

Q4 2024 Highlights

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February 6, 2025 | interim report



#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

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

Established organization with world-wide reach



Founded
in 1990



Tekna Holding ASA
Listed OSLO 2022



carbon neutral
aspiration
2030



Headquartered in
Quebec, Canada



>180
employees



2 production
facilities

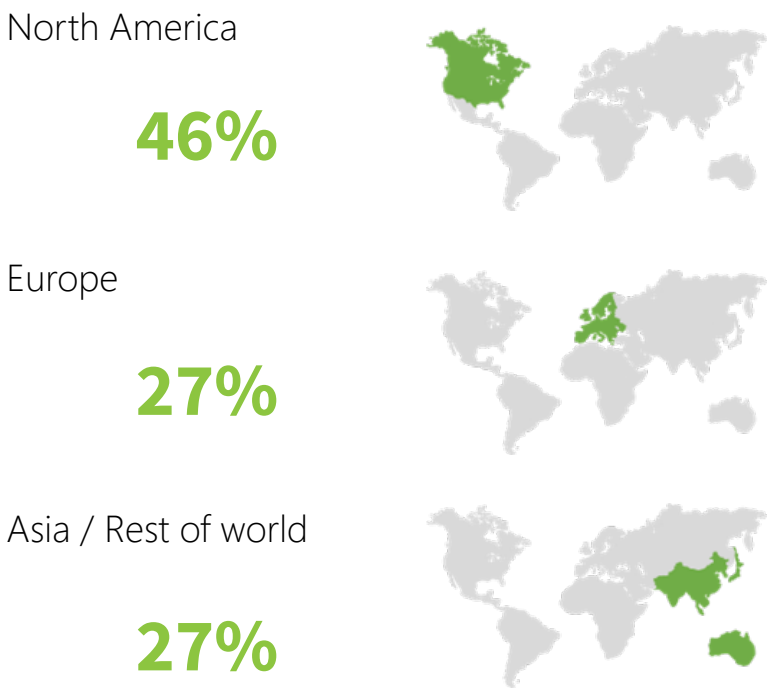


2 research
facilities

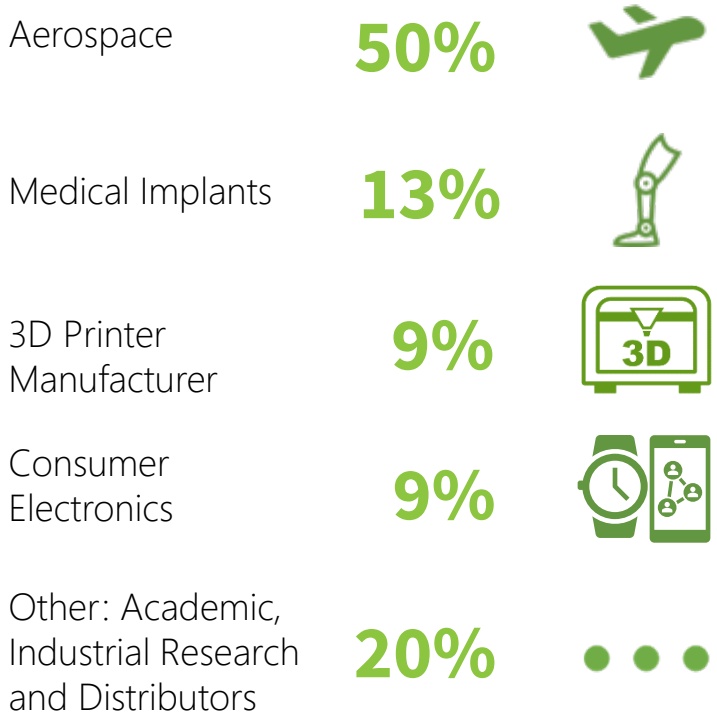


global reach

Customer location (share of revenues, 2024)



Customer segments (share of revenues, 2024)



Current and targeted customers



Logos of current and targeted customers including: BOEING, AIRBUS, HYUNDAI, Honeywell, BASF, MICHELIN, MITSUBISHI HEAVY INDUSTRIES, TOYOTA, BAE SYSTEMS, THALES, SAFRAN, GALACTIC, SAMSUNG, SIEMENS, GE, Apple, arianeGROUP, BMW, Pratt & Whitney, Fraunhofer, BLUE ORIGIN, SPACE X, Lawrence Livermore National Laboratory, NORTHROP GRUMMAN, OAK RIDGE National Laboratory, ESA, Collins Aerospace, NASA, HONDA, and TEKNA.

