Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	925 347 884
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	TEKNA HOLDING ASA
Forretningsadresse:	Langbryggen 9 4841 ARENDAL

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Preben Trondal Nilsen
Dato for fastsettelse av årsregnskapet:	03.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 23.06.2024

Resultatregnskap

Beløp i: CAD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad		103 000	
Annen driftskostnad		1 536 000	961 000
Sum kostnader		**1 639 000**	**961 000**
Driftsresultat		**-1 639 000**	**-961 000**
Finansinntekter og finanskostnader			
Annen finansinntekt		2 513 000	1 332 000
Sum finansinntekter		**2 513 000**	**1 332 000**
Annen rentekostnad		5 000	92 000
Nedskrivning på aksjer i datter		320 974 000	
Annen finanskostnad		1 000	
Sum finanskostnader		**320 980 000**	**92 000**
Netto finans		**-318 467 000**	**1 240 000**
Ordinært resultat før skattekostnad		**-320 106 000**	**279 000**
Ordinært resultat etter skattekostnad		**-320 106 000**	**279 000**
Årsresultat		**-320 106 000**	**279 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-320 106 000	279 000
Sum overføringer og disponeringer		**-320 106 000**	**279 000**

Balanse

Beløp i: CAD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		97 500 000	418 468 000
Lån til foretak i samme konsern		67 535 000	37 251 000
Sum finansielle anleggsmidler		**165 035 000**	**455 719 000**
Sum anleggsmidler		**165 035 000**	**455 719 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		77 000	24 000
Sum fordringer		**77 000**	**24 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		3 975 000	33 351 000
Sum bankinnskudd, kontanter og lignende		**3 975 000**	**33 351 000**
Sum omløpsmidler		**4 052 000**	**33 375 000**
SUM EIENDELER		**169 087 000**	**489 094 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		494 956 000	494 956 000
Sum innskutt egenkapital		**494 956 000**	**494 956 000**
Opptjent egenkapital			
Udekket tap		326 028 000	5 928 000

Balanse

Beløp i: CAD	Note	2022	2021
Sum opptjent egenkapital		**-326 028 000**	**-5 928 000**
Sum egenkapital		**168 928 000**	**489 028 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		51 000	66 000
Skyldige offentlige avgifter		0	
Annen kortsiktig gjeld		108 000	
Sum kortsiktig gjeld		**159 000**	**66 000**
Sum gjeld		**159 000**	**66 000**
SUM EGENKAPITAL OG GJELD		**169 087 000**	**489 094 000**

Konsernets resultatregnskap

Beløp i: CAD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		26 889 000	26 810 000
Annen driftsinntekt		767 000	486 000
Sum inntekter		**27 656 000**	**27 296 000**
Kostnader			
Varekostnad		17 540 000	14 893 000
Lønnskostnad		16 009 000	12 733 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		3 978 000	3 742 000
Annen driftskostnad		10 835 000	8 401 000
Sum kostnader		**48 362 000**	**39 769 000**
Driftsresultat		**-20 706 000**	**-12 473 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		-1 510 000	-1 472 000
Annen renteinntekt		144 000	400 000
Sum finansinntekter		**-1 366 000**	**-1 072 000**
Annen rentekostnad		332 000	656 000
Sum finanskostnader		**332 000**	**656 000**
Netto finans		**-1 698 000**	**-1 728 000**
Ordinært resultat før skattekostnad		**-22 404 000**	**-14 201 000**
Skattekostnad på ordinært resultat		113 000	-114 000
Ordinært resultat etter skattekostnad		**-22 517 000**	**-14 087 000**
Årsresultat		**-22 517 000**	**-14 087 000**
Minoritetsinteresser		-829 000	-486 000
Årsresultat etter minoritetsinteresser		**-21 688 000**	**-13 601 000**
Omregningsdifferanse		-178 000	6 000
Omregningsdifferanse som ikke vil bli reclassifisert til			-6 207 000

Konsernets resultatregnskap

Beløp i: CAD	Note	2022	2021
resultatregnskaper			
Minoritet av omregningsdifferanser		-829 000	-486 000
Sum resultatkomponenter for IFRS-foretak		-1 007 000	-6 687 000
Totalresultat		**-22 695 000**	**-20 288 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-22 695 000	-20 288 000
Sum overføringer og disponeringer		**-22 695 000**	**-20 288 000**

Konsernets balanse

Beløp i: CAD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling		2 119 000	2 111 000
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		6 418 000	7 106 000
Sum immaterielle eiendeler		**8 537 000**	**9 217 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		7 556 000	7 448 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		11 684 000	9 125 000
Sum varige driftsmidler		**19 240 000**	**16 573 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		579 000	1 231 000
Andre fordringer		5 340 000	5 598 000
Sum finansielle anleggsmidler		**5 919 000**	**6 829 000**
Sum anleggsmidler		**33 696 000**	**32 619 000**
Omløpsmidler			
Varer			
Varer		20 592 000	14 415 000
Sum varer		**20 592 000**	**14 415 000**
Fordringer			
Kundefordringer		5 634 000	3 701 000
Kontraktseiedeler		167 000	1 039 000
Andre fordringer		2 246 000	1 979 000
Sum fordringer		**8 047 000**	**6 719 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		11 364 000	38 649 000
Sum bankinnskudd, kontanter og lignende		**11 364 000**	**38 649 000**
Sum omløpsmidler		**40 003 000**	**59 783 000**

Konsernets balanse

Beløp i: CAD	Note	2022	2021
SUM EIENDELER		**73 699 000**	**92 402 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		494 956 000	494 956 000
Sum innskutt egenkapital		**494 956 000**	**494 956 000**
Opptjent egenkapital			
Annen egenkapital		-440 934 000	-419 058 000
Minoritetsinteresser		-609 000	211 000
Sum opptjent egenkapital		**-441 543 000**	**-418 847 000**
Sum egenkapital		**53 413 000**	**76 109 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		4 119 000	3 778 000
Leieforpliktelser		1 161 000	227 000
Sum annen langsiktig gjeld		**5 280 000**	**4 005 000**
Sum langsiktig gjeld		**5 280 000**	**4 005 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		1 197 000	3 733 000
Leverandørgjeld		7 852 000	4 772 000
Forpliktelse leieavtaler		459 000	235 000
Kontrakstforpliktelser		2 647 000	1 473 000
Annen kortsiktig gjeld		2 319 000	1 874 000
Kortsiktig del av pantegjeld		532 000	201 000
Sum kortsiktig gjeld		**15 006 000**	**12 288 000**
Sum gjeld		**20 286 000**	**16 293 000**

Konsernets balanse

Beløp i: CAD	Note	2022	2021
SUM EGENKAPITAL OG GJELD		**73 699 000**	**92 402 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 518438

Enheten

Organisasjonsnummer:	925 347 884
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	TEKNA HOLDING ASA
Forretningsadresse:	Langbryggen 9 4841 ARENDAL

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Preben Trondal Nilsen
Dato for fastsettelse av årsregnskapet:	03.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 29.06.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 925 347 884
TEKNA HOLDING ASA

RESULTATREGNSKAP

Beløp i: CAD	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad		103 000	
Annen driftskostnad		1 536 000	961 000
Sum kostnader		**1 639 000**	**961 000**
Driftsresultat		**-1 639 000**	**-961 000**
Finansinntekter og finanskostnader			
Annen finansinntekt		2 513 000	1 332 000
Sum finansinntekter		**2 513 000**	**1 332 000**
Annen rentekostnad		5 000	92 000
Nedskrivning på aksjer i datter		320 974 000	
Annen finanskostnad		1 000	
Sum finanskostnader		**320 980 000**	**92 000**
Netto finans		**-318 467 000**	**1 240 000**
Ordinært resultat før skattekostnad		**-320 106 000**	**279 000**
Ordinært resultat etter skattekostnad		**-320 106 000**	**279 000**
Årsresultat		**-320 106 000**	**279 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-320 106 000	279 000
Sum overføringer og disponeringer		**-320 106 000**	**279 000**

Organisasjonsnr: 925 347 884
TEKNA HOLDING ASA

BALANSE

Beløp i: CAD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		97 500 000	418 468 000
Lån til foretak i samme konsern		67 535 000	37 251 000
Sum finansielle anleggsmidler		**165 035 000**	**455 719 000**
Sum anleggsmidler		**165 035 000**	**455 719 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		77 000	24 000
Sum fordringer		**77 000**	**24 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		3 975 000	33 351 000
Sum bankinnskudd, kontanter og lignende		**3 975 000**	**33 351 000**
Sum omløpsmidler		**4 052 000**	**33 375 000**
SUM EIENDELER		**169 087 000**	**489 094 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		494 956 000	494 956 000
Sum innskutt egenkapital		**494 956 000**	**494 956 000**
Opptjent egenkapital			
Udekket tap		326 028 000	5 928 000
Sum opptjent egenkapital		**-326 028 000**	**-5 928 000**
Sum egenkapital		**168 928 000**	**489 028 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			

Leverandørgjeld	51 000	66 000
Skyldige offentlige avgifter	0	
Annen kortsiktig gjeld	108 000	
Sum kortsiktig gjeld	**159 000**	**66 000**
Sum gjeld	**159 000**	**66 000**
SUM EGENKAPITAL OG GJELD	**169 087 000**	**489 094 000**

Organisasjonsnr: 925 347 884
TEKNA HOLDING ASA

KONSERNRESULTATREGNSKAP

Beløp i: CAD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		26 889 000	26 810 000
Annen driftsinntekt		767 000	486 000
Sum inntekter		**27 656 000**	**27 296 000**
Kostnader			
Varekostnad		17 540 000	14 893 000
Lønnskostnad		16 009 000	12 733 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		3 978 000	3 742 000
Annen driftskostnad		10 835 000	8 401 000
Sum kostnader		**48 362 000**	**39 769 000**
Driftsresultat		**-20 706 000**	**-12 473 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		-1 510 000	-1 472 000
Annen renteinntekt		144 000	400 000
Sum finansinntekter		**-1 366 000**	**-1 072 000**
Annen rentekostnad		332 000	656 000
Sum finanskostnader		**332 000**	**656 000**
Netto finans		**-1 698 000**	**-1 728 000**
Ordinært resultat før skattekostnad		**-22 404 000**	**-14 201 000**
Skattekostnad på ordinært resultat		113 000	-114 000
Ordinært resultat etter skattekostnad		**-22 517 000**	**-14 087 000**
Årsresultat		**-22 517 000**	**-14 087 000**
Minoritetsinteresser		-829 000	-486 000
Årsresultat etter minoritetsinteresser		**-21 688 000**	**-13 601 000**
Omregningsdifferanse		-178 000	6 000
Omregningsdifferanse som ikke vil bli reclassifisert til resultatregnskaper			-6 207 000
Minoritet av omregningsdifferanser		-829 000	-486 000

