2022 Half-year Report

August 18, 2022

TEKNA

Contents

Tekna in brief

Tekna is a global leader in the development, manufacturing and sales of advanced micro and nano powders as well as plasma process solutions.

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

- Development and sale of plasma systems: Tekna develops and sells plasma systems customized for the purpose of research and development.
- Development and sale of advanced powders: Tekna develops and operates proprietary plasma processes to produce and sell spherical powders and nano powders.

Tekna is developing the position of its advanced powders in three multi-billion-dollar market verticals:

- Additive Manufacturing: Currently our biggest market. Depending on which material, Tekna enjoys a 10 to 30 per cent market share and is growing in a global market where additive manufacturing is becoming a green and more efficient solution when compared to traditional machining due to improved environmental efficiency.
- Microelectronics: Tekna aims to secure industrial scale supply to global tier 1 customers in the microelectronics industry. Nano powders below 100 nm are expected to become the new industry standard, and Tekna is one of only two producers that can deliver this.
- Energy Storage: Tekna has developed and patented its industrial process to produce high purity spherical silicon nano powder. Nano silicon used in rechargeable batteries improves energy density which could provide electric vehicles with more distance travelled on a single charge.

Important industries for our powders are batteries, electronics, medical, automotive, aerospace and satellites, with space exploration and hypersonic travel emerging as a potentially significant new market for plasma systems.

Tekna is headquartered in Québec, Canada, and has global reach with offices and distributors in France, China, Korea, Japan, and India. The company has a staff of about 220.

Status and key developments

Tekna's financial performance in the first half of 2022 was marked by high activity in the additive manufacturing industry. The strong underlying and increasing demand for advanced materials is reflected in a 21 percent growth in the Advanced Materials revenue in Q2 compared with Q1 this year.

Total revenue in the first half of 2022 was CAD 14.1 million, down from CAD 15.2 in the same period 2021. Sale of systems and parts was reduced by 32 percent, partly a result of reduced overall activity due to travel restrictions.

EBITDA was marked by overhead costs which is the result of planned expansion of capacity to support the company's growth strategy, development of business opportunities and partnerships, especially in Microelectronics and Energy Storage, and upfront investments in staffing and R&D

Order intake continued to increase on strong demand. Order intake in the first six months of 2022 was CAD 17.7 million, with order backlog reaching a record high CAD 18.4 million at the end of June 2022.

Projects with partners in Microelectronics are ongoing, with important milestones coming up later in the year, but customer schedules could cause some delays. Tekna continues to pursue opportunities in energy storage, for which the company's nano-silicon could be a game changer as anode material.

The program aimed at increasing materials production capacity by 70 percent by year-end 2022 is underway. Additional trials and development work is needed and ongoing to secure a continuous robust process.

Key figures (CAD million)	Q2'22	Q2'21	YTD 2022	YTD 2021	FY 2021
Revenue	7.6	7.4	14.1	15.2	26.8
Adjusted EBITDA	-3.2	-0.5	-6.0	0.1	-4.6
EBITDA	-3.9	-1.6	-7.5	-2.3	-8.7
Net profit/loss	-5.6	-1.9	-11.1	-3.9	-14.1
Cash balance	20.8	45.7	20.8	45.7	38.6
Order intake	11.5	9.6	17.7	15.3	27.4
Order backlog	18.4	14.2	18.4	14.2	15.3

CEO letter

We are pleased to report the results for the first half of 2022. We continue to experience strong and rising demand for our advanced material and technology, further confirming Tekna's position in the market.

Advanced material for additive manufacturing continues to be the backbone of our business, representing around 72 percent of our revenue in the first half of this year. With the order intake we now see, CAD 15.8 million for the first six months, 56 percent up from the same period last year, and an order backlog at a record high CAD 15.3 million at the end of June this year, this is certainly exciting times for our business.

We are also pleased to say that our Systems and Parts business which was hard hit by the pandemic, is now on a gradual rebound. Important contracts were signed this summer, and the list of prospects includes many exciting opportunities. I look forward to providing additional updates to the market on these and other prospects.

It is encouraging to note that our strategy seems robust, even when faced with the many tragic events and overwhelming changes we see in the world these days. We continue our relentless efforts to provide top quality materials and services to our existing and many long-term customers. At the same time, we are pursuing new business opportunities for the medium and longer term.

We see several megatrends which we think will drive double digit growth in segments that are highly relevant for Tekna. Shifting economic powers and deglobalization, climate change and environmental regulations, new developments in connectivity and communication, changes in demography and health care, and new ventures in space exploration and hypersonic speed travel are all trends that will create further demand for Tekna's technology and products.

Take microelectronics, for instance. Leading manufacturers of multi-layer ceramic capacitators (MLCC) are investing heavily in new production capacity, and when these factories are up and running, our nickel nano powder will have a significantly larger addressable market than before.

