Q3 2024
Interim Report

November 7, 2024

#InvestinTekna
www.tekna.com/investors

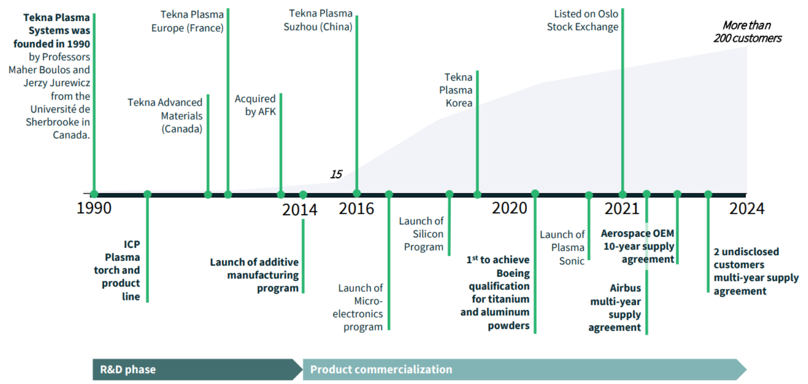
Contents

TEKNA

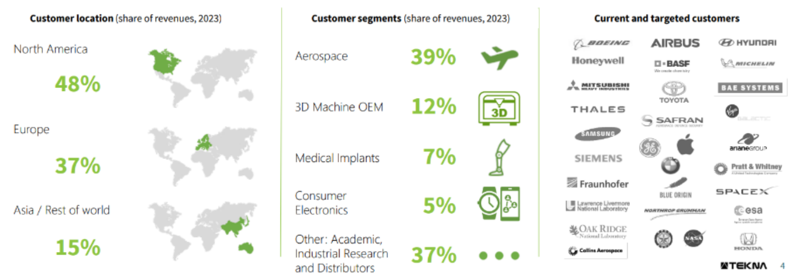
This is Tekna

Tekna is a world-leading provider of advanced materials and plasma systems to several industries. Tekna produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and consumer electronics sectors, as well as optimized induction plasma systems for industrial research and production.

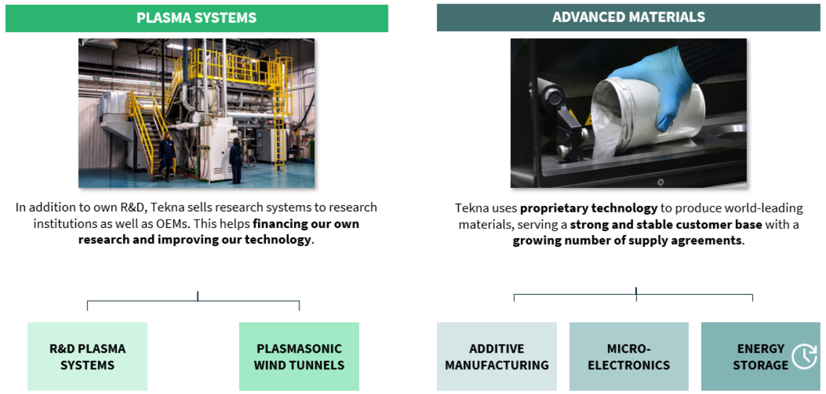
Tekna has developed from an R&D company to a world-leading advanced materials supplier with deliveries to over 200 customers globally.



Among its customers are world leading industrial brands and original equipment manufacturers (OEMs), some of which are shown in the chart below.



Tekna has two revenue generating business lines, Plasma Systems and Advanced Materials. Plasma systems of various size and complexity are sold to research institutions as well as OEMs and is also used by the company for own R&D purposes. Tekna uses its proprietary technology to produce world-leading materials for additive manufacturing.



Tekna sees its business and opportunities supported by powerful and global macro trends

Industry 4.0	As 3D printing becomes more widely used, **demand for advanced materials is growing fast**
Climate and green transformation	Resource efficiency and electrification across most industries and daily life is driving **demand for low carbon solutions (AM and capacitors respectively)**
Defense spend	Governments are **increasing investments in research and use of advanced materials,** driving demand for solutions produced from plasma technology
Interest rates and capital constraints	Influencing investments in **new 3D machines, and encouraging use of 3D printed spare parts**
Geopolitical shifts	**Disrupting supply chains,** favouring entry of new suppliers but also representing new opportunities as 3D printing allows for home-shoring

Cautionary note

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

Environmental note

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

CEO Comments

The third quarter concluded with mixed results. We experienced a decline in consolidated revenue (16%) over last year's third quarter, resulting from lower revenue recognition in our systems segment (43%). Our sales for advanced materials were up 5% but marked by a 62% reduction in order intake. While we anticipated the effects of the summer break for several of our customers, we encountered a more pronounced correction due to the overall slowdown in the industry since the beginning of this year, particularly within the additive manufacturing sector, which is a significant part of our business.

On a positive note, we are pleased with our efforts to reduce both direct and indirect costs since the start of the year. Despite a 16% drop in revenue, our adjusted EBITDA improved by CAD 0.3 million compared to the same period last year.

The total sales of materials for additive manufacturing have been lower than our expectations since early in 2024. Despite nearly uninterrupted growth over the past five years, higher interest rates and limited access to capital have affected a specific customer segment. Namely, our year-to-date sales of powders to AM machine manufacturers (3D printers) specifically have dropped 46% year-over-year, indicating lower sales of new 3D printers in the market. On the other hand, our year-to-date sales to other strategic segments have grown respectively by 76% (Medical), 20% (Aerospace) and 10% (consumer electronics). The growth observed here is an indication of a higher utilization rate of 3D printers by the industry and is showing early signs of industrialisation and industry maturity.