Sum resultatkomponenter for IFRS-foretak	-1 007 000	-6 687 000
Totalresultat	**-22 695 000**	**-20 288 000**
Overføringer og disponeringer		
Overføringer til/fra annen egenkapital	-22 695 000	-20 288 000
Sum overføringer og disponeringer	**-22 695 000**	**-20 288 000**

Organisasjonsnr: 925 347 884
TEKNA HOLDING ASA

KONSERNBALANSE

Beløp i: CAD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utvikling		2 119 000	2 111 000
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		6 418 000	7 106 000
Sum immaterielle eiendeler		**8 537 000**	**9 217 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom		7 556 000	7 448 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		11 684 000	9 125 000
Sum varige driftsmidler		**19 240 000**	**16 573 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		579 000	1 231 000
Andre fordringer		5 340 000	5 598 000
Sum finansielle anleggsmidler		**5 919 000**	**6 829 000**
Sum anleggsmidler		**33 696 000**	**32 619 000**
Omløpsmidler			
Varer			
Varer		20 592 000	14 415 000
Sum varer		**20 592 000**	**14 415 000**
Fordringer			
Kundefordringer		5 634 000	3 701 000
Kontraktseiedeler		167 000	1 039 000
Andre fordringer		2 246 000	1 979 000
Sum fordringer		**8 047 000**	**6 719 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		11 364 000	38 649 000
Sum bankinnskudd, kontanter og lignende		**11 364 000**	**38 649 000**
Sum omløpsmidler		**40 003 000**	**59 783 000**
SUM EIENDELER		**73 699 000**	**92 402 000**

BALANSE - EGENKAPITAL OG GJELD		
Egenkapital		
Innskutt egenkapital		
Selskapskapital	494 956 000	494 956 000
Sum innskutt egenkapital	**494 956 000**	**494 956 000**
Opptjent egenkapital		
Annen egenkapital	-440 934 000	-419 058 000
Minoritetsinteresser	-609 000	211 000
Sum opptjent egenkapital	**-441 543 000**	**-418 847 000**
Sum egenkapital	**53 413 000**	**76 109 000**
Gjeld		
Langsiktig gjeld		
Annen langsiktig gjeld		
Gjeld til kredittinstitusjoner	4 119 000	3 778 000
Leieforpliktelser	1 161 000	227 000
Sum annen langsiktig gjeld	**5 280 000**	**4 005 000**
Sum langsiktig gjeld	**5 280 000**	**4 005 000**
Kortsiktig gjeld		
Gjeld til kredittinstitusjoner	1 197 000	3 733 000
Leverandørgjeld	7 852 000	4 772 000
Forpliktelse leieavtaler	459 000	235 000
Kontrakstforpliktelser	2 647 000	1 473 000
Annen kortsiktig gjeld	2 319 000	1 874 000
Kortsiktig del av pantegjeld	532 000	201 000
Sum kortsiktig gjeld	**15 006 000**	**12 288 000**
Sum gjeld	**20 286 000**	**16 293 000**
SUM EGENKAPITAL OG GJELD	**73 699 000**	**92 402 000**

Organisasjonsnr: 925 347 884
TEKNA HOLDING ASA

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Regnskapsprinsipper
Se vedlagte regnskap

Note

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Organisasjonsnr: 925 347 884
TEKNA HOLDING ASA

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note

Regnskapsprinsipper
Se vedlagte regnskap

Note

Antall årsverk i regnskapsåret
219.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
23.02.2022	17.02.2022	Thor-Petter Sørlie
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	AR475811502	+47 41 33 44 77
Org.nr	Vår referanse	Postadresse
974761076	2022/5181624	Postboks 9200 Grønland
		0134 OSLO

TEKNA HOLDING AS
Langbryggen 9
4841 ARENDAL

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Tekna Holding AS' (org.nr. 925 347 884) søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra søknaden siteres:

> «Med hensyn til språk i årsregnskapet og årsberetningen, er det overordnet viktigste etter vår oppfatning at brukerne er fortrolig med språket. Brukerne av regnskapet er eierne, ledelsen, styret og de øvrige konsernselskapene. De fleste av disse er avhengig av å motta regnskapsrapportene på engelsk for å forstå innholdet.
>
> De ansatte og lokalsfunnet rundt den oprative driften befinner seg også i utlandet og er således avhengig av at årsregnskapet er tilgjengelig på engelsk. Som nevnt er Tekna Holding AS et rent holdingselskap og det er således ingen ansatte i dette selskapet.
>
> Det er således ingen sentrale regnskapsbrukere som er avhengig av å lese årsregnskapet og årsrapporten til Tekna Holding AS på norsk.
>
> Når det gjelder de øvrige vurderingstemaene oppstilt av Skattedirektoratet, kan følgende bemerkes:

Internasjonal bransje

Selskapet opererer i en internasjonal bransje hvor arbeidsspråket ofte er engelsk. Mye av kommunikasjonen foregår på engelsk. Dette gjelder både før, under og etter leveransene. Dette understrekes særlig av at all operativ drift foregår utenfor Norge.

Operativ drift

Tekna Holding AS er et norsk morselskap der den operative virksomheten i sin helhet forgår i datterselskaper i utlandet. Dette taler etter foreliggende praksis for at dispensasjon bør gis.

Hjørnestensbedrift

Selskapet er ikke en hjørnestensbedrift i Norge»

Skattekontorets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at kommunikasjon med de fleste av kunder og leverandører skjer på engelsk. En betydelig andel av selskapets interessenter er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse

forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lene Bjørkevoll
underdirektør
Innsats, storbedrift
Skatteetaten

Thor-Petter Sørlie

Annual report

2022

Advancing the world one particle at a time...

The magic of Tekna originates in the strong drive of its employees to do better. Better for an earth that is damaged and in desperate need of a green transition.

At Tekna we make tiny particles of advanced materials that enable this transition.

It is through the **transformation** of the metal supply chain in additive manufacturing, and enabling electrification through the **miniaturization** of microelectronic components as well as **improving the characteristics** of a lithium-ion battery that these tiny particles become **magical.**

And so does the plasma technology that produces them.

Photo credit: Microsoft

23.06.2024 kl 10:49

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Corporate Governance Report 2022

Human Rights and Transparency Act Report 2022

Remuneration report 2022

GRI Report 2022

Carbon Accounting Report 2022

EU taxonomy Progress Report 2022

TCFD Progress Report 2021
(update expected June 2023)

UN Global Compact CoP
(report due June 2023)

Tip

If you want to return to this index page, press this icon on the top left corner.

Årsregnskap regnskapsåret 2022 for 925327884

Brønnøysundregistrene

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This is Tekna (continued)

Plasma: The fourth state of matter

For most people, matter surrounding us in everyday life is composed of solids, liquids, or gases. But there is a fourth state of matter: plasma.

Plasma may be less known, but you observe it on a regular basis without even realizing it. Every time you see lightning, electric sparks, fluorescent or Northern lights, or even when you gaze at the stars, you are experiencing illuminated matter in the plasma state. As much as 99.99 per cent of the visible universe is plasma.

"Plasma is an ionized gas, which means that sufficient energy is provided to free electrons from atoms or molecules and to allow both species – ions and free electrons – to coexist. This electron "sea" allows matter in the plasma state to conduct electricity, somewhat like a conductive metal. This is one of the properties that makes plasma so radically different from their gaseous counterpart," explains Richard Dolbec, Program Director Emerging Technologies at Tekna.

Plasma can also be a chemically reactive environment. Take nitrogen, a gas considered as inert under normal conditions. Once ionized in a plasma, nitrogen ions become reactive species that can react and change the nature of elements, forming a metal nitride, for instance.

"Plasma can reach temperatures of about 10,000 degrees Celsius, equal to the temperature at the surface of the sun, and way beyond the hottest flame resulting from fuel combustion, which burns at approximately 3000 degrees Celsius," says Dolbec.

Artificial plasma can be generated in several different ways, but based on a common principle: there must be energy input to produce and sustain it. In fluorescent light bulbs for example, the tube contains a small bit of mercury and an inert gas (typically argon) kept under very low pressure. Electricity flows through the tube when the light is turned on. The electricity acts as an energy source and charges up (or ionizes) the gas. This charging and exciting of the atoms creates glowing plasma inside the bulb, a cold plasma made to emit light we can see.

"This is clearly different from the proprietary plasma core technology developed by Tekna where the heat from the plasma is used for melting and even evaporating metals, aiming at producing advanced metallic powders. Tekna has developed a plasma torch technology that generates plasma by induction with power levels of 400 kW and capable of withstanding temperatures above 10,000 degrees Celsius. Next generation will be engineered to reach up to 2 MW – that is two millions of Watts," says Nicolas Dignard, CTO Plasma Systems.

The Tekna torch consists of a coil wrapped around a confinement chamber through which a gas mixture continuously flows. The coil applies a strong radio-frequency electric fields inside the chamber and thanks to the conductive nature of the plasma, electric energy from the coil is converted into thermal energy in the gas.

"By mastering this very hot environment, Tekna has developed the best powders for additive manufacturing, can produce nanopowders used in microelectronics and energy storage, and can also be used for testing materials used in supersonic conditions," says Richard Dolbec.

"Plasma can reach temperatures of about 10,000 degrees Celsius, equal to the temperature at the surface of the sun, and way beyond the hottest flame resulting from fuel combustion, which burns at approximately 3000 degrees Celsius"

Richard Dolbec
Program Director Emerging Technologies at Tekna

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Introducing Tekna

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About Tekna

Tekna is a global leader in the development, manufacturing and sales of advanced micron and nano powders as well as plasma process solutions.

Since we started in 1990, Tekna has developed a unique and proprietary plasma technology platform for manufacturing micro and nano sized powders for a range of industries. Our business model relies on two revenue streams, both with synergistic effects:

- Development and sale of plasma systems: We develop and sell plasma systems customized for the purpose of research and development.
- Development and sale of advanced powders: We develop and operate our own proprietary plasma processes to produce and sell spherical powders and nano powders.

Tekna's is developing the position of its advanced materials in three multi-billion-dollar market verticals.

Tekna is headquartered in Québec, Canada, and has additional offices in France, China, Korea, USA, and seven distributors operating globally (Europe, Asia and North America).

Additive Manufacturing:
Currently our fastest growing segment. Tekna enjoys an estimated 19 per cent market share, up by 6 per cent on main selling products. This global market is on track to outperform, in terms of growth, traditional machining due to improved environmental efficiency, for instance through resource efficiency and speed of availability of parts.

Microelectronics:
We aim to secure industrial scale supply to global tier 1 customers in the microelectronics industry. Nano powders below 100 nm are expected to become the new industry standard for high-end MLCC devices, and Tekna is one of only three producers that can deliver this.

