



# Q1 2023 financial results

Luc Dionne, CEO  
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# Tekna in brief

Luc Dionne, CEO



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

Established organization with world-wide reach



## Customer location (share of revenues, 2022)

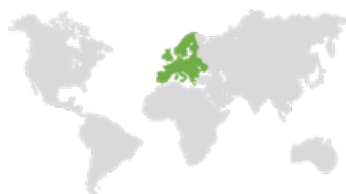
North America

36%



Europe

40%



Asia / Rest of world

24%



## Customer segments (share of revenues, 2022)

Aerospace

35%



3D Machine OEM

20%



Medical Implants

10%



Other

35%



## Current and targeted customers



# Tekna operates in four industries that are propelled by global megatrends

Megatrends driving double digit growth in all segments

  
Space exploration  
and hypersonic speed  
travel

  
Shifting economic  
powers and  
deglobalization

  
Climate change  
and environmental  
regulations

  
Connectivity and  
communication

  
Demography and health  
care

Systems

**R&D &  
PlasmaSonic  
wind tunnels**

**CAD 220m**

Emerging industry for  
which Tekna has identified  
CAD 220m of PlasmaSonic  
prospects over the next 10  
years

**Additive  
Manufacturing**

**up to +30%**

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

**Micro-  
electronics**

**+13,5%**

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

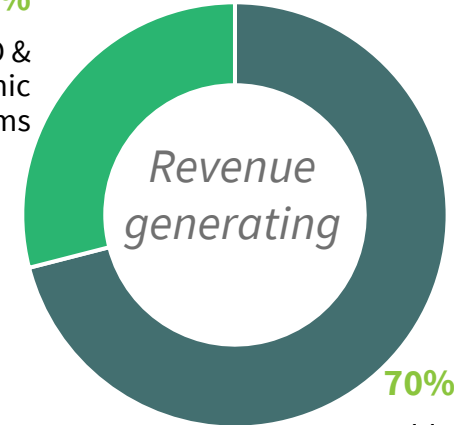
**Energy  
storage**

**+18%, +28%**

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

Advanced materials

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



Additive  
manufacturing

*Developing  
business lines*

# Tekna's climate footprint

Tekna is well on its way to having a thorough understanding of the emissions they directly influence. The focus today is on improving our understanding of up- and downstream emissions so we can establish an ambitious and achievable target for that scope.

Our emissions reduction plan is evolving and maturing with the improved awareness of our climate footprint across the value chain. Tekna has set a **50% reduction target** by 2030 on scope 1 and 2 ahead of formally subscribing to the Science-Based Targets initiative.

## Renewable energy share

**69 %**

vs 66% **(+3%)** in 2021. 95% of electricity (scope 2) is renewable

## Scope 1

**585 tCO<sub>2</sub>e**

vs 577 **(+1%)** in 2021. Tekna has added a third facility in Canada, increasing natural gas consumption for heating in 2022.

## Scope 2

**34 tCO<sub>2</sub>e**

vs 42 **(-19%)** in 2021. At the end of 2021 Tekna has added AM production equipment in Canada increasing consumption in 2022. France and China reduced by 9 tCO<sub>2</sub>e total.

## Scope 3 (incomplete)

**755 tCO<sub>2</sub>e**

The emissions compared to 2021 increased due to broader emissions mapping in scope 3 and improved data quality.

## 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

FY22: 13.1 kWh/kg

**-20%** (vs FY19)

## EU taxonomy<sup>1</sup>

### High eligibility, alignment to be confirmed

3.6. Manufacture of other low carbon technologies<sup>2</sup>

(Climate Change Mitigation)

eligible Revenue

FY21 **95 %**

FY22 **94 %**

eligible Operating Expenses

FY21 **88 %**

FY22 **91 %**

eligible Capital Expenses

FY21 **100%**

FY22 **100%**

1: Refer to EU taxonomy progress report 2022.

2: Economic activity of Tekna according to the classification in the EU Taxonomy.

## New directors elected at the Annual General Meeting on 3 May 2023



**Kristin Skau Åbyholm** has 15+ years experience from IT-tech companies. She has several years of board experience – and is currently member of the board at 1X technologies and Ocean Sun. Åbyholm has a Master of Science in computer technology from NTNU in Trondheim. She also holds an Executive Master of Management from the Norwegian Business School (BI) in Oslo.



**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 Business Developer in Arendals Fossekompani. Eldrup Fagernes hold a Master of Science in Business Administration from Norwegian School of Economics (NHH) in Bergen.