Energy storage is another sector with huge potential in the medium to long term. Global demand for lithium batteries will be driving the demand for silicon as material for anodes. Our nano-silicon material has the potential to become a game changer in this industry. Anodes made of nano silicon particles will significantly improve performance of lithium batteries.

Our team is responding to opportunities and challenges in ways which makes us proud. Our capacity upgrade program for additive materials production is underway. Recruiting of production staff is going well and post processing operations are now close to being fully staffed on all working shifts.

Our R&D teams are working closely with current and prospective customers and industry partners to develop new and improved products and production methods.

In March 2022, after a great team effort, we passed an important milestone when we achieved ISO 13485:2016 certification for our Additive Manufacturing division. This has secured our position in the global medical supply chain as a supplier of safe, high-quality powders for medical devices, such as implants and X-ray collimators.

We are also very proud of our team for successfully completing the rigorous process to receive ISO 17025. This designation is a testament to the high standards and commitment to quality all the way through the Tekna organization.

But we are mindful that we are not doing this alone. Tekna is fortunate in many ways, not least because we enjoy the support and trust of long-term customers and partners. We are also enjoying the support from a highly competent and active Board of Directors, and a main shareholder, Arendals Fossekompani, which has declared high ambitions in adjacent technologies, most notably the energy storage space. All this contributes to our continued progress and success.

For Tekna's growth journey, the transfer of shares to Oslo Børs, the main board at the Euronext exchange in Oslo, marks a significant milestone. This will further increase our visibility in the marketplace and cement our position as a leading provider of advanced material solutions.

I would like to thank our team, our business partners and our shareholders for their relentless support and hard work that has enabled this and our many other achievements. Be assured that our staff around the world are strong-willed, determined and resolved to achieve the highest standards and deliver on the company's objectives.

Luc Dionne

Luc Dionne,
CEO Tekna Holding

Financial review

Consolidated income statement

Consolidated revenues for the Tekna Group in the first half of 2022 was CAD 14.1 million, compared with CAD 15.2 in the corresponding period of 2021. Revenue in the System and Parts segment was reduced mainly because of pandemic related restrictions and almost fully compensated by continued growth in sales of advanced spherical powders.

Contribution margin was CAD 5.6 million corresponding to 39 percent of revenues. In the first half of 2021, the gross margin was 48 percent. The reduced margin is a result of lower revenue and an increase in cost of materials and consumables used.

Adjusted earnings before interest, tax, depreciation, and amortisation (EBITDA) in the first six months of 2022 was negative CAD 6.0 million, and includes a planned increase in costs in support of the company's growth strategy, its ongoing development programs in microelectronics and energy storage and upfront investments in staffing and R&D.

Loss for the first half of 2022 was CAD 11.1 million of which share of net loss from associated companies and joint ventures was negative CAD 0.8 million and net financial items were minus CAD 0.8 million.

Consolidated cash flow

Net cash flow from operating activities was negative CAD 14.6 million in the first six months of 2022, of which an increase in inventories was CAD 3.3 million. Corresponding cash flow in 2021 was negative CAD 7.5 million in the same period last year.

Net cash flow from investing activities was negative CAD 3.5 million in the first six months of 2022, mainly due to purchase of property, plant and equipment, compared with negative CAD 26.8 million in the same period last year. The latter amount included CAD 23.5 million in purchase of shares in subsidiaries.

Net cash flow from financing activities was close to zero in the first six months. CAD 2.7 million in a new loan was largely balanced out by repayment of loan and reduced lease liabilities. In 2021, a CAD 100 million share issue and debt refinancing resulted in a CAD 82.7 million positive cash flow from financing.

Financial position and liquidity

Total non-current assets was CAD 33.1 million at the end of June 2022 compared with CAD 32.6 million at the same time last year. Total current assets amounted to CAD 49.3 million at the end of June 2022. The corresponding figure at the end of 2021 was CAD 59.8 million.

Total equity was CAD 65.5 million at the end of June 2022 compared with CAD 76.1 million at the end of 2021. Total equity and liabilities were CAD 82.4 million, non-current liabilities were CAD 5.4 million and current liabilities totalled CAD 11.5 million.

Equity ratio at the end of June 2022 was 79.5 percent compared with 82.3 percent at the end of 2021.

Total cash and cash equivalents amounted to CAD 20.8 million at the end of June 2022 versus CAD 45.7 million at the same time last year.

Operational and strategic review

Throughout the first half of 2022, Tekna continued experiencing rising demand for its advanced materials for Additive Manufacturing, further confirming the company's position in this market. Tekna's additive manufacturing powder sales grew by 41 percent in 2021, outperforming the market as a whole which according to the Wohlers Report 2022 grew by 23.5 percent, and growth has continued for Tekna.

Significant orders have been signed, which indicate that the market dynamics is shifting in a desired direction this year, towards larger and open orders, and long-term supply agreements. Among the more notable are:

- A CAD 2.1 million order with a customer in European aerospace, with materials to be delivered throughout 2023
- A CAD 1.4 million order with a US based distributor for various materials and multiple deliveries to end-users in 2022-23
- A CAD 0.9 million order for delivery through 2022-23 to a dental implants supplier which turns to additive manufacturing and titanium, moving away from conventional cobalt-chrome material.

