LISTING PROSPECTUS

Tekna Holding ASA

(A public limited liability company organised under the laws of Norway)

Listing of the Shares in Tekna Holding ASA on Oslo Børs

This prospectus (the "**Prospectus**") has been prepared by Tekna Holding ASA, a public limited liability company incorporated under the laws of Norway (the "**Company**" or "**Tekna Holding**") and, together with its consolidated subsidiaries, the "**Group**") solely for use in connection with the listing (the "**Listing**") of the Company's shares (the "**Shares**") on Oslo Børs, a regulated market operated by Oslo Børs ASA ("**Oslo Børs**").

On 6 May 2022, the Company applied for the Shares to be admitted to listing and trading on Oslo Børs, and simultaneously for a delisting of the Shares on Euronext Growth, operated by Oslo Børs. The Company's application for admission to listing and trading on Oslo Børs was approved by the board of directors of Oslo Børs ASA on 22 June 2022.

The first day of listing and trading in the Shares on Oslo Børs is expected to be on or about 1 July 2022. The Shares will be listed on Oslo Børs under the ticker code "TEKNA".

The Shares are registered in the Norwegian Central Securities Depository (the **"Norwegian CSD**") in book-entry form. All Shares rank in parity with one another and carry one vote. Except where the context otherwise requires, references in this Prospectus to the Shares refer to all issued and outstanding ordinary shares of the Company.

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 before investing in the Shares and the Company.

This Prospectus does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein, and the Prospectus relates solely to the Listing.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities law of any such jurisdiction. See Section 15 "Selling and transfer restrictions".

Manager
Arctic Securities AS

The date of this Prospectus is 30 June 2022

IMPORTANT INFORMATION

This Prospectus has been prepared solely for use in connection with the Listing of the Shares on Oslo Børs. Please see Section 17 "Definitions and Glossary" for definitions of terms used throughout this Prospectus.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Arctic Securities AS has acted as the Company's financial advisors in connection with the Listing (the "**Manager**").

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisers or selling agents of any of the foregoing.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell any of the Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that is in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 15 "Selling and transfer restrictions" for further information.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

Investing in the Shares involves a high degree of risk. See Section **Error! Reference source not found.** "**Error! Reference source not found.**".

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any purchaser of the Shares regarding the legality or suitability of an investment in the Shares by such purchaser under the laws applicable to such purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Company's shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board of Directors**") and the members of the senior management of the Company (the "**Management**") are not residents of the United States, and the majority of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its board members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its board members or members of the Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its board members or members of the Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

1. SUMMARY

Introduction

Warnings..................	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The securities	The Company has one class of shares in issue. The Shares are registered in book-entry form with the Norwegian CSD with international securities identification number ("**ISIN**") NO 001 0951577.
The issuer................	The Company's name is Tekna Holding ASA, with business registration number 925 347 884 in the Norwegian Register of Business Enterprises and legal entity identifier ("**LEI**") 549300B8BGP6YLHH0K80. Its registered office is at Langbryggen 9, 4841 Arendal, Norway, with headquarter at 2935 Boulevard Industriel, Sheerbrooke, Québec, Canada. The main telephone number at the headquarter is +1-819-820-2204. The Company's website is www.tekna.com.
Competent authority	The Prospectus was approved by the Financial Supervisory Authority of Norway as competent authority, with business registration number NO 001 0907389, registered address at Revierstredet 3, N-0151 Oslo, Norway, telephone number +47 22 93 98 00 and e-mail: post@finanstilsynet.no. The Prospectus was approved on 30 June 2022.

Key information on the issuer

Who is the issuer of the securities?

Corporate information.............	The Company is a public limited liability company and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company was incorporated on 30 June 2020, its registration number in the Norwegian Register of Business Enterprises is 925 347 884 and its LEI is 549300B8BGP6YLHH0K80.
Principal activities ..	The Group is a global producer and developer of plasma systems and powders, offering plasma systems for spheroidization, nano powder synthesis, deposition, aerospace, feeders and enthalpy probe, and produces advanced micro and nano powders on an industrial scale. Since its establishment in 1990, the Group has been developing plasma and material processing, systems engineering and manufacturing of high-quality advanced powders. The Group currently operates three main business units: Additive Manufacturing, Printed Electronics and Energy Storage. Additive Manufacturing serves the aerospace, medical and automotive sectors, Printed Electronics serves customer electronics, autonomous vehicles, 5G and IoT,

	and Energy Storage serves the electric vehicles, consumer electronics and electric grid sectors.
Major shareholders	Shareholders owning more than 5% of the Shares have an interest in the Company's share capital that is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, no shareholder other than Arendals Fossekompani ASA hold more than 5% of the Shares to the Company's knowledge.

Key managing directors................

Name	**Position**
Luc Dionne	Chief Executive Officer
Serge Blackburn	Chief Financial Officer
Rémy Pontone	Vice President Sales & Marketing
Arina van Oost	Vice President Corporate Strategic Development & Innovation
Etienne Villeneuve	Vice President Operations
Nicolas-Simon D'Astous	Vice President Finance

Statutory auditor	The Company's statutory auditor is PricewaterhouseCoopers AS with business registration number 987 009 713 and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway.

What is the key financial information regarding the issuer?

Selected historical key financial information............	The selected financial information set out below has been extracted from the Group's consolidated financial statements as of and for the years ended 31 December 2021, 2020 and 2019, prepared in accordance with IFRS as adopted by the EU (the "**Financial Statements**"), and from the Group's interim consolidated financial statements as of and for the three months ended 31 March 2022 prepared in accordance with IAS 34 (the "**Q1-22 Financial Report**").

Income statement and other comprehensive income

The table below sets out key financial information extracted for the Group's consolidated financial statements for the years ended 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS, as defined below)

Key financial information - Income statement	**Year ended 31 December**		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Revenues	26,810	21,990	20,477
Net operating income/(loss)	(12,473)	(2,886)	(7,146)
Profit/(loss) for the period	(14,087)	(5,372)	(7,384)
Basic earnings per share	(0.14)	(0.12)	(0.22)
Diluted earnings per share	(0.14)	(0.12)	(0.22)

Statement of financial position

The table below sets out key financial information extracted for the Group's consolidated financial statements as of 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS, as defined below)

Key financial information – Financial position	As of 31 December		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Total assets	92,402	52,901	46,491
Total equity	76,109	18,539	4,349
Total liabilities and equity	92,402	52,901	46,491

Statement of cash flow

The table below sets out key financial information extracted for the Group's consolidated financial statements for the years ended 31 December 2021, 2020 and 2019 (prepared in accordance with IFRS, as defined below)

Key financial information – Cash flow	Year ended 31 December		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Net cash from operating activities	(13,878)	1,819	(12,992)
Net cash flow from investing activities	(28,385)	(8,153)	(264)
Net cash flow from financing activities	84,612	7,817	11,818

What are the key risks that are specific to the issuer?

Key risks specific to the issuer ....

- The Group's business is subject to several risks relating to its intellectual property rights, including the risk of the Group infringing upon third party intellectual property rights and the risk of the Group's intellectual property rights being infringed upon by others.
- The Group may experience practical and/or technical problems at its manufacturing centres.
- The Group may not be successful in continuing to develop its existing plasma systems and powders, nor develop new attractive and innovative plasma systems.
- The Group is subject to risks related to the availability of raw materials used in the productions, and dependent on key suppliers of raw materials which subject the Group to, among others, risk of delays in deliveries and production, disruption in operations and increased costs.
- The Group is subject to several risks related to its sales and distribution processes, whereby any operational or technical problem at the local distribution and sales offices may lead to to disruption in the distribution and sale of the Group's products and systems, which could subsequently result in material delays in the delivery of the Group's products and systems to customers.
- Defects in the Group's plasma systems, plasma technology or its products may result in loss of income, legal liability or reputational damage.

- The Group relies on IT and other infrastructure systems to conduct its business and any disruption, failure or security breaches of its systems could adversely affect the Group's business operations.

- The Group's business is subject to currency and exchange rate risk, relating to the Group's business transactions, operations and sales are made in several currencies, including Canadian dollar (CAD), U.S dollar, Euro, Chinese Yuan, Indian rupee, South Korean won.

Key information about the securities

What are the main features of the securities?

Type, class and ISIN	All Shares in the Company are common shares and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form under the Norwegian CSD with ISIN NO 001 0951577.
Currency, number of shares and nominal value	The Shares are issued in NOK and will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's registered share capital is NOK 250,454,692 divided into 125,227,346 Shares, each with a nominal value of NOK 2.00.
Rights attaching to the securities............	The Company has one class of Shares and all Shares carry equal rights in the Company in accordance with the Norwegian Public Limited Companies Act. Each Share carries one vote.
Restrictions on transfer.....................	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal upon transfer of the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy	The Company will strive to follow a dividend policy favorable to its shareholders. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility. The Company has not distributed any dividends since the date of its incorporation.

Where will the securities be traded?

Admission to trading	The Company applied for the Listing of its Shares on Oslo Børs on 6 May 2022 and the board of directors of Oslo Børs ASA approved the listing application on 22 June 2022. The Company expects commencement in trading of its Shares on Oslo Børs on or about 1 July 2022. The Company has not applied for admission to trading of its Shares on any other stock exchange, regulated market or multilateral trading facility.

What are the key risks that are specific to the securities?

Key risks specific to the securities............	• The price of the Shares could fluctuate significantly. • Future sales or the possibility of future sales, of substantial numbers of Shares could affect the Shares' market price. • Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares. • The Company's ability to pay dividends in accordance with its dividend policy or otherwise is dependent on the availability of distributable reserves and the Company may be unable, unwilling or restricted to pay any dividends in the future. • Market interest rates could influence the price of the Shares. • The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions.

Key information on the admission to trading on a regulated market

Why is the Prospectus being produced?

Reasons for the offer/admission to trading......................	This Prospectus has been prepared in order to facilitate the Listing of the Shares on Oslo Børs.
Use of proceeds	There will not be any proceeds in connection with the Listing since there will not be carried out any offering of Shares in connection with the Listing.
Underwriting agreements..............	Not applicable.
Conflicts of interest ..	There are no conflicts of interests in Connection with the Listing.

2. RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors set out in this Section 2 and all information contained in this Prospectus. The risks and uncertainties described in this Section 2 are the known principal risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are not exhaustive with respect to all risks relating to the Group and the Shares, but are limited to risk factors that are considered specific and substantial to the Group and the Shares. The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiary and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.

If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same. Additional specific risk factors of which the Company is currently unaware, or which it currently deems not to be material risks, may also have corresponding negative effects. Before making any investment decision, any potential investor must also take into account that a number of general risk factors that are not included in this Section 2 still apply to the Group and the Shares.

2.1 Risk factors relating to the Group's business and the industry in which the Group operates

2.1.1 Risk related to the outbreak of Covid-19

The Covid-19 pandemic may continue to cause disruptions in the Group's value chain, for example in regards of delays or cancellations in supply from the Group's suppliers or delay in production due to sick leaves amongst the Group's employees, which may result in decline in sales of the Group's systems and powders. Furthermore, Covid-19 measures implemented in jurisdictions in which the Group operates or delivers its products may impact its operations, such as in relation to logistics and transportation of its products.

2.1.2 Risks related to the Group's intellectual property rights

The Group holds intellectual property rights of significant importance to the Group, such as trademarks, patents, domain name, know-how and trade secrets, and the Group's business is dependent on its ability to sufficiently secure its intellectual property rights. There is a risk that the Group may not be able to continue to secure its intellectual property rights in a sufficient manner or secure newly developed intellectual property rights. The Group cannot ensure that third parties will not infringe on or misappropriate use any of the Group's intellectual property rights by, for example, imitating the Group's plasma technology, metal powders, trademarks and patents, or use trademarks and patents that are similar to trademarks and patents that the Group owns. In addition, the Group may fail to discover infringement of its intellectual property, and/or any steps taken or that will be taken by the Group may not be sufficient to protect its intellectual property or prevent others from seeking to invalidate its intellectual property or block sales of its products by alleging a breach of their intellectual property.

2.1.3 The production of the Group's products is subject to inherent operational hazards and risks

The Group's operating and development activities involves a high degree of risk related to the safe handling of the materials produced by the Group, which even a combination of careful evaluation, experience and knowledge cannot eliminate. Some of the powders in which the Group manufactures are pyrophoric, and any accident or error in the Group's systems, technology and manufacturing process, leading such powders to ignite, could significantly harm the Group's employees involved in the manufacturing process, as well as harm the manufacturing centres. Such incidents could also result in a material disruption in the Group's business operations and significant liability for the Group. Packaging and transport of the powders are subject to detailed regulation, and the construction and fire safety of the manufacturing centre where the powders are manufactures are also regulated. Any breach by the Group of these regulations could result in liability and fines.

2.1.4 The Group may experience practical and/or technical problems at its manufacturing centres

The Group may experience practical or technical problems in its manufacturing centres in the operation of advanced plasma technology systems and equipment. Breakdown of vital equipment may lead to prolonged outage or shutdowns of its manufacturing centres. This could substantially increase production costs and/or result in production shortfall. The Group's inability to efficiently produce its metal powders and deliver plasma technology systems in a cost effective and timely manner, and with a quality that it anticipates and which is required under the Group's customer agreements, could adversely affect the sale ability of the products and systems. In case these risks materialise, the Group may not be able to realize the anticipated premiums or may even be required to apply discounts to its prices or its customers may reject the product and systems. There can be no assurance that the Group will be successful in developing plasma technology processes and systems, and its production activities in general.

2.1.5 The Group may not be successful in continuing to develop its existing plasma systems and powders, nor develop new attractive and innovative plasma systems

The global powder market is characterised by rapid technological change, frequent new powder, and plasma system introductions, technology enhancements, increasingly sophisticated and changing customer demands and evolving industry and regulatory standards. This requires the Group to anticipate and respond to the rapid and continuing changes within technology in the powder market, and in particular, in the market for the Group's systems and powders and in the market segments in which the Group operates.

The Group's future success is dependent on its ability to continue to improve and develop powders and plasma systems. Any failure in improving existing products and systems or developing new products and systems may have a material adverse effect on the Group's financial position. Although the Group invests, and expects to continue to invest in the future, significant resources on its research and development operations, and the general improvement and development of its plasma systems and powders, there can be no assurance that new or improved systems or products will be successfully completed, or if developed, will achieve significant market acceptance In addition, the Group's competitors, may have larger research and development expenditures, and thereby, have a greater ability to fund powder and system research and can respond more quickly to new or emerging technologies or trends in the powder market or changes in customer demands If the Group is not able to respond effectively to technological changes or emerging industry standards, it could have a material adverse effect on the Group's business, financial position and profits. Furthermore, there can be no assurance that the Group will be successful in introducing new plasma technology or improved plasma systems to the global powder market in line with ongoing market trends or changes in customer demand. For example, in times of downturns in the powder market, there is a risk that the consumer demand for the Group's products and systems will decrease. If the Group introduces new products and systems at such times, there is a risk that the Group will suffer economic loss due to reduced sales. Furthermore, if the Group fails to introduce new products or systems in response to competitors' offerings, there is a risk that the Group may lose its competitive advantage and experience loss of market share. Moreover, the Group may allocate resources to the development of new plasma technology and new plasma systems that ultimately never come to market or that never gain market acceptance.

Furthermore, the Group's business depends upon the strength of its brand. A critical component of the Group's future growth is its ability to maintain, improve and promote the strength of the Tekna brand in all of the Group's markets. Any failure in maintaining and developing its plasma systems, technologies and powders could harm the Group's reputation and adversely impact the Group's efforts to maintain and develop its brand a high-valued, high-quality and secure brand.

Any failure to stay current with its offering of metal powders, plasma technology and plasma systems in any of the Group's markets could significantly decrease the Group's market share and make it difficult for the Group to regain market share in those markets when the Group does introduce new products, technology and systems. This could have a material adverse effect on the Group's business, financial position and profits.

2.1.6 The Group is dependent on key suppliers which subject the Group to, among others, risk of delays in deliveries and production, disruption in operations and increased costs

The Group depends on certain key suppliers of raw materials for the production of its metal powders, as well as certain components, consumables and services delivered by its suppliers. In the event that any supplier should experience financial difficulties or otherwise be unable to provide products and services to the Group, the Group's operations and productions may experience delays or short-fall. Such circumstances may result in higher costs for the Group, loss of revenue, cancellation of orders from customers, customer claims and loss of market share. To the extent the processes that the Group's suppliers use to manufacture raw materials, components, consumables or deliver services are proprietary, the Group may in addition be unable to obtain comparable raw materials, components, consumables and/or services from alternative suppliers. The failure of a supplier to supply raw materials, components, consumables and/or services in a timely manner, or to supply raw materials, components, consumables and/or services that meet the Group's quality, quantity and cost requirements, could impair the Group's ability to manufacture its products or decrease its costs (including claims), particularly if it is unable to obtain substitute sources of these raw materials, components, consumables and/or services on a timely basis or on terms acceptable to the Group. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations.

Furthermore, should certain of the risks described herein materialise, counterparties to any supplying or contracting agreements could, among other things, exercise their rights of renegotiation, termination and/or right to payment of liquidated damages or other amounts. Further, any termination of agreements or change of supplier may cause delay or shortfall of the Group's production. If any of these risks materialize it could have a material adverse effect on the Group's business, financial position and profits.

2.1.7 Risks related to the availability of raw materials used in the production of the Group's metal powders

There is a risk that the Group will not be able to obtain the sufficient amount of raw materials required for its production metal powders. The availability of raw materials is subject to numerous uncertainties which are beyond the Group's control. For example, raw materials used in the production of powders may be unavailable for the Group's suppliers or have lower quality than expected or required by the Group. The Group may experience an unforeseen increased need for raw materials, however, there can be no assurance that the Group's suppliers may be able to provide an increased amount of raw materials on a short notice.

Furthermore, Russia's ongoing invasion of Ukraine has and is expected to continue to have a significant impact on the Group's access to raw materials, specifically titanium, which the Group needs for its production of metal powders. Russia is a main producer of titanium within the raw materials industry, and due to the international sanctions and restrictions in trade towards Russian entities, titanium customers have diverted their supply chain to sourcing of titanium from suppliers in China. This diversion in the supply chain may cause the Group to experience increased competition with its current supplier which in turn may cause delays in acquiring the titanium, delays during the course of transportation, lower margins due to increased raw material pricing and additional transportation costs. Consequently, there can be no assurance that the Group will be able to obtain the required amount of raw materials or raw materials with the required quality from its suppliers. Such circumstances may lead to disruption in the Group's operating activities, loss of revenue and market share, customer claims and liability for the Group, which may in turn adversely impact the Group's business, financial position and profits.

2.1.8 The Group is subject to several risks related to its sales and distribution processes

The Group operates distribution and sales offices in China and South Korea. Any operational or technical problem at the distribution and sales offices may lead to disruption in the distribution and sale of the Group's products and systems, which could subsequently result in material delays in the delivery of the Group's products and systems to customers. Any such delay could have an adverse effect on the

Group's business and financial position. Further, any operational or technical problems related to the distribution and sale offices, may also lead to unexpectedly higher operating costs, loss of earnings and significant repair costs of products and systems.

Some of the Group's powders are subject to Government Export Control regulations under the dual usage group, i.e. usage for civilian or military applications. Powders falling within this category of goods require export permits, and the granting of export permits is under the control of governmental authorities in each jurisdiction. There is a risk that export permits may not be granted to the Group, or that previously granted export permits may be redrawn or not renewed. If this risk materialises, it could have a material adverse effect on the Group's business operations and financial position.

2.1.9 The Group may not be able to renegotiate its customer contracts on favorable terms or at all

The Group is dependent on customers using its metal powders and plasma technology systems. A commercial success of the Group accordingly requires that the Group retains its current customer base, and enter into new customer contracts on commercially favorable terms in order to develop and increase its customer base. However, there is a risk that the Group may suffer loss of existing customers, important customer collaborations may be terminated, existing customers may refrain from renewing contracts on the same or more favorable terms and the Group may not be able to attract new customers, all of which could result in a significant loss of revenues which may in turn adversely impact the Group's business, financial position and profits.

Furthermore, the Group relies on certain key customers with respect to sale of its metals powders and plasma technology systems. If one or more of these customers were to default with respect to their contractual arrangements with the Group, the Group might not be able to find new buyers for its products and systems or could have to sell such products and systems at a considerably lower price than expected, which in turn could have a significant material adverse effect on the financial results of the Group.

2.1.10 Defects in the Group's plasma systems, plasma technology or its products may result in loss of income, legal liability or reputational damage

The Group's plasma systems and equipment are based on complex plasma technology. The Group sets high-quality and security standards for its systems and equipment, but it is possible that its systems, equipment or the technology in which it bases its systems and equipment may contain errors or defects or otherwise not perform as expected. Although the Group carries out control procedures for testing, monitoring, securing and developing its systems, equipment and technology, there is a risk that these procedures may fail to test for all possible conditions for use, or identify all defects or errors in the specific technology used in its systems and equipment. Defects or other errors or failures could occur in the plasma technology used or within the Group's plasma systems and equipment. Any damage caused by defects or other errors or failures in the Group's systems and products may cause material liability claims against the Group, as well as significant costs for the Group, and may lead to significant reputational damage for the Group which could result in loss of customers and consequently reduced future sales. Defects or other errors in the Group's plasma systems and equipment may also result in claims for property damage, business interruptions and other negative consequences, alleged to have been caused by such error or defect. Any such errors or defects could have a material adverse effect on the Group's business, financial position and profits.

The Group is working with various technical solutions for the development of its plasma systems and plasma technology, and might from time to time be reliant on technology, know-how, patents and other intellectual property rights that are held by third parties or restricted by third parties holding such intellectual property rights. If any of the risks described above materialise, it could have a material adverse effect on the Group's business, financial position and profits.

2.1.11 The Group is subject to risks related to its IT and other infrastructure systems

The Group is highly dependent on IT and other infrastructure systems in its day-to-day business, in order to achieve its business objectives and in order to develop its software solutions, as well as to provide analyses and management services. The Group relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems.

However, there is a risk of virus attacks, attempts at hacking, social manipulation and phishing scams. Further, the Group electronically maintains sensitive data, including intellectual property, proprietary business information and that of its customers, and some personally identifiable information of customers and employees, on the Group's networks. Any failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, litigation, claims from customers and downtime, all of which could have a material adverse effect on the Group's business, financial position and profits.

2.1.12 The Group is dependent upon retaining and attracting current and prospective highly skilled personnel

The Group's ability to operate its business and implement its strategies depends, in part, on the skills, experience and efforts of its key personnel involved in, among others, management, research, technology development, operations and information technology ("**IT**") sales. As a result, the Group believes that its success depends to a significant extent upon its ability to retain such personnel, and attract prospective key employees, competition for whom may be intense, particularly within plasma technology development, IT and other tech-related positions. If the Group were to lose the service of one or more of its executive officers or other highly skilled personnel, it may not be able to execute its business strategy effectively. There can be no assurance, however, that the Group will be able to retain such personnel on acceptable terms or at all. The loss of such personnel could affect the Group's ability to develop and sell its products and services effectively, which could have a material adverse effect on the Group's business, financial position and profits.

2.2 Risk factors related to financial matters

2.2.1 The Group's business is subject to currency and exchange rate risk

The foreign exchange rate risk for the Group relates to the fact that the Group's business transactions, operations and sales are made in several currencies, including Canadian dollar (CAD), U.S dollar, Euro, Chinese Yuan, Indian rupee, South Korean won. Unfavorable fluctuations in exchange rates could have an adverse effect on the Group's business, financial positions and profits.

2.2.2 The Group's insurance policies may not be adequate to cover all types of risks, which could result in significant costs and liability for the Group

The Group's business is subject to a number of risks including, but not limited to, industrial accidents, damages on or disruptions at its manufacturing centres, its plasma technology systems and metal powders resulting in disruptions in customers' operations or damages on customers' products and services, labor disputes, and natural phenomena such an inclement weather conditions, floods, snow falls and avalanches. Such occurrences could result in damage to manufacturing centres, damages to equipment, personal injury or death, environmental damage to the Group's properties or the properties of others, delays in production activities, monetary losses and possible legal liability. Although the Group maintains insurance policies to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with the Group's business and operations and may not be adequate to cover any particular liability. Furthermore, insurance coverage may not continue to be available at economically feasible premiums, or at all. Thus, there can be no assurance that the Group will be able to enter into a full complement of insurance policies for expanded and/or future operations. Losses arising from events that are not insured or are not adequately insured may cause the Group to incur significant costs that could have a material adverse effect upon the Group's business, financial position and profits.

2.2.3 The Group may not be able to meet its funding needs as they arise

The Group may be unable to raise sufficient funds in the future to meet its ongoing or future capital and operating expenditure needs. Similarly, the Group may be unable to obtain funding in order for it to further implement its growth strategy or take advantage of opportunities for acquisitions, investments or other business opportunities. There can be no assurance that any funding will be available to the Group on sufficiently attractive terms or at all. Available sources of funding may be affected by general market conditions, if the Group faces an economic downturn in its main markets, or if the creditworthiness of the Group is weakened. If financing available to the Group is insufficient to meet its financing needs, the Group may be forced to reduce or delay capital expenditures, sell assets at unanticipated times and/or at unfavourable prices, seek additional equity capital or restructure or refinance its debt. There can be no assurance that such measures would be successful or adequate to meet the Group's financing needs or would not result in the Group being placed in a less competitive position. If any of these risks materialise, it could have a material adverse effect on the Group's business, financial positions and profits.

2.2.4 The Group may not be successful at identifying and acquiring suitable targets

The Group may from time to time consider acquiring or making investments in other companies or forming joint ventures. There can be no assurance that any future acquisition or investment will be successful. The Group may not be able to identify or acquire suitable targets, and the Group may not be able to complete acquisitions or other transaction on acceptable terms or at all.

If the Group is unable to identify suitable targets, the Group's growth prospects and strategy may suffer, and the Group may not be able to realize sufficient scale advantages to compete effectively in all markets. To the extent that the Group is successful in making acquisitions, it may have to spend substantial amounts of cash, incur debt, assume loss-making business units and incur other types of expenses in order to acquire and integrate the acquired businesses, and such integration may not be successful. In addition, the Group may be required to increase costs, reduce anticipated synergies and reduce return of investments. If any of these risks materialize, it could have a material adverse effect on the Group's business, financial position and profits.

2.3 Risk factors relating to laws, regulations and compliance

2.3.1 Trade barriers, trade restrictions and unfair trade practices may have an adverse impact on the Group’s access to certain markets and its ability to sell its products and systems

As stated above, the Group is headquartered in Canada, and operates manufacturing centres in Canada and France, and sales and distribution offices in China and South Korea. The Group's access to the powder market on a global basis may be affected and potentially restricted by trade restrictions in the form of embargo, tariffs on imports or other forms of economic sanctions imposed by the government in the countries in which the Group operates. For instance, in Q4 2021, the French Government suspended the export permits to Turkey for the sales of metal powders falling under the dual-use goods. This trade restriction currently affect less than 2 % of the Group's business. The duration of the suspension is undetermined. Any trade restrictions, trade barriers or trade practices, may have an adversely affect the Group's ability to freely offer its products in all markets and thus negatively affect the Group's sales volume with respect to its products.

2.3.2 The Group operates in a legal and regulatory environment that exposes and subjects it to litigation and disputes

The Group may from time to time be subject to commercial disagreements, contractual disputes with its metal powder and systems customers and raw material suppliers, and, possibly, litigation with these counterparties, in the ordinary course of its operations such as product and system liability claims, administrative claims and intellectual property claims as well as in relation to insurance matters, environmental issues, and governmental claims for taxes or duties. The ultimate outcome of any disagreement, dispute or litigation, and the potential costs, time and management focus associated with prosecuting or defending such, could have a material adverse effect on the Group's business, financial condition and cash flows.

The Company's subsidiary and the operating company of the Group, Tekna Plasma Systems Inc., is currently involved in a dispute with AP&C Advanced Powders & Coatings Inc. regarding competing patent rights for the production of titanium powder in Canada, and more precisely to a specific patent which is part of the same patent type as one of the Group's significant patents. Unless settlement is reached, court proceedings are expected to commence in 2022. If the dispute is not resolved in favor of Tekna Plasma Systems Inc., there is a risk that the Group's production and sales of titanium powder in Canada may be restricted, which could have a negative effect on the Group's business operations consisting of relocation to ensure business continuity and the Group's financial position. Furthermore, there is a risk that if the dispute is not resolved in favour of Tekna Plasma Systems Inc., the Group may incur costs related to the payment of historic royalty for titanium powder sold under the disputed patent. For more information, see Section 7.8.

2.4 Risks factors relating to the Shares and the Admission

2.4.1 Potential volatility of share prices

An investment in the Shares involves risk of loss of capital, and securities markets in general have been volatile in the past. The trading volume and price of the Shares may fluctuate significantly in response to a number of factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations, (ii) recommendations by securities research analysts, (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company, (iv) addition or departure of the Company's executive officers, directors and other key personnel, (v) sales or perceived sales of additional Shares or securities convertible into Shares, (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors, and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Another factor that may influence the market price of the Shares is the annual yield on the Shares. An increase in market interest rates may lead purchasers of shares to demand a higher annual yield, which accordingly could materially adversely affect the market price of the Shares.

There is a risk that the market price of the Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental and governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Shares by those institutions, which could materially adversely affect the trading price of the Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the Company's operations could be materially adversely impacted and the trading price of the Shares may be materially adversely affected.

2.4.2 Risks related to majority shareholders and majority shareholder rights

Arendals Fossekompani ASA ("**AFK**") is and will be the majority shareholder of the Company following the Listing. AFK will, as the majority shareholder, be able to make decisions regarding the Company in which other shareholders might disagree with. Any conflict or disagreement between the majority shareholder and other shareholders of the Company may lead to disputes and could result in other shareholders selling their shares in the Company.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Shares on Oslo Børs.

The Board of Directors of Tekna Holding ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

30 June 2022

The Board of Directors of Tekna Holding ASA

Morten Henriksen *Chairman*	Torkil Mogstad *Board member*
Barbara Thierart-Perrin *Board member*	Anne Lise Meyer *Board member*

4. GENERAL INFORMATION

4.1 Other important investor information

This Prospectus has been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company has furnished the information in this Prospectus. The Manager make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Manager disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement. The Manager are acting exclusively for the Company and no one else in connection with the Listing. It will not regard any other person (whether or not a recipient of this document) as its clients in relation to the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Listing. Neither the Company nor the Manager, nor any of their respective affiliates, representatives, advisers or selling agents is making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors".

4.2 Date of information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time of approval of this Prospectus by the Norwegian FSA and the Listing, will be included in a supplement to this Prospectus. Except as required by applicable law and stock exchange rules, the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

4.3 Presentation of financial information

4.3.1 Historical financial information

The financial information in this Prospectus principally comprises the consolidated financial information for the Group.

The Company was incorporated on 30 June 2020 as a new holding company for the Group, and has consequently not prepared separate financial accounts for the last three years. Arendals Fossekompani (AFK) increased the share capital in the Company by contribution in kind in form of shares in Tekna Holding ASA on 11 March 2021. The transaction represents a capital reorganization and is not in scope of IFRS 3 Business combinations. Management has determined that predecessor accounting best reflects the economic substance of the transaction, since AFK’s ownership and control is not changed as a result of the transaction. The financial statements are based on predecessor values from Tekna Holdings Canada Inc.'s consolidated financial statements. On this basis, the Group has prepared the consolidated financial statements as of and for the years ended 31 December 2021, 2020 and 2019 (the "**Financial Statements**").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The Financial Statements is incorporated by reference to this Prospectus, see Section 16.3. Going forward, the Company will continue to prepare its consolidated financial statements in accordance with IFRS.

The Financial Statements have been audited by PricewaterhouseCoopers AS ("**PwC**"), as set forth in their reports included therein. There are no qualifications or emphasis of matter set out in the reports prepared by PwC.

Additionally, the Group has prepared a business update for the three months ended 31 March 2022 and released interim financial information for the 3 months period ending 31 March 2022 (the "**Q1-22 Financial Report.**"). The Q1-22 Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting ("**IAS 34**") and has been subject to a review in accordance with ISRE 2410 by the Company's auditor PwC. The Q1-2022 Financial Report is attached to this Prospectus as Appendix B. The Financial Statements and the Q1-22 Financial Report are together referred to as the "**Financial Information**".

PwC has not audited, reviewed or produced any report on any other information in this Prospectus.

The Group presents the Financial Information in CAD (reporting currency). The functional currency of the parent company, Tekna Holding ASA, is NOK in the Financial Statements due to its ties to Arendals Fossekompani and predominantly NOK financing. With effect from 1 January 2022 and reflected in the Q1-22 Financial Report, the parent company changed its functional currency from NOK to CAD to reflect the Group's current financing, underlying operations and reduced ties to Arendals Fossekompani.

4.3.2 Alternative Performance Measures ("APMs")

In this Prospectus, the Group presents certain non-IFRS financial measures and ratios.

In order to measure the Group's performance on a historic basis, the Group has primarily made use of the following measures: EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Contribution margin. These are Alternative Performance Measures ("each an "**APM** ") that aim to provide a better understanding of the Group's performance.

The non-IFRS financial measures presented herein are not recognized measurements of financial performance under IFRS but are used by the Group to monitor and analyse the underlying performance of the Company's business and operations. Investors should not consider any such measures to be an alternative to profit and loss for the period, operating profit for the period or any other measures of performance under generally accepted accounting principles.

The Company believes that the non-IFRS measures presented herein are commonly used by investors in comparing performance between companies. Accordingly, the Group discloses the non-IFRS financial measures presented herein to permit a more complete and comprehensive analysis of the Group's operating performance relative to other companies across periods. Because companies calculate the non-IFRS financial measures presented herein differently, the non-IFRS financial measures presented herein may not be comparable to similarly defined terms or measures used by other companies.

