



TEKNA HOLDING AS: FINANCIAL RESULTS FOR THIRD QUARTER 2021

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(Arendal, NORWAY / Sherbrooke QC, CANADA - 11 November 2021) Tekna Holding AS (Tekna, OSE:TEKNA), the world-leading provider of advanced materials to industry, increased Additive Manufacturing production capacity in the third quarter 2021 amid strong global demand and sales accelerating in Europe. Year-to-date total revenue and materials revenue improved 43% and 40% respectively over 2020.

The third quarter of 2021 was characterized by:

- * CAD 5.6 million revenues (-14%) mainly due to fluctuation in the systems deliveries
- * Materials revenue in Q3 grew 10% from Q3 2020, with 77% of sales generated from recurring customers
- * Total order backlog stood at a solid CAD 12 million, of which CAD 8.0 million (5.2 million) came from materials, which represents a 57% increase
- * Adjusted EBITDA of CAD -1.3 million, compared to break-even in Q3 2020 (due to Covid grants)
- * Additional atomizer began to operate in Canada, which, along with productivity improvements, increased production capacity by 25% at the end of the quarter.

"While Tekna's Systems revenue posted a decrease in the quarter, the outlook for Additive Manufacturing, which accounts for approximately 60% of Tekna's total revenue, remains strong and we're firing on all cylinders to get production capacity up to meet accelerating demand. Tekna began operating an additional plasma system in the third quarter that, along with productivity improvements, will increase capacity by 25%," says Luc Dionne, Tekna Holding's chief executive officer.

Revenues for the third quarter posted at CAD 5.6 million from CAD 6.5 million (Q3 2020). The decline is mostly attributable to systems product line revenue that was 42% lower than the same period last year. These revenues are expected to return to yearly run-rates in the fourth quarter 2021. Adjusted EBITDA for the third quarter stood at CAD -1.3 million (CAD 0 million). The variation vs last year is due to a federal emergency grant received in Q3 2020 (CAD 1 million).

In the Printed Electronics segment, the qualification of customers developed positively, and Tekna is on track to secure its first commercial customer in 2022. Tekna has initiated talks with industrial scale-up partners in Asia and gained a new pipeline customer entry in Taiwan. Furthermore, Tekna is pursuing negotiations to lease a production facility in Sherbrooke, Canada, which would provide capacity of up to 25 tons of powder annually by 2023.

In the Energy Storage segment, Tekna's development is progressing according to schedule and industrial-pilot capacity is expected to be ready in early 2022. Discussions are ongoing with LG Chem on a second potential joint development agreement involving new research.

"The EV and 5G markets are booming, which is driving the demand for Tekna's nano-size Silicon and Nickel powders. Therefore, we have initiated discussions with several major silane manufacturers to secure our long-term supply," said Dionne.

Also in the third quarter, Tekna launched its PlasmaSonic systems product line of plasma wind tunnels and integrated diagnostic solutions, targeting civil aviation in the orbital space and hypersonic flight industry, which has an estimated size of CAD 270 billion.

"Leveraging our 30 years of expertise in plasma energy and system design, Tekna PlasmaSonic solutions is able to recreate on Earth the wide range of extreme temperatures and pressures experienced by spacecrafts travelling in the stratosphere, at over 5 times the speed of sound. It is an exciting new segment for us in a rapidly developing industry, in which we see an estimated revenue potential of up to CAD 250 million over the next 10 years," said Dionne.

"Looking ahead, all the market indicators we are monitoring continue to be positive and Tekna's ambition to grow 2020 materials revenues of CAD ~13 million to a production run-rate of CAD ~22 million in 2021 is within reach," Dionne added.

Tekna will present its financial results for the third quarter 2021 on Thursday 11 November, 2021, at 13:00 CET. The investor presentation will be live streamed and be hosted by Luc Dionne, CEO of Tekna Holding. The presentation will be held in English and questions can be submitted throughout the event.

The streaming event is available through: [investors/webcast_2021Q3 \(tekna.com\)](https://www.tekna.com/investors/webcast_2021Q3)

The full report and presentation are available at <https://www.tekna.com/investors>

To know more about Tekna's PlasmaSonic systems product line: [Tekna PlasmaSonic product line](#) | [Tekna](#)

Disclosure regulation

This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.

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About Tekna Holding AS

Tekna is a world-leading provider of advanced materials to industry, headquartered in Sherbrooke, Canada. Tekna produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and automotive sectors, as well as optimized induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well positioned in the growing market for advanced nanomaterials within the electronics and batteries industries. Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and its commitment to its large base of multinational blue-chip customers.

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Attachments

- [Download announcement as PDF.pdf](#)
- [2021Q3 presentation Final.pdf](#)