In June, Tekna announced a supply agreement with Marle Tangible, a global medical device contract manufacturer based in the US. Under the terms of this agreement, Tekna will supply and deliver titanium powder to be used for Marle Tangible's 3D printed and specialized orthopedic implants. This agreement falls under Medical Additive Manufacturing, where 3D printing enables the manufacturing of complex medical components. A second supply agreement was also signed in June, this time with US-based Uniformity Labs, a producer of engineered materials for advanced manufacturing.

Capacity increase underway

Strong demand and Tekna's increasing market share have made capacity expansion a key priority for the company. In the period 2015-2021, Tekna's machine capacity increased by 140 percent through continued innovation. The implementation phase of a further round of upgrades commenced in the second quarter of 2022. Some additional trials and development work is needed and ongoing to secure a continuous robust process. This will likely affect Q3 machine output, but Tekna is confident on achieving the 70% year-end target. Work will continue through the rest of this year, involving software enhancement on the machines and auxiliary systems and recruitment of additional skilled personnel.

Earlier in 2022, Tekna achieved ISO 13485:2016 certification for its Advanced Materials division. This certification establishes that the processes Tekna uses to manufacture its commercial powders meet the highest global standards for medical products. It also successfully accredited its Tekna Plasma Systems laboratory for ISO 17025:2017 which certifies the analytical services in competence of testing and calibration. This certification paves the way for our upcoming Nadcap certification, which is highly valued in the aerospace industry.

Activity rebounding for Systems

Tekna's Systems business was hard hit by the pandemic as travel restrictions reduced the activity of current and prospective customers, and curbed sales and marketing efforts. In the first half this year, this market was showing clear signs of recovery.

In July this year, Tekna signed contracts for the sales of two research scale plasma systems model TEK15 which enable the development of highly spherical metallic or ceramic powders. The orders amount to a total value of CAD 1.45 million and will be delivered to customers early 2023. The systems will be used in a government research center in Asia and by a private company in the USA for commercial R&D purposes.

The TEK15 system can be used for the development of spherical powder, nanomaterials, and coatings. The sold systems are to be used to develop spherical powder of various materials to be applied in additive manufacturing, for instance binder jetting and for MIM - metal injection molding.

Space exploration and hypersonic travel open new market

The rapidly developing space exploration and hypersonic travel industry is opening a new market for PlasmaSonic, a hypersonic wind tunnel system developed and sold by Tekna. PlasmaSonic solutions reproduce, measure, and characterize material behaviour exposed to hypersonic flight and orbital conditions, enabling space tourism and hypersonic travel.

Tekna has identified a CAD 220 million opportunities pipeline for PlasmaSonic related to this industry, of which CAD 96 million are already ongoing bids. CAD 34 million of these are quotes sent in the second quarter.

Continue positioning in Microelectronics

Tekna's Nickel nano powder is a key material for the manufacturing of high-end Multi-Layer Ceramic Capacitors (MLCC), a key component in the rapidly growing Microelectronics market.

Tekna continued to invest to secure its position in this market with sustained development conducted with customers and potential partners. With several ongoing trials evaluating Tekna nickel nano (80nm) powder, customer feedback is expected in the second half of 2022 as projects are scheduled to pass important milestones, according to current plans.

Pursuing strategic business development paths in the Energy Storage segment

Nano-silicon as anode material is a likely game-changer for batteries. It would increase the driving distance per charge, reduce the size of the batteries needed, and reduce the need for critical material such as lithium and cobalt.

In energy storage, Tekna's proprietary nano technology and unique materials are providing a strong foundation from which Tekna is actively pursuing strategic business development paths that will position the company as a leading supplier of material for the manufacturing of anodes.

The Company's joint Research work with LG Chem for battery materials started in January with the delivery of the R&D plasma unit to LG Chem site. Tekna is also expecting new samples of its enhanced silicon materials, which are showing increased energy density from 350 to 600 mAh/g, to be provided to strategic prospects in the fourth quarter of 2022.

Now listed on Oslo Børs, the main list at the Oslo exchange

In June 2022, the Oslo Stock Exchange approved the transfer of Tekna shares to Oslo Børs, the main board at the Oslo exchange. The uplisting followed a decision in February 2022 by Arendals Fossekompani ASA (AFK), Tekna's main shareholder, to allocate Tekna shares as dividend-in-kind to AFK shareholders. The number of shares distributed was 10,953,557, reducing the AFK shareholding from 79.9 percent to 71.1 percent. First day of trading for the Tekna share on Oslo Børs was 1 July 2022.

Environmental Social and Corporate Governance

Tekna has prepared a separate report in accordance with Section 3-3 of the Norwegian Accounting Act regarding corporate social responsibility. The report is updated on an annual basis and (partly) included in the annual report. It is also available on the company's website.