We have recorded new R&D plasma system orders in the quarter contributing 2 million dollars to the backlog. The pipeline for new orders expected in the coming months has matured further. We emphasize the need for new systems orders to soundly conclude the year for this segment.

We are making progress in developing powders for the microelectronics market. Validation tests are yielding encouraging outcomes, with samples meeting a significant portion of the key performance characteristics sought for the applications Tekna is targeting. As mentioned in our previous reports, the progress in this segment involves synchronizing the product provided by Tekna with ongoing customers' development efforts. We are diligently pursuing this goal and plan on delivering an adjusted version of our product. Feedback is expected early next year.

After a few weeks into Q4, our Materials segment order book is showing signs of recovery, particularly in the Medical, Aerospace, and Consumer Electronics segments. This progress gives us confidence that Tekna is maintaining market share and suggests the market may be picking up. With this increasing order intake, we are cautiously optimistic about returning to higher growth rates.

We will benefit from the full impact of some of the cost savings measures implemented earlier this year while continuing to identify and implement new measures.

Luc Dionne,
CEO Tekna Group

Results for the third quarter

In the third quarter of 2024, our performance reflects the resilience and strategic progress of our company, despite the seasonal challenges typically associated with summer vacations. We anticipated a decline in certain metrics. Our ongoing profitability improvement plan is firmly on track demonstrating our commitment to operational excellence and long-term growth.

Despite lower revenues, our contribution margin improved with a year-over-year increase to 46% (38%) as well as an improvement in Adj EBITDA to negative CAD 1.4 million (-1.7 million).

Additionally, our sales in the Materials segment experienced an increase of 4.6%, showcasing our ability to adapt and capitalize on market opportunities.

The decrease in backlog by 31% year-over-year is an area we are actively addressing through enhanced customer engagement and targeted initiatives in both Systems and Materials segments. Our focus remains on building a robust pipeline for future growth and on converting mature opportunities in our pipeline to new orders in the immediate term.

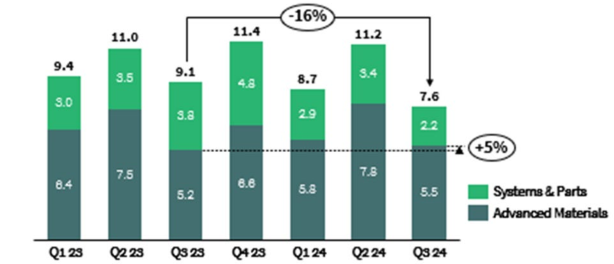
As announced in Q2, we have taken ambitious measures to improve profitability. The company continued its ambitious profitability improvement program, with focus on operational performance and productivity, reductions of headcount, operational expenditures and CapEx. The number of employees has been reduced by 15% year-over-year, ending the quarter at 186 (218) employees, of which we incurred CAD 0.2 million restructuring costs in the quarter. For comparability, this figure has been excluded from the Adjusted EBITDA.

Key figures for Tekna Holding ASA as of September 30, 2024 (in CAD million)[1]

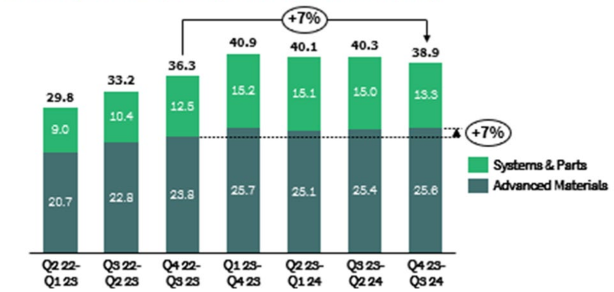
2024 Q3 key figures	Q3 2024	Q3 2023	YoY Δ	YTD 2024	YTD 2023	YoY Δ	Rolling 12 months (TTM)
Backlog	16.5	23.7	-30.6%	-	-	-	16.5
Order intake	5.8	10.4	-44.7%	19.5	27.3	-28.4%	30.8
Revenues	7.6	9.1	-15.8%	27.5	29.5	-6.7%	38.9
Contribution margin	45.5%	38.3%	7.2pp	43.9%	45.2%	-1.3pp	43.6%
Adjusted EBITDA	-1.4	-1.7	0.3	-5.5	-3.6	-2.0	-6.1
Adjusted EBITDA margin	-18.6%	-19.1%	0.5pp	-20.1%	-12.1%	-8.0pp	-15.6%
Net profit (loss)	-3.7	-3.9	0.2	-11.2	-8.9	-2.3	-17.3
Cash balance	7.6	12.2	-4.6	-	-	-	-
Employees end	186	218	-14.7%	-	-	-	-

[1] Due to rounding, some totals may not correspond with the sum of the separate figures.

