

Q2 2024 Highlights

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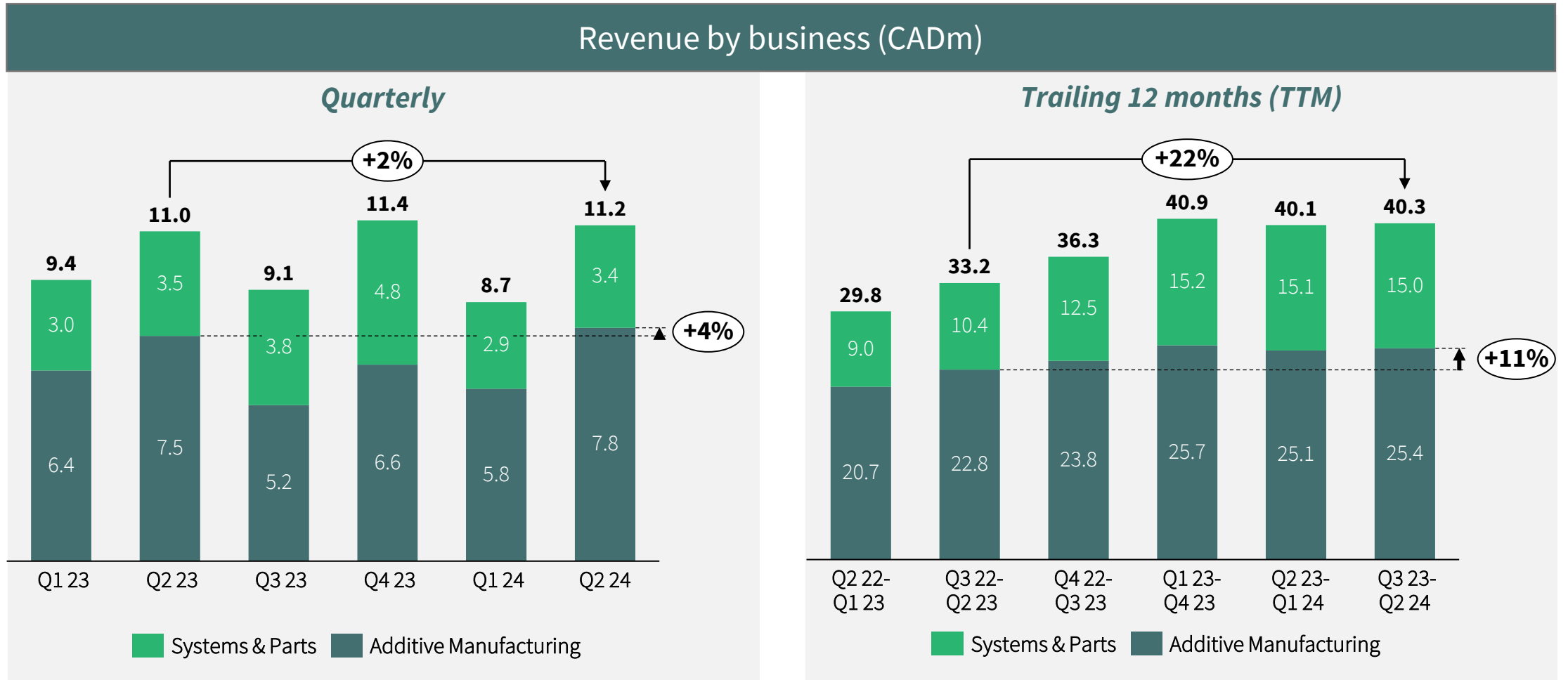
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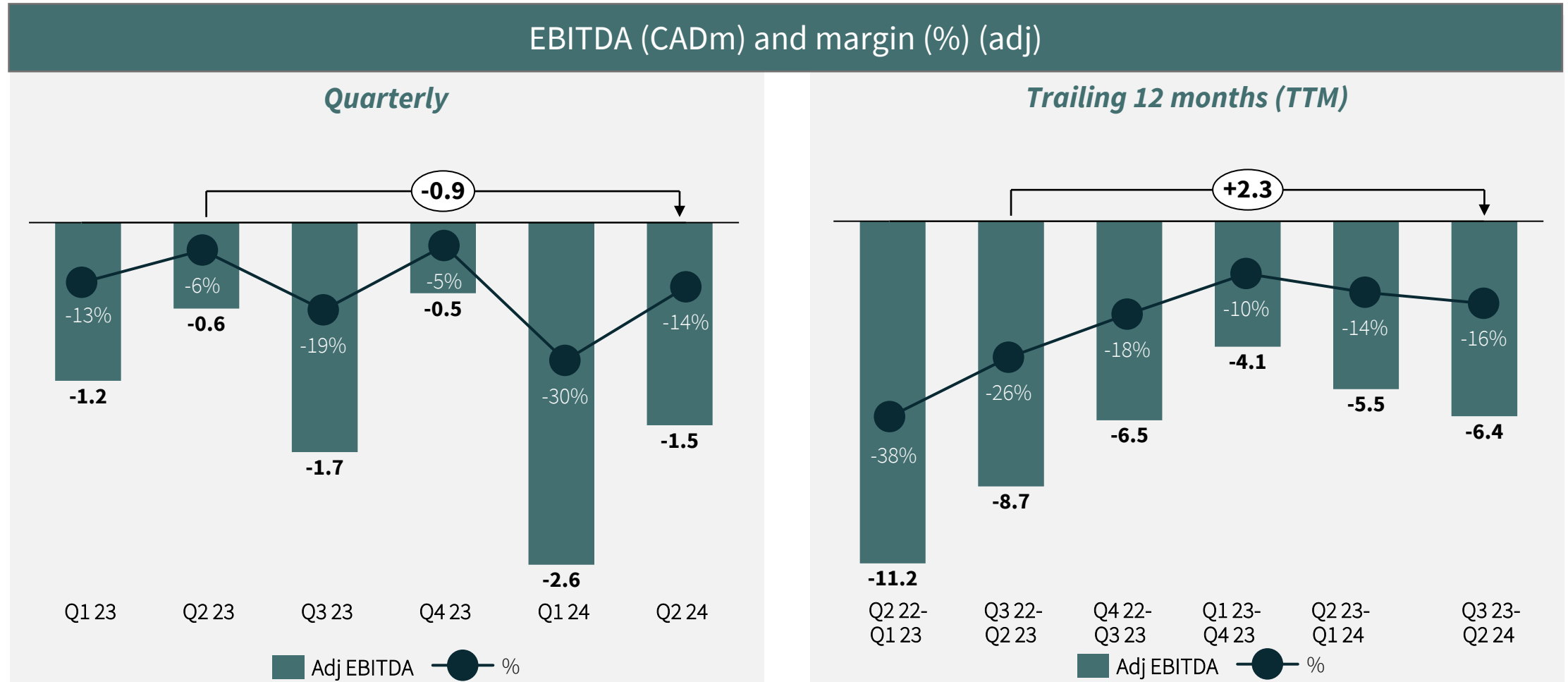
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30% improved Q2 after soft first quarter, Additive Manufacturing materials marking an all-time revenue record at CAD 7.8 million