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

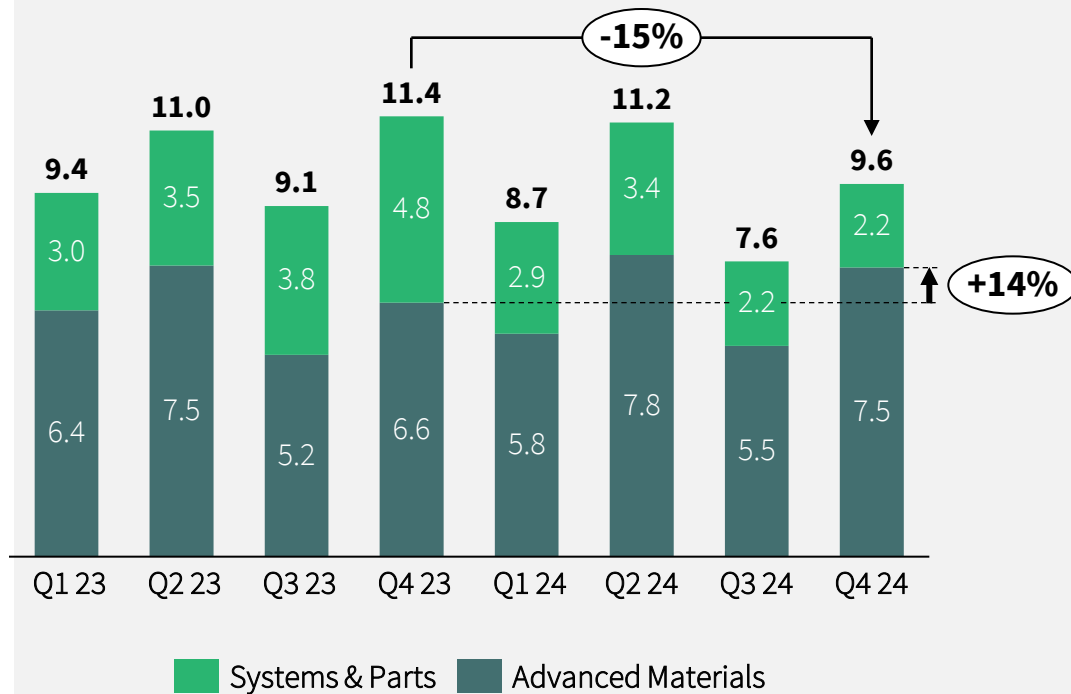
ENERGY
STORAGE 

Q4 materials revenues picked up 14% YoY

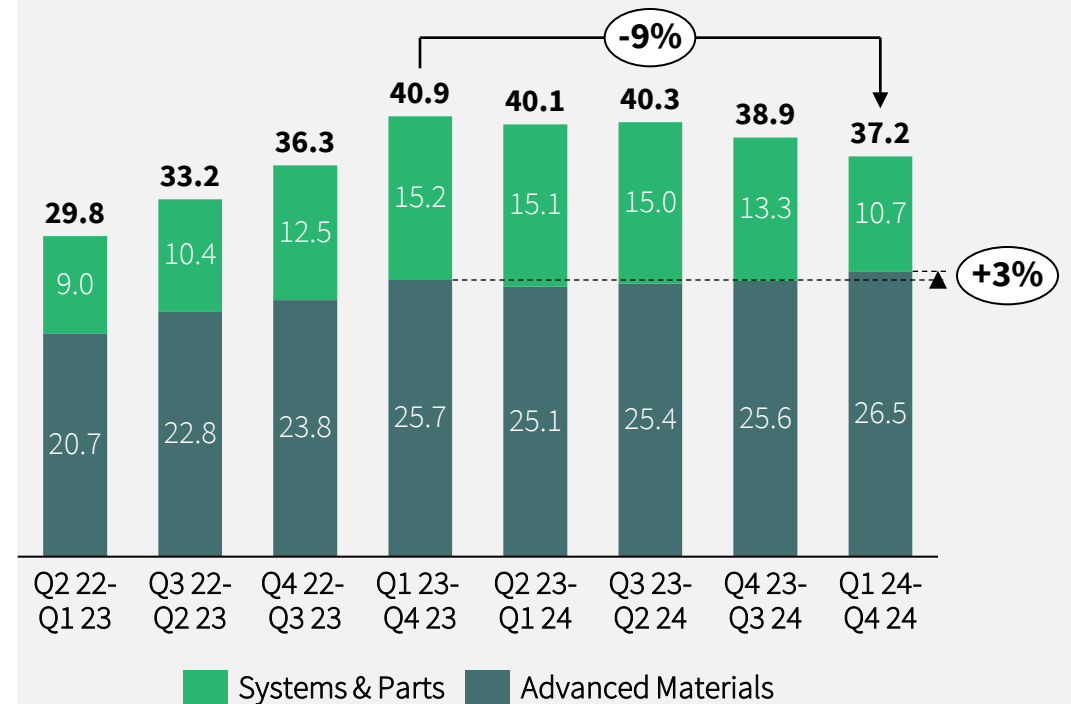
Quarter negatively impacted by a continued decline in Systems & Parts revenues

Revenue by business (CADm)

