



# Q3 2023 Interim Financial Results

Luc Dionne, CEO  
Espen Schie, CFO  
November 9, 2023

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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 is active 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 290m**

Emerging industry for  
which Tekna has identified  
CAD 290m 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**

**+10.4%**

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

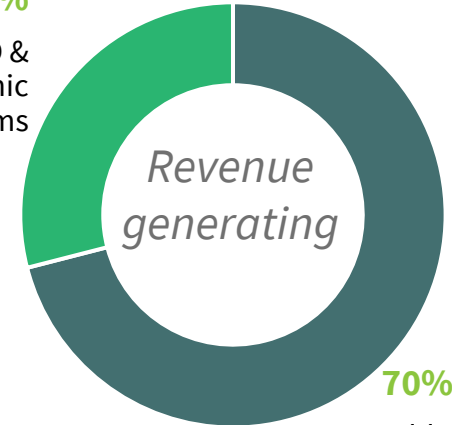
**Energy  
storage**

**+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*





# Q3 2023 Highlights

Luc Dionne, CEO

## Q3 2023 in brief

### Strong growth in revenues and profitability significantly improved

Revenues Q3 2023

CAD **9.1** million  
Q3 2022: 5.9m

#### Continued strong top-line development in Q3 2023

- **Total revenue** +53% compared to Q3 2022.
- **Systems** revenues +121%, driven by strong demand and consistent backlog
- **Materials** revenues +25%, +35% year-to-date, driven by demand and successful capacity expansion

EBITDA (adj) Q3 2023

CAD **-1.7** million  
Q3 2022: -3.9m

#### EBITDA significantly improved from last year

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

Order backlog 30.09.23

CAD **23.7** million  
Q3 2022: 15.0m

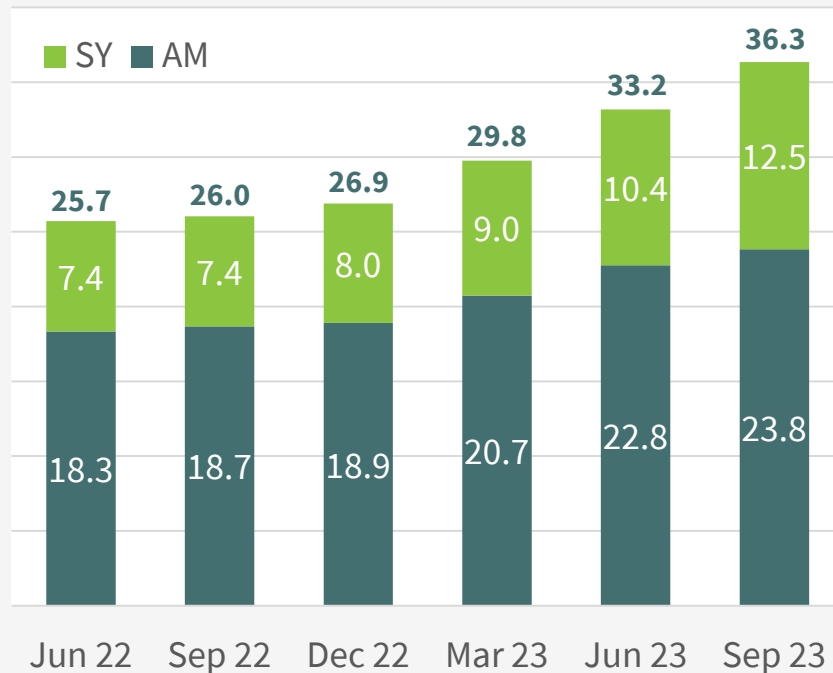
#### Order backlog increased 58% over Q3 2022

- Order intake in Q3 2023 CAD 10.4 million, up from 6.5 million in Q2
- Backlog supports previous guidance of revenue growth for 2023 in both **materials** and **systems**

## Consistent steady growth in revenues and improving margins

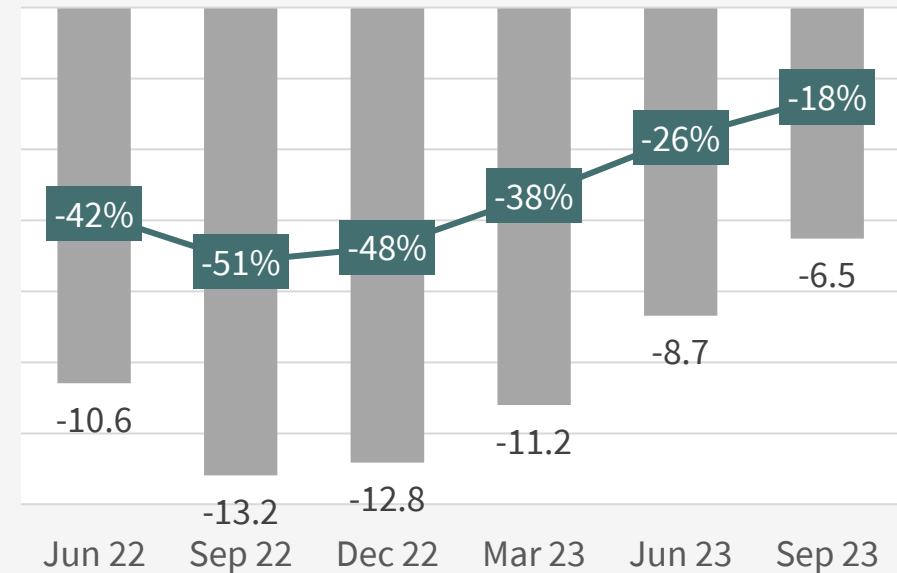
### Revenue by business (CADm)

