

# Q3 2024 Highlights

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#InvestinTekna

## Cautionary note

This report contains forward-looking information and statements relating to the business, financial performance and results of Tekna Group and/or industry and markets in which it operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "aims", "anticipates", "believes", "estimates", "expects", "foresees", "intends", "plans", "predicts", "projects", "targets", and similar expressions. Such forward-looking statements are based on current expectations, estimates and projections, reflect current views with respect to future events, and are subject to risks, uncertainties and assumptions. Forward-looking statements are not guarantees of future performance, and risks, uncertainties and other important factors could cause the actual business, financial performance, results or the industry and markets in which Tekna Group operates to differ materially from the statements expressed or implied in this presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecasted results will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statements.

## Environmental note

This document's layout has been prepared to facilitate on screen reading. We encourage people to read the document on a device instead of printing it to reduce the use of paper. Please note that for printing this document you may need to change the settings to "fit to page" as the page format is not in line with regular A4 size.

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

Established organization with world-wide reach



## Customer location (share of revenues, 2023)

North America

48%



Europe

37%



Asia / Rest of world

15%



## Customer segments (share of revenues, 2023)

Aerospace

39%



3D Machine OEM

12%



Medical Implants

7%



Consumer Electronics

5%



Other: Academic,  
Industrial Research  
and Distributors

37%



## Current and targeted customers



# Tekna has two business lines – Plasma Systems and Advanced Materials

## PLASMA SYSTEMS



In addition to own R&D, Tekna sells research systems to research institutions as well as OEMs. This helps **financing our own research and improving our technology.**

R&D PLASMA  
SYSTEMS

PLASMASONIC  
WIND TUNNELS

## ADVANCED MATERIALS



Tekna uses **proprietary technology** to produce world-leading materials, serving a **strong and stable customer base** with a **growing number of supply agreements.**