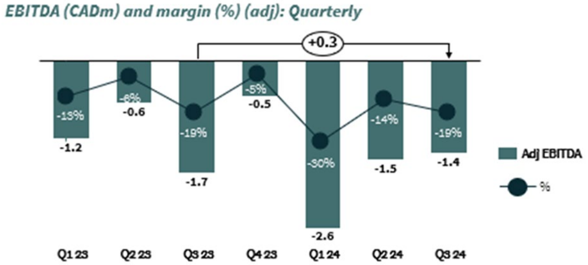
Revenue by business (CADm): Quarterly



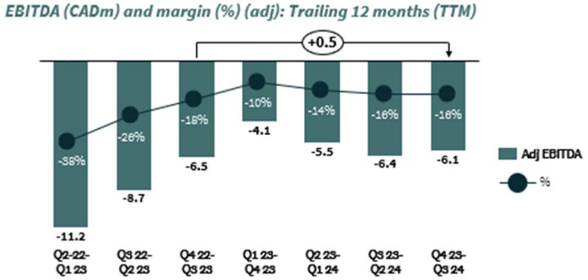
Revenue by business (CADm): Trailing 12 months (TTM)



EBITDA (CADm) and margin (%) (adj): Quarterly

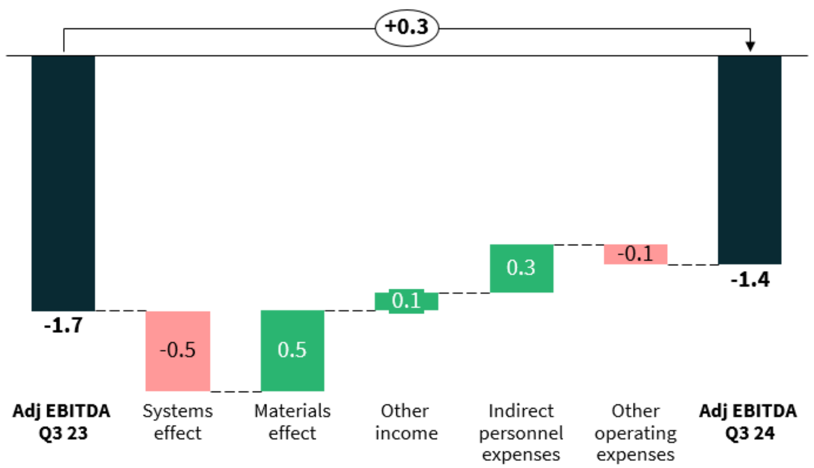


EBITDA (CADm) and margin (%) (adj): Trailing 12 months (TTM)



Profitability and liquidity

Bridge Adjusted EBITDA Q3 2023 vs Q3 2024



Tekna started as an R&D company in 1990. It has since developed to become a world-leading supplier of advanced materials with deliveries to over 200 customers globally. As additive manufacturing has moved from the laboratories into industrial scale operations, so has Tekna's business, and the journey continues. The industry has experienced significant growth over time, but it is still immature with sensitivity to volatility in demand from quarter to quarter.

Efforts to simplify our organization are continuing, creating a leaner operation, reducing operating cost and further improving cash flow.

Profitability

Revenues from Plasma Systems were the largest negative deviation year-over-year, representing a 43% decrease in revenue in the period, meanwhile partially compensated by much improved margins by 19 percentage points, leaving a negative CAD 0.5 million deviation to EBITDA. Tekna had a record strong backlog in systems in 2023, meanwhile in 2024 there have been less new orders as existing pipeline projects have been delayed. Still, the outlook for this business remains highly positive over the long term, as market demand for plasma solutions continues to grow among entities engaged in space-related activities and the development of next-generation materials. Despite current challenges, the company's strategic position in this sector presents significant opportunities for future growth and value creation.

Revenues from Advanced Materials were at the same level as third quarter last year (+4.6%). The largest effect on EBITDA improvement was a positive contribution by improved margins of 9 percentage points. This was mostly driven by a favourable sales mix where increased sales of larger particle sizes played an important role.

In Q2, Tekna announced a cost saving program with a potential impact of CAD 2 million in adjusted EBITDA during the second half of 2024. These actions include savings resulting in margin improvement and a broader savings program in indirect costs. Many of these savings will have recurring effect also for 2025. Read more about the plan in our Half-year report 2024.

Liquidity

Tekna continues its careful approach to manage its cash position. Apart from becoming a cash-positive operation, the efforts focus on net working capital that saw an improvement by CAD 1.1 million from Q2 2024 and CAD 2.4 million since the start of the year. Our strategic focus on working capital continues to improve absolute levels and cycle time on inventory, receivables and payables. In addition, the company maintains a historically relatively low level of capital expenditures. After CapEx intensive years, CapEx will be gradually eased for a period and is expected around CAD 2.5 million in 2024 (excluding IFRS 16).

Net cash from operating activities in the third quarter was negative CAD 1.2 million, impacted by an increase in inventories by CAD 0.8 million and a reduction in other liabilities by CAD 0.1 million, meanwhile receivables decreased by CAD 1.8 million and contract assets decreased by CAD 0.3 million. The capital expenditures excluding IFRS 16 were CAD 0.6 million, ending the year-to-date at CAD 2.2 million. The cash balance at September 30, 2024 was reduced by CAD 1.7 million since last quarter, to CAD 7.6 million.

Tekna is working to recoup a potentially significant part of its legal costs in relation to the Intellectual Property litigation won in June 2024. Read more in the Advanced Materials section.

See also the Consolidated financial statements.

