

Tekna Holding ASA

**2024**

January 1—December 31

# EU Taxonomy Report

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

**one particle at a time...**

**TEKNA**

# Appendix VI: EU Taxonomy

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## 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 <sup>1</sup>	Activities considered <b>Eligible</b> , not aligned  This activity is aligned once an independent study, 3rd party verified, confirming our assessment becomes available.
	Production of PlasmaSonic wind tunnels <sup>1</sup>	Activities considered <b>Eligible</b> , 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 <sup>1</sup>	Activities considered <b>Eligible</b> , not aligned
	Production of turnkey plasma systems (manufactured components and equipment applied in Tekna’s plasma systems, as well as auxiliary equipment <sup>1</sup>	Activities considered <b>Eligible</b> , 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.

### 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.

Measurement			
KPI CCM   in M CAD	2024 (% of total   audited <sup>2</sup> )	2023 (% of total   unaudited <sup>3</sup> )	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

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
CE	The transition to a circular economy
P&C	Pollution prevention and control regarding use and presence of chemicals
B&E	Protection and restoration of biodiversity and ecosystems
DNSH	Do no significant harm

**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<sup>1</sup>, 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 CO2 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-



Figure 3: EU taxonomy in a nutshell

<sup>1</sup> 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 compli-

ant 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 CO<sub>2</sub>, soot, NO<sub>x</sub> 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 wet-

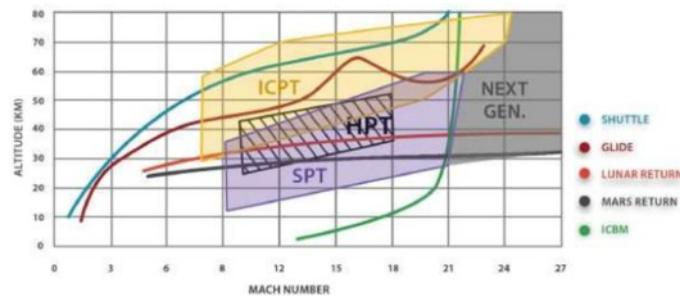


Figure 4: Vehicle trajectories vs PWT technologies, Plasma wind tunnel typical operating range by source.

ICPT: Induction Coupled Plasma (= Tekna); HPT: Huels Plasma; SPT: Segmented Arc Plasma

lands 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.

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 Iso- vision, 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)
	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%	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%	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)																			
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%
<b>TOTAL</b>	<b>40 924 935</b>	<b>100%</b>

### 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		
Objective	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%

Figure 5: Qualification per Environmental objective

## 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)
	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)				
Economic Activities (1)				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%	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%	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															
Manufacture of other low carbon technologies	CCM 3.6	2 377 240	63.1%	EL	EL	N/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%
<b>TOTAL</b>	<b>3 769 497</b>	<b>100%</b>

### 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		
Objective	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%

Figure 6: Qualification per Environmental objective

**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)
	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%	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%	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															
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%
<b>TOTAL</b>	<b>2 539 214</b>	<b>100%</b>

**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%

Figure 7: Qualification per Environmental objective

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