Energy Storage:
Tekna has developed and patented its industrial process to produce high purity spherical silicon nano powder. Nano silicon used in rechargeable batteries could provide electric vehicles with 60 per cent more distance travelled on a single charge. Important industries for our powders are: batteries, electronics, medical, automotive, aerospace and satellites.

Systems | Plasmasonic:
In the systems business w launched the Plasmasonic Proc uct line. This wind tunnel simu lates hypersonic conditions t enable research for for instanc space tourism.

Founded in 1990

Tekna Holding ASA listed in OSLO 2022

carbon neutral
Aspiration 2030

Headquartered in Sherbrooke, QC, Canada

216 employees

90 active patents

3 manufacturing and research centers

7 subsidiaries

1 joint venture

Årsregnskap regnskapsåret 2022

Brønnøysundregistrene

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This is Tekna (continued)

Key figures at a glance

Revenues
26.9 M CAD
vs 26.8 M CAD in 2021. The Additive material sales grew by 7%, despite capacity constraints in production.

Order backlog
25.0 M CAD
vs 15.3 M CAD in 2021. This is a 64% increase providing great momentum going into the new year.

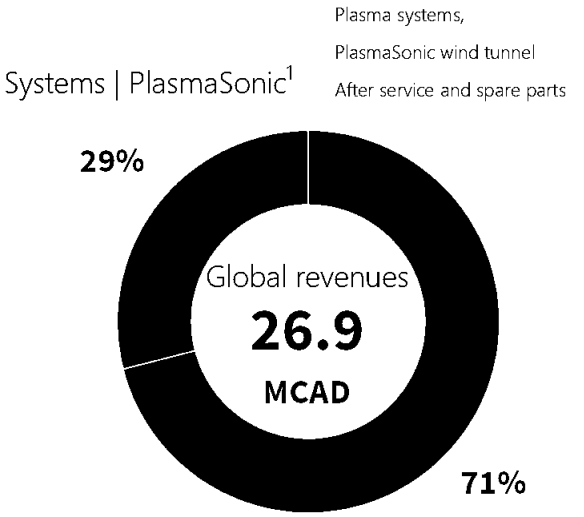
Adj. EBITDA
-12.8 M CAD
vs –4.6 M CAD in 2021. Tekna has taken immediate and important steps towards improving profitability and cash position.

Key financial figures

in CAD million	2022	2021
Revenues (CAD million)	26.9	26.8
Adjusted EBITDA (CAD million)	-12.8	-4.6
EBITDA	-16.7	-8.7
Net profit / loss	-22.5	-14.1
Cash balance	11.4	38.6
Employees	216	204

Revenue distribution

Business segments



Additive Materials: Micron-sized powder materials including titanium-, aluminum-, and nickel alloys, tungsten and tantalum.

Microelectronics: Nano-sized Nickel (sample sales)

Geography

North America **36%**

Europe **40%**

Asia / Rest of world **24%**

Customer segments

Aerospace **35%**

3D Machine OEM[2] **25%**

Medical Implants **10%**

Other **30%**

1: Includes after service and spare parts.
2: OEM stands for Original Equipment Manufacturer.

Årsregnskap registrert for året 2022 for 925347884

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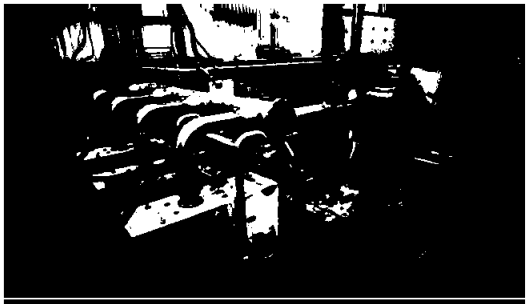
This is Tekna (continued)

Highlights and important milestones in 2022

The Tekna team has achieved some remarkable results in 2022. Most of these successes and achievements are enablers for our 2023 growth plan.

Record order for PlasmaSonic system

The order signed in November 2022 with a contract value in excess of 9 million CAD is the largest single order in the history of the company.



PlasmaSonic system set up for testing at Tekna plant

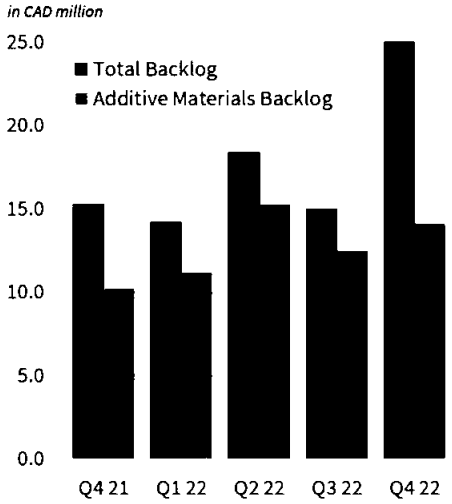
Pilot production lines for new materials

+ 2

Tekna has successfully set up two pilot production lines. For nickel nano production in Micro -electronics the capacity is 6 tons. For Energy Storage a sili-con-nano pilot line has been developed to produce samples.

Record order backlog

The order backlog amounted to 25 million CAD at the close of the year. This is nearly as high as Tekna's total revenue in 2022.



Uplisting to Oslo Stock Exchange

In 2021 Tekna Holding listed on the Euronext Growth list in Oslo (Norway) and in 2022 it converted its listing to the main list.

Photo credit: Oslo Børs

Productivity increase in Additive Materials

Tekna has put a tremendous effort into increasing the output for the additive materials production. With the aim to reach 70% improvement a milestone of 40% was reached by year-end.

+ 40%

First Sustainability report

In 2022, Tekna published its first sustainability report, reporting on the ESG strategy and progress made up to 2021. In this annual report you find the update for 2022.

Tekna employee working in the Tekna laboratory

ISO13485 and ISO17025

Tekna achieved ISO 13485:2016 certificatio for its Additive Materials division. This certifi cation establishes that the processes Tekn uses to manufacture its commercial powder meet the highest global standards for medi cal products. It also successfully accredite its Tekna Plasma Systems laboratory for ISO 17025:2017 which certifies the analytical ser vices in competence of testing and calibra tion. These certifications add to our qualit accreditations: ISO9001:2008 and AS9100D.

Brønnøysundregistrene

Vedlegg til årsregnskap for regnskapsåret 2022 for 925327884

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This is Tekna (continued)

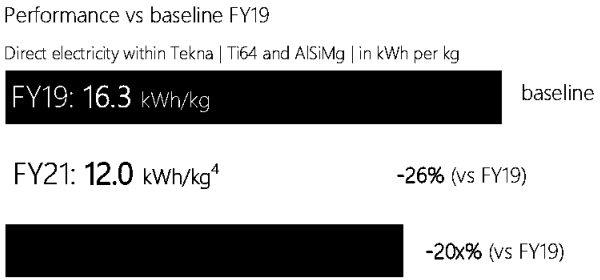
Tekna's climate footprint

Tekna is well on its way to having a thorough understanding of the emissions they directly influence. The focus today is on improving our understanding of up- and downstream emissions so we can establish an ambitious and achievable target for that scope.

Our emissions reduction plan is evolving and maturing with the improved awareness of our climate footprint across the value chain. Tekna has set a 50% reduction target on scope 1 and 2 ahead of formally subscribing to the Science-Based Targets initiative.

Energy intensity per kg metal powder produced

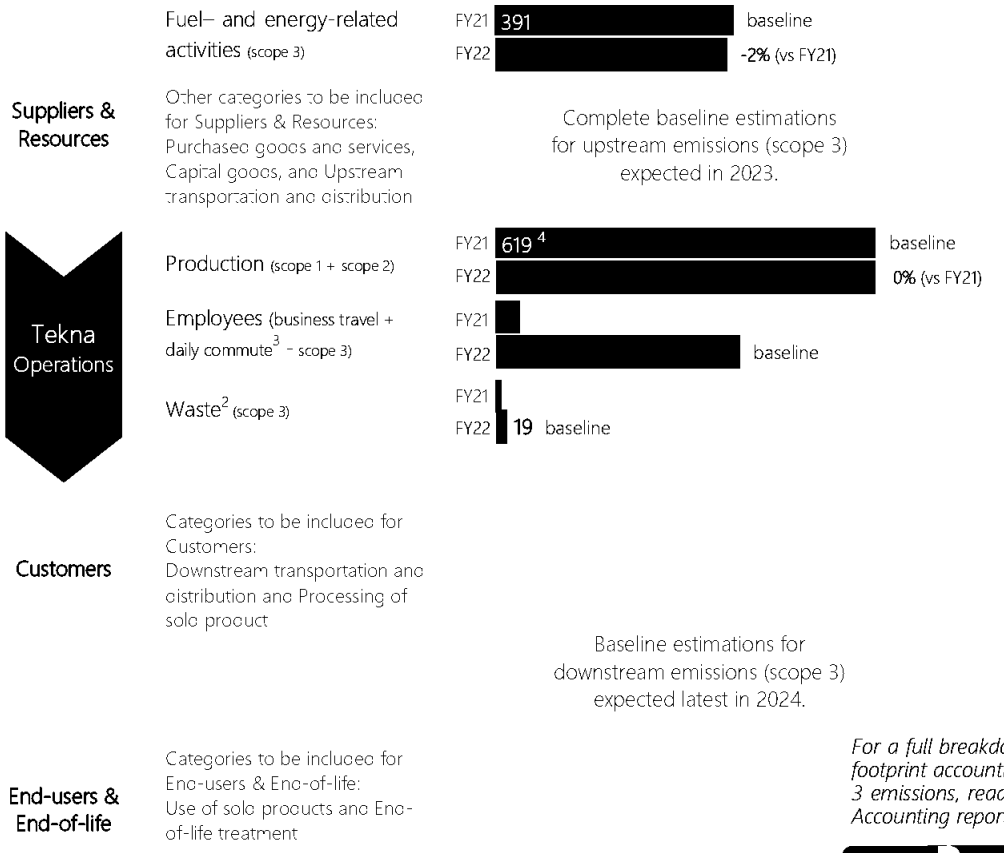
Ahead of a full Life Cycle Assessment Tekna wants to provide insights in improvements we are achieving in the energy intensity of our highest selling materials.



Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. However, the testing to achieve the improvements has impacted our energy intensity in 2022.

Tekna's climate footprint at different stages of the value chain

(GHG protocol[1] | in tCO2e)



Target for 203

Reduce in absolut terms compared t baseline year

under developme

-50 %

under developme

under developme

For a full breakdown of the climat footprint accounting, scope 1, 2 an 3 emissions, read the 2022 Carbo Accounting report.

link Carbon Accountin Report 2022

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Included only hazardous waste in 2021. 3: Employee Commute not included in 2021. 4: Restated 2022, see Sustainability Report 2022 on restatements.