# Q1 2023 Highlights

Luc Dionne, CEO



# Q1 2023 in brief

## Record revenues and improved profitability

Revenues Q1 2023

CAD **9.4** million  
Q1 2022: 6.5m

### All time high quarterly revenues in Q1 2023

- Revenue growth of 44% compared to Q1 2022
- Both **systems** (+53%) and **advanced materials** (+40%) contributing to the revenue growth

EBITDA (adj) Q1 2023

CAD **-1.2** million  
Q1 2022: -2.8m

### EBITDA significantly improved

- Driven by revenue growth and increased contribution margin over last year
- Organizational efficiency and good cost control

Order backlog 31.03.23

CAD **26.4** million  
Q1 2022: 14.2m

### Order backlog increased 86% above Q1 2022

- Strong order intake of **CAD 10.4 million** in Q1
- Reflecting growing demand for **advanced materials**, significant wins and strong pipeline of **systems** projects
- Over 75% of backlog is committed for delivery in 2023, supporting our previous guidance of revenue growth for 2023

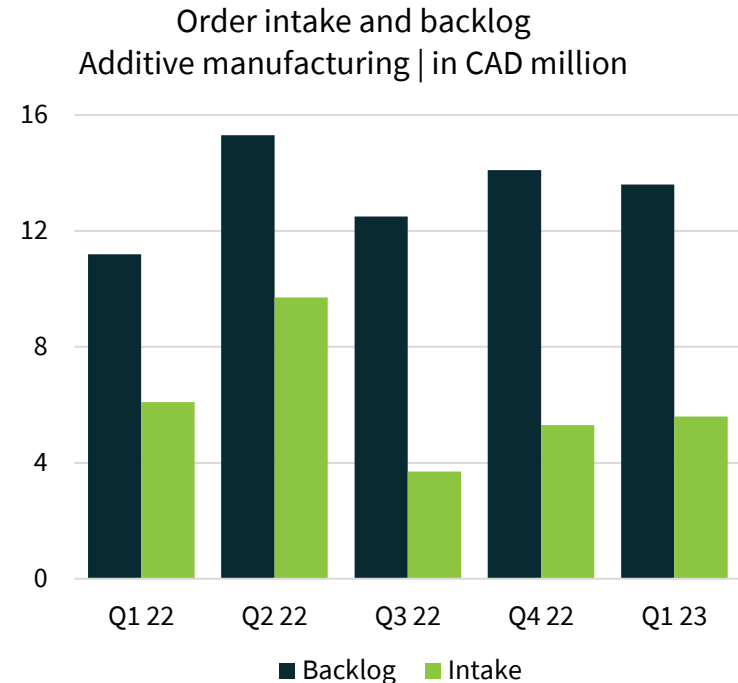
# Additive manufacturing industrialization drives significant materials demand, capacity upgrade program delivering results

## Continued high demand in the market

- The order intake of CAD 5.6 million helped to sustain a robust materials backlog
- The traction for additive materials expected to remain strong in 2023 with average selling price increasing 3% - 6% over 2022
- Increasing capacity in Q2 and throughout the year will translate to higher material availability, shorter delivery lead-times and increased sales in 2023

## Capacity upgrade program

- Technical upgrades successfully implemented, while managing machine availability and customer priorities.
- The factory is now operating at a 70% increased output rate
- Some machines now operating with the upgrades since late 2022 and have proven reliable.
- New atomisers are scheduled to be commissioned by YE 2023 on Tekna's main selling materials, further increasing capacity



# Tekna plasma machines are enabling the development of novel materials in key industries around the world

## Market drivers

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



- The systems' order backlog increased to CAD 12.8 million at the end of March supported by CAD 4.8 million in new orders
- Pricing for systems are adjusted to reflect cost inflation
- The PlasmaSonic wind tunnels opportunity pipeline continues developing according to plan
- Typical applications include research and development of materials & coatings in the fields of energy and space exploration, medical implants production and small-scale production of high value materials