The following APMs are used by the Group:

- **Gross Profit Margin**: Is defined as gross profit as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the profit generation in the Group's operating activities.

- **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. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the profit generation in the Group's operating activities.

- **Contribution Margin %**: is defined as the Contribution Margin divided by revenues in the period. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the profit generation in the Group's operating activities.

- **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. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **EBITDA Margin**: Is defined as EBITDA as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **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 includes 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. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities without the effect from special operating items to improve comparability across periods.

  Tekna converted to IFRS for 2021, with IFRS opening balance 1 January 2019. The Company has implemented cloud-based software / ERP system during 2019-2021 and recorded the relevant costs as an asset in the balance sheet. Under IFRS, such costs are expensed (since cloud based and Company does not demonstrate ownership/ control under the relevant definitions of IFRS). The expenses recorded under IFRS for 2019-2021 are adjusted to allow for comparability between periods. No such expenses have been recorded for Q1 2022.

- **Adjusted EBITDA Margin**: Is defined as Adjusted EBITDA as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **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. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **EBIT Margin**: Is defined as EBIT as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **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 includes listing costs, adjustments for expenses related to implementation of cloud-based software recorded in the balance sheet under Canadian GAAP (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019), and litigation fees. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities without the effect from special operating items to improve comparability across periods.

- **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. The Group has presented this

APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **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. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the Group's financial position.

The tables below set out the APMs presented by the Group in this Prospectus and other marketing material on a historical interim and annual basis. The tables below show the relevant APMs on a reconciled basis, to provide investors with an overview of the basis of calculation of such APMs. See above for a further description of the APMs presented below.

Below is a reconciliation of Gross Profit Margin, Contribution Margin and Contribution Margin % for the three months period ended 31 March 2022 and 2021:

	Three months period ended 31 March	
Amounts in CAD thousands	**2022** *(Unaudited)*	**2021** *(Unaudited)*
Revenues	**6,535**	**7,829**
Materials and consumables used	3,709	3,822
(a) Gross Profit	**2,826**	**4,007**
Other direct costs	-	-
(b) Contribution margin	**2,826**	**4,007**
(c) Revenues	**6,535**	**7,829**
Gross Profit Margin (a/c)	**43.2 %**	**51.2 %**
Contribution margin % (b/c)	**43.2 %**	**51.2 %**

Below is a reconciliation of Gross Profit Margin, Contribution Margin and Contribution Margin % for the years ended 31 December 2021, 2020 and 2019:

	Year ended 31 December		
Amounts in CAD thousands	**2021** *(Unaudited)*	**2020** *(Unaudited)*	**2019** *(Unaudited)*
Revenues	**26,810**	**21,990**	**20,477**
Materials and cosumables used	14,893	11,259	11,027
Gross Profit	**11,917**	**10,731**	**9,450**
Other direct costs	414	438	447
(b) Contribution Margin	**11,503**	**10,293**	**9,003**
(c) Revenues	**26,810**	**21,990**	**20,477**
Gross Profit Margin (a/c)	44.4 %	48.8 %	46.1 %
Contribution Margin % (b/c)	**42.9 %**	**46.8 %**	**44.0 %**

Below is a reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin for the three months period ended 31 March 2022 and 2021.

	Three months period ended 31 March	
Amounts in CAD thousands	**2022** *(Unaudited)*	**2021** *(Unaudited)*
Net profit/loss	**(5,472)**	**(2,004)**
Income tax expense (income)	-	-
Finance costs	112	264
Finance income	293	-
Share of net income (loss) from associated companies and joint ventures	332	319
Depreciation and amortization	1,140	768
(a) EBITDA	**(3,595)**	**(653)**
Legal and listing cost	776	848
Costs to implement cloud-based ERP system 2019-2021	-	374
(b) Adjusted EBITDA	**(2,819)**	**569**
(c) Revenues	**6,535**	**7,829**
EBITDA margin (a/c)	**(55.0) %**	**(8.3) %**
Adjusted EBITDA margin (b/c)	**(43.1) %**	**7.3 %**

Below is a reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin for the years ended 31 December 2021, 2020 and 2019.

	Year ended 31 December		
Amounts in CAD thousands	**2021** *(Unaudited)*	**2020** *(Unaudited)*	**2019** *(Unaudited)*
Profit/(loss) for the period	**(14,087)**	**(5,372)**	**(7,384)**
Income tax expense (income)	(114)	(455)	(1,459)
Finance costs	656	1,361	1,398
Finance income	400	463	(299)
Share of net income (loss) from associated companies and joint ventures	(1,472)	(2,044)	-
Depreciation and amortisation	3,742	3,170	3,217
(a) EBITDA	**(8,731)**	**285**	**(3,929)**
Legal and listing cost	2,982	810	-
Costs to implement cloud-based ERP system 2019-2021	1,120	1,114	295
(b) Adjusted EBITDA	**(4,629)**	**2,209**	**(3,634)**
(c) Revenues	**26,810**	**21,990**	**20,477**
EBITDA Margin (a/c)	**(32.6) %**	**1.3 %**	**(19.2) %**
Adjusted EBITDA Margin (b/c)	**(17.3) %**	**10.0 %**	**(17.7) %**

Below is a reconciliation of EBIT, EBIT Margin and Adjusted EBIT for the three months period ended 31 March 2022 and 2021.

	Three months period ended 31 March	
Amounts in CAD thousands	**2022** *(Unaudited)*	**2021** *(Unaudited)*
Net profit/loss	**(5,472)**	**(2,004)**
Income tax expense (income)	-	-
Finance cost	112	264
Finance Income	293	0
Share of net income (loss) from associated companies and joint ventures	332	319
(a) EBIT	**(4,735)**	**(1,421)**
Legal and listing cost	776	848
Costs to implement cloud-based ERP system 2019-2021, net of grant	-	374
(b) Adjusted EBIT	**(3,959)**	**(199)**
(c) Revenues	**6,535**	**7,829**
EBIT margin (a/c)	**(72.5) %**	**(18.2) %**
Adjusted EBIT margin (b/c)	**(60.6) %**	**(2.5) %**

Below is a reconciliation of EBIT, EBIT Margin and Adjusted EBIT for the financial years ended 31 December 2021, 2020 and 2019.

	Year ended 31 December		
Amounts in CAD thousands	**2021** *(Unaudited)*	**2020** *(Unaudited)*	**2019** *(Unaudited)*
Profit/(loss) for the period	**(14,087)**	**(5,372)**	**(7,384)**
Income tax expense (income)	(114)	(455)	(1,459)
Finance cost	656	1,361	1,398
Finance Income	400	463	(299)
Share of net income (loss) from associated companies and joint ventures	(1,472)	(2,044)	-
(a) EBIT	**(12,473)**	**(2,886)**	**(7,146)**
Legal and listing cost	2,982	810	-
Costs to implement cloud-based ERP system 2019-2021, net of grant	1,120	1,114	295
Adjusted EBIT	**(8,371)**	**(962)**	**(6,851)**
(c) Revenues	**26,810**	**21,990**	**20,477**
EBIT Margin (a/c)	**(46.5) %**	**(13.1) %**	**(34.9) %**
Adjusted EBIT Margin (b/c)	**(31.2) %**	**(4.4) %**	**(33.5) %**

Below is a reconciliation of Long-Term Debt/Equity Ratio as of 31 March 2022 and 31 December 2021.

Amounts in CAD thousands	**Q1 2022** *(Unaudited)*	**2021** *(Unaudited)*
(a) Total non-current liabilities	5,586	4,005
(b) Total equity	70,890	76,108
Long Term Debt/Equity Ratio (a/b)	**0.08**	**0.05**

Below is a reconciliation of Long-Term Debt/Equity Ratio as of 31 December 2021, 2020 and 2019.

	Year ended 31 December		
Amounts in CAD thousands	**2021** *(Unaudited)*	**2020** *(Unaudited)*	**2019** *(Unaudited)*
(a) Total non-current liabilities	4,005	24,689	37,291
(b) Total equity	76,109	18,539	4,349
Long Term Debt/Equity Ratio (a/b)	**0.05**	**1.33**	**8.57**

4.4 Rounding

Percentages and certain amounts included in this Prospectus have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

4.5 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Company, as well as the Company's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.6 Cautionary note regarding forward-looking statements

This Prospectus contains forward-looking statements. All statements contained in this Prospectus other than statements of historical facts, including statements regarding the Group's future results of operations and financial position, its business strategy and plans, and its objectives for future operations, are forward-looking statements. The words "believe", "may", "will", "estimate," "continue", "anticipate", "intend", "expect", and similar expressions are intended to identify forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Forward-looking statements are found in Sections Forward-looking statements are found in Sections 2 "Risk Factors", 5 "Dividends and Dividend Policy", 6 "Industry and Market Overview", 7 "Business of the Group", 10 "Operating and Financial Review", 11 "Board of Directors, Management, Employees and Corporate Governance", 12 "Corporate information and Description of the Share Capital" .

Prospective investors in the Company's Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group’s actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown, risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- changes and fluctuations in earnings, cash flows and financial results and conditions;
- changes in general and sector-specific economic conditions, including competition, tax and pricing environments;
- competitive pressure and changes to the competitive environment in general;
- inadequate insurance coverages within the Group;
- technical developments;
- logistics and distribution infrastructure changes in general;
- the ability to attract and retain skilled personnel;
- risks associated with use of third-party suppliers;

- risks relating to international trade;
- failure to implement strategy and ability to further expand its business and growth;
- unsuccessful acquisitions;
- failure to protect and enforce intellectual property right and liability from intellectual property claim;
- failure of IT systems;
- fluctuations of exchange and interest rates; and
- changes in laws and regulations in the jurisdictions in which the Group operates or their interpretation or enforcement.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

Except as required by applicable law, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5. DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

The Company will strive to follow a dividend policy favourable to its shareholders. The amount of any dividend to be distributed will be dependent on, inter alia, the Company's investment requirements and rate of growth. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions as well as capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

The Company has not distributed any dividends since the date of its incorporation.

5.2 Legal constraints on distribution of dividends

The Norwegian Public Limited Liability Companies Act provides several constraints on the distribution of dividends:

- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.
- The Company may only distribute dividends to the extent that its net assets following the distribution are at least equal to the sum of (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealised gains. In determining the distribution capacity, deductions must be made for (i) the aggregate amount of any receivables held by the Company and dating from before the balance sheet date which are secured by a pledge over Shares in the Company, (ii) any credit and collateral etc. from before the balance sheet date which according to Sections 8-7 to 8-10 of the Norwegian Public Limited Liability Companies Act must not exceed the Company's distributable equity (unless such credit has been repaid or is set-off against the dividend or such collateral has been released prior to the decision to distribute the dividend), (iii) other dispositions carried out after the balance sheet date which pursuant to law must not exceed the Company's distributable equity and (iv) any amount distributed after the balance sheet date through a capital reduction.
- The calculation of the distributable equity shall be made on the basis of the balance sheet in the Company's last approved annual accounts, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall apply. Dividends may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date which does not lie further back in time than six months before the date of the general meeting's resolution.

5.3 Manner of dividend payments

Any dividends on the Shares will be denominated in NOK. Any dividends or other payments on the Shares will be paid through the Company's registrar in the Norwegian CSD, DNB Bank ASA (the "**Share Registrar**"). Dividends and other payments on the Shares will be paid, on a payment dated determined by the Company, to the bank account registered in connection with the Norwegian CSD account of the registered shareholder as of the record date for the distribution.

Dividends and other payments on the Shares will not be paid to shareholders who have not registered a bank account with their Norwegian CSD account. Shareholders who have not received dividends for this reason will receive payment if they register a bank account with their account operator in the Norwegian CSD and inform the Share Registrar of the details of such bank account.

Shareholders with a registered address outside of Norway may register a bank account in another currency than NOK with their Norwegian CSD account. Shareholders who have done so will receive payment in the currency of such bank account. The exchange rate(s) applied will be the Norwegian CSD Registrar's rate on the date of payment.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. Accordingly, a shareholder's right to receive dividends or other distributions will lapse three years after the payment date if bank account details have not been provided to the Share Registrar within such date. Following the expiry of the limitation period, any remaining dividend amounts will be returned from the Share Registrar to the Company.

There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 "Norwegian taxation".

6. INDUSTRY AND MARKET OVERVIEW

6.1 Principal markets

The Group is operating in the field of advanced materials. It has developed a unique and proprietary technology platform that can be used for manufacturing micro and nano sized powders for a range of industries. All such industries have in common that they are driven by global megatrends such as digitalization, electrification and need for more advanced technologies, materials and manufacturing processes. To enable such major shifts, they require extremely fine powders at a micro or nano scale.

The proprietary technology platform can also be configured into and extremely high temperature and high velocity wind tunnel for the testing of materials under simulated orbital, sub-orbital and atmospheric flight transition conditions. Under this configuration (referred to as Plasmasonic in the prospectus), the Group addresses the fast-growing industry of Orbital space flight (space tourism) and hypersonic flight.

In the context of these industries, Tekna currently has two reporting lines:

- **Advanced Materials** comprised of business units: Additive Manufacturing, Printed Electronics and Energy Storage, in which Tekna produces the powders in-house and sell them to leading original equipment manufacturers' ("**OEM**").
- **Systems** comprised of academic & industrial research systems and Plasmasonic related income. Systems are typically smaller in size and less complex in operation and are sold to research facilities and universities to stimulate research within Tekna's end-markets, thereby stimulation future demand for powder.

Revenue (M CAD) **per operating unit**	**2021**	**2020**	**2019**
Advanced materials	17.9	13.3	11.2
Systems	8.9	8.7	9.2
Total	26.8	22.0	20.5

Revenue (M CAD) **per geographic market**	**2021**	**2020**	**2019**
North America	11.8	8.8	7.6
Europe	8.8	6.5	6.6
Rest of World	6.2	6.7	6.3
Total	26.8	22.0	20.5

6.2 Advanced Materials

6.2.1 Additive Manufacturing

The Company has developed two (2) innovative methods to produce metal powders tailored for the Additive Manufacturing (commonly known as 3D printing) industry. Both methods are based on its proprietary plasma technology and are referred to in the industry as **Plasma Spheroidization and Plasma Atomization**. No other company masters both methods and there is only a handful of companies that have the competence to undertake metal atomization.[1] The Company is of the opinion that its metal powder is perceived by the Additive Manufacturing industry to be one of the highest quality products available.

The Company's **Plasma Spheroidization** process produces high yield (+95%) of sellable material with quality which the Company believes outperforms competition. The Plasma Spherodization is used by

[1] Wholers report 2022

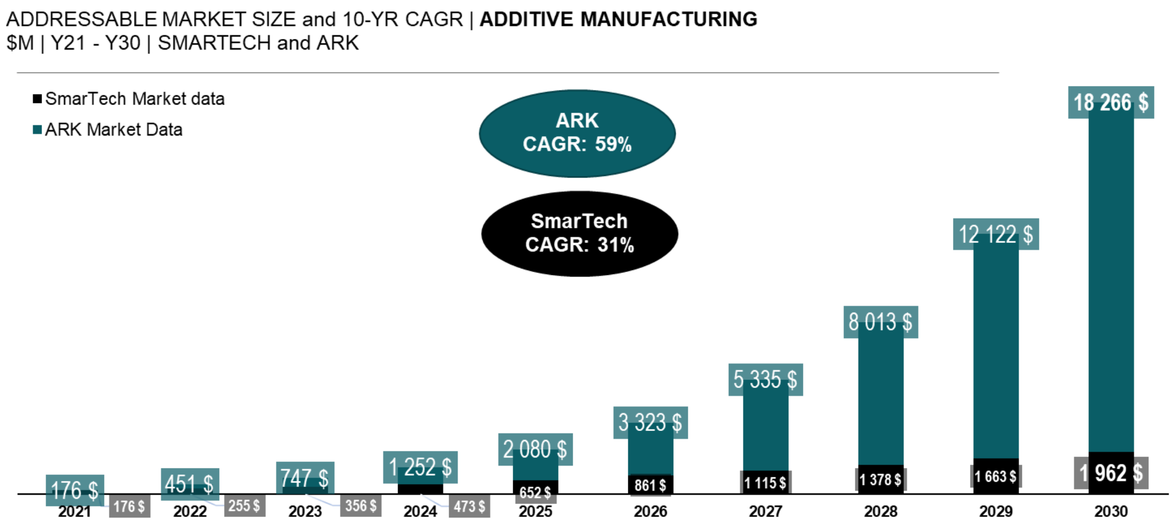
the Company for producing materials known as refractory metals that are designed to address the medical device industry and for reconditioning powders that have been subject to too many printing cycles.

There are two types of atomization: *plasma atomization* (Tekna & AP&C being the leaders[2]), and *gas atomization (competitors in the gas atomization industry are for instance Sandvik, Carpenter Technology and Eramet)*. Gas atomization is a legacy technology known for producing lower quality additive powders with slightly higher production rates.

With plasma atomization and plasma spheroidization, the Company believes it is in a unique position to capture a large market share due to competitive advantages such as:

- Superior quality and competitive pricing based on unique and proprietary process.
- Breadth of powder portfolio (the ability to convert more than 10 different kinds of metal into nano-sized powders), global distribution network to address all industry needs as a “one-stop-shop” and recycling options of waste materials.
- Autonomous and neutral powder supplier: Some powder manufacturers are positioned as supplier and competitor to the AM powder customer base as they manufacture and sell materials, printing machines and printed parts. Tekna is focused solely on powder production, aligning with OEM procurement models of securing supply agreements directly with the source.
- Defining industry standards together with original equipment manufacturers. The Company has already qualified its product with most of the world’s largest and most advanced OEMs and considers itself to be the preferred supplier due to its superior powder, independency and technology breadth.

The market size is driven by the adoption of 3D printing by additional sectors to produce more complex and higher quality parts, while reducing waste – thereby increasing quality whilst reducing costs. The addressable market is rapidly growing and will depend on a range of factors. Tekna has based its base case scenario on “SmarTech – 3D Printing and Additive Manufacturing reports,” but sees a high upside case from “ARK Investment management – Big Ideas 2021 and 2022.”



[2] Wholers report 2022

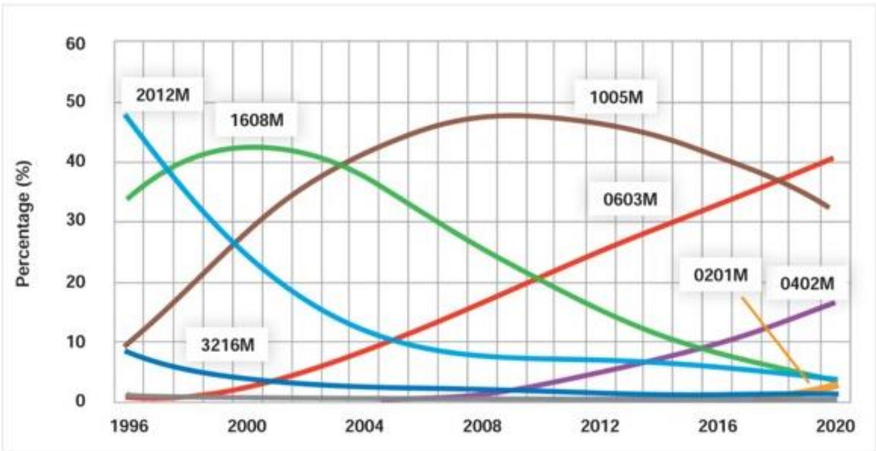
6.2.2 Printed electronics

As electronic devices get more complex, there is a strong shift to more advanced components at a smaller physical scale. There are made over 1 trillion Multi-Layer Ceramic Capacitors ("**MLCC**") annually, which are one of the key components to electronic circuits. MLCCs can be found in every-day devices all around us such as smartphones, computers, laptops and cars. Roll-out of 5G and Internet of Things ("**IoT**") is further driving the need for such components. As the MLCCs continue to shrink in size, the materials within such components are required to become smaller and smaller. The Company's proprietary technology is among the two technologies in the world that currently produces such powders.

The Company uses a process called “Inductively Coupled Plasma” which on contrary to the alternative “Direct-Current Plasma” is optimal for producing powders with sellable yields above 80% that are fit for the production of next generation MLCCs which are less than 1 millimetre thick. “Direct-Current Plasma,” is a legacy technology employed by the Company's competitors (Shoei Chemical and Guangbo) to create powders that are optimal for today’s sized MLCCs (3 mm), but the Company estimates that they have a low yield of small powders for 1mm MLCCs (<5% yield) and will lose relevance by 2030.

The production of MLCCs is centred around six large producers, while the remaining producers only account for ~1% of the supply. The Company is already engaged in a verification process with leading OEMs, with a combined market share of over >40%. However, the Company is experiencing a lot of interest from the remaining producers and expects to engage with these in the near future.

Growth by MLCC body size[1]
Percentages of MLCC sizes

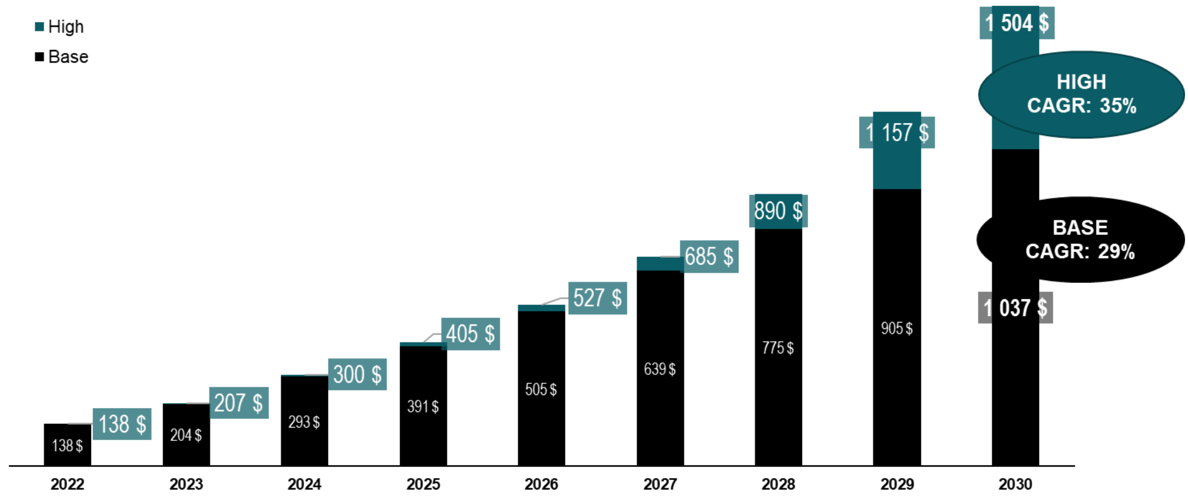


1: Source: Murata Co.

Note: The last 2 digits refer to the thickness of the MLCC devices. The smaller the number the thinner the device. 0201M being the finest and most relevant to the Company.

The market is expected to grow rapidly as depicted by Murata Co. The graph shows how the size of MLCCs follow a 30 to 40 year lifecycle. Due to the lack of market reports in this segment, the Company has conducted extensive internal research by approaching all the largest MLCC producers. Based on the data from such studies held together with the growth from previous MLCC sizes, Tekna considers the market to have a 21-25% cumulative annual growth rate.

ADDRESSABLE MARKET SIZE and 10-YR CAGR | **PE - NICKEL NANO 50 and 80, NANO GLASS**
$M | Y22 - Y30 | INTERNAL DATA



Source: Market study conducted by the Company by approaching all the largest MLCC producers.

6.2.3 Energy Storage

Parallel to the electrification of nearly every industry, follows a large need for energy storage ~ batteries. The need for batteries is strongest within the automotive industry where the fleet of electric vehicles is steadily growing and the demand for such vehicles in terms of range and quality is continuously rising. At the same time, electricity production is increasingly derived from renewable sources which are highly variable in production. This requires the installation of massive batteries to balance the energy supply and demand. Lithium-ion battery (LiB) anodes are currently produced with graphite. The current demand for anode material is 1,000,000 tons[3], which makes it a huge market. Next-generation anodes are expected to contain silicon (Si), which have several benefits over graphite:

- Silicon is the second most abundant element in the earth's crust and will result in a lower cost per kilometre or kwh. Silicon can furthermore hold 10x more energy than graphite which means higher charge density and longer driving range for electric vehicles[4]
- Improved energy density also helps reducing battery weight, which is especially attractive for electric vehicles
- Aim to develop batteries containing silicon that will be able to handle 10x more charging cycles, resulting in longer battery life[5]

As a result of these significant benefits, the annual demand for silicon is expected to reach 400,000 tons by 2030. Silicon produced from silane gas is expected to dominate the supply chain as the most cost-effective method to achieve the level of Silicon purity, size and shape required by this industry. The addressable market is thusly a function of the demand for lithium-ion batteries. The study "SI MARKETSCAPE AND OPPORTUNITIES" by Cairn Energy Research Advisors (March 2021) provides insight into how the market may grow and expects a cumulative annual growth of >30% towards 2030.

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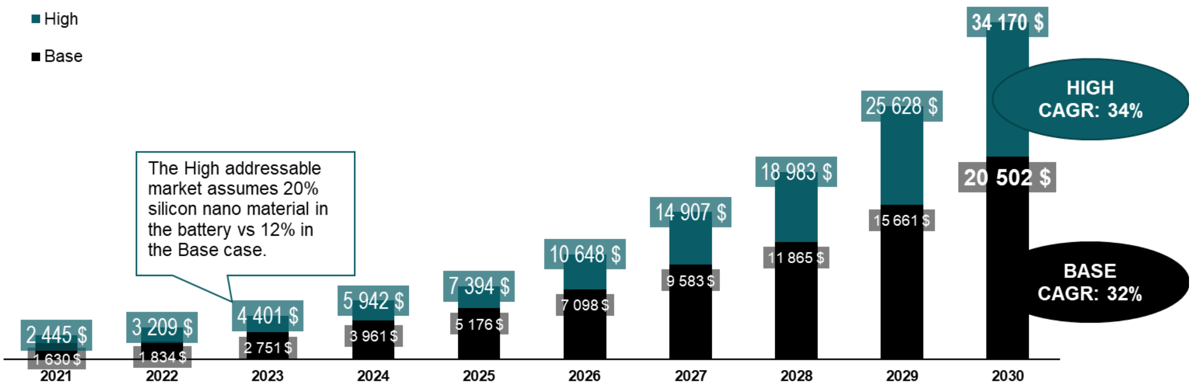
[3] "SI MARKETSCAPE AND OPPORTUNITIES" by Cairn Energy Research Advisors (March 2021)

[4] Company market research

[5] Company market research

ADDRESSABLE MARKET SIZE and 10-YR CAGR | **ES - SILICON NANO**
$M | Y21 - Y30 | INTERNAL DATA



Three methods are standing out for the manufacturing of Silicon – Silane (Tekna process), Metallurgical Source and Trichlorosilane. Silicon grinded and milled from metallurgical source is cheap and has been the dominating method so far. The battery performance improvement using silicon produced with this method has reached a physical limit, as the size of the grinded silicon, in the range of 0.5 micron to 1.0 micron, is above a critical size threshold that will induce swelling of the anode material and lead to battery failure. Silicon material size, is now seen as the most important limitation to improving Lithium battery performance. According to Cairn ERA, silane will become the most common Silicon source material by 2025 and will reach 152 KT by 2026. It will continue to grow in proportion and by 2030, will account for 94% of all Silicon source shipments used in the Lithium-ion Battery industry. A landscape of more than 30 startups has blossomed over the last five years. Each of these companies have developed some new approach to getting high-capacity Silicon into the Lithium-ion battery and are racing to develop the optimal solution. There is a limited number of small start-ups that can produce the small size material referred to above. Large battery manufacturers have recently begun adding ~1% of Silicon into the anodes of their batteries. The increase of Silicon inside anodes will inevitably pass by higher purity, smaller size silicon such as produced from Silane using Tekna's method. Under these conditions, silicon content could reach up to 20%, perhaps more as the technology reaches maturity.

Tekna has a proprietary process using silane gas with clear competitive advantages:

- Low-cost silicon production process is enabled by being able to work with any Silane source and by having the opportunity to enhance the silicon material properties by the addition of a second material onto the silicon as it is produced by the Tekna process.

- Ability to produce Silicon powders at a size below the critical swelling size. The most important factor is the ability to make a small particle size and this is achieved using Tekna proprietary plasma technology. The problem with the currently available Silicon is swelling, i.e. its volume expands with the number of charging cycles and breaks the anodes. The Company's nano size Silicon on the other hand has very little expansion, thus resolving the traditional Silicon material swelling issues.

6.3 Systems

6.3.1 Academic & Industrial Research Systems

The improvement and development of new and innovative materials is at the heart of all new products developed in the past century. At the turn of the millennium, increasing performance constraints such as fuel economy, biocompatibility and environmentally friendly solutions have driven the academic and industrial researchers to rethink legacy processes used to manufacture advanced materials. This paradigm shift has led to a need for finer yet higher performing materials.

As an established player in Inductively Coupled Plasma (ICP)[6], the Company has developed an array of turn-key and customized plasma systems designed to provide the user with a unique way to develop and produce materials that could not otherwise be achieved. The ICP technology opens the door to a near infinite number of possibilities of innovative materials.

The Plasma Systems are sought by Academic, government and industrial material research centers around the world.

To serve this market, the Company has developed a broad product line of plasma systems solutions comprising four (4) basic configurations that can easily be tailored to specific materials and research purposes. The solutions are supplied with a wide range of accessories. Concurrently to the sales of the plasma systems, the Company offering to end-users includes after sales services and spare parts. The main driver for selling systems to such research centers it to stimulate rapid technological advancements and thereby Tekna's end-markets.

The Company's production systems for its advanced materials manufacturing are developed in-house by this business unit.

6.3.2 Orbital Space & Hypersonic Flight: Plasmasonic

The concept of orbital aerospace includes global connectivity by increasing the number of satellites, and hypersonic point-to-point travel. Space travel and tourism is already emerging with recent maiden flights of Virgin Galactic, Blue origin and SpaceX.

Hypersonic commercial planes will travel more than twice as fast as the Concord and make it possible to travel in only 30 minutes from New York to Paris. According to projections of Ark Investment Management LLC passengers flying long-haul on private planes are willing to spend $15.000 for every 2 hours of travel time saved. The addressable market is estimated at $2.7 million. Combined hypersonic commercial flights and space tourism are estimated to reach a value of $270 billion by 2027.[7]

This industry requires the spacecraft to fly at ultra-high velocities and altitudes. These flight conditions add many challenges for the design of the vehicles. Among these challenges is the resistance of the outside body of the spacecraft to ultra-high temperatures and pressures.

To address the growing demand in development of materials tailored to this industry Tekna's Plasmasonic product line provides comprehensive and advanced tools to reproduce, measure and characterize material behavior exposed to hypersonic flight and orbital space conditions.

The Plasmasonic product line consists of:

- A fleet of field proven Hypersonic Wind Tunnels capable of reproducing a wide range of temperatures and pressures at Mach speeds and outer atmospheric altitudes,
- Advanced instrumentation for real-time measurement and characterization of materials,
- Simulation Software and
- Scientific and engineering consulting services.

Each Hypersonic Wind Tunnel comes with an array of proprietary features that allows the user to conduct multiple experiments under a single test run. This unique feature increases the reliability and repeatability of each trial and significantly reduces the development time and costs of new materials.

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[6] An inductively coupled plasma (ICP) is a type of plasma source in which the energy is supplied by electric currents which are produced by electromagnetic induction, that is, by time-varying magnetic fields.

[7] ARK Investment management – Big Ideas 2021 and 2022.

The Hypersonic Wind Tunnels and their related accessories are the centerpiece of the Plasmasonic product line that leverage over 30 years of knowledge in plasma science and engineering. With fielded solutions deployed globally, Tekna believes it is the only fully integrated company offering an array of solutions in this field.

The market size for these unique plasma system solutions is highly dependent on academic grants and subsidies. Based on historical sales, this line of products has a potential of delivering over CAD 250 million in revenues over the next ten years.

6.4 Competing technologies

The Group developed the inductively coupled plasma ("**ICP**") torch, which is a method to generate a high temperature inside an enclosure. The high temperature is caused by gases which are brought to the state of plasma. Plasma gas temperatures are comparable to that of the surface of the sun. The ICP torch is used to either melt or vaporise metals which are subsequently transformed into fine metallic particles.

Other methods and processes, in essence gas atomization (eg. ALD Vacuum Technology), DC plasma (eg. Pyrogenesis), Chemical Vapor Deposition (CVD; eg.Thierry Corporation, Vaportech) can achieve similar functions, but do not achieve the sum of all the key benefits generated by the ICP torch. Benefits include high material purity (no contamination), versatility of produced materials and products (eg. size, element, and surface functionalization), production rate, production cost. The ICP torch also has the benefit of being versatile in terms of the feedstock it can process, which could be in the form of wire, irregular shape particles, liquids or gas.

Tekna is not aware of any company that produces industrial scale ICP plasma systems capable of addressing all the markets included in this prospectus (AM, PE, ES, PS) or one that produces advanced materials with it.

7. BUSINESS OF THE GROUP

7.1 Introduction

The Group is a global producer and developer of advanced materials (powders) and plasma systems. The Group offers plasma systems for and peripheral equipment that are suited for conducting research, development and testing of novel materials.

Since its establishment in 1990, the Group has been developing plasma and material processing, systems engineering and manufacturing of high-quality advanced powders. The Group's business model relies on two product and revenue streams, both with synergistic effects:

- Development and sale of advanced powders: the Group uses its own proprietary technology and plasma systems to produce and sell spherical powders and nano powders; and
- Development and sale of research plasma systems: the Group develops, manufactures and sells standard and customized plasma systems for the purpose of conducting research work.