*Trailing 12 months (TTM)*



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

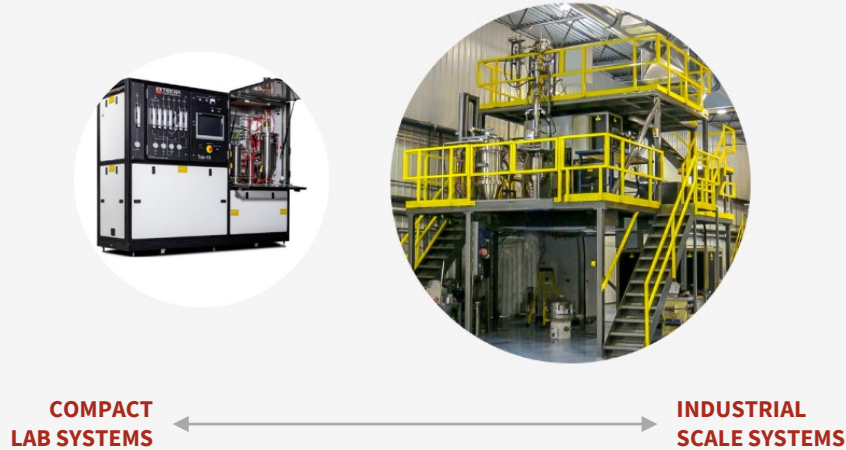
*Trailing 12 months (TTM)*





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

### Plasma machines



#### **Enabling the development of novel materials around the world**

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

### PlasmaSonic



#### **Advancing hypersonic flight and orbital re-entry vehicles**

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

## Continued strong growth in Systems orders and revenues

- Systems' order intake in Q3 was CAD 2.8 million with an order backlog at end of September of CAD 10.1 million. Another CAD 1.9 million added in October, confirming a re-energized industry.
- 9 plasma machine new orders received to date this year at a total value of CAD 8.1 million, from industrial and academic customers in Europe, Asia and North America
- Contribution margins for systems year-to-date are at 64%, continuing the good margin development over last year's 39%

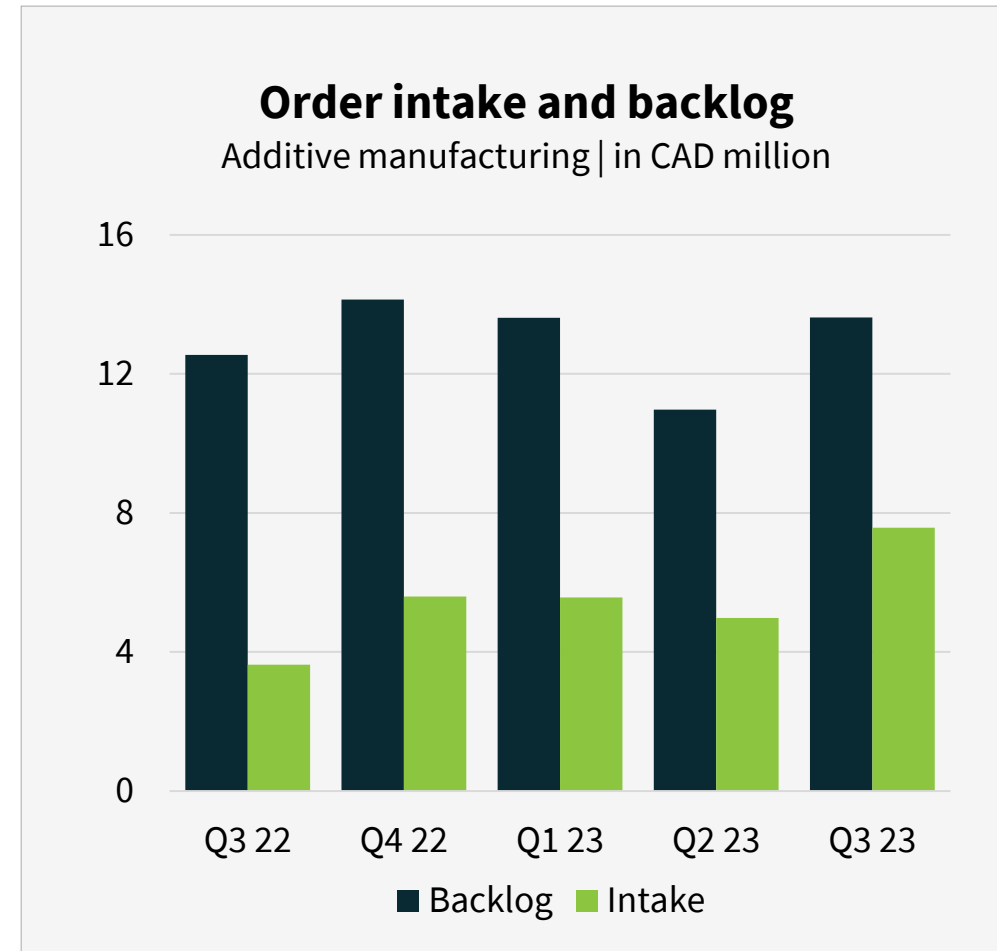


*Tekna's TEK80 system*

## Additive Materials order intake up 52% QoQ and building-up 2024 order book

### Continued high demand in the market

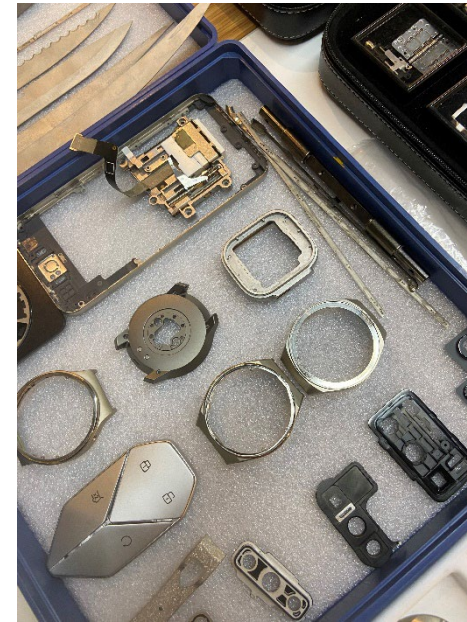
- Order intake of CAD 7.6 million, up 108% from Q3 2022 and 52% from previous quarter, reflecting consistent demand
- Order backlog back to level from earlier in the year
- A new atomiser is scheduled to be commissioned by YE 2023 on Tekna's main selling materials, and one more in the first half of 2024, keeping up with growing market
- Strong opportunity pipeline building-up 2024 order book
- Increasing order intake and pipeline generated by the consumer electronics industry



# Tekna's additive material allows for large-scale manufacturing of consumer electronic components

## Tekna titanium powder supplied for Metal Injection Molding (MIM) to a premier Tier 1 part manufacturer in Asia

- A CAD 2.9 million order for titanium powder was secured in Q3 for deliveries in 2024
- A similar order valued at CAD 1.7 million was received from the same customer in May 2023 for deliveries in 2023
- These orders will be supplied from material readily available in our inventory, improving the company's cash position
- These orders were captured at a competitive price allowing to secure the market position. Margins expected to improve as the market for this product continues to develop
- This order is for material consisting of the smaller particles generated from our existing powder production