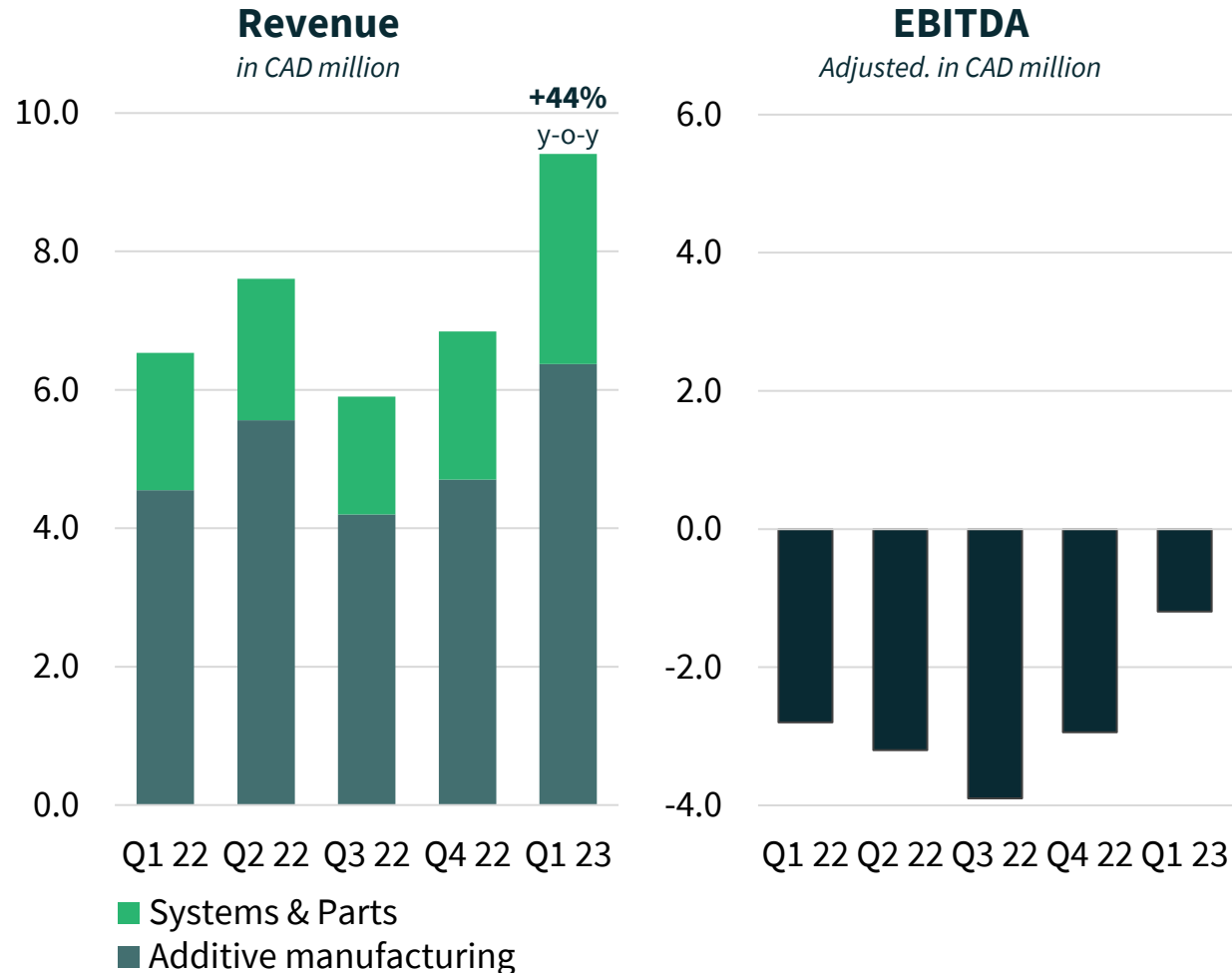


A photograph of two individuals, an adult and a child, wearing full-body protective suits and hoods with clear face shields. They are standing in a laboratory or industrial setting with various equipment and pipes in the background. The suits are dark blue with blue accents on the sleeves. The adult's suit has a 'TEKNA' logo on the chest. The child's suit also has a 'TEKNA' logo and a name tag that says 'AXEL'.