The Group is headquartered in Sherbrooke. QC, Canada, and has additional offices in France, China and Korea. The Group also works with a network of industry leading distributors in USA (KBM/Sumitomo), Europe (BCS ACNIS (France)), Japan (Mitsui) and India (Saveer Matrix Nano). As of this date, the Group has around 200 employees.

Tekna manufactures Systems in Sherbrooke (CA) and Metal Powders in Sherbrooke for AM, PE and ES and Macon (FR) for AM only. R&D is mostly based in Sherbrooke with a small satellite office in Macon.

7.2 Business strategy

Tekna is well positioned for growth and has a proven track-record of scalability, with 80% recurring sales. Revenues are driven by accelerating adoption of technologies driven by megatrends and increasing market share due to the uniqueness of the materials produced. Tekna can protect its margins due to its scalable business model and high contribution margins, secured by long-term raw material sourcing.

The Company's growth targets rest on two pillars where the objective is to ensure solid value creation:

1. **Organic growth**: 40%-50% organic growth in its advanced materials units: Additive Manufacturing (AM) sales, Printed Electronics (PE) and Energy Storage (ES).

2. **Strategic alliances**: Establishing strategic alliances, such as Tekna's JV with Aperam (Arcelor Mittal) established in 2019, will ensure swift and deep penetration of these market segments.

Tekna's growth is driven by certain megatrends accelerating the demand for high-quality materials that Tekna produces:

- 3D printing is enabling equipment manufacturers to produce parts with better properties while reducing material waste
- Digitalization and Internet of Things are driving demand for more and smaller electronic components
- Electrification of every-day devices and vehicles and the inherent variation in power generation from renewable energy sources are requiring an increasing number of batteries with longer duration and with a lower weight.
- Tekna’s clean production technology is enabling the green transition as a very low consumable (over 95% of utility gases recycled in a close loop) and CO2 free process.

The Group has developed an IP-protected plasma technology that can transform materials such as titanium, aluminium, nickel and silicon into extremely fine materials (powders), which are used to enable such megatrends. Based on the Group’s market intelligence collected over the past 15 years, Tekna is currently one of few companies, which can do this at an industrial scale level and with the required size and quality. The technology has already been commercialized and is validated by a large portfolio of global customers.

As of this date, Tekna has identified challenges within each advanced materials unit that are key to continue to fulfil the Group's business strategy moving forward:

1. The Additive Manufacturing industry is in its early years which is resulting in lower demand for specific products that are produced by Tekna as secondary yield. This lower demand results in increasing inventory and working capital for those specific products, and Tekna is constantly working on optimizing production and expects to reduce the production of said specific product having a lower demand and significantly increase yield and capacity of the highest sellable products from the existing production units over the next years.

2. In Printed Electronics the signing of Tekna's first commercial customer agreement is key to transitioning this business unit from qualification to a successful P&L. Optimizing and ramping up production with potential partners will be the next step for Tekna to be successful in the Printed Electronics business unit.

3. In Energy Storage, Tekna is on the verge of an official product launch, which will start its qualification cycle on this material and attract potential customers. The aim is to select the candidate customers with whom Tekna would ultimately enter into long-term partnership(s) and vertically integrate in the value chain.

Tekna's business model is scalable, recurring, and sticky due in part to qualification time and cost of the unique high-quality materials Tekna produces. Customers will therefore be inclined to stay with Tekna once they have incorporated the materials into their production process. Due to the low CAPEX requirements, Tekna can easily continue to scale up its capacity, as it has been doing for the past years.

7.3 History and important events

The Company was established on 30 June 2020, however, the Group has decades of history and strong market positions dating back to 1990. Prior to the establishment of the Company, Tekna Canada was the holding company of the Group. Below is an overview of key events in the history of the Group.

Year	Key events
1990	Establishment of Tekna Plasma Systems
1991	Tekna files its seminal patent on induction plasma torch technology
2002	Tekna moves from a city loan to a new, state of the art facility (~2,900 m2)

Year	Key events
2008	Alliance between Tekna and EFD Induction
2009	Establishment of Tekna Advanced Materials (TAM)
2010	Inauguration of a 2nd facility (~3,700 m2) in Sherbrooke for hosting TAM operations
2014	Tekna is acquired by Arendals Fossekompani ASA
2015	Tekna files a patent on induction plasma atomization technology for producing metallic powders for additive manufacturing
2015	Introduction of additive manufacturing materials
2017	Tekna receives AS9100D aerospace qualification for its products and systems
2018	Tekna installs production capacity for AM powders in Mâcon, France
2018	Tekna receives medical qualification for its products and systems
2019	Tekna establishes a joint venture company with Aperam Imphy S.A.S, ImphyTek Powders S.A.S.
2020	Tekna receives automotive qualification for its products and systems
2020	Incorporation of the Company (Tekna Holding AS)
2021	The Company's Shares are admitted to trading on Euronext Growth Oslo
2022	The Company is resolved to be converted into a public limited liability company
2022	Tekna receives ISO 13485 and ISO17025 certification for its powder manufacturing.

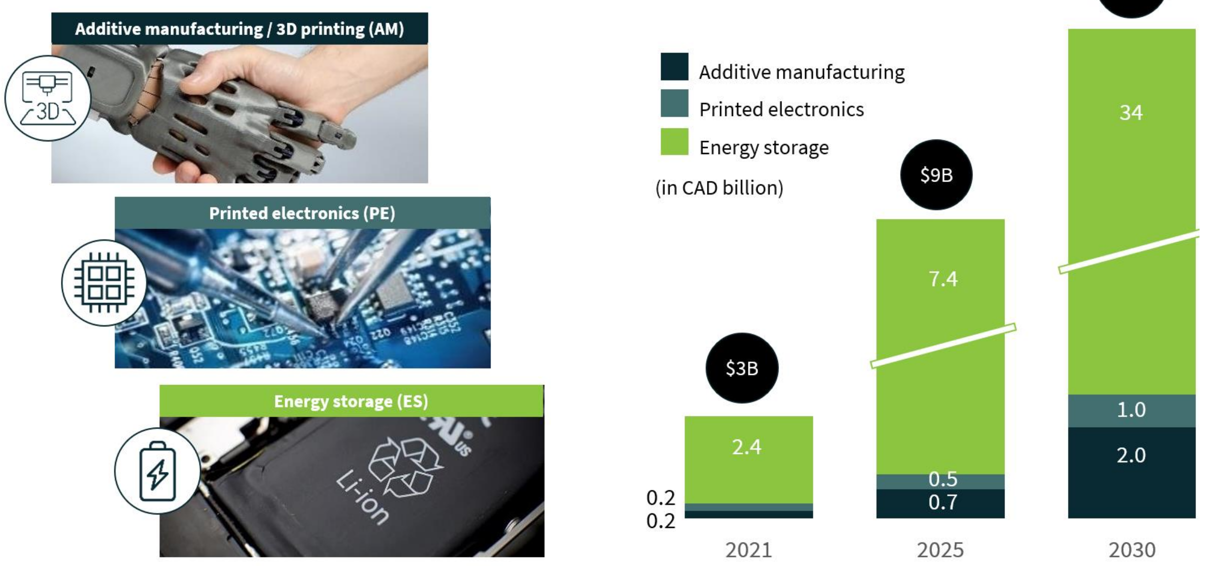
7.4 The Group's business activities

7.4.1 Overview of principal activities

The Group currently operates four main business units: Additive Manufacturing, Printed Electronics, Energy Storage and Systems (incl. Plasmasonic). Additive Manufacturing serves the aerospace, medical and automotive sectors, Printed Electronics serves customer electronics, autonomous vehicles, 5G and IoT, Energy Storage serves the electric vehicles, consumer electronics and electric grid sectors and Plasmasonic serves the aerospace and defence industry. See Section 6.1 for the categories of products and services sold from 2019 to 2021, including metal powders (mainly Titanium, Aluminum alloys and Nickel alloys) for the Additive Manufacturing industry and Plasma Systems for academic and research use.

The illustration below provides an overview of the business units, including the current and expected market size going forward as described in chapter 6.1.1, 6.1.2 and 6.1.3 above.

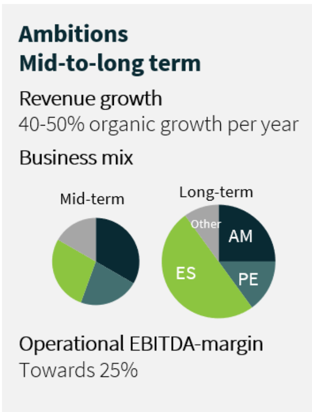
Addressable markets estimates[1]



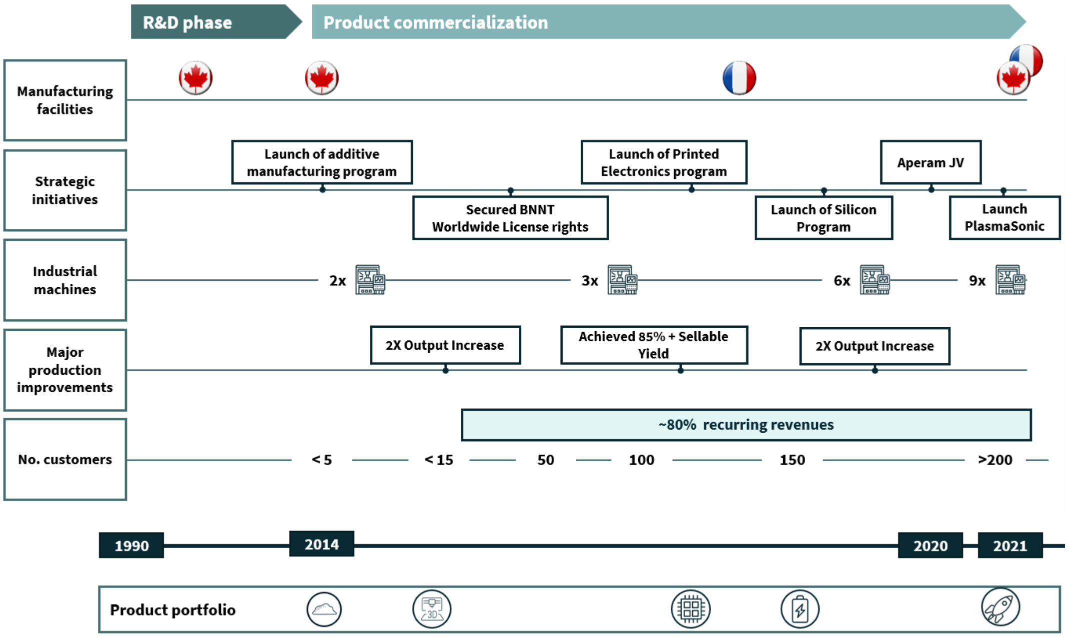
[1]Sources: SmarTech – 3D Printing and Additive Manufacturing reports, Wohlers Associates – 3D Printing and Additive Manufacturing Global State of the Industry, ARK Investment management – Big Ideas 2021, Cairn Energy Research Advisors – SI Marketscape and opportunities, company estimates

In addition to the markets size described above, and based on historical sales, the Plasmasonic line of products has a potential of delivering over CAD 250 million in revenues over the next ten years. Tekna is the only industrial size company offering an array of solutions in this field.

Tekna reiterates its mid-to-long term ambitions:



Since its establishment, the Group believes it has developed from a R&D company to a leading advanced material supplier that leverages its innovations and intellectual property assets to support and reinforce its commercial success. The illustration below provides an overview of the developments in the Group's business operations and customers since its establishment.



The illustration above reflects the complexity to launch from R&D to production with complex customers. Over time Tekna has set up manufacturing for powders in Canada and France. Tekna launched the 4 development programs: Additive Manufacturing, Printed Electronics, Energy Storage and Plasmasonic that over time evolved into new business units or became part of an already existing unit in the case of Plasmasonic. Tekna increased capacity, quadrupled output and achieved >85% sellable yield.[8] At the same time the customer base and recurring revenues grew substantially to more than >80%. While only the most advanced customers have set up mass production, it is expected that all others are moving in the same direction as they complete their internal research and optimize production processes.

7.4.2 The manufacturing process

The Group operates three manufacturing centres, including analytical and chemistry laboratories, located in Canada (Systems and Advanced Materials for AM and PE) and France (AM materials). The manufacturing centres are certified to stringent industry quality standards such as Aerospace AS9100, Medical ISO 13485 and Laboratory Testing and Calibration ISO 17025. Nine industrial scale material production systems are set up to operate 24/7 at the Group's manufacturing centres, and up to seven production systems can be added varying with material needs. In 2021 the company approved an investment roadmap of CAD 16 million to further increase production capacity in each of its business units.

The Group sources raw materials to be used in the manufacturing processes in the form of metals such as titanium, silicon, nickel, aluminium, copper, boron nitride, tungsten and tantalum. The raw material is heated up until the metal turns into liquids or vapors, and subsequently develops the liquids and gases into micro- and nanoscale advanced materials (extremely fine powder).

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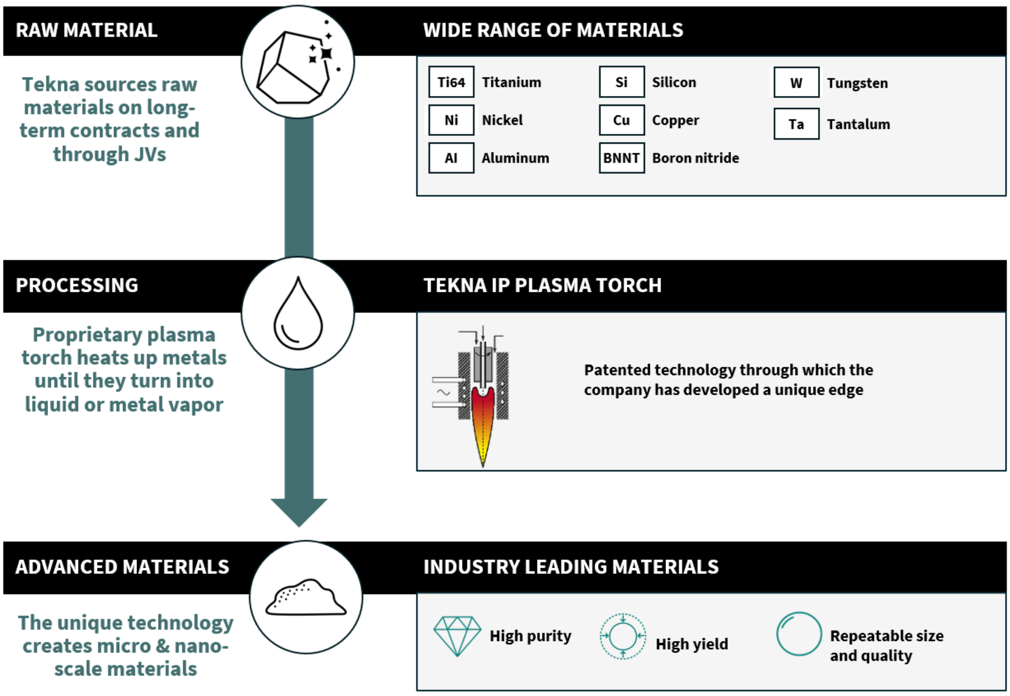
[8] Sellable yield is the proportion of the feedstock that can be sold to the consumer after atomization and post-processing.

What is plasma?

For most people, matter surrounding us in everyday life is composed of solids, liquids or gases. However, there is a fourth state of matter: the plasma. It may sound like something unusual and certainly not well-known, but people can observe it on a regular basis without even realizing it. Lightning, electric sparks, fluorescent lights, plasma televisions, Northern lights and the stars are all examples of illuminated matter in the plasma state. Interestingly, as much as 99.99% of the visible Universe is plasma. Even within our solar system, the Sun alone — a great giant ball of hydrogen and helium plasma — concentrates 99.85% of our solar system's mass.

Tekna’s scientists managed to recreate and control plasma inside a patented enclosure, referred to as a plasma torch.

Below is an overview of the Group's manufacturing process:



7.4.3 Business units

<u>Additive Manufacturing</u>

The Additive Manufacturing business unit includes production and sale of the Group's spherical powders to industries such as 3D Printing and Metal Injection Molding ("**MIM**"). 3D printing is a type of additive manufacturing that is at the heart of the 4.0 industrial revolution[9] and considered the 21st century's best option for onshoring manufacturing operations and simplifying supply chains. In addition, Additive

[9] Industry 4.0 has been defined as “a name for the current trend of automation and data exchange in manufacturing technologies, including cyber-physical systems, the Internet of things, cloud computing and cognitive computing and creating the smart factory”.

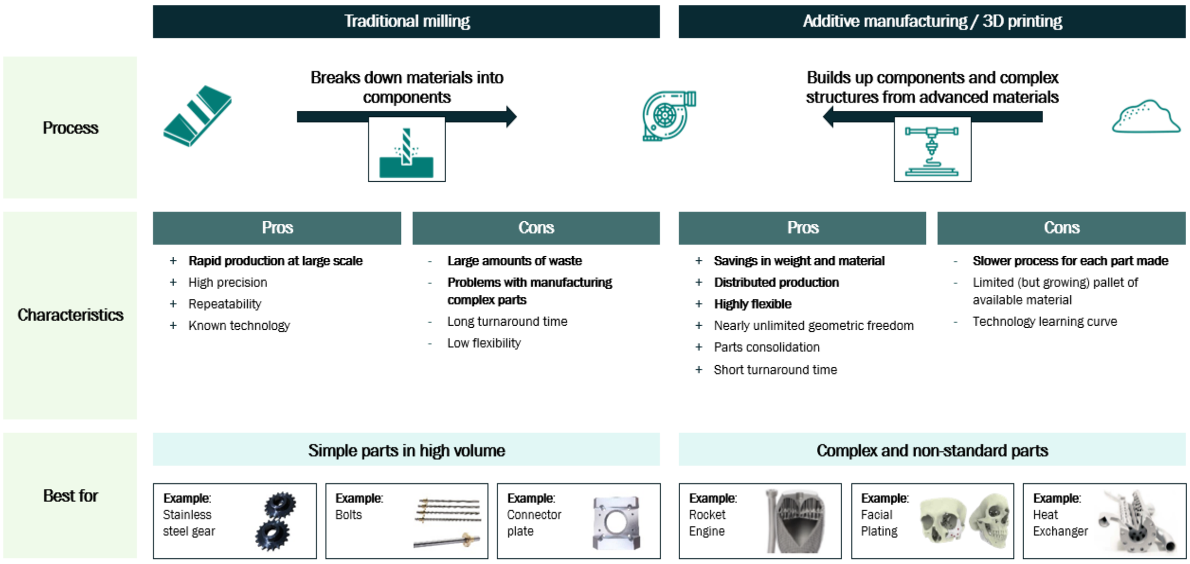
Manufacturing allows industrials to redesign and simplify existing products while using less material, making them lighter with more functionalities. This in turn, translates in fuel economy, reduced cost of goods, shorter manufacturing cycle time and improved performance.

Within Additive Manufacturing, the Group produces and sells spherical powders including titanium, aluminium, nickel, tungsten and tantalum to participants in the aerospace, medical and automotive sectors. Metal 3D printing are adopted by leading OEMs within the mentioned sectors. The Group's revenues from the Additive Manufacturing business unit amounted to CAD 18 million in 2021, growing 40% over 2020 and exceeding Additive Manufacturing metal powder market[10] growth by 70%. According to the global market share data[11] presented in its March 2020's Investors Presentation, the Company achieved its 2021 market share target reaching 9%.

In 2021 Tekna announced the signing of two multi-year supply agreements with Airbus and an unnamed large global aerospace OEM which name is kept confidential. Driven by the strong market position developed in the recent years, the Company expects to double its market share by 2025.

Further to growing its market share, the Company will leverage its core knowledge and capability as the developer of the plasma technology to further increase the productivity and margins delivered by the machines (powder atomizer). As such, the Company expects to increase individual machine output by 70%. Since its inception in 2015, the machine output has increased by 140%.

The illustration below shows the differences in the process and characteristics of traditional milling and additive manufacturing / 3D printing.



An overview of the expected addressable market size for the Group within additive manufacturing is included in section 6.

Printed Electronics

Within Printed Electronics, the Group produces and sells nano powders including nickel nano powders, copper nano powders and boron nitride nano tubes. The primary use for these powders is in the production of consumer electronics, autonomous vehicles and 5G and IoT. Within Printed Electronics,

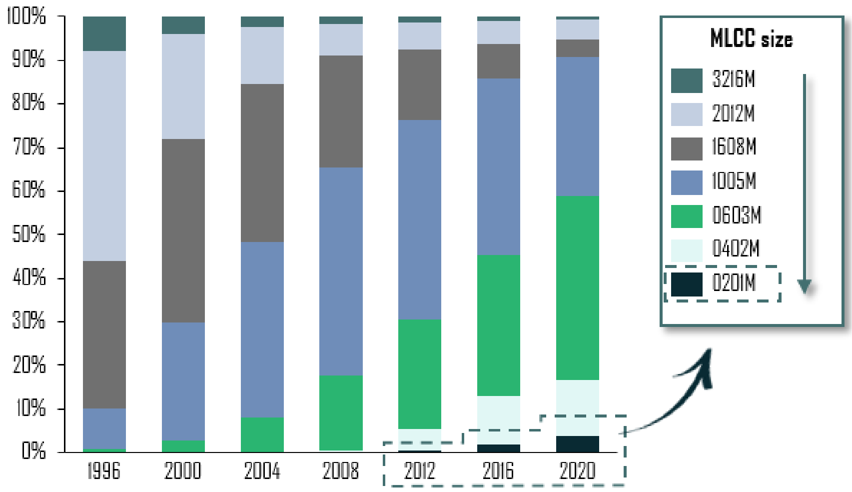
[10] Wohlers Associates – 3D Printing and Additive Manufacturing Global State of the Industry 2022

[11] SmarTech – 3D Printing and Additive Manufacturing reports 2021

nickel nano powders are the main product, while copper nano powders and boron nitride nano tubes are used in the manufacturing of conductive paste flexible circuits.

The nickel nano powders produced by the Group are used in the manufacturing of Multi-Layer Ceramic Capacitors (MLCC) which are small devices that come in various sizes and are used in electronic circuit of any object. As electronic devices get increasingly smaller and more complex, the size of MLCCs is decreasing. MLCCs are used in hundreds inside household products, in thousands inside cell phones and in tens of thousands inside autonomous vehicles. The new emerging size standard of interest to the Company is 0201M which is smaller than 1 mm. The nickel nano powders produced by the Group are used in the manufacturing of these MLCCs. In addition, the Company is developing the nano powder generation for MLCCs that will follow the 0201M generation.

The developments in the size standards of MLCCs are illustrated below. The graph depicts the development of the market share of the various MLCC sizes from 1996 -2020. Based on the lifecycle of the size standard 0603M (in green), the Group's advanced material for MLCCs has 20 to 40 years of growth ahead.



Source: Murata Co

The MLCC market is currently undersupplied, and the Group is one of very few suppliers that are able to meet the requirements for even smaller MLCC devices. The Group has engaged some of the largest MLCC producers and has initiated verification processes towards additional large MLCC producers.

Energy Storage

Within Energy Storage, the Group produces and sells nano powders including silicon powder and boron nitride nanotubes, primarily to battery producers for use in batteries for electric vehicles, consumer electronics and electric grids.

Silicon can hold 10x more energy than graphite which means higher charge density and longer driving range (EVs). Furthermore, it is Tekna's aim to develop materials for batteries that will be able to handle 10x more charging cycles resulting in longer battery lifetime, and improved energy density reduces battery weight.[12] One challenge when replacing graphite with silicon powder in the battery anodes, is that silicon traditionally has experienced swelling and expansion. The solution to avoiding this effect, is to shrink the powder dimensions to nanometre scale. This is where Tekna's production process is

[12] Company market research

unique. The low-cost nature of the production process increases the attractiveness of Tekna's silicon powders further.

The battery market is large and growing due to the electrification of nearly all industries. The increased demand for silicon nano powders is the combined result of industry growth and increasing silicon content inside batteries, expected to grow from 3% to 20% by 2030.[13]

The Group has a low-cost silicone production process and has made improvements related to Lithium ion Battery conductivity. The Group's plasma process can produce nano size silicon powders which has very little expansion, which enables increased concentration of silicon powders up to 20% and in turn increases the operating range of the batteries.

An overview of the expected addressable market size for the Group within energy storage is included section 6.

Plasmasonic

Since 2010, the Group has developed a comprehensive and unique line of products aimed at supporting OEMs and government agencies in the simulation and testing of orbital, sub-orbital[14] and atmospheric flight transition conditions. The Plasmasonic product line consists of:

- A fleet of field proven Hypersonic Wind Tunnels capable of reproducing a wide range of temperatures and pressures at Mach speeds and outer atmospheric altitudes,
- Advanced instrumentation for real-time measurement and characterization of materials,
- Simulation Software and
- Scientific and engineering consulting services.

Each Hypersonic Wind Tunnel comes with an array of proprietary features that allows the user to conduct multiple experiments under a single test run. This unique feature increases the reliability and repeatability of each trial and significantly reduces the development time and costs of new materials.

The Group also provides a number of refractory material options that are designed to improve thermal and wear resistance to spacecrafts operating under severe conditions such as those encountered during atmosphere re-entry. This potential was regrouped in a unit called Plasmasonic launched in 2021. Based on historical sales, this line of products has a potential of delivering over CAD 250 million in revenues over the next ten years.

7.4.4 Customers

As of this date, the Group has more than 200 customers on a global basis comprising international blue-chip customers[15], and national and local players, such as Airbus, Boeing and Marle Tangible. Targeted customers for the Group are potential customers that are known to have a development or commercial activity involving some of the materials as those produced and sold by the Group. Current targeted customers are for instance Murata Manufacturing, BASF and TDK Corporation.

The current customers are considered by the Group as a validation by the market of the Group's technology platform. The qualification time for such customers is extensive and can take up to several

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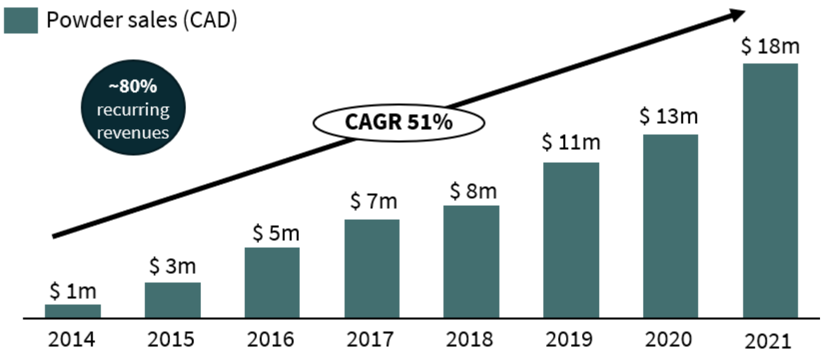
[13] Report produced by Cairn Energy Research Advisors for Tekna, 7 March 2021

[14] Wikipedia: An orbital flight is a spaceflight in which a spacecraft is placed on a trajectory where it could remain in space for at least one orbit. A sub-orbital spaceflight is a spaceflight in which the spacecraft reaches outer space, but its trajectory intersects the atmosphere or surface of the gravitating body from which it was launched, so that it will not complete one orbital revolution (it does not become an artificial satellite) or reach escape velocity.

[15] The term "blue chip" comes from the game of poker, where blue chips are the highest value pieces. A company must be well-known, well-established, and well-capitalized to be a blue chip. Membership in certain stock indexes is important for determining blue chip status.

years. Despite this long lead-time, the Group has already experienced an immense growth over the last few years, as can be seen below. As the customer relationships are now maturing and customers are nearing completion of testing Tekna powders in their products, this growth is expected to continue.



7.4.5 Development and growth

Key initiatives

The Group has set the following key initiatives for its business operations going forward:

- **Scaling up production**: increase capacity of existing production lines and build additional manufacturing centres;
- **Commercializing products**: establish the Group as a market-leader in current industry verticals;
- **Developing new products**: expand the Group's product portfolio within and beyond existing markets to leverage best-in-class plasma technology; and
- **Forming strategic alliances**: related to selected vertical integration, to leverage downstream revenues.

In addition to the four current business units, the Group's technology is providing the potential of additional business units going forward, including waste treatment. The Group's sustainable waste treatment solution is based on the same plasma technology used to produce materials for additive manufacturing purposes. The technology offers a unique solution for destruction of hazardous wastes, such as medicals and plastics. The process of plasma gasification can be used for recovery of metals that later can be reused. While the technology has been developed, its exploitation is identified as future potential.

Business plan

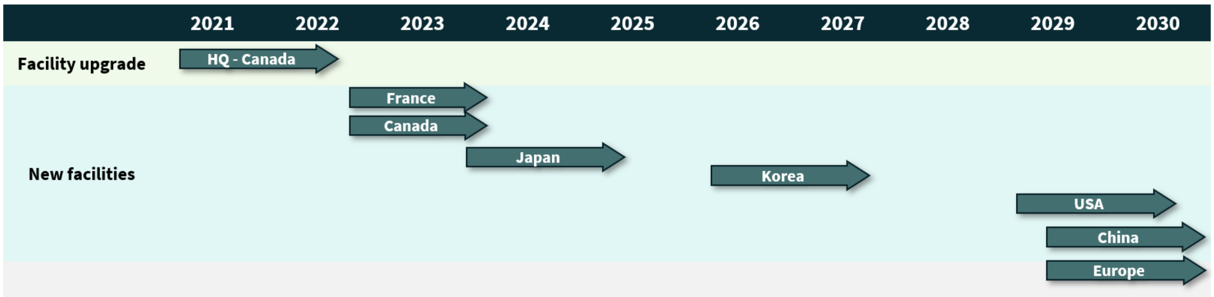
The Group's current business plan focuses on the following key items:

- **Organic growth in the Group's business units**: the Group expects that sales for advanced materials (AM, PE and ES) will grow with 40%-50% per annum in the upcoming years.
- **Strategic alliances**: establishing additional strategic alliances, like the establishment of the Group's joint venture company ImphyTek Powers S.A.S with Aperam Imphy S.A.S, will be key in ensuring a swift and deep penetration of new markets.

Over the next 10 years the Group expects to add or expand up to nine manufacturing centres, each having up to 30 systems. The actual location of the manufacturing centres will align with the customer's needs and the Company's strategy of addressing market potential with manufacturing centres near the point of use. Furthermore, the Group plans to focus on printed electronics in the Asian countries in which the Group operates, and to target its European manufacturing centre for energy storage. The production of powders and plasma systems is expected to be continued at the Group's current manufacturing centre in Canada.

Towards the end of 2021, Tekna entered a lease agreement for an industrial-pilot production facility for nickel nano powder in Sherbrooke, Canada, with the potential of providing capacity of up to 25 tons of powder annually by 2024. This was followed by an announcement in January 2022 that Tekna will be consolidating its European additive manufacturing powder production at a new facility, in eastern France, strengthening the company's supply chain resilience in Europe. Combined, the facilities in France and in Canada, will create space to grow the production capacity of 1200 tons to approx. 3,700 tons of powder annually.[16]

Below is an overview of the Group's expansion plan for its manufacturing footprint towards 2030:



Industrial scale and optimized production are expected to enable a strong growth in the Group's profitability.

The Group expects a strong revenue growth per production line (consisting of a plasma atomization unit and post-processing) in the market, from approximately CAD 2 million in 2021 to more than CAD 7.5 million in 2025. This will be a result of many factors, including higher capacity utilization and continued improvement in efficiency such as feed rate, yield, particle size, OEE and post-processing.

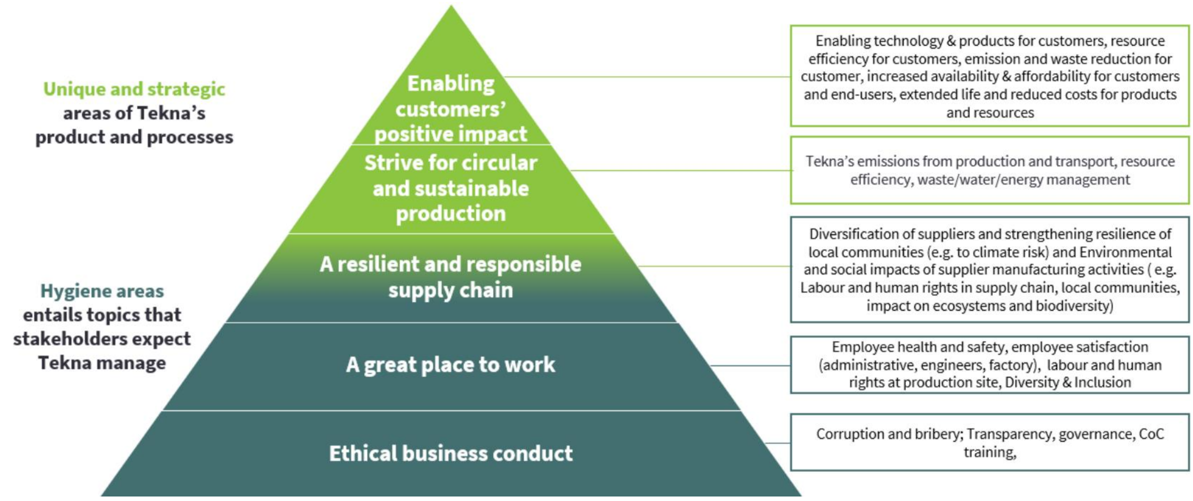
The Group estimates capital expenditure per production facility of less than CAD 60 million. The cost of such expansion will vary, mostly depending on where the Company builds a new factory.

[16] Based on current product mix and total quantity of powder produced by the atomization equipment.

7.4.6 Sustainability

The Group's ESG strategy

Resilience means advancing despite adversity by being proactive and planning for disruptions. With biomimicry[17], the Group mapped its value chain as an ecosystem. That enabled the Group to consolidate its vision for 2050, synthesize its ESG strategy and determine its focus areas with the goal of empowering its customers' vision through the resilience of the Group's ecosystem.