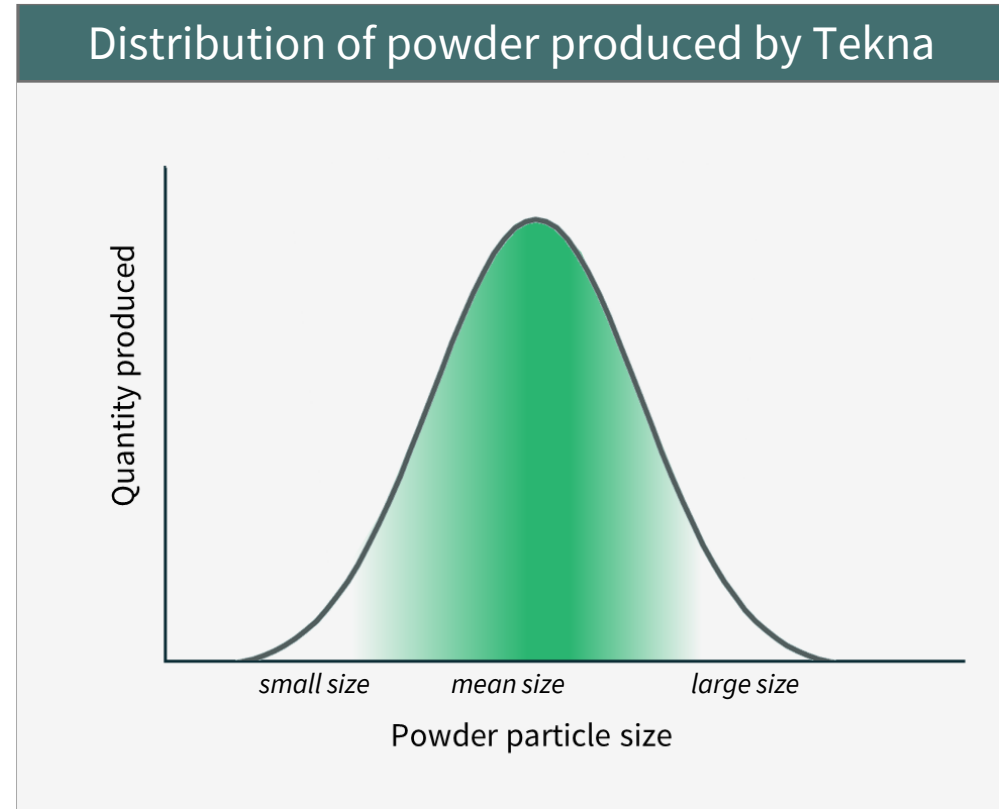
*Mobile phone and smart watch frames produced with Tekna Titanium powder  
Photo courtesy of a Tekna customer in Asia*

The consumer electronic market is fast growing and represents significant potential volumes.



## Understanding the size distribution in powder production processes

- Metal powder production processes naturally yield a wide distribution of particle sizes
- This reality is the same for all powder producers
- For Tekna, the small and large sizes are byproducts having the same high quality as the mean size
- While all powder sizes can be qualified in the 3D printing industry, until recently there was a limited demand for the small and large cut sizes



We have worked closely with a wide range of customers and applications to secure sales of Tekna's entire production capacity and to realise our ambitious growth objectives

**Tekna has worked closely with a wide range of customers and applications to secure sales of the entire production yield and realise our ambitious growth objectives**

### **3D Printing**

(examples: aircraft components, medical implants, others)

### **Metal Injection Molding (MIM)**

(examples: Mobile phone, Smart watch, small components)

### **Binder Jetting (BJ)**

(examples: Mobile phone, Smart watch, small components)

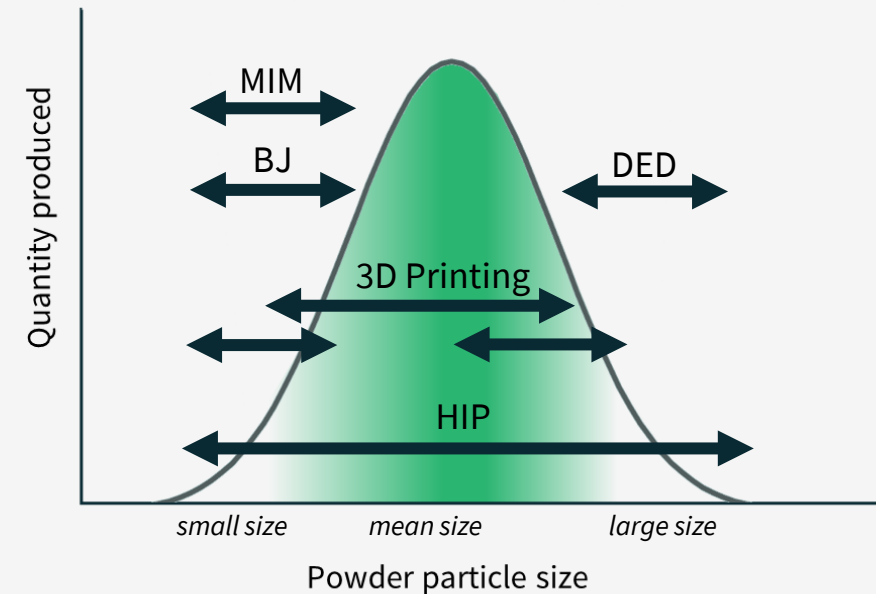
### **Directed Energy Deposition (DED)**

(examples: large size components, aircraft part repair and surface protective coating)

### **Hot Isostatic Pressing (HIP)**

(examples: aircraft components, medical implants)

Distribution of powder produced by Tekna



Today, we are on the verge of qualifying our powders for applications that will utilize 100% of the full powder distribution

**Tekna has worked closely with a wide range of customers and applications to secure sales of the entire production yield and realise our ambitious growth objectives**