# Q1 2023 - Finance

Espen Schie, CFO

# Q1 revenue and EBITDA improved YoY, reflecting favourable overall performance

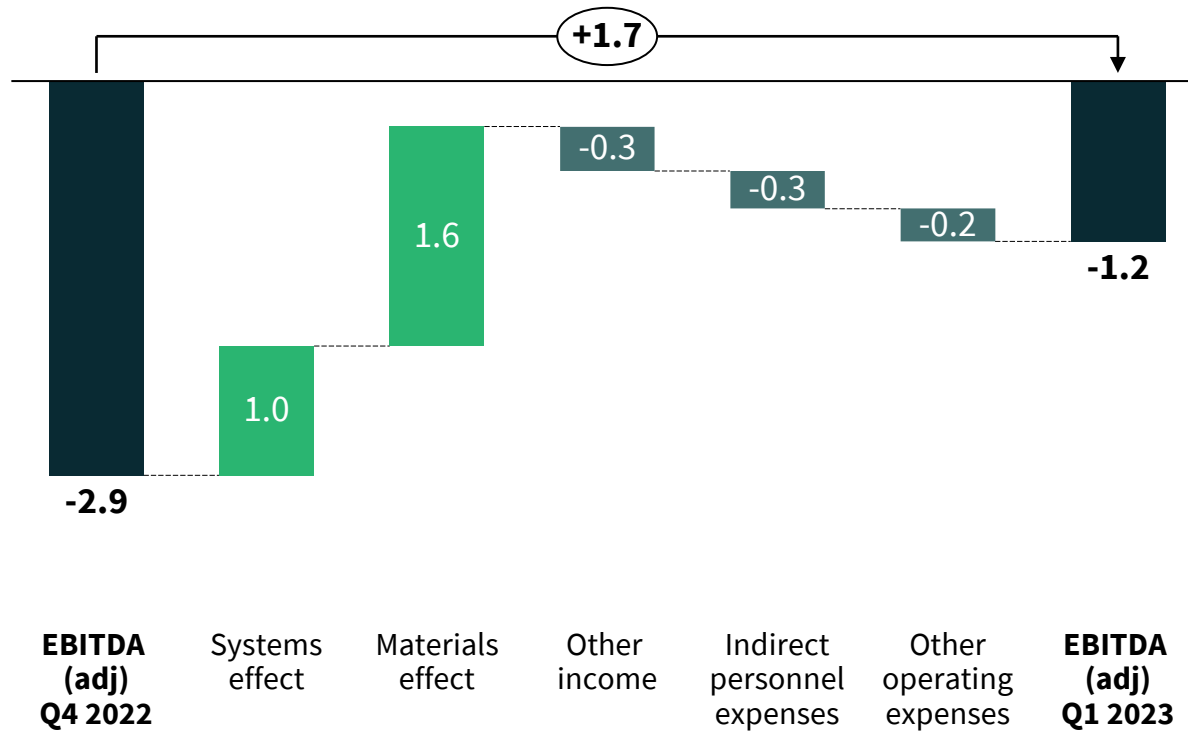


- **Materials revenue** in Q1 2023 CAD 6.4 million, 40% increase from 2022. Around 50% of materials revenues generated from spot orders
- **Systems revenue** at CAD 3.0 million, 53% increase year-over-year, reflecting market rebound
- Adjusted **EBITDA** at CAD -1.2 million, improved year-over-year resulting from volume, margins and profitability initiatives
- Continued focus on profitability and cash improvement
- **CAD 25 million** loan facility agreement executed

## Adjusted EBITDA improved CAD 1.7 million from last quarter (Q4 2022)

### EBITDA (adjusted) - bridge

Q1 2023 vs Q4 2022 in CAD million



- **Higher revenue** from systems and materials contributed positively
- **Strongly improved margins**, especially within materials
- **Increased productivity** and organizational efficiency
- Maintaining **cost control** while scaling revenue and managing inflationary cost increases remains our focus





# Concluding remarks

Luc Dionne, CEO

# Market outlook

## Systems

### R&D & PlasmaSonic wind tunnels

#### CAD 220m

Emerging industry for which Tekna has identified CAD 220m of PlasmaSonic prospects over the next 10 years

Systems business rebounding. Strong order book carrying through 2023 and pipeline of potential orders for 2024.

## Advanced materials

### Additive Manufacturing

#### up to +30%

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

Fast growing market with OEMs now operating at an industrial scale. Increasing factory output rate throughout the year will translate into increased sales.

### Micro-electronics

#### +13,5%

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

The product development cycle has started with two additional potential customers. We are now collaborating with the top six global leaders who control 100% of the high-end MLCC device market.

### Energy storage

#### +18%, +28%

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

Dialogue continues to identify strategic partners within energy storage. For the time being, Tekna priority is given to the significant opportunities in the above industries.