ADDITIVE  
MANUFACTURING

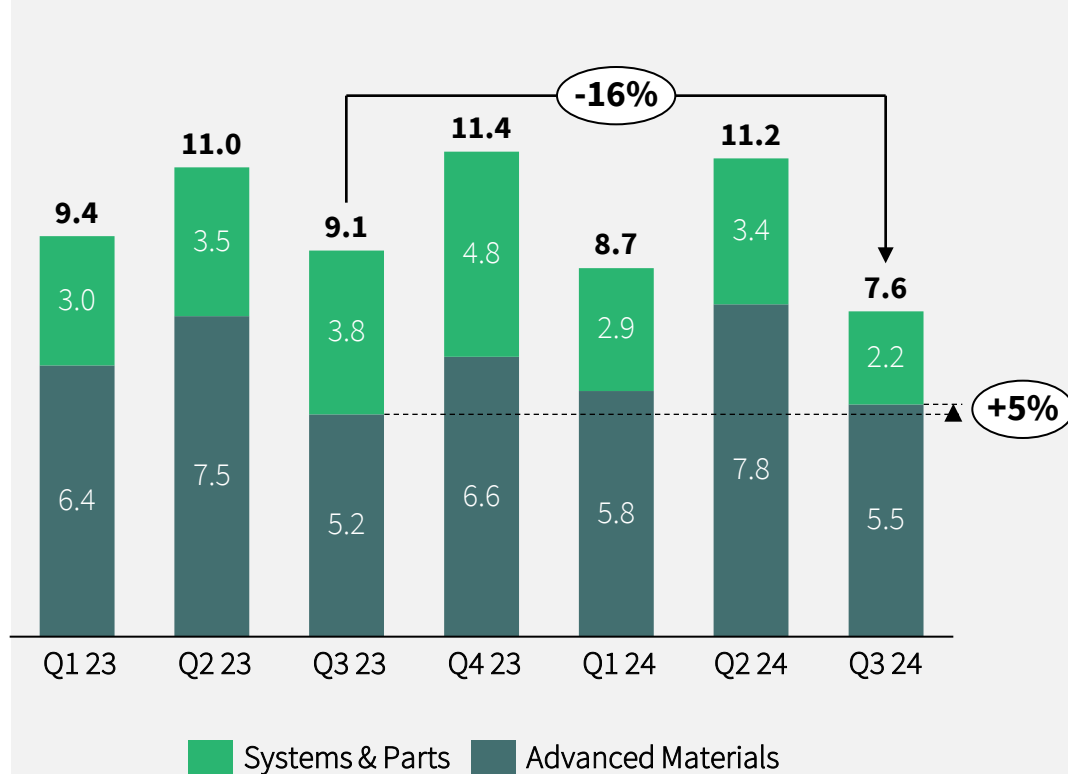
MICRO-  
ELECTRONICS

ENERGY  
STORAGE 

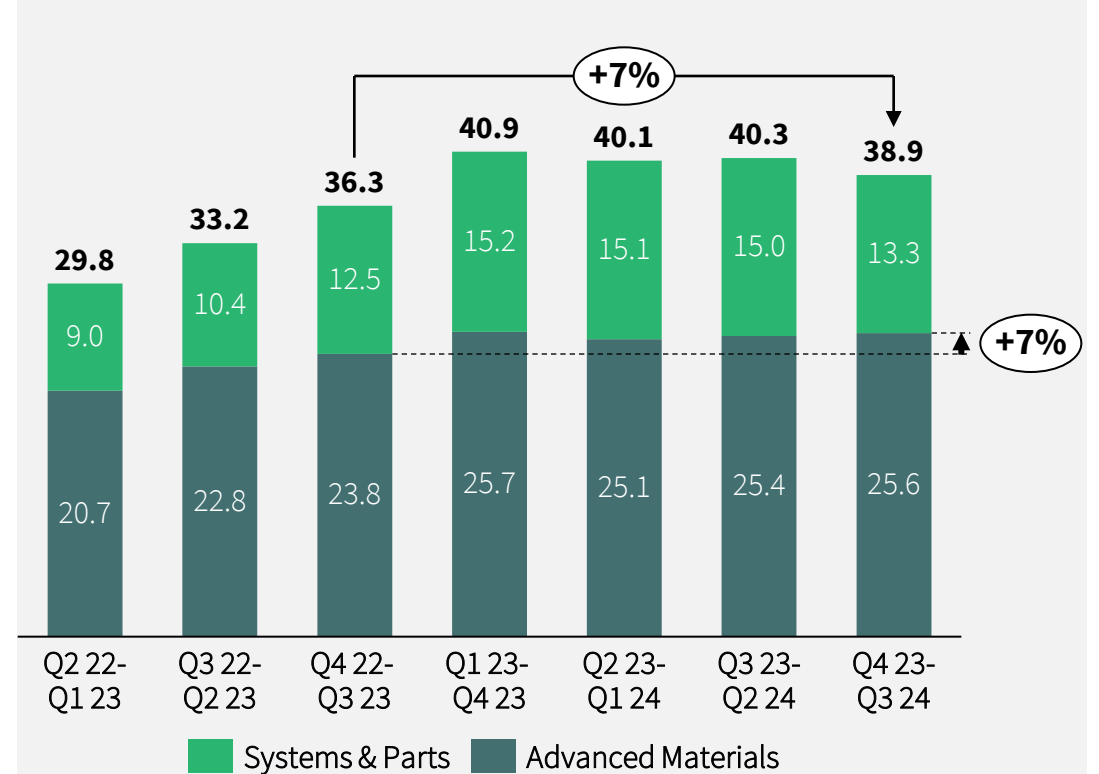
## Soft Q3 due to summer holidays as previously guided, Quarter negatively impacted by a decline in Systems & Parts revenues

Revenue by business (CADm)