At the base of Tekna's operations are ethics and its employees. These are hygiene factors that stakeholders expect Tekna to manage well. Ethical business conduct is a focus area which aims for inclusive and cohesive growth across the Group's value chain. Human rights are a precondition for the

[17] Biomimicry is the design and production of materials, structures, and systems that are modelled on biological entities and processes.

freedom and dignity of people, for the rule of law, as well as for the inclusive and sustainable growth on which Tekna depends as a business. As such, the updated Suppliers Code of Conduct, and its self-assessment reporting tool, will ensure health and safety from procurement to end-users. Next comes the focus of offering “A great place to work,” with the goal of attracting and retaining talent from diverse backgrounds.

To become its own ecosystem requires unique and strategic areas for the Group's products and processes. Tekna aims to drive the green transition by enabling its customers’ positive impact. The Group wants to offer business continuity to its customers by maximizing resilience on all fronts, this includes having a diverse number of suppliers working with the Group towards a circular economy. This will guarantee the Group's customers’ positive impacts to shape society and allow innovation to take place. The focus area of “Circular and sustainable production” supports the previous one as the Group aims to make its operations ecosystem friendly. This calls for a low carbon footprint and closed-loop systems. An example of the latter is the Group's green hydrogen production used in the Group's own consumption.

Finally, at the intersection between the hygiene factors and strategic areas lies the focus of a resilient and responsible supply chain, which is essential to achieve inclusive and sustainable growth. Transparency and knowledge sharing helps capacity building and sets the conditions to allow innovation to take place as more people have access to employment, education, services and skills training while working alongside the Group's stakeholders to carefully plan for resilience according to local challenges and potential disruptions. The end goal is to have supply ecosystems per continent that are resilient to local adversity and are dynamic enough to support each other when facing shortages or crises. The Group's first step towards that goal is to open a production facility in Europe for its European customers.

Tekna’s resilience framework

Human and climate resilience are the capacity of the Group's ecosystem, including its society, to thrive long term. It entails sustainability by proactively planning for stability and circularity in the face of adversity. Workforce resilience is human resilience, and it is the capacity of Tekna's teams to sustain their well-being by collectively coping with and responding to external stresses and disturbances from social, political, and environmental changes. Vulnerability risks are increased by climate change and require inclusive bottom-up knowledge-building and preparedness. Tekna’s supply chain resilience relies on a resilient and diverse workforce, climate resilience, and collaboration between all stakeholders to anticipate and overcome disruptions. Developing support networks help responsiveness, problem solving and resourcefulness, allowing Tekna to maintain high service levels. With operational resilience Tekna is expanding its business continuity with initiatives focused on risk mitigation, identification and assessment, and subsequent monitoring. The adaptability of the Group's operations through the planning of alternative stable states and teamwork flexibility is key to pursuing Tekna's vision.

Tekna identified green opportunities aligned with the following UN Sustainable Development Goals:

- **SDG 7**: Ensure access to affordable, reliable, sustainable and modern energy for all > Tekna developed a cost-efficient process to produce silicon nano powders that are used in the manufacturing of Lithium-ion batteries (LiB) and improves its characteristics.
- **SDG 9**: Build resilient infrastructure, promote sustainable industrialization and foster innovation > Tekna (producer of manufacturing powders) has a direct contribution by promoting the development and adoption of Additive Manufacturing which has many benefits compared to traditional manufacturing technologies.
- **SDG 12**: Ensure sustainable consumption and production patterns > Tekna's in-house developed manufacturing processes are low emission, resource efficient (e.g. closed-loop gas and water), green (hydro) powered systems.

Tekna has completed various steps in preparation of developing its ESG strategy:

1. **Stakeholder alignment**: Investors, Customers and Employees

2. **Value chain analyses**: identifying opportunities and risks on Environment, Social and Governance from the suppliers of Tekna's suppliers to the customers and their customers.

3. **Materiality analyses**: assessment of the likelihood and consequences in order to develop the Group's focus areas.

As part of the strategy Tekna has completed a climate risk and opportunity assessment and created a roadmap in preparation of TCFD reporting. Tekna has also assessed its revenue streams for eligibility in light of the EU taxonomy.

Tekna published its first ESG report 2021 in accordance with GRI standards on April 12, 2022. Please refer to the full report for further information www.tekna.com/esg.

Tekna is signatory of the United Nations Global Compact. Tekna is an active member of the Additive Manufacturer Green Trade Association (AMGTA).

7.5 Research and development

The Company is a technology company owning significant Intellectual Property ("**IP**") and investing substantial amounts in research and development ("**R&D**"). They are important elements of the Company's strategy in order to reach its financial ambition and build shareholder value.

Research and development conducted by the Company comprises applied research work on innovative processes and materials, development of new products and continuous improvement of current manufacturing processes.

The Group employs more than 70 undergraduates and post-graduates having a wide set of academic backgrounds relevant to the field of advanced materials, manufacturing engineering, chemistry, metallurgy, etc. More specifically, Tekna R&D activities are focussed on 2 main work streams a) adding new advanced material powders to its portfolio and b) continuously improving its core technology to increase a) capabilities and b) productivity of its production system. These 2 work streams are taking place in each company unit, i.e. Additive Manufacturing, Printed Electronics, Energy Storage and Plasmasonic.

The Group annually invests about 8% of its global revenues in R&D. About 20% of the Group's R&D expenses are capitalized in the balance sheet according to the IFRS accounting principles.

7.6 Regulatory matters

Tekna's businesses operate in developed countries where there are well-defined laws and regulations. Tekna complies with these laws and regulations and endeavours to go beyond what is required for topics of interest to Tekna.

7.7 Property, plants and equipment

7.7.1 Overview

In Sherbrooke, Canada, Tekna owns 2 production facilities for Systems and for powder production and leases an additional facility to expand production in North America. It also leases a 4th facility in Macon, France, for powder production for its European customer base. Tekna further owns 9 material production systems and related post-processing equipment.

7.7.2 Environmental issues

There are certain environmental issues that could affect the Group's production site in Macon, France. According to an initial high-level climate-related risk-assessment a non-quantified risk of flooding and forest fires were identified as possible environmental issues which could affect the Group's production facility. The Group's new European production location for the Group's European costumer base will make the powder production less vulnerable to environmental issues. The other facilities are not exposed to environmental issues.

Furthermore, the increased demand for green technologies and solutions will drive the production of greenhouse gases ("**GHG**"), which impacts biodiversity and causes deforestation. The Group's own production results in limited amounts of GHG emissions. The Group has, however, identified that long-distance transportation in the Group's supply chain is responsible for a significant amount of GHGs.[18] Furthermore, the Group has an environmental impact from internal business operations such as emissions from employee business travels, energy consumption at the Group's office locations and waste generation. The Group is committed to ensuring that the Group's operations live up to high environmental standards. Internal work with regards to minimising the environmental impact is not only important to Tekna as the Group believes it is a joint responsibility, but also to gain trust from customers and to recruit and retain environmentally conscious employees. Tekna aims to increase knowledge and raise awareness of environmental issues among all its employees and comply with applicable legislation and regulations relating to the environment. Tekna has started the preparations to begin climate reporting under the Task Force on Climate-related Financial Disclosures framework ("**TCFD**") in 2024 and is in the process of setting targets for reducing energy consumption and GHG emissions from its business operations.

7.8 Legal proceedings

The Company's subsidiary and the operating company of the Group, Tekna Plasma Systems Inc., is currently involved in a dispute with AP&C Advanced Powders & Coatings Inc. regarding competing patent rights for the production of titanium powder in Canada, and more precisely to a specific patent which is part of the same patent type as one of the Group's significant patents. Unless settlement is reached, court proceedings are expected to commence in 2022.

The immediate consequence of the dispute is limited to an economic impact due to legal expenses. If the dispute is not resolved in favour of Tekna Plasma Systems Inc., the Group's production and sales of titanium powder in Canada may be restricted, which could have a negative effect on the Group's business operations consisting of relocation to ensure business continuity as well as costs in connection with such relocation. If the titanium powder is in fact restricted in Canada, the Group does not expect to lose any business as a consequence of such resolution of the dispute. The relocation will ensure business continuity, and the produced volumes of titanium powder will to a large extent be sold to customers outside Canada. Further, the Group may, in the event of a resolution not in favour of Tekna Plasma Systems Inc., incur costs related to the payment of historic royalty sold under the disputed patent.

The Group has not made any estimations of the size of such payment as of the date of this Prospectus. Except for the above, neither the Company nor any of its subsidiaries, are, nor have been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and neither the Company nor any of its subsidiaries are aware of any such proceedings which are pending or threatened.

7.9 Dependency on contracts, patents, licences etc.

The Group does not consider it to be dependent on a specific contract, and no contract is considered to be business-critical for the Group's business operations.

The Group's business relies on its patented and proprietary trade secrets, know how and technologies for the manufacture and sale of its plasma systems and powders. Proprietary technologies and know-how, products and processes are protected by the Group’s patents and trade secrets strategy. Since 1990, the Group has had over 110 patents granted, and 98 patents are active as of the date of this

[18] Tekna continues to improve on analysing its environmental impact. The current state of knowledge and plan going forward is extensively described in its 2021 ESG report (available on Tekna.com/esg. Note that this report is not incorporated by reference into or otherwise forms part of this prospectus.)

Prospectus. In addition, as of this date, the Group has 23 pending patents applications. The Group's patents cover a total of 25 countries.

Below is an overview of the Group's patents and patent applications deemed most material for the Group's business:

	Patent number	Description	Jurisdiction	Status	Expiration date
1	US9380693	High purity induction plasma torch	US	Granted	08.08.2023
2	US10028368	Induction plasma torch with higher plasma energy density	US	Granted	28.06.2036
3	US9718131	Method and apparatus for producing powder particles by atomization of a feed material in the form of an elongated member	US	Granted	10.02.2036
4	PCT/CA2020/050 590 (WO2020220143)	Additive manufacturing powders with improved physical characteristics, method of manufacture and use thereof	CA	Pending	N/A
5	CA3045573	Metallic powders for use as electrode material in multilayer ceramic capacitors and method of manufacturing and of using same	CA	Granted	30.01.2039
6	PCT/CA2020/051 365	Nano sized silicon powder materials and use thereof	Int'l/CA	Pending	N/A
7	US8013269	Induction plasma synthesis of metallic and ceramic nano powders	US	Granted	27.01.2026
8	US9516734	Plasma reactor for the synthesis of nano powders and materials processing	US	Granted	24.03.2024
9	US9862604	Boron nitride nanotubes and process for production thereof (Under license from NRC)	US	Granted	04.04.2034
10	US 63/122817	Boron Nitride nanotubes and process for manufacturing same	US	Pending	N/A

Further, the Group is dependent on raw material, i.e. feedstock for its advanced materials. The raw material is sourced from longstanding supply partners (over 5 years). The partners have been selected for their established industry reputation, and high level of vertical integration, which reduces the risks of shortages, minimizes lead times and increases flexibility. Multiple sources on different continents have been qualified for the supply of Tekna’s main material, Titanium. Tekna has blanket order contracts for its full year volume, fixing the price and guaranteeing continuous supply while Tekna pulls as needed. The JV with Aperam, Imphytek Powders, provides a solid backbone for supply of Nickel alloys.

Tekna is certified in the following management systems: AS9100D (aerospace quality), ISO 13425 (medical) and ISO17025 (laboratories). The Group's operations in Additive Manufacturing are dependent on these certifications, and continuing these certifications is a requirement in certain commercial contracts as well as a good starting point to doing business with new potential customers. If the Group fails to meet the requirements necessary to continue these certifications, the commercial contracts in question may be suspended and/or terminated, which could have a negative effect on the Group's business operations.

7.10 Material contracts

On 11 March 2021, a share transfer agreement was entered into between the Company and AFK for the transfer of the shareholding in Tekna Canada from AFK to the Company. Following the entry of the share transfer agreement, the Company carried out a share capital increase by way of contribution in kind with the shares held by AFK in the Tekna Canada. Pursuant to the share purchase agreement, AFK transferred all Common Shares in Tekna Canada, a total of 83,577,789 Common Shares, to the Company. No agreements were entered into in connection with the transfer for the shares in Tekna Canada from AFK to the Company for the benefit of the members of the Company's Board of Directors or Management.

Furthermore, the Company's subsidiary and the operating company of the Group, Tekna Plasma Europe SAS**,** has entered into a Shareholder Agreement with Aperam Alloys Imphy SAS, a company incorporated under the laws of France, with registered offices in Imphy, France (“**Aperam**”) where the parties agreed upon the incorporation and governance of a joint venture company ("**JV"** or **"ImphyTek Powders"**) for the purposes of developing and commercialising special steel alloys in the form of metal powders. The JV is implemented in two (2) separate phases: 1) Commercial development & sales to customers and 2) standalone operation activities, including the commercial phase and manufacturing of special steel alloys in the form of metal powders. Pursuant to the shareholder agreement, Tekna Plasma Europe SAS must notify Aperam in the event of a direct or indirect change of control. If, as a result of such change of control, a competitor of Aperam gains direct or indirect control of Tekna Plasma Europe SAS, Aperam is granted a pre-emption right to Tekna Plasma Europe SAS's shares in ImphyTek Powders S.A.S. The parties have entered into the following agreements in relation to the ImphyTek Powders operations:

- Shareholders’ agreement with Aperam
- Service agreement between Tekna and ImphyTek Powders
- Tolling agreement between Tekna and ImphyTek Powders
- Loan agreement between Tekna, Aperam and ImphyTek Powders
- Side agreement on IP rights assignment between Tekna, Aperam and ImphyTek Powders

No other contracts have been entered into outside the ordinary course of business that are considered material for the Group's existing business or profitability. Neither are there any other contracts, not being contracts entered into in the ordinary course of business, which contain any provisions under which any company within the Group has an obligation or entitlement which is material to the Group as at the date of this Prospectus.

7.11 Related party transactions

Below is a summary of the Group's related party transaction for the period covered by the Financial Information and up to the date of this Prospectus

7.11.1 Arendals Fossekompani ASA ("AFK")

In the year ended 31 December 2021 AFK sold their 83 577 789 shares in Tekna Holdings Canada Inc to Tekna Holding AS for CAD 394,898 thousand. The purchase price was settled through an increase of the share capital and contribution of an aggregate share premium of total CAD 372,030 thousand and a seller’s credit of CAD 22,397 thousand.

The interest terms of the seller’s credit were Nibor 3 months + 2% p.a, and total of CAD 80 thousand in interest expenses has been charged for the period 11th March 2021 until the repayment of the seller’s credit the 19th April 2021.

The interests charged by AFK to the Tekna Group on the loans in 2019, 2020 and 2021 represent CAD 961 thousand, CAD 904 thousand and CAD 670 thousand respectively. The interest charges for Q1 2022 represent CAD 271 thousand.

AFK has re-invoiced costs in connection with the capital increase in Tekna Holding AS with CAD 233 thousand incl VAT. Tekna Holding AS has purchased accounting services from AFK with CAD 3 thousand incl VAT.

7.11.2 Transactions with companies under common control

The revenues generated by the Tekna Group with a company owned by AFK represent CAD 2,887 thousand in 2019, CAD 1,349 thousand in 2020 and CAD 1,530 thousand in 2021. The revenues are related to systems sales.

7.11.3 Transactions with joint ventures

Tekna Plasma Europe provides tolling, production support, marketing and administrative services to the JV Imphytek Powders S.A.S.

Tekna has generated tolling revenues of CAD 551 thousand in 2020 and CAD 890 thousand in 2021. Tolling revenues for Q1 2022 represent CAD 113 thousand. Tekna has charged back operating costs to the JV totalling CAD 2,045 thousand in 2020 and CAD 2,158 thousand in 2021. The charges for Q1 2022 represent CAD 561 thousand. Tekna has charged the JV commercial rights totalling CAD 1,583 thousand in 2020.

There has been no other significant related party transaction between the periods covered by the financial statements and up to the date of the Prospectus.

8. CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

The information presented below provides information about the Group's unaudited consolidated capitalization and net financial indebtedness on an actual basis as of 31 March 2022 derived from the Group's financial information as presented in the Q1-22 Financial Report.

There have been no material changes to the Group's capitalization and net financial indebtedness since 31 March 2022.

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 9 "Selected financial and other information", Section 10 "Operating and financial review", and the Financial Statements and the notes related thereto, as incorporated by reference in this Prospectus in Section 16.3 "Documents incorporated by reference".

8.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalization as of 31 March 2022, derived from the Group's Q1-22 Financial Report.

Capitalization	**As of 31 March 2022 (i)**
Amounts in CAD thousands	*(Unaudited)*
Total current debt:	
Guaranteed	-
Secured (1)	167
Unguaranteed/Unsecured (2)	13,759
Total non-current debt:	
Guaranteed (3)	1,001
Secured (4)	2,282
Unguaranteed/Unsecured (5)	2,303
Total indebtedness (A)	19,513
Shareholders' equity	
Share capital (6)	37,277
Legal reserves	-
Other reserves (7)	33,613
Total shareholders' equity (B)	**70,890**
Total capitalization (A)+(B)	**90,403**

(i) The data set forth in this column is derived from the Group's Q1-22 Financial Report as of 31 March 2022.

(1) Current secured debt of CAD 167 thousand consists of the financial line item borrowings short-term portion of CAD 167 thousand which is secured by building and land as well as the universality of movable and immovable property, tangible and intangible assets.

(2) Current Unguaranteed/Unsecured debt of CAD 13,759 thousand consists of the financial line items trade and other payables payable of CAD 7,620 thousand, other current liabilities of CAD 2,338 thousand, contract liabilities of CAD 1,191 thousand, bank loan of CAD 2,523 thousand lease liabilities of CAD 67 thousand and borrowings short-term portion of CAD 20 thousand.

(3) Non-current guaranteed debt of CAD 1,001 thousand consists of the financial line item borrowings of CAD 1,001 thousand related which is guaranteed by Arendals Fossekompani ASA.

(4) Non-current secured debt of CAD 2,282 thousand consists of the financial line item borrowings of CAD 2,282 thousand related which is secured by building and land as well as the universality of movable and immovable property, tangible and intangible assets.

(5) Non-current Unguaranteed/Unsecured of CAD 2,303 thousand consists of the financial line item borrowings of CAD 1,010 thousand and lease liabilities of CAD 1,293 thousand.

(6) Share capital of CAD 37,277 thousand consists wholly of share capital derived from the financial line item capital and reserves attributable to holders of the company.

(7) Other reserves of CAD 33,613 thousand consists of share premium, other reserves derived from the financial line item capital and reserves attributable to holders of the company and the financial line item non-controlling interest.

8.3 Net financial indebtedness

The following table sets forth information about the Group's unaudited consolidated net financial indebtedness as of 31 March 2022, derived from the Group's Q1-22 Financial Report.

	Net financial indebtedness	**As of 31 March 2022 (i)**
	Amounts in CAD thousands	*(Unaudited*
(A)	Cash [(1)]	32,404
(B)	Cash equivalents	-
(C)	Other current financial assets	-
(D)	**Liquidity (A)+(B)+(C)**	**32,404**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) [(2)]	2,523
(F)	Current portion of non-current financial debt [(3)]	255
(G)	**Current financial debt (E)+(F)**	**2,778**
(H)	**Net current financial indebtedness (G)-(D)**	**(29,626)**
(I)	Non-current financial debt (excluding current portion and debt instruments) [(4)]	5,586
(J)	Debt instruments	-
(K)	Non-current trade and other payables	-
(L)	**Non-current financial debt (I)+(J)+(K)**	**5,586**
(M)	**Net financial indebtedness (H)+(L)**	**(24,040)**

(i) The data set forth in this column is derived from the Group's Q1-22 Financial Report as of 31 March 2022.

(1) Cash of CAD 32,404 thousand consists wholly of the financial line item cash and cash equivalents.

(2) Current financial debt (including debt instruments but excluding current portion of non-current financial debt) of CAD 2,523 thousand consists of the financial line item bank loan of CAD 2,523 thousand.

(3) Current portion of non-current financial debt of CAD 255 thousand consists of the financial line items borrowings short-term position of CAD 187 thousand and lease liabilities of CAD 67 thousand.

(4) Non-current financial debt (excluding current portion and debt instruments) of CAD 5,586 thousand consists of the financial line items borrowings of CAD 4,293 thousand and lease liabilities of CAD 1,293 thousand.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

8.5 Contingent and indirect indebtedness

As of 31 March 2022 Tekna Plasma Systems Inc. is involved in a dispute with AP&C Advanced Powders & Coatings Inc. regarding competing patent rights for the production of titanium powder in Canada. If the dispute is not resolved in favour of Tekna Plasma Systems Inc. the Group’s production and sales of titanium powder in Canada may be restricted, which could have a negative effect on the Group’s business operations. As of the date of this Prospectus, there are no significant changes in the dispute. Please refer to note 24 in the Financial Statements for more information.

9. SELECTED FINANCIAL AND OTHER INFORMATION

9.1 Introduction

The tables included in this Section 9 set out selected financial information for the Group for the periods indicated.

The selected consolidated financial information is derived from the Group's consolidated financial statements as of and for the years ended 31 December 2021, 2020 and 2019 (the Financial Statements), on the basis of preparation as set out in Note 1 to the Financial Statements, as prepared in accordance with IFRS as adopted by the EU. The Financial Statements have been audited by PwC. The Q1-22 Financial Report has been prepared in accordance with IAS 34 and has been subject to a review in accordance with ISRE 2410 by PwC.

The information below should be read in connection with the Financial Statements and is qualified in its entirety by reference to the Financial Statements, including the auditor opinion, which have been incorporated into this Prospectus in Section 16.3.

See Section 4.3.1 "Historical financial information" for further information about the background for the preparation of the Financial Information.

9.2 Summary of accounting policies

For information regarding accounting policies and the use of estimates and judgments, please refer to Note 1 of the Audited Financial Statements as of, and for the year ended, 31 December 2021, as incorporated by reference in this Prospectus in Section 16.3.

9.3 Selected financial information – income

The table below sets out selected financial information for the three months period ended 31 March 2022 and 2021 derived from the Group's Q1-22 Financial Report.

Income statement	**Three months ended 31 March**	
Amounts in CAD thousands	**2022** *(Unaudited)*	**2021** *(Unaudited)*
Revenues	6,535	7,829
Other income	100	18
Materials and consumables used	3,709	3,822
Employee benefit expenses	3,886	2,941
Other operating expenses	2,635	1,737
EBITDA	**(3,595)**	**(653)**
Depreciation and amortisation	1,140	768
Net operating income/(loss)	**(4,735)**	**(1,421)**
Share of net income (loss) from associated companies and joint ventures	(332)	(319)
Finance income (loss)	(293)	-
Finance cost	112	264
Profit/(loss) before income tax	**(5,472)**	**(2,004)**
Income tax expense	-	-
Profit/(loss) for the period	**(5,472)**	**(2,004)**

The selected financial information above is presented using the same line items as the Financial Statements.

The table below sets out selected financial information from the Group's consolidated statement of income for the years ended 31 December 2021, 2020 and 2019.

Income statement	**Year ended 31 December**		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Revenues	26,810	21,990	20,477
Other income	486	4,266	1,486
Materials and consumables used	14,893	11,259	11,027
Employee benefit expenses	12,733	10,631	9,796
Other operating expenses	8,401	4,081	5,069
EBITDA	**(8,731)**	**285**	**(3,929)**
Depreciation and amortisation	3,742	3,170	3,217
Net operating income/(loss)	**(12,473)**	**(2,886)**	**(7,146)**
Share of net income (loss) from associated companies and joint ventures	(1,472)	(2,044)	-
Finance income	400	463	(299)
Finance costs	656	1,361	1,398
Profit/(loss) before income tax	**(14,201)**	**(5,827)**	**(8,843)**
Income tax expense	(114)	(455)	(1,459)
Profit/(loss) for the period	**(14,087)**	**(5,372)**	**(7,384)**

9.4 Selected financial information - comprehensive income

The table below sets out selected financial information from the Group's consolidated statement of comprehensive income for the three months period ended 31 March 2022 and 2021.

Comprehensive income statement	**Three months ended 31 March**	
Amounts in CAD thousands	**2022** *(Unaudited)*	**2021** *(Unaudited)*
Items that may be reclassified to statement of income		
Exchange differences on translation of foreign operations	254	-
Items that may be reclassified to statement of income	**254**	**-**
Items that will not be reclassified to statement of income		
Exchange differences on translation of foreign operations	-	(4,335)
Items that will not be reclassified to statement of income	**-**	**(4,335)**
Other comprehensive income/(loss) for the period, net of tax	**254**	**(4,335)**

Comprehensive income statement *Amounts in CAD thousands*	Three months ended 31 March	
	2022 *(Unaudited)*	**2021** *(Unaudited)*
Total comprehensive income/(loss) for the period	**(5,218)**	**(6,340)**

The table below sets out selected financial information from the Group's consolidated statement of comprehensive income for the years ended 31 December 2021, 2020 and 2019.

Comprehensive income statement	Year ended 31 December		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Items that may be reclassified to statement of income			
Exchange differences on translation of foreign operations	6	(461)	448
Items that may be reclassified to statement of income	**6**	**(461)**	**448**
Items that will not be reclassified to statement of income			
Exchange differences on translation of foreign operations	(6 207)	-	-
Items that will not be reclassified to statement of income	**(6 207)**	**-**	**-**
Other comprehensive income/(loss) for the period, net of tax	**(6 201)**	**(461)**	**448**
Total comprehensive income/(loss) for the period	**(20 288)**	**(5 833)**	**(6 936)**

9.5 Selected financial information - financial position

The table below sets out selected financial information as of 31 March 2022 and as of 31 December 2021 derived from the Group's Q1-22 Financial Report.

Balance Sheet *Amounts in CAD thousands*	**Q1 2022** *(Unaudited)*	**2021** *(Unaudited)*
Non-current assets		
Property, plant and equipment	17,053	16,573
Intangible assets	9,251	9,217
Associated companies and joint ventures	1,065	1,231
Non-current receivables	5,603	5,598
Total non-current assets	**32,973**	**32,620**
Current assets		
Inventories	16,810	14,415
Contract assets	1,789	1,038
Trade and other receivables	6,428	5,680
Cash and cash equivalents	32,404	38,649
Total current assets	**57,430**	**59,783**
Total assets	**90,403**	**92,402**

Balance Sheet *Amounts in CAD thousands*	**Q1 2022** *(Unaudited)*	**2021** *(Unaudited)*
Equity		
Capital and reserves attributable to holders of the company	70,848	75,897
Non-controlling interests	42	211
Total equity	**70,890**	**76,108**
Non-current liabilities		
Borrowings	4,293	3,778
Lease liabilities	1,293	227
Total non-current liabilities	**5,586**	**4,005**
Current liabilities		
Bank loan	2,523	3,733
Lease liabilities	68	236
Trade and other payables	7,620	4,772
Contract liabilities	1,191	1,473
Other current liabilities	2,338	1,874
Borrowings short-term portion	187	200
Total current liabilities	**13,927**	**12,289**
Total liabilities and equity	**90,403**	**92,402**

The selected financial information above is presented using the same line items as the Financial Statements.

The table below sets out selected financial information from the Group's consolidated statement of financial position for the years ended 31 December 2021, 2020 and 2019.

Balance Sheet	**As of 31 December**		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Non-current assets			
Property, plant and equipment	16,573	16,483	14,726
Intangible assets	9,217	9,431	9,740
Associated companies and joint ventures	1,231	1,407	-
Non-current receivables	5,598	4,200	3,866
Deferred tax assets	-	-	-
Total non-current assets	**32,619**	**31,521**	**28,331**
Current assets			
Inventories	14,415	12,037	11,534

Balance Sheet	**As of 31 December**		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Contract assets	1,039	537	1,576
Trade and other receivables	5,680	6,269	3,544
Cash and cash equivalents	38,649	2,537	1,506
Total current assets	**59,783**	**21,380**	**18,159**
Total assets	**92,402**	**52,901**	**46,491**
Equity			
Share capital and share premium	494,956	14	-
Other reserves	(419,058)	18,525	4,349
Capital and reserves attributable to holders of the company	**75,899**	**18,539**	**4,349**
Non-controlling interests	211	-	-
Total equity	**76,109**	**18,539**	**4,349**
Non-current liabilities			
Borrowings	3,778	24,227	36,167
Lease liabilities	227	462	688
Deferred tax liabilities	-	-	436
Total non-current liabilities	**4,005**	**24,689**	**37,291**
Current liabilities			
Bank loan	3,733	633	216
Lease liabilities	235	226	222
Trade and other payables	4,772	4,291	2,401
Contract liabilities	1,473	2,327	372
Other current liabilities	1,874	2,172	1,494
Borrowings short-term portion	200	23	146
Total current liabilities	**12,288**	**9,673**	**4,851**
Total liabilities and equity	**92,402**	**52,901**	**46,491**

9.6 Selected financial information - cash flows

The table below sets out selected financial information for the three months period ended 31 March 2022 and 2021 derived from the Group's Q1-22 Financial Report.

Cash flow statement	Three months ended 31 March	
Amounts in CAD thousands	**2022** *(Unaudited)*	**2021** *(Unaudited)*
Net cash flow from operating activities	(5,023)	(5,424)
Net cash flow from investing activities	(1,654)	(25,474)
Net cash flow from financing activities	344	134, 992
Net increase in cash and cash equivalents	**(6,333)**	**104,093**
Cash and cash equivalents at the beginning of the financial year	38,649	2,524
Effects of exchange rate changes on cash and cash equivalents	88	(4,510)
Cash and cash equivalents at end of year	**32,404**	**102,107**

The selected financial information above is presented using the same line items as the Financial Statements.

The table below sets out selected financial information from the Group's consolidated statement of cash flows for the years ended 31 December 2021, 2020 and 2019.

Cash Flow	Year ended 31 December		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Cash flow from operating activities			
Net profit/(loss)	**(14,087)**	**(5,372)**	**(7,384)**
Depreciation, amortization and impairment	3,742	3,170	3,217
Variation in deferred taxes	-	(436)	(1,627)
Interest accretion on LT debt	258	243	162
Discounted value of long-term loan	(378)	(355)	(1,976)
FX variation on long-term loan	(515)	441	(424)
(Gain)/Loss from sales of assets	(10)	83	100
Share of results from associated companies and joint ventures	1,472	2,044	-
Total after adjustments to profit before income tax	**(9,517)**	**(181)**	**(7,932)**
Change in Inventories	(2,378)	(504)	(1,984)
Change in other current assets	(2,773)	(2,452)	308
Change in other current liabilities	790	4,955	(3,384)
Total after adjustments to net assets	**(13,878)**	**1,819**	**(12,992)**

Cash Flow	Year ended 31 December		
Amounts in CAD thousands	**2021**	**2020**	**2019**
Net cash from operating activities	**(13,878)**	**1,819**	**(12,992)**
Cash flow from investing activities			
Proceeds from the sales of PPE	28	-	-
Purchase of PPE and intangible assets	(3,637)	(4,703)	(264)
Investment in the JV	(1,296)	(3,450)	-
Purchase of shares in subsidiaries	(23,480)	-	-
Net cash flow from investing activities	**(28,385)**	**(8,153)**	**(264)**
Cash flow from financing activities			
Proceeds from issue of shares	100,044	14	-
Proceeds from issue of shares in THC	1,331	-	-
Increase (decrease) of bank loan	3,100	417	(642)
New loan	17,898	7,874	13,181
Repayment of loan	(37,535)	(266)	(499)
Repayment of lease liabilities	(226)	(222)	(222)
Net cash flow from financing activities	**84,612**	**7,817**	**11,818**
Net increase in cash and cash equivalents	**42,348**	**1,482**	**(1,438)**
Cash and cash equivalents at the beginning of the financial year	2,537	1,506	2,495
Effects of exchange rate changes on cash and cash equivalents	(6,237)	(451)	449
Cash and cash equivalents at end of year	**38,649**	**2,537**	**1,506**

9.7 Selected financial information - changes in equity

The table below sets out selected financial information from the Group's consolidated statement of changes in equity for the three months period ended 31 March 2021 and 2020.

Statement of changes in equity	Three months ended 31 March				
Amounts in CAD thousands	**Share capital and share premium**	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2021	**14**	**18,525**	**18,539**	**-**	**18,539**
Profit/(loss) for the period mm	-	(2,004)	(2,004)	(2)	(2,006)

Statement of changes in equity *Amounts in CAD thousands*	**Three months ended 31 March**				
	Share capital and share premium	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
Other comprehensive income/(loss)	-	(4,335)	(4,335)	-	(4,335)
Share capital increase Arendals Fossekompani	395,423	(417,832)	(22,409)	683	(21,726)
Issue of ordinary shares for cash	95,389	-	95,389	-	95,389
Balance at 31 March 2021	**490,826**	**(405,647)**	**85,179**	**681**	**85,860**
Balance at 1 January 2022	**494,957**	**(419,059)**	**75,897**	**211**	**76,109**
Profit/(loss) for the period mm	-	(5,294)	(5,294)	(179)	(5,472)
Other comprehensive income/(loss)	-	245	245	9	254
Balance at 31 March 2022	**494,957**	**(424,108)**	**70,849**	**42**	**70,891**

The table below sets out selected financial information from the Group's consolidated statement of changes in equity for the years ended 31 December 2021, 2020 and 2019.