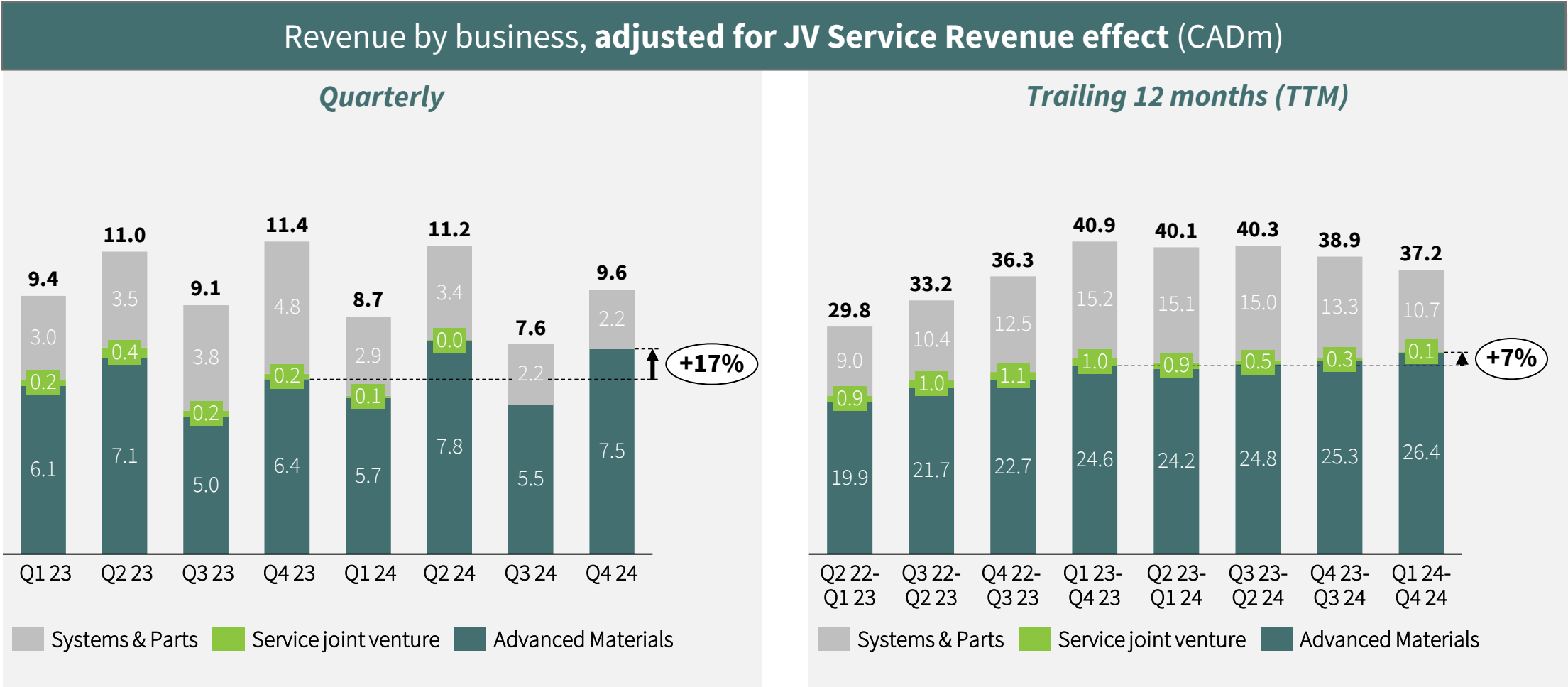
Quarterly



