerns. There were no violations of anti-corruption or anti-bribery laws, reflecting a strong commitment to ethical governance practices.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
Corporate Governance policy (Employee) Code of Conduct and Ethics Business Partner Code of Conduct Anti-Corruption policy Competition law compliance policy Donations and Sponsorships Policy Routine - Transparency Act Employee Handbook	Zero compliance incidents per annum Code of Conduct and Ethics signed by all employees	○ Continue agenda of Ethics and Compliance Committee ◑ Roll out Employee Training on CoC and Compliance policies ◑ Increase transparency and accountability by creating business units

Measurement

	KPI (per year)	2024	2023	Target
I	# of reported incidents/breach CoC	0	0	0
II	% signature of CoC	100%	78%	100%
III	# of corruption cases	0	0	0
IV	Whistleblower reports	n/a	3	1	n/a

Cyber security [ESRS Gx]

(Entity specific)

Strategy

Information and Communications Technology (ICT) security relates to the internal policies and protocols specific to the Group that help ensure that information and data are protected and secure from unwanted breaches or incidents and handled in such a manner that protect company-specific data and individual rights and adhere to applicable external regulations.

Executives and Finance positions are at risk for their access to sensitive data and presumed ability to authorize or move money (17 employees in 2024). Tekna does not store personal data of a sensitive nature, except of its own employees.

Progress made in the year

- Tekna keeps a log of (attempted) cyber attacks.
- Tekna is implementing a cyber security roadmap based on conclusions of a third party vulnerability test performed in 2023.
- All employees pass compulsory security awareness training on an annual basis and simulated phishing attacks throughout the year. Additional training is imposed to employees failing security training, simulated fishing attacks or as determined by management.

Comments on material changes in KPI's

Due to the possibility of abuse of any disclosure, information is provided at a summarized level and results of certain KPIs not disclosed.

100% of the workforce received cybersecurity training. The organization suffered no successful cyberattacks in 2024.

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
IT policy Cyber security training Guideline Training / Competences	0 successful cyber security breaches 95% workforce trained at any point in time 95% compliant devices at any point in time Simulated fishing campaign result <5% avg.p.a.	○ Remain up to date! In terms of training ICT personnel, installing software patches, compliant devices, training personnel etc in line with Tekna's level of exposure. Implementation cyber security roadmap. ○ Train all employees annually by elearning, and monthly simulation phishing campaigns.

Measurement			
KPI (per year)	**2024** (vs baseline)	**2023** (vs baseline)	**baseline** (year)
I % of successful cyber attacks (gaining	0%	n/a	0% (2024)
II % of workforce trained in cyber sec.	100%	n/a	100% (2024)
III % compliant devices	not disclosed	n/a	n/a
IV % Simulated phishing campaign failure	not disclosed	n/a	n/a

Appendix

Appendix

Appendix I: Organisation chart, key financial figures, shareholders

Tekna Group, as per 31.12.2024

Main objectives

Vision: Advance the world with *sustainable* material solutions, one particle at a time.

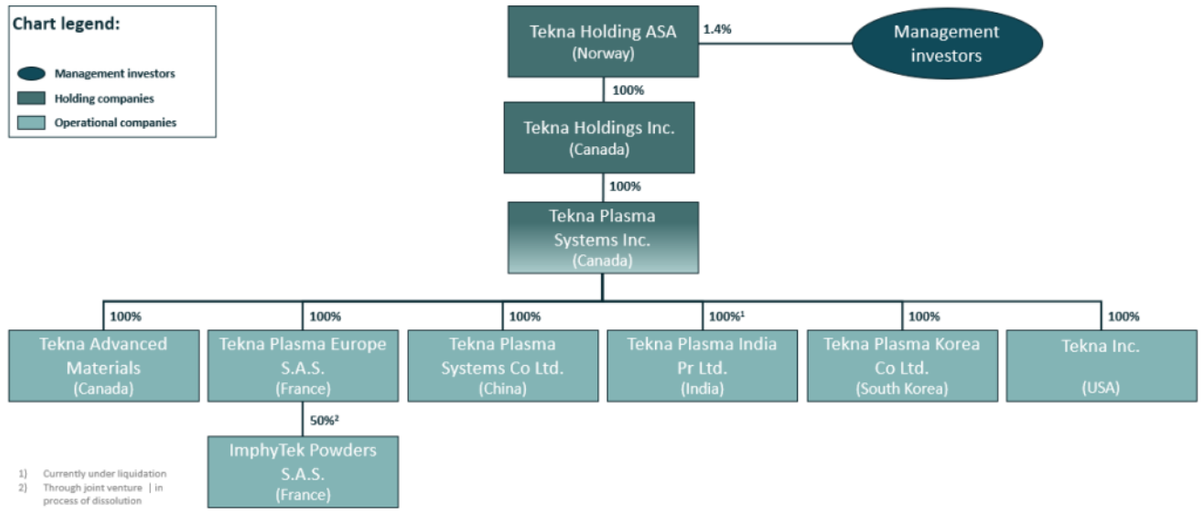
Mission: Be the ultimate partner

We achieve this by leveraging our talented people, our innovations and our manufacturing excellence to provide our customers with plasma technology and material solutions that drive their success, today and tomorrow.

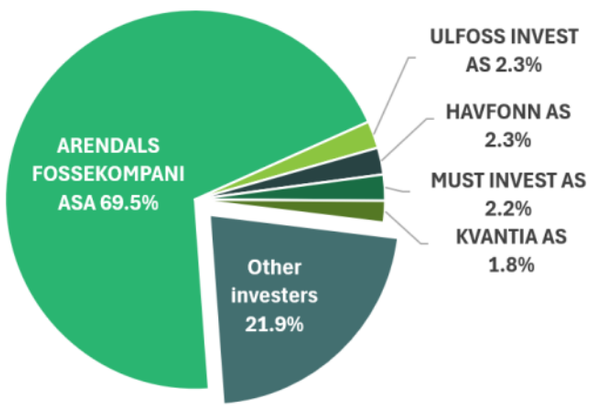
Key financial figures

in CAD million	2024	2023
Revenues	37.2	40.9
Adjusted EBITDA	-6.9	-4.1
EBITDA	-4.0	-8.2
Net profit / loss	-11.2	-15.0
Cash balance	12.8	10.1
Employees	185	222

Organization chart



Major shareholders



This report comprises the following organisational units:

	Comment	Staff
Tekna Holding ASA [THASA], Norway	holding, no staff	0
Tekna Holding Canada Inc [THC], Canada	holding, no staff	0
Tekna Plasma Systems Inc [TPS], Canada, HQ	operational headquarter, Systems production	111
Tekna Advanced Materials Inc [TAM], Canada	Materials production	50
Warehouse [JLM], Canada	not a legal entity, temporary warehouse	0
Tekna Plasma Europe SAS [TPE], France	sales office Europe, powder production (idle in 2024)	18
Tekna Plasma Suzhou Co Ltd [TPZ], China	sales office, office move in Q1 2022	4
Tekna Plasma Korea Co Ltd [TPK], Korea	sales office, office move in Q2 2024	1
Tekna Inc [TUS], USA	sales office, activity started end of 2022	1
Only when specifically mentioned:		
Imphytek Powders SAS [Imphytek], France, JV	JV, in process of dissolution	0

Appendix II: Indicators supporting Investor's SFDR Principal Adverse Impacts (PAI) disclosure

Climate and other environment-related indicators

Adverse sustainability indicator			Metric (for issuers)	2024	2023
Greenhouse gas emissions	1.	GHG Emissions	Scope 1	596 tCO2e	589 tCO2e
			Scope 2	14 tCO2e	29 tCO2e
			Scope 3	27 730 tCO2e	1 981 tCO2e (incomplete)
			Total	28 340 tCO2e	N/A incomplete
	2.	Carbon Footprint		Not applicable to issuers	
	3.	GHG intensity	Revenue	37.2 M CAD	40.9 M CAD
			tCO2e/M CAD	762 tCO2e/MCAD	N/A (scope 3 incomplete)
	4.	Active in fossil fuel sector		Not applicable	
	5.	Share of non-renewable energy consumption and production	Consumption	23% (100%-77%)	28% (100%-72%)
			Production	Not applicable	
	6.	Energy consumption intensity per high impact climate sector	GWh / M CAD	Not applicable	
			NACE	Not active in high impact NACE Plasma Systems: C28 | Additive Materials C25 | (Microelectronics: C26 | Energy Storage: C27)	
			GWh	12.8 GWh	11.6 GWh
Biodiversity	7.	Activities negatively affecting biodiversity-sensitive areas		No Tekna sites in "biodiversity sensitive areas" - see CSRD report	
Water	8.	Emissions to water	Tons of emissions to water	0	0
Waste	9.	Hazardous waste ratio	Tons of hazardous waste	79	85

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator			Metric (for issuers)	2024	2023
Social and employee matters	10.	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		No violations	No violations
	11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		Processes in place www.tekna.com/esg Code of Conduct | Business Partner Code of Conduct | Anti-Corruption policy | Competition Law Compliance policy | Human Rights Policy etc.	
	12.	Unadjusted gender pay gap		3.93%	2.95%
	13.	Board gender diversity		M: 43% F: 57% X: 0%	M: 43% F: 57% X: 0%
	14.	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)		Not applicable	

Appendix III: ESG Abbreviations

Abbreviation	Clarification	Useful link
AFK	Arendals Fossekompani ASA	Home - Arendals Fossekompani
AM	Additive Manufacturing	
AMGTA	Additive Manufacturer Green Trade Association	Home - AMGTA
AR	Absentee Rate	
BoD	Board of Directors	investors/governance (tekna.com)
BPCoC	Business Partner Code of Conduct	esg (tekna.com)
CoC	Code of Conduct	
CoP	Communication on Progress (Re: UN Global Compact)	
CSR	Corporate Social Responsibility	
CSRD	Corporate Sustainability Reporting Directive (EU)	
DMA	Double Materiality Assessment	CSRD
eCoC	employee Code of Conduct	esg (tekna.com)
eNPS	employee Net Promotor Score	
ERP	Enterprise Resource Planning	
eSAT	employee Satisfaction Score	
ESG	Environmental, Social and Governance	esg (tekna.com)
ESRD	European Sustainability Reporting Directive (EU)	
EU taxonomy	an European tool to help investors understand whether an economic activity is environmentally sustainable, and to navigate the transition	EU taxonomy for sustainable activities | European Commission (europa.eu)
EY	Ernst & Young	
FTE	Full-time Employees	
GDPR	General Data Protection Regulation	
GHG	Greenhouse Gas	
GRI	Global Reporting Initiative	GRI - Home (globalreporting.org)
HSSE	Health, Safety, Security and Environment	
HR	Human Resources	
IoT	Internet of Things	
IPCC	Intergovernmental Panel on Climate Change	IPCC — Intergovernmental Panel on Climate Change
IR	Injury Rate	
IRO	Impact, Opportunities and Risks	CSRD
ISO	International Organisation for Standardisation	ISO - International Organization for Standardization
IT	Information Technology	
KPI	Key Performance Indicator	
LCA	Life Cycle Assessment	Life-cycle assessment - Wikipedia
LDA	Lost Day Rate	
LiB	Lithium-ion Battery	
LTI | LTIFR	Lost Time Injury Rate | Lost Time Injury Frequency Rate	
NACE	Nomenclature of Economic Activities	
NGO	Non-Governmental Organisations	
NPS	Net Promoter Score	
OECD	The Organisation for Economic Co-operation and Devel-	Home page - OECD
OEM	Original Equipment Manufacturer	
OHS	Occupational Health and Safety	
R&D	Research & Development	
SASB	Sustainability Accounting Standards Boards	SASB
sCoC	Supplier Conduct of Conduct	esg (tekna.com)
SDG	Sustainable Development Goals	THE 17 GOALS | Sustainable Development (un.org)
SFDR	Sustainable Finance Disclosure Regulation (EU)	
TCFD	Task Force on Climate-related Financial Disclosures	Task Force on Climate-Related Financial Disclosures |
TAM	Tekna Advanced Materials	
TPE	Tekna Plasma Europe	
TPS	Tekna Plasma Systems	
UN	United Nations	Homepage | UN Global Compact

Appendix IV: 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:

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 operating items include, but not limited to, restructuring costs, and litigation costs and incomes, and expenses for vesting and change in social security tax because of the development in the value of the underlying shares in the group's share-based compensation scheme.