Statement of changes in equity *Amounts in CAD thousands*	**Year ended 31 December**				
	Share capital and share premium	**Other reserves**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2019	**-**	**11,285**	**11,285**	**-**	**11,285**
Profit/(loss) for the period	-	(7,384)	(7,384)	-	(7,384)
Other comprehensive income/(loss)	-	448	448	-	448
Balance at 31 December 2019	**-**	**4,349**	**4,349**	**-**	**4,349**
Balance at 1 January 2020	**-**	**4,349**	**4,349**	**-**	**4,349**
Profit/(loss) for the period mm	-	(5,372)	(5,372)	-	(5,372)
Other comprehensive income/(loss)	-	(461)	(461)	-	(461)
Issue of shares, net of transaction costs and tax	14	20,008	20,022	-	20,022
Balance at 31 December 2020	**14**	**18,525**	**18,539**	**-**	**18,539**
	-	**-**	**-**	**-**	**-**
Balance at 1 January 2021	**14**	**18,525**	**18,539**	**-**	**18,539**
Profit/(loss) for the period mm	-	(14,087)	(14,087)	(472)	(14,559)
Other comprehensive income/(loss)	-	(6,201)	(6,201)	-	(6,201)
Share capital increase Arendals Fossekompani	394,898	(417,295)	(22,397)	683	(21,714)
Issue of ordinary shares for cash	100,044	-	100,044	-	100,044

Statement of changes in equity *Amounts in CAD thousands*	Year ended 31 December Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 31 December 2021	**494,956**	**(419,058)**	**75,898**	**211**	**76,109**

9.8 Segment information

The Board of Directors is the Group's Chief Operating Decision Maker (**"**CODM**"**) and assesses the financial performance and position of the Group and makes strategic decisions. The internal financial reporting the CODM reviews to allocate capital and resources is on a consolidated basis. As a result, the Group is a single unit business.

9.9 Auditor

The Company's independent auditor is PricewaterhouseCoopers AS with business registration number 987 009 713 and registered business address at Dronning Eufemias gate 71, 0194 Oslo, Norway. The partners of PricewaterhouseCoopers AS are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening).

The Company has had PricewaterhouseCoopers AS as its independent auditor since its incorporation on 30 June 2020.

Except for the Financial Statements and the Q1-22 Financial Report, PricewaterhouseCoopers AS has not audited, reviewed or produced any report on any other information in this Prospectus.

10. OPERATING AND FINANCIAL REVIEW

*The following is a discussion and analysis of the Group's results of operations and financial condition, based on the Financial Information. This operating and financial review should be read together with Section 4 "**Error! Reference source not found.**", Section 9 "Selected financial and other information", and the Q1-22 Financial Report, the Financial Statements and related notes, as incorporated by reference in this Prospectus in Section 16.3. The Financial Statements as of, and for the years ended, 31 December 2021, 2020 and 2019 have been prepared in accordance with IFRS as adopted by the EU. The Q1-22 Financial Report has been prepared in accordance with IAS 34.*

This following discussion and analysis may contain forward-looking statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences to these forward-looking statements include those discussed in Section 2 "Risk Factors", see also Section 4.6 "Cautionary note regarding forward-looking statements".

10.1 Overview

Tekna is a global leader in the development, manufacturing and sales of advanced micro and nano powders as well as plasma process solutions.[19] Tekna has developed a unique and proprietary plasma technology platform for manufacturing micro and nano sized powders for a range of industries. Their business model relies on two revenue streams, both with synergistic effects: development and sale of plasma systems and development and sale of advanced powders.

Tekna is developing the position of its advanced powders in three multi-billion-dollar market verticals: Additive Manufacturing, Printed Electronics and Energy Storage. Important industries for the powders are batteries, electronics, medical, automotive, aerospace and satellites.

The Group is headquartered in Québec, Canada, and has additional offices in France, China and Korea. The Group also works with a network of industry leading distributors in USA, Europe, Japan and India. As of this date, the Group has around 200 employees.

2021 was a transformational year for Tekna with a revenue growth of 22%. Marked by major contracts awarded by industry-leading international companies and the initiation of a multi-million-dollar capacity increase program to deliver on accelerating growth.

10.2 Key factors affecting the Group's results of operations and financial performance

The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The factors that management believes have had a material effect on the Group's results of operations during the periods under review, as well as those considered likely to have a material effect on its results of operations in the future are described below.

- **Megatrends driving demand**
- **Technological development and customer schedules**
- **Business model**
- **Key personnel and ability to attract talent**
- **Sustainability**

10.2.1 Megatrends driving demand

The Group's current and future operations are exposed to global megatrends driving growing addressable markets for additive manufacturing ("**AM**"), printed electronics and energy storage. These

[19] Wholers report for micron sized materials 2022

megatrends are fundamental parts of the transition to Industry 4.0 manufacturing and green transition. The continued evolution of these megatrends will require high quality metal powder and hence increase the demand for Tekna's products. The financial impact related to these megatrends for Tekna is an increase in sales volume directly impacting the profitability by leveraging the fixed cost and production efficiency. The need for added capacity in the mid & long term is inevitable.

Additive manufacturing (AM)

AM is considered to be one of the best options to re-shore manufacturing operations, reduce inventories and simplify supply chains. AM allows industrials to redesign and simplify existing design which further translates in fuel economy, reduced cost of goods, shorter manufacturing cycle time or improved performances. Tekna has a strong track-record with rapid revenue growth of powders with a corresponding compound annual growth rate ("**CAGR"**) of 27% from 2019 to 2021. The growth is primarily driven by demand within the aerospace, medical and automotive sectors. These sectors are characterized by complex parts with high quality standards and precise specifications. AM has opened and will continue to expand opportunities to produce components and complex structures with new designs, higher precision and better properties than traditional milling. AM is an important part of the Industry 4.0 to build smart factories with data analysis, optimization, and IT-operational technology integration. This allows better custom manufacturing and unlimited of possibilities. Tekna is an important supplier of powder and advanced materials used in AM.

Future improvements in 3D printing technology, in combination with increased pallets of available materials and production output will lower the marginal cost of 3D printing production, increase the quality of AM products and increase competitiveness of AM versus traditional milling. This will in turn increase the demand for powder to be used in the 3D printing of products in Tekna's addressable market.

Printed electronics

As electronic devices get increasingly smaller and more complex, the size of multilayer ceramic capacitors ("**MLCCs**") is decreasing. Historical development is showing how smaller MLCCs are introduced, become standard and then become replaced by even smaller MLCCs. The market for MLCCs is strongly driven by the growth in consumer electronics, autonomous and electric vehicles, and 5G/ internet of things ("**IoT**"). Tekna is developing nano materials that will be used in small MLCCs which may exploit the increasing demand driven by growth in the above-mentioned industries and impact the Group's revenue growth and profitability.

Energy storage

Electrification of nearly all industries is a well discussed topic and an initiated process. An important part of the electrification is to succeed in the development of batteries. It's expected that the demand for batteries will increase with 588% from 2020 to 2030[20]. The increase is mainly driven by electric vehicles ("**EVs**"), consumer electronics and electric grids. In addition, the electrification sets requirements to batteries with better characteristics than today. This means for instance longer battery lifetime and longer driving range for EVs. Silicon is also the most abundant element in earth's crust after oxygen and may result in cheaper batteries. Tekna's plasma process can produce nano size silicon material and are well positioned to exploit the increased demand for batteries driven by the structural growth in the industries but also the demand for batteries with better characteristics.

10.2.2 Technical development and customer schedules

The Group competes in leading edge industries with a portfolio of products that are either fully industrialized or at a development stage ranging from R&D to customer qualification. The Group's offering of industrialized products includes plasma systems and equipment, materials used for AM,

[20] BNED 2019, Cairn Energy Research Advisors – SI Marketscape

spare parts and after sale services for systems. The products that are in the development stage includes Printed Electronics with 0201M MLCCs and Energy Storage using Nano silicon in batteries.

All the markets for these products are characterized by rapid technological change and customers with focus on quality and performance in the products. Over the past 30 years, the Group has developed a portfolio of over 98 active patents and two research facilities. The patents protect the Group's IP and provides freedom of operation worldwide. Additionally, the Group has been able to continually improve the efficiency in its production, reducing the production cost.

Industrialized Products

For the products that are industrialized the Group's ability to continually improve the margins generated from the industrialized products is key to maintaining competitive pricing strategies. The technical development conducted accordingly focuses on product characteristics, production yield and equipment performance. These areas of development follow a rigorous qualification process and may be subject to customer approval. Since the introduction of the AM materials to the market, the Group has been successful at maintaining competitive pricing, growing its market share while improving the contribution margins.

The industrialized products are also prone to advances in production efficiency. Hence, it is important for the Group to continue to improve and develop its products and production to retain and grow its market position and successfully commercialize these products. From 2015 to 2021 the Group's systematic approach to machine performance improvement has resulted in 140% higher output per system. The Group expects to further increase production capacity per system with an additional 70% increase during 2022. These improvements will be achieved through both software and hardware enhancements and will come on top of already implemented improvements prior to 2022.

Emerging Products

The development of new products is a balancing act between the Group's conducting technical development according to the business plan and the customers maintaining the pace on their internal qualification schedules.

The Group is developing new materials that will contribute at increasing its current offering in the AM space and at developing a position in the Printed Electronics and Energy Storage space. The Group has developed a unique method to produce the nano size nickel powder that delivers a high yield and high purity product. Moreover, the method for producing the nano size material allows for a finish good that can be tailored to customer requirements. For instance, the nickel powder produced by Tekna targets the finest MLCC devices that can be found in the market today.

Within Energy Storage, nano silicon is the material being developed for this space and is characterized by an average diameter size of particles to be below one hundred nanometers. The size of the material is seen to be critical as it is known to reduce or eliminate the swelling effect of currently available silicon base battery anodes. The adoption of nano size silicon as a replacement for graphite inside lithium-ion battery anodes is paramount for a successful penetration of the Energy Storage space. Today graphite is used in the manufacturing of battery anodes. By adding 10% silicon to the anodes, the batteries increase their charge density and will be able to hold 10x more energy and potentially handle more charging cycles and at the same time reduce battery weight.

10.2.3 Business model

Tekna has built a business model with recurring customer relations and sticky business. This is a result of the specialized technology, consistent quality, on time delivery, costly and long customer qualification cycles. This combination creates an obstacle for other vendors and strong customer stickiness to Tekna's products. In 2021 more than 80% of revenues from additive manufacturing materials came from over 150 existing customers including some with multi-year supply contracts.

The Group's business model is highly scalable. Tekna produces its own powder production systems with its own personnel and knowhow, where the raw material is sourced from third parties. The Group can adapt to changing demand for powder and systems by switching from production of systems from customers to producing own systems for powder production or vice versa.

The Group’s ability to scale industrial capacity was demonstrated from 2015 until today in response to the successful materials introduction and increasing customer demand for AM powder. Over this period, the Group has increased its AM powder factory output by a factor of twelve. Throughout this period, the Group has reached the highest quality standards by successively achieving quality certification in the Aerospace (AS9100), Medical (ISO13495) and laboratory testing (ISO17025).

Access to raw materials is key to the Group’s reliability as a trusted supplier to OEMs. The Group manages dual sourcing and annual supply contracts with industry leaders for strategic raw materials. Raw materials are procured from various sources in North America, Europe and Asia. Strategic raw materials have dual sourcing qualified on at least two continents.

The Group’s strategy is to have its production close to the customer's location to simplify the supply chain and better adapt to changes in the customer's demand. The Group has production facilities in Canada and France and are planning new facilities in Asia. The Group's sales offices are located in Canada (serving North America), China, South Korea (serving SK and South East Asia) and France (serving all of Europe, Asia Pacific, North Africa and India).

As a part of the strategy the Group are establishing strategic alliances, like Tekna's joint venture with Aperam and joint development agreement with LG Chem. The Group may establish new alliances in sourcing, production and research with vertical integration in mind to leverage downstream revenues once increased volumes justify these steps.

10.2.4 Key personnel and ability to attract talent

The Group’s activities can be divided into development of technology, engineering and know-how to manufacture the Group’s systems, powder production and sourcing, sales and corporate support. In all of these main activity areas the nature of operations is of a technical and specialized nature, requiring skilled personnel. In order to develop new technology services and take part in the technological development the Group is dependent upon retaining and attracting current and prospective highly skilled personnel.

Currently, the Group employs more than 70 undergraduates and post-graduates having a wide set of academic backgrounds relevant to the field of amongst other; advanced materials, manufacturing engineering, chemistry, and metallurgy,

Tekna has also built an accumulated base of know-how which is important to retain and develop to keep their position in the market and increase profitability as mentioned above. The Company's headquarter is located in Sherbrooke, Québec, Canada with multiple universities & and technical colleges located nearby. Therefore, the Group believes that they are well positioned to attract both qualified talents and experienced personnel. This is substantiated by the growth in average full-time employees which have increased by 13% from 2019 to 190 in 2021.

10.2.5 Sustainability

Tekna’s clean production technology, powered by hydroelectricity, is producing material powders that are enabling and accelerating the adoption of Additive Manufacturing. This is the significantly more resource efficient counterpart of traditional milling industry. Furthermore, the integration of its materials in batteries can improve battery features to such extend that it will accelerate the electrification of transportation.

Efficient use of resources and Circular economy

Tekna has identified three levels of opportunities for circular loops within its value chain. Level one are the circular loops within Tekna’s own operations. These are well-established within the Group's production processes to achieve optimal resource efficiency for e.g. Helium and water, and consequently securing significant financial savings at the same time.

Whilst the Group continue to work on these three levels within the value chain, the focus is also shifting towards building sustainable loops with our customers (level 2) in for instance a) packaging and b) revalorizing waste material. With regards to packaging, Tekna is mostly using plastic bottles to ship its advanced materials. Together with stakeholders the Group has developed a reusable transportation vessel that substitutes a considerable part of the plastic bottles. These new transportation vessels are planned to be customer-owned and are expected to deliver savings. This solution is planned to go into operation in 2022. With regards to b) the revalorizing of waste material, powders used in additive manufacturing (AM) are considered at the end of their service life when their characteristics are no longer meeting the specifications imposed by the end use. Amongst other waste-reducing solutions, the plasma spheroidisation technology developed by Tekna over the last 30 years is a promising solution for reconditioning AM powders. By exposing end-of-life AM powders to plasma, altered characteristics are restored, readying those powders for a new service life. Up until now, Tekna's powder reconditioning process has been successfully demonstrated for materials including Titanium, Inconel 718 and Cobalt-chrome powders. Note that for this to become a real solution, local capacity, close to point-of-use, is needed. Neither the ecological nor the financial business case make sense if waste material needs to be shipped over long distances to be revalorized.

The third level Tekna envisions is to increase the volume of recycled material in its feedstock for the production of metal powder. The challenge to resolve is reaching high purity customer requirements while metal recycling streams are highly contaminated (light green arrow). Due to this complexity it is not expected to contribute to Tekna's bottom line until recycling becomes alloy specific or technology improves.

Reduction of environmental impact through Additive Manufacturing

Financial and ecological benefits of Additive Manufacturing can be found in many different aspects of the value chain. There's plenty of anecdotal information about how companies have saved time, money, and materials by using 3D printing instead of carving foam, machining metal, molding plastic, or forming clay. Currently there is limited independent research. However, the opportunities are many, amongst other; more efficient design of parts, less raw material used, reparability & spare parts for obsolete products, make parts locally, inventory reduction, smaller, quieter factories and streamlining of manufacturing. Please refer to Tekna's ESG report 2021 for an elaboration on these benefits.

Since the introduction of its advanced materials for Additive Manufacturing Tekna has supported its many customers through the adoption of these technologies. Driven by the vision of sustainable products Tekna is working with large OEMs to qualify material and optimize the output of its customers 3D printers directly contributing to Tekna's revenues and profitability.

Energy storage

Tekna developed a cost and resource-efficient process to produce silicon nano powders that are used in the manufacturing of Lithium-ion batteries ("**LiB**"). Integration of Silicon nano in a LiB can lead to improved battery performance, see section 7 for the business description. The company believes that a higher performant battery can accelerate the electrification of transports, i.e., the adoption of electrical vehicles, and increase the portion of renewable energy through storage capacity in power grids. This business unit is in R&D stage and expected to contribute revenues starting 2025.

10.3 Financial review of the Group's results of operations

10.3.1 Description of income statement line items

Descriptions of certain statement of income statement line items are set forth below. This description must be read in conjunction with the significant accounting policies in this section and in the notes to the Group's Financial Information.

Revenues

The Group's revenues primarily relate to the sale of materials (powder) and deliveries of plasma systems for conducting research and development of advanced materials. There are several types of customer contracts depending on what the customer needs. For each performance obligation identified at the inception of the contract, it is separately determined if those performance obligations are satisfied at a point in time or on an over-time basis. Revenue regarding each performance obligation is recognized when that performance obligation is satisfied. Materials sales and spare parts sales are recognized at a point in time whereas systems revenues are recognized over time

Other income

The Group's other income relates to income which are not related to the principal activities of the Company. The income is recognized to the extent that it is probable that the economic benefits will flow to the Group and that the income can be reliably measured, regardless of when the payment is received. For the financial years ended 31 December 2021 and 2020 other income is related to government grants, and gains/(loss) on disposals. For 2019, other income is related to government grants, gains/(loss) on disposals and sale of commercial rights.

Materials and consumables used

Cost of materials and consumables used reflects the cost of direct variable costs and include direct labour, raw material, electricity, gas consumption, slow moving expense, commissions, freight, customs and brokerage fees, laboratory supplies and packaging.

Employee benefit expenses

Employee benefit expenses consists of all personnel expenses incurred except direct labour. It includes salaries, social security contributions, pension costs and other benefits and are expensed when earned.

Other operating expenses

The Group's other operating expenses are recognized when they occur and represent a broad range of operating expenses incurred by the Group in the day-to-day activities, excluding employee benefit expenses. Other operating expenses consist of maintenance of equipment and buildings, taxes, insurance, heating, production and office supplies, rent, R&D, marketing, travel and representation cost, consultant and professional fees, telecommunications and IT costs.

Depreciation and amortization

The Group's depreciation and amortization relate to the depreciation of vehicles, machinery, equipment, buildings, right of use assets and amortization of intangible assets.

Share of net income (loss) from associated companies and joint ventures

The Group's share of net income (loss) from associated companies and joint ventures related to companies that the Group has significant influence, but not control over financial and operational management. Significant influence is assumed to exist when the Group has between 20% to 50% of the voting rights. The Group recognize their share of the profit (loss) from associated companies using the equity method.

Finance income

The Group's finance income consists of interest income gained through financing and other financial items such as currency exchange gain.

Finance costs

The Group's financial costs consist of interest expense on borrowings and lease liabilities.

Income tax expense

The Group's income tax expense consists of both current and deferred tax. Current tax is the amount of the income tax payable. Deferred tax liabilities are amounts payable in future periods while deferred tax assets are the amount receivable in future periods.

10.3.2 Results of operations for the three month period ended 31 March 2022 compared to the three-month period ended 31 March 2021

The table below sets forth selected comparative results of operations for the three months period ended 31 March 2022 compared to the three months period ended 31 March 2021 derived from the Q1-22 Financial Report:

Income statement	**Three months ended 31 March**			
Amounts in CAD thousands	**2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Revenues	6,535	(1,294)	(16.5)	7,829
Other income	100	82	455.6	18
Materials and consumables used	3,709	(113)	(3.0)	3,822
Employee benefit expenses	3,886	945	32.1	2,941
Other operating expenses	2,635	898	51.7	1,719
EBITDA	**(3,595)**	**(2,942)**	**450.5**	**(653)**
Depreciation and amortization	1,140	372	48.4	768
Net operating income/(loss)	**(4,735)**	**(3,314)**	**233.2**	**(1,421)**
Share of net income (loss) from associated companies and joint ventures	(332)	(13)	(4.1)	(319)
Finance income (loss)	(293)	(293)	n.m	-
Finance costs	112	(152)	(57.6)	264
Profit/(loss) before income tax	**(5,472)**	**(3,468)**	**173.1**	**(2,004)**
Income tax expense	**-**	**-**	n.m	**-**
Profit/(loss) for the period	**(5,472)**	**(3,468)**	**173.1**	**(2,004)**

Revenues

The Group's revenue decreased by CAD 1,294 thousand, or 16.5%, to CAD 6,535 thousand for the three months period ended 31 March 2022 compared to CAD 7,829 thousand for the three months period ended 31 March 2021. The decrease was primarily due to decrease in revenues from System by CAD 1,535 thousand. This was partly offset by an increase in Materials revenue by CAD 231 thousand.

The revenues from Materials increased mainly due to sales of titanium and aluminum materials to the Additive Manufacturing market.

Other income

The Group's other income increased to CAD 100 thousand for the three months period ended 31 March 2022 compared to CAD 18 thousand for the three months period ended 31 March 2021. The increase was primarily due to a higher grant received in Q1 2022 related to government program funding as part of the operational expenses.

Materials and consumables used

The Group’s materials and consumables used decreased by CAD 113 thousand, or 3.0%, to CAD 3,709 thousand for the three months period ended 31 March 2022 compared to CAD 3,822 thousand for the three months period ended 31 March 2021. The decrease was primarily due to sales revenue volume reduction and a higher provision on inventories.

Employee benefit expenses

The Group’s employee benefit expenses increased by CAD 945 thousand, or 32.1%, to CAD 3,886 thousand for the three months period ended 31 March 2022 compared to CAD 2,941 thousand for the three months period ended 31 March 2021. The increase was due to an annual salary increase and an increase in number of full-time employees to accelerate the development of products and address the growing volumes.

Other operating expenses

The Group’s other operating expenses increased by CAD 916 thousand, or 51.7%, to CAD 2,635 thousand for the three months period ended 31 March 2022 compared to CAD 1,737 thousand for the three months period ended 31 March 2021. The increase was primarily due to an increased activity in marketing and travel, increased IT costs to mitigate risks of security breach and higher IT licenses in relation to the new ERP system.

Depreciation and amortisation

The Group’s depreciation and amortisation increased by CAD 372 thousand, or 48.4%, to CAD 1,140 thousand for the three months period ended 31 March 2022 compared to CAD 768 thousand for the three months period ended 31 March 2021. The increase was primarily due to an increase in depreciation of new equipment, including a new plasma system for titanium production.

Share of net income (loss) from associated companies and joint ventures

The Group’s share of net income (loss) from associated companies and joint ventures decreased by CAD 13 thousand, or 4.1%, to CAD (332) thousand for the three months period ended 31 March 2022 compared to CAD (319) thousand for the three months period ended 31 March 2021. The decrease was due to the variation in the loss of the JV Imphytek Powders S.A.S.

Finance income

The Group’s finance income (loss) decreased to CAD (293) thousand for the three months period ended 31 March 2022 compared to CAD nil for the three months period ended 31 March 2021. The increase was primarily due to a variation in the forex loss.

Finance cost

The Group’s finance cost decreased by CAD 152 thousand, or 57.6%, to CAD 112 thousand for the three months period ended 31 March 2022 compared to CAD 264 thousand for the three months period ended 31 March 2021. The decrease was primarily due to a repayment of debt following the IPO.

The table below sets forth the Group's key APMs and the period over period percentage of change for the year ended 31 March 2022 and 2021. For the definitions and reconciliations of the following APMs, please see Section 4.3.2 "Alternative Performance Measures ("APMs")".

Income statement	**Three months period ended 31 March**			
Amounts in CAD thousands	**2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Gross Profit Margin	43.2 %	n.m	n.m	51.2 %

Income statement	**Three months period ended 31 March**			
Amounts in CAD thousands	**2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Contribution Margin	2,826	(1,181)	(29.5)	4,007
Contribution Margin %	43.2 %	n.m	n.m	51.2 %
EBITDA	(3,595)	(2,942)	(450.5)	(653)
EBITDA Margin	(55.0) %	n.m	n.m	(8.3) %
Adjusted EBITDA	(2,819)	(3,388)	(595.4)	569
Adjusted EBITDA Margin	(43.1) %	n.m	n.m	7.3 %
EBIT	(4,735)	(3,314)	(233.2)	(1,421)
EBIT Margin	(72.5) %	n.m	n.m	(18.2) %
Adjusted EBIT	(3,959)	(3,760)	(1,889.4)	(199)
Adjusted EBIT Margin	(60.6) %	n.m	n.m	(2.5) %

Contribution Margin

The Group's Contribution Margin decreased by CAD 1,118 thousand, or 29.5%, to CAD 2,826 thousand for the three months period ended 31 March 2022 compared to CAD 4,007 thousand for the three months period ended 31 March 2021, primarily due to primarily due to a reduction of revenues and a higher provision on inventories.

EBITDA and Adjusted EBITDA

The Group's EBITDA decreased by CAD 2,942 thousand, or 450.5%, to CAD (3,595) thousand for the three months ended 31 March 2022 compared to CAD (653) thousand for the three months ended 31 March 2021, principally due to a reduction of the contribution margin affected by the lower volume and an increase in the employee expense and operation costs.

The same pattern is reflected for the Group's Adjusted EBITDA which decreased by CAD 3,388 thousand, or 595.4%, to CAD (2,819) thousand for the three months ended 31 March 2022 compared to CAD 569 thousand for the three months ended 31 March 2021. The adjustments include of the 3-month period ended on March 31, 2022 include legal costs and uplisting costs.

10.3.3 Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020

The table below sets forth selected comparative results of operations for the year ended 31 December 2021 compared to 2020 derived from the Financial Statements:

Income statement	**Year ended 31 December**			
Amounts in CAD thousands	**2021**	**Change in CAD**	**Change in %**	**2020**
Revenues	26,810	4,820	21.9	21,990
Other income	486	(3,780)	(88.6)	4,266
Materials and consumables used	14,893	3,634	32.3	11,259
Employee benefit expenses	12,733	2,101	19.8	10,631
Other operating expenses	8,401	4,320	105.9	4,081

Income statement	**Year ended 31 December**			
Amounts in CAD thousands	**2021**	**Change in CAD**	**Change in %**	**2020**
EBITDA	**(8,731)**	**(9,015)**	**(3 166.5)**	**285**
Depreciation and amortisation	3,742	572	18.0	3,170
Net operating income/(loss)	**(12,473)**	**(9,587)**	**332.2**	**(2,886)**
Share of net income (loss) from associated companies and joint ventures	(1,472)	572	(28.0)	(2,044)
Finance income	400	(63)	(13.7)	463
Finance costs	656	(705)	(51.8)	1,361
Profit/(loss) before income tax	**(14,201)**	**(8,374)**	**143.7**	**(5,827)**
Income tax expense	(114)	341	(75.0)	(455)
Profit/(loss) for the period	**(14,087)**	**(8,715)**	**162.2**	**(5,372)**

Revenues

The Group’s revenue increased by CAD 4,820 thousand, or 21.9%, to CAD 26,810 thousand for the year ended 31 December 2021 compared to CAD 21,990 thousand for the year ended 31 December 2020. The increase was primarily due to increased revenues from the sale of Materials which increased by CAD 4,643 thousand.

Success on qualification of the Group's products to customers, increase of the Group's customer base combined with increasing recurring orders received as well as an overall market organic expansion are some of the reasons supporting the Group's overall material sale increase year over year. The mix of powder sold and realized prices were relatively stable for the year ended 31 December 2021 compared to the year ended 31 December 2020.

Other income

The Group’s other income decreased by CAD 3,780 thousand, or 88.6%, to CAD 486 thousand for the year ended 31 December 2021 compared to CAD 4,266 thousand for the year ended 31 December 2020. The decrease was due to a decrease in grants from CAD 2,766 thousand to CAD 476 thousand and a decrease in the non-recurrent revenues for commercial rights sold to the JV exceptional charges from CAD 1,583 thousand to nil. The decrease in grants is mostly related to the Canadian emergency wage subsidy received in 2020 due to the COVID-19 pandemic situation. For more information about the grant, see Section 10.10.3.

Materials and consumables used

The Group’s materials and consumables used increased by CAD 3,634 thousand, or 32.3 %, to CAD 14,893 thousand for the year ended 31 December 2021 compared to CAD 11,259 thousand for the year ended 31 December 2020, primarily due to sales revenue volume increase of 21.9% combined with general market pressure on supplied material and transportation cost.

Employee benefit expenses

The Group’s employee benefit expenses increased by CAD 2,101 thousand, or 19.8%, to CAD 12,733 thousand for the year ended 31 December 2021 compared to CAD 10,631 thousand for the year ended 31 December 2020. The increase was due to an increase in number of full-time employee’s equivalent of 9.2% from an average of 174 in 2020 to an average of 190 in 2021 combined with an annual increase in average salary.

Other operating expenses

The Group’s other operating expenses increased by CAD 4,320 thousand, or 105.9%, to CAD 8,401 thousand for the year ended 31 December 2021 compared to CAD 4,081 thousand for the year ended 31 December 2020. The increase was mainly due to consultants and professional fees which increased by CAD 2,558. Additionally, manufacturing overhead costs increased by CAD 822 thousand and IT costs increased by CAD 479 thousand principally due to other small manufacturing overhead accounts and overall IT security enhancement respectively. In 2021 the Group also incurred more expenses related to maintenance and marketing than in 2020.

Depreciation and amortisation

The Group’s depreciation and amortisation increased by CAD 572 thousand, or 18.0%, to CAD 3,742 thousand for the year ended 31 December 2021 compared to CAD 3,170 thousand for the year ended 31 December 2020, primarily due to increased depreciation of buildings and land of CAD 756 thousand.

Net operating income/(loss)

The Group’s net operating loss increased by CAD 9,587 thousand, or 332.2%, to CAD 12,473 thousand for the year ended 31 December 2021 compared to CAD 2,886 thousand for the year ended 31 December 2020. The decrease in net profit (loss) was principally due to the factors in the discussion above.

Share of net income/(loss) from associated companies and joint ventures

The Group’s share of net loss from associated companies decreased by CAD 572 thousand, or 28.0%, to CAD 1,472 thousand for the year ended 31 December 2021 compared to CAD 2,044 thousand for the year ended 31 December 2020, primarily due to decreased loss after tax in Imphytek Powders S.A.S.

Finance income

The Group’s finance income decreased by CAD 63 thousand, or 13.7%, to CAD 400 thousand for the year ended 31 December 2021 compared to CAD 463 thousand for the year ended 31 December 2020. The decrease was primarily due to a decrease in currency exchange income of CAD 61 thousand. The Group’s currency exchange income was principally related to movements in the EUR exchange rate.

Finance costs

The Group’s finance cost decreased by CAD 705 thousand, or 51.8%, to CAD 656 thousand for the year ended 31 December 2021 compared to CAD 1,361 thousand for the year ended 31 December 2020, primarily due to a decrease in interest expense of CAD 694 thousand. The decrease in interest expense was principally related to repayment of debt of 37,535 thousand which reduced outstanding interest-bearing debt for year ended 31 December 2021.

Profit/(loss) before income tax

The Group’s loss before income tax increased by CAD 8,374 thousand, or 143.7%, to CAD 14,201 thousand for the year ended 31 December 2021 compared to a loss of CAD 5,827 thousand for the year ended 31 December 2020 principally due to the factors discussed above.

Income tax expense

The Group’s income tax expense increased by CAD 341 thousand, or 75.0%, to CAD (114) thousand for the year ended 31 December 2021 compared to CAD (455) thousand for the year ended 31 December 2020. The reduced tax income for 2021 reflects the fact that there were no deferred tax liabilities to net the tax loss against.

Profit/(loss) for the period

The Group's loss increased by CAD 8,715 thousand, or 162.2%, to CAD 14,087 thousand for the year ended 31 December 2021 compared to CAD 5,372 thousand for the year ended 31 December 2020 principally due to the factors discussed above.

The table below sets forth the Group's key APMs and the period over period percentage of change for the year ended 31 December 2021 and 2020. For the definitions and reconciliations of the following APMs, please see Section 4.3.2"Alternative Performance Measures ("APMs").

Income statement	**Year ended 31 December**			
Amounts in CAD thousands	**2021** *(Unaudited)*	**Change in CAD**	**Change in %**	**2020** *(Unaudited)*
Gross Profit Margin	44.4 %	n.m	n.m	48.8 %
Contribution Margin	11,503	1,210	11.8	10,293
Contribution Margin %	42.9 %	n.m	n.m	44.0 %
EBITDA	(8,731)	(9,015)	(3,166.5)	285
EBITDA Margin	(32.6) %	n.m	n.m	1.3 %
Adjusted EBITDA	(4,629)	(6,837)	(309.6)	2,209
Adjusted EBITDA Margin	(17.3) %	n.m	n.m	10.0 %
EBIT	(12,473)	(9,587)	332.2	(2,886)
EBIT Margin	(46.5) %	n.m	n.m	(13.1) %
Adjusted EBIT	(8,371)	(7,409)	770.4	(962)
Adjusted EBIT Margin	(31.2) %	n.m	n.m	(4.4) %

Contribution Margin

The Group's Contribution Margin increased by CAD 1,210 thousand, or 11.8%, to CAD 11,503 thousand for the year ended 31 December 2021 compared to CAD 10,293 thousand for the year ended 31 December 2020, primarily due to growth in the Group's revenues relative to the growth in expenses related to materials and consumables used. The increase was principally in Materials where the Contribution Margin increased by CAD 1,472 thousand, this was slightly offset by the reduction in Contribution Margin in Systems & Equipment by CAD 358 thousand.

EBITDA and Adjusted EBITDA

The Group's EBITDA decreased by CAD 9,015 thousand, or 3,166.5%, to CAD (8,731) thousand for the year ended 31 December 2021 compared to CAD 285 thousand for the year ended 31 December 2020, principally due to growth in the Group's expenses and reduction in other income. The Contribution Margin improved year on year. Thus, the reduction in EBITDA was mainly due to increased employee benefit expenses and other operating expenses as a result of increase in full-time employees and expenses related to the listing on Euronext Growth respectively. A reduction in other income primarily due to decrease in grants further contributed to the reduction in EBITDA.

The same pattern is reflected for the Group's Adjusted EBITDA which decreased by CAD 6,837 thousand, or 309.6%, to CAD (4,629) thousand for the year ended 31 December 2021 compared to CAD 2,209 thousand for the year ended 31 December 2020. The adjustments include listing costs and expenses related to implementation of cloud-based ERP system comprising of CAD 4,102 thousand and CAD 1,924 thousand for the year ended 31 December 2021 and 2020 respectively.