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CEO letter 2022

An exciting position to be in

I am pleased to present Tekna's annual report for 2022. It was a dynamic year for Tekna, marked by the uplisting of the company to the main list on the Oslo Stock Exchange, several major contracts awarded and further confirmation of the leading position we are developing in the market.

We are thrilled to report that our backlog of orders has increased by 64% to CAD 25 million, with CAD 14 million of those orders being in additive materials. This is the largest backlog we have ever had for both of our current segments and it provides a solid foundation going into 2023.

At Tekna, we are committed to sustainability, and we are pleased to report that our energy intensity per kg produced is 20% better than the 2019 baseline and will continue to improve in 2023. We have committed to ambitious targets and have a plan to deliver on these. We have also signed the UN Global Compact in 2022, showing our commitment to this area. Our vision is to help change the world, one particle at a time.

Our sales team did a fantastic job of getting back on the road after nearly 3-years of covid-related lockdowns. Our customers have gone through their own challenges, and we would like to praise their loyalty and commitment to Tekna. We are working closely with our customers every day to ensure that we continue to meet their needs.

The year was also marked by the invasion of Ukraine. Tekna has operations neither in Ukraine nor in Russia, but a tragedy of such magnitude affects us all. Our thoughts are with the millions of innocent civilians affected by this devastating conflict.

Global leadership in advanced materials

Tekna has been a global leader in advanced materials since 1990, renowned for providing leading edge products to a diverse set of world-class clients worldwide. Tekna's operations are driven by global megatrends, including space exploration and tourism, deglobalization, climate change, digitalization, connectivity, and demography. Our technology and product portfolio are relevant in the market, with additive materials and systems generating revenues today and microelectronics and energy storage developing to follow.

Tekna built a best-in-class reputation with the breadth and quality of its product portfolio as well as with the implementation of dependable infrastructures that are further strengthened year after year. Based on our global sales, distribution and warehousing network, our quality certifications for aerospace, medical and laboratory facilities, our world class IT infrastructures or our governance and management policies, Tekna customers rely on us for delivering quality material, on time, every time.

Luc Dionne, CEO Tekna Holding ASA

"Tekna built a best-in-class reputation with the breadth and quality of its product portfolio as well as with the implementation of dependable infrastructures that are further strengthened year after year."

Brønnøysundregistrene

regnskapstall 2022 for 925327884

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CEO letter (continued)

Additive Manufacturing (3D Printing)

Additive materials represent our largest business segment, generating nearly 75% of total revenues this year. More than 80% of these revenues are from recurring customers. We manufacture fine metal powders used in various applications such as additive manufacturing. The aerospace industry accounts for a third of our additive materials deliveries, with another third going to additive manufacturing machine manufacturers. The remaining balance is split between medical applications, consumer electronics, and the automotive industry. We have secured long-term supply agreements with blue-chip customers such as Airbus, delivering hundreds of tons of quality powders in highly regulated industries.

Thanks to our mass customization strategy that allows us to tailor products to specific customer requirements, our metal powders have captured the high-value market, and we are proud to say that more and more customers are turning to Tekna for their additive material needs. Throughout 2022, Tekna continued experiencing rising demand in this segment, further improving the company's position in this market.

Despite capacity constraints in the production, sales continued to grow during the year. Tekna sold out all its production capacity for prime products in additive materials in 2022, and the key to developing sales further is to continue to work with increasing the production capacity. Significant new orders were signed in 2022, indicating that the market is dynamic and shifting from technology validation to scale production with blanket orders and long-term supply agreements. The magnitude of our backlog speaks for itself, and we expect sales to grow into the new year.

Strong demand and high order intake have made capacity expansion a key priority. The additive material capacity increase program made steady progress throughout the year, both through increasing the machine performance and planning for additional machines. Increasing capacity will translate into higher material availability, shorter delivery lead-times and increased sales.

Rebound in the systems market

Our plasma systems segment has two main product lines: the R&D plasma systems and the PlasmaSonic solutions. These machines are typically sold to government and academic institutions for research and development purposes. Two years ago, we introduced the PlasmaSonic solution product line, making us the only company in the world offering a comprehensive portfolio of plasma-based turnkey solutions that allow the reproduction, measurement, and characterization of materials exposed to hypersonic flight and orbital space conditions.

After several years of slow growth in orders, Tekna saw the market for systems rebound in 2022 with several contracts awarded in the second half of the year. We are experiencing a strong pipeline of potential orders in PlasmaSonic systems, and we have further reinforced the sales team with a dedicated office in the US. This segment represents great potential in the coming years, especially for PlasmaSonic solutions.

Microelectronics

In addition to our success in additive manufacturing, we are also making strides in microelectronics. Tekna's nickel nano powder is a key material for the manufacturing of high-end multi-layer ceramic capacitors (MLCC).

The same way we have proceeded in 3D printing, we are collaborating closely with the industry leaders, by pairing our product with their processes to meet the global trend of higher performance MLCC devices.

Our nickel nano pilot line came into operation during the year. Tekna will align the scale-up of production to match customer demand.

Outlook

One top priority in 2022 was improving production capacity to mee the growing demand for additive materials, and we will continue thi effort to support the increased sales volumes we see and expect. W will also explore the significant potential in microelectronics whil carefully managing cash flow and resources.

Accelerating the path towards profitable operation is another focu area, and we have implemented measures that will deliver year-over year operating cost reduction. We have taken actions to improv profitability while preserving a sound cash position. At the same time we are investing to increase production capacity for additive material by accelerating the manufacturing of three new production units which are set to come online in 2023. We have also secured a CA 25 million loan facility from Arendals Fossekompani ASA (AFK) an identified and started implementing actions to improve operationa excellence through overhead cost reduction, strict CAPEX prioritie right-sizing the organization, and strategic focus on near-term reve nue opportunities.

Finally, I want to thank our employees, customers, and investors fo their continued support. We welcome our new hires who arrived dur ing the year, and recognize how privileged we are to have their taler and skills on board. With our strong order backlog, we expect operat ing revenues and margins to increase during 2023, and we are confi dent that we will deliver value to our shareholders in the years t come.

Sincerely,

Luc Dionne

Luc Dionne

CEO, Tekna Holding ASA

link Luc Dionne > Link

Brønnøysundregistrene

Årsregnskap regnskapsåret 2022 fo 5387884

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Board of Directors and Executive Leadership

Members of the Board of Directors

In the process of uplisting from Euronext Growth to the Oslo Stock Exchange the Board of Directors of Tekna Holding ASA has welcomed three new members improving in value, through knowledge, network, independence and diversity. An audit committee was also established.

In autumn 2022 Dag Teigland was elected Chair taking the reigns from Morten Henriksen, who resigned early 2023.

Responsibilities of the Board of Directors

In accordance with Norwegian law, the Board of Directors ("BoD") is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and asset management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Dag Teigland [1]
(1966)

Chair (2022)

Shares per 31.12.2022: **52000**

Attended board meetings: **5**

Dag Teigland is CEO of Jordanes. He is a seasoned executive with broad international experience, including in the global metal industry. He has previously held executive management positions in Elkem and been CEO of Holta Invest and Tinfos.

Mr. Teigland is also a board room veteran, serving as member and chair of the Board of Directors of several Norwegian and international companies. He holds a bachelor's degree in finance, an MBA from IESE and AMP from Harvard Business School.

Torkil S. Mogstad
(1958)

Director and member of the audit committee (2021)

Shares per 31.12.2022: **52125**

Attended board meetings: **13**

Torkil Mogstad is Executive Vice President at Arendals Fossekompani ASA since 2015. He has previously held several executive management positions, including CEO at Markedskraft ASA, Director at Icon Medialab Norge AS and Engagement Manager at McKinsey & Company. He started his career in R&D at McDonnell Douglas Aerospace (now Boeing) in the US.

Mr. Mogstad holds several Directorships including AFK Property AS (chair), NSSL-Global Ltd. and Alytic AS. He holds a M.Sc. from NTNU, a SM from MIT and an MBA from the Norwegian School of Management.

Barbara Thierart-Perrin (1977)

Director | Independent (2022)

Shares per 31.12.2022: **0**

Attended board meetings: **8**

Barbara Thierart-Perrin is President of Northvolt Systems, a European supplier of sustainable, high-quality lithium-ion battery cells and systems with minimal CO2 footprint. An engineer by education, Ms Thierart-Perrin has two decades of experience from the automotive industry, holding senior management positions with Groupe Renault and Nissan Motor Corporation.

She has been based in France, Japan and Sweden, held business P&L responsibility, led global teams and worked extensively in corporate social responsibility.

Anne Lise Meyer
(1968)

Director and Chair of the audit committee | Independent (2022)

Shares per 31.12.2022: **0**

Attended board meetings: **7**

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). Ms. Meyer holds several Directorships, both as chair 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.

1: Mr. Teigland is engaged by Arendals Fossekompani as a senior business advisor with a special focus on Tekna and, as such, is not to be considered as an independent Chair of the Board.

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Board of Directors and Executive Leadership (continued)

Members of the Executive Leadership Team

The Tekna group Executive Leadership Team ("ELT") consists of seven executives with extensive experience from relevant industries.

One additional member (f) joined for legal affairs and corporate secretary. A new CFO, Espen Schie (m), has joined the company in January 2023. Serge Blackburn, former CFO, remains with the executive leadership team in an advisory role until the end of 2023.

Members of executive leadership team own shares in Tekna Holding Canada Inc., a subsidiary of Tekna Holding ASA. Refer to the Prospectus published in 2022, section 11.3.3 for more details.

link Prospectus

Luc Dionne

Chief Executive Officer (2021 / 2014)

Luc Dionne has been the CEO of Tekna Holding Canada and its global subsidiaries since 2014 and was appointed CEO of Tekna Holding ASA in 2021. Mr. Dionne has extensive experience from various Directorships and executive management positions in advanced materials research, aerospace, microelectronics and defense.

Mr. Dionne served on the Canadian government strategic table for advanced manufacturing and was awarded the Technology Innovation Award from Polytechnic Engineering School.

Shares per 31.12.2022: 0[1]

Espen Schie

Chief Financial Oficer (2023)

Espen Schie took over the CFO position of the Tekna group in early 2023. Mr. Schie brings long-term financial management experience and comes from the role as Vice President of Finance & Controlling at Arendals Fossekompani ASA ("AFK"), Tekna's largest shareholder. Mr. Schie has held several different roles at AFK, was previously CFO at EFD Induction Group and holds a double master's degree in finance from Nova School of Business and Economics (Portugal) and Fundação Getulio Vargas São Paulo School of Economics (Brazil).