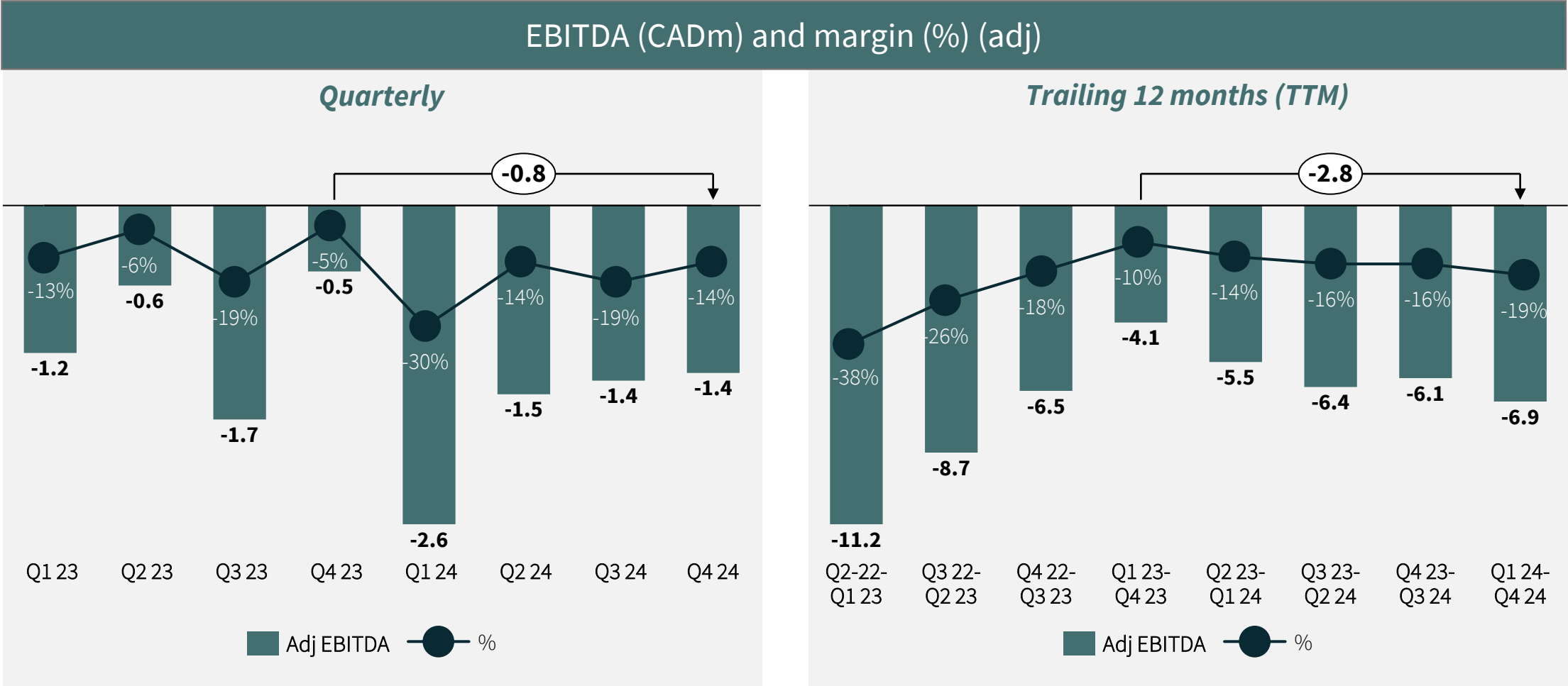
Trailing 12 months (TTM)