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 operating items include, but not limited to, restructuring costs, litigation costs and incomes, and expenses for vesting and change in social security tax because of the development in the value of the underlying shares in the group's share-based compensation scheme.

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.

Appendix IV: Alternative Performance Measures (continued)

Amounts in CAD 1000	FY 2024 *(Audited)*	FY 2023 *(Audited)*
Revenues	37 166	40 888
Materials and consumables used	21 165	22 658
(b) Contribution margin	16 001	18 230
(c) Revenues	37 166	40 888
Contribution margin % (b/c)	43.1 %	44.6 %

Amounts in CAD 1000	FY 2024 *(Audited)*	FY 2023 *(Audited)*
Net profit/loss	-11 150	-15 009
Income tax expense (income)	-851	-1 467
Finance costs	2 215	777
Finance income	70	-233
Share of net income (loss) from associated companies and joint ventures	-1	608
Depreciation and amortization	4 021	4 222
(a) EBITDA	-3 993	-8 170
Litigation costs	215	-
Litigation income	-2 938	-
Share-Based Compensation	20	-
Provision (reversal) for bad debts on accounts receivable from the joint venture	-633	4 060
Restructuring costs	442	-
(b) Adjusted EBITDA	-6 888	-4 109
(c) Revenues	37 166	40 888
EBITDA margin (a/c)	-10.7 %	-20.0 %
Adjusted EBITDA margin (b/c)	-18.5 %	-10.1 %

Amounts in CAD 1000	FY 2024 *(Audited)*	FY 2023 *(Audited)*
Net profit/loss	-11 150	-15 009
Income tax expense (income)	-851	-1 467
Finance cost	2 215	777
Finance Income	70	-233
Share of net income (loss) from associated companies and joint ventures	-1	608
(a) EBIT	-8 014	-12 391
Litigation costs	215	-
Litigation income	-2 938	-
Share-Based Compensation	20	-
Provision (reversal) for bad debts on accounts receivable from the joint venture	-633	4 060
Restructuring costs	442	-
(b) Adjusted EBIT	-10 909	-8 331
(c) Revenues	37 166	40 888
EBIT margin (a/c)	-21.6 %	-30.3 %
Adjusted EBIT margin (b/c)	-29.4 %	-20.4 %

Amounts in CAD 1000	2024.12.31 *(Unaudited)*	31.12.2023 *(Audited)*
(a) Total non-current liabilities	34 771	26 598
(b) Total equity	26 537	38 354
Long Term Debt/Equity Ratio (a/b)	1.31	0.69

Appendix V: Carbon accounting 2021-2024

Contents

This report provides an overview of the organization's greenhouse gas (GHG) emissions, which is an integrated part of the organization's climate strategy.

Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organization to benchmark performance indicators and evaluate progress over time.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the **Greenhouse Gas Protocol Initiative** (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

External Assurances

Internally the Audit Committee approves the Emissions Accounting report. This report was not externally assured on its publication date. Note that the CO2 metrics were internally audited.

Noteworthy

Refer to footprint overview on the next page.

- 2030 Target to reduce scope 2 by 50% achieved!
- Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%
  - Energy intensity down 26% to 12.1 kWh/kg of powder[1] produced
- Closing production in France resulted in a shift away from Nuclear while increasing Hydro power.
  - Increased renewable energy percentage (+10pp)
  - Reduced scope 2 emissions significantly (-67%)
  - Total kWh increased by +32% as production in Canada increased
- Reduction in business travel (Cost-saving measure) has reduced related emissions (down 11%)[2]
- All material categories in scope 3 mapped (+4 additional baselines established)

Restatements

2023 Scope 2 Electricity, France (Tekna Plasma Europe): Reduction of 10 000 kWh due to detected summation error (434.822 kWh should be 424.822 kWh). Consequence: Reduction of 0.5 tCO2e [former 22.7 tCO2e -restated 22.2 tCO2e].

Also updated in Scope 3 Fuel and Energy related activities. Consequence: Reduction of 0.2 tCO2e [former 10.3 tCO2e -restated 10.1 tCO2e].

2023 Scope 3.4 Upstream Transportation and Distribution: For those service providers that did not provide a CO2 report the impact is estimated based on type, distance and volume. In 2024 the estimation methodology was changed to the online transport emission calculator EcoTransit instead of calculating it with the distance-based formula of the GHG protocol. 2023 estimations were updated to this new methodology. Consequence: Reduction of 245 523.5 tCO2e [former 246 757.0 tCO2e -restated 1233.5 tCO2e].

2023 Scope 3.7 Employee Commute, global: Changed extrapolation methodology in 2024 and updated 2023 to this new methodology. Consequence: Increase of 23 tCO2e [former 205.6 tCO2e -restated 228.6 tCO2e]

2022 Scope 3.3 Electricity Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2, Canada (Tekna Microelectronics Corporation): Reduction of 74 580 kWh due to correction applied in Scope 2 results of 2022 for the 2023 report, which was not applied to this category. Consequence: Reduction of 2.6 tCO2e of [former 277.2 tCO2e – restated 274.6 tCO2e]

1: Ti64 and AlSiMg combined, compared to baseline 2019. 2: all numbers compare to baseline – see overview slide for year and figures.

Appendix V: Carbon Accounting (continued)

Tekna's climate footprint

Energy Intensity per kg metal powder produced

Performance vs baseline FY19

Direct electricity of plasma systems within Tekna | Ti64 and AlSiMg | in kWh per kg

FY19: 16.3 kWh/kg — baseline

FY23: 12.4 kWh/kg — -24% (vs FY19)

FY24: 12.1 kWh/kg — -26% (vs FY19)

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Renewable energy share

76 % ▲ vs 66% **(+10 pp)** in 2021 (Location based).

Scope 1

596 tCO2e ▶ vs 577 **(+3%)** in 2021. Tekna has added a third facility in Canada in 2022 increasing natural gas consumption for heating compared to baseline 2021.

Scope 2

14 tCO2e ▼ vs 42 **(-67%)** in 2021. Tekna continues to improve energy efficiency in its powder production[2]. By reducing production in France the consumption of nuclear electricity is reducing.

Scope 3

27 730 tCO2e This is the first year that we have a nearly complete estimation of the value-chain footprint. This creates a solid basis from which to focus our reduction effort.

Tekna's climate footprint at different stages of the value chain

(GHG protocol[1] | in tCO2e)

Suppliers & Resources

- Purchased goods and services (scope 3): FY24 11 530 — Baseline, *new in 2024*
- Capital goods (scope 3): FY24 158 — Baseline, *new in 2024*
- Fuel– and energy-related activities (scope 3): FY21 391 — baseline; FY24 384 — -2% (vs FY21)
- Upstream transportation and distribution (scope 3): FY23 1 234 — baseline; FY24 1 271 — +3% (vs FY23)

Tekna Operations

- Production (scope 1 + scope 2): FY21 619 — baseline; FY24 610 — -1%[2] (vs FY21)
- Employees (business travel + daily commute - scope 3): FY22 351 — baseline; FY24 274 — -11% (vs FY22)
- Waste (scope 3): FY23 21 — baseline; FY24 18 — -14% (vs FY23)

Customers

- Downstream transportation and distribution (scope 3): FY24 Not material, Tekna organizes in- and outbound transport
- Processing of sold product (scope 3): FY24 Not applicable to Systems | Not material for Materials

End-users & End-of-life

- Use of sold products (scope 3): FY24 14 081 — *new in 2024 for Systems* | Not material for Materials
- End-of-life treatment (scope 3): FY24 12 — Baseline, *new in 2024*

Target 2030

Reduce in absolute terms compared to baseline year

-50 %

-50%, linked to scope 1 and 2

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%.

Appendix V: Carbon Accounting (continued)

Accounting principles

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO_2-equivalents (tCO_2e). The carbon footprint analysis is based on the international standard; *A Corporate Accounting and Reporting Standard*, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Scope 1 and scope 2

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control.

Baseline 2021 was chosen as it was the first year we collected data of our worldwide emissions instead of just Canada.

At Tekna, natural gas is only used for heating the buildings in Canada and Korea.

At the end of 2021 and throughout 2023 and 2024 Tekna has added Additive Manufacturing production equipment in Canada increasing electricity consumption. In France, it reduced operating hours in 2023 and then stopped producing in 2024 reducing electricity consumption in France.

Leased building emissions are included in scope 1 and 2. Lease car consumption is included in Scope 3 business travel.

Although we are working on replacing the refrigerants we consider the consumption non material for this report (~20lbs in TPS).

Tekna US office opened in October 2024. Tekna in South Korea moved offices in April 2024. Estimated TMC Q4, invoices not received.

Scope 1 and scope 2

	status	baseline	2030 commitment	2050 ambition
Scope 1	included worldwide per entity	2021	-50% vs baseline	carbon neutral
Scope 2	included worldwide per entity	2021	-50% vs baseline	
Scope 3				
1: Purchased Goods and Services	Included for Canada and France	2024		*Carbon neutrality is achieved by reducing our carbon footprint to zero through a combination of efficiency measures in-house and supporting external emission reduction projects.*
2: Capital Goods	Included for Canada and France	2024		
3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Included upstream emissions of scope 1 and 2 consolidated per country	2021	50% (as scope 1 and 2)	
4: Upstream Transportation and Distribution	included consolidated worldwide	2023	TBC	
5: Waste Generated in Operations	included for Canada and France	2023	TBC	
6: Business Travel	included consolidated worldwide	2022	TBC	
7: Employee Commuting	included consolidated worldwide	2022	TBC	
8: Upstream Leased Assets	not relevant for Tekna			
9: Downstream Transportation and Distribution	not material for Tekna			
10: Processing of Sold Products	not applicable to Systems, not material for Materials (at present)			
11: Use of Sold Products	included for Systems, not material for Materials (at present)	2024	TBC	
12: End-of-Life Treatment of Sold Products	included for Systems and Materials	2024	TBC	
13: Downstream Leased Assets	not relevant for Tekna			
14: Franchises	not relevant for Tekna			
15: Investments	not relevant for Tekna			

Scope 3

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect.

For scope 3 the baseline year is chosen based on when we have worldwide data available for a category.

The scope 3 emissions compared to 2023 increased due to broader emissions mapping in scope 3 and improved data quality.

This report is now complete for material categories in scope 3.

The Greenhouse Gas Protocol considers 15 categories in scope 3 emissions. The table below includes an overview of the categories. Categories 8, 13, 14 and 15 are not relevant for Tekna and categories 9 and 10 are not material at present.

Scope 3 Upstream

Purchased Goods and Services [1]

This category includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).