Quarterly

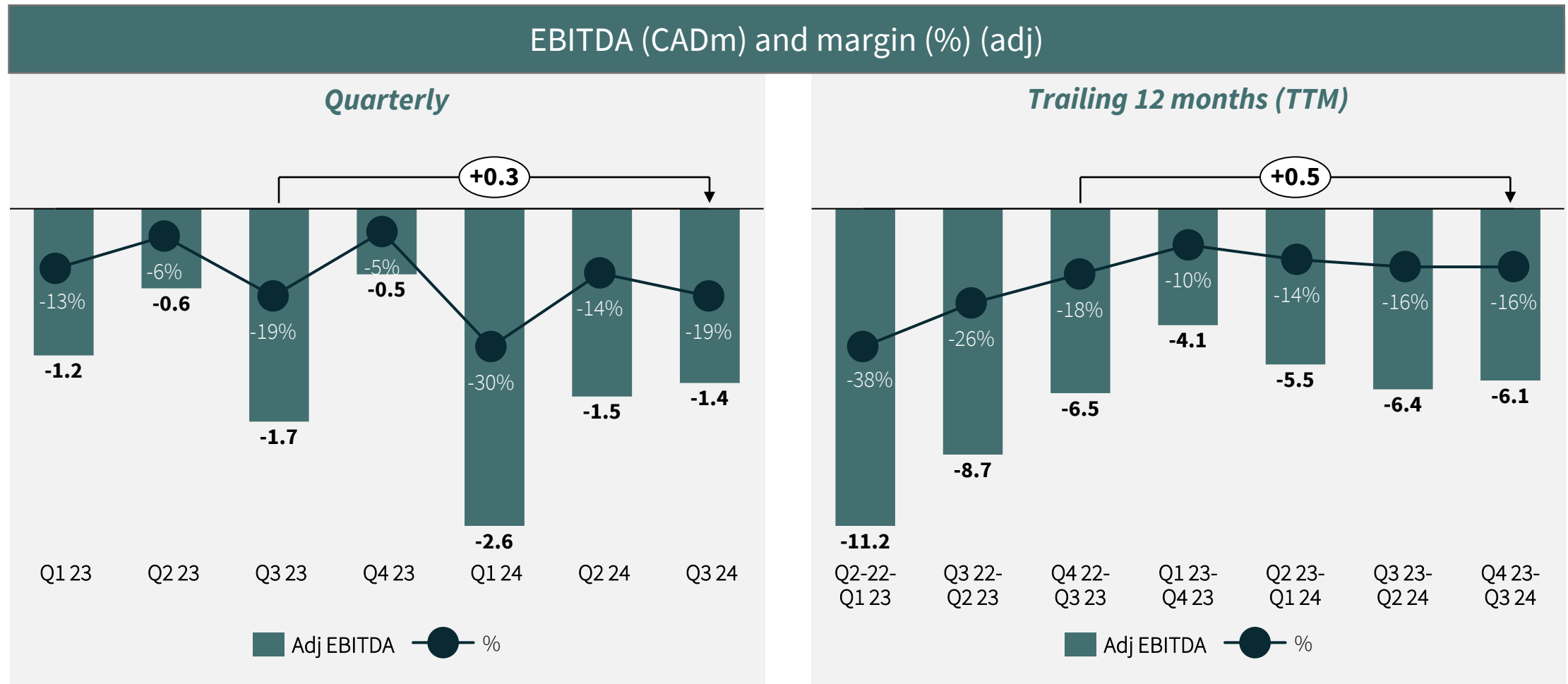


Trailing 12 months (TTM)



# Improved Adjusted EBITDA with lower revenue in Q3

Execution on profitability improvement plan firmly on track, with expected CAD 2 million savings during the second half of 2024





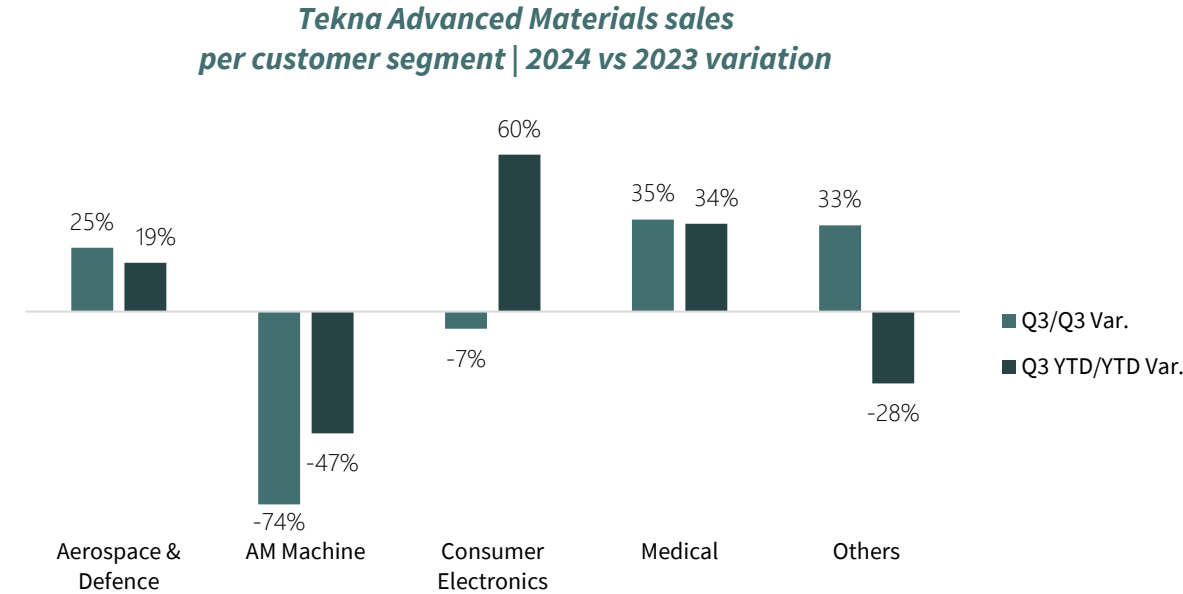
## Strong focus on cash management and cash flow



- **Net cash from operating activities** in the quarter was negative CAD 1.2 million, benefitting from an important reduction of working capital of CAD 1.1 million in the quarter
- The **capital expenditures** in the quarter, excluding IFRS 16, amounted to CAD 0.6 million, ending the year to date at CAD 2.2 million. Consequently, Capex guidance for the year is reduced from CAD 4 million to CAD 2.5 million
- The **cash balance** at the end of the quarter was reduced by CAD 1.7 million to CAD 7.6 million