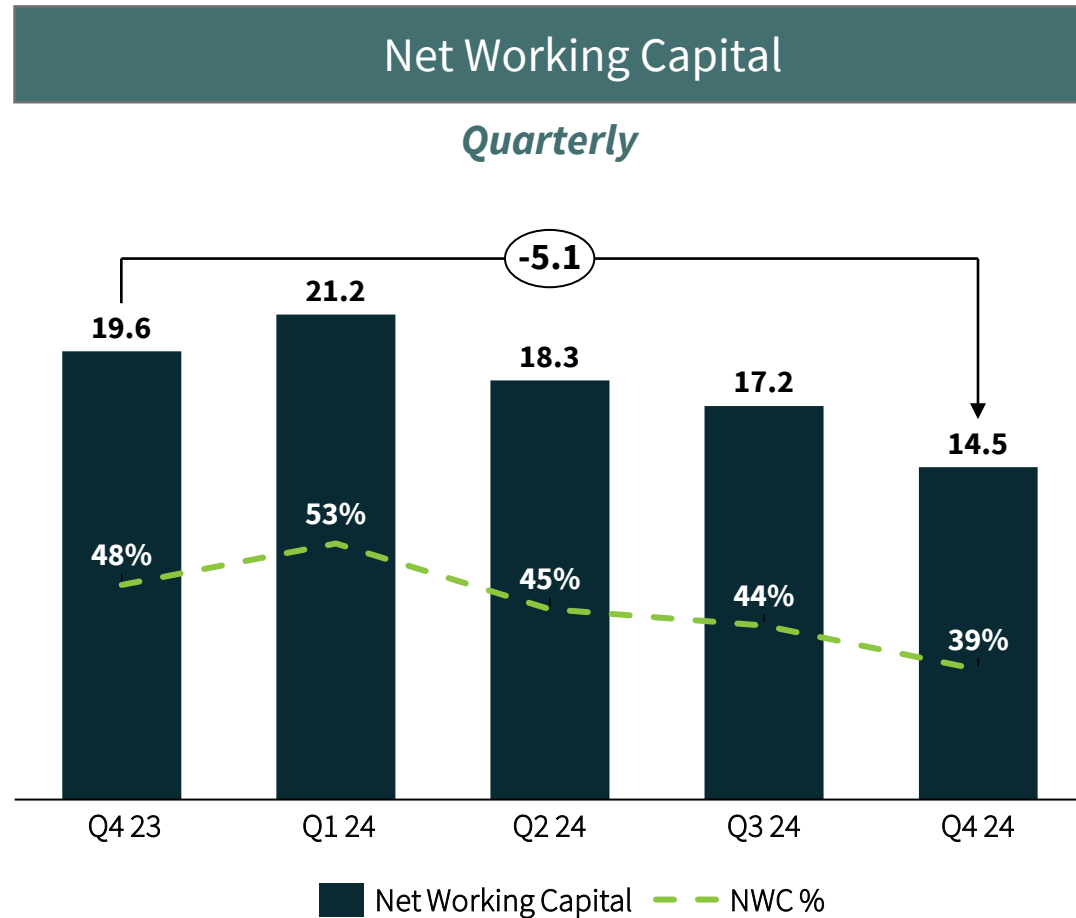
Growth in Materials 7% in 2024
when excluding for service revenues to joint venture in 2023 (CAD 1M) for comparability



Adjusted EBITDA down CAD 2.8 million over 2023, due to lower systems revenues
Tekna continues with strong focus on improvements on profitability and cash