Shares per 31.12.2022: 0

Serge Blackburn

Senior Financial advisor (former CFO) (2017)

Serge Blackburn has been the CFO of Tekna 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 joining Tekna, he held a position of Vice-President Finance and Investments in Innovatech Sud du Québec, a position of CFO in Plastube Inc and as the Corporate controller for Jyco Sealing Technologies Corp. and Thona Inc. He serves as a member of the executive committee in Imphytek Powders SAS.

Shares per 31.12.2022: 0[1]

Sophie Burgaud

VP Legal Affairs and Corporate Secretary (2022)

Sophie Burgaud joined Tekna in 2022 as VP Legal Affairs and Corporate Secretary. She has more than 20 years of experience in business law in various jurisdictions around the globe. Within her different roles, Sophie has a wide variety of experience in relation to commercial, corporate and litigation matters for public companies and highly regulated financial and insurance companies. Prior to joining Tekna, she worked for Cogeco, Desjardins, Intact, Gildan and BCF, a law firm. Sophie holds a Master in Contract Law and was admitted to the Paris and Quebec Bar.

Shares per 31.12.2022: 0

(Section continues on the next page)

1: Members of ELT own shares in Tekna Holding Canada Inc., a subsidiary of Tekna Holding ASA.

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Board of Directors and Executive Leadership (continued)

Members of the Executive Leadership Team (continued)

Arina van Oost

VP Corporate Strategic Dev. and Innovation
(2020)

Arina van Oost joined Tekna early 2020 as VP Corporate and Strategic Development & Innovation. ESG, IR and Corporate Communication are part of her portfolio. She has held several executive positions at ThyssenKrupp ("TK"), including VP GM of its Canadian Aerospace division and Global Head of Marketing and Sales of their Access Solutions division. Further roles included Managing Director in UK, Spain, and Netherlands for companies of TK Elevator.

She holds an eMBA from ESMT and a BSc in International Management.

Shares per 31.12.2022: 0[1]

Rémy Pontone

VP Sales and Marketing
(2016)

Rémy Pontone has been the Vice President Sales & Marketing since Mars 2016; prior to this he held various management positions in sales, business development and product management. Rémy Pontone has 25 years' experience in management, sales, marketing and product development. Prior to joining Tekna he held several int. management and sales positions in five different countries for Johnson Matthey and research and development center of Saint Gobain. Mr. Pontone is graduated engineer in material science and chemical engineering.

Shares per 31.12.2022: 0[1]

Etienne Villeneuve

VP Operations
(2021)

Etienne Villeneuve currently holds the position of Vice President Operations at Tekna. He has 19 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 experience from several Quality Regulated Businesses like Pharmaceutical and Technologies. He currently serves as a Vice-President of the Board of Directors for Sherbrooke Innopole.

Shares per 31.12.2022: 0[1]

1: Members of executive Management own shares in Tekna Holding Canada Inc., a subsidiary of

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This is Tekna (continued)

Shareholder information

Tekna Holding ("Company") aims to be an attractive investment for shareholders, delivering a competitive return through sustained and accelerated growth.

The Company's share capital as of 31 December 2021 was NOK 250,454,692 divided into 125,227,346 shares, each with a nominal value of NOK 2.00. The share capital has remained unchanged throughout 2022.

In February 2022, Arendals Fossekompani ASA (AFK) allocated shares of Tekna as dividend-in-kind to AFK shareholders to facilitate an uplisting of the Tekna share. The number of shares distributed was 10,953,557, reducing the AFK shareholding from 79.9 percent to 71.1 percent.

The Company's shares are registered in book-entry form with the Norwegian Central Securities Depository under ISIN NO 001 0951577. The account operator of the Company's share register is DNB Bank ASA.

Photo credit: Oslo Børs

Uplisting to Oslo Stock Exchange

An extraordinary general meeting was held in March 2022, which resolved to convert Tekna Holding into a public limited liability company (ASA). The name of the Company was consequently changed to Tekna Holding ASA.

Also, as preparation for the uplisting and for the Company to satisfy the requirements set out in the Norwegian Public Limited Liability Act, an additional independent Board member, Anne Lise Meyer, was elected at an extraordinary general meeting in May 2022.

As part of the Company's work to further advance good corporate governance, the Board of Directors subsequently appointed Anne Lise Meyer as the Chair and Torkil Mogstad as a member of the newly formed Audit Committee.

The Tekna share was listed on Oslo Børs, the main list at the Oslo Stock Exchange, on 1 July 2022.

Shareholder structure

As of 31 December 2022, Tekna had 4825 shareholders, up from 790 at the end of 2021. Arendals Fossekompani ASA remained the Company's largest shareholder, owning 71.1 percent of the shares. No other shareholder held more than five percent while four shareholders held more than two percent.

Share price and market valuation

On 31 December 2022, the closing share price was NOK 5.90 per share, corresponding to a market capitalization of NOK 739 million. The closing share price on 31 December 2021 was NOK 34.70.

Upcoming events

3 May 2023	Annual General Meeting
4 May 2023	Report for Q1 2023
24/25 May 2023	Roadshow in Oslo, Norway

Option schemes

As of 31 December 2022, there were no outstanding options, war rants or loans giving the right to require the Company to issu shares.

Current Authorizations

During the 2022 Annual General Meeting ("AGM") the Board of D rectors of the Company received the authorization to increase th share capital and to acquire shares of the company. The authoriza tions remain in force until the AGM of 2023, but in no event late than 30 June 2023.

Link to AGM minutes:
www.tekna.com/investors

link AGM minutes

Investor Relations

Tekna wishes to maintain open communications with its shareholo ers and other stakeholders. Shareholders and stakeholders are kep informed by announcements to the Oslo stock exchange and pres releases.

Please refer to the investor relations section of the Tekna website fo further information, including contact details: www.tekna.com investors or contact investors@tekna.com.

link Tekna.com/invest

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Board of Directors' report 2022

Board of Directors' report 2022

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Board of Directors' report 2022

Tekna Holding ("Tekna" or "company") reported revenues of CAD 26.9 million in 2022, on the same level as the year before despite challenges related to supply chain disruptions and capacity constraints in production. The company secured significant new orders during the year, for both Systems and Additive Manufacturing, indicating a positive shift in the market. This is reflected in the total order backlog of CAD 25.0 million at the end of 2022, a strong 64% increase compared to the previous year. Costs associated with capacity expansion in production and R&D initiatives impacted profitability negatively. The company successfully uplisted to the main list on Oslo Stock Exchange and obtained two ISO certifications .

Business and location

Tekna is a world-leading provider of advanced materials to industry. Tekna produces high purity, micron and nano-sized 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, green 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. Tekna's powder products increase productivity and enable more efficient use of materials, reducing the footprint of its value chain.

The Group currently operates four main business units: Additive Manufacturing, Microelectronics, Energy Storage and Systems (incl. PlasmaSonic).

Tekna uses proprietary technology to produce and sell spherical powders and nano powders, where Additive Manufacturing serves the aerospace, medical and automotive sectors, Microelectronics will serve consumer electronics, autonomous vehicles, 5G and IoT, and Energy Storage aims to serve the electric vehicles, consumer electronics and electric grid sectors. The Group develops and operates its own plasma systems and sells customized plasma systems for research applications. In the PlasmaSonic business, a subsegment of Systems, it sells wind tunnel solutions for the simulation of hypersonic and orbital flight conditions.

Tekna Holding ASA, a Norwegian public limited liability company, is listed on Oslo Stock Exchange. The Group is headquartered in Sherbrooke, Canada, with subsidiaries and teams based across six offices in Canada (2), France, USA, China and South Korea.

All amounts in this document refer to the consolidated financial statements for the Group, unless otherwise stated. The financial statements cover the period from January 1, 2022 to December 31, 2022.

Market sectors

Tekna currently has two reporting lines:

- Advanced Materials comprised of business segments: Additive Manufacturing and developing businesses Microelectronics and Energy Storage.
- Systems comprised of PlasmaSonic, R&D/academic research plasma systems and other systems related income.

Advanced Materials

Revenues in Advanced Materials increased by 8 per cent to CAD 18. million (CAD 17.5 million in 2021). This represented 70 per cent of th Group's revenues. Throughout 2022, Tekna continued experiencin rising demand for its materials for Additive Manufacturing, furthe confirming the company's position in this market. Despite capacit constraints in the production, sales continued to grow during th year. Significant new orders have been signed in 2022, indicating tha the market dynamics is shifting towards larger and open orders, an long-term supply agreements.

Tekna is also developing in the Microelectronics and Energy Storag segments. Additive Manufacturing along with these two segment follows global game changing megatrends and represent majo growth opportunities.

Systems

Tekna has seen the Systems market rebound with several contract awarded during the year. In October, an order in excess of CAD million was confirmed to deliver PlasmaSonic equipment to a leadin aerospace original equipment manufacturer, with delivery planned fo early 2024. In January 2023, two more plasma system sales valued a CAD 1.6 million for delivery by end of 2023 were announced.

Revenues in the system segment remained affected by covid relate restrictions throughout the year. The year ended at CAD 6. million i revenues, compared to CAD 7.9 million in 2021.

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Important events in 2022

Uplisting on Oslo Børs

July 1st, Tekna Holding was uplisted to the main list on Oslo Stock Exchange. This further increases the company's visibility in the marketplace and cements its position as a global provider of advanced material solutions. In connection with the uplisting, Barbara Thierart-Perrin and Anne Lise Meyer were elected new independent Board members and an audit committee was established. This secures a highly competent Board with broad and complementary experience and representation.

Capacity upgrade program

Strong demand and high order intake have made capacity expansion a key priority for the company. The additive material capacity increase program has made good progress throughout 2022 despite unforeseen technical challenges. The program aims to increase the machine's performance and to expand with additional machines. Increasing capacity will translate into higher material availability, shorter delivery lead-times and increased sales. The targeted 70% production output increase is expected to be reached in early 2023.

Microelectronics nickel nano pilot line in operation

Tekna's Nickel nano powder is a key material for the manufacturing of high-end Multi-Layer Ceramic Capacitors (MLCC) and the company's strategic development initiatives with customers continued in 2022. Tekna's nickel nano pilot line came into operation during the year. The scale-up of production will be phased to certification by and demand from customers.

Silicon nano pilot line created within energy storage

Global Lithium-ion battery growth is driving the demand for silicon materials. Demand for silicon nano composite is forecasted to grow tenfold by 2030. In 2022, Tekna has implemented a nano-silicon plasma machine, produced samples and continued the dialogue with strategic partners within energy storage. However, until concrete interest from customers Tekna will prioritize the significant opportunities within additive manufacturing and microelectronics over the potential within energy storage.

USA systems sales office establishment

Tekna's Systems business rebounded in 2022 after several years of slow growth in orders. The company is experiencing a strong pipeline of potential orders in PlasmaSonic systems and in 2022 the company reinforced the sales team with a dedicated office in the US. This market represents great potential in the coming years, especially for PlasmaSonic.