This category is based on Tekna's ERP system, which generates a report containing all supplier invoices for the given period. The total expenditure per supplier is then calculated. Tekna's procurement team manually assigns a category to each supplier based on their industry and primary business relationship

Appendix V: Carbon Accounting (continued)

with Tekna. Categories include Employee Expenses, Capex, Feedstock, Warehousing & Transportation, Packaging, and Government-related costs (such as taxes and licenses). Utilities (gas, electricity) and metal feedstock are excluded from this process. The next step is to assess the percentage of spending for suppliers in the categorized, non-excluded group and continue categorizing until at least 70% of the total non-excluded spending is covered. Spending is then grouped by category, and the total for categorized non-excluded spend is summed up. Finally, the categorized percentage of each category is applied to the total non-excluded spend to extrapolate the total spend per category.

Capital Goods [2]

This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. Emissions from the use of capital goods by the reporting company are accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use), rather than scope 3.

This category follows the same method as the one used for Scope 3 category 1: Purchased Good and Services. A report is pulled from Tekna's ERP systems, suppliers are summed and assigned a category.

Fuel and energy related activities Not Included in Scope 1 or Scope 2 [3]

This category includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.

Includes exactly the same consumption data as reported in scope 1 and 2.

Upstream Transport and Distribution [4]

All transportation paid by the company, inbound and outbound, as well as if the customer is billed for the transport and in addition also inbound transportation not paid by the company (upstream).

This category was calculated based on transaction reports received from transportation and distribution companies Tekna has contracted in the past year. Most reports directly provided the estimated CO2 emissions. In 2024, we used the online transport emission calculator EcoTransit (https://www.ecotransit.org/fr/calculateur-demissions/) for all companies and transactions that did not provide the CO2 emissions (5/11 company reports). Inbound transportation not paid by Tekna is not material. See also restatements as 2023 was recalculated with this new methodology.

Scope 3 @Tekna

Waste Generated in Operations [5]

Includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.

In 2022, we estimated how waste from Canada was treated after pick-up. In 2023, we have obtained clear data with significant shifts in volumes and emissions. We have therefore made 2023 the baseline for waste.

The increase in hazardous waste is due to new Health and Safety measures (single-use protective equipment) and R&D. The rest waste or municipal waste category for Canada or France does not exist in CEMASys as of yet. We have used the closest description to it, in essence "Residual waste, landfill". The emissions are expected to be in the same range.

Composition of hazardous waste: (flammable) metallic powder, rags, acids, coolants and non-chlorine solvents and single-use protective equipment from the nano sector.

Waste for manufacturing sites in Canada is based on facility managments' estimation. In France, the weight and emissions are provided by the service provider per category. Waste from sales offices is estimated using a calculator provided by Arendals Fossekompani (main shareholder) based on following sources: Avfall Sverige, Handbok för avfallsutrymmen (2018); Norsk Gjenvinning, Volum- og vektinformasjon (2015); Avfall Sverige, Volymvikter för avfall (2013)

Total waste reduced by 14% due to the stopped nickel production in France. Waste collected during the annual Sherbrooke industrial park cleaning included in Canada.

Business Travel [6]

Transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.

Employees were requested to complete a form per business trip, including km travelled by car (incl taxi) and train, flights (using ICAO Carbon Emissions Calculator) and hotel nights. We created this form by using the ICAO tool and recommendations from Microsoft Sustainability Calculator.

In 2024, travel reduced considerably as cost-reduction measure.

Employee Commute [7]

Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).

Employees were requested to complete a form detailing how many days per week they are in the office on average and what their commute is like on average. Adjustments were made upon indication of employees around "significantly greener summer commutes" and carpooling. We obtained 104 answers out of 185 (56%), which we considered a sufficient bases to extrapolate to 100%. We created this form based on the recommendations of the Greenhouse Gas Protocol and Cemasys categories.

In 2024, the rule of 3 method was introduced for extrapolation as it is more accurate: y=(total number of employee at year-end*x)/total employee answers.

See also restatements as 2023 was recalculated with this new methodology.

Scope 3 Downstream

Transport and Distribution [9]

All outbound transportation not paid by the company. More specifically, emissions that occur from transportation and distribution of sold products in vehicles

Appendix V: Carbon Accounting (continued)

and facilities not owned or controlled by the reporting company.

It was found to be not material as we organise the incoming and outgoing transport.

Processing of Sold Products [10]

This category includes emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. Intermediate products are products that require further processing, transformation, or inclusion in another product before use, and therefore result in emissions from processing subsequent to sale by the reporting company and before use by the end consumer.

Systems: not relevant

Materials: Tekna has deemed the category immaterial at present. Tekna's products represent only a small proportion of the ultimate products sold and used both in weight and in functionality, so it is not significant to attribute to Tekna any scope 3 emissions of the ultimate use of the end sold product

Use of Sold Products [11]

This category includes emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products.

Systems: This category is based on assumptions since Tekna does not collect how its customers use the sold systems. What is known: the number of systems sold, the purpose it was sold for, their power levels and their material composition. What is assumed: the annual operating conditions, including the annual usage, the electrical input, and the quantity of process gases used. As systems are sold across the globe, the emission factor for electricity for average Asia was chosen as a conservative choice.

Materials: Tekna has deemed the category immaterial at present. Tekna's products represent only a small proportion of the ultimate products sold and used both in weight and in functionality, so it is not significant to attribute to Tekna any scope 3 emissions of the ultimate use of the end sold product.

End-of-Life Treatment of Sold Products [12]

This category includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life.

Systems: Tekna has a guide for customers detailing how a system's different materials should be disposed of. The data is then calculated by multiplying the system's various materials by the number of systems shipped during the reporting period.

Materials: The data comes from the total kilograms of powders sold in 2024.

Methodology CEMASYS

(reporting system)

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to *A Corporate Accounting and Reporting Standard Revised edition*, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO_2-equivalents: CO_2, CH_4 (methane), N_2O (laughing gas), SF_6, HFCs, PFCs and NF3.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control. The electricity emission factors used in Cemasys are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organizations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity, and the marked-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs).

The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the

Appendix V: Carbon Accounting (continued)

emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

The market-based method: The choice of emission factors when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which has an emission factor of 0 grams CO_2e per kWh. However, for electricity without the GoO or REC, the emission factor is based on the remaining electricity production after all GoOs and RECs for renewable energy are sold. This is called a residual mix, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately 7 times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs/RECs to foreign consumers. In a market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc.

In general, the carbon accounting should include information that users, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

Sources CEMASYS

(reporting system)

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WBCSD/WRI (2015). GHG protocol Scope 2 guidance: An amendment to the GHG protocol corporate standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 117 pp.

The reference list above is incomplete but contains the essential references used in CEMAsys. In addition, several local/national sources may be relevant, depending on which emission factors are used.

Appendix V: Carbon Accounting (continued)

Key figures

GHG Emissions—Summary

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023	Target	▲ to target
Total Scope 1	tCO2e	576.6	585.1	589.0	595.9	3%	1%	288	307.64
Total Scope 2	tCO2e	41.7	33.7	29.1	13.9	-67%	-52%	21	-6.99
Total Scope 3	tCO2e	434.3	752.8	1 981.2	27 730.3	n/a	n/a	n/a	
Total	**tCO2e**	**1 052.7**	**1 371.6**	**2 599.2**	**28 340.1**	n/a	n/a	n/a	

Key figures
GHG Emissions

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 1							
Stationary combustion							
Natural gas	tCO2e	576.6	585.1	589.0	595.9		
Stationary combustion Total	tCO2e	576.6	585.1	589.0	595.9	3%	1%
Total Scope 1	tCO2e	576.6	585.1	589.0	595.9	3%	1%
Scope 2							
Electricity location-based							
Electricity France	tCO2e	32.1	26.6	22.2	5.9	-82%	-73%
Electricity China	tCO2e	5.0	1.9	1.5	1.2	-77%	-24%
Electricity Korea	tCO2e	0.6	0.5	0.4	0.2	-71%	-62%
Electricity USA	tCO2e	-	-	-	0.8	n/a	n/a
Electricity location-based Total	tCO2e	37.6	29.0	24.1	8.0	-79%	-67%
Electricity general							
Hydropower, Quebec	tCO2e	4.1	4.7	4.9	5.8	42%	18%
Electricity general Total	tCO2e	4.1	4.7	4.9	5.8	42%	18%
Total Scope 2	tCO2e	41.7	33.7	29.1	13.9	-67%	-52%

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 3							
3.01 Purchased goods and services							
Architectural and engineering services	tCO2e				9.1		
Building, repair and maintenance	tCO2e				115.6		
Business Support Services	tCO2e				20.0		
Chemicals, general	tCO2e				425.2		
Cloud & facility management services	tCO2e				38.3		
Compressed gases	tCO2e				1 824.0		
Computer-related hardware	tCO2e				40.9		
Dry-cleaning and laundry	tCO2e				15.5		
Electronic components	tCO2e				73.9		
Electronic components	tCO2e				19.6		
Facility services	tCO2e				35.8		
Insurance and brokerage	tCO2e				7.1		
Laboratory instruments	tCO2e				21.3		
Legal services	tCO2e				37.8		
Machine tool manufacturing	tCO2e				79.0		
Machinery, equipment, and supplies	tCO2e				63.1		
Machinery, repair and maintenance	tCO2e				82.0		
Measuring and Controlling Devices	tCO2e				6.1		
Mechanical power trans.equipment	tCO2e				7.1		
Metal structural products	tCO2e				14.4		
Other electrical equipment	tCO2e				20.9		
Pipes and pipe fittings	tCO2e				141.3		
Plastic products	tCO2e				108.1		
Postal service	tCO2e				11.0		
Pumps and pumping equipment	tCO2e				48.2		
Screws, nuts, and bolts	tCO2e				60.1		
Software	tCO2e				13.9		
Technical consulting services	tCO2e				12.3		
Telecommunications	tCO2e				3.8		
Waste management	tCO2e				71.4		
Advertising and PR	tCO2e				24.1		
Aluminium	tCO2e				774.1		
Titanium	tCO2e				7 304.9		
Total 3.01 Purchased goods and services	tCO2e				11 530.0	2024 is base year	
3.02 Capital goods							
Building, repair and maintenance	tCO2e				7.8		
Machinery, equipment, and supplies	tCO2e				145.2		
Computer-related hardware	tCO2e				1.0		
Office furniture	tCO2e				4.0		
Total 3.02 Capital goods	tCO2e				158.0	2024 is base year	