Strong focus on cash management and cash flow



- **Net cash from operating activities** in the quarter was CAD 4.2 million, benefitting from an important reduction of working capital of CAD 2.7 million in the quarter and CAD 5.1 million YoY
- The **capital expenditures** in the quarter were CAD 0.1 million, and when excluding IFRS 16 it was close to 0 for the quarter and CAD 2.2 million for 2024. Furthermore, Capex (excl. IFRS 16) for 2025 is expected around CAD 2.5 million
- The **cash balance** at the end of the quarter increased by CAD 4.8 million to CAD 12.4 million

US Tariffs

Monitoring the situation closely and adjusting mitigation plan as situation evolves

- The uncertainty on the outcome of the tariffs creates temporary delays and cautious commerce, such that performance for the next few months might be impacted.
- Plasma Systems
 - Minimal impact resulting from components purchased in the US
 - Payment terms include the payment of the duties by the customer
- Advanced Materials
 - 40% of material sales to the US expected in 2025
 - Raw materials purchase not impacted
 - Approx. CAD 3.0 million backlog subject to outcome of tariffs
- We monitor the situation closely and mitigation plan adjusted as situation evolves

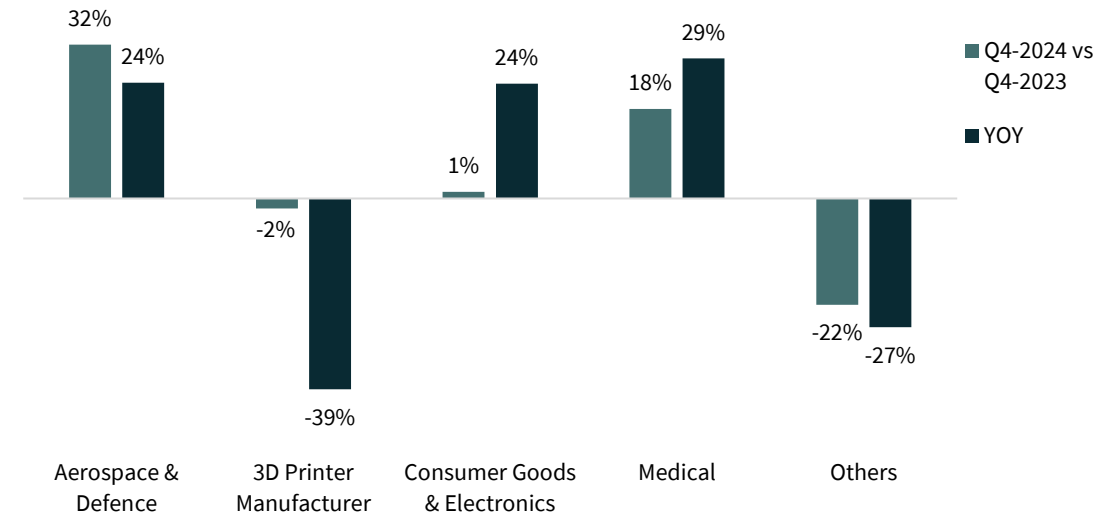


Strong YoY Advanced Material sales in Aerospace, Medical and Consumer Electronics.

Sales to AM Machine manufacturers impacted by customers' investment decisions in purchase of new 3D printers

- Slowdown in capital investment observed across the additive manufacturing industry, affected our sales of materials to AM machine manufacturers throughout the year.
- Sales to Aerospace and Medical customers continued strong in Q4, respectively closing 2024 with 24% and 29% increase over 2023.
- Sales of materials in the Consumer Electronics softer in Q4, nevertheless growing 24% over 2023.