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.

The competence of our employees represents a major asset and competitive advantage for Tekna. At the end of June 2022, the Group employed a total of 220 people. Adjusting for part-time employees, this translates to 217 full-time equivalents.

There were no serious work-related accidents recorded in the first half of 2022. Sick leave was three percent, compared to two percent for all of 2021.

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

Tekna takes its social responsibility seriously. In addition to ensuring that the work is carried out safely, this involves respecting the freedom of association and not accepting any form of forced labor, child labor or work-related discrimination. Reference is made to the Corporate Governance Code available at www.tekna.com.

The Transparency Act

As a company registered in Norway, Tekna Holding ASA is subject to the Norwegian Transparency Act, which entered into force on 1 July 2022.

Tekna has in place governance documents, including codes of conduct for employees and for suppliers respectively. These are enforced throughout the organisation and the supply chain. The documents are available at www.tekna.com.

In accordance with the Transparency Act, Tekna will carry out an initial due diligence assessment in line with the OECD's guidelines for multinational companies and will prepare and publish an account of the due diligence assessments by the end of June 2023.

Shareholder information

The company's share capital as of 31 December 2021 was NOK 250,454,692 divided into 125,227,346 shares, each with a nominal value of NOK 2.00. The share capital has remained unchanged through the first half of 2022.

In February 2022, Arendals Fossekompani ASA (AFK) decided to allocate Tekna shares as dividend-in-kind to AFK shareholders to facilitate an uplisting of the Tekna share. The number of shares distributed was 10,953,557, reducing the AFK shareholding from 79.9 percent to 71.1 percent.

As a prerequisite for the uplisting, an extraordinary general meeting was held in March 2022, which resolved to convert Tekna Holding into a public limited liability company (ASA). The name of the company was consequently changed to Tekna Holding ASA.

Also, as preparation for the uplisting and for the company to satisfy the requirements set out in the Norwegian Public Limited Liability Act, an additional independent board member, Anne Lise Meyer, was elected at an extraordinary general meeting in May 2022. Meyer has a strong managerial and financial background and has served on the board of several companies listed in Oslo.

As part of the company's work to further advance good corporate governance, the Board of Directors subsequently appointed Anne Lise Meyer and Torkil Mogstad to sit on the newly formed Audit Committee.

The Tekna share was listed on Oslo Børs, the main board at the Oslo Stock Exchange, on 1 July 2022.

As of 30 June 2022, Tekna had 5045 shareholders, up from 790 at the end of 2021. Arendals Fossekompani ASA remained the company's largest shareholder, owning 71.1 percent of the shares. No other shareholder held more than five percent while four shareholders held more than two percent.

On 30 June 2022, the closing share price was NOK 14.00 per share, corresponding to a market capitalization of NOK 1.75 billion. The closing share price on 31 December 2021 was NOK 34.70.

Tekna wishes to maintain open communications with its shareholders and other stakeholders. Shareholders and stakeholders are kept informed by announcements to the Euronext Growth 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.

Risks and uncertainties

Tekna is subject to several risks, including market and competition risks, operational and financial risks, such as currency, interest, credit, and liquidity risks, as well as IT security risks. The board and executive management are continuously monitoring risk exposure, taking an active approach to risk management and internal control processes.

An overview of potential risks and uncertainties relating to Tekna's business and the industry in which it operates is presented in the company's Annual Report for 2021 and its admission document to trading of shares on Oslo Børs, dated 30 June 2022 (prospectus). Below is a summary of the key risks for the Group over the next six months.

The outbreak of war in Ukraine has led to increased macroeconomic uncertainty, with higher inflation and interest rates. This macroeconomic uncertainty, together with the continued impact of the pandemic, may continue to impact costs of energy and raw materials, and other input factors

Supply chain disruptions in terms of lead times and shortages can have a significant impact on the company's business and financial performance.

Labour 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 and service quality and eventually a slower growth rate.

Signs are positive that the COVID19 pandemic is coming to an end. However, should the situation persist, absenteeism and quarantines could continue to affect Tekna's own day-to-day operations as well as its supply chain performance. The opportunities to market its systems depend highly on tradeshows, which have frequently been cancelled due to the pandemic.

Tekna operates in a highly competitive market, and some of its competitors are large, sophisticated, and well-capitalised technology companies that may have greater financial, technical and marketing resources than Tekna.

Whereas Tekna may be unable to obtain funding for it to further implement its growth strategy or take advantage of opportunities for acquisitions, investments or other business opportunities, the company continues its ambitious program of development and investments to better position the company strategically.

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 and nickel.

Also, higher temperatures put the health and safety of 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 ESG report available on the company's website from 12 April.

Outlook

The world is in transition. Governments, businesses, and people everywhere are trying to understand and cope with change and uncertainty that has been created by extraordinary events such as the war in Ukraine, recurring outbreaks of Covid-19, climate change, raising inflation and interest rates, labor shortages and supply chain constraints.