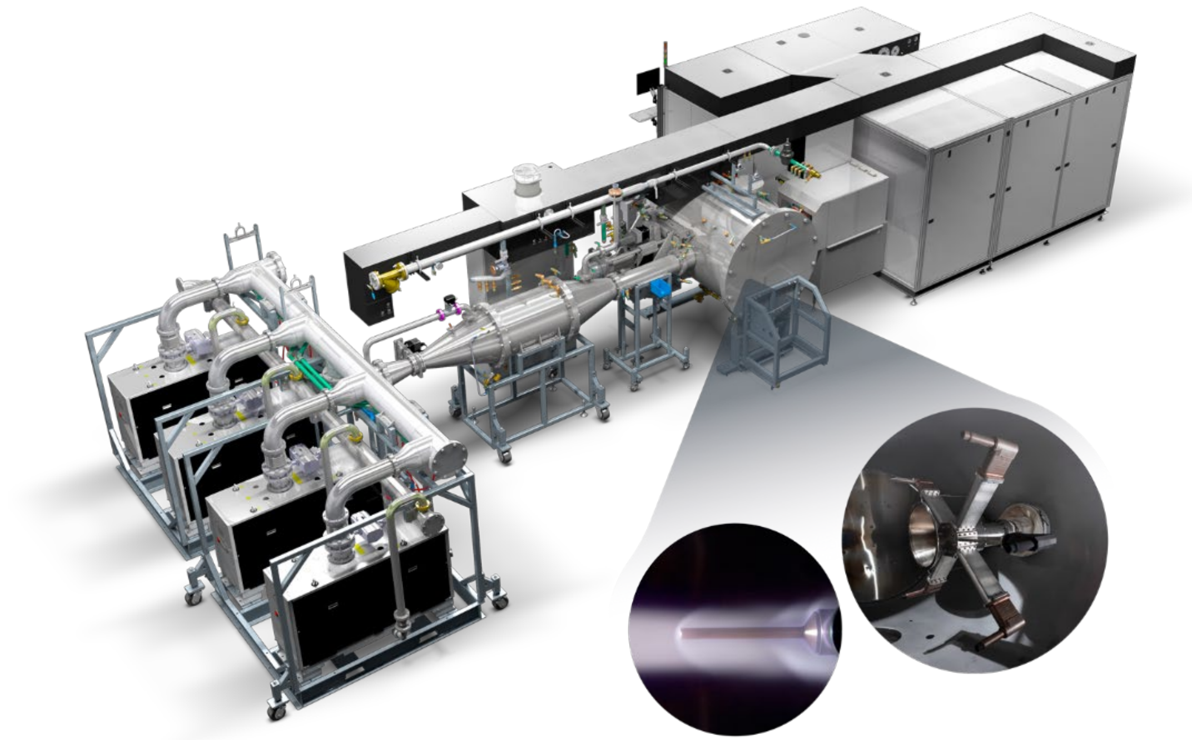
Highlights per business line

Plasma Systems	Q3 2024	Q3 2023	YoY Δ	YTD 2024	YTD 2023	YoY Δ	Rolling 12 mnth
Backlog	4.9	10.1	-51.0%	-	-	-	-
Order intake	2.9	2.8	0.4%	3.8	9.2	-59.2%	7.6
Revenues	2.2	3.8	-43.4%	8.5	10.4	-18.1%	13.3
Contribution margin %	75.8%	57.1%	18.7pp	68.4%	65.5%	2.9pp	65.8%

Order intake in **Plasma Systems** continues at the lower end of expectation with CAD 2.9 million for the quarter. The order backlog declined accordingly as equipment was produced and delivered to customers throughout the period.

Progress in the sales cycle has developed as expected with four customers passing the budget approval gate. The pipeline for new orders for Plasma Systems is strong, but the timing of these order is somewhat uncertain due to delays in execution of the customer's project.

Particularly for PlasmaSonic systems, some opportunities are accelerating. Hypersonic technology is in rapid development and completing the specification and requirements for a material development testing system for that purpose, like PlasmaSonic, has proven to be complex for our customers. Furthermore, the US elections and federal budgeting process have introduced delays in customers obtaining government funding. A PlasmaSonic order is expected in 2025.



Highlights per business line *continued*

Advanced Materials	Q3 2024	Q3 2023	YoY Δ	YTD 2024	YTD 2023	YoY Δ	Rolling 12 mnth
Backlog	11.5	13.6	-15.4%	-	-	-	-
Order intake	2.9	7.6	-61.7%	15.8	18.1	-12.8%	23.2
Revenues	5.5	5.2	4.6%	19.0	19.1	-0.5%	25.6
Contribution margin %	33.4%	24.4%	9.0pp	32.9%	34.3%	-1.3pp	32.1%

In **Advanced Materials**, order intake for powders for additive manufacturing was down year-to-date by 13% compared to last year. The backlog reduced by 15% in the same period. Order intake in the third quarter this year was down 62% from the same quarter in 2023. The year-to-date revenues generated from the sales of powders are stable at CAD 19.0m and grew 4.6% to CAD 5.5m over the same period in Q3 last year.

The soft order intake and revenues are explained in part to the previously announced vacation period as well as a general slowdown in capital investment observed across the additive manufacturing industry, affecting sales of new 3D machines in the market. Conversely, our sales of materials to our Medical and Aerospace customers since the start of the year remains strong with a year-to-date increase of 35% and 25% respectively in the 3rd quarter over last year as depicted in the graph on the right.

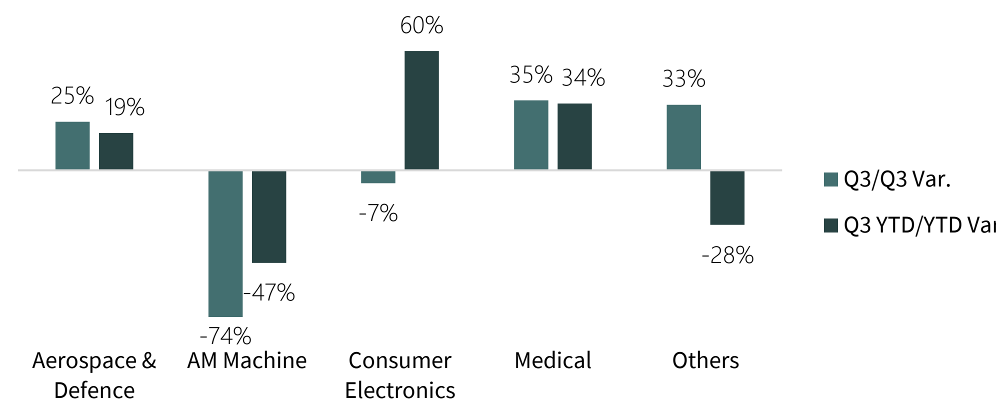
Furthermore, progressive recovery has been observed in the later part of Q3 and is expected to continue according to analysts and field experts. See the CEO Comments for more information on the market.