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
3.03 Fuel-and-energy-related activities							
Natural gas (WTT)	tCO2e	98.0	98.9	96.5	97.2		
Electricity Canada (upstream)	tCO2e	284.2	274.6	269.5	283.3		
Electricity France (upstream)	tCO2e	7.1	8.3	10.1	2.5		
Electricity China (upstream)	tCO2e	1.6	0.5	0.3	0.2		
Electricity Korea (upstream)	tCO2e	0.2	0.1	0.1	0.0		
Electricity USA (upstream)	tCO2e				0.2		
Total 3.03 Fuel-and-energy-related activities	tCO2e	391.2	382.4	376.8	383.6	-2%	2%
3.04 Upstream transportation and distribution							
Truck avg. (WTW)	tCO2e			104.5	39.6		
Air freight avg. (WTT)	tCO2e			89.7			
Air transportation (WTW)	tCO2e			846.1	1 180.0		
Rail freight	tCO2e			3.2			
Sea ship avg. (WTW)	tCO2e			182.4	48.9		
Transportation	tCO2e			7.6	2.6		
Total 3.04 Upstream transportation and distribution	tCO2e			1 233.5	1 271.0	3%	3%
3.05 Waste							
Hazardous waste, landfill	tCO2e	0.3	0.2	0.4	0.0		-93%
Hazardous waste, treated	tCO2e	0.0	1.0	0.1	0.0		-63%
Hazardous waste, recycled	tCO2e	0.0	0.0	1.3	0.5		-62%
Hazardous waste, re-used	tCO2e		0.0	0.1	0.0		-81%
Paper waste, recycled	tCO2e	0.1	0.1		0.0		
Cardboard waste, recycled	tCO2e	-	0.3	0.3	0.1		-74%
EE waste, recycled	tCO2e		0.0	0.0	0.0		-70%
Plastic waste, recycled	tCO2e	0.0	0.0	0.0	0.0		-89%
Metal waste, recycled	tCO2e		0.1	0.2	0.1		-51%
Wood waste, recycled	tCO2e	0.1	0.2	0.4	0.1		-81%
Glass waste, recycled	tCO2e				0.0		
Mineral oil waste, incinerated (H)	tCO2e		2.5	1.5	2.5		67%
Organic waste, recycled	tCO2e				0.0		
Organic waste, composting	tCO2e		0.0	0.0	0.0		-38%
Sorted waste, recycled	tCO2e		0.2	0.2	0.1		-66%
Residual waste, landfill	tCO2e	2.5	14.4	16.3	14.2		-13%
Residual waste, incinerated	tCO2e				0.2		
Total 3.05 Waste	tCO2e	2.9	19.1	20.7	17.8	-14%	-14%
3.06 Business travel							
Hotel nights, world	tCO2e	6.2	42.1	40.6	13.8	-67%	-66%
Train International	tCO2e	0.0	0.1	0.1	0.0	-74%	-67%
Mileage all. avg. car	tCO2e	11.3	21.4	16.1	9.7	-55%	-40%
Flights	tCO2e	22.8	51.7	64.9	41.3	-20%	-36%
Mileage all. el car EU27	tCO2e			0.2			
Total 3.06 Business travel	tCO2e	40.3	115.4	121.8	64.8	-44%	-47%

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
3.07 Employee commuting							
Car, petrol (avg.)	tCO2e		170.3	154.1	134.1	-21%	-13%
Electric car EU27	tCO2e		6.5	10.1	15.3	134%	52%
Motorbike, small	tCO2e			0.3	0.5		79%
Bus local avg.	tCO2e		2.8	3.1	1.2	-58%	-62%
Car, petrol (medium)	tCO2e		56.2	57.7	44.1	-22%	-24%
Car, Hybrid Electric Vehicle (HEV)	tCO2e			3.4	13.9		314%
Total 3.07 Employee commuting	tCO2e		235.8	228.6	209.0	-11%	-9%
3.08 Upstream leased assets					incl. in 3.01	n/a	n/a
3.09 Downstream transportation and Distribution					not material	n/a	n/a
3.10 Processing of sold products					omitted	n/a	n/a
3.11 Use of sold products							
Argon (liquid), Europe	tCO2e				3 029.9		
Sodium hydrogen sulfite	tCO2e				9.2		
Electricity Asia avg.	tCO2e			-	11 042.1		
Total 3.11 Use of sold products	tCO2e			-	14 081.2	2024 is base year	
3.12 End-of-life treatment of sold products							
Metal aluminium waste, recycled	tCO2e				0.3		
Metal iron waste, recycled	tCO2e				-		
Metal stainl steel waste, recycled	tCO2e				0.2		
Metal copper waste, recycled	tCO2e				0.1		
Metal waste, recycled	tCO2e				11.7		
Wood waste, recycled	tCO2e				0.1		
EE waste, recycled	tCO2e				-		
Ceramic waste, recycled	tCO2e				-		
Plastic PVC waste, recycled	tCO2e				-		
Rubber waste, recycled	tCO2e				-		
Plastic waste, recycled	tCO2e				-		
Silicon waste, landfill	tCO2e				-		
Plastic PE/PP waste, recycled	tCO2e				-		
Mineral oil waste, recycled (H)	tCO2e				-		
Total 3.12 End-of-life treatment of sold products	tCO2e				12.4	2024 is base year	
3.13 Downstream leased assets					not applicable	n/a	n/a
3.14 Franchises					not applicable	n/a	n/a
3.15 Investments					not applicable	n/a	n/a
Total Scope 3	tCO2e	434.3	752.8	1 981.2	27 730.3	n/a	n/a

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Total Scope 3	tCO2e	434.3	752.8	1 981.2	27 730.3	n/a	n/a
Total (Scope 1 + 2)	tCO2e	618.4	618.8	618.1	609.8	-1%	-1%
Total (Scope 1 + 2 + 3)	tCO2e	1 052.7	1 371.6	2 599.2	28 340.1	n/a	n/a
Annual Market-Based GHG Emissions							
Electricity Total (Scope 2) with Market-based calculations	tCO2e	40.6	27.4	55.1	6.1		
Scope 2 Total with Market-based electricity calculations	tCO2e	44.7	32.1	60.0	11.9		
Scope 1+2+3 Total with Market-based electricity calculations	tCO2e	1 055.6	1 370.0	2 630.2	28 338.1		

Appendix V: Carbon Accounting (continued)

Key figures

Energy

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 1							
Stationary combustion							
Natural gas	MWh	3 125.9	3 182.6	2 882.1	2 914.4		
Stationary combustion Total	MWh	3 125.9	3 182.6	2 882.1	2 914.4		
Scope 1 Total	MWh	3 125.9	3 182.6	2 882.1	2 914.4	-7%	1%
Scope 2							
Electricity							
Electricity France	MWh	593.6	521.3	424.8	92.0		
Electricity China	MWh	8.0	3.0	2.5	2.0		
Electricity Korea	MWh	1.1	1.1	1.0	0.4		
Electricity USA	MWh				2.2		
Electricity Total	MWh	602.7	525.4	428.3	96.6		
Electricity general							
Hydropower, Quebec	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
Electricity general Total	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
Scope 2 Total	MWh	7 435.4	8 325.5	8 671.2	9 835.7	32%	13%
TOTAL	MWh	10 561.2	11 508.1	11 553.2	12 750.1	21%	10%
	GJ	38 020.4	41 429.3	41 591.6	45 900.2		
Percentage change		%	9%	0.4%	10.4%		
Scope 1 renewable energy	MWh	-	-	-	-		
Scope 1 renewable energy share	%	0%	0%	0%	0%	-	-
Scope 2 renewable energy (Location-based)	MWh	6 964.5	7 932.2	8 345.6	9 764.2		
Scope 2 renewable energy share (Location-based)	%	93.7%	95.3%	96.2%	99.3%	106%	103%
Total renewable energy (Location-based)	MWh	6 964.5	7 932.2	8 345.6	9 764.2		
Total renewable energy share (Location-based)	%	65.9%	68.9%	72.2%	76.6%	111%	104%
Scope 2 renewable energy (Market-based)	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
Scope 2 renewable energy share (Market-based)	%	91.9%	93.7%	95.1%	99%	107%	104%
Total renewable energy (Market-based)	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
Total renewable energy share (Market-based)	%	64.7%	67.8%	71.3%	76.4%	112%	105%

Appendix V: Carbon Accounting (continued)

Key figures

Energy Consumption

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 1							
Stationary combustion							
Natural gas	m3	283 396.0	288 018.0	286 774.0	288 840.7	2%	1%
Scope 2							
Electricity							
Electricity France	kWh	593 646.0	521 288.0	424 822.0	91 987.0	-85%	-78%
Electricity China	kWh	7 950.0	3 033.6	2 470.0	1 955.0	-75%	-21%
Electricity Korea	kWh	1 132.0	1 110.7	981.0	395.0	-65%	-60%
Electricity USA	kWh				2 241.0		
Electricity general							
Hydropower, Quebec	kWh	6832 642.0	7800 094.0	8242 881.0	9739 073.0	43%	18%
Scope 3							
3.01 Purchased goods and services							
Architectural and engineering services	CAD						
Building, repair and maintenance	CAD						
Business Support Services	CAD						
Chemicals, general	CAD						
Cloud & facility management services	CAD						
Compressed gases	CAD						
Computer-related hardware	CAD						
Dry-cleaning and laundry	CAD						
Electronic components	CAD						
Electronic components	CAD						
Facility services	CAD						
Insurance and brokerage	CAD						
Laboratory instruments	CAD						
Legal services	CAD						
Machine tool manufacturing	CAD						
Machinery, equipment, and supplies	CAD						
Machinery, repair and maintenance	CAD						
Measuring and Controlling Devices	CAD						
Mechanical power trans.equipment	CAD						
Metal structural products	CAD						
Other electrical equipment	CAD						
Pipes and pipe fittings	CAD						
Plastic products	CAD						
Postal service	CAD						
Pumps and pumping equipment	CAD						
Screws, nuts, and bolts	CAD						

Spend based estimation started in 2024, detail spend in CAD not disclosed.

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Software	CAD				Spend based estimation started in 2024, detail spend in CAD not disclosed.		
Technical consulting services	CAD						
Telecommunications	CAD						
Waste management	CAD						
Advertising and PR	CAD						
Aluminium	kg						
Titanium	kg						
3.02 Capital goods							
Building, repair and maintenance	CAD						
Machinery, equipment, and supplies	CAD						
Computer-related hardware	CAD						
Office furniture	CAD						
3.03 Fuel-and-energy-related activities							
Natural gas (WTT)	m3	283 396.0	288 018.0	286 774.0	288 841.0		
Electricity Canada (upstream)	kWh	6832 642.0	7800 094.0	8242 881.0	9739 073.0		
Electricity France (upstream)	kWh	593 646.0	521 288.0	424 822.0	91 987.0		
Electricity China (upstream)	kWh	7 950.0	3 033.6	2 470.0	1 956.0		
Electricity Korea (upstream)	kWh	1 132.0	1 110.7	981.0	395.0		
Electricity USA (upstream)	kWh				2 241.0		
3.04 Upstream transportation and distribution							
Truck avg. (WTW)	tkm			81.9			
Truck avg. (WTW)	tCO2e			104.5	39.6		
Air freight avg. (WTT)	tkm			294 168.2			
Air transportation (WTW)	tCO2e			846.1	1 180.0		
Rail freight	tCO2e			3.2			
Sea ship avg. (WTW)	tkm			16 112.5			
Sea ship avg. (WTW)	tCO2e			182.1	48.9		
Transportation	tCO2e			7.6	2.6		
3.05 Waste							
Hazardous waste, landfill	kg	12 976.0	11 457.0	17 586.0	4 135.0	-64%	-76%
Hazardous waste, treated	kg	1 636.0	46 441.0	3 735.0	4 590.0	-90%	23%
Hazardous waste, recycled	kg	364.0	240.0	61 009.0	76 869.0	31929%	26%
Hazardous waste, re-used	kg		948.0	2 882.0	1 854.0	96%	-36%
Paper waste, recycled	m3	16.0	18.0				
Paper waste, recycled	kg				431.0		
Cardboard waste, recycled	kg	-	13 207.0	16 414.6	14 078.0	7%	-14%
EE waste, recycled	m3		2.0	2.0	2.0		0%
Plastic waste, recycled	m3	5.0	9.0				
Plastic waste, recycled	kg			775.5	277.0		-64%
Metal waste, recycled	kg		6 563.0	7 197.0	11 666.0	78%	62%