Profitability measures and segment focus areas

Tekna has taken important and immediate steps towards improving profitability and cash position in 2023. A roadmap to profitability has been drawn up, emphasizing operational excellence, right-sizing of the organization, strict prioritization of R&D efforts towards Additive materials and Microelectronics and a strategic focus on near term revenue opportunities.

First Sustainability report published

Tekna's powder products increase productivity and enable more efficient use of materials, thereby paving the way towards a more resilient supply chain. In 2022 Tekna published its first ESG report meeting many of the GRI requirements. Tekna has also started the process of reporting on climate-related risk and EU taxonomy. In 2022 Tekna also became a signatory of the UN Global Compact.

ISO certification

Tekna achieved ISO 13485:2016 certification for its Additive Materia division in 2022. This certification establishes that the processes Tekn uses to manufacture its commercial powders meet the highest globa standards for medical products. It also successfully accredited it Tekna Plasma Systems laboratory for ISO 17025:2017 which certifie the analytical services in competence of testing and calibration.

Financial review

The Board of Directors believes that the annual financial statement provide a true and fair view of the net assets, financial position an result of Tekna Holding ASA for the year. The company's consolidat ed financial statements are presented in compliance with Internationa Financial Reporting Standards (IFRS) as adopted by the EU, and th reporting currency is Canadian dollars (CAD).

Profit and loss

Revenue was CAD 26.9 million, similar to CAD 26.8 million in 202 which represents stable total revenue for the company. EBITDA wa negative CAD 16.7 million compared to negative CAD 8.1 million i 2021. Adjusted EBITDA net of non-recurring charges was negativ CAD 12.8 million compared to negative CAD 4.6 million in 202 Tekna had a loss for the period of CAD 22.5 million, compared to loss of CAD 14.1 million in 2021. Earnings per share was negativ CAD 0.17, compared to negative CAD 0.14 in 2021.

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Board of Directors' report (continued)

Cash flow

Net cash from operating activities was negative CAD 19.9 million, compared to negative CAD 13.9 million in 2021, with higher operating costs and non-recurring charges being the main contributors. Net cash used for investing activities was CAD 7 million, compared to CAD 28.4 million in 2021. Net cash from financing activities was negative CAD 0.2 million and is mainly related to changes in debts and loans. Cash and cash equivalents at year-end were CAD 11.4 million, compared to CAD 38.6 at the end of 2021.

Financial position

Tekna's financial position at the end of the year showed a long-term debt/equity ratio of 0.10, compared to 0.05 at the end of 2021. Interest-bearing debt was CAD 2.4 million at year-end, while the cash position was CAD 11.4 million and total assets were CAD 75.5 million. Total equity as of 31 December 2022 amounted to CAD 53.4 million. The financial risk is moderated by a loan facility with Arendals Fossekompani ASA ("AFK") and low other debt. The credit risk is regarded as low, given that most customers are large multinational companies.

According to section 3-3 of the Norwegian Accounting Act, we confirm that the consolidated financial statements and the financial statements of the parent company have been prepared based on the going concern assumption, and that it is appropriate to make that assumption.

Tekna Holding ASA

The parent company Tekna Holding ASA is a holding company, with limited activity and a few corporate functions. Profit for the year was negative CAD 320.1 million, compared to CAD 0.3 million in 2021. The negative result of the year was due to an impairment of the value of Tekna Holdings Canada Inc. This impairment has no effect on the group consolidated financial statements.

Risk factors and risk management

Tekna's Board of Directors is ultimately responsible for the governance of risk management. Tekna's Executive Leadership Team reporting to the CEO is responsible for implementing and overseeing the application of efficient risk management processes. The employees of the Company are expected to follow the requirements defined in the Company's policies.

Tekna's Board of Directors and Executive Leadership Team conduct risk assessments related to various dimensions and aspects of operations to verify that adequate risk management systems are in place.

As a globally operating organization, Tekna is exposed to risk scenarios ranging from controllable risks, such as raw material price fluctuation, currency fluctuation, market changes, competition or fuel price volatility, to uncontrollable ones such as natural disasters. Supply chain disruptions in terms of lead times and shortages can have a significant impact on the company's business and financial performance.

Labour shortages in the markets where Tekna operates can lead to challenges in retaining and recruiting talent. This could lead to increased pressure on the remaining workforce translating into unfilled client orders, declining competitiveness, a deteriorating product/service quality and eventually a slower growth rate.

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. Court proceedings have taken place in the fourth quarter of 2022 and a ruling i expected in the second half of 2023. If the dispute is not resolved i favor of Tekna Plasma Systems Inc., there is a risk that the Group' production and sales of titanium powder in Canada may be restricte which could have a negative effect on the Group's business opera tions consisting of relocation to ensure business continuity and th Group's financial position.

The Group's business is subject to price and exchange rate risk. Ther is no guarantee that the Group will be able to obtain the expecte prices for its metal powders and plasma systems, and any change i the market conditions, including in the global technology and powde markets or in a specific regional and/or end markets in which th Group operates, could lead to lower sales prices or volumes of th Group's products and systems.

The most material climate risks in the short and mediu term ar physical risks in the supply chain and in Tekna's own operation There is a risk of extreme weather events impacting Chine supplier and their ability to supply Tekna with titanium and nickel. Also, highe temperatures put the health and safety of suppliers' worke in Chin at risk. Physical climate risks might also impact goods transportation In the medium and long term, physical risks might impac where th company considers establishing new production location A mor detailed description is to be found in the Sustainability report includ ed in that annual report and available on the company's website fro 11 April.

For a full overview of the potential risks and uncertainties relating t the Company's business and the industry in which it oper s, pleas refer to Tekna's Listing Prospectus on Oslo Stock Exchang dated 3 June 2022.

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Board of Directors' report (continued)

Research and development

Investments in research and development (R&D) has been an important part of Tekna's strategy to develop new and innovative solutions and is expected to remain an important part of the company's strategy going forward. Tekna has a long-term ambition to invest significantly in R&D. The company's investment in R&D is critical to its near- and long-term goals and today represents 10.2 per cent of its total revenue. In the mid-term, as revenues will be increasing, Tekna expects that this ratio will be at, or around, 5 per cent.

People and organization

The competence of our employees represents a major asset and competitive advantage for Tekna.

At the end of 2022, the Group employed a total of 216 people.

The number of employees were divided across locations as follows:

Norway:	0	(0)
Canada:	179	(173)
France:	31	(26)
China:	4	(3)
Korea:	2	(2)
USA:	0	

There were no serious work-related accidents and one lost time injury in 2022. Sick leave was 2.62% per cent in 2022, compared to 2.0 per cent in 2021.

Activities on gender equality and non-discrimination

Tekna is committed to ensuring that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation or age, have the same opportunities for work and career development at Tekna. Women represented 25 per cent of the Tekna workforce in 2022. Out of 42 managers (managers with employees reporting to them) 24 per cent were female. Tekna aspires to substantially increase the share of female employees and is working through the employee life cycle to see where measures could be implemented to enhance diversity across the organization. To date, Tekna's workforce comprises 22 different nationalities, of which 142 are Canadian and 74 are non-Canadian employees.

Tekna has developed and transitioned its workers compensation system to ensure equality, based on an objective job evaluation method that positions employees on the relative value of their jobs. This system is compliant with the legal requirements prescribed by the Commission for labor standards, pay equity and occupational health and safety (CNESST) of the Province of Quebec. Therefore, the average pay for men and women vary due to differences in job categories and years of service, not because of gender. No gender-based differences exist with regard to working hour regulations or the design of workplaces.

The Remuneration policy on determination of salary and other remuneration for leading persons was approved by the Extraordinary General Meeting in October 2022 and a full disclosure can be found in the separate Remuneration report. Guidelines for remuneration of leading persons are available in the Corporate Governance Policy on the company's website.

link *Remuneration guidelines*

Quebec (Canada) has strong legislation on discriminatory harassmer in the workplace. In 2021 Tekna implemented its Supplier Code c Conduct and in 2022 the Employee Code of Conduct. Both Code clearly reject any form of discrimination and emphasize the im portance of respect and civility. It also includes a clear process fo reporting and dealing with inappropriate behavior.

The Executive Leadership Team has five male and two femal members. The Board of Directors has two male members and tw female members.

Refer to the GRI report 2022 on the website for further statistica mapping on gender equality (www.tekna.com/esg).

link *ESG-related repo*

Environmental, Social, Governance

Tekna has prepared a separate report in accordance with section 3- of the Norwegian Accounting Act regarding corporate social respon sibility. The report is included in the annual report that will be availa ble on the company's website from 11 April.

The report describes Tekna's performance in areas defined to be c importance to the company. It states the company's goals and target going forward, and how the company will measure its impact. On th basis of an internal materiality assessment Tekna identifies five over arching sustainability topics which the report addresses: ethical busi ness conduct, a great place to work, a responsible and resilient suppl chain, strive for circular and sustainable production, and enablin customers' positive impact. Together these five topics form the Tekn framework. The report also addresses external reporting frameworks such as UN Global Compact (UNGC), EU Taxonomy, Taskforce o

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Board of Directors' report (continued)

Climate-related Financial Disclosures (TCFD) and the Science-Based Targets initiative (SBTi) .

Tekna sets high ethical standards, and communication with the outside world is to be open, clear and honest. The company is responsible for ensuring safe and good workplaces in the local communities where it is present. Tekna seeks to create value for society, customers, employees and shareholders.

Environment

Tekna's environmental impact is two-fold. Tekna has a positive environmental impact through developing products which enable a green transition. Tekna produces metal powders for Additive Manufacturing ("AM") that significantly reduce the metal consumption in product manufacturing processes downstream. In the application of AM parts in aeroplanes and vehicles parts are usually lighter and therefore more energy efficient (less weight, less fuel consumption). On the other hand, the company also has an environmental impact from internal business operations such as emissions from employee commutes, business travels, energy consumption at the company's locations and waste generation.

Tekna started climate accounting in 2019 and is continuing to gain insights on its footprint, particularly for up- and downstream GHG emissions (scope 3). For scope 1 and 2 Tekna has already committed to an absolute reduction of 50% by 2030 over 2021. The carbon accounting was updated in 2022 using CEMAsys' digital solution, and a full overview can be found in the separate Carbon Accounting report on the company's website.

The activities covered by the environmental permit as delivered by the Quebec Ministry of Environment, are metallic powders manufacturing and induction plasma systems and auxiliary manufacturing. The manufacturing of both metallic powders and induction plasma systems has relatively low environmental risks. Hazardous waste, mostly from R&D, is stored and treated according to regulations, air emissions are purified when needed, and wastewater is treated before being disposed of. There are low CO2 emissions in our production process.

The production of Nickel nano powder is in the industrialization phase, and risk analyses and mitigating measures are being put in place as the team proceeds in this project.