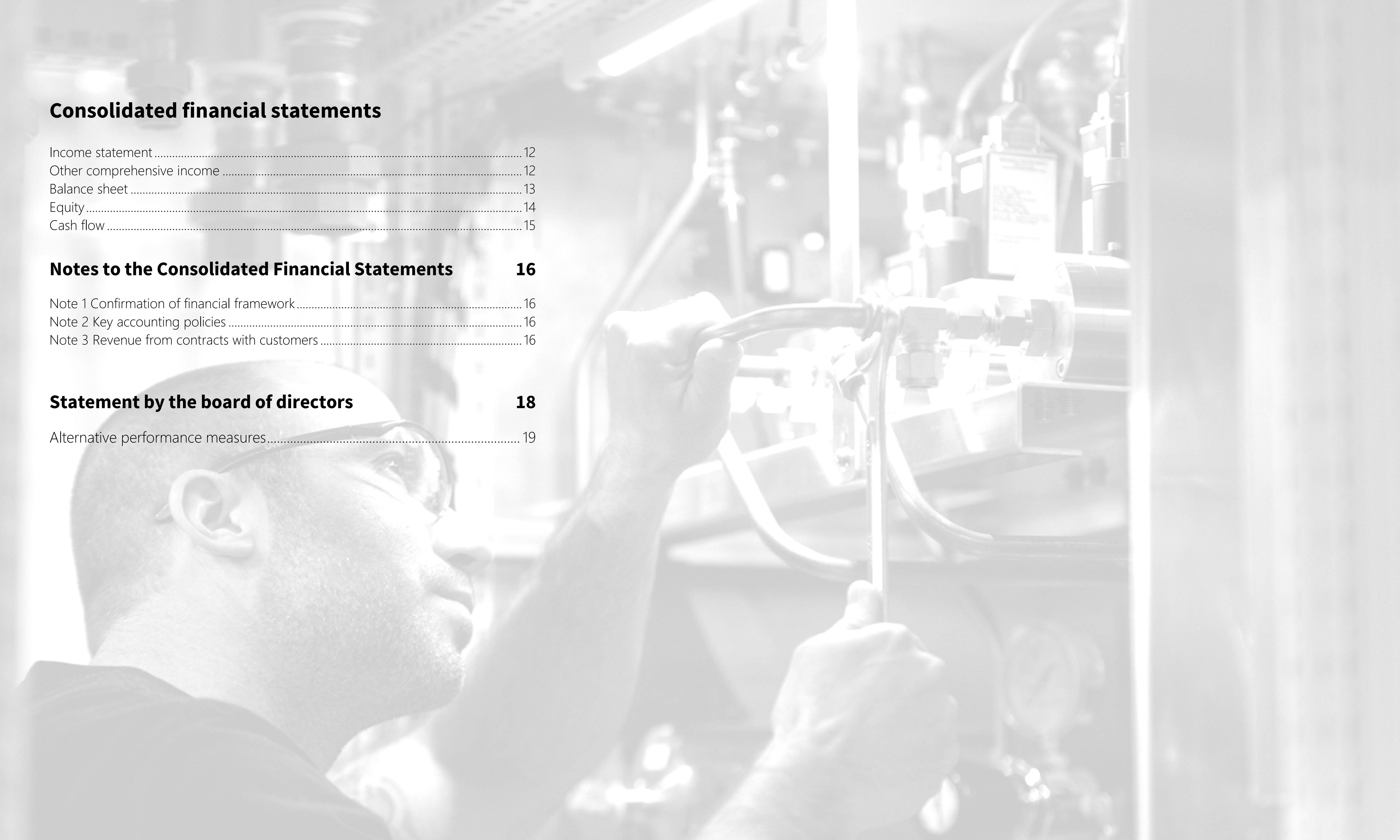
Tekna's strategy seems to be well aligned with these new realities. The company's segments are all relevant to most of the current megatrends. Customers continue transitioning towards new technology and look for long term supply agreements. Manufacturing sites are being relocated near end-users, contributing to sustainable and green production processes. These are factors that favor Tekna and its products.

Short term, the summer vacation in July and August in Tekna's main markets will reduce the company's revenue and profits compared to the previous quarters.

Looking beyond such seasonal effects, Tekna considers itself well positioned for profitable growth. Within Additive Manufacturing, a key priority short term is to continue to increase materials production capacity by improving machine performance and recruiting additional factory staffing. Medium term, the company is preparing to add machines to factories in France and Canada to secure its position with key customers and continue to grow market share.

In the Microelectronics and Energy and Storage verticals, development programs continue through partnerships with tier-one original equipment manufacturers.

Despite trade tensions, global supply chain issues and market volatility that are causing delays in some qualification cycles, Tekna's focus and ambitions for the longer term remain unchanged. In the mid-to-long term, revenue ambitions remain in the 40-50 percent organic growth per year range, with an operational EBITDA margin towards 25 percent.