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Wood waste, recycled	kg	2 400.0	11 500.0	19 600.0	12 320.0	7%	-37%
Mineral oil waste, incinerated (H)	liters		1 000.0	600.0	1 000.0	0%	67%
Glass waste, recycled	kg				11.0		
Organic waste, recycled	kg				276.0		
Organic waste, composting	kg		1 139.0	2 254.0	1 424.0	25%	-37%
Sorted waste, recycled	kg		7 200.0	7 200.0	8 098.0	12%	12%
Residual waste, incinerated	kg				414.0		
Residual waste, landfill	m3	22.0	14.5				
Residual waste, landfill	kg		28 620.0	32 738.4	28 620.0	0%	-13%
3.06 Business travel							
Hotel nights, world	nights	137.0	1 067.0	1 025.0	348.0	-67%	-66%
Train International	pkm	3 035.0	29 886.0	23 829.0	7 752.0	-74%	-67%
Mileage all. avg. car	km	67 103.0	125 445.0	96 339.0	57 838.0	-54%	-40%
Flights	tCO2e	22.8	51.7	64.9	41.3	-20%	-36%
Mileage all. el car EU27	km			3 381.0			
3.07 Employee commuting							
Car, petrol (avg.)	km		998 903.0	940 160.0	815 289.0	-18%	-13%
Electric car EU27	km		171 880.0	226 749.0	322 879.0	88%	42%
Motorbike, small	km			3 337.0	5 977.0		79%
Bus local avg.	pkm		28 790.0	29 904.0	10 803.0	-62%	-64%
Car, petrol (medium)	km		304 423.0	323 795.0	248 537.0	-18%	-23%
Car, Hybrid Electric Vehicle (HEV)	km			28 471.0	110 175.0		287%
3.11 Use of sold products							
Argon (liquid), Europe	kg				2504 010.0		
Sodium hydrogen sulfite	kg				10 398.0		
Electricity Asia avg.	kWh			-	16980 000.0		
3.12 End-of-life treatment of sold products							
Metal waste, recycled	kg				240 163.2		
Metal waste, recycled	m3				12 854.0		
Wood waste, recycled	kg				13 646.8		
EE waste, recycled	kg				1 131.4		
Ceramic waste, recycled	kg				337.3		
Plastic PVC waste, recycled	kg				83.2		
Rubber waste, recycled	kg				117.4		
Plastic waste, recycled	kg				2 203.6		
Silicon waste, landfill	kg				136.4		
Plastic PE/PP waste, recycled	kg				24.1		
Mineral oil waste, recycled (H)	kg				88.6		

Appendix VI: EU Taxonomy

Contents

1. Introduction

The EU Taxonomy aims to scale up sustainable investments and avoid greenwashing by defining a common language and understanding of sustainable activities. As part of the European Union's Green Deal, the EU Taxonomy is a classification system for sustainable economic activities, consisting of the following six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (W&A)
4. The transition to a circular economy (CE)
5. Pollution prevention and control (PP)
6. The protection and restoration of biodiversity and ecosystems (B&E)

Economic activity in the EU Taxonomy	Business activity	Assessment of technical screening criteria
3.6. Manufacture of other low carbon technologies (Climate Change Mitigation (CCM))	Production of additive material powders[1]	Activities considered **Eligible**, not aligned This activity is aligned once an independent study, 3rd party verified, confirming our assessment becomes available.
	Production of PlasmaSonic wind tunnels[1]	Activities considered **Eligible**, not aligned This activity is aligned once an independent study, 3rd party verified, confirming our assessment becomes available.
	(Development and) production of nanomaterials for MLCC[1]	Activities considered **Eligible**, not aligned
	Production of turnkey plasma systems (manufactured components and equipment applied in Tekna's plasma systems, as well as auxiliary equipment [1]	Activities considered **Eligible**, not aligned
	Systems spare parts, R&D revenue	Activities considered not eligible

Figure 1: Summarized overview of EU Taxonomy activity assessments

Objectives 3-6 were adopted in June 2023 via Commission Delegated Regulations (EU) 2023/2486 and (EU) 2023/2485, along with amendments to Regulations 1 and 2. In February 2024, Norway's Ministry of Finance required reporting on all six objectives for the 2024 financial year.

1: *Activities that have the potential to be enabling, however are not classified as such since the technical screening criteria are not considered met.*

Appendix VI: EU Taxonomy Statements (continued)

2. Results

Tekna contributes to the environmental objective of Climate Change Mitigation ("CCM"). Further, we recognize that one of Tekna's main contributions going forward may be through enabling others in the transition.

Throughout 2024, Tekna, together with its main shareholder Arendals Fossekompani, has developed its reporting on the EU Taxonomy in line with the developments and new guidance from the European Commission regarding the EU Taxonomy Regulation. This has also led to strengthened understanding of the EU Taxonomy's definitions of the KPIs.

The key performance indicators (KPIs) show notable changes from 2023 to 2024 as additive manufacturing materials did not fully meet the technical screening criteria.

Aligned turnover decreased from 64% to 0%, while eligible turnover increased significantly from 36% to 99%. In capital expenditures, aligned CapEx fell sharply from 82% to 0%, but eligible CapEx rose dramatically from 18% to 63%. For operational expenditures, aligned OpEx decreased from 42% to 0%, and eligible OpEx surged from 58% to 100%.

These shifts reflect an updated screening process and assessment of the technical screening criteria. This process is further elaborated in section 4. The high percentage of eligible activities reflects the great potential of the company and the challenge for medium sized companies in niche, high-tech industries to comply with the screening criteria as per the current requirements. It is likely that Tekna will not be able to afford the 3rd party research required to prove alignment.

- Tekna's economic activities are eligible under Climate Change Mitigation and not under any of the other five environmental objectives.
- Additive Manufacturing and Plasmasonic wind tunnels are believed to be aligned. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.
- All Tekna revenues are eligible except for its R&D revenue (~1% in 2024). Total eligible revenue: CAD 36.8m.
- 63% of Tekna's CapEx is invested in eligible activities, totaling CAD 2.4m.
- Tekna does not yet have a CapEx plan aimed at increasing the percentage of aligned activities.
- 100% of Tekna's OpEx is spend on eligible activities, totaling CAD 2.5m.

	Measurement			
	KPI CCM | in M CAD	**2024** (% of total | audited[2])	**2023** (% of total | unaudited[3])	**baseline (year)**
1	Revenue eligible and aligned	- (0%)	25.7 (64%)	- (2024)
2	Revenue eligible	36.8 (99%)	14.7 (36%)	99% (2024)
3	Revenue not eligible, nor aligned	0.4 (1%)	- (0%)	1% (2024)
4	CapEx eligible and aligned	- (0%)	6.7 (82%)	- (2024)
5	CapEx eligible	2.4 (63%)	1.5 (18%)	63% (2024)
6	CapEx not eligible, nor aligned	1.4 (37%)	- (0%)	37% (2024)
7	OpEx eligible and aligned	- (0%)	1.2 (11%)	- (2024)
8	OpEx eligible	2.5 (100%)	1.6 (58%)	100% (2024)
9	OpEx not eligible, nor aligned	- (0%)	- (0%)	- (2024)

Figure 2: EU taxonomy KPI's as per the EU Taxonomy Statements

3. Scope

All companies of the Tekna group have been considered for reporting on the EU Taxonomy for 2024. Tekna evaluated its four core activities for eligibility and did not assess its Systems service revenues (spare parts and maintenance) or R&D revenues We have not included the joint ventures Imphytek Powders, as they are not consolidated in the group's financial statements (consolidation by equity method). We have assessed the business activities with regards to the EU Taxonomy economic activities within the scope of the six environmental objectives.

4. Process

The process for assessing economic activities have been performed in accordance with the structure of the EU Taxonomy, starting with assessment of eligible activities before assessing compliance with the technical screening criteria for substantial contribution and do no significant harm ("DNSH"). Tekna performed the minimum safeguards assessment based on its own policies and procedures

Eligibility was assessed by comparing the business activities against the economic activities defined in the EU Taxonomy across all six environmental objectives. Relevant NACE codes and activity descriptions for each economic activity were identified and thoroughly examined. In 2023, Tekna reported activity 3.6 Manufacture of other low carbon technologies for their production of additive powders as an aligned activity. After re-evaluating the documentation used for assessing the activity, it has been changed to eligible, not aligned for 2024's reporting.

1: Activities that have the potential to be enabling, however are not classified as such since the technical screening criteria are not considered met.
2: Sample-audited on behalf of main shareholder Arendals Fossekompani ASA. 3. The 3rd party verification to support alignment of additive manufacturing was not specific enough to Tekna products.

Appendix VI: EU Taxonomy Statements (continued)

See activity assessment in section 5. (Assessment for further explanation).

Tekna has assessed potential eligibility of activities to all relevant environmental objectives, as required by the standard. Climate Change Adaptation and Climate Change Mitigation were assessed and Tekna's activities are eligible only under the latter, ie CCM.

The alignment process involves evaluating the criteria for substantial contribution, do no significant harm (DNSH), and minimum safeguards. During the assessment of the technical screening criteria, we encountered challenges related to interpretations and best practices.

5. Assessments

List of abbreviations:

Abbreviation	Definition
CCM	Climate change mitigation
CCA	Climate change adaptation
W&M	Sustainable use and protection of Water and marine resources The transition to a circular economy
CE	
P&C	Pollution prevention and control regarding use and presence of
B&E	Protection and restoration of biodiversity and ecosystems
DNSH	Do no significant harm

Figure 3: EU taxonomy in a nutshell

Production of additive material powders

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

"Production of additive material powders" involves the development and operation of proprietary plasma processes to produce and sell spherical powders for application in Additive Manufacturing, Metal Injection Molding and Binder Jetting.

The systems do not release constituents other than the powder itself and the plasma gases which consists of Argon, together with a secondary gas like helium, nitrogen, hydrogen or oxygen. None of these gases are considered critical for the GHG emissions. The Additive Manufacturing powders aim to increase resource efficiency along the value chain reducing GHG emissions related to those resources (materials, manufacturing, warehousing, transportation and the utilization of the finished product).

Substantial Contribution:

Additive Manufacturing (AM) can significantly reduce GHG emissions compared to traditional manufacturing methods by cutting carbon emissions in four key areas: materials, manufacturing, warehousing, and transportation.

Materials: AM uses only the material necessary to create the finished product. It does not generate any significant amount of scrap. For instance, Airbus claims an average fly-to-buy ratio of 10:1[1], while a ratio close to 1:1 is achievable with AM, especially if the unused powder can be recycled.

Manufacturing: AM enable engineers to design parts that are lighter, stronger, and more efficient than their traditional counterparts. This makes products manufactured using AM technologies more efficient in its intended application, e.g. less fuel consumption and associated emissions for any vehicle as it is lighter than its traditional counterpart. This applies especially for small production runs and custom-made parts, provided that design optimization for AM has been achieved.

Warehousing: On-demand production with 3D printing reduces the need for storage space and the associated energy for temperature, humidity, and lighting control, lowering the carbon footprint of logistics, which accounts for 5.5% to 13% of global GHG emissions.

Transportation: Localized production with 3D printers reduces the need for long-distance transportation, significantly impacting GHG emissions, as the transport sector accounts for over 23% of global CO_2 emissions.

Laser powder bed fusion, metal injection molding, electron-beam powder bed fusion and direct energy deposition are considered as equivalent in terms of GHG footprint. These AM technologies are considered as the counterpart of conventional machining. When considering the entire manufacturing chain, AM processes are found to be up to 87 % less ener-

1 Metals and composites: finding the right material for each application | Airbus

Appendix VI: EU Taxonomy Statements (continued)

gy consuming, CO2 polluting and cheaper in respect to environmental cost compared to conventional machining.

It must also be noted that AM can produce parts that conventional machining often cannot, which is accounted for in the comparison. While AM can reduce buy-to-fly ratio by more than 75%, design optimization for AM can reduce parts weight by another 65%.

Currently, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the additive powders segment is not considered compliant with the substantial contribution requirement.

Do no significant harm:

CCA: A Physical climate risk assessment has been conducted in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in appendix A were analyzed at economic activity level.