10.3.4 Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

The table below sets forth selected comparative results of operations for the year ended 31 December 2020 compared to 2019 derived from the Financial Statements:

Income statement *Amounts in CAD thousands*	**Year ended 31 December** **2020**	**Change in CAD**	**Change in %**	**2019**
Revenues	21,990	1,513	7.4	20,477
Other income	4,266	2,780	187.0	1,486
Materials and consumables used	11,259	232	2.1	11,027
Employee benefit expenses	10,631	835	8.5	9,796
Other operating expenses	4,081	(988)	(19.5)	5,069
EBITDA	**285**	**4,213**	**(107.2)**	**(3,929)**
Depreciation and amortisation	3,170	(47)	(1.5)	3,217
Net operating income/(loss)	**(2,886)**	**4,260**	**(59.6)**	**(7,146)**
Share of net income (loss) from associated companies and joint ventures	(2,044)	(2,044)	n.m	-
Finance income	463	762	(255.0)	(299)
Finance costs	1,361	(38)	(2.7)	1,398
Profit/(loss) before income tax	**(5,827)**	**3,016**	**(34.1)**	**(8,843)**
Income tax expense	(455)	1,004	(68.8)	(1,459)
Profit/(loss) for the period	**(5,372)**	**2,012**	**(27.2)**	**(7,384)**

Revenues

The Group's revenue increased by CAD 1,513 thousand, or 7.4%, to CAD 21,990 thousand for the year ended 31 December 2020 compared to CAD 20,477 thousand for the year ended 31 December 2019.

The increase was primarily due to increased revenues from the sale of Materials which increased by CAD 2,054 thousand. Revenues from systems and equipment also increased by CAD 208 thousand while revenues from spare parts decreased by CAD 742 thousand.

The revenues from Materials increased mainly due to the Group's Titanium and Aluminum. Success on qualification of the Group's products to OEM customers, increase of the Group's customer base combine with increasing recuring orders received as well as an overall market organic expansion are some of the reasons supporting Tekna's overall material sale increase year over year. The mix of powder sold and realized prices were relatively stable in 2020 compared to 2019.

Other income

The Group's other income increased by CAD 2,780 thousand, or 187.0%, to CAD 4,266 thousand for the year ended 31 December 2020 compared to CAD 1,486 thousand for the year ended 31 December 2019, primarily due to an increase in the revenues for commercial rights sold to the joint venture from CAD nil in 2019 to CAD 1,583 thousand in 2020. In addition, the income from grants increased from CAD 1,586 thousand in 2019 to CAD 2,766 in 2020. The increase in grants is mostly related to the Canadian emergency wage subsidy received due to the COVID-19 pandemic situation.

Materials and consumables used

The Group's materials and consumables used increased by CAD 232 thousand, or 2.1%, to CAD 11,259 thousand for the year ended 31 December 2020 compared to CAD 11,027 thousand for the year ended 31 December 2019, primarily due to the increase of Contribution Margin for both system and materials partially offset by the increase in volume.

Employee benefit expenses

The Group's employee benefit expenses increased by CAD 835 thousand, or 8.5%, to CAD 10,631 thousand for the year ended 31 December 2020 compared to CAD 9,796 thousand for the year ended 31 December 2019. The increase was primarily due to an increase in number of full-time employees of 3.6% from an average of 168 in 2019 to an average of 174 in 2020 and a lower transfer of expense capitalized for development projects.

Other operating expenses

The Group's other operating expenses decreased by CAD 988 thousand, or 19.5%, to CAD 4,081 thousand for the year ended 31 December 2020 compared to CAD 5,069 thousand for the year ended 31 December 2019 The decrease was primarily due to a decrease in manufacturing overhead cost of CAD 1,901 thousand and decrease in marketing, travel and representation costs of CAD 511 thousand. This was offset by an increase in consultants and professional fees of CAD 628 thousand and IT cost of CAD 879 thousand primarily due to the Implementation of the new cloud base ERP system.

Depreciation and amortization

The Group's depreciation and amortization decreased by CAD 47 thousand, or 1.5%, to CAD 3,170 thousand for the year ended 31 December 2020 compared to CAD 3,217 thousand for the year ended 31 December 2019, primarily due to stable level of property, plant and equipment and intangible assets.

Net operating income/(loss)

The Group's net operating loss decreased by CAD 4,260 thousand, or 59.6%, to CAD 2,886 thousand for the year ended 31 December 2020 compared to CAD 7,146 thousand for the year ended 31 December 2019, primarily due to the factors discussed above.

Share of net income (loss) from associated companies and joint ventures

The Group's share of net loss increased by CAD 2,044 thousand to CAD 2,044 thousand for the year ended 31 December 2020 compared to CAD nil thousand for the year ended 31 December 2019, primarily due to investment in joint venture and the Group's share of profit after tax in Imphytek Powders S.A.S.

Finance income

The Group's finance income increased by CAD 762 thousand, or 255.0%, to CAD 463 thousand for the year ended 31 December 2020 compared to CAD (299) thousand for the year ended 31 December 2019. The increase was primarily due to an increase in currency exchange income of CAD 763 thousand. The Group's currency exchange income was principally related to favorable movements in the EUR/NOK and CAD exchange rate.

Finance costs

The Group's finance cost decreased by CAD 38 thousand, or 2.7%, to CAD 1,361 thousand for the year ended 31 December 2020 compared to CAD 1,398 thousand for the year ended 31 December 2019, primarily due to a decrease in interest expense of CAD 30 thousand.

Profit/(loss) before income tax

The Group's loss decreased by CAD 3,016 thousand, or 34.1%, to CAD 5,827 thousand for the year ended 31 December 2020 compared to CAD 8,843 thousand for the year ended 31 December 2019, primarily due to the factors discussed above.

Income tax expense

The Group's income tax expense increased by CAD 1,004 thousand, or 68.8%, to CAD (455) thousand for the year ended 31 December 2020 compared to CAD (1,459) thousand for the year ended 31 December 2019. Tax losses were to a lesser extent recognized as deferred tax assets for 2020 because there were less deferred tax liabilities to which the tax loss carried forward could be netted against.

Profit/(loss) for the period

The Group's loss decreased by CAD 2,012 thousand, or 27.2%, to CAD 5,372 thousand for the year ended 31 December 2020 compared to CAD 7,384 thousand for the year ended 31 December 2019, primarily due to the factors discussed above.

The table below sets forth the Group's key APMs and the period over period percentage of change for the year ended 31 December 2020 and 2019. For the definitions and reconciliations of the following APMs, please see Section 4.3.2 "Alternative Performance Measures ("APMs")".

Income statement	Year ended 31 December			
Amounts in CAD thousands	**2020** *(Unaudited)*	**Change in CAD**	**Change in %**	**2019** *(Unaudited)*
Gross Profit Margin	48.8 %	n.m	n.m	46.1 %
Contribution Margin	10,293	1,290	14.3	9,003
Contribution Margin %	46.8 %	n.m	n.m	44.0 %
EBITDA	285	4,213	107.2	(3,929)
EBITDA Margin	1.3 %	n.m	n.m	(19.2) %
Adjusted EBITDA	2,209	5,842	160.8	(3,634)
Adjusted EBITDA Margin	10.0 %	n.m	n.m	(17.7) %
EBIT	(2,886)	4,260	59.6	(7,146)
EBIT Margin	(13.1) %	n.m	n.m	(34.9) %
Adjusted EBIT	(962)	5,889	86.0	(6,851)
Adjusted EBIT Margin	(4.4) %	n.m	n.m	(33.5) %

Contribution Margin

The Group's Contribution Margin increased by CAD 1,290 thousand, or 14.3%, to CAD 10,293 thousand for the year ended 31 December 2020 compared to CAD 9,003 thousand for the year ended 31 December 2019, primarily due to growth in the Group's revenues relative to the growth in expenses related to materials and consumables used. The increase was principally in Materials where the Contribution Margin increased by CAD 929 thousand, this was further increased by the growth in Contribution Margin in Systems & Equipment by CAD 696 thousand.

EBITDA and Adjusted EBITDA

The Group's EBITDA increased by CAD 4,213 thousand, or 107.2%, to CAD 285 thousand for the year ended 31 December 2020 compared to CAD (3,929) thousand for the year ended 31 December 2019, primarily due to the increase in Contribution Margin in Materials and System & Equipment. Moreover, other income further contributed to improve EBITDA mainly due to an increase in income from grants.

The same pattern is reflected in the Group's Adjusted EBITDA which increased by CAD 5,842 thousand, or 160.8%, to CAD 2,209 thousand for the year ended 31 December 2020 compared to CAD (3,635) thousand for the year ended 31 December 2019. The adjustments include listing costs and expenses related to implementation of cloud-based software compromising of CAD 1,924 thousand and CAD 295 thousand for the year ended 31 December 2020 and 2019 respectively.

10.4 Financial review of the Group's financial position

10.4.1 Description of statement of financial position line items

Descriptions of certain statement of financial position items are set forth below. This description must be read in conjunction with the significant accounting policies in this section and in the notes to the Group's Financial Information.

Total non-current assets

Total non-current assets in the Financial Statements comprise property, plant and equipment, intangible assets, associated companies and joint ventures, non-current receivables and deferred tax assets.

Total current assets

Total current assets comprise inventories, contract assets, trade and other receivables and cash and cash equivalents.

Total assets

Total assets are the total of the non-current assets and current assets.

Total equity

Total equity comprises share capital and share premium, other reserves and non-controlling interests.

Total non-current liabilities

Total non-current liabilities comprise borrowings, lease liabilities and deferred tax liabilities.

Total current liabilities

Total current liabilities comprise bank loan, lease liabilities, trade and other payables, contract liabilities, other current liabilities and borrowings short-term portion.

Total liabilities and equity

Total liabilities and equity comprise equity, non-current liabilities and current liabilities

10.4.2 Financial position as of 31 March 2022 compared to 31 December 2021

The table below sets forth selected comparative figures from the statement of financial position as of 31 March 2022 compared to 31 December 2021 derived from the Q1-22 Financial Report:

Balance sheet *Amounts in CAD thousands*	**Q1 2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Non-current assets				
Property, plant and equipment	17,053	480	2.9	16,573
Intangible assets	9,251	34	0.4	9,217
Associated companies and joint ventures	1,065	(166)	(13.5)	1,231
Non-current receivables	5,603	5	0.1	5,598

Balance sheet *Amounts in CAD thousands*	**Q1 2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Total non-current assets	**32,973**	**353**	**1.1**	**32,620**
Current assets				
Inventories	16,810	2,395	16.6	14,415
Contract assets	1,789	750	72.3	1,038
Trade and other receivables	6,428	748	13.2	5,680
Cash and cash equivalents	32,404	(6,245)	(16.2)	38,649
Total current assets	**57,430**	**(2,352)**	**(3.9)**	**59,783**
Total assets	**90,403**	**(2,000)**	**(2.2)**	**92,402**
Equity				
Capital and reserves attributable to holders of the company	70,848	(5,050)	(6.7)	75,898
Non-controlling interests	42	(169)	(80.1)	211
Total equity	**70,890**	**(5,218)**	**(6.9)**	**76,109**
Non-current liabilities				
Borrowings	4,293	515	13.6	3,778
Lease liabilities	1,293	1,066	469.7	227
Total non-current liabilities	**5,586**	**1,581**	**39.5**	**4,005**
Current liabilities				
Bank loan	2,523	(1,210)	(32.4)	3,733
Lease liabilities	68	(168)	(71.2)	236
Trade and other payables	7,620	2,849	59.7	4,772
Contract liabilities	1,191	(282)	(19.1)	1,473
Other current liabilities	2,338	464	24.8	1,874
Borrowings short-term portion	187	(13)	(6.5)	200
Total current liabilities	**13,927**	**1,638**	**13.3**	**12,289**
Total liabilities and equity	**90,403**	**(1,999)**	**(2.2)**	**92,402**

Total non-current assets

The Group's total non-current assets increased by CAD 353 thousand, or 1.1%, to CAD 32,973 thousand as of 31 March 2022 compared to CAD 32,620 thousand as of 31 December 2021, primarily due to an increase of CAD 480 thousand in property, plant and equipment where the change was related to the manufacturing of equipment to increase capacity. This was partly offset by a variation of CAD 166 thousand in the investment in the joint venture Imphytek Powders S.A.S.

Total current assets

The Group's total current assets decreased by CAD 2,352 thousand, or 3.9%, to CAD 57,430 thousand as of 31 March 2022 compared to CAD 59,783 thousand as of 31 December 2021, primarily due to a decrease in cash and cash equivalents of CAD 6,245 thousand principally related to support the loss of the period. This was partly offset by an increase in inventories of CAD 2,395 related to the higher level of raw material available for production and finished goods inventory.

Total equity

The Group’s total equity decreased by CAD 5,218 thousand, or 6.9%, to CAD 70,890 thousand as of 31 March 2022 compared to CAD 76,108 thousand as of 31 December 2021, primarily related to the loss of the period.

Total non-current liabilities

The Group’s total non-current liabilities increased by CAD 1,581 thousand, or 39.5%, to CAD 5,586 thousand as of 31 March 2022 compared to CAD 4,005 thousand as of 31 December 2021, due to an increase in long-term lease liabilities by CAD 1,066 thousand and borrowings by CAD 515 thousand. This was mostly a result of new lease obligations regarding manufacturing facilities in Canada and France and a long-term financing on equipment respectively.

Total current liabilities

The Group’s total current liabilities increased by CAD 1,638 thousand, or 13.3%, to CAD 13,927 thousand as of 31 March 2022 compared to CAD 12,289 thousand as of 31 December 2021, primarily due to an increase in trade and other payables of CAD 2,849 thousand. This was partly offset by a decrease in the level of the credit facility by CAD 1,210 thousand. The trade and other payables increased following the purchases of raw material for powder production and components for the manufacturing of plasma systems.

The table below sets forth the Group's key APMs and the period over period percentage of change as of 31 March 2021 and as of 31 December 2021. For the definitions and reconciliations of the following APMs, please see Section 4.3.2 "Alternative Performance Measures ("APMs")".

Amounts in CAD thousands	**Q1 2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Long Term Debt/Equity Ratio	0.08	n.m	n.m	0.05

Long Term Debt/Equity ratio

The Group’s Long Term Debt/Equity Ratio increased to 0.08 as of 31 March 2022 compared to 0.05 as of 31 December 2021. The decrease was primarily related to a increase in total non-current liabilities and an decrease in total equity as described above.

10.4.3 Financial position as of 31 December 2021 compared to 31 December 2020

The table below sets forth selected comparative figures from the statement of financial position as of 31 December 2021 compared to 2020 derived from the Financial Statements:

Balance sheet	**As of 31 December**			
Amounts in CAD thousands	**2021**	**Change in CAD**	**Change in %**	**2020**
Non-current assets				
Property, plant and equipment	16,573	90	0.5	16,483
Intangible assets	9,217	(214)	(2.3)	9,431
Associated companies and joint ventures	1,231	(176)	(12.5)	1,407
Non-current receivables	5,598	1,398	33.3	4,200

Balance sheet	As of 31 December			
Amounts in CAD thousands	2021	Change in CAD	Change in %	2020
Deferred tax assets	-	-	n.m	-
Total non-current assets	**32,619**	**1,098**	**3.5**	**31,521**
Current assets				
Inventories	14,415	2,378	19.8	12,037
Contract assets	1,039	502	93.6	537
Trade and other receivables	5,680	(589)	(9.4)	6,269
Cash and cash equivalents	38,649	36,112	1,423.3	2,537
Total current assets	**59,783**	**38,402**	**179.6**	**21,380**
Total assets	**92,402**	**39,501**	**74.7**	**52,901**
Equity				
Share capital and share premium	494,956	494,942	3,579,869.3	14
Other reserves	(419,058)	(437,583)	(2,362.1)	18,525
Capital and reserves attributable to holders of the company	**75,898**	**57,359**	**309.4**	**18,539**
Non-controlling interests	211	211	n.m	-
Total equity	**76,109**	**57,570**	**310.5**	**18,539**
Non-current liabilities				
Borrowings	3,778	(20,449)	(84.4)	24,227
Lease liabilities	227	(235)	(50.9)	462
Deferred tax liabilities	-	-	n.m	-
Total non-current liabilities	**4,005**	**(20,684)**	**(83.8**	**24,689**
Current liabilities				
Bank loan	3,733	3,100	489.8	633
Lease liabilities	235	9	4.2	226
Trade and other payables	4,772	480	11.2	4,291
Contract liabilities	1,473	(853)	(36.7)	2,327
Other current liabilities	1,874	(298)	(13.7)	2,172
Borrowings short-term portion	200	177	752.2	23
Total current liabilities	**12,288**	**2,615**	**27.0**	**9,673**
Total liabilities and equity	**92,402**	**39,501**	**74.7**	**52,901**

Total non-current assets

The Group's total non-current assets increased by CAD 1,098 thousand, or 3.5%, to CAD 32,619 thousand as of 31 December 2021 compared to CAD 31,521 thousand as of 31 December 2020, primarily due to an increase in non-current receivables where the change is mainly a new loan to employees of CAD 1,331 thousand in relation to the Share Incentive Programme initiated for the employees. This was partly offset by a decrease of CAD 176 thousand in associated companies and joint ventures where the investment in the joint venture Imphytek Powders S.A.S was reduced due to FX variations.

Total current assets

The Group's total current assets increased by CAD 38,402 thousand, or 179.6%, to CAD 59,783 thousand as of 31 December 2021 compared to CAD 21,380 thousand as of 31 December 2020, primarily due to increase in cash and cash equivalents which increased by CAD 36,112 thousand. The net increase in cash was mainly due to the issue of shares during the year which resulted in proceeds of CAD 100,004 thousand.

Total equity

The Group's total equity increased by CAD 57,570 thousand, or 310.5%, to CAD 76,109 thousand as of 31 December 2021 compared to CAD 18,539 thousand as of 31 December 2020, primarily related to the proceeds of CAD 100,004 thousand from the issue of shares during the year. This was partly offset by the loss of the period of CAD 14,559 thousand, other comprehensive loss of CAD 6,201 thousand and the seller's credit of CAD 22,397 thousand where CAD 683 thousand is attributable to non-controlling interests.

Total non-current liabilities

The Group's total non-current liabilities decreased by CAD 20,684 thousand, or 83.8%, to CAD 4,005 thousand as of 31 December 2021 compared to CAD 24,689 thousand as of 31 December 2020, primarily due to a reduction in borrowings of CAD 20,449 which included a repayment of interest-bearing loans and borrowings of CAD 37,535 thousand that was partly offset by a new loan of CAD 17,898 thousand.

Total current liabilities

The Group's total current liabilities increased by CAD 2,615 thousand, or 27%, to CAD 12,288 thousand as of 31 December 2021 compared to CAD 9,673 thousand as of 31 December 2020, was primarily related to an increase in bank loans of CAD 3,100 thousand which is payable within 6 to 12 months. This was partly offset by a reduction in contract liabilities of CAD 853 thousand.

The table below sets forth the Group's key APMs and the period over period percentage of change as of 31 December 2021 and 2020. For the definitions and reconciliations of the following APMs, please see Section 4.3.2 "Alternative Performance Measures ("APMs")".

	Year ended 31 December			
Amounts in CAD thousands	**2021** *(Unaudited)*	**Change in CAD**	**Change in %**	**2020** *(Unaudited)*
Long Term Debt/Equity Ratio	0.05	n.m	n.m	1.33

The Group's Long Term Debt/Equity Ratio decreased to 0.05 as of 31 December 2021 compared to 1.33 as of 31 December 2020. The decrease was primarily related to a decrease in total non-current liabilities and an increase in total equity as described above.

10.4.4 Financial position as of 31 December 2020 compared to 31 December 2019

The table below sets forth selected comparative figures from the statement of financial position as of 31 December 2020 compared to 2019 derived from the Financial Statements:

Balance sheet	**As of 31 December**			
Amounts in CAD thousands	**2020**	**Change in CAD**	**Change in %**	**2019**
Non-current assets				
Property, plant and equipment	16,483	1,757	11.9	14,726
Intangible assets	9,431	(309)	(3.2)	9,740
Associated companies and joint ventures	1,407	1,407	n.m	-
Non-current receivables	4,200	334	8.6	3,866
Deferred tax assets	-	-	n.m	-
Total non-current assets	**31,521**	**3,189**	**11.3**	**28,331**
Current assets				
Inventories	12,037	504	4.4	11,534
Contract assets	537	(1,039)	(66.0)	1,576
Trade and other receivables	6,269	2,725	76.9	3,544
Cash and cash equivalents	2,537	1,031	68.5	1,506
Total current assets	**21,380**	**3,221**	**17.7**	**18,159**
Total assets	**52,901**	**6,410**	**13.8**	**46,491**
Equity				
Share capital and share premium	14	14	n.m	**-**
Other reserves	18,525	14,176	326.0	4,349
Capital and reserves attributable to holders of the company	**18,539**	**14,190**	**326.3**	**4,349**
Non-controlling interests	-	-	n.m	-
Total equity	**18,539**	**14,190**	**326.3**	**4,349**
Non-current liabilities				
Borrowings	24,227	(11,940)	(33.0)	36,167
Lease liabilities	462	(226)	(32.8)	688
Deferred tax liabilities	-	(436)	(100.0)	436
Total non-current liabilities	**24,689**	**(12,602)**	**(33.8)**	**37,291**
Current liabilities				
Bank loan	633	417	192.6	216

Balance sheet	**As of 31 December**			
Amounts in CAD thousands	**2020**	**Change in CAD**	**Change in %**	**2019**
Lease liabilities	226	4	1.9	222
Trade and other payables	4,291	1,891	78.7	2,401
Contract liabilities	2,327	1,955	526.1	372
Other current liabilities	2,172	678	45.4	1,494
Borrowings short-term portion	23	(123)	(83.9)	146
Total current liabilities	**9,673**	**4,822**	**99.4**	**4,851**
Total liabilities and equity	**52,901**	**6,410**	**13.8**	**46,491**

Total non-current assets

The Group's total non-current assets increased by CAD 3,189 thousand, or 11.3%, to CAD 31,521 thousand as of 31 December 2020 compared to CAD 28,331 thousand as of 31 December 2019. The increase was mainly related to additions in property plant and equipment and the investment in the joint venture Imphytek Powders S.A.S. by the Group and Aperam which resulted in a book value of CAD 1,407 thousand adjusting for profit after tax in 2020.

Total current assets

The Group's total current assets increased by CAD 3,221 thousand, or 17.7%, to CAD 21,380 thousand as of 31 December 2020 compared to CAD 18,159 thousand as of 31 December 2019, primarily due to increase in trade and other receivables of CAD 2,725 thousand as a result of higher sales and business timing.

Total equity

The Group's total equity increased by CAD 14,190 thousand, or 326.3%, to CAD 18,539 thousand as of 31 December 2020 compared to CAD 4,349 thousand as of 31 December 2019, primarily related to the issue of shares which resulted in an increase of CAD 20,008 thousand. This was partly offset by the loss of the period of CAD 5,372 thousand and other comprehensive loss of CAD 461 thousand.

Total non-current liabilities

The Group's total non-current liabilities decreased by CAD 12,602 thousand, or 33.8%, to CAD 24,689 thousand as of 31 December 2020 compared to CAD 37,291 thousand as of 31 December 2019, primarily due to decrease in borrowings of CAD 11,940 thousand. The decrease in borrowing mainly consisted of conversion of debt to equity of CAD 20,000 thousand which was partly offset by a new loan of CAD 7,874 thousand.

Total current liabilities

The Group's total current liabilities increased by CAD 4,822 thousand, or 99.4%, to CAD 9,673 thousand as of 31 December 2020 compared to CAD 4,851 thousand as of 31 December 2019, primarily related to increase in trade and other payables together with contract liabilities of CAD 1,891 thousand and 1,955 thousand respectively.

The table below sets forth the Group's key APMs and the period over period percentage of change as of 31 December 2021 and 2020. For the definitions and reconciliations of the following APMs, please see Section 4.3.2 "Alternative Performance Measures ("APMs")".

	Year ended 31 December			
Amounts in CAD thousands	**2020** *(Unaudited)*	**Change in CAD**	**Change in %**	**2019** *(Unaudited)*
Long Term Debt/Equity Ratio	1.33	n.m	n.m	8.57

Long Term Debt/Equity Ratio

The Group’s Long Term Debt/Equity Ratio decreased to 1.33 as of 31 December 2020 compared to 8.57 as of 31 December 2019. The decrease was primarily related to a decrease in total non-current liabilities and an increase in total equity as described above.

10.5 Liquidity and capital resources

10.5.1 Capital resources

The Group's principal sources of liquidity are cash generated from its operating activities, proceeds from its borrowings facilities and equity injected by its shareholders.

The Group's liquidity requirements consist primarily of funding of the Group's growth strategy and operations. The Group's growth strategy comprises of scaling up production, commercializing products, developing new products and forming strategic alliances. Additionally, operations set requirements to working capital, operating expenses and capital expenditures.

As of 31 March 2022, the Group had CAD 32,404 thousand of available cash, which is primarily held in CAD. The Group has committed credit facilities that may be draw at any time, subject to a limit of USD 0.75 million and CAD 4 million whereas an equivalent of CAD 2.4 million is undrawn. The Group has an equity to total assets ratio of 78.4%. For more information about the capitalization and indebtedness and financing of the Group, see Section 8 “Capitalization and indebtedness” and Section 10.10 Borrowing requirements and funding structure”. The Group is compliant with the financial covenant requirements in the credit facilities as of 31 March 2022. Covenant is NIBD<0.

NIBD is defined as: Total interest bearing debt (exclusive of any subordinated loans if the lender has agreed in writing that the loan shall be subordinated to any amount owed to the Bank and that the subordinated loan shall not be repaid with principal or interest until the Bank agrees otherwise in writing), minus aggregated liquidity (freely and immediately available funds, excluding funds on blocked/pledged account (hereunder for tax purposes etc.) or otherwise not available without fulfilment of any conditions).

The Group's ability to generate cash from its operations depends on the Group's future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, political, regulatory and other factors, many of which are beyond the Group's control, as well as other factors discussed in the Section 2 "Risk factors".

The Group manages its financing structure and cash flow requirements in response to the Group's strategy and objectives, deploying financial and other resources related to those objectives. The Group monitors its risk to a shortage of funds by monitoring its working capital, overdue trade receivables and establishing credit facilities.

10.5.2 Cash flow for the year ended 31 March 2022 compared to the year ended 31 March 2021

The table below sets forth selected comparative figures from the statement of cash flow for the three months ended 31 March 2022 compared to the three months ended 2021 derived from the Q1-22 Financial Report:

Cash flow statement	**Three months ended 31 March**			
Amounts in CAD thousands	**2022** *(Unaudited)*	**Change in CAD**	**Change in %**	**2021** *(Unaudited)*
Net cash from operating activities	(5,023)	401	(7.4)	(5,424)
Net cash flow from investing activities	(1,654)	23,820	(93.5)	(25,474)
Net cash flow from financing activities	344	(134,648)	(99.7)	134,992
Net increase in cash and cash equivalents	(6,333)	(110,426)	(106.1)	104,093
Cash and cash equivalents at end of year	**32,404**	**(69,703)**	**(68.3)**	**102,107**

Net cash flow from operating activities

The Group's cash outflow from operating activities for the three months period ended 31 March 2022 was CAD 5,023 thousand compared to an outflow of CAD 5,424 thousand for the three months period ended 31 March 2021. The decreased outflow of CAD 401 thousand was primarily due to the variation in the net profit, exclusion made for non-cash items and working capital variations.

Net cash flow from investing activities

The Group's cash outflow from investing activities for the three months period ended 31 March 2022 was CAD 1,654 thousand compared to an outflow of CAD 25,474 thousand for the three months period ended 31 March 2021. The decreased outflow of CAD 23,820 thousand was primarily due to the purchase of shares of the subsidiary in 2021.

Net cash flow from financing activities

The Group's cash inflow from financing activities for the three months period ended 31 March 2022 was CAD 344 thousand compared to an inflow of CAD 134, 992 thousand for the three months period ended 31 March 2021. The decreased inflow of CAD 134,648 thousand was primarily due to the issuance of shares less repayment of borrowings in 2021.

10.5.3 Cash flow for the year ended 31 December 2021 compared to the year ended 31 December 2020

The table below sets forth selected comparative figures from the statement of cash flow for the year ended 31 December 2021 compared to the year ended 31 December 2020 derived from the Financial Statements:

Cash flow statement	**Year ended 31 December**			
Amounts in CAD thousands	**2021**	**Change in CAD**	**Change in %**	**2020**
Net cash from operating activities	(13,878)	(15,697)	(863)	1,819
Net cash flow from investing activities	(28,385)	(20,232)	248.1	(8,153)
Net cash flow from financing activities	84,612	76,796	982.5	7,817
Net increase in cash and cash equivalents	**42,348**	**40,866**	**2,757.4**	**1,482**
Cash and cash equivalents at end of year	**38,649**	**36,112**	**1,423.3**	**2,537**

Net cash flow from operating activities

The Group's cash outflow from operating activities for the year ended 31 December 2021 was CAD 13,878 thousand compared to an inflow of CAD 1,819 thousand for the year ended 31 December 2020. The increased outflow of CAD 15,697 thousand was primarily due to a decrease in EBITDA of CAD 9,015 thousand, which was a result of a special government COVID subsidy (CAD 2,135 thousand) and revenues from commercial rights (CAD 1,583 thousand) received in 2020. In addition, the Company increased in 2021 its operating costs by CAD 4,320 thousand compared to 2020, mostly due to an increase in the overhead structure to cope with the increased customer demand, IPO costs, increased legal costs and retroactive IFRS adjustments regarding to the accounting treatment of configuration and customization costs for the implementation of cloud-based ERP system. The changes in the working capital also increased the cash outflow and was mainly related to increase in inventories and contract assets.

Net cash flow from investing activities

The Group's cash outflow from investing activities for the year ended 31 December 2021 was CAD 28,385 thousand compared to an outflow of CAD 8,153 thousand for the year ended 31 December 2020. The increased outflow of CAD 20,232 thousand was primarily due to payments for purchases of shares in subsidiaries of CAD 23,480 thousand. The payment was related to a seller's credit of CAD 22,397 plus interest which was payable in relation to the restructuring where AFK sold shares in Tekna Holdings Canada Inc to Tekna Holdings AS. The increased cash outflow was partly offset by a decrease in investments in the joint venture Imphytek Powders S.A.S. of CAD 2,154 thousand.

Net *cash flow from financing activities*

The Group's cash inflow from financing activities for the year ended 31 December 2021 was CAD 84,612 thousand compared to an inflow of CAD 7,817 thousand for the year ended 31 December 2020. The increased inflow of CAD 76,796 thousand was primarily due to increase in proceeds from the issue of shares of CAD 101,361 thousand and increase in new loan of CAD 12,707 thousand. The increase in cash inflow was partly offset by an increased repayment of loan and lease liabilities of CAD 37,273 thousand.

10.5.4 Cash flow for the year ended 31 December 2020 compared to the year ended 31 December 2019

The table below sets forth selected comparative figures from the statement of cash flow for the year ended 31 December 2020 compared to the year ended 31 December 2019 derived from the Financial Statements:

Cash flow statement	**Year ended 31 December**			
Amounts in CAD thousands	**2020**	**Change in CAD**	**Change in %**	**2019**
Net cash from operating activities	1,819	14,811	(114.0)	(12,992)
Net cash flow from investing activities	(8,153)	(7,889)	2,985.7	(264)
Net cash flow from financing activities	7,817	(4,001)	(33.9)	11,818
Net increase in cash and cash equivalents	**1,482**	**2,920**	**(203.0)**	**(1,438)**
Cash and cash equivalents at end of year	**2,537**	**1,031**	**68.5**	**1,506**

Net cash flow from operating activities

The Group's cash inflow from operating activities for the year ended 31 December 2020 was CAD 1,819 thousand compared to an outflow of CAD 12,992 thousand for the year ended 31 December 2019. The increased inflow of CAD 14,811 thousand was primarily due to an increase in EBITDA of CAD 4,214 thousand as a result of increased revenues, increased grants and revenues from commercial rights. In addition, operating costs were decreased by a net CAD 988 thousand in 2020 compared to 2019 due to recharges of operating costs to the joint venture minus additional legal fees and IFRS adjustments in the accounting treatment of configuration and customization costs for the implementation of cloud-based software services. The changes in the current operating assets and liabilities of CAD 2,000 thousand also increased the cash inflow and was mainly related to increased trade and other payables and contract liabilities.

Net cash flow from investing activities

The Group's cash outflow from investing activities for the year ended 31 December 2020 was CAD 8,153 thousand compared to an outflow of CAD 264 thousand for the year ended 31 December 2019. The increased outflow of CAD 7,889 thousand was related to increased purchase of property plant and equipment and intangible assets of CAD 4,439 thousand together with investments in the joint venture Imphytek Powders S.A.S. of CAD 3,450 thousand.

Net cash flow from financing activities

The Group's cash inflow from financing activities for the year ended 31 December 2020 was CAD 7,816 thousand compared to an inflow of CAD 11,818 thousand for the year ended 31 December 2019. The decreased inflow of CAD 4,002 thousand was primarily due to a decrease in long term loans of CAD 5,307 thousand, which was partly offset by a decrease in repayments of short-term loans of CAD 1,292 thousand.

10.6 Financial objectives

The Group defines capital as equity, including other reserves. The Group's main objective when managing capital is to ensure the ability of the Group to continue as a going concern, including assuring liquidity to finance its growth strategy and to meet all requirements imposed by external financing agreements in the form of covenants.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Considering all available information about the future of the Group's operations, the Group's management concludes that it is appropriate to assume the Group's ability to continue as a going concern.