## Q1 2023: Record revenues and improved profitability

- **Revenue growth** of 40% and adjusted **EBITDA improved** by CAD 1.6 million compared to Q1 2022
- **Strong order intake** of CAD 10.4 million in the quarter
- Target for the capacity increase program reached. Increasing sales, production and delivery of **additive materials** remains top priority
- Pursuing significant potential in **microelectronics**, now working with all major players in this industry
- **Reiterating guidance** on improving operating revenues and margins in 2023 compared to 2022, supported by the strong order backlog, increased production capacity and organizational productivity





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# Financial Statements

## CONSOLIDATED STATEMENT OF INCOME

Amounts in CAD 1000	Note	2023 Q1	FY 2022	2022 Q1
Revenues	3	9,406	26,889	6,535
Other income		28	767	100
Materials and consumables used		4,839	17,540	3,689
Employee benefit expenses		4,479	16,009	3,886
Other operating expenses		1,309	10,835	2,656
<b>EBITDA</b>		<b>-1,194</b>	<b>-16,727</b>	<b>-3,595</b>
Depreciation and amortisation		1,038	3,978	1,140
<b>Net operating income/(loss)</b>		<b>-2,232</b>	<b>-20,706</b>	<b>-4,735</b>
Share of net income (loss) from associated companies and joint ventures		-400	-1,510	-332
Finance income		173	144	-293
Finance costs		103	332	112
<b>Profit/(loss) before income tax</b>		<b>-2,563</b>	<b>-22,404</b>	<b>-5,472</b>
Income tax expense		-	114	-
<b>Profit/(loss) for the period</b>		<b>-2,563</b>	<b>-22,517</b>	<b>-5,472</b>
Attributable to equity holders of the company		-2,437	-21,688	-5,289
Attributable to non-controlling interests		-125	-829	-183
Basic earnings per share		-0.02	-0.17	-0.04
Diluted earnings per share		-0.02	-0.17	-0.04

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in CAD 1000	2023 Q1	FY 2022	2022 Q1
<i>Items that may be reclassified to statement of income</i>			
Exchange differences on translation of foreign operations	-84	-178	254
<b>Items that may be reclassified to statement of income</b>	<b>-84</b>	<b>-178</b>	<b>254</b>
<i>Items that will not be reclassified to statement of income</i>			
Exchange differences on translation of foreign operations	-	-	-
<b>Items that will not be reclassified to statement of income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>-84</b>	<b>-178</b>	<b>254</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>-2,646</b>	<b>-22,696</b>	<b>-5,218</b>
Attributable to equity holders of the company	-2,518	-21,876	-5,049
Attributable to non-controlling interests	-128	-820	-169

**Consolidated revenues** for the Tekna Group in Q1 2023 was CAD 9.4 million, compared to CAD 6.5 in Q1 2022. Revenues for Systems, Spare parts and Other increased 52.8% compared to Q1 2022 and revenues for Materials increased 40.1% compared to the same period last year.

**Contribution margin** in Q1 2023 was CAD 4.6 million corresponding to 48.5 percent of revenues. In the same period last year, the contribution margin was 43.6 percent. The increased margins are a result of higher margins in the Systems business, of which partly transitory high in Q1 2023.

**Adjusted earnings before interest, tax, depreciation, and amortization** (Adj. EBITDA) in Q1 2023 was negative CAD 1.2 million, and was marked by costs in materials machine upgrade efforts, its development programs in emerging segments and upfront investments in staff and R&D.

**Loss for Q1 2023** was CAD 2.6 million, of which share of net loss from associated companies and joint ventures was negative CAD 0.4 million and net financial items was CAD 0.1 million.

# Financial Statements

## CONSOLIDATED BALANCE SHEET

Amounts in CAD 1000	31.03.2023	31.12.2022
<b>Non-current assets</b>		
Property, plant and equipment	20,672	19,240
Intangible assets	8,332	8,537
Associated companies and joint ventures	214	579
Non-current receivables	5,374	5,339
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>34,591</b>	<b>33,696</b>
<b>Current assets</b>		
Inventories	19,707	20,592
Contract assets	53	167
Trade and other receivables	9,423	7,880
Cash and cash equivalents	6,823	11,364
<b>Total current assets</b>	<b>36,006</b>	<b>40,003</b>
<b>Total assets</b>	<b>70,598</b>	<b>73,699</b>

**Equity ratio** at the end of March 2023 was 71.9 percent compared with 72.5 percent at the end of 2022.

**Total cash and cash equivalents** amounted to CAD 6.8 million at the end of March 2023 versus CAD 11.4 million at the end of December 2022.