MIM & BJ



Mobile phone and Smart watch components

3D Printing



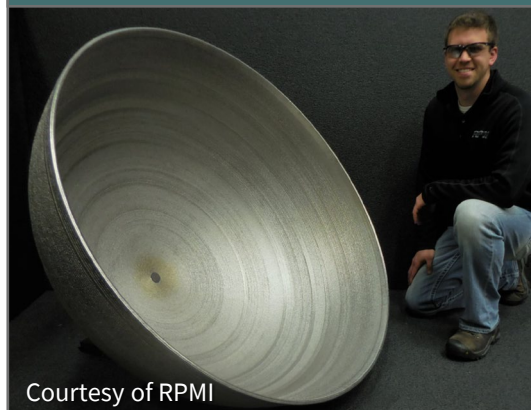
Aerospace part: Actuator for wings

HIP



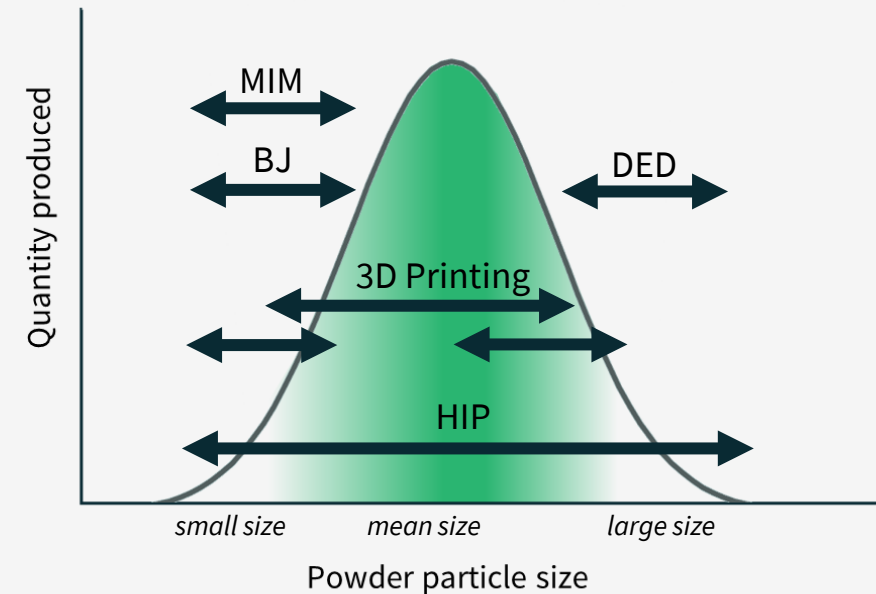
Spindle and impeller

DED



Courtesy of RPMI

Distribution of powder produced by Tekna



To realize our ambitious growth objectives, we have worked closely with a wide range of customers and applications to secure sales of Tekna's entire production capacity

## Capacity expansion in the MLCC industry continues

- The MLCC industry continues to invest in production facilities, both to increase overall production capacity and to relocate country of production
- Tekna management, board and technical staff have visited several key producers in the past six months
- We are getting a better understanding and confirming the producers' supply chain priorities, material specifications and the rationale for qualifying new supply sources
- In spite of the slower demand for smart phones in 2023, we remain very positive for the MLCC industry outlook with growing sales of EV's, smart phones and other electronic devices



Slide from Tekna's Q2 2023 presentation

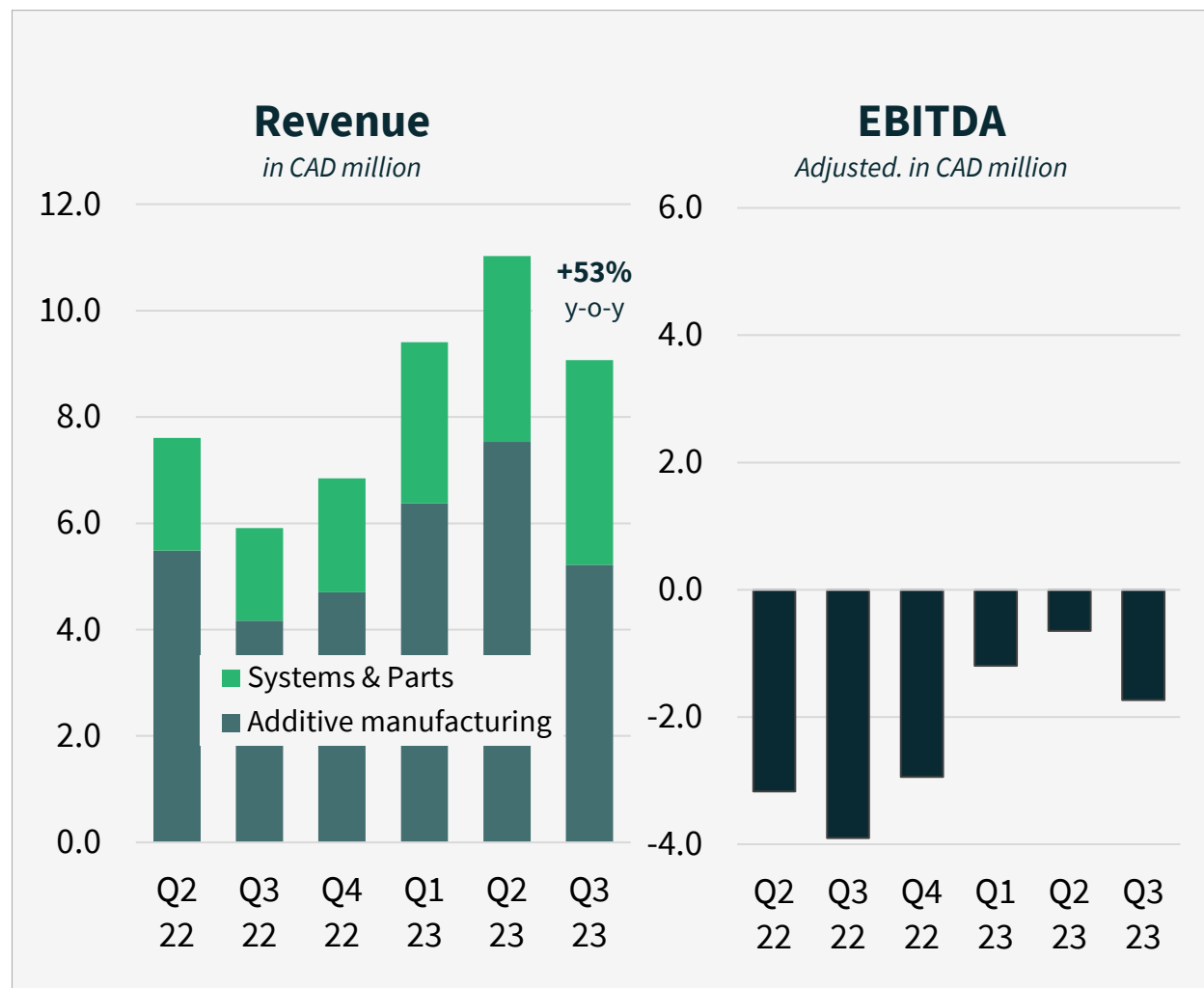


A photograph of two men in a laboratory or industrial setting, wearing dark blue and grey protective suits with blue accents on the sleeves. They are also wearing large, clear, hood-like face shields. The man on the left has a beard and is looking upwards. The man on the right is looking to the side. The background shows industrial equipment, a door, and a blue barrel. The text "Q3 2023 - Finance" is overlaid in large white font, and "Espen Schie, CFO" is overlaid in smaller white font below it. The TEKNA logo is visible on the suits and in the bottom right corner.