EBITDA adj primarily affected by one-off cost from working capital reduction measures (CAD 0.5m) and termination of synergies with loss making joint venture (CAD 0.6m)



Strong focus on cash management and cash flow



- **Net cash from operating activities** in the second quarter was negative CAD 0.5 million, benefitting from an important reduction of working capital of CAD 2.9 million in the second quarter
- The **capital expenditures** in the quarter amounted to CAD 0.9 million, ending the first half of 2024 at CAD 1.7 million. Consequently, Capex guidance for the year is reduced from CAD 5 million to CAD 4 million
- The **cash balance** at the end of the second quarter of the year was reduced by CAD 0.7 million to CAD 9.3 million

Ambitious profitability program targeting CAD 2 million EBITDA improvement in 2024

Optimizing sales mix

- Discontinuing production of lower margin nickel alloy powders
- Increasing efforts for higher margin products: titanium and aluminum
- Valorizing broader specter of powder sizes and qualities

Reducing production costs (COGS)

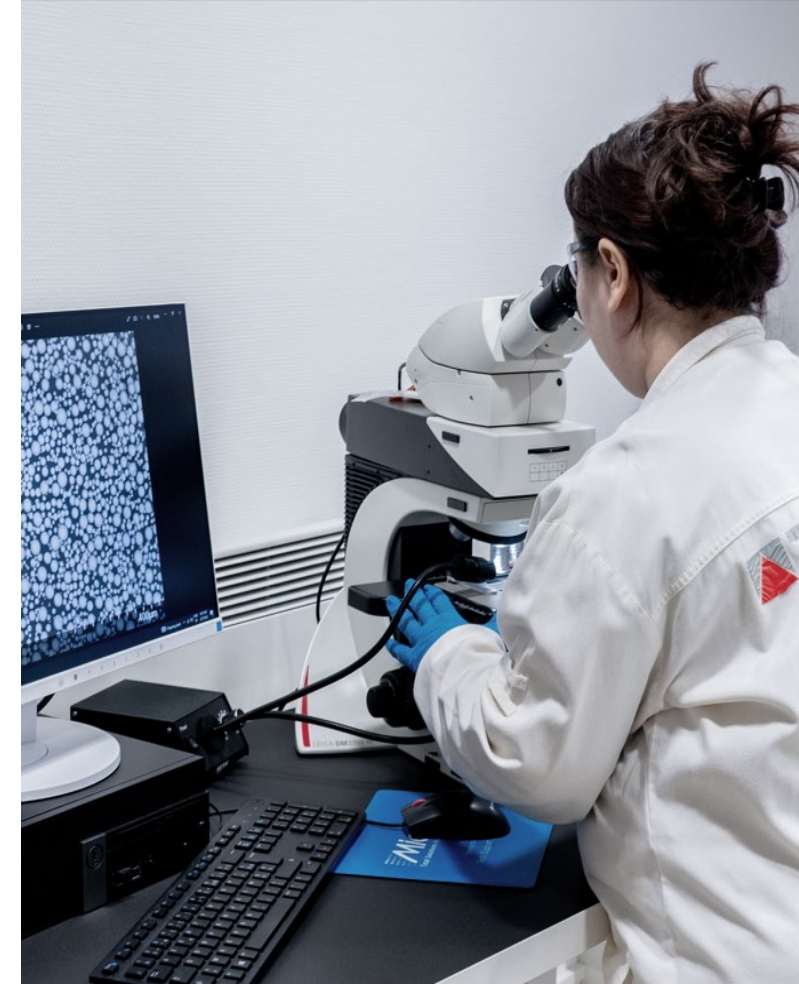
- Improving powder machine productivity: uptime and production rate
- Reducing utility and manufacturing supplies expenses

Reducing overhead and other indirect costs

- Already realized a Y-o-Y headcount reduction from 219 to 203

Substantial recurring cost savings anticipated in 2025

- Higher dollar impact due to volume effects



While growth and margin development may not follow a linear trajectory, our outlook remains positive.

Systems

- The pipeline of prospective Systems projects for the remainder of the year and the mid-term is strong

Advanced Materials

- Lower activity expected in Q3 vs other periods due to seasonal vacations, focused on improving revenues year on year
- Strong fundamentals of Additive Manufacturing industry and Tekna's strategic position as a reliable supplier of high-quality products reinforces our growth vision

Microelectronics (MLCC) Development

- Trials of Tekna's nano material for next-generation MLCCs continues, prospective customers feedback expected later this year

Profitability and Cashflow

- Reducing operating cost and working capital and limiting Capex remains are key priorities for the balance of the year



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

Q&A