Consolidated financial statements

Notes to the Consolidated Financial Statements 16

Statement by the board of directors 18

Consolidated Statement of Income

Amounts in CAD 1000	Note	2022 H1	2022 Q2	2021 H1	2021 Q2
Revenues	3	14,139	7,603	15,239	7,410
Other income		405	305	253	235
Materials and consumables used		8,570	4,861	7,910	4,088
Employee benefit expenses		7,962	4,076	6,095	3,153
Other operating expenses		5,483	2,848	3,752	2,015
EBITDA		**-7,472**	**-3,877**	**-2,264**	**-1,611**
Depreciation and amortisation		1,986	846	1,474	706
Net operating income/(loss)		**-9,458**	**-4,723**	**-3,738**	**-2,317**
Share of net income (loss) form associated companies and joint ventures		-762	-430	-682	-363
Finance income		-585	-292	859	859
Finance costs		247	134	436	171
Profit/(loss) before income tax		**-11,051**	**-5,579**	**-3,997**	**-1,993**
Income tax expense		-	-	-117	-117
Profit/(loss) for the period		**-11,051**	**-5,579**	**-3,881**	**-1,876**
Attributable to equity holders of the company		-10,698	-5,404	-3,763	-1,779
Attributable to non-controlling interests		-354	-175	-118	-97
Basic earnings per share		- 0.09	- 0.04	- 0.05	- 0.01
Diluted earnings per share		- 0.09	- 0.04	- 0.05	- 0.01

Consolidated Statement of Other Comprehensive Income

Amounts in CAD 1000	Note	2022 H1	2022 Q2	2021 H1	2021 Q2
Items that may be reclassified to statement of income					
Exchange differences on translation of foreign operations		424	170	-	-
Items that may be reclassified to statement of income		**424**	**170**	-	-
Items that will not be reclassified to statement of income					
Exchange differences on translation of foreign operations		-	-	-6,011	-1,676
Items that will not be reclassified to statement of income		-	-	**-6,011**	**-1,676**
Other comprehensive income/(loss) for the period, net of tax		**424**	**170**	**-6,011**	**-1,676**
Total comprehensive income/(loss) for the period		**-10,627**	**-5,409**	**-9,892**	**-3,552**
Attributable to equity holders of the company		-10,289	-5,240	-9,774	-3,455
Attributable to non-controlling interests		-339	-169	-118	-97

Consolidated Balance Sheet

Amounts in CAD 1000	Note	30.06.2022	31.12.2021
Non-current assets			
Property, plant and equipment		17,646	16,573
Intangible assets		9,050	9,217
Associated companies and joint ventures		1,281	1,231
Non-current receivables		5,143	5,598
Deferred tax assets		-	-
Total non-current assets		**33,120**	**32,620**
Current assets			
Inventories		17,724	14,415
Contract assets		1,483	1,038
Trade and other receivables		9,266	5,680
Cash and cash equivalents		20,798	38,649
Total current assets		**49,271**	**59,783**
Total assets		**82,390**	**92,402**

Amounts in CAD 1000	Note	30.06.2022	31.12.2021
Equity			
Share capital and share premium		494,956	494,957
Other reserves		-429,348	-419,059
Capital and reserves attributable to holders of the company		**65,608**	**75,897**
Non-controlling interests		-128	211
Total equity		**65,481**	**76,109**
Non-current liabilities			
Borrowings		4,241	3,778
Lease liabilities		1,191	227
Deferred tax liabilities		-	-
Total non-current liabilities		**5,432**	**4,005**
Current liabilities			
Bank loan		1,739	3,734
Lease liabilities		478	235
Trade and other payables		5,565	4,772
Contract liabilities		1,067	1,473
Other current liabilities		2,309	1,874
Borrowings short-term portion		320	200
Total current liabilities		**11,478**	**12,289**
Total liabilities and equity		**82,390**	**92,402**

Consolidated Statement of Changes in Equity

		Attributable to equity holders of the Company				
Amounts in CAD 1000	Note	Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2021		**14**	**18,525**	**18,539**	**-**	**18,539**
Profit/(loss) for the period mm		-	-3,763	-3,763	-118	-3,881
Other comprehensive income/(loss)		-	-6,011	-6,011	-	-6,011
Share capital increase Arendals Fossekompani		394,899	-417,735	-22,836	702	-22,134
Issue of ordinary shares for cash		100,044		100,044		100,044
Balance at 30 June 2021		**494,957**	**-408,985**	**85,972**	**584**	**86,557**
Balance at 1 January 2021		**14**	**18,525**	**18,539**	**-**	**18,539**
Profit/(loss) for the period mm		-	-14,087	-14,087	-472	-14,559
Other comprehensive income/(loss)		-	-6,201	-6,201	-	-6,201
Share capital increase Arendals Fossekompani		394,899	-417,295	-22,396	683	-21,713
Issue of ordinary shares for cash		100,044		100,044	-	100,044
Balance at 31 December 2021		**494,957**	**-419,059**	**75,898**	**211**	**76,109**
Balance at 1 January 2022		**494,957**	**-419,059**	**75,897**	**211**	**76,109**
Profit/(loss) for the period mm			-10,698	-10,698	-354	-11,051
Other comprehensive income/(loss)			409	409	15	424
Adjustment		-		-	-	-
Balance at 30 June 2022		**494,957**	**-429,348**	**65,609**	**-127**	**65,481**