# Q3 2023 - Finance

Espen Schie, CFO

# Q3 YoY 53% strong growth, quarterly seasonal effects as anticipated

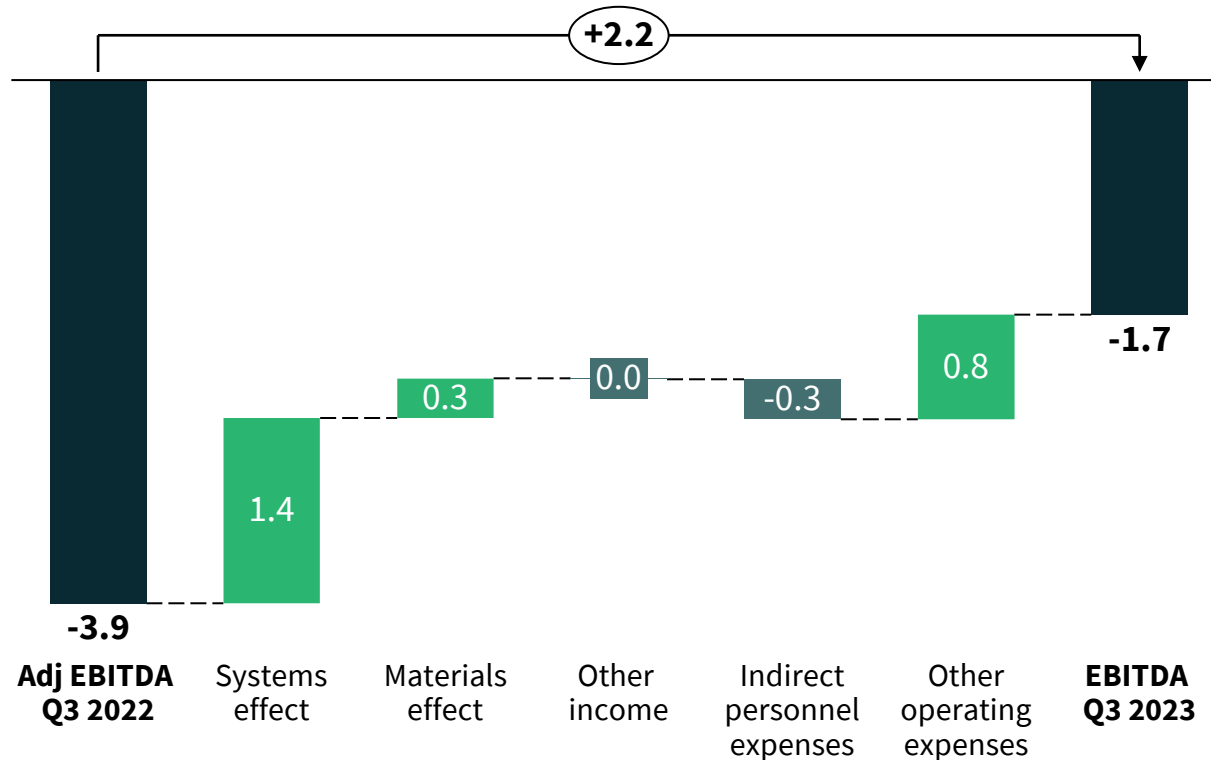


- **Total revenues** were CAD 9.1 million, a +53% increase over same period last year
  - QoQ lower revenue from materials due to Q3 vacation seasonality in North America and Europe
  - **Revenue YTD** at CAD 29.5 million, an increase by CAD 9.5 million or +47% over same period last year
  - **Materials revenue** in Q3 2023 was CAD 5.2 million, a 25% increase from Q3 2022
  - **Systems revenue** at CAD 3.8 million, 121% increase year-over-year, reflecting strong execution of orders on hand
- **Adjusted EBITDA<sup>1</sup>** at CAD -1.7 million, improved year-over-year by CAD 2.2 million resulting from volume, margins and profitability initiatives
  - **Adjusted EBITDA YTD<sup>1</sup>** at CAD -3.6 million, improved by 6.3 million year-over-year
- Continued focus on profitability and cash improvement

# Adjusted EBITDA improved CAD 2.2 million YoY from Q3 2022

## Adjusted EBITDA - bridge

Q3 2023 vs Q3 2022 in CAD million



- **Systems revenue** was a significant contributor above last year (+121%), together with strong margins
- **Materials revenue** was positive over same quarter last year (+25%)
- Personnel expenses increased over the same period last year due to salary increase
- Other operating expenses include a 0.1 **negative FX effect** in Q3
- **Adjusted EBITDA** improved by CAD 2.2 million YoY to CAD -1.7 million
- **Adjusted EBITDA YTD** improved by CAD 6.3 million YoY to CAD -3.6 million
- Maintaining **cost control** while scaling revenue and managing inflationary cost increases remains our focus





# Concluding remarks

Luc Dionne, CEO



## Positioned to thrive on exciting megatrends with accelerating demand

### Systems

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

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

### Additive materials

**Reliable provider of high-quality materials for additive manufacturing**

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

### Microelectronics

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

# Market outlook; short to medium term

## Systems



**CAD 300m**

Emerging industry for which Tekna has identified CAD 300m of PlasmaSonic prospects over the next 10 years

- Re-energized global interest in **developing, testing and manufacturing novel materials**: Industrial and Academic
- Emergence of **new industrial segments** : Space tourism, Satellite Internet & Networks & Strategic Defense
- Need for better performing products enabled by novel materials is driving an increase in demand for Tekna's research scale plasma units
- Parts of strong pipeline already converted to backlog carrying through 2023 and into 2024
- Pipeline of potential PlasmaSonic orders for 2024 developing according to plan