The improvement in Contribution margin of 9 percentage points is due to significant sales of slower-moving materials, including for large-scale manufacturing of consumer electronic components, produced by means of metal injection molding.

Year-to-date production outputs of metal powders have significantly improved by 39% compared to the same period in 2023. The increase is due to continuous improvement on various production parameters, including Overall Equipment Effectiveness (OEE), as well as one additional system which represents 20%-points of the 39%. The increased capacity allows maintaining optimal inventory of prime size product enabling Tekna to respond rapidly to spot order opportunities.

As previously announced, Tekna secured a major win in an intellectual property case concerning competing patent rights to produce titanium powder in Canada. Per the Federal Court process, Tekna is working to recoup a potentially significant part of its related legal costs. A Notice of appeal was submitted on September 9 by the other party. It is Tekna's opinion that the risk resulting from the appeal is low. The complete ruling is available on https://www.tekna.com/investors/finreports.

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



Outlook

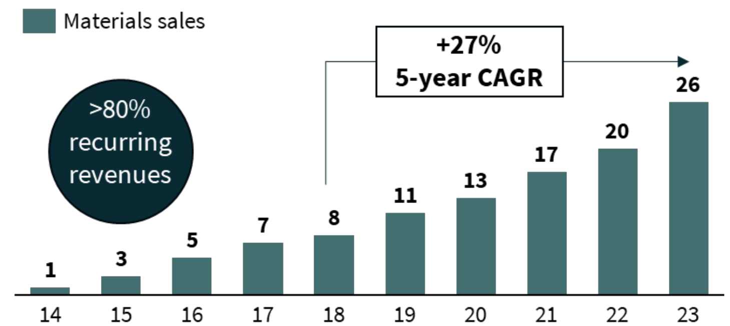
Current business

The additive manufacturing market is forecast by analysts to grow between 20% and 25% annually[1]. Growth opportunities are driven globally by transition towards more efficient manufacturing technology and products as well as supply chain constraints across multiple industries.

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

Within Advanced Materials for additive manufacturing market, Tekna is looking to gradually increase sales and production capacity to deliver CAD 70 million in revenues by 2027 with limited need for CapEx as highlighted in the Midterm outlook (figure bottom left).

Revenue performance Additive Manufacturing materials



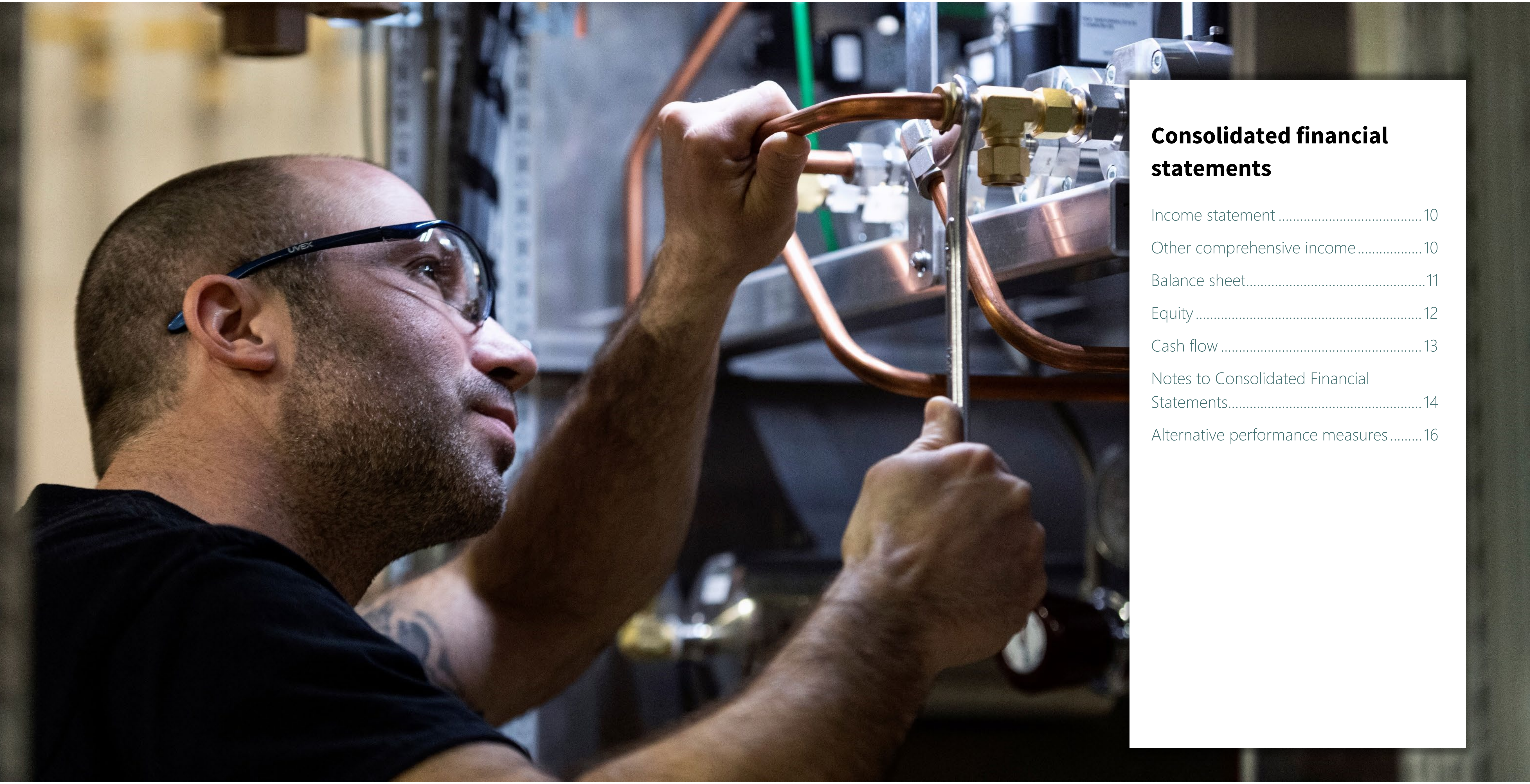
Tekna sees significant activity among potential customers in aerospace, space and hypersonic flight. The company has identified a PlasmaSonic pipeline of over CAD 300 million of which CAD 35 million worth of prospects is foreseen over the next 3 years.