Consolidated Statement of cash flows

Amounts in CAD 1000	Note	2022 H1	2022 Q2	2021 H1	2021 Q2
Cash flow from operating activities					
Net profit/(loss)		**-11,051**	**-5,579**	**-3,881**	**-1,876**
Depreciation, amortization and impairment		1,986	846	**1,474**	706
Variation in deferred taxes		-		-	
Interest accretion on LT debt		150	81	**126**	66
Discounted value of long-term loan		-399	-152	**-163**	-163
FX variation on long-term loan		-		-	
(Gain)/Loss from sales of assets		-		-	
Share of results from associated companies and joint ventures		762	430	682	363
Total after adjustments to profit before income tax		**-8,552**	**-4,374**	**-1,761**	**-904**
Change in Inventories		-3,308	-913	**-923**	50
Change in other assets		-3,534	-2,031	**-3,131**	-106
Change in other liabilities		830	-2,222	**-1,640**	-1,072
Total after adjustments to net assets		**-14,564**	**-9,541**	**-7,456**	**-2,032**
Net cash from operating activities		**-14,564**	**-9,541**	**-7,456**	**-2,032**

Amounts in CAD 1000	Note	2022 H1	2022 Q2	2021 H1	2021 Q2
Cash flow from investing activities					
Proceeds from the sales of PPE		-		92	92
Purchase of PPE and intangible assets		-2,891	-1,237	-2,068	-1,392
Other investing activities		-646	-646	-1,340	-22
Purchase of shares in subsidiaries		-		-23,480	-
Net cash flow from investing activities		**-3,537**	**-1,883**	**-26,796**	**-1,322**
Cash flow from financing activities					
Proceeds from issue of shares		-		100,058	-448
Proceeds from issue of shares in THC		-42	-42	1,331	-
Increase (decrease) of bank loan		-2,003	-770	2,370	-757
New loan		2,704	830	30,460	226
Repayment of loan		-136	-73	-51,544	-51,340
Repayment of lease liabilities		-531	-296	-	
Net cash flow from financing activities		**-8**	**-352**	**82,675**	**-52,318**
Net increase in cash and cash equivalents		**-18,109**	**-11,776**	**48,422**	**-55,672**
Cash and cash equivalents at the beginning of the financial year		38,649	32,404	2,524	102,107
Effects of exchange rate changes on cash and cash equivalents		258	169	-5,230	-719
Cash and cash equivalents at end of the period		**20,798**	**20,798**	**45,716**	**45,716**

Notes to the Consolidated Financial Statements

Note 1 | Confirmation of financial framework

The financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information required in full annual financial statements and should be read in conjunction with the consolidated financial statements for 2021.

Note 2 | Key accounting policies

The accounting policies for 2021 are described in the Annual Report for 2021. The financial statements have been prepared in accordance

with EU-approved IFRSs and associated interpretations, as well as the additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and stock exchange regulations and rules, applicable as at 31 December 2021. The same policies have been applied in the preparation of the interim financial statements as at 30 June 2022.

The figures are presented in CAD rounded to the nearest thousand. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Note 3 | Revenue from contracts with customers

Accounting principles and information related to external customers are described in note 1. There are no customers that represents 10 per cent or more of the Group's total revenues on an annual basis.

2022 H1 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time	-	10,039	683	128	10,849
Revenue recognized over time	3,290	-	0	-	3,290
Revenue from external customers	**3,290**	**10,039**	**683**	**128**	**14,139**
Contribution margin	1,179	4,053	208	128	5,568
Contribution margin %	35.8%	40.4%	30.5%	100.0%	39.4%
Revenue from external customers specified pr geographical area:					
North America	195	3,765	341	64	4,365
Europe	-	5,292	341	64	5,698
Asia	3,095	982	-	-	4,076
Total	**3,290**	**10,039**	**683**	**128**	**14,139**

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

2021 H1 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time	-	9,190	506	214	9,910
Revenue recognized over time	5,329	-	0	-	5,329
Revenue from external customers	**5,329**	**9,190**	**506**	**214**	**15,239**
Contribution margin	3,478	3,287	351	214	7,329
Contribution margin %	65.3%	35.8%	69.4%	100.0%	48.1%
Revenue from external customers specified pr geographical area:					
North America	3,957	3,588	253	107	7,905
Europe	-	4,654	253	107	5,014
Asia	1,373	948	-	-	2,321
Total	**5,329**	**9,190**	**506**	**214**	**15,239**