## Additive Materials



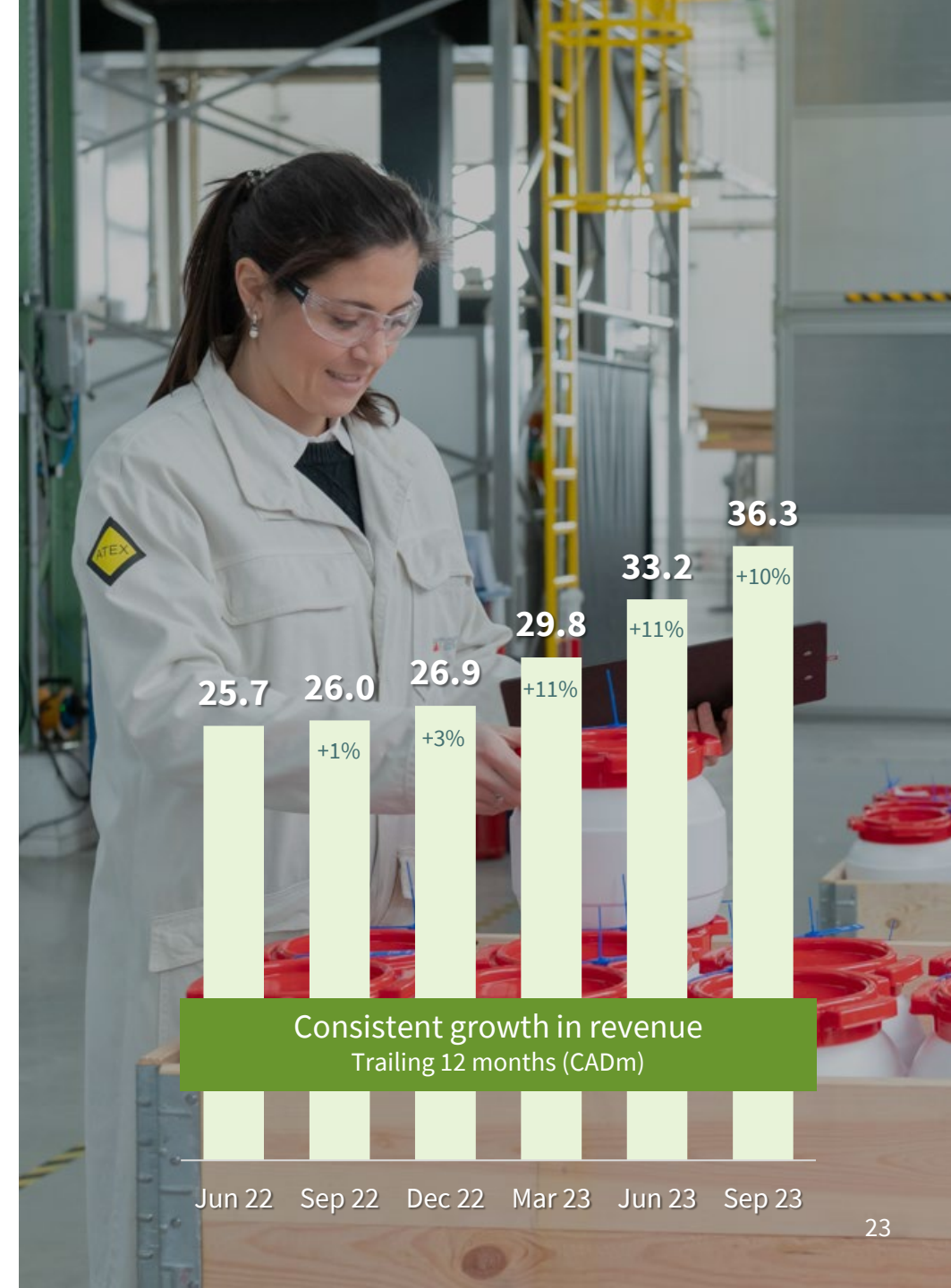
**up to +30%**

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

- Growing market with increasing number of OEMs now operating at an industrial scale
- Break-through in use of titanium powders in production for metal injection molding and binder jetting applications with potential for large volume manufacturing
- Increased factory output rate will continue to translate into increased sales throughout the year

## Strong and consistent top line growth and bottom-line improvement

- **Revenue growth** of 53% and adjusted **EBITDA improved** by CAD 2.2 million compared to Q3 2022 (same EBITDA improvement as last quarter)
- **Revenue YTD** improved by CAD 9.5 million to CAD 29.5 million, 47% year over year
- **Adjusted EBITDA YTD** improved by CAD 6.3 million year over year
- **Order intake** of CAD 10.4 million in the quarter, with several significant wins especially in Systems
- Order backlog **supporting a significant revenue growth** for 2023 compared to 2022
- **Reiterating a substantial improvement of margins** in 2023 compared to 2022, supported by increased revenue and organizational productivity



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Note 3 Revenue from contracts with customers

**Alternative Performance Measures 33**

# Appendix

## Q3 Financial Statements



# Financial Statements

## CONSOLIDATED STATEMENT OF INCOME

Amounts in CAD 1000	Note	2023 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
Revenues	3	29,498	9,068	20,047	5,908
Other income		61	15	410	5
Materials and consumables used		16,154	5,598	12,664	4,113
Employee benefit expenses		12,824	4,148	11,811	3,849
Other operating expenses		4,158	1,070	8,392	2,888
<b>EBITDA</b>		<b>-3,576</b>	<b>-1,733</b>	<b>-12,410</b>	<b>-4,938</b>
Depreciation and amortisation		3,159	1,037	2,914	928
<b>Net operating income/(loss)</b>		<b>-6,735</b>	<b>-2,770</b>	<b>-15,324</b>	<b>-5,866</b>
Share of net income (loss) from associated companies and joint ventures		-1,310	-567	-1,072	-311
Finance income		-25	-24	-565	20
Finance costs		730	403	386	139
<b>Profit/(loss) before income tax</b>		<b>-8,799</b>	<b>-3,765</b>	<b>-17,347</b>	<b>-6,296</b>
Income tax expense		100	100	114	114
<b>Profit/(loss) for the period</b>		<b>-8,899</b>	<b>-3,865</b>	<b>-17,461</b>	<b>-6,410</b>
Attributable to equity holders of the company		-8,506	-3,702	-16,874	-6,173
Attributable to non-controlling interests		-393	-163	-587	-236
Basic earnings per share		-0.07	-0.03	-0.13	-0.05
Diluted earnings per share		-0.07	-0.03	-0.13	-0.05

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in CAD 1000	Note	2023 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
<i>Items that may be reclassified to statement of income</i>					
Exchange differences on translation of foreign operations		160	6	458	34
<b>Items that may be reclassified to statement of income</b>		<b>160</b>	<b>6</b>	<b>458</b>	<b>34</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>-</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>160</b>	<b>6</b>	<b>458</b>	<b>34</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>-8,739</b>	<b>-3,859</b>	<b>-17,003</b>	<b>-6,376</b>
Attributable to equity holders of the company		-8,351	-3,696	-16,428	-6,139
Attributable to non-controlling interests		-387	-163	-575	-236

**Consolidated revenues** for the Tekna Group in Q3 2023 were CAD 9.1 million, an increase of 53% over the same quarter last year (CAD 5.9 million). Revenues for YTD Q3 2023 have increased by CAD 9.5 million and 47 % compared to the same period last year.

Revenues for Systems, Spare parts and Other increased by 121% compared to Q3 2022. Revenues for Materials increased by 25% compared to the same period last year.