Business upside potential: multi-layer ceramic capacitators (MLCC)

MLCC are small microelectronic components used in the manufacturing of nearly all electronics devices. Over 1 trillion of these MLCC are sold every year. Tekna is developing nickel nanomaterials for this industry. With only a few players and an undersupplied market, this is a highly attractive and relevant opportunity for Tekna, in which the company has achieved steady progress over the past few years.

Midterm outlook	FY 2022	FY 2023	Medium term 2024-2027
Revenue growth p.a	0%	52%	Follow the additive manufacturing segment annual growth estimated between 20% and 25%
Adj. EBITDA margin	-48%	-10%	20% adjusted EBITDA margin by 2027
CapEx	CAD 6m	CAD 8.1m	2.5 million in 2024 and eased for a period, with 3-4 million average per annum (excluding Right of Use assets (IFRS 16))
Developing segments			Industrial scale up with qualified customer(s) in Microelectronics (MLCC)

[1] Sources: AMPower Report 2024, Smartech 2024 and internal modelling.



Consolidated financial statements

Consolidated financial statements

Consolidated Statement of Income

Amounts in CAD 1000	Note	2024 Q3	2023 Q3	2024 Q3 YTD	2023 Q3 YTD
Revenues	3	7,637	9,068	27,525	29,498
Other income		139	15	721	61
Materials and consumables used		4,164	5,598	15,442	16,154
Employee benefit expenses		3,824	4,148	12,734	12,824
Other operating expenses		1,411	1,070	5,734	4,158
EBITDA		-1,623	-1,733	-5,664	-3,576
Depreciation and amortisation		990	1,037	2,902	3,159
Net operating income/(loss)		-2,613	-2,770	-8,566	-6,735
Share of net income (loss) from associated companies and joint ventures		-	-567	-	-1,310
Finance income		-343	-24	-326	-25
Finance costs		528	403	1,632	730
Profit/(loss) before income tax		-3,484	-3,765	-10,524	-8,799
Income tax expense		225	100	670	100
Profit/(loss) for the period		-3,709	-3,865	-11,194	-8,899
Attributable to equity holders of the company		-3,709	-3,702	-11,080	-8,506
Attributable to non-controlling interests		-	-163	-114	-393
Basic earnings per share		-0.03	-0.03	-0.09	-0.07
Diluted earnings per share		-0.03	-0.03	-0.09	-0.07

Consolidated Statement of Other Comprehensive Income

Amounts in CAD 1000	Note	2024 Q3	2023 Q3	2024 Q3 YTD	2023 Q3 YTD
Items that may be reclassified to statement of income					
Exchange differences on translation of foreign operations		-66	6	-29	160
Items that may be reclassified to statement of income		-66	6	-29	160
Items that will not be reclassified to statement of income					
Exchange differences on translation of foreign operations		-	-	-	-
Items that will not be reclassified to statement of income		-	-	-	-
Other comprehensive income/(loss) for the period, net of tax		-66	6	-29	160
Total comprehensive income/(loss) for the period		-3,776	-3,859	-11,223	-8,739
Attributable to equity holders of the company		-3,776	-3,696	-11,108	-8,351
Attributable to non-controlling interests		-	-163	-116	-387

Consolidated Balance Sheet

Amounts in CAD 1000	30.09.2024	31.12.2023
Non-current assets		
Property, plant and equipment	25,565	23,894
Intangible assets	7,159	7,785
Associated companies and joint ventures	-	-
Non-current receivables	4,180	4,531
Deferred tax assets	-	-
Total non-current assets	36,904	36,210
Current assets		
Inventories	16,793	17,607
Contract assets	1,137	3,905
Trade and other receivables	8,039	8,394
Cash and cash equivalents	7,578	10,148
Total current assets	33,547	40,054
Total assets	70,450	76,264

Amounts in CAD 1000	30.09.2024	31.12.2023
Equity		
Share capital and share premium	497,260	494,956
Share premium	-	-
Other reserves	-470,851	-455,405
Capital and reserves attributable to holders of the company	**26,409**	**39,552**
Non-controlling interests	-	-1,197
Total equity	26,409	38,354
Non-current liabilities		
Borrowings	31,052	24,662
Lease liabilities	2,024	773
Deferred tax liabilities	1,163	1,163
Total non-current liabilities	34,239	26,598
Current liabilities		
Bank loan	-	-
Lease liabilities	606	595
Trade and other payables	3,802	4,875
Provision for warranties	137	137
Contract liabilities	1,726	2,442
Other current liabilities	3,101	2,860
Borrowings short-term portion	429	402
Total current liabilities	9,802	11,311
Total liabilities and equity	70,450	76,264