10.7 Financial risk management

Tekna operates on an international level and is exposed to various financials risks. Tekna's financial risk management evolves around managing the currency risk, interest rate risk, liquidity risk and credit risk as described below.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are denominated in a currency other than the Company's functional currency. The foreign exchange rate risk for the Group relates to the fact that the Group's business transactions, operations and sales are made in several currencies, including Canadian dollar (CAD), U.S dollar, euro, Chinese Yuan, Indian rupee, South Korean won. Unfavourable fluctuations in exchange rates could have an adverse effect on the Group's business, financial positions and profits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the Company to fair value risk, while floating rate instruments subject it to cash flow risk.

The group’s main interest rate risk arises from the bank credit facilities, which expose the group to cash flow interest rate risk. At year end all bank credit facilities are using base rate +2% as fixed rate. The amounts are carried at amortized cost.

As of March 31, 2021, the Company's exposure to interest rate risk is as follows:

Cash: Floating rate

Accounts receivable: Non-interest bearing

Bank loan: Floating rate

Accounts payable and accrued liabilities: Non-interest bearing

Obligations under capital leases: fixed rate of 3.31%

Long-term debt: Floating rate on loans totalling CAD 1.2 million and non-interest bearing on other loans

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities, and long-term debt.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The group maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group’s liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The committed credit facilities may be drawn at any time, subject to a limit of USD $0,75 million and CAD 4 million.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject the Company to credit risk consist principally of cash and accounts receivable. The Company's cash is maintained at major financial institutions; therefore, the Company considers the risk of non-performance of this instrument to be remote. In addition, the Company has provided for this risk through the allowance it has taken on its accounts receivable. No trade receivables mature beyond one year. To mitigate the credit risk on trade receivables, the group is following up credit risk on a regular basis and require down payments and letters of credit to cover the value of the systems contracts signed with its customers. Historically, the group has not experienced significant adverse impacts in relation to trade receivable collection.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

For more information please see note 16 in the Financial Statement for the year ended 2021, included as Appendix B to this Prospectus.

10.8 Off-balance sheet arrangements

The subsidiaries of the Company in Canada have signed agreements with the provincial government in Quebec and with the Federal government in Canada in the form of a mix of non-refundable contributions and refundable contributions totalling in aggregate CAD 29 million. The contributions are based on a % of paid eligible CAPEX, R&D and operation costs. The agreements do not have financial covenants with respect to the lenders but the companies are committed to various other operating obligations and covenants such as an obligation to conduct activities in the province of Quebec, level of employment, job creation over time, level of investments in research and development, collaborations with research centres, investments in training, development of new line of products, etc.

There are no conditions and covenants related to borrowings in the Group which may represent a material restriction on the Company's freedom of action, except for the following:

In virtue of the agreements, the Canadian subsidiaries are subject to restrictions related to the modification of their corporate by-laws, the conversion or issuance of new capital stock, the payment of dividends and the change in the control of their voting stock.

Besides the mentioned above agreements, the Group is not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Group's financial condition, results of operations, liquidity, capital expenditure or capital resources.

10.9 Investments

10.9.1 Material investments in progress or planned

In 2021, the Board of Directors of the Company approved an investment roadmap of CAD 16 million to further increase production capacity in each of its business areas. This investment roadmap is planned to be realized over a period of three years, from 2021 to 2023.

For the financial year 2022, Tekna plans to invest

- CAD 6.2 million in plasma systems and post-processing equipment ($2 million in France and 4.2 million in Canada) to increase the capacity and prepare for the upcoming growth of sales in the additive manufacturing space. Tekna will be consolidating its additive manufacturing powder production in France and will strengthen the company's supply chain resilience in Europe.

- CAD 2.3 million for a new plasma system, infrastructure and classification system dedicated to the production of powders for the microelectronics area. This investment will be made in Canada.

- CAD 2 million for the manufacturing of a plasma system and post-processing equipment for the production of Nickel alloys. This investment will be made in France.

- In order to accommodate this increased capacity, the company plans to invest CAD 4 million in leasehold improvements and utilities of its existing facilities in Canada ($3 million) and France ($1 million), as well as an investment of CAD 3 million in Canada for R&D equipment, health and safety features and other various CAPEX projects.

The funding of these investments is planned to be made from the available cash and partial funding from government contributions.

10.9.2 Material historical investments

The Group's material investments relate to investments in purchase of shares in subsidiaries, investments in a joint venture and the purchase of PP&E and intangible assets. The table below sets out an overview of the net cash outflow from investing activities made by the Group during the years ended 31 December 2021, 2020 and 2019.

Cash Flow	Year ended 31 December		
Amounts in CAD thousands	2021	2020	2019
Cash flow from investing activities			
Proceeds from the sales of PPE	28	-	-
Purchase of PPE and intangible assets	(3,637)	(4,703)	(264)
Investment in the JV	(1,296)	(3,450)	-
Purchase of shares in subsidiaries	(23,480)	-	-
Net cash flow from investing activities	**(28,385)**	**(8,153)**	**(264)**

The Group's historical main share of investments for the historical period relates mainly to transactions with Arendal Fossekompani ASA (AFK). On 11th of March 2021 AFK sold 83,577,789 shares in Tekna Holdings Canada Inc to Tekna Holding AS for CAD 394,898 thousand. The cash outflow of CAD 23,480 thousand was related to a seller's credit of CAD 22,397 thousand plus interest which was payable in relation to the restructuring. The seller's credit was a result of the purchase price (CAD 394,898 thousand) being higher than the settlement through increase in share capital and contribution of an aggregate share premium (CAD 372,030 thousand).

The Group also made material investment in the joint venture Imphytek Powders S.A.S. of CAD 1,296 thousand and CAD 3,450 thousand in 2021 and 2020 respectively. The Imphytek Powders S.A.S. joint venture is owned by equally (50% each) by the Group and Aperam. The company is combining Tekna 's unique wire plasma atomization technology and Aperam's expertise in Nickels and Specialty Alloys for the production of high-performance powder for advanced manufacturing technologies. The company has the exclusive rights to sell Nickel alloy powder in Europe, and benefits from all market and product developments made by Tekna and Aperam in the past years. The Group's responsibility as a participant in Imphytek Powder S.A.S. is limited to the capital contribution, and the return equals the Group's share of profit. Thus, the group as a participant is entitled to the arrangement's net assets.

Purchase of PP&E and intangible assets has also been a material investment for the Group of CAD 3,637 thousand and 4,703 thousand in 2021 and 2020 respectively. This investment is mainly related to the manufacturing of a plasma system for titanium powders production, equipment and leasehold improvements.

10.10 Borrowing requirements and funding structure

The Group's funding structure consists of long-term loans, short-term facility agreements and non-refundable contributions.

10.10.1 Long-term loans as of March 31, 2022

- Loan of CAD 1,196 thousand, secured by land and a building, bearing interest at the lender's prime rate less 0.75%, payable in monthly capital instalments of CAD 6 thousand, maturing in July 2039.

- Loan of CAD 309 thousand under the "Programme de développement économique du Québec", capital of CAD 363 thousand evaluated at fair value using the effective rate, without interest, payable in monthly instalments of CAD 13 thousand, maturing in August 2024.

- Loan of CAD 695 thousand under the "Programme de développement économique du Québec", capital of CAD 1,100 thousand evaluated at fair value using the effective rate, without interest, payable in 60 monthly instalments of CAD 18 thousand starting in December 2022 and maturing in December 2027.

- Loans totalling CAD 2,086 thousand, capital of CAD 4,484 thousand evaluated at fair value using the effective rate and repayable over a period of a maximum 15 years.

- Purchase price balance of CAD 136 thousand, without interest, payable by way of a 5% royalty fee on the first CAD 3,700 thousand in sales of a specific material. The Company shall pay the lender an additional 8% royalty on all sales, as defined by the lender, until the later of April 2034 and the expiry of the last patent as defined in the agreement. The minimum annual payment is CAD 25 thousand.

- Obligations of CAD 59 thousand under capital leases, bearing an implicit rate of 3.31%, payable in monthly capital and interest instalments of CAD 3,031, maturing in November 2023.

Tekna Holdings Canada Inc. does not have financial covenants with respect to the long-term lenders but is committed to various other operating obligations and covenants related to some of the loans, such as an obligation to conduct activities in the province of Quebec, level of employment, job creation over the term of the loan, level of investments in research and development, collaborations with research centres, investments in training, development of new line of products, etc.

None of the conditions and covenants related to the long-term loans in the Group represents a material restriction on the Group's freedom of action, except for restrictions on subsidiaries in Canada related to the modification of their corporate by-laws, the conversion or issuance of new capital stock, the payment of dividends and the change in the control of their voting stock.

As of this date, none of the Group's subsidiaries are in breach of any covenants in the long-term loan agreements described above. All covenants in the loan agreements are considered by the Company to be in line with common market practice, and the Company is not aware of any terms in the loan agreements that deviate from market practice.

10.10.2 Short-term Facility Agreements

The subsidiaries of the Company in Canada benefit from uncommitted facility agreements of CAD 4 million plus USD 750 thousand with Nordea Bank AB, New York. The facility agreements are secured by a USD 9 million bank guarantee from Tekna Holding and provides security for all the Company’s current and future obligation towards the bank. The Facility Agreements include a financial covenant defined as the obligation to maintain a NIBD < 0. The NIBD represents the total interest-bearing debt minus aggregated liquidity.

10.10.3 Non-refundable contributions as of March 31, 2022

The Company benefits from non-refundable contributions of a maximum amount of CAD 14 million based on a % of eligible CAPEX, R&D and operating expenses. The contributions are provided from federal and provincial institutions to support the strategic positioning of the Company, the implementation of a new production facility and the increase of production capacity for the Group's metal powders. As of March 31, 2022, the Company has received a non-refundable contribution of CAD 4,057 thousand.

Furthermore, the Company received certain non-refundable contributions from the Federal Government under the Canadian Emergency Wage Subsidy ("**CEWS**") program. This grant was implemented to support the companies in Canada that were affected by the pandemic through a reduction of their revenues compared to the previous year. In summary, the grant was calculated at 75 % of the salaries paid by the companies, subject to a limitation of $847/week. Tekna recorded claims of CAD 2135 thousand as CEWS in 2020.

10.11 Recent development and changes

The world is in transition. The Covid-19 pandemic limited travel and representation to the Group's customers the past 2 years delayed some systems orders and added pressure on material cost and delivery lead times in the supply chain for systems components. The strain on the supply chain has remained since the start of the fiscal year and is expected to continue throughout 2022.

Even though the procurement of raw material for powder production experienced freight delays, the Group managed to keep raw material inventory in reserve to mitigate the cost and delivery risk during the pandemic period until today. Furthermore, since the start of the fiscal year 2022, the Group has proceeded with adjustments of the selling price of its metal powders to account for raw material and supply cost increase where required. The order intake for powders remains strong, while customers continue their transition towards new technology.

In the first quarter of 2022, the Group continued to experience a rise in the demand for advanced materials, further confirming Tekna's position in the market. Tekna is expanding its machine capacity by increasing existing machine performance and adding additional machines. The implementation of a further round of machine upgrades and innovations continued in the second quarter of 2022 and will make progress through the rest of this year. The upgrades will involve software and hardware enhancement on the machines and auxiliary systems. A successful trial period completed in the first quarter of 2022 indicates a 70% increase in machine capacity by year-end of 2022. With further machine capacity upgrades, Tekna expects to meet the strong and increasing demand for its advanced materials for additive manufacturing. In Q4 2021, the French government suspended the export permits to Turkey for the sales of metal powders falling under the dual-use goods. This trade constraint affect less than 2% of the Group's business. The duration of the suspension is undetermined.

Tekna has continued to invest in developing its position in the Printed Electronics market with sustained development conducted with customers and potential partners. Ongoing trials evaluating Tekna nickel nano (80nm) powder have continued since the end of the last fiscal year. The customer feedback remains favourable and the outlook to pass strategic milestones in 2022 remains, according to current plans.

The Company's joint development agreement with LG Chem for battery materials is developing positively. In the early start of fiscal year 2022, and according to schedule, the Group has delivered an industrial pilot plasma unit to LG Chem. Trials are involving the delivered unit is ongoing at the LG Chem site. Tekna is also expecting new samples of its enhanced silicon materials, which are showing increased energy density from 350 to 600 mAh/g, to be provided to selected prospects starting from the beginning of the third quarter of 2022.

There has been no significant change in the Group's financial position or performance in the period after the Q1-22 Financial Report and up to the date of this Prospectus.

11. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested with the Board and the Management. In accordance with Norwegian law, the Board is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The chief executive officer (the "**CEO**") is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors.

11.2 Board of Directors

11.2.1 Overview

The Company's Articles of Association provide that the Board shall consist of a minimum of three and a maximum of 9 members. The names and positions of the members of the Board of Directors as of the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Morten Henriksen	Chairman	December 2021	December 2023
Torkil Mogstad	Board member	February 2021	February 2023
Barbara Thierart-Perrin	Board member	April 2022	April 2024
Anne Lise Meyer	Board Member	May 2022	May 2024

All members of the Board of Directors are independent from the Company's executive management. Morten Henriksen and Torkil Mogstad are not independent from the Company's shareholders as they are representatives of such shareholders in the Board.

Accordingly, the composition of the Board is in compliance with the recommendations of the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (the "**Corporate Governance Code**"). The Corporate Governance Code recommends that (i) the majority of the shareholder-elected members of the Board of Directors is independent of the Company's executive Management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive Management are members of the Board of Directors.

There are no family relationships between any of the members of the Board of Directors or the Management.

The Company's registered office in Langbryggen 9, 4841 Arendal, Norway serves as the business address for the members of the Board of Directors in relation to their directorships in the Company.

11.2.2 Brief biographies of the members of the Board of Directors

Set out below are brief biographies of the members of the Board of Directors, including their relevant expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a director is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Morten Henriksen, Chairman
Morten Henriksen is the Executive Vice President of Arendals Fossekompani ASA and holds the position as Chairman of the Board of Directors. Morten Henriksen has extensive experience from several management positions, including as Managing Director of Statkraft UK Ltd., Project Manager at Statkraft AS, Senior Advisor of Norconsult AS and has also worked as engineer in Alcatel Norway AS. Morten Henriksen is a member of the board of directors of Kongsberg Gruppen ASA, Flumill AS, Tekna Plasma Systems Inc., Alytic AS and Investinor AS

Current directorships and senior management positions	*Executive Vice President of Arendals Fossekompani ASA. Member of the board of directors of Kongsberg Gruppen ASA, Flumill AS, and Tekna Plasma Systems Inc., Alytic AS and Investinor AS.*
Previous directorships and senior management positions last five years	*Managing Director of Statkraft UK Ltd., Project Manager at Statkraft AS, Senior Advisor of Norconsult AS.*

Barbara Thierart-Perrin, Board member
Barbara Thierart-Perrin has been the Vice President of Northvolt Systems since September 2021. She has 20 years of experience from several management positions, including roles as Overseas Program Director and Vice President in Nissan Motor Corporation covering the Africa, Middle East and India region, and General Manager positions in Group Renault. Thierart-Perrin has previously served as member of the board of directors of Renault Mobiliz Invest.

Current directorships and senior management positions	*Vice President of Northvolt Systems.*
Previous directorships and senior management positions last five years	*Overseas Program Director and Vice President in Nissan Motor Corporation (Africa, Middle East and India region), General Manager positions in Group Renault.* *Member of the board of directors of Renault Mobiliz Invest.*

Torkil Mogstad, Board Member
Torkil Mogstad has been Executive Vice President of Arendals Fossekompani ASA since 2015. He has previously held several executive management positions, including Chief Executive Officer of Markedskraft AS, Director of Icon Medialab Norge AS and Engagement Manager of McKinsey & Company. He started his career in R&D at McDonnell Douglas Aerospace (now Boeing) in the US. Torkil Mogstad holds several directorships, including being the chairman of the board of directors of AFK Property AS, and Arendal lufthavn Gullknapp AS, and is a member of the board of directors of NSSLGlobal Ltd, Tekna Plasma Systems Inc., Alytic AS and Ampwell AS.

Current directorships and senior management positions	*Executive Vice President of Arendals Fossekompani ASA.* *Chairman of the board of directors of AFK Property AS, and Arendal lufthavn Gullknapp AS.* *Member of the board of directors of NSSLGlobal Ltd, Tekna Plasma Systems Inc., Alytic AS and Ampwell AS.*
Previous directorships and senior management positions last five years	*Chief Executive Officer of Markedskraft AS, Director of Icon Medialab Norge AS and Engagement Manager of McKinsey & Company.*

Anne Lise Meyer, Board member
Anne Lise Meyer is an experienced CEO, chair and board member, with more than 20 years of experience from several management positions. Meyer was previously the CEO of the investment firm Hamang AS, CEO of the Gillette Group Norway and has held several leading positions with Hewlett-Packard and Netcom (now Telia). Meyer holds several directorships, both as chairman and member of the board of directors of Bertel O. Steen Kapital, Pancom AS, and Sissener AS. Meyer holds a Bachelor of Management from the Norwegian School of Management.

Current directorships and senior management positions	*Member of the board of directors in Pancom AS, Bertel O. Steen Kapital, Sissener AS.*

Previous directorships and senior management positions last five years	*CEO at Hamang AS, CEO Gillette Group Norway. Chairman of the board of directors of Berner Gruppen, board member in Norsk Tipping, Bank 2, Komplett ASA, REC Solar ASA, DB Medielap, Dagbladet AS.*

11.2.3 Shares held by the members of Board of Directors

As of the date of this Prospectus, the following members of the Board of Directors own Shares in the Company:

Name	Number of Shares	% of share capital
Morten Henriksen	55,625	0.04
Torkil Mogstad	52,125	0.04
Barbara Thierart-Perrin	0	0
Anne Lise Meyer	0	0

11.3 Management

11.3.1 Overview

The Management of the Company consists of five individuals. The names of the members of the Management as at the date of this Prospectus and their respective positions are presented in the table below.

Name	Position	Position held since
Luc Dionne	Chief Executive Officer	April 2014
Serge Blackburn	Chief Financial Officer	January 2017
Rémy Pontone	Vice President Sales & Marketing	March 2016
Arina Van Oost	Vice President Corporate Strategic Development & Innovation	April 2020
Etienne Villenueve	Vice President Operations	December 2020
Nicolas-Simon D'Astous	Vice President Finance	October 2021

All members of the Management are part of the management of Tekna Plasma Systems Inc., the operating company in the Group. The Company's registered office, Tekna Plasma Systems Inc., 2935 Boulevard Industriel, Sherbrooke, Québec, Canada, serves as the business address for the members of Management in relation to their positions in the Company.

11.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Luc Dionne, Chief Executive Officer
Luc Dionne has been the Chief Executive Officer of Tekna Canada and its global subsidiaries since April 2014, and the CEO of the Company since October 2021. He has extensive experience from various directorships and executive management positions in advanced materials research, aerospace, microelectronics and defense. Since joining the Group, Luc Dionne grew the Group's revenue threefold, built a portfolio of Fortune 500 grade customers and expanded the company's operations globally. He served on the Canadian government strategic table for advanced manufacturing and was awarded the Technology Innovation Award from Polytechnic Engineering School of Montreal.

Current directorships and senior management positions	*Chairman of the board of directors of Tekna Plasma Korea, Tekna Plasma Suzhou, Tekna Plasma Europe, Tekna Plasma India privat, Tekna Advanced Materials.* *Member of the board of directors in Tekna Holding Canada, ImphyTek Powders.* *CEO and President of Tekna Holding ASA.*
Previous directorships and senior management positions last five years	*None*

Serge Blackburn, Chief Financial Officer

Serge Blackburn has been the Chief Financial Officer of Tekna Plasma Systems Inc. since January 2017. Chartered Professional Accountant since 1993, he has over 25 years of experience in various management and finance positions for manufacturing companies. Prior to his implication in the Group, he held a position of Vice-President Finance and Investments in Innovatech Sud du Québec, a position of Chief Financial Officer in Plastube Inc and as the Corporate controller for Jyco Sealing Technologies Corporation and Thona Inc. He currently serves as a member of the executive committee in Tekna Plasma Systems Inc. and in Imphytek Powders SAS.

Current directorships and senior management positions	*Board member: NSE Automatech Inc. and CFO in Tekna Holding ASA.*
Previous directorships and senior management positions last five years	*None*

Rémy Pontone, Vice President Sales & Marketing

Rémy Pontone has been the Vice President Sales & Marketing of Tekna Plasma Systems Inc. since March 2016, and prior to this he held various management positions in sales, business development and product management. In 2012 he led the incorporation process of Tekna's European subsidiary, Tekna Plasma Europe SAS. Rémy Pontone has 25 years' experience in management, sales, marketing and product development. Prior to joining Tekna Plasma Systems Inc. he has held several international management and sales positions in five different countries for Johnson Matthey and started his career at the research and development center of Saint Gobain. Rémy Pontone is graduated engineer in material science and chemical engineering.

Current directorships and senior management positions	*Vice President Sales & Marketing of Tekna Plasma Systems Inc.*
Previous directorships and senior management positions last five years	*None*

Arina van Oost, Vice President Strategic Development & Innovation

Arina van Oost joined the Group in early 2020 in the position of VP Corporate and Strategic Development. Innovation, ESG and Corporate Communication have become part of her portfolio. Previously, she has held several executive positions at ThyssenKrupp, including VP GM of its Canadian Aerospace division and Global Head of Marketing and Sales of its Access Solutions division (HQ in Germany). Further roles included Managing Director (VP/GM) in UK, Spain, and Netherlands for companies of ThyssenKrupp's Elevator division. She holds an executive MBA from ESMT and a bachelor's degree in international management.

Current directorships and senior management positions	*Vice President Strategic Development & Innovation*
Previous directorships and senior management positions last five years	*VP / GM ThyssenKrupp Aerospace Canada Inc.*

Etienne Villeneuve, Vice President Operations
Etienne Villeneuve currently holds the position of Vice President Operations at Tekna Plasma Systems Inc. He has 17 years of experience in several executive management positions, including Vice President Operations at Groupe Parima, Head of Operations and Technical Services at Neptune Wellness Solutions, Operations and Continuous Improvement Director at Conagra Foods. He has evolved in several Quality Regulated Businesses like Pharmaceutical and Technologies. He currently serves as a member of the board of directors for Sherbrooke Innopole.

Current directorships and senior management positions	*Vice President Operations at Tekna Plasma Systems Inc. Member of the board of directors in Sherbrooke Innopole (SI),*
Previous directorships and senior management positions last five years	*Vice President Operations at Groupe Parima, Head of Operations and Technical Services at Neptune Wellness Solutions, Operations and Continuous Improvement Director at Conagra Foods.*

Nicolas-Simon D'Astous, Vice President Finance
Nicolas-Simon D'Astous has joined Tekna in 2021 as VP Finance. Nicolas has over 20 years of experience in various management and finance positions working for manufacturing companies mostly. Prior to his implication with Tekna, Nicolas worked for the past 15 years at Garlock Sealing Technologies serving industrial production markets. As VP Finance he managed an international team spread over 11 countries. Kerry (food industry), SaarGummi (automotive industry) and Selection of Readers' digest magazine are other businesses Nicolas worked for. Nicolas studied at the Université Laval in Québec and has been Chartered Professional Accountant (CPA) since 2003.

Current directorships and senior management positions	*Vice President Finance at Tekna Plasma Systems Inc.*
Previous directorships and senior management positions last five years	*VP Finance at Garlock Sealing Technologies*

11.3.3 Shares held by members of the Management

As of the date of this Prospectus, no members of the Management own any Shares in the Company. The members of the Management owns shares in Tekna Canada as follows:

Name	Number of Shares	% of share capital
Luc Dionne	588,576 Class B Common Shares	0.68 of the share capital in Tekna Canada
Serge Blackburn	196,192 Class B Common Shares	0.23 of the share capital in Tekna Canada
Rémy Pontone	392,384 Class B Common Shares	0.45 of the share capital in Tekna Canada
Arina van Oost	392,384 Class B Common Shares	0.45 of the share capital in Tekna Canada
Etienne Villeneuve	196,192 Class B Common Shares	0.23 of the share capital in Tekna Canada
Nicolas-Simon D'Astous	0 Class B Common Shares	0 of the share capital in Tekna Canada

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The remuneration paid to members of the Board of Directors during the year ended 31 December 2021 was a total of NOK 0. The members of the Board of Directors, Morten Henriksen and Torkil Mogstad, are part of the management of AFK, and therefore did not receive remuneration for their directorship in the Group during the year ended 31 December 2021. Barbara Thierart-Perrin and Anne Lise Meyer were elected on 1 April 2022 and 30 May 2022 respectively, and have therefore not received any remuneration for their directorship in the Group as of the date of this Prospectus.

11.4.2 Remuneration of the Management

The remuneration paid to members of the Management during the year ended 31 December 2021 was a total of CAD, as further specified in the table below:

Amounts in CAD 1000 Name	Position	Salary	Bonus	Pension	Share based compensation	Other	Total remune-ration
Luc Dionne	CEO	300	36	8	20	18	382
Serge Blackburn	CFO	173	21	4	7	10	215
Other executive management		538	27	20	33	39	657

11.5 Benefits upon termination

The Company's Chief Executive Officer is entitled to 12 months' pay after termination of his employment if the employment is terminated by the Company. Except for this, there are no benefits upon termination for the Company's employees, the members of the Board of Directors or the members of Management.

11.6 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of the members of the Board of Directors or the Management.

11.7 Employees

As of the date of this Prospectus, the Group has 204 employees.

The table below shows the development in the number of employees in the Group for the years ended 31 December 2021, 2020 and 2019:

	31 December		
	2021	2020	2019
Total	190	174	168
Norway	0	0	-
Canada	173	151*	148*
France	26	17*	15*
China	3	4	3
Korea	2	2	2

* These numbers are estimations.

There are no arrangements for involving the employees in the capital of the Company.

11.8 Employee share purchase plan

On 18 February 2021, Tekna Canada established an employee share purchase plan for certain qualified employees of the Group (the "**Plan**"). Under the Plan, the qualified employees may purchase Class B Common Shares in the share capital of Tekna Canada. The Class B Common Shares do not grant the holder of such shares any voting right, but the holders of the Class B Common Shares are entitled to receive distribution on all return of capital including dividends declared by Tekna Canada, on a pro rata basis on all the issued and outstanding shares in Tekna Canada. The Class B Common Shares may be subscribed by the qualified employees, if authorized and approved by the board of directors of Tekna Canada, in its sole discretion, at a price per Class B Common Share equal to the share price of the Company, less a discount of 20%. The discount of 20% has been determined due to the lack of voting rights for the Class B Common Shares and a three-year look-up period, as further described below.

Shares representing not more than 4% of all issued and outstanding shares of Tekna Canada are available for issue under the Plan, and as of this date, shares representing 3.44% of the issued and outstanding shares have been issued to employees under the Plan (in which all are Class B Common

Shares). The Plan provides that Tekna Canada may loan the employees the subscription amount payable under the Plan, and loan agreements have been entered into with all participating employees in this respect.

Under the individual agreements entered into with each of the participants in the Plan, the participants have a put option on Tekna Canada, requiring Tekna Canada to acquire the participants shares at a price equal to the share price of the Company following (i) the expiry of a three-year lock-up period or (ii) upon a change of control in Tekna Holding. Furthermore, the individual agreements with the participants gives them a tag-along right if (i) AFK receives a bona fide offer from a third party to sell shares in Tekna Canada, which (ii) results in AFK no longer having control of Tekna Canada. AFK also has drag-along rights upon a cash offer accepted for at least 66.66% of the issued and outstanding voting shares in Tekna Canada. Other than in the case of a transaction triggering the tag-along right or drag-along right, the Class B Common Shares issued under the program may only be transferred back to Tekna Canada on certain terms and conditions.

11.9 Pension and retirement benefits

For the year 2021, the Group's total pension costs were CAD 364,000, compared to CAS 293,000 in 2020 and CAD 249,000 in 2019. Total employees' benefit, including salaries, social security contributions, pension costs and other benefits, amounted to CAD 12,733,000 in 2021, CAD 10,631,000 in 2020 and CAD 9,796,000 in 2019.

For defined contribution plans, the group pays contributions to publicly or privately administered pension plans. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

11.10 Audit committee

The Board has established an audit committee. The current members of the audit committee are Anne Lise Meyer (chairman) and Torkil Mogstad.

Pursuant to Section 6-43 of the Norwegian Public Limited Liability Companies Act, the primary purposes of the audit committee are to:

- prepare the Board's supervision of the company's financial reporting process;
- monitor the systems for internal control and risk management;
- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor

The audit committee reports and makes recommendations to the Board, but the Board retains responsibility for implementing such recommendations.

11.11 Conflict of interests

The members of the Board of Directors, Morten Henriksen and Torkil Mogstad, hold executive management positions in AFK, which is the majority shareholder in the Company. Except for this, there are currently no actual or potential conflicts of interest between the board members and members of the Management's duties to the Company and their private interests or other duties. Further, there are no interests material to the Listing.

There are no family relationships between the members of the Board of Directors and/or the members of the Management.

11.12 Convictions for fraudulent offences, bankruptcy etc.

None of the members of the Board or Management has during the last five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

11.13 Corporate governance

The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code, except for section 7 in the Code. Pursuant to section 7 in the Code, the general meeting should appoint members to a nomination committee, guidelines for the nomination committee and determine the nomination committee's remuneration. The Company has as of this date not established a nomination committee. The function and responsibilities of a nomination committee are considered by the Company to be sufficiently handled by the Board of Directors as of this date.

12. CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

12.1 Corporate information

The Company's registered name is Tekna Holding ASA and its commercial name is Tekna Holding. The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act.

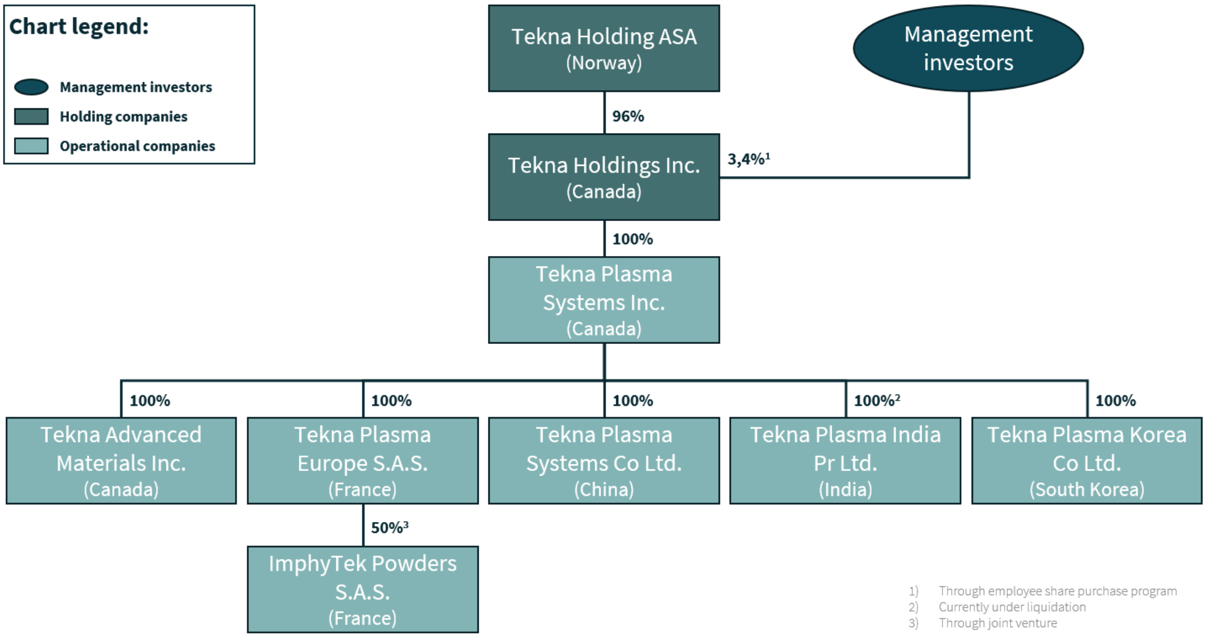
The Company's registered office is in the municipality of Arendal, Norway, its registered address is Langbryggen 9, 4841 Arendal, Norway and its headquarter is located in Sheerbrooke, Québec, Canada. The telephone number to the Company's headquarter is +1-819-820-2204 and its website is www.tekna.com. The content of www.tekna.com is not incorporated by reference into or otherwise forms part of this Prospectus.

The Company was established on 30 June 2020. The Company's registration number in the Norwegian Register of Business Enterprises is 925 347 884 and its LEI number is 549300B8BGP6YLHH0K80.

12.2 Legal structure

The Company is the parent company of the Group. The Company is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.

Below is an organisational chart of the legal structure of the Group, including the Company's ownership in its subsidiaries and the jurisdictions of the subsidiaries:



The Company owns 96% of the shares in Tekna Canada, representing all 83,577,789 Common Shares, and 3.44% of the shares are currently owned by members of the management team in Tekna Canada, representing a total of 2,991,928 Class B Common Shares. The only issued and outstanding shares in Tekna Canada as of this date are the 83,577,789 Common Shares and the 2,991,928 Class B Common Shares. See Section 11.8 about the employee share purchase plan for further information about the Class B Common Shares.

ImphyTek Powders SAS is a jointly owned company by Tekna Plasma Europe SAS (TPE) and Aperam Alloys Imphy SAS (AAI). The shareholders, TPE and AAI have subscribed fifty percent (50%) of the Common Shares in ImphyTek Powders SAS representing a total of 5 000 shares.

12.3 Share capital and share capital history

The Company's current share capital is NOK 250,454,692 divided into 125,227,346 ordinary Shares of a nominal value of NOK 2.00 each. All the Shares have been created under the Norwegian Public Limited Liability Companies Act, and are validly issued and fully paid.