W&M: A water impact assessment, conducted per Appendix B, ensures that water is filtered before returning to the sewers. Annual quality checks on wastewater from Tekna Advanced Materials Inc's powder production facilities confirm compliance with Sherbrooke's wastewater standards.

CE: Tekna evaluates availability and employs techniques for reusing secondary raw materials, designing for durability, recyclability, disassembly, and adaptability, and managing waste and traceability of substances throughout product lifecycles. Metals, particularly aluminum alloys, have high recyclability, with ingots containing 6% recycled materials. Tekna's next step is to conduct quality tests on recycled feedstock to ensure it meets client standards.

P&C: An assessment per Appendix C confirms that all substances and chemicals used in Tekna's operations comply with regulations. Tekna has compiled a list of controlled and banned substances and verified compliance with the laboratory team and building manager.

B&E: An assessment has been conducted in accordance with Appendix D. This assessment shows that none of Tekna's operation sites are in or near biodiversity-sensitive areas.

Conclusion:

Activity is eligible, not aligned.

Production of turnkey plasma systems

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

"Production of turnkey plasma systems" involves production of Inductively Coupled Plasma systems, including auxiliary equipment such as power feeders, probes and powder washing systems. The turnkey plasma systems are used to develop new materials and optimize material characteristics (spheroidization). The systems do not release constituents other than the material itself and the plasma gases which consist of Argon, together with a secondary gas like helium, nitrogen, hydrogen, or oxygen. None of these gases are considered critical for the GHG emissions. It is an efficient way of developing advanced materials compared to alternative chemical processes that usually generate byproducts. Advanced materials aim to improve the efficiency of the finished product.

Substantial Contribution:

Induction plasma units sold to customers are designed for different powder-related applications that fall into two categories, i.e. nano powder synthesis or powder spheroidization, and are available in different power levels depending on the throughput required. In all cases, the systems do not release constituents other than the powder itself and the plasma gases which consist of Argon, together with a secondary gas like helium, nitrogen, hydrogen or oxygen. None of these gases are considered critical for the GHG emissions. As an electricity-intensive technology, the energy mix used to power induction plasma units will have a significant impact on carbon footprint of this technology which is otherwise a clean technology. There are no other technologies on the market that can perform the same functions as induction plasma for nano powder synthesis or powder spheroidization. This is confirmed in tender calls, where Tekna are not facing competing technologies but only competitors offering an induction plasma solution similar to ours.

As of today, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the plasma systems segment is not considered compliant with the substantial contribution requirement.

Do no significant harm:

Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.

Conclusion:

Activity is eligible, not aligned.

Production of PlasmaSonic wind tunnels

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

With "Production of PlasmaSonic wind tunnels", Tekna designs, manufactures, and sells the PlasmaSonic Product line, which is a wind tunnel that simulates hypersonic conditions to enable scientific research, for instance space tourism and hypersonic flight. These wind tunnels allow for material testing in a controlled environment, significantly reducing emissions compared to space testing by avoiding fuel combustion and atmospheric contamination (metal particles creating a greenhouse effect).

Substantial Contribution:

Ground testing facilities, combined with computational models, simulate space re-entry conditions. Their purpose is to develop heat shields made of specialized materials. Different ground testing technologies exist, each with specific operational ranges

Appendix VI: EU Taxonomy Statements (continued)

(temperature, velocity, heat flux, test duration, gas composition, etc.) and minimum overlaps between them (see figure 4). Considering their differences in operational ranges, they can hardly be compared in terms of GHG emissions. Therefore, flight testing is the counterpart of Tekna's Plasmasonic technology in terms of GHG emissions for developing supersonic vehicles.

Flight testing involve launching sounding rockets at very high altitude or even in space. While data on large rockets emissions are available in the literature, sounding rockets are rather niche and very little has been published. Depending on the fuel used, combustion by-products like CO2, soot, NOx and water vapor are generated in various concentrations, along with unburnt fuel expelled.

The fact that important amounts of combustion by-products are released in a short period of time and in a concentrated area up to >15km altitude (in opposition with commercial aircraft making 1000s km flight at <10km altitude) can severely impact wetlands and habitat nearby launching pads. Furthermore, spaceflight is the only direct human cause of pollution above about 20 km altitude. Scientists recently found the stratosphere is peppered with particles containing metals vaporized from the re-entry of satellites and rocket boosters. Also, water vapor released in the stratosphere can act as a greenhouse gas while black soot particles can linger for years, acting like an umbrella, absorbing solar radiation.

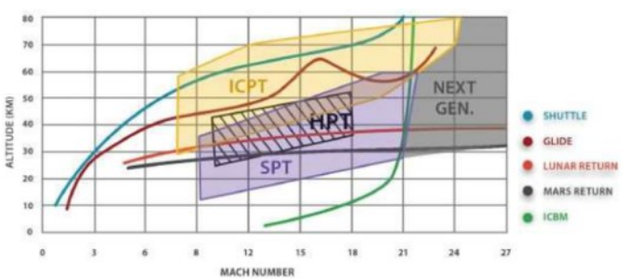

Figure 4: Vehicle trajectories vs PWT technologies, Plasma wind tunnel typical operating range by source.

ICPT: Induction Coupled Plasma (=Tekna); HPT: Huels Plasma; SPT: Segmented Arc Plasma

Plasmasonic wind tunnels are believed to provide substantial life-cycle GHG emission savings compared to the best performing alternative. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.

Do no significant harm:

CCA: A Physical climate risk assessment has been conducted in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in appendix A were analyzed at economic activity level.

W&M: A water impact assessment has been conducted in accordance with Appendix B. Water is filtered before going back to wastewater in the sewers. Annual quality checks on wastewater from Tekna Plasma Systems facility confirm compliance with Sherbrooke's wastewater standards.

CE: Tekna assesses the availability and adopts techniques that support reuse and use of secondary raw materials, design for high durability, recyclability, disassembly and adaptability of products, waste management and traceability of substances of concern throughout the lifecycle of the manufactured products. PlasmaSonic wind tunnels is a new product, with expected lifespan of more than 25 years. Further, it is estimated that more than 90% of the components can be recycled.

P&C: An assessment per Appendix C confirms that all substances and chemicals used in Tekna's operations comply with regulations. Tekna has compiled a list of controlled and banned substances and verified compliance with the laboratory team and building manager.

B&E: An assessment has been conducted in accordance with Appendix D. This assessment shows that none of Tekna's operation sites are in or near biodiversity-sensitive areas.

Conclusion:

Activity is eligible, not aligned.

(Development and) Production of nano materials for Multi-Layer Ceramic Capacitors (MLCC)

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

With "development and production of nano materials for Multi-Layer Ceramic Capacitors (MLCC)", Tekna develops and operates its own proprietary plasma to produce and sell nano-sized metal powders for application in MLCC. The systems do not release constituents other than the powder itself (typically the same material as the feedstock or precursor introduced in the system) and the plasma gases which consists of Argon, together with a secondary gas like helium, nitrogen, hydrogen or oxygen. None of these gases are considered critical for the GHG emissions. With its nano-sized materials Tekna enables electrification through MLCC (downsizing electrical components), thereby enabling GHG emission reductions.

Substantial Contribution:

The documentation requirement regarding life-cycle GHG emissions calculation has not been fulfilled, hence the substantial contribution criteria is considered not met.

Do no significant harm:

Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.

Conclusion:

Activity is eligible, not aligned.

Appendix VI: EU Taxonomy Statements (continued)

Additional assessment against Environmental Objective Climate Change Adaptation (CCA)

Environmental Objective: Climate Change Adaptation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

See description of the activities *"Production of additive material powders"*, *"Production of turnkey plasma systems"*, *"Production of PlasmaSonic wind tunnels"* and *"development and production of nano materials for Multi-Layer Ceramic Capacitors (MLCC)"* related to activity 3.6 regarding CCM above. A climate risk assessment and roadmap has been carried out, but an expenditure plan that complies with the requirements of Appendix a is currently not in place. As such, the economic activities are not considered eligible under climate change adaptation.

Substantial Contribution & Do no significant harm:

Since the economic activity is not considered eligible for the environmental objective Climate Change Adaptation, no further assessment of technical screening criteria has been carried out.

Conclusion:

Activity is not eligible under the Environmental Objective CCA

6. Minimum Social Safeguards

Minimum safeguard requirements are defined in article 18 of the EU Taxonomy regulation. According to which, an undertaking shall implement procedures to ensure the alignment with:

- The OECD Guidelines for Multinational Enterprises (OECD Guidelines for MNE)
- The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

The minimum safeguards establish social and governance criteria to ensure that environmentally beneficial activities do not negatively impact broader objectives. Key factors considered in these safeguards include human rights (including labor rights), tax compliance, anti-bribery and corruption measures, and fair business practices.

We are unaware of any significant breaches of business conduct principles and have not faced court convictions or allegations from the OECD National Contact Points or the Business and Human Rights Resource Center. Our assessment indicates that the Group Compliance Handbook and policies meet minimum social safeguards, establishing adequate human rights due diligence processes as per UNGPs and OECD Guidelines. **Therefore, we believe to be compliant with the requirements for minimum safeguards.**

The Compliance Handbook mandates company-wide risk assessments on Responsible Business Conduct, addressing social matters, human rights, anti-bribery, tax, consumer rights, and competition. Tekna's policies are accessible to employees (in Isovision, the company document management system) and stakeholders (www.tekna.com/esg), with onboarding training and whistleblowing channels. Under the Norwegian Transparency Act Tekna also conduct risk assessments and reports on potential adverse impacts.

Tekna's activities adhere to minimum safeguards, respecting human rights and maintaining a zero-tolerance policy for corruption, with no known cases in 2024. The company is committed to fair competition and has not faced significant disputes related to competition law.

The Group's policies, such as the Code of Conduct, the Business Partner Code of Conduct and Human Rights policy can be found on our website. For further details refer to the Human Rights and Transparency section in the Annual report 2024

7. Future work

As we look to increase the share of aligned activities, we will endeavor to find clever, low-cost solutions to obtain the comparative independent studies, which are required to validate our alignment with Climate Change Mitigation.

We will continue retrieving and improving relevant documentation and assessing the technical screening criteria adopted by the EU in June 2023.

We recognize that the EU Taxonomy is continually evolving, and future FAQs and publications from the European Commission may provide new insights that could influence this year's assessment.

Appendix VI: EU Taxonomy Statements (continued)

8. Statements

Accounting policies

Intro

Our accounting methodology for calculating and determining the financial key performance indicators (KPIs) disclosed by the EU Taxonomy Regulation follows the requirements in the EU Commission Delegated Regulation 2178/2021. In line with the regulation, Tekna reports on turnover, CapEx and OpEx for eligible, not-aligned economic activities.

The majority of Tekna's economic activities contribute to an environmental objective and alignment has been assessed against each. For the purpose of allocating financial KPIs to a respective environmental objective, activity-specific considerations have been evaluated, in addition to Tekna's overall ESG strategy. Aligned with Tekna's strategy, Climate Change Mitigation ("CCM") is applicable to our activities.

Double counting

Tekna only qualifies under CCM and has allocated all its eligibility to this objective. No further preventative measures (such as allocation keys) have been deemed necessary to avoid any dual allocation of the numerator of turnover, CapEx, and OpEx, i.e. avoiding double counting.

During 2024, Tekna has not issued new or distributed previously issued green bonds with the purpose of financing Taxonomy-aligned economic activities. Hence, Tekna believes that there is no need for an adjusted turnover KPI to avoid double counting.

Calculation of turnover

The share of eligible, not aligned turnover is calculated as the net turnover derived from products and services associated with eligible, not aligned turnover, divided by the Group's total net turnover, as defined in the EU Commission Delegated Act 2178/2021.