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company				
Amounts in CAD 1000	Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	494,956	-440,934	54,022	-609	53,412
Profit/(loss) for the period	-	-14,422	-14,422	-587	-15,009
Other comprehensive income/(loss)	-	-47	-47	-2	-49
Balance at 31 December 2023	494,956	-455,405	39,552	-1,197	38,353

	Attributable to equity holders of the Company				
Amounts in CAD 1000	Share capital and share premium	Other reserves	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	494,956	-455,405	39,552	-1,197	38,354
Profit/(loss) for the period	-	-11,080	-11,080	-114	-11,194
Other comprehensive income/(loss)	-	-27	-27	-2	-29
Repurchase of share capital	-	-4,338	-4,339	1,312	-3,025
Issuance of shares	2,304	-	2,304	-	2,304
Balance at 30 September 2024	497,260	-470,851	26,409	-	26,409

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

Consolidated Statement of cash flows

Amounts in CAD 1000	2024 Q3	2023 Q3	2024 Q3 YTD	2023 Q3 YTD
Cash flow from operating activities				
Net profit/(loss)	-3 709	-3 865	-11 194	-8 899
Depreciation, amortization and impairment	990	1 037	2 902	3 159
Variation in deferred taxes	-	-	-	-
Interest accretion on LT debt	102	86	296	258
Discounted value of long-term loan	-115	-	-685	-
FX variation on long-term loan	-	-	-	-
(Gain)/Loss from sales of assets	-	-	-	-
Share of results from associated companies and joint ventures	-	567	-	1 310
Total after adjustments to profit before income tax	-2 733	-2 175	-8 682	-4 172
Change in Inventories	-826	192	813	578
Change in other assets	2 443	1 470	2 753	-3 810
Change in other liabilities	-114	-1 616	-1 547	-4 736
Total after adjustments to net assets	-1 230	-2 129	-6 663	-12 140
Net cash from operating activities	-1 230	-2 129	-6 663	-12 140
Cash flow from investing activities				
Proceeds from the sales of PPE	-	-	-	-
Purchase of PPE and intangible assets	-2 264	-1 145	-3 947	-5 680
Other investing activities	-	-	-	-
Purchase of shares in subsidiaries	-	-	-	-
Net cash flow from investing activities	-2 264	-1 145	-3 947	-5 680

Purchase of PPE and intangible assets includes CAD 1 652 thousand of Right of Use Assets (IFRS 16) in the third quarter 2024, related to a capitalisation of a new lease with improved terms for the existing facility in France. When excluding this item, then *Purchase of PPE and intangible assets* was CAD 612 thousand. For 2024 year to date the amount of Right of Use Assets is CAD 1.754 thousand. The corresponding figures in 2023 was CAD 7 thousand and CAD 209 thousand year to date. Similarly, the same amounts for new contracts are included in the item *New Loan*.

Amounts in CAD 1000	2024 Q3	2023 Q3	2024 Q3 YTD	2023 Q3 YTD
Cash flow from financing activities				
Increase (decrease) of bank loan	-	-	-	-1 197
New loan	2 210	10 398	9 363	20 803
Repayment of loan	-236	-208	-801	-633
Repayment of lease liabilities	-156	-139	-493	-427
Net cash flow from financing activities	1 817	10 051	8 069	18 545
Change in cash and cash equivalents	-1 677	6 777	-2 541	725
Cash and cash equivalents at the beginning of the period	9 321	5 424	10 148	11 364
Effects of exchange rate changes on cash and cash equivalents	-66	-9	-29	103
Cash and cash equivalents at end of the period	7 578	12 192	7 578	12 192

Notes to the Consolidated Financial Statements

Note 1 | Confirmation of financial framework

The financial statements for the quarter have been prepared in accordance with IAS 34 Interim Financial Reporting. The report does not include all the information required in full annual financial statements and should be read in conjunction with the consolidated financial statements for 2023.

Note 2 | Key accounting policies

The accounting policies for 2024 are described in the Annual Report for 2023. The financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and associated interpretations, as well as Norwegian disclosure requirements pursuant to the Norwegian Accounting Act and stock exchange regulations and rules applicable as at 31 December 2023. The same policies have been applied in the preparation of the interim financial statements as of 30 June 2024.

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

Note 3 | Revenue from contracts with customers

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

Disaggregation of revenue from contracts with customers

2024 Q3 *Amounts in CAD 1000*	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	5 456	340	108	5 904
Revenue recognized over time	1 733	-	-	-	1 733
Revenue from external customers	1 733	5 456	340	108	7 637
Contribution margin	1 311	1 821	233	108	3 473
Contribution margin %	75.7%	33.4%	68.7%	100.0%	45.5%
Revenue from external customers specified pr geographical area:					
America	420	2 660	282	86	3 448
Europe	35	2 308	-	22	2 365
Asia	1 278	488	58	-	1 824
Total	1 733	5 456	340	108	7 637

2024 Q3 YTD *Amounts in CAD 1000*	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	19 027	778	283	20 088
Revenue recognized over time	7 438	-	-	-	7 438
Revenue from external customers	7 438	19 027	778	283	27 526
Contribution margin	5 013	6 269	518	283	12 083
Contribution margin %	67.4%	32.9%	66.6%	100.0%	43.9%
Revenue from external customers specified pr geographical area:					
North America	3 024	8 550	501	174	12 249
Europe	496	7 162	219	109	7 987
Asia	3 918	3 315	58	-	7 291
Total	7 438	19 027	778	283	27 526

Notes to the financial statements (continued)

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

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

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

Alternative Performance Measures

Definitions

Tekna presents alternative performance measures as a supplement to measures regulated by IFRS. The Group considers these measures to be an important supplemental measure for investors to understand the Groups' activities. They are meant to provide an enhanced insight into the operations, financing, and future prospects of the company.