The Shares are registered in book-entry form in the Norwegian Central Securities Depository (*Norwegian*. Verdipapirsentralen) (VPS). The Company's Share Registrar is DNB Issuer Services, a part of DNB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway. The Shares have ISIN NO 001 0951577.

On 11 March 2021, the Company increased the share capital through the transfer of shares in Tekna Canada from AFK to the Company, with the shares held by AFK in Tekna Canada, as further described in Section 4.3.1 and Section 7.11. The new 83,577,789 shares were issued by AFK.

On 24 March 2021, the Company increased the share capital through the issuance of 24,074,074 new Shares each with a nominal value of NOK 2, in connection with a private placement, completed in connection with the listing of the Company on Euronext Growth Oslo.

On 29 April 2021, the Company increased the Company's share capital by NOK 2,306,544 through the issuance of 1,153,272 new shares, each with a nominal value of NOK 2. The share capital increase was a result of Arctic Securities (on behalf of the managers of the private placement carried out on 24 March 2021) exercised its greenshoe option for a total of 1,153,272 new shares.

Other than the abovementioned share capital increases, no other changes in the Company's share capital have occurred in the period covered by the historical financial information.

12.4 Ownership structure

As of the date of this Prospectus, no one other than AFK directly or indirectly holds or control more than 5% of the issued Shares. There are no specific measures in place regulating the exercise of the influence which follows from holding a majority of the Shares in the Company. As of the date of this Prospectus, AFK holds 89,046,452 Shares, corresponding to 71,1% of the share capital in the Company.

See Section 13.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

As of the date of this Prospectus, the Company does not hold any treasury shares.

There are no arrangements known to the Company that may lead to a change of control in the Company.

12.5 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class will provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attached to the Shares are described further in Section 12.11 "The Articles of Association" and Section 12.12 "Certain aspects of Norwegian corporate law".

12.6 Admission to trading

As of the date of this Prospectus, the Company's Shares are admitted to trading on Euronext Growth Oslo. The Shares are not admitted to trading on any regulated market, or other multilateral trading facilities or SME Growth Markets.

The Company applied for admission to trading of its Shares on Oslo Børs on 6 May 2022 and the board of directors of Oslo Børs ASA approved the listing application on 22 June 2022. The Company currently expects commencement of trading in the Shares on Oslo Børs on or about 1 July 2022 under the ticker symbol "TEKNA". The Company has not applied for admission to trading of its Shares on any other market place than Oslo Børs.

The Company believes that the admission to trading of the Shares on Oslo Børs will:

- enhance the Company's profile with investors, business partners, suppliers and customers;
- allow for a more liquid market for the Shares;
- facilitate for a more diversified shareholder base and enable additional investors to take part in the Company's future growth and value creation;
- provide better access to capital markets; and
- further improve the ability of the Company to attract and retain key management and employees.

12.7 Convertible instruments, warrants and share options

Neither the Company nor any of its subsidiaries have issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company or shares in any of the subsidiaries.

12.8 Authorizations

On 4 May 2022, the annual general meeting of the Company resolved to grant an authority to the Board of Directors to acquire Shares in the Company on behalf of the Company with an aggregate nominal value of up to NOK 25,045,469.2. The authority also encompasses contractual pledges over own Shares. Pursuant to the authority, when acquiring own Shares the consideration per Share may not be less than NOK 1 and may not exceed NOK 400, and the Board of Directors determines the methods by which own Shares can be acquired or disposed of. The authority remains in force until the annual general meeting of the Company in 2023, but in no event later than 30 June 2023. As of the date of this Prospectus, the Board of Directors has not acquired Shares in the Company pursuant to the authority.

On 4 May 2022, the annual general meeting of the Company resolved to grant an authority to the Board of Directors to increase the Company's share capital by up to NOK 25,045,469.2. The authority may be used to issue Shares as consideration in connection with acquisitions, to issue Shares in connection with the exercise of options to subscribe for Shares in the Company or to raise new equity in order to strengthen the Company's financing. The authority remains in force until the annual general meeting of the Company in 2023, but in no event later than 30 June 2023. As of the date of this Prospectus, the Board of Directors has not resolved to increase the Company's share capital pursuant to the authority.

12.9 Shareholder agreements

The Company is not aware of any shareholders' agreements in relation to the Shares.

12.10 Public takeover bids

The Company’s Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

12.11 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of the provisions in the Articles of Association.

12.11.1 Objective of the Company

The objective of the Company is to conduct business development, including investments and to be co-owner of other companies.

12.11.2 Registered office

The Company's registered office is in the municipality of Arendal, Norway.

12.11.3 Share capital and par value

The Company's current share capital is NOK 250,454,692 divided into 125,227,346 ordinary Shares of a nominal value of NOK 2.00 each. The Shares are registered in the VPS.

12.11.4 Board of directors

The Company's Board shall consist of a minimum of three and a maximum of nine members.

12.11.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board. Thus, the applicable provisions in the Norwegian Public Limited Liability Act apply to any transfer of the Shares.

12.11.6 General meetings

Documents relating to matters to be dealt with by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the general meeting are sent to him/her.

12.12 Certain aspects of Norwegian corporate law

12.12.1 The general meeting of the shareholders

Under Norwegian law, a company's shareholders exercise supreme authority in the Company through the general meeting.

In accordance with Norwegian law, the annual General Meeting of the Company's shareholders is required to be held each year on or prior to 30 June. The following business must be transacted and decided at the annual General Meeting:

- approval of the annual accounts and annual report, including the distribution of any dividend;
- the Board's declaration concerning the determination of salaries and other remuneration to senior executive officers;
- any other business to be transacted at the General Meeting by law or in accordance with the Company's Articles of Association

In addition to the annual General Meeting, extraordinary General Meetings of shareholders may be held if deemed necessary by the Board. An extraordinary General Meeting must also be convened for the consideration of specific matters at the written request of the Company's auditors or shareholders representing a total of at least 5% of the share capital.

Norwegian law requires that written notice of General Meetings needs be sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. The notice shall set forth the time and date of the meeting and specify the agenda of the meeting. It shall also name the person appointed by the Board to open the meeting. A shareholder may attend General Meetings either in person or by proxy. The Company will include a proxy form with its notices of General Meetings.

A shareholder is entitled to have an issue discussed at a General Meeting if such shareholder provides the Board with notice of the issue within seven days before the mandatory notice period, together with a proposal to a draft resolution or a basis for putting the matter on the agenda.

The shareholders of the Company as of the date of the General Meeting are entitled to attend the General Meeting.

12.12.2 Voting rights

Under Norwegian law and the Articles of Association, each Share carries one vote at General Meetings of the Company. No voting rights can be exercised with respect to any treasury Shares held by the Company.

In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes are elected. However, as required under Norwegian law, certain decisions, including resolutions to set aside preferential rights to subscribe in connection with any share issue, to approve a merger or demerger, to amend the Company's articles of association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants or to authorise the Board to purchase shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a General Meeting.

Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any Shares or class of Shares, receive the approval by the holders of such Shares or class of Shares as well as the majority required for amending the Articles of Association. Decisions that (i) would reduce the rights of some or all shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of shares, require that at least 90% of the share capital represented at the general meeting of shareholders in question vote in favour of the resolution, as well as the majority required for amending the articles of association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the articles of association. There are no quorum requirements for General Meetings.

In general, in order to be entitled to vote at a General Meeting, a shareholder must be registered as the owner of Shares in the Company's share register kept by the VPS.

Under Norwegian law, a beneficial owner of Shares registered through a VPS-registered nominee may not be able to vote the beneficial owner's Shares unless ownership is re-registered in the name of the beneficial owner prior to the relevant General Meeting. Investors should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from the nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the General Meeting.

12.12.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus shares (i.e. new Shares issued by a transfer from funds that the Company is allowed to use to distribute dividend), the Company's articles of association must be amended, which requires the support of at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting.

In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. Preferential rights may be set aside by resolution in a general meeting of shareholders passed by the same vote required to approve amendments of the Articles of Association. Setting aside the shareholders' preferential rights in respect of bonus issues requires the approval of the holders of all outstanding Shares.

The General Meeting of the Company may, in a resolution supported by at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting, authorise the Board to issue new Shares. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the nominal share capital as at the time the authorisation is registered with the Register of Business Enterprises. The shareholders' preferential right to subscribe for Shares issued against consideration in cash may be set aside by the Board only if the authorisation includes the power for the Board to do so.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United Stated under U.S. securities law. If the Company decides not to file a registration statement, these shareholders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividend. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

12.12.4 Minority rights

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding and following paragraphs. Any shareholder may petition the courts to have a decision of the Board or General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain grave circumstances, shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 5% or more of the Company's share capital have a right to demand that the Company convenes an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Board is notified within seven days before the deadline for convening the General Meeting and the demand is accompanied with a proposed resolution or a reason for why the item shall be on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

12.12.5 Rights of redemption and repurchase of shares

The Company has not issued redeemable shares (i.e. shares redeemable without the shareholder's consent).

The Company's share capital may be reduced by reducing the nominal value of the Shares. According to the Norwegian Public Limited Liability Companies Act, such decision requires the approval of at least two-thirds of the votes cast and share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares if an authorisation to the Board to do so has been given by the shareholders at a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and share capital represented. The aggregate nominal value of treasury Shares so acquired may not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the shareholders at the General

Meeting cannot be given for a period exceeding two years. A Norwegian public limited liability company may not subscribe for its own shares.

12.12.6 Shareholder vote on certain reorganisations

A decision to merge with another company or to demerge requires a resolution of the Company's shareholders at a General Meeting passed by at least (i) two-thirds of the votes cast and (ii) two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board along with certain other required documentation, would have to be available at the business offices or on the web pages of the Parent, at least one month prior to the general meeting to pass upon the matter. If a shareholder so requires, the Parent must also send the documentation to the shareholder free of charge.

12.12.7 Liability of board members

Members of the Board owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

12.12.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

12.12.9 Distribution of assets on liquidation

Under Norwegian law, a company may be liquidated by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. The shares rank equally in the event of a return on capital by the company upon liquidation or otherwise.

12.12.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the issuer has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing 90% or more of the total number of issued shares, as well 90% or more of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial enterprise authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired 90% or more of the voting shares of an issuer and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory and/or voluntary offer unless specific reasons indicate that another price is the fair price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

13. SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable Shares on Oslo Børs. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

13.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth Oslo, Nordic ABM and Oslo Connect.

13.2 Trading and settlement

As of the date of this Prospectus, trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Optiq, which is the electronic trading system of Euronext.

Official regular trading for equities on the Oslo Stock Exchange takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

13.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and the bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law implementing the Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation) (**"MAR"**), a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

13.4 The Norwegian CSD and transfer of shares

The Company's shareholder register is operated through the Norwegian CSD (VPS). The Norwegian CSD is the Norwegian paperless centralised securities register. It is a computerised bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the Norwegian CSD are made through computerised book entries. No physical share certificates are, or may be, issued. The Norwegian CSD confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the Norwegian CSD is generally prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The Norwegian CSD is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the Norwegian CSD's control which the Norwegian CSD could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the Norwegian CSD may, however, be reduced in the event of contributory negligence by the aggrieved party.

The Norwegian CSD must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the Norwegian CSD regarding any individual's holdings of securities, including information about dividends and interest payments.

13.5 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the Norwegian CSD through a nominee. However, foreign shareholders may register their shares in the Norwegian CSD in the name of a nominee (bank or other nominee) approved by the NFSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the Norwegian CSD must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

13.6 Foreign investment in Norwegian shares

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

13.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in an issuer with its shares listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that issuer, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

13.8 Insider trading

According to Norwegian law, implementing MAR, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in MAR art. 7. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.9 Mandatory offer requirements

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a Norwegian issuer with its shares listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that issuer. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the issuer and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the issuer in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the issuer or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer is subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is required to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in unfulfilled, exercise rights in the issuer, such as voting on shares at general meetings of the issuer's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian issuer with its shares listed on a Norwegian regulated market is required to make an offer to purchase the remaining shares of the issuer (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40% or more of the votes in the issuer. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the issuer. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, required to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

13.10 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian issuer who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14. NORWEGIAN TAXATION

14.1 Introduction

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

The summary regarding Norwegian taxation set out in this Section 14 is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be residents in Norway for tax purposes (under domestic tax law or under tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.2 Taxation of dividends

14.2.1 Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22%, to the extent the dividends exceed a statutory tax-free allowance (Nw. *skjermingsfradrag*). The taxable amount is multiplied by a factor of 1.60, resulting in an effective tax rate of 35.20% (22% x 1.60).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2021 was 0.5%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw. *Aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 35.20%, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

14.2.2 Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are largely exempt from tax on dividends distributed from the Company, pursuant to the Norwegian participation exemption method (Nw. *fritaksmetoden*). However, unless the Norwegian Corporate Shareholder holds more than 90% of the shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22%, resulting in an effective tax rate of 0.66% (22% x 3%).

14.2.3 Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends, and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section **Error! Reference source not found.**14.2.1 "Taxation of dividends - Norwegian Personal Shareholders above"). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been deducted a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident within the EEA may also establish Norwegian share saving account. Dividends received on shares held through a share saving account will not be subject to tax in Norway. Withdrawal of funds from the share saving account exceeding the paid in deposit will for tax purposes be regarded as dividends and may be subject to withholding tax. However, capital gains derived from alienation of shares will for tax purposes be regarded as paid-in deposit on the share savings account.

14.2.4 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and is considered to be "genuinely established and performs genuine economic activity" in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with the VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

14.3 Taxation of capital gains on realization of shares

14.3.1 Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.60, resulting in a marginal effective tax rate of 35.20 %.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realizations of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer Section 14.2.1 "Taxation of dividends - Norwegian Personal Shareholders" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realizations of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 35.20 % (please see Section 14.2.1 "Taxation of dividends - Norwegian Personal Shareholders" above for more information regarding share saving accounts).

14.3.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of shares, pursuant to the Norwegian exemption method. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

14.3.3 Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholders who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

Please refer Section 14.2.3 "Taxation of dividends – Non-Norwegian Personal Shareholders" above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders.

14.3.4 Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.

14.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.95% of the value assessed. For assets that exceeds NOK 20,000,000, the marginal net wealth tax rate is 1,10%. The value for assessment purposes for listed shares is currently equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%.).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

14.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15. SELLING AND TRANSFER RESTRICTIONS

15.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 15 "Selling and transfer restrictions".

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction in which it would not be permissible to offer the Shares.

Neither the Company nor its representatives, is making any representation to any purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The information set out in this Section 15 "Selling and transfer restrictions" is intended as a general guide only. If you are in any doubt about any of the contents of these restrictions, or whether any of these restrictions apply to you, you should obtain independent professional advice without delay.

15.2 Selling and transfer restrictions in the United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section 15.

Each purchaser of Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and, subject to certain exemptions, may not be offered or sold within the United States.

- The purchaser (and the person, if any, for whose account or benefit the purchaser is acquiring the Shares) was located outside the United States at the time the buy order for the Shares was originated, and continues to be located outside the United States, and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.

- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.

- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each purchaser of the Shares within the United States purchasing Shares pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.

- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognise any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

15.3 Selling and transfer restrictions in the European Economic Area (EEA)

Each person in a Relevant Member State (other than persons in Norway) must represent, warrant and agree that:

- it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in the offer have not been acquired on behalf of, nor with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

16. ADDITIONAL INFORMATION

16.1 Advisors

Advokatfirmaet Wiersholm AS (business registration number 981 371 593 and registered business address at Dokkveien 1, 0250 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

Arctic Securities AS (business registration number 991 125 175 and registered business address at Haakon VIIs gate 5, 0161 Oslo, Norway) is acting as financial advisor to the Company in connection with the admission to trading on Oslo Børs.

16.2 Documents on display

Copies of the following documents will be available for inspection at the Company's website www.tekna.com for a period of twelve months from the date of this Prospectus.

- The Company's Articles of Association and Certificate of Incorporation;
- The Group's audited consolidated financial statements as of and for the years ended 31 December 2021, 2020 and 2019;
- This Prospectus.

16.3 Documents incorporated by reference

The information incorporated by reference in this Prospectus should be read in connection with the following cross-reference table:

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page in reference document
4, 9 and 10	Audited historical financial information for the Group	Annual report 2021: Tekna Annual report 2021 vF.pdf (hubspotusercontent-na1.net)	17-20
4, 9 and 10	Audit report for the audited historical financial information for the Group	Annual report 2021: Tekna Annual report 2021 vF.pdf (hubspotusercontent-na1.net)	57-58

17. DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

AFK	Arendals Fossekompani ASA
AM	Additive Manufacturing
APMs	Alternative Performance Measures
Articles of Association	The articles of association of the Company
Board of Directors	The board of directors of the Company
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CEWS	Canadian Emergency Wage Subsidy CEWS
CODM	Chief Operating Decision Maker
Company	Tekna Holding ASA
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 15 October 2021.
EV	Electric vehicle
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulating market, and repealing Directive 2003/71/EC, as amended.
Financial Statements	The Group's consolidated financial statements as of and for the years ended 31 December 2021, 2020 and 2019 prepared in accordance with IFRS
Financial information	The Financial Statements and Q1-22 Financial Report
GHG	Greenhouse gas
Group	Tekna Holding ASA and its subsidiaries
IAS 34	IAS 34 Interim Financial Reporting
ICP	Inductively coupled plasma
IoT	Internet of Things
IFRS	International Financial Reporting Standards as adopted by the European Union
ISIN	International securities identification number
IP	Intellectual property
IT	Information technology
JV	Joint venture or ImphyTek Powders
LIB	Lithium-ion batteries
LEI	Legal entity identifier
Listing	The listing of the Shares on Oslo Børs
Management	The members of the senior management of the Company
Manager	The Company's financial advisor in connection with the Listing
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation).
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
MLCC	Multilayer Ceramic Capacitors
MIM	Metal Injection Molding
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.

Non-Norwegian Personal Shareholders	Shareholders who are natural persons not resident in Norway for tax purposes.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian CSD	The Norwegian Central Securities Depository
Norwegian FSA	The Financial Supervisory Authority of Norway.
Norwegian Personal Shareholders	Shareholders who are natural persons resident in Norway for tax purposes.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 7, as amended.
OEM	Original equipment manufacturers
Oslo Børs	Oslo Børs, a regulated market operated by Oso Børs ASA.
Plan	Employee share purchase plan for certain qualified employees
Prospectus	This prospectus.
PwC	PricewaterhouseCoopers AS, the Company's independent auditor
R&D	Research and development.
Share(s)	All issued and outstanding shares in the Company.
Share Registrar	DNB Bank ASA, the Company's registrar in the Norwegian CSD.
Target Market Assessment	Has the meaning described to such term on page 3.
TCFD	Task Force on Climate-related Financial Disclosures
Tekna Canada	Tekna Holdings Canada Inc
U.S. Securities Act	U.S. Securities Act of 1933
Q1-22 Financial Report	The Group's interim consolidated financial statement for the three months ended 31 March 2022, prepared in accordance with IAS 34.

Vedtekter / Articles of association

Vedtekter for Tekna Holding ASA

(org. nr. 925 347 884)

§ 1

Selskapets navn er Tekna Holding ASA. Selskapet er et allmennaksjeselskap.

§ 2

Selskapets forretningskontor er i Arendal kommune. Styret kan beslutte at selskapets generalforsamlinger kan avholdes i Oslo kommune.

§ 3

Selskapets virksomhet: Drive næringsutvikling, herunder gjøre investeringer og være medeier i andre selskaper.

§ 4

Selskapet har en aksjekapital på NOK 250 454 692,00 delt på 125 227 346 aksjer, hver med pålydende verdi NOK 2,00. Selskapets aksjer skal være registrert i Verdipapirsentralen (VPS).

§ 5

Erverv av aksjer er ikke betinget av selskapets samtykke. Aksjonærer har ikke forkjøpsrett til aksjer som skifter eier.

§ 6

Selskapets styre skal bestå av minimum 3 og maksimum 9 medlemmer. Selskapets firma tegnes av to styremedlemmer i fellesskap.

§ 7

Den ordinære generalforsamling skal behandle og avgjøre:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.

2. Andre saker som i henhold til loven eller vedtektene hører under generalforsamlingen.

I innkalling til generalforsamling kan det fastsettes at aksjeeier som vil delta i generalforsamlingen må meddele dette til selskapet innen en bestemt frist.

Articles of association for Tekna Holding ASA

(reg. no. 925 347 884)

(office translation)

§ 1

The name of the company is Tekna Holding ASA. The company is a public limited liability company.

§ 2

The company's registered office is in the municipality of Arendal. The board of directors may decide that the company's general meeting can be held in the municipality of Oslo.

§ 3

The Company's business: To conduct business development, including investments and to be co-owner of other companies.

§ 4

The share capital of the company is NOK 250,454,692.00 divided on 125,227,346 shares, each with a nominal value of NOK 2.00. The Company's shares shall be registered in the Norwegian Central Securities Depository (VPS).

§ 5

Acquisitions of shares in the company shall not require the consent of the company. Shareholders do not have pre-emption rights upon any change of ownership of shares in the company.

§ 6

The company's board of directors shall consist of minimum 3 and maximum 9 members. The authority to sign on behalf of the company is held by two board members jointly.

§ 7

The annual general meeting shall discuss and decide upon the following:

1. Approval of the annual accounts and annual report, including distribution of dividend.

2. Other matters that according to law or the articles of association are to be decided upon by the general meeting.

In the notice to general meetings it may be stipulated that a shareholder who wishes to attend the general meeting must notify the company of this within a

Fristen kan ikke utløpe tidligere enn to virkedager før møtet.

Når dokumenter som gjelder saker som skal behandles på generalforsamlinger i selskapet er gjort tilgjengelige for aksjeeierne på selskapets internettsider, kan styret beslutte at dokumentene ikke skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallinger til generalforsamlinger. En aksjeeier kan kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen. Selskapet kan ikke kreve noen form for godtgjøring for å sende dokumentene til aksjeeierne.

Aksjeeiere kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for autentisering av avsender. Styret avgjør om det foreligger en slik metode i forkant av den enkelte generalforsamling. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av generalforsamlingsinnkallingen om det er gitt adgang til forhåndsstemming og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

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certain deadline. The deadline cannot expire earlier than two working days before the meeting.

When documents concerning matters to be discussed at general meetings in the company have been made available to the shareholders on the company's web pages, the board of directors may decide that the documents shall not be sent to the shareholders. This also applies to documents which are required by law or by the articles of association to be included in or appended to notices of general meetings. A shareholder may demand that documents concerning matters to be discussed at the general meeting be sent to him or her. The company cannot demand any form of compensation for sending the documents to the shareholders.

Shareholders may cast a written vote in advance in matters to be discussed at the general meetings of the company. Such votes may also be cast through electronic communication. The access to cast votes in advance is subject to the presence of a safe method of authenticating the sender. The board of directors decides whether such a method exists before each individual general meeting. The board of directors may issue detailed guidelines for written votes in advance. The notice of general meeting must state whether votes in advance are permitted and which guidelines, if any, that have been issued for such voting.

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In case of any discrepancies between the Norwegian text and the English translation, the Norwegian text shall prevail.

Consolidated Statement of Income

Amounts in CAD 1000	Note	Q1 2022	Q1 2021
Revenues		6,535	7,829
Other income		100	18
		-	-
Materials and consumables used		3,709	3,822
Employee benefit expenses		3,886	2,941
Other operating expenses		2,636	1,737
EBITDA		**-3,595**	**-653**
Depreciation and amortisation		1,140	768
Net operating income/(loss)		**-4,735**	**-1,421**
Share of net income (loss) form associated companies and joint ventures		-332	-319
Finance income		-293	0
Finance costs		112	264
Profit/(loss) before income tax		**-5,472**	**-2,004**
Income tax expense		-	-
Profit/(loss) for the period		**-5,472**	**-2,004**
Attributable to equity holders of the company		-5,294	-1,983
Attributable to non-controlling interests		-179	-21
Basic earnings per share		- 0.04	- 0.08
Diluted earnings per share		- 0.04	- 0.08

Consolidated Statement of Other Comprehensive Income

Amounts in CAD 1000	Note	Q1 2022	Q1 2021
Items that may be reclassified to statement of income			
Exchange differences on translation of foreign operations		254	-
Items that may be reclassified to statement of income		**254**	**-**
Items that will not be reclassified to statement of income			
Exchange differences on translation of foreign operations		-	-4,335
Items that will not be reclassified to statement of income		**-**	**-4,335**
Other comprehensive income/(loss) for the period, net of tax		**254**	**-4,335**
Total comprehensive income/(loss) for the period		**-5,218**	**-6,340**
Attributable to equity holders of the company		-5,048	-6,319
Attributable to non-controlling interests		-169	-21

Consolidated Balance Sheet

Amounts in CAD 1000	Note	31.03.2022	31.12.2021
Non-current assets			
Property, plant and equipment		17,053	16,573
Intangible assets		9,251	9,217
Associated companies and joint ventures		1,065	1,231
Non-current receivables		5,603	5,598
Deferred tax assets		-	-
Total non-current assets		**32,973**	**32,620**
Current assets			
Inventories		16,810	14,415
Contract assets		1,789	1,038
Trade and other receivables		6,428	5,680
Cash and cash equivalents		32,404	38,649
Total current assets		**57,430**	**59,783**
Total assets		**90,403**	**92,402**

Amounts in CAD 1000	Note	31.03.2022	31.12.2021
Equity			
Share capital and share premium		494,956	494,957
Other reserves		-424,108	-419,059
Capital and reserves attributable to holders of the company		**70,848**	**75,897**
Non-controlling interests		42	211
Total equity		**70,890**	**76,109**
Non-current liabilities			
Borrowings		4,293	3,778
Lease liabilities		1,293	227
Deferred tax liabilities		-	-
Total non-current liabilities		**5,586**	**4,005**
Current liabilities			
Bank loan		2,523	3,734
Lease liabilities		67	235
Trade and other payables		7,620	4,772
Contract liabilities		1,191	1,473
Other current liabilities		2,338	1,874
Borrowings short-term portion		187	200
Total current liabilities		**13,927**	**12,289**
Total liabilities and equity		**90,403**	**92,402**

Consolidated Statement of Changes in Equity

		Attributable to equity holders of the Company				
Amounts in CAD 1000	Note	Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2021		**14**	**18,525**	**18,539**	**-**	**18,539**
Profit/(loss) for the period mm		-	-2,004	-2,004	-2	-2,006
Other comprehensive income/(loss)		-	-4,335	-4,335	-	-4,335
Share capital increase Arendals Fossekompani (*)		395,423	-417,832	-22,409	683	-21,726
Issue of ordinary shares for cash		95,389	-	95,389	-	95,389
Balance at 31 March 2021		**490,826**	**-405,647**	**85,179**	**681**	**85,860**
Balance at 1 January 2022		**494,957**	**-419,059**	**75,897**	**211**	**76,109**
Profit/(loss) for the period mm			-5,294	-5,294	-179	-5,472
Other comprehensive income/(loss)			245	245	9	254
Adjustment		-		-	-	-
Balance at 31 March 2022		**494,957**	**-424,108**	**70,849**	**42**	**70,891**

Consolidated Statement of cash flows

Amounts in CAD 1000	Note	Q1 2022	Q1 2021
Cash flow from operating activities			
Net profit/(loss)		**-5,472**	**-2,004**
Depreciation, amortization and impairment		1,140	768
Variation in deferred taxes		-	-
Interest accretion on LT debt		69	60
Discounted value of long-term loan		-246	-
FX variation on long-term loan		-	-
(Gain)/Loss from sales of assets		-	-
Share of results from associated companies and joint ventures		332	319
Total after adjustments to profit before income tax		**-4,178**	**-857**
Change in Inventories		-2,395	-973
Change in other current assets		-1,785	-3,026
Change in other current liabilities		3,335	-568
Total after adjustments to net assets		**-5,023**	**-5,424**
Net cash from operating activities		**-5,023**	**-5,424**
Cash flow from investing activities			
Proceeds from the sales of PPE		-	-
Purchase of PPE and intangible assets		-1,654	-676
Other investing activities		-	-1,318
Purchase of shares in subsidiaries		-	-23,480
Net cash flow from investing activities		**-1,654**	**-25,474**
Cash flow from financing activities			
Proceeds from issue of shares		-	100,506
Proceeds from issue of shares in THC		-	1,331
Increase (decrease) of bank loan		-1,233	3,126
New loan		1,875	30,233
Repayment of loan		-63	-204
Repayment of lease liabilities		-235	-
Net cash flow from financing activities		**344**	**134,992**
Net increase in cash and cash equivalents		**-6,333**	**104,093**
Cash and cash equivalents at the beginning of the financial year		38,649	2,524
Effects of exchange rate changes on cash and cash equivalents		88	-4,510
Cash and cash equivalents at end of year		**32,404**	**102,107**

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 2021.

Note 2 Key accounting policies

The accounting policies for 2021 are described in the Annual Report for 2021. The financial statements have been prepared in accordance
with EU-approved IFRSs 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 2021. The same policies have been applied in the preparation of the interim financial statements as at 31 March 2022.

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 per 31.03

Accounting principles and information related to external customers are described in note 1. There are no customers that represents 10 per cent or more of the Group's total revenues on an annual basis.

Disaggregation of revenue from contracts with customers

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
Revenue from external customers	**1,749**	**4,550**	**179**	**57**	**6,535**
Contribution margin	790	1,898	81	57	2,826
Contribution margin %	45.2%	41.7%	45.2%	100.0%	43.2%
Revenue from external customers specified pr geographical area:					
North America	195	1,698	90	29	2,012
Europe		2,353	90	29	2,471
Asia	1,554	498			2,053
Total	**1,749**	**4,550**	**179**	**57**	**6,535**

2021 Q1 *Amounts in CAD 1000*	**Systems & Equipment**	**Materials**	**Spare parts**	**Other**	**Total**
Revenue recognized at a point in time		4,429	116	10	4,555
Revenue recognized over time	3,274				3,274
Revenue from external customers	**3,274**	**4,429**	**116**	**10**	**7,829**
Contribution margin	2,002	1,924	71	10	4,007
Contribution margin %	61.1%	43.4%	61.1%	100.0%	51.2%
Revenue from external customers specified pr geographical area:					
North America	2,759	1,429	58	5	4,251
Europe		2,464	58	5	2,528
Asia	515	536			1,050
Total	**3,274**	**4,429**	**116**	**10**	**7,829**

Alternative Performance Measures

From the Prospectus:

Gross Profit Margin: Is defined as gross profit as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the profit generation in the Group's operating activities.
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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the profit generation in the Group's operating activities.
Contribution Margin %: is defined as the Contribution Margin divided by revenues in the period. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the profit generation in the Group's operating activities.
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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities.
EBITDA Margin: Is defined as EBITDA as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities.
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 includes 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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities without the effect from special operating items to improve comparability across periods.
Adjusted EBITDA Margin: Is defined as Adjusted EBITDA as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities.
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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities.
EBIT Margin: Is defined as EBIT as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities.
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 includes 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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities without the effect from special operating items to improve comparability across periods.
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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities.
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. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of the Group's financial position.

Amounts in CAD thousands	**Q1 2022** *(Unaudited)*	**Q1 2021** *(Unaudited)*
Revenues	**6,535**	**7,829**
Materials and consumables used	3,709	3,822
(a) Gross Profit	**2,826**	**4,007**
Other direct costs	-	-
(b) Contribution margin	**2,826**	**4,007**
(c) Revenues	**6,535**	**7,829**
Gross Profit Margin (a/c)	**43.20%**	**51.20%**
Contribution margin % (b/c)	**43.20%**	**51.20%**

Amounts in CAD thousands	**Q1 2022** *(Unaudited)*	**Q1 2021** *(Unaudited)*
Net profit/loss	**-5,472**	**-2,004**
Income tax expense (income)	-	-
Finance costs	112	264
Finance income	293	-
Share of net income (loss) from associated companies and joint ventures	332	319
Depreciation and amortization	1,140	768
(a) EBITDA	**-3,595**	**-653**
Legal and listing cost	776	848
Retrospective implementation of cloud-based services	-	374
(b) Adjusted EBITDA	**-2,819**	**569**
(c) Revenues	**6,535**	**7,829**
EBITDA margin (a/c)	**-55.00%**	**-8.30%**
Adjusted EBITDA margin (b/c)	**-43.10%**	**7.30%**

Amounts in CAD thousands	**Q1 2022** *(Unaudited)*	**Q1 2021** *(Unaudited)*
Net profit/loss	**-5,472**	**-2,004**
Income tax expense (income)	-	-
Finance cost	112	264
Finance Income	293	0
Share of net income (loss) from associated companies and joint ventures	332	319
(a) EBIT	**-4,735**	**-1,421**
Legal and listing cost	776	848
Retrospective implementation of cloud-based services	-	374
(b) Adjusted EBIT	**-3,959**	**-199**
(c) Revenues	**6,535**	**7,829**
EBIT margin (a/c)	**-72.50%**	**-18.20%**
Adjusted EBIT margin (b/c)	**-60.60%**	**-2.50%**

Amounts in CAD thousands	**3/31/2022** *(Unaudited)*	**12/31/2021** *(Unaudited)*
(a) Total non-current liabilities	5,586	4,005
(b) Total equity	70,890	76,108
Long Term Debt/Equity Ratio (a/b)	**0.08**	**0.05**

21 June 2022

The Board of Directors of Tekna Holding ASA

DocuSigned by:
Morten Henriksen
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Morten Henriksen
Chairman

DocuSigned by:
Torkil Mogstad
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Torkil Mogstad
Board member

DocuSigned by:
Barbara Thierart-Perrin
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Barbara Thierart-Perrin
Board member

DocuSigned by:
Anne Lise Meyer
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Anne Lise Meyer
Board member