2021 Q2 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time		4,761	390	204	5,354
Revenue recognized over time	2,056				2,056
Revenue from external customers	**2,056**	**4,761**	**390**	**204**	**7,410**
Contribution margin	1,476	1,362	280	204	3,322
Contribution margin %	71.8%	28.6%	71.8%	100.0%	44.8%
Revenue from external customers specified pr geographical area:					
North America	1,198	2,159	195	102	3,654
Europe		2,189	195	102	2,486
Asia	858	413			1,270
Total	**2,056**	**4,761**	**390**	**204**	**7,410**

Statement by the board of directors and CEO

We confirm, to the best of our knowledge, that the consolidated financial statement for the period 1 January to 30 June 2022 for Tekna ASA has been prepared in accordance with current accounting standards and that the information in the accounts gives a true and fair view of the company and the group's assets, liabilities, financial position and results of operation. We also confirm, to the best of our knowledge, that the half year report includes a true and fair overview of the company's and the group's development, results and position, together with a description of the most important risks and uncertainty factors the company and the group are facing.

Arendal, 17.08.2022

The board of Tekna Holding ASA

Morten Henriksen Chairman of the board	Torkil Sigurd Mogstad Member of the board	Barbara Thierart-Perrin Member of the board	Anne Lise Meyer Member of the board	Luc Dionne CEO

Alternative Performance Measures

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 special operating items includes listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019) and litigation fees.

Adjusted EBITDA Margin: Is defined as Adjusted EBITDA as a percentage of revenues.

EBIT: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures.

EBIT Margin: Is defined as EBIT as a percentage of revenues.

Adjusted EBIT: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures adjusted for certain special operating items affecting comparability. These special operating items includes listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019), and litigation fees.

Adjusted EBIT Margin: Is defined as Adjusted EBIT as a percentage of revenues. Adjusted EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Long Term Debt/Equity Ratio: Is defined as total non-current liabilities divided by total equity. Long Term Debt/Equity Ratio is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Please see the Annual Report for a further detailed description of the Group's alternative performance measures.

Amounts in CAD thousands	2022 H1 (Unaudited)	2022 Q2 (Unaudited)	2021 H1 (Unaudited)	2021 Q2 (Unaudited)
Revenues	**14,139**	**7,603**	**15,239**	**7,410**
Materials and consumables used	8,570	4,861	7,910	4,088
(b) Contribution margin	**5,568**	**2,742**	**7,329**	**3,322**
(c) Revenues	**14,139**	**7,603**	**15,239**	**7,410**
Contribution margin % (b/c)	**39.38%**	**36.06%**	**48.10%**	**44.83%**

Amounts in CAD thousands	2022 H1 (Unaudited)	2022 Q2 (Unaudited)	2021 H1 (Unaudited)	2021 Q2 (Unaudited)
Net profit/loss	**-11,051**	**-5,579**	**-3,881**	**-1,876**
Income tax expense (income)	0	0	117	117
Finance costs	247	134	436	171
Finance income	585	292	-859	-859
Share of net income (loss) from associated companies and joint ventures	762	430	682	363
Depreciation and amortization	1,986	846	1,474	706
(a) EBITDA	**-7,472**	**-3,877**	**-2,264**	**-1,611**
Legal and listing cost	1,486	710	1,626	777
Retrospective implementation of cloud-based services	-	-	747	374
(b) Adjusted EBITDA	**-5,986**	**-3,167**	**108**	**-461**
(c) Revenues	**14,139**	**7,603**	**15,239**	**7,410**
EBITDA margin (a/c)	**-52.85%**	**-50.99%**	**-14.86%**	**-21.75%**
Adjusted EBITDA margin (b/c)	**-42.34%**	**-41.66%**	**0.71%**	**-6.22%**

Amounts in CAD thousands	2022 H1 (Unaudited)	2022 Q2 (Unaudited)	2021 H1 (Unaudited)	2021 Q2 (Unaudited)
Net profit/loss	**-11,051**	**-5,579**	**-3,881**	**-1,876**
Income tax expense (income)	0	0	117	117
Finance cost	247	134	436	171
Finance Income	585	292	-859	-859
Share of net income (loss) from associated companies and joint ventures	762	430	682	363
(a) EBIT	**-9,458**	**-4,723**	**-3,738**	**-2,317**
Legal and listing cost	1,486	710	1,626	777
Retrospective implementation of cloud-based services	-	-	747	374
(b) Adjusted EBIT	**-7,972**	**-4,013**	**-1,365**	**-1,166**
(c) Revenues	**14,139**	**7,603**	**15,239**	**7,410**
EBIT margin (a/c)	**-66.89%**	**-62.11%**	**-24.53%**	**-31.27%**
Adjusted EBIT margin (b/c)	**-56.38%**	**-52.78%**	**-8.96%**	**-15.74%**

Amounts in CAD thousands	30.06.2022 (Unaudited)	31.12.2021 (Audited)
(a) Total non-current liabilities	5,432	4,005
(b) Total equity	65,481	76,109
Long Term Debt/Equity Ratio (a/b)	**0.08**	**0.05**

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