Turnover is defined by IAS 1 paragraph 82(a). For Tekna group and its portfolio companies, IFRS 15 *Revenues from contracts with customers* constitutes the EU Taxonomy turnover. See the Consolidated Income Statement and note 3 of the Financial Statements and the note Turnover for the related line items in the non-financial statement.

All intercompany transactions have been identified and eliminated from the turnover KPI. Governmental grants and revenue from non-current assets held for sale are also eliminated.

Calculation of CapEx

The share of Tekna's eligible, not aligned CapEx is calculated as CapEx associated with eligible, not aligned economic activities divided by Tekna's total CapEx, as defined in the EU Commission Delegated Act 2178/2021.

CapEx covers additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurement, including those resulted from revaluations and impairments. As such, CapEx covers costs accounted in the following IFRS-standards: IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. These standards have served as basis for Tekna's allocation of CapEx to the denominator/numerator. Purchase of PPE and intangible assets are included. Goodwill is not included. See note 10, and note 11 for the related line items in the financial statements and the note CapEx for the related line items in the non-financial statement.

The numerator of the CapEx KPI mostly consists of capital expenditure directly associated with relevant projects (processes and assets) of Taxonomy-eligible/aligned economic activities as defined by letter (a) in the EU Commission Delegated Act 2178, section 1.1.2.2.

Currently, Tekna does not have any material capital expenditures related to a CapEx plan (b) as part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned under conditions specified in the Delegated Act, nor does it purchase output from Taxonomy-eligible/aligned economic activities (CapEx c).

Calculation of OpEx

The share of Tekna's eligible, not aligned OpEx is calculated as OpEx associated with eligible, not aligned economic activities divided by Tekna's total OpEx, as defined in the EU Commission Delegated Act 2178/2021.

OpEx is defined as direct non-capitalized costs that relate to research and development, building renovation measures, short term lease, maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets to property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

OpEx was determined using specific general ledger accounts related to maintenance and R&D. Allocations were as follow:

For maintenance costs allocation keys were needed to segregate expenses for Materials for Microelectronics (ME) and Additive Manufacturing (AM). Tekna production systems are dedicated either to AM or ME. Allocation was based on hours worked by specific system in 2024, 98.5% to AM and 1.5% to ME. For R&D: No allocation key used as we apply Project accounting. Maintenance cost is included in Operating expenses in the Consolidated Statement of Income of the Financial Statements.

The numerator of the OpEx KPI mostly consists of costs directly associated with processes and assets of Taxonomy-eligible/aligned economic activities, as well as purchase of output from Taxonomy-eligible/aligned economic activities, as defined by letter (a) and (c) in the EU Commission Delegated Act 2178, section 1.1.3.2. Currently, Tekna do not have any material operational expenditures related to a CapEx plan.

Appendix VI: EU Taxonomy Statements (continued)

Turnover

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover [2024] (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		CAD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	36 786 108	89.9%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**36 786 108**	**89.9%**	**89.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A. Turnover of Taxonomy-eligible activities (A.1. + A.2.)		**36 786 108**	**89.9%**	**89.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		4 138 827	10.1%																
TOTAL		**40 924 935**	**100%**																

Figure 5: Qualification per Environmental objective

Contextual information about the KPIs (notes)

Note Turnover

As the activities match our definition of business lines, no assumptions nor allocation keys are needed to determine the KPI's.

Revenue from contracts with customers: CAD 36 .8 M. R&D Income is excluded.

No turnover is used for internal consumption, and all is relevant for the EU taxonomy assessment.

Turnover per objective
Proportion of turnover / Total turnover

Ojective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	99.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Appendix VI: EU Taxonomy Statements (continued)

CapEx

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) capex, year 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (2024) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		CAD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	2 377 240	63.1%	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2 377 240**	**63.1%**	**63.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A. CapEx of Taxonomy-eligible activities (A.1. + A.2.)		**2 377 240**	**63.1%**	**63.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1 392 257	36.9%																
TOTAL		**3 769 497**	**100%**																

Figure 6: Qualification per Environmental objective

Contextual information about the KPIs (notes)

Note CapEx

All capital expenditure is considered eligible, ie CAD 2.9 M. The eligible/not aligned CapEx for 2024 is broken down as follows:

Property, Plant & Equipment: CapEx considered eligible: CAD 2.4M (excluding ROU).

Intangible assets: Capitalized patents and development fees: CAD 0.5M.

CapEx per objective
Proportion of CapEx / Total CapEx

Ojective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	63.1%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Appendix VI: EU Taxonomy Statements (continued)

OpEx

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) opex, year 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (2024) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		CAD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	2 539 214	100.0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2 539 214**	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A. OpEx of Taxonomy-eligible activities (A.1. + A.2.)		**2 539 214**	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0.0%																
TOTAL		**2 539 214**	**100%**																

Figure 7: Qualification per Environmental objective

Contextual information about the KPIs (notes)

Note OpEx

OpEx was determined using specific general ledger accounts related to maintenance and R&D. Allocations were as follow:

For maintenance costs: allocation were needed to segregate expenses for Materials for Microelectronics (ME) and Additive Manufacturing (AM). Tekna production systems are dedicated either to AM or ME. Allocation was based on hours worked by specific system in 2024: 98.5% to AM and 1.5% to ME. For R&D: No allocation key used as we apply Project accounting.

The total eligible/not aligned OpEx for 2024 of CAD 2.5M is broken down as follows: Additive Manufacturing: CAD 1.2M, Systems: CAD 0.7M, PlasmaSonic: CAD 0.2M and Microelectronics: CAD 0.4M.

OpEx per objective Proportion of OpEx / Total OpEx		
Ojective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	100.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Appendix VII: Human Rights and Transparency | Workers in the value chain [ESRS S2] | Business Conduct [ESRS G1]

Contents

1. Introduction

Tekna Group ("Tekna" or "Group") is subject to the two following legal frameworks, both having the objective of improving respect for fundamental human rights in supply chains and increasing transparency on the topic.

- 1 January 2024, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act came into effect.
- 1 July 2022, the Norwegian Transparency Act came into effect.

Tekna has reported annually on Human Rights and Transparency since 2022.

Tekna is a world-leading provider of advanced materials, headquartered in Sherbrooke, Canada. Tekna produces high-purity metal powders for applications such as 3D printing serving the aerospace, medical and consumer electronics industries, as well as optimized induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well-positioned in the growing market for advanced nanomaterials within microelectronics. Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and its commitment to over 200 customers including multinational blue-chip customers.

Tekna Holding ASA and its subsidiaries ("Tekna") consists of ten legal entities, of which three are in Europe ("EU"; including one joint venture in process of dissolution; 18 employees), four are in North America ("NA"; 162 employees) and three are in Asia (5 employees). Manufacturing takes place in Canada, whereas the other entities are sales offices. Refer to the appendix for a full overview of entities and an organisation chart.

Tekna's value chain

In our sustainability journey, we have focused our attention on understanding the impacts of our own operations. However, Tekna has a diversity of interactions across the value chain: suppliers, customers, our own operations and interactions related to the end user and end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks and opportunities. Tekna can have a positive or negative impact on the value chain. An example of a positive impact is the enabling strength of our high-quality additive manufacturing ("AM") materials converting more customers to resource efficient AM methods. As a global business, the need for business travel and the related greenhouse gas emissions (GHG) is an example of a negative impact. Raw materials for the manufacturing of metal powders is the area with the highest risk for negative impact in our supply chain.

Community impact	Labor conditions
• Freedom of expression • Digital security/privacy • Access to water and sanitation • Displacement and loss of livelihoods • Environmental degradation • Conflict minerals in the supply chain • Gender equality and women's right • Minority rights • Rights of Indigenous People • Rights of refugees and migrants • Land rights • Security forces	• Freedom of association and the effective recognition of the right to collective bargaining • Forced labor • Child labor • Non-discrimination in respect of employment and occupation • Safe and healthy working environment • Working conditions (wages, working hours)

Figure 1: Potential human rights impacts relevant to Tekna

Appendix VII: Human Rights and Transparency (continued)

Potential risk and impact areas in our value chain

Notwithstanding our commitment to respecting all human rights, the human rights issues most relevant to our business operations are figure 1 on the previous page.

In figure 2 is a simplified overview of the Tekna value chain for the two business units. We have indicated in red the part with the highest potential for negative impact, which materials are on the Critical raw material list, and which are potential conflict materials.

Own operations

To manufacture Tekna's products the following business-specific resources are required for Materials:

- *Production equipment:* plasma systems and peripherals, sieves, blenders, containers, forklifts, storage racking, recycling bins
- *Production enablers:* metals (titanium alloy, aluminum alloys, tungsten, tantalum), process gases (argon, helium), cooling water, packaging (plastic curtec containers, aluminum bottles, pallets, straps, labels), laboratory (test chemicals), OHS (GVP masks, gloves, boots)

And for Systems:

- *Production equipment:* tools, welding equipment, storage racking, recycling bins, specific software
- *Production enablers:* metals, composites, electrical wiring, tubes, pipes, hardware, software, packaging (wooden crates)

Upstream value-chain

(based on unverified assumptions)

To obtain the mentioned "production enablers" the following processes are likely required upstream for Materials:

- *Metal feedstock* (titanium alloy, aluminum alloys, tungsten, tantalum): ore extraction (mining and beneficiation resources) > refining and chemical processing > reduction and metal processing > melting and casting resources > transformation to feedstock (processing (casting and wire drawing or powder production) and packaging resources.

Systems:

- *Stainless steel:* From ore to stainless steel sheet, this process involves mining and ore beneficiation, smelting and alloying, rolling and shaping, and finishing.

We have a general understanding of the potential impacts and risks associated with the upstream value chain and the highest risk is likely to be found in raw material extraction and refining. This may include child labor, forced labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions.

As a medium sized company we have access to our business partners and are able to inform ourselves about their practices, associated risks and potential impacts. The suppliers of our business partners have proven to be more difficult to assess. Much work remains to be done to complete the understanding.

Risk mitigation

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The remaining 20 per cent, approximately, is spent on a key raw material, i.e. titanium, supplied by two regularly audited manufacturers in China. Both are well-established and qualified suppliers to major western industrial conglomerates.

REACH, RoHS and potential conflict minerals

Our procurement team has delivered third-party verification guaranteeing our powder products are meeting REACH (toxic chemicals) and RoHS (hazardous substances) requirements.

Tekna is following the Responsible minerals initiative (Conflict minerals reporting) for tungsten and tantalum. Both are sourced exclusively from Conflict-Free material based on OECD due diligence and Dodd-Frank requirements. Tekna has the declaration on conflict-free material, which is made with all the information from partners in the entire supply-chain from smelters up to Tekna.

Value chain (VC)	Upstream value chain	Own Operations (OO)	Downstream value chain (VC)	
Business unit:	Raw materials and supply chain	Production, distribution, marketing	Customers	End-users (& End-of-life-stage)
Materials: for additive manufacturing industry	*Mining and sourcing of raw materials*		*Production of:*	*Utilization:*
	Aluminum, Tantalum[1,2], Titanium[1], Tungsten[1,2]	Production of micron-sized materials (A, Ti, W, Ta).	Tier 1 and Tier 2 Metal part manufacturers	Aerospace, medical implants, consumer electronics, 3D Machine Manufacturers
for micro-electronics industry	Nickel	Production of nano-sized materials (Ni).	Multi-Layer Ceramic Capacitors (MLCC) Original Equipment Manufacturers	Electronics in devices, EVs,
Systems	Production of hardware (Parts and subassemblies)	Production and development of plasma technology	(Materials) Research institutes and companies	Research and small production of (new) materials
General	Transportation associated with above activities. Sourcing of parts, electricity, water	Storage, packaging, transportation and logistics Sales and Marketing, personnel and office		Disposal and end-of-life handling

Figure 2: simplified overview of the Tekna value chain for the two businesses.