Amounts in CAD 1000	31.03.2023	31.12.2022
<b>Equity</b>		
Share capital and share premium	494,956	494,956
Other reserves	-443,453	-440,934
<b>Capital and reserves attributable to holders of the company</b>	<b>51,503</b>	<b>54,022</b>
Non-controlling interests	-737	-609
<b>Total equity</b>	<b>50,766</b>	<b>53,413</b>
<b>Non-current liabilities</b>		
Borrowings	4,069	4,119
Lease liabilities	1,131	1,161
Deferred tax liabilities	-	-
<b>Total non-current liabilities</b>	<b>5,200</b>	<b>5,280</b>
<b>Current liabilities</b>		
Bank loan	2,398	1,197
Lease liabilities	563	459
Trade and other payables	5,652	7,852
Provision for warranties	130	130
Contract liabilities	2,674	2,647
Other current liabilities	2,716	2,189
Borrowings short-term portion	499	532
<b>Total current liabilities</b>	<b>14,632</b>	<b>15,006</b>
<b>Total liabilities and equity</b>	<b>70,598</b>	<b>73,699</b>

# Financial Statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				
<i>Amounts in CAD 1000</i>	Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2022</b>	<b>494,957</b>	<b>-419,059</b>	<b>75,897</b>	<b>211</b>	<b>76,109</b>
Profit/(loss) for the period mm	-	-5,289	-5,289	-183	-5,472
Other comprehensive income/(loss)	-	241	241	13	254
<b>Balance at 31 March 2022</b>	<b>494,957</b>	<b>-424,108</b>	<b>70,849</b>	<b>42</b>	<b>70,891</b>

<b>Balance at 1 January 2022</b>	<b>494,956</b>	<b>-419,058</b>	<b>75,899</b>	<b>211</b>	<b>76,109</b>
Profit/(loss) for the period	-	-21,688	-21,688	-829	-22,517
Other comprehensive income/(loss)	-	-187	-187	9	-178
<b>Balance at 31 December 2022</b>	<b>494,956</b>	<b>-440,934</b>	<b>54,022</b>	<b>-609</b>	<b>53,413</b>

<b>Balance at 1 January 2023</b>	<b>494,956</b>	<b>-440,934</b>	<b>54,022</b>	<b>-609</b>	<b>53,413</b>
Profit/(loss) for the period	-	-2,437	-2,437	-125	-2,563
Other comprehensive income/(loss)	-	-81	-81	-3	-84
<b>Balance at 31 March 2023</b>	<b>494,956</b>	<b>-443,453</b>	<b>51,502</b>	<b>-736</b>	<b>50,766</b>



# Financial Statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in CAD 1000	2023 Q1	FY 2022	2022 Q1
<b>Cash flow from operating activities</b>			
Net profit/(loss)	-2,563	-22,517	-5,472
Depreciation, amortization and impairment	1,038	3,978	1,140
Variation in deferred taxes	-	-	-
Interest accretion on LT debt	86	290	69
Discounted value of long-term loan	-	-640	-246
FX variation on long-term loan	-	-	-
(Gain)/Loss from sales of assets	-	-	-
Share of results from associated companies and joint ventures	400	1,510	332
<b>Total after adjustments to profit before income tax</b>	<b>-1,039</b>	<b>-17,379</b>	<b>-4,178</b>
Change in Inventories	884	-6,177	-2,395
Change in other assets	-1,463	-1,070	-1,503
Change in other liabilities	-1,646	4,699	3,053
<b>Total after adjustments to net assets</b>	<b>-3,263</b>	<b>-19,927</b>	<b>-5,023</b>
<b>Net cash from operating activities</b>	<b>-3,263</b>	<b>-19,927</b>	<b>-5,023</b>
<b>Cash flow from investing activities</b>			
Proceeds from the sales of PPE	-	-	-
Purchase of PPE and intangible assets	-2,265	-5,965	-1,654
Other investing activities	-	-816	-
Purchase of shares in subsidiaries	-	-	-
<b>Net cash flow from investing activities</b>	<b>-2,265</b>	<b>-6,781</b>	<b>-1,654</b>

Amounts in CAD 1000	2023 Q1	FY 2022	2022 Q1
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares	-	-	-
Proceeds from issue of shares in THC	-	-42	-
Increase (decrease) of bank loan	1,201	-2,536	-1,233
New loan	266	3,317	1,875
Repayment of loan	-216	-263	-63
Repayment of lease liabilities	-145	-874	-235
<b>Net cash flow from financing activities</b>	<b>1,105</b>	<b>-398</b>	<b>344</b>
<b>Net increase in cash and cash equivalents</b>	<b>-4,423</b>	<b>-27,105</b>	<b>-6,334</b>
Cash and cash equivalents at the beginning of the financial year	11,364	38,649	38,649
Effects of exchange rate changes on cash and cash equivalents	-118	-180	88
<b>Cash and cash equivalents at end of the period</b>	<b>6,823</b>	<b>11,364</b>	<b>32,404</b>

**Net cash flow from operating activities** was negative CAD 3.3 million in Q1 2023, of which a decrease in inventories was CAD 0.9 million. Corresponding cash flow in Q1 2022 was negative CAD 5 million.