**Contribution margin** in Q3 2023 was CAD 3.5 million corresponding to 38 percent of revenues. In the same period last year, the contribution margin was 30 percent. The increased margins are a result of higher margins in the Systems business, due to execution of a strong order backlog.

**Loss for Q3 2023** was CAD 2.8 million, an improvement of CAD 2.5 million over the same period last year. Part of the improvement is due to CAD 1 million of non-recurring legal costs incurred in Q3 2022.

# Financial Statements

## CONSOLIDATED BALANCE SHEET

Amounts in CAD 1000	30.09.2023	31.12.2022
<b>Non-current assets</b>		
Property, plant and equipment	22,312	19,240
Intangible assets	7,985	8,537
Associated companies and joint ventures	-673	579
Non-current receivables	5,397	5,339
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>35,022</b>	<b>33,696</b>
<b>Current assets</b>		
Inventories	20,013	20,592
Contract assets	1,794	167
Trade and other receivables	10,005	7,880
Cash and cash equivalents	12,192	11,364
<b>Total current assets</b>	<b>44,005</b>	<b>40,003</b>
<b>Total assets</b>	<b>79,026</b>	<b>73,699</b>

**Equity ratio** at the end of September 2023 was 56.5 percent compared to 72.5 percent at the end of 2022.

**Borrowings** at the end of September 2023 was CAD 24.4 million, including CAD 20.5 million owed to Arendals Fossekompagni ASA.

**Total cash and cash equivalents** at the end of September 2023 was CAD 12.2 million versus CAD 13.9 million at the same time last year (September 30, 2022)

Amounts in CAD 1000	30.09.2023	31.12.2022
<b>Equity</b>		
Share capital and share premium	494,956	494,956
Other reserves	-449,286	-440,934
<b>Capital and reserves attributable to holders of the company</b>	<b>45,670</b>	<b>54,022</b>
Non-controlling interests	-996	-609
<b>Total equity</b>	<b>44,674</b>	<b>53,413</b>
<b>Non-current liabilities</b>		
Borrow ings	24,378	4,119
Lease liabilities	862	1,161
Deferred tax liabilities	-	-
<b>Total non-current liabilities</b>	<b>25,240</b>	<b>5,280</b>
<b>Current liabilities</b>		
Bank loan	-0	1,197
Lease liabilities	533	459
Trade and other payables	3,267	7,852
Provision for warranties	130	130
Contract liabilities	1,939	2,647
Other current liabilities	2,745	2,189
Borrow ings short-term portion	497	532
<b>Total current liabilities</b>	<b>9,112</b>	<b>15,006</b>
<b>Total liabilities and equity</b>	<b>79,026</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
Balance at 1 January 2022	494,957	-419,059	75,897	211	76,109
Profit/(loss) for the period mm		-16,874	-16,874	-587	-17,461
Other comprehensive income/(loss)		446	446	12	458
Balance at 30 September 2022	494,957	-435,487	59,469	-364	59,106

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

	Attributable to equity holders of the Company				
<i>Amounts in CAD 1000</i>	Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	494,956	-440,934	54,022	-609	53,413
Profit/(loss) for the period	-	-8,506	-8,506	-393	-8,899
Other comprehensive income/(loss)	-	154	154	6	160
Balance at 30 September 2023	494,956	-449,286	45,670	-996	44,674

# Financial Statements

## CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in CAD 1000	2023 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
<b>Cash flow from operating activities</b>				
Net profit/(loss)	-8,899	-3,865	-17,461	-6,410
Depreciation, amortization and impairment	3,159	1,037	2,914	928
Variation in deferred taxes	-	-	-	-
Interest accretion on LT debt	258	86	233	83
Discounted value of long-term loan	-	-	-399	-
FX variation on long-term loan	-	-	-	-
(Gain)/Loss from sales of assets	-	-	-	-
Share of results from associated companies and joint ventures	1,310	567	1,072	311
<b>Total after adjustments to profit before income tax</b>	<b>-4,172</b>	<b>-2,175</b>	<b>-13,640</b>	<b>-5,088</b>
Change in Inventories	578	192	-4,695	-1,387
Change in other assets	-3,810	1,470	-1,409	2,125
Change in other liabilities	-4,736	-1,616	1,058	228
<b>Total after adjustments to net assets</b>	<b>-12,140</b>	<b>-2,129</b>	<b>-18,686</b>	<b>-4,122</b>
<b>Net cash from operating activities</b>	<b>-12,140</b>	<b>-2,129</b>	<b>-18,686</b>	<b>-4,122</b>
<b>Cash flow from investing activities</b>				
Proceeds from the sales of PPE	-	-	-	-
Purchase of PPE and intangible assets	-5,680	-1,145	-4,218	-1,327
Other investing activities	-	-	-646	0
Purchase of shares in subsidiaries	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>-5,680</b>	<b>-1,145</b>	<b>-4,864</b>	<b>-1,327</b>

Amounts in CAD 1000	2023 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
<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	-1,197	0	-3,273	-1,270
New loan	20,803	10,398	2,704	-
Repayment of loan	-633	-208	-200	-63
Repayment of lease liabilities	-427	-139	-665	-135
<b>Net cash flow from financing activities</b>	<b>18,545</b>	<b>10,051</b>	<b>-1,476</b>	<b>-1,468</b>
<b>Net increase in cash and cash equivalents</b>	<b>725</b>	<b>6,777</b>	<b>-25,027</b>	<b>-6,918</b>
Cash and cash equivalents at the beginning of the financial year	11,364	5,424	38,649	20,798
Effects of exchange rate changes on cash and cash equivalents	103	-9	296	38
<b>Cash and cash equivalents at end of the period</b>	<b>12,192</b>	<b>12,192</b>	<b>13,918</b>	<b>13,918</b>

**Net cash flow from operating** activities was negative CAD 2.1 million in Q3 2023, including a reduction of CAD 2.1 million of trade receivables and a reduction of CAD 1.2 million in payables. Corresponding cash flow in Q3 2022 was negative CAD 4.1 million.

**Net cash flow from investing activities** was negative CAD 1.1 million in Q3 2023, mainly due to purchase of property, plant and equipment, compared with negative CAD 1.3 million in the same period last year.

**Net cash flow from financing activities** was positive CAD 10.1 million in Q3 2023, of which an increase of CAD 10.4 million in new financing and a decrease of CAD 0.3 million in repayment of loan and lease liabilities. In Q3 2022, the comparable cash flow was negative CAD 1.5 million.



# Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 | Confirmation of financial framework

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

### Note 2 | Key accounting policies

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

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

### Note 3 | Revenue from contracts with customers

Accounting principles and information related to external customers are described in note 1.