Social

The Norwegian Transparency Act went into effect in July 2022. Tekna is following the obligations related to this law and will report accordingly. The report will be published on the website of the company: www.tekna.com/esg.

Tekna takes its social responsibility seriously and continues to embed human rights into company-wide governance and compliance programs. Both Employee and Supplier code of conduct addressing the topic are in place. Tekna is working to ensure compliance with fundamental human rights and acceptable working conditions in our supply chains and with their business partners. To further enhance our Supplier assessments, we have signed a collaboration with Factlines AS. Now that travelling is less restricted supplier audits have slowly recommenced.

With suppliers we mitigated (potential) adverse impacts. 80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. Of the remaining 20 per cent, approximately 15 per cent is spend on a key raw material, i.e. titanium, supplied by two previously audited manufacturers in China. Both are well-established and delivering regularly to western industries. Stringent Covid lock downs, availability of vaccination and working conditions are a concern to us. The renewal audit with bot suppliers is in progress as this report is being written.

We have addressed the issue of tantalum and tungsten, sometime conflict minerals, by asking our suppliers to certify the provenance o the material.

In addition to ensuring Occupational health and safety Tekna respect the freedom of association and does not accept any form of force labor, child labor or work-related discrimination. Reference is made t Sustainability and Governance documents available a www.tekna.com.

Governance

Tekna's Board of Directors has the overall responsibility f ensurin that the company has a high standard of corporate gove ance. Th Company's corporate governance model is designed t provide foundation for long-term value creation and to ensure go d contro The Board has adopted a corporate governance policy t safeguar the interests of the company's owners, employees and her stake holders. The policy describes the company's main principles fo corporate governance and addresses the framework of guideline and principles regulating the interaction between the company shareholders, the Board of Directors, the CEO and the Executiv Leadership Team. These principles and associated rules and practice are intended to increase predictability and transparency and thu reduce uncertainties related to the business. The company follows th Norwegian Code of Practice for Corporate Governance. The compa ny's practice is largely in accordance with these recommendations Reference is made to the Corporate Governance Repo which i included in the annual report and will be published on the company website on 11 April.

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Board of Directors' report (continued)

On 10 March 2022 the general assembly of Tekna passed the resolution to convert Tekna Holding AS into a public limited company (ASA). Tekna Holding ASA is organized under Norwegian law with a governance structure based on Norwegian corporate law and other regulatory requirements.

In 2022 Tekna expanded its executive team to include a VP for legal affairs.

Currently, Tekna has four Board members, none of whom are members of the company's management. Two Board members are independent of company management and significant business partners. Two Board members, including its Chair Dag Teigland elected in 2022, have an affiliation with Arendals Fossekompani ASA, Tekna's main shareholder. An Audit Committee was established consisting of one dependent and one independent Board member. Tekna is in the process of creating a Nomination Committee.

The Board members and the CEO are covered by liability insurance. The policy has worldwide coverage, and in addition to financial loss, it provides cover for aggravated, punitive and exemplary damages imposed on the insured, where these are insurable by law.

The company's shares are freely transferable and are not subject to ownership restrictions pursuant to law, licensing conditions, articles of association or similar restrictions.

Subsequent events, Going concern and Outlook

Subsequent events

Arendals Fossekompani ASA, Tekna's majority shareholder, and Tekna have signed an agreement for a CAD 25 million loan facility.

Early January, Espen Schie joined the company as Chief Financial Officer, taking over the reigns from Serge Blackburn who will remain on as Senior Advisor until at least the end of 2023.

Morten Henriksen, former Chair of the Board of Tekna Holding ASA resigned his position of Board member on 18 January 2023 in preparation for a new position outside Arendals Fossekompani ASA.

Going concern

There have been no events to date in 2023, other than the loan agreement, that significantly affect the result for 2022 or valuation of the company's assets and liabilities at the balance sheet date. The Board confirms that the conditions for the going concern assumption have been satisfied and that the financial statements for 2022 have been prepared on the basis of this assumption.

Outlook

In 2023, Tekna anticipates continued growth in its operating revenues and margins, driven by a strong order backlog and an increase in production capacity. The company remains committed to expanding its additive materials segment, which continues to be a fast-growing market with significant revenue potential. Tekna will also be prioritizing opportunities in microelectronics and leveraging its strong position in the market to drive growth.

To increase additive manufacturing powder capacity, Tekna is improv ing its machine performance and increasing the number of productio machines with three new machines in 2023. With the expected increas in capacity, the company will be better equipped to meet risin demand, shorten delivery lead times, and boost sales.

The Systems business is rebounding, and Tekna has a strong pipelin of potential orders. To capitalize on the growth potential in the U market, the company is reinforcing its sales team. In microelectronic Tekna continues to qualify with customers, and it has initiated discus sions with partners in Asia to manufacture nickel-nano powder. Th company has also explored opportunities within energy storage but w remain focused on its existing operating segments for the time being.

Tekna's roadmap to profitability includes a focus on operational exce lence, right-sizing the organization, and prioritizing R&D efforts to wards additive manufacturing and microelectronics. The company w remain strategic in its approach to near-term revenue opportunities.

Tekna has established itself as a technology leader in today's glob markets The current environment is characterized by economic unce tainty, geopolitical instability, and an increasing demand for sustainab solutions. The company's strategy, technology, and products hav gained significant relevance in these markets, as its customers are in creasingly transitioning towards new technology, moving manufactu ing closer to markets, and considering more sustainable productio processes. Tekna remains committed to addressing these marke needs and is poised for continued growth in the coming years.

Finally, the Board would like to express its gratitude to all of Tekna employees for their dedication and contributions to the company growth and success.

Årsregnskap regnskapsåret 2022 for 925327884

Brønnøysundregistrene

Declaration by the Board of Directors and CEO

We hereby confirm that, to the best of our knowledge, the consolidated annual financial statements for 1 January to 31 December 2022 have been prepared in accordance with applicable accounting standards and that the information in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. We confirm that the financial statements give an accurate and fair view of the development, profit and position of the company, as well as a description of the principal risks and uncertainties it is facing.

Arendal, 10 April 2023

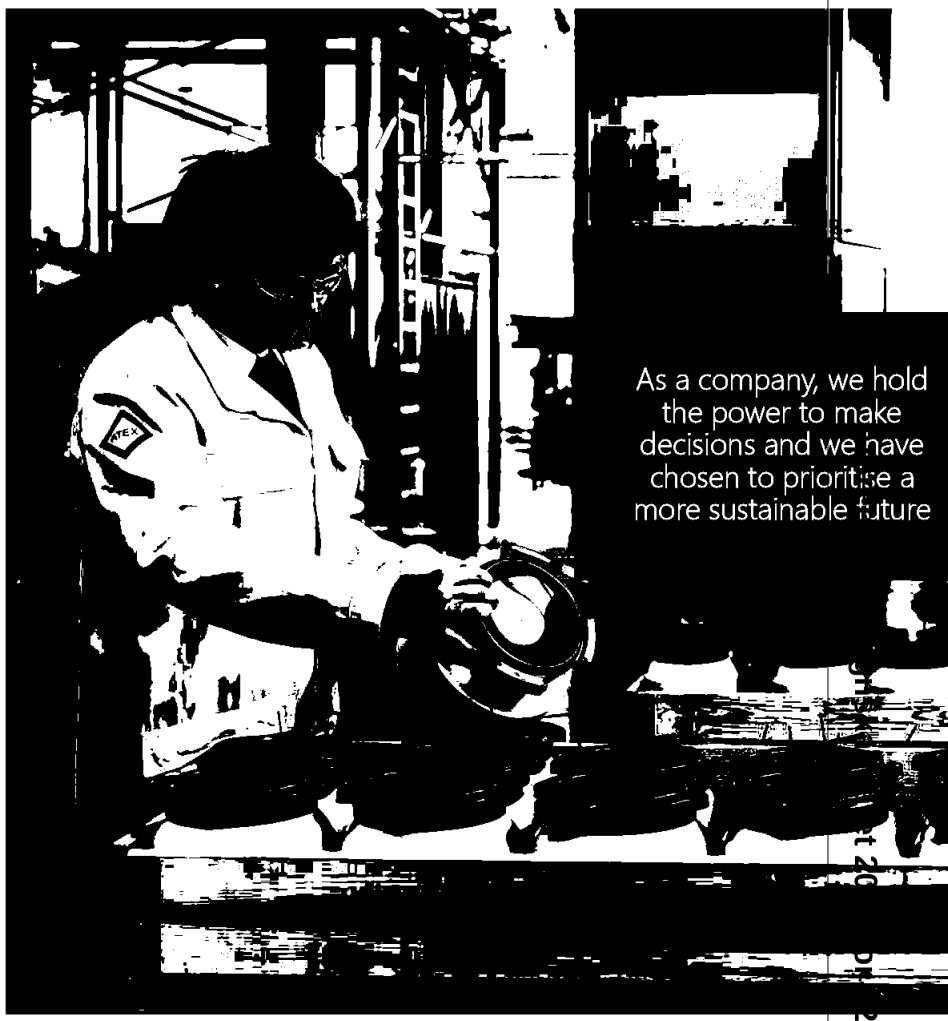
The Board of Directors and CEO

Tekna Holding ASA

This document was electronically signed.