**Net cash flow from investing activities** was negative CAD 2.3 million in Q1 2023, mainly due to purchase of property, plant and equipment, compared with negative CAD 1.7 million in the same period last year.

**Net cash flow from financing activities** was positive CAD 1.1 million in Q1 2023, of which an increase in bank loan of CAD 1.2 million. In Q1 2022, the comparable cash flow was positive CAD 0.3 million.

# Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 | Confirmation of financial framework

The financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information required in full annual financial statements and should be read in conjunction with the consolidated financial statements for 2022.

### Note 2 | Key accounting policies

The accounting policies for 2023 are described in the Annual Report for 2022. The financial statements have been prepared in accordance with EU-approved IFRS and associated interpretations, as well as the additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and stock exchange regulations and rules, applicable as at 31 December 2022. The same policies have been applied in the preparation of the interim financial statements for 2023.

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

### Note 3 | Revenue from contracts with customers

Accounting principles and information related to external customers are described in the consolidated financial statements for 2022.

### Disaggregation of revenue from contracts with customers

2023 Q1 <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	6,373	420	175	6,968
Revenue recognized over time	2,438	-	-	-	2,438
<b>Revenue from external customers</b>	<b>2,438</b>	<b>6,373</b>	<b>420</b>	<b>175</b>	<b>9,406</b>
Contribution margin	1,819	2,259	313	175	4,566
Contribution margin %	74.6%	35.4%	74.6%	100.0%	48.5%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	1,895	2,652	210	88	4,845
Europe	296	3,194	210	88	3,787
Asia	247	527	-	-	774
<b>Total</b>	<b>2,438</b>	<b>6,373</b>	<b>420</b>	<b>175</b>	<b>9,406</b>

# Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

2022 Q1 Amounts in CAD 1000	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	4,550	179	57	4,786
Revenue recognized over time	1,749	-	-	-	1,749
<b>Revenue from external customers</b>	<b>1,749</b>	<b>4,550</b>	<b>179</b>	<b>57</b>	<b>6,535</b>
Contribution margin	790	1,919	81	57	2,847
Contribution margin %	45.2%	42.2%	45.2%	100.0%	43.6%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	195	1,698	90	29	2,012
Europe	-	2,353	90	29	2,471
Asia	1,554	498	-	-	2,053
<b>Total</b>	<b>1,749</b>	<b>4,550</b>	<b>179</b>	<b>57</b>	<b>6,535</b>

FY 2022 Amounts in CAD 1000	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	18,909	1,521	222	20,652
Revenue recognized over time	6,238	-	-	-	6,238
<b>Revenue from external customers</b>	<b>6,238</b>	<b>18,909</b>	<b>1,521</b>	<b>222</b>	<b>26,889</b>
Contribution margin	2,794	5,677	657	222	9,350
Contribution margin %	44.8%	30.0%	43.2%	100.0%	34.8%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	1,608	7,204	760	111	9,684
Europe	-	9,827	760	111	10,698
Asia	4,629	1,878	-	-	6,507
<b>Total</b>	<b>6,238</b>	<b>18,909</b>	<b>1521</b>	<b>222</b>	<b>26,889</b>

### Note 4 | Events after balance sheet date

On April 11, 2023, Tekna announced additional financing from Arendals Fossekompagni ASA, its majority shareholder, in the form of a CAD 25 million term loan facility.

# Alternative Performance Measures

## DEFINITIONS

Tekna presents alternative performance measures as a supplement to measures regulated by IFRS. The Group considers these measures to be an important supplemental measure for investors to understand the Groups' activities. They are meant to provide an enhanced insight into the operations, financing, and future prospects of the company.

These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period. The definitions of these measures are as follows:

- **Backlog:** Sales order intake awaiting completion or awaiting call off by customer (release) in case of blanket orders.
- **Contribution Margin:** Is defined as revenues less direct variable costs such as direct labour, raw material, electricity, gas consumption, commissions, freight, customs and brokerage fees, laboratory supplies and packaging. The Contribution Margin is used to evaluate performance of production before any allocation of fixed manufacturing costs.
- **Contribution Margin %:** is defined as the Contribution Margin divided by revenues in the period.
- **EBITDA:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization.
- **EBITDA Margin:** Is defined as EBITDA as a percentage of revenues.
- **Adjusted EBITDA:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization adjusted for certain special operating items affecting comparability. These special operating items include listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019) and litigation fees.