### Disaggregation of revenue from contracts with customers

2023 Q3 YTD <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	19,121	851	360	20,331
Revenue recognized over time	9,167	-	-	-	9,167
<b>Revenue from external customers</b>	<b>9,167</b>	<b>19,121</b>	<b>851</b>	<b>360</b>	<b>29,498</b>
Contribution margin	5,867	6,550	567	360	13,344
Contribution margin %	64.0%	34.3%	66.6%	100.0%	45.2%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	6,460	7,767	426	181	14,833
Europe	1,392	9,269	425	181	11,266
Asia	1,315	2,085	0	0	3,399
<b>Total</b>	<b>9,166</b>	<b>19,121</b>	<b>851</b>	<b>361</b>	<b>29,498</b>

2023 Q3 <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	5,218	291	71	5,579
Revenue recognized over time	3,488	-	-	-	3,488
<b>Revenue from external customers</b>	<b>3,488</b>	<b>5,218</b>	<b>291</b>	<b>71</b>	<b>9,068</b>
Contribution margin	1,963	1,273	164	71	3,470
Contribution margin %	56.3%	24.4%	56.3%	100.0%	38.3%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	2,193	1,838	146	35	4,211
Europe	846	2,752	145	36	3,779
Asia	449	628			1,077
<b>Total</b>	<b>3,488</b>	<b>5,218</b>	<b>291</b>	<b>71</b>	<b>9,068</b>

# Financial Statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

2022 Q3 YTD <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	14,204	1,109	166	15,479
Revenue recognized over time	4,568	-	0	-	4,568
<b>Revenue from external customers</b>	<b>4,568</b>	<b>14,204</b>	<b>1,109</b>	<b>166</b>	<b>20,047</b>
Contribution margin	1,762	5,053	403	166	7,383
Contribution margin %	38.6%	35.6%	36.3%	100.0%	36.8%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	590	5,641	555	83	6,868
Europe	-	7,186	555	83	7,823
Asia	3,978	1,377	-	-	5,355
<b>Total</b>	<b>4,568</b>	<b>14,204</b>	<b>1109</b>	<b>166</b>	<b>20,047</b>

2022 Q3 <i>Amounts in CAD 1000</i>	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	4,165	427	38	4,630
Revenue recognized over time	1,278	-	0	-	1,278
<b>Revenue from external customers</b>	<b>1,278</b>	<b>4,165</b>	<b>427</b>	<b>38</b>	<b>5,908</b>
Contribution margin	583	979	194	38	1,794
Contribution margin %	45.6%	23.5%	45.6%	100.0%	30.4%
<b>Revenue from external customers specified pr geographical area:</b>					
North America	395	1,876	213	19	2,503
Europe	-	1,894	213	19	2,126
Asia	883	395	-	-	1,279
<b>Total</b>	<b>1,278</b>	<b>4,165</b>	<b>427</b>	<b>38</b>	<b>5,908</b>

# 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 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
Amounts in CAD thousands	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues</b>	<b>29,498</b>	<b>9,068</b>	<b>20,047</b>	<b>5,908</b>
Materials and consumables used	16,154	5,598	12,664	4,113
<b>(b) Contribution margin</b>	<b>13,344</b>	<b>3,470</b>	<b>7,383</b>	<b>1,794</b>
<b>(c) Revenues</b>	<b>29,498</b>	<b>9,068</b>	<b>20,047</b>	<b>5,908</b>
<b>Contribution margin % (b/c)</b>	<b>45.24%</b>	<b>38.26%</b>	<b>36.83%</b>	<b>30.37%</b>

	2023 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
Amounts in CAD thousands	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net profit/loss</b>	<b>-8,899</b>	<b>-3,865</b>	<b>-17,461</b>	<b>-6,410</b>
Income tax expense (income)	-100	-100	-114	-114
Finance costs	730	403	386	139
Finance income	25	24	565	-20
Share of net income (loss) from associated companies and joint ventures	1,310	567	1,072	311
Depreciation and amortization	3,159	1,037	2,914	928
<b>(a) EBITDA</b>	<b>-3,576</b>	<b>-1,733</b>	<b>-12,410</b>	<b>-4,938</b>
Legal and listing cost	-	-	2,523	1,037
<b>(b) Adjusted EBITDA</b>	<b>-3,576</b>	<b>-1,733</b>	<b>-9,887</b>	<b>-3,901</b>
<b>(c) Revenues</b>	<b>29,498</b>	<b>9,068</b>	<b>20,047</b>	<b>5,908</b>
<b>EBITDA margin (a/c)</b>	<b>-12.12%</b>	<b>-19.11%</b>	<b>-61.91%</b>	<b>-83.59%</b>
<b>Adjusted EBITDA margin (b/c)</b>	<b>-12.12%</b>	<b>-19.11%</b>	<b>-49.32%</b>	<b>-66.03%</b>

	2023 Q3 YTD	2023 Q3	2022 Q3 YTD	2022 Q3
Amounts in CAD thousands	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Net profit/loss</b>	<b>-8,899</b>	<b>-3,865</b>	<b>-17,461</b>	<b>-6,410</b>
Income tax expense (income)	-100	-100	-114	-114
Finance cost	730	403	386	139
Finance Income	25	24	565	-20
Share of net income (loss) from associated companies and joint ventures	1,310	567	1,072	311
<b>(a) EBIT</b>	<b>-6,735</b>	<b>-2,770</b>	<b>-15,324</b>	<b>-5,866</b>
Legal and listing cost	-	-	2,523	1,037
<b>(b) Adjusted EBIT</b>	<b>-6,735</b>	<b>-2,770</b>	<b>-12,801</b>	<b>-4,829</b>
<b>(c) Revenues</b>	<b>29,498</b>	<b>9,068</b>	<b>20,047</b>	<b>5,908</b>
<b>EBIT margin (a/c)</b>	<b>-22.83%</b>	<b>-30.55%</b>	<b>-76.44%</b>	<b>-99.30%</b>
<b>Adjusted EBIT margin (b/c)</b>	<b>-22.83%</b>	<b>-30.55%</b>	<b>-63.86%</b>	<b>-81.74%</b>

	2023 Q3 YTD	30.09.2023	30.09.2022	30.09.2022
Amounts in CAD thousands	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(a) Total non-current liabilities	25,240	25,240	5,197	5,197
(b) Total equity	44,674	44,674	59,106	59,106
<b>Long Term Debt/Equity Ratio (a/b)</b>	<b>0.56</b>	<b>0.56</b>	<b>0.09</b>	<b>0.09</b>





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