*Tekna Advanced Materials sales
per customer segment | 2024 vs 2023 variation*



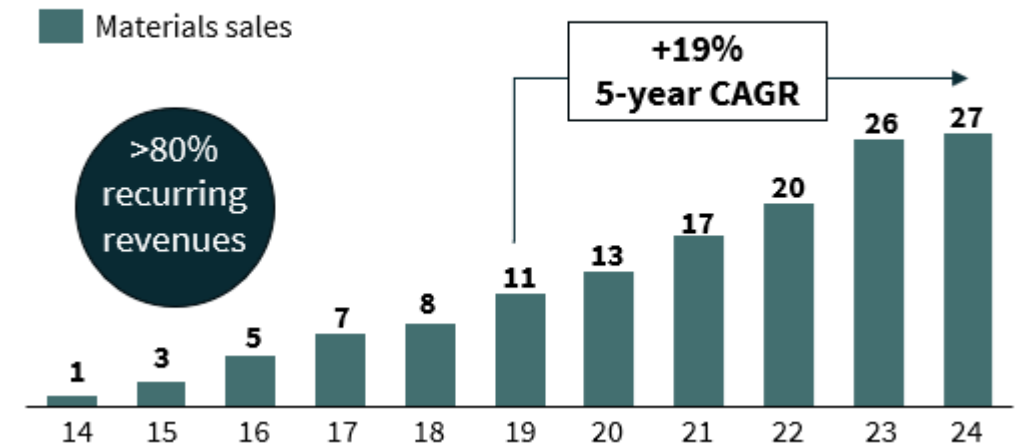
Strong fundamentals of Additive Manufacturing industry and Tekna's strategic position as a reliable supplier of high-quality products reinforces our growth vision

Outlook – Advanced Materials

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

- Economic drivers favorable to Tekna, increasing demand for 3D printing materials
 - Global trade tensions & Manufacturing reshoring
 - Aging population & Medical Implant
 - Connectivity & Electronic wearable
- Growing number of customers operating at industrial scale
- Addressable market expanding beyond 3D printing, providing sales outlet for size fractions produced
- Tekna is looking to gradually increase sales and production capacity to deliver CAD 70 million in revenues by 2027 with limited Capex

Revenue performance Advanced Materials



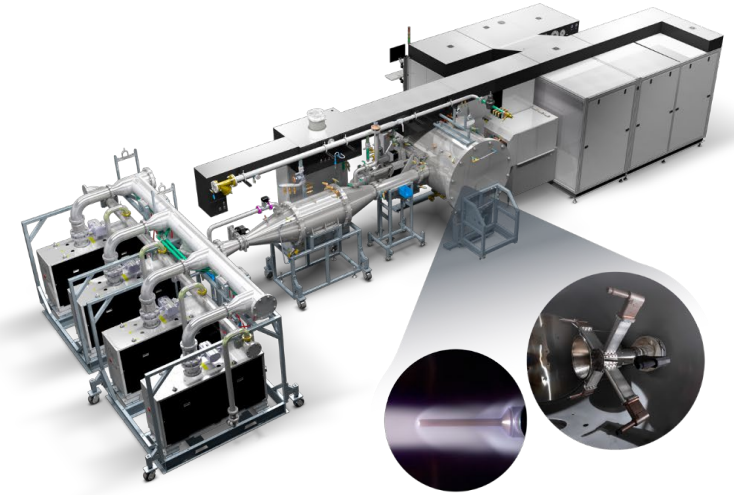
Tekna's materials growth is expected to continue to develop positively as it has done since the company started its journey as a world-leading supplier of advanced materials globally

Outlook – Other Business areas

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

Systems

- Economic drivers favorable for Tekna PlasmaSonic product line
- Four additional Plasmasonic opportunities added in the opportunity pipeline in Q4. Average selling price of over CAD 10 million per unit.
- Consistent progress in sales cycle for prospective PlasmaSonic projects in the pipeline continued to mature, increasing near to mid-term order confidence level



Microelectronics (MLCC) Development

- Recent validation tests conducted on samples delivered have yielded promising outcomes. Tekna delivered an adjusted version of the product in the fourth quarter with feedback expected in the first quarter of 2025.
- Trials of Tekna's nano material for next-generation MLCC continues

In Conclusion

- **Systems Revenue:** Declined in 2024, significantly impacting profitability, but expected to rebound in 2025 with potential large PlasmaSonic system order
- **Advanced Materials:** Sales grew 25%-30% across all sectors except 3D printer manufacturers, affected by high interest rates
- **Financial Strength:** Improved our cash position and cashflow from operations compared to the previous year
- **EBITDA & Market Conditions:** EBITDA is below target, impacted by low systems revenue
- **Market Position:** Technology and commercial fundamentals have proven resilient in a globally challenging market
- **Cost & Cash Management:** Focus on cost reduction and cash preservation remain key priorities

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

Q&A