- **Adjusted EBITDA Margin:** Is defined as Adjusted EBITDA as a percentage of revenues.
- **EBIT:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures.
- **EBIT Margin:** Is defined as EBIT as a percentage of revenues.
- **Adjusted EBIT:** Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures adjusted for certain special operating items affecting comparability. These special operating items include listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019), and litigation fees.
- **Adjusted EBIT Margin:** Is defined as Adjusted EBIT as a percentage of revenues. Adjusted EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.
- **Long Term Debt/Equity Ratio:** Is defined as total non-current liabilities divided by total equity. Long Term Debt/Equity Ratio is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

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



# Alternative Performance Measures

(continued)

	2023 Q1	FY 2022	2022 Q1
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
<b>Revenues</b>	<b>9,406</b>	<b>26,889</b>	<b>6,535</b>
Materials and consumables used	4,839	17,540	3,689
<b>(b) Contribution margin</b>	<b>4,566</b>	<b>9,350</b>	<b>2,847</b>
<b>(c) Revenues</b>	<b>9,406</b>	<b>26,889</b>	<b>6,535</b>
<b>Contribution margin % (b/c)</b>	<b>48.55%</b>	<b>34.77%</b>	<b>43.56%</b>

	2023 Q1	FY 2022	2022 Q1
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
<b>Net profit/loss</b>	<b>-2,563</b>	<b>-22,517</b>	<b>-5,472</b>
Income tax expense (income)	-	-114	-
Finance costs	103	332	112
Finance income	-173	-144	293
Share of net income (loss) from associated companies and joint ventures	400	1,510	332
Depreciation and amortization	1,038	3,978	1,140
<b>(a) EBITDA</b>	<b>-1,194</b>	<b>-16,727</b>	<b>-3,595</b>
Legal and listing cost	-	3,901	776
<b>(b) Adjusted EBITDA</b>	<b>-1,194</b>	<b>-12,827</b>	<b>-2,819</b>
<b>(c) Revenues</b>	<b>9,406</b>	<b>26,889</b>	<b>6,535</b>
<b>EBITDA margin (a/c)</b>	<b>-12.70%</b>	<b>-62.21%</b>	<b>-55.01%</b>
<b>Adjusted EBITDA margin (b/c)</b>	<b>-12.70%</b>	<b>-47.70%</b>	<b>-43.13%</b>

	2023 Q1	FY 2022	2022 Q1
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
<b>Net profit/loss</b>	<b>-2,563</b>	<b>-22,517</b>	<b>-5,472</b>
Income tax expense (income)	-	-114	-
Finance cost	103	332	112
Finance Income	-173	-144	293
Share of net income (loss) from associated companies and joint ventures	400	1,510	332
<b>(a) EBIT</b>	<b>-2,232</b>	<b>-20,706</b>	<b>-4,735</b>
Legal and listing cost	-	3,901	776
<b>(b) Adjusted EBIT</b>	<b>-2,232</b>	<b>-16,805</b>	<b>-3,959</b>
<b>(c) Revenues</b>	<b>9,406</b>	<b>26,889</b>	<b>6,535</b>
<b>EBIT margin (a/c)</b>	<b>-23.73%</b>	<b>-77.00%</b>	<b>-72.45%</b>
<b>Adjusted EBIT margin (b/c)</b>	<b>-23.73%</b>	<b>-62.50%</b>	<b>-60.57%</b>

	31.03.2023	31.12.2022	31.03.2022
<i>Amounts in CAD thousands</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
(a) Total non-current liabilities	5,200	5,280	5,586
(b) Total equity	50,766	53,413	70,890
<b>Long Term Debt/Equity Ratio (a/b)</b>	<b>0.10</b>	<b>0.10</b>	<b>0.08</b>

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

## [Annual Report 2022](#)

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

## [GRI Report 2022](#)

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

## [Carbon Accounting Report 2022](#)

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

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

- Reporting on Supply Chain governance following the Norwegian Transparency Act

## [Corporate Governance Report 2022](#)

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

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

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

## [TCFD Progress Report 2021](#)

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

## [UN Global Compact CoP](#)

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



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