1: Critical raw material list. 2: Potential conflict material Tekna's supplier guaranteed material purchased non-conflict.

Appendix VII: Human Rights and Transparency (continued)

2. Guidelines and routines

Several guidelines and routines have been created and communicated for handling actual and potential negative consequences for basic human rights and decent working conditions.

For any concerns about business conduct, or advice regarding the policies and practices for responsible business conduct, the first point of contact internally is the HR department, externally it is the CFO and, alternatively the whistleblowing channel is available if the informant wishes to remain anonymous. Any interaction will be taken into consideration on a continuous basis.

Tekna has established an Ethics and Compliance Committee ("ECC") to ensure we operate fairly across all business operations and engage to not use prohibited practices. This showcases our commitment to do business with diligence. The ECC reports to the Audit Committee and consists of key executives and managers. One of its roles is to ensure adequate up-to-date guidelines and routines are in place and properly implemented and followed.

Code of Conduct

Tekna has embedded responsible business conduct of its employees and officers in its Code of Conduct ("CoC") since 2021. The CoC was updated and approved by the Board of Directors on December 15, 2023. It is available in both English and French to ensure a good understanding with the employees and enable them to use good judgment, and in the case of uncertainty, seek guidance.

At March 31, 2024, 100% of the global employees had signed[3] the CoC. It is also compulsory for new employees to read and sign the CoC as part of their onboarding.

The CoC is available on www.Tekna.com/esg .

Employee training

A CoC training for employees has been developed internally and participation before March 31, 2025 is mandatory for all Tekna employees worldwide. The training addresses Human Rights including forced and child labour, right to occupational health and safety, harassment protection, civility. It also explains the whistleblowing tool and protection as well as the key information on anti corruption and compliance. The training duration is one hour and includes an exam of 20 multiple choice questions that must be completed with 80% score.

The CoC is available in the Document Management System "Isovision" and on the website. It is part of the introduction program of every employee as well as compulsory (re-)lecture when significant updates are done.

Business Partner Code of Conduct

Tekna has embedded responsible business conduct for suppliers in its Supplier Code of Conduct since 2021. It has now been updated to a Business Partner Code of Conduct ("BPCoC"), which was approved by the Board of Directors on November 5, 2024. It is available in both English and French to ensure a good understanding with our supply base.

The BPCoC is available on www.Tekna.com/esg .

Human rights

Tekna's Business Partners shall respect human rights, and always act in line with the rules and principles laid out in the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises. Tekna has implemented a Human Rights policy, approved by its Board of Directors since November 5, 2024.

Prohibition of child labour

Tekna does not accept any form of child labour or that children below the lawful minimum age for admission to employment are engaged in our or our Business Partners' business. If persons below the age of 18 are involved, Tekna demands special precautions to safeguard their health, security and rights. Persons below the age of 18 shall not perform dangerous or night-time labour, and their work shall not inflict damage on their education or development. Tekna and its Business Partners fully support, and will act in accordance with, the UN Convention on the Rights of the Child.

Labour rights, health and safety

Tekna does not accept any involuntary labour and expects all its Business Partners to comply with all fundamental labour rights and applicable laws and regulations. Business Partners shall ensure fair salaries, safe working conditions (including necessary supervision and protection from fire and other dangers), the right to organize, a good workplace environment, and have in place a whistleblowing procedure for the reporting concerns by employees.

Hazardous substances and conflict resources

Tekna and its Business Partners shall comply with applicable laws and regulations regarding the use, prohibition and restriction of hazardous substances and shall avoid the use of conflict materials, i.e. materials that originate from conflict areas and contribute to fund governments and movements which violate fundamental human rights.

Discrimination and harassment

Any kind of discrimination due to gender, ethnicity, national origin, descent, skin colour, language, religion, sexual orientation, family situation or disability is not accepted in Tekna or any of its Business Partners. All people shall at any time be treated with respect and dignity.

3: Signing includes online acceptance on our Document Management System ISOVISION.

Appendix VII: Human Rights and Transparency (continued)

Whistleblowing

Tekna encourages transparency and Business Partners and their employees are expected to report any concerns about potential violations of the CoC and BPCoC or applicable laws and regulations to the Chief Financial Officer without delay.

If our employees suspect any unethical conduct in breach of this Code or other policies and applicable laws, they shall immediately report this to the corporate or local HR department following the internal complaint procedure.

The first point of contact is the HR department, but reports can be made to one of the people listed in the CoC, depending on the nature and content of the report. Violations involving a member of the executive team should be reported directly to a Board member.

If an employee reporting a violation wishes to remain anonymous, all reasonable steps will be taken to keep their identity confidential. Anyone who reports such matters, in accordance with the internal complaint form, will be protected from retaliation. As such, no employee shall be discriminated or retaliated for reporting in good faith a violation of Tekna's policies. However, any employee who intentionally has made a false claim of violation may receive disciplinary actions up to and including, when appropriate, termination of employment.

Tekna will endeavour to protect whistleblowers against retaliation. Tekna may, however, disclose information to competent authorities to the extent appropriate.

In 2023, Tekna established a partnership with Whistleblower Software, enabling us to introduce an anonymous whistleblowing platform to our valued employees and stakeholders. This collaboration marked a significant milestone in our journey towards fostering a culture of transparency, accountability, and ethical conduct. By providing a secure, anonymous and confidential channel for individuals to report concerns, we have strengthened our commitment to maintaining the highest standards of integrity within our organization. Our aim for this new channel is that it will act as a constructive feedback loop within our organization and supply chain, thus helping in identifying, mitigating, and addressing issues.

Handling requests of information

Tekna has published the Routine for processing requests on information according, which solidifies our dedication to transparency by outlining a systematic approach to managing and responding to information requests. The routine follows the legal requirements of the Norwegian law and is deemed adequate and applicable to any information request on the topic. By establishing clear guidelines for information disclosure, we aim to bolster trust among our stakeholders and contribute to a more informed and engaged community.

Upon receipt of a written request for information Tekna will reply within three weeks. Depending on the complexity of the request this will either be the answer to the questions or a request for extension of the time limit with reason of the extension and an expected completion and reply date.

The contact person for questions related to this report, human rights and transparency is disclosed on the website (Tekna.com/esg). At publication of this report Ms. Arina van Oost can be contacted at esg@tekna.com.

Subjects for the Board

The overall management of the Company is vested in the Board and the Executive Leadership Team. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization and allocation of responsibilities and duties, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Since 2022, the Board of Directors approves all ESG policies. Important policies publicly available:

- (Employee) Code of Conduct and Ethics (2023)
- Corporate Governance policy (2022)
- Business Partner Code of Conduct (2024)
- Human Rights Policy (2024)
- Routine - Transparency Act (2023)
- Anti-Corruption policy (2023)
- Competition law compliance policy (2023)

Relevant internal policies approved by the CEO:

- Donations and Sponsorships Policy
- Work Harassment policy
- Workers' compensation equity system
- Occupational Health & Safety policy

Appendix VII: Human Rights and Transparency (continued)

3. Risk of negative consequences

Risks of negative consequences resulting from our value chain are identified through a sustainability due diligence process.

Performance

Tekna's first experience with supply-chain due diligence stems from its 2022/23 effort to engage with the top 25 suppliers ranked on the basis of risk of location, location of their supply-chain and or spend. We used a professional tool developed for this purpose, Factlines.com, and after numerous follow-ups we managed to get 9 completed assessments. For results refer to the 2023 report.

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The highest risk supplier (rank 1/25), based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location (China classified as a country with high risk because there is no guarantee of workers' rights), completed the self-assessment, signed the SCoC and was audited on site. They are well-established and a qualified supplier to major western industrial conglomerates.

Therefore, the Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024 (see Subjects for the Board).

In 2025, we will initiate a second due diligence round to identify, measure and understand the most important risks in our supply chain. We aim to cover topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

In order to make the most out of the resources we have, we will first focus our efforts on the suppliers with the most improvement potential.

We will pay particular attention to those suppliers that disclose not having a policy against the use of child labour and / or forced labour in line with the UN Global Compact principle 5.

KPI

In 2024, there were no reported incidents of discrimination, anti-corruption or breaches of the BPCoC or CoC. Tekna received three whistleblowing reports involving two (internal) incidents.

See figure 3 for further key performance indicators.

Figure 3: Key performance indicators	2024	2023
Percentage of new suppliers that were screened using social criteria	priority focus on risk suppliers	
Number of suppliers assessed for social impacts		9 (+3 in progress)
Number of suppliers identified as having significant actual and potential negative social impacts		0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	Focus on implementing policies, Due diligence to re-start in 2025	0 (high risk)
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why		0

Process to remediate negative impacts

To date, Tekna has not detected or been informed of any negative impact to remediate.

In line with our 2024 Human Rights Policy and commitment, Tekna:

- Provides an accessible complaint mechanism provided by Whistleblower Software, which enables Representatives, Business partners and other relevant stakeholders to raise concerns or grievances related to our activities, securely and anonymously;
- Ensures that complaints are handled promptly, impartially, and according to applicable laws and regulations. Our grievance handling team conducts thorough investigations, taking action, and ensuring transparency throughout the remediation process;
- Provides or cooperates in providing prompt and appropriate remediation to address and prevent activities that have caused or contributed to adverse impacts and its recurrence, such as corrective actions, compensation, or changes to our policies.

Appendix VII: Human Rights and Transparency (continued)

4. Measures

Tekna will ensure that all new employees sign the Code of Conduct and undergo training on the most important policies, including the Code of Conduct, Human Rights policy and Anti-Corruption and Competition Law Compliance.

Tekna will renew its efforts with its supply base to

- Improve the percentage of signatories of its updated Business Partner Code of Conduct
- Improve participation in its due diligence process and act on any "high risk" assessments
- Ensure supplier audits include E, S, G topics and climate risk mitigation as standard in the agenda
- Improve its understanding of climate-related risk and support the development of a mitigation plan.

All these measures will reduce the risk of negative consequences and halt present activities that have negative impact.

Progress on Action plan 2024

Supplier audit standard agenda to include E,S,G and climate risk topics ✓	Completed
Increase Supplier SCoC signatories - simplify process	Ongoing
Employee training in CoC— including focus on child and forced labour	Training developed, roll out Q1
Employee training in Anti-Corruption and Compliance	Training developed, roll out Q1
Update and adjust SCoC to specifically address all Business Partners ✓	Completed
Board approval for CoC for Business Partners ✓	Completed
Create Human Rights Policy ✓	Completed
Board approval Human Rights Policy ✓	Completed
ECC to follow due diligence on 25 most critical suppliers	Ongoing

Actions 2025

Employee training in CoC— including focus on child and forced labour, Anti-Corruption and Compliance ✓	Q1
Increase BPCoC signatories - simplify process	Ongoing
Reinitiate Due diligence on 25 most critical suppliers, ECC to track	Q2-Q4

5. Signatures

Board of Directors and CEO

Arendal, 9 April 2025

The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

Dag Teigland Chair of the Board	Barbara Thierart-Perrin Member of the Board	Torkil Sigurd Mogstad Member of the Board	Anne Lise Meyer Member of the Board	Kristin Skau Åbyholm Member of the Board	Lars Magnus Eldrup Fagernes Member of the Board	Ann-Kari Amundsen Heier Member of the Board	Luc Dionne CEO

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TEKNA