These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period. The definitions of these measures are as follows:

Contribution Margin: Is defined as revenues less direct variable costs such as direct labour, raw material, electricity, gas consumption, commissions, freight, customs and brokerage fees, laboratory supplies and packaging. The Contribution Margin is used to evaluate performance of production before any allocation of fixed manufacturing costs.

Contribution Margin %: is defined as the Contribution Margin divided by revenues in the period.

EBITDA: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization.

EBITDA Margin: Is defined as EBITDA as a percentage of revenues.

Adjusted EBITDA: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization adjusted for certain special operating items affecting comparability. These special operating items include, but not limited to, restructuring costs, listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019) and litigation fees.

Adjusted EBITDA Margin: Is defined as Adjusted EBITDA as a percentage of revenues.

EBIT: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures.

EBIT Margin: Is defined as EBIT as a percentage of revenues.

Adjusted EBIT: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures adjusted for certain special operating items affecting comparability. These special operating items include, but not limited to, restructuring costs, listing costs, adjustments for expenses related to cloud-based software previously recorded in the balance sheet (retrospective implementation accounting for cloud-based services for the years 2021, 2020 and 2019), and litigation fees.

Adjusted EBIT Margin: Is defined as Adjusted EBIT as a percentage of revenues. Adjusted EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Long Term Debt/Equity Ratio: Is defined as total non-current liabilities divided by total equity. Long Term Debt/Equity Ratio is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Please see the Annual Report for a further detailed description of the Group's alternative performance measures.

Alternative Performance Measures (continued)

Amounts in CAD thousands	2024 Q3 (Unaudited)	2023 Q3 (Unaudited)	2024 Q3 YTD (Unaudited)	2023 Q3 YTD (Unaudited)
Revenues	7 637	9 068	27 525	29 498
Materials and consumables used	4 164	5 598	15 442	16 154
(b) Contribution margin	3 473	3 470	12 083	13 344
(c) Revenues	7 637	9 068	27 525	29 498
Contribution margin % (b/c)	45.5 %	38.3 %	43.9 %	45.2 %

Amounts in CAD thousands	2024 Q3 (Unaudited)	2023 Q3 (Unaudited)	2024 Q3 YTD (Unaudited)	2023 Q3 YTD (Unaudited)
Net profit/loss	-3 709	-3 865	-11 194	-8 899
Income tax expense (income)	-225	-100	-670	-100
Finance costs	528	403	1 632	730
Finance income	343	24	326	25
Share of net income (loss) from associated companies and joint ventures	-	567	-	1 310
Depreciation and amortization	990	1 037	2 902	3 159
(a) EBITDA	-1 623	-1 733	-5 664	-3 576
Provision (reversal) for bad debts on accounts receivable from the joint venture	-	-	-289	-
Restructuring costs	204	-	423	-
(b) Adjusted EBITDA	-1 419	-1 733	-5 531	-3 576
(c) Revenues	7 637	9 068	27 525	29 498
EBITDA margin (a/c)	-21.3 %	-19.1 %	-20.6 %	-12.1 %
Adjusted EBITDA margin (b/c)	-18.6 %	-19.1 %	-20.1 %	-12.1 %

Amounts in CAD thousands	2024 Q3 (Unaudited)	2023 Q3 (Unaudited)	2024 Q3 YTD (Unaudited)	2023 Q3 YTD (Unaudited)
Net profit/loss	-3 709	-3 865	-11 194	-8 899
Income tax expense (income)	-225	-100	-670	-100
Finance cost	528	403	1 632	730
Finance Income	343	24	326	25
Share of net income (loss) from associated companies and joint ventures	-	567	-	1 310
(a) EBIT	-2 613	-2 770	-8 566	-6 735
Provision (reversal) for bad debts on accounts receivable from the joint venture	-	-	-289	-
Restructuring costs	204	-	423	-
(b) Adjusted EBIT	-2 409	-2 770	-8 433	-6 735
(c) Revenues	7 637	9 068	27 525	29 498
EBIT margin (a/c)	-34.2 %	-30.5 %	-31.1 %	-22.8 %
Adjusted EBIT margin (b/c)	-31.5 %	-30.5 %	-30.6 %	-22.8 %

Amounts in CAD thousands	30.09.2024 (Unaudited)	30.09.2023 (Unaudited)	2024 Q3 YTD (Unaudited)	2023 Q3 YTD (Unaudited)
(a) Total non-current liabilities	34 239	25 240	34 239	25 240
(b) Total equity	26 409	44 674	26 409	44 674
Long Term Debt/Equity Ratio (a/b)	1.30	0.56	1.30	0.56

Contact information

Tekna Holding ASA

Langbryggen 9

4841 Arendal

Norway

Headquarter:

2935 Boul. Industriel

Sherbrooke, Québec

J1L 2T9 Canada

+1-819-820-2204

investors@tekna.com

www.tekna.com/investors

We encourage people to read the document on a device instead of printing it.

TEKNA