## Strong Advanced Material sales in Medical and Aerospace, sales to AM Machine manufacturers impacted by deferred investment decisions in purchase of new machines (ie 3D printers)

- 2023 slowdown in capital investment observed across the additive manufacturing industry, affected our sales of materials to AM machine manufacturers
- Sales to Medical and Aerospace customers since the start of the year remains strong with a year-to-date increase of 35% and 25% respectively in the 3rd quarter
- Sales of materials in the Consumer Electronics segment increased 60% YTD over last year



Strong fundamentals of Additive Manufacturing industry and Tekna's strategic position as a reliable supplier of high-quality products reinforces our growth vision

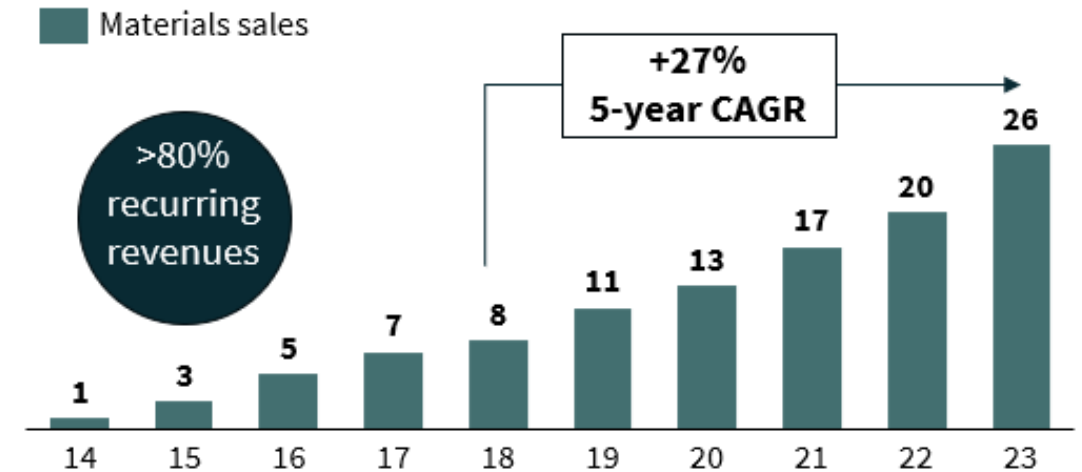


## Outlook – Advanced Materials

Ambitions for long-term growth remain strong, supported by Tekna's historical sales and industry leadership position

- Growth opportunities are driven globally, namely by transition towards more efficient manufacturing technology and products as well as supply chain constraints across multiple industries
- Within Advanced Materials for additive manufacturing market, Tekna is looking to gradually increase sales and production capacity to deliver CAD 70 million in revenues by 2027 with limited need for Capex

### Revenue performance Advanced Materials



Tekna's materials growth is expected to continue to develop positively as it has done since the company started its journey as a world-leading supplier of advanced materials globally

## Outlook – Other Business areas

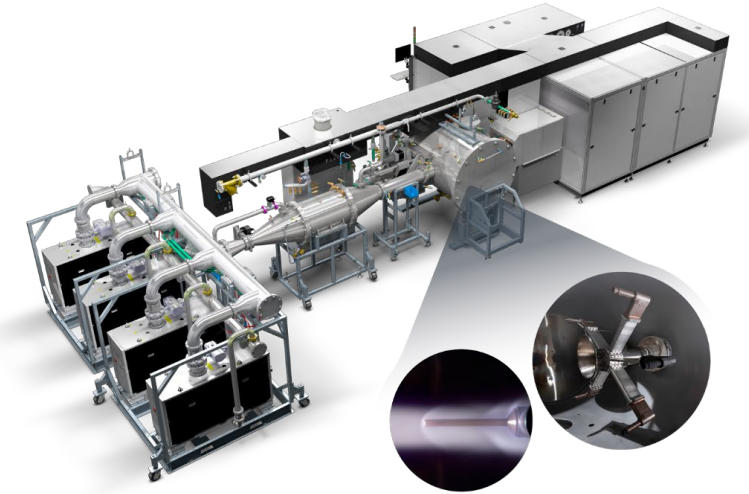
**Significant potential upsides stemming from acceleration in space and hypersonic flight programs** (PlasmaSonic product line) **and Multi-Layer Ceramic Capacitors** (nickel nanomaterials)

### Systems

- The pipeline of prospective Systems projects for the remainder of the year and the mid-term is strong
- End of 2024 US government budgeting cycle and election
- PlasmaSonic opportunities reaching customer budget or contract award cycles

### Microelectronics (MLCC) Development

- Preliminary test results from samples supplied have met a significant portion of the key characteristics sought for the targeted applications
- Trials of Tekna's nano material for next-generation MLCC continues



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

Q&A