Dag Teigland	Torkil Sigurd Mogstad
Chair of the Board	Member of the Board

Barbara Thierart-Perrin	Anne Lise Meyer	Luc Dionne
Member of the Board	Member of the Board	CEO



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Consolidated Financial Statements

Income Statement

Amounts in CAD 1000	Note	FY 2022	FY 2021
Revenues	3	26,889	26,810
Other income	4	767	486
Materials and consumables used		17,540	14,893
Employee benefit expenses	5	16,009	12,733
Other operating expenses	6	10,835	8,401
EBITDA		**-16,727**	**-8,731**
Depreciation and amortisation	11.12	3,978	3,742
Net operating income/(loss)		**-20,706**	**-12,473**
Share of net income (loss) from associated companies and joint ventures	21	-1,510	-1,472
Finance income	18	144	400
Finance costs	18	332	656
Profit/(loss) before income tax		**-22,404**	**-14,201**
Income tax expense	7	114	-114
Profit/(loss) for the period		**-22,517**	**-14,087**
Attributable to equity holders of the company		-21,688	-13,601
Attributable to non-controlling interests		-829	-486
Basic earnings per share	20	-0.17	-0.14
Diluted earnings per share	20	-0.17	-0.14

Other Comprehensive Income

Amounts in CAD 1000	Note	FY 2022	FY 2021
Items that may be reclassified to statement of income			
Exchange differences on translation of foreign operations		-178	6
Items that may be reclassified to statement of income		**-178**	**6**
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		**-178**	**-6,201**
Total comprehensive income/(loss) for the period		**-22,696**	**-20,288**
Attributable to equity holders of the company		-21,876	-19,802
Attributable to non-controlling interests		-820	-486

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Consolidated Financial Statements (continued)

Balance sheet

Amounts in CAD 1000	Note	31.12.2022	31.12.2021
Non-current assets			
Property, plant and equipment	11	19,240	16,573
Intangible assets	12	8,537	9,217
Associated companies and joint ventures	21	579	1,231
Non-current receivables	13	5,339	5,598
Deferred tax assets	7	-	-
Total non-current assets		**33,696**	**32,619**
Current assets			
Inventories	8	20,592	14,415
Contract assets	3	167	1,039
Trade and other receivables	9	7,880	5,680
Cash and cash equivalents	10	11,364	38,649
Total current assets		**40,003**	**59,783**
Total assets		**73,699**	**92,402**

Amounts in CAD 1000	Note	31.12.2022	31.12.2021
Equity			
Share capital and share premium	19	494,956	494,956
Other reserves		-440,934	-419,058
Capital and reserves attributable to holders of the company		**54,022**	**75,899**
Non-controlling interests		-609	211
Total equity		**53,413**	**76,109**
Non-current liabilities			
Borrowings	17	4,119	3,778
Lease liabilities	14	1,161	227
Deferred tax liabilities	7	-	-
Total non-current liabilities		**5,280**	**4,005**
Current liabilities			
Bank loan	16	1,197	3,733
Lease liabilities	14	459	235
Trade and other payables	15	7,852	4,772
Contract liabilities	3	2,647	1,473
Provision for warranties		130	130
Other current liabilities	15	2,189	1,744
Borrowings short-term portion	17	532	200
Total current liabilities		**15,006**	**12,288**
Total liabilities and equity		**73,699**	**92,402**

Arendal, 10 April .2023

The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

Dag Teigland	Torkil Sigurd Mogstad	Barbara Thierart-Perrin	Anne Lise Meyer	Luc Dionne
Chair of the Board	Member of the Board	Member of the Board	Member of the Board	CEO

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Consolidated Financial Statements (continued)

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 2021	14	18,525	18,539	-	18,539
Profit/(loss) for the period	-	-13,601	-13,601	-486	-14,087
Other comprehensive income/(loss)	-	-6,201	-6,201	-	-6,201
Share capital increase Arendals Fossekompani	394,898	-417,781	-22,883	697	-22,186
Issue of ordinary shares for cash	100,044	-	100,044	-	100,044
Balance at 31 December 2021	494,956	-419,058	75,899	211	76,109
Balance at 1 January 2022	494,956	-419,058	75,899	211	76,109
Profit/(loss) for the period	-	-21,688	-21,688	-829	-22,517
Other comprehensive income/(loss)	-	-187	-187	9	-178
Adjustment	-	-	-	-	-
Balance at 31 December 2022	494,956	-440,934	54,022	-609	53,413

Brønnøysundregistrene

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Consolidated Financial Statements (continued)

Cash flow

Amounts in CAD 1000	Note	FY 2022	FY 2021
Cash flow from operating activities			
Net profit/(loss)		-22,517	-14,087
Depreciation, amortization and impairment	11.12	3,978	3,742
Variation in deferred taxes		-	-
Interest accretion on LT debt		290	258
Discounted value of long-term loan		-640	-378
FX variation on long-term loan		-	-515
(Gain)/Loss from sales of assets		-	-10
Share of results from associated companies and joint ventures		1,510	1,472
Total after adjustments to profit before income tax		-17,379	-9,517
Change in Inventories		-6,177	-2,378
Change in other assets		-1,070	-2,773
Change in other liabilities		4,699	790
Total after adjustments to net assets		-19,927	-13,878
Net cash from operating activities		-19,927	-13,878
Cash flow from investing activities			
Proceeds from the sales of PPE		-	28
Purchase of PPE and intangible assets	11.12	-5,965	-3,637
Other investing activities		-816	-1,296
Purchase of shares in subsidiaries		-	-23,480
Net cash flow from investing activities		-6,781	-28,385

Amounts in CAD 1000	Note	FY 2022	FY 202
Cash flow from financing activities			
Proceeds from issue of shares		-	100,044
Proceeds from issue of shares in THC		-42	1,331
Increase (decrease) of bank loan	17	-2,536	3,100
New loan	17	3,317	17,898
Repayment of loan	17	-263	-37,535
Repayment of lease liabilities	17	-874	-226
Net cash flow from financing activities		-398	84,612
Net increase in cash and cash equivalents		-27,105	42,348
Cash and cash equivalents at the beginning of the financial year		38,649	2,537
Effects of exchange rate changes on cash and cash equivalents		-180	-6,237
Cash and cash equivalents at end of the period		11,364	38,649

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Notes to the Consolidated Financial Statements

Organization and accounting principles

Note 1

Organization

Tekna Holding ASA ("Company") is domiciled in Norway, and with the Group's headquarters located in Sherbrooke, Canada. It manufactures products from thermal plasma processes and produces thermal plasma systems. The consolidated financial statements for financial year 2022 include the company and its subsidiaries (as a whole, referred to as the "Group").

The Company was incorporated on 30 June 2020. The Company's audited financial statements for 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS). Following the admission to trading on Euronext Growth Oslo in 2021 and Oslo Stock Exchange per 1 July 2022, the Group has reported consolidated financial statements in accordance with IFRS, with the Company as the parent company, including quarterly financial statements.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to the previous year presented, unless otherwise stated.

Basis for preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and associated interpretations, as well as Norwegian disclosure requirements pursuant to the Norwegian Accounting Act applicable as of 31 December 2022. The consolidated financial statements were approved by the board of directors on 10 April 2023. The company was incorporated on 30 June 2020 but did not have any activity before Arendals Fossekompani ASA ("AFK") increased the share capital by contribution in kind in form of shares in Tekna Holding AS 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. To be able to provide relevant historical financial information, predecessor accounting is applied retrospectively, and the financial statements are therefore presented based on the assumption that the transaction was completed 1 January 2019 (opening balance for these financial statements). The financial statements have been prepared using the historical cost principle, except for financial instruments at fair value through profit or loss. The Group recognizes changes in equity arising from transactions with owners in the statement c changes in equity. Other changes in equity are presented in the statement of other comprehensive income Preparation of financial statements in accordance with IFRS requires the use of assessments, estimates an assumptions that influence which accounting policies shall be applied, and influence recognized amounts fo assets and liabilities, revenues, and costs. Actual amounts can deviate from estimated amounts. Estimates an underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognize in the period in which they arise if they only apply to that period. If the changes also apply to subsequen periods, the effect is allocated over the current and subsequent periods.

Accounting policies

The accounting policies applied in the preparation of the consolidated financial statements are describe below. In case that subsidiaries have used other principles to prepare their separate annual financial state ments, adjustments have been made so the consolidated financial statements are prepared according t common policies.

Principles of consolidation

Business combinations

The acquisition method of accounting is used to account for the acquisition of shares that lead to contro over another company. The Group's consideration is allocated to identifiable assets and liabilities. These ar recognized in the consolidated financial statements at fair value at the date when control is obtained. Good will is calculated when the consideration exceeds identifiable assets and liabilities:

- The consideration transferred; plus
- Any non-controlling interest in the acquired entity; plus, any gradual acquisition, the fair value of existing shareholdings in the acquired entity; less
- Net value (normally fair value) of identifiable net assets included in the transaction

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the differ ence is recognized directly in profit or loss as a bargain purchase. If the business combination is achieved i stages, the investment changes classification from associated company to subsidiary, the upward adjustmer of the existing shareholding at fair value is recognized as a gain in the income statement. A buy-out of non controlling interests is considered a transaction with owners and does not require a calculation of goodwil Non-controlling interests for such transactions are adjusted based on a proportionate share of the subsidi ary's equity.

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Notes to the Consolidated Financial Statements (- Note 1 continued)

Losses in the parent company's financial statements

When an investment is reclassified from fair value through other comprehensive income to subsidiary or associated company, the investment's carrying amount at the time control or significant influence is obtained is used as recognized cost.

Subsidiaries

Subsidiaries are all entities over which the Group has control. Control exists when the investor is exposed or has rights to variable returns from its investment in the company and when it has the ability to influence the return through its power over the company. To determine the level of control, the potential voting rights that can be exercised or converted must be considered. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Associated companies

Associated companies are entities where the company and/or 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 per cent to 50 per cent of the voting rights in a company. The consolidated financial statements include the Group's share of the profits/losses from associated companies are accounted for using the equity method, from the date significant influence was achieved until it ceases.

Elimination of intercompany transactions

Intercompany transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

Foreign currency translation

Functional and presentation currency Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). All amounts disclosed in the consolidated financial statements have been rounded off to the nearest thousand CAD units unless otherwise stated. From the date of incorporation, the functional currency of the parent company has been determined to be Norwegian kroner (NOK) due to its ties to Arendals Fossekompani ASA and predominantly NOK financing. With effect from 1 January 2022, the parent company changed its functional currency from NOK to CAD to reflect the Group's current financing, underlying operations and reduced ties to AFK.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at th dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transac tions, and from the translation of monetary assets and liabilities denominated in foreign currencies at yea end exchange rates, are generally recognized in profit or loss. They are deferred in equity if they relate t qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net in vestment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presente in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are pre sented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchang rates at the date when the fair value was determined. Translation differences on assets and liabilities carrie at fair value are reported as part of the fair value gain or loss. For example, translation differences on non monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in prof or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equ ties classified as at fair value through other comprehensive income are recognized in other comprehensiv income.

Group companies

The results and financial position of foreign operations that have a functional currency differen from th presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates, and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings and other financial instruments designated as hedges of such investments, are recognize in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the ne investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of th gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation ar treated as assets and liabilities of the foreign operation and translated at the closing rate.

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Notes to the Consolidated Financial Statements (- Note 1 continued)

Revenue recognition

Revenues from contracts with customers

Under IFRS 15, Tekna recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. 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. Consequently, revenue is recognized in full upon completion of a contract if it includes only one performance obligation or more than one performance obligations that are satisfied at the same time. The Group's main revenues come from the sale of metal powders and delivers plasma systems for powder production of advanced materials. There are several types of customer contracts depending on what the customer needs. Some contracts may include only one type of service while other contracts include two or more types of services, hence the transaction price will be allocated between different types of revenue depending on the performance obligation.

Transaction price - Sale of metal powders

The Group determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes. Sales related taxes are regarded as collected on behalf of the authorities. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Fixed price contracts - Sale of plasma systems for powder production of advanced materials

The Group transfers control of plasma systems over time, and therefore, satisfies a performance obligation and recognizes revenue over time. The asset has no alternative use and the entity has enforceable right to payment for performance completed to date. Revenue from manufacturing and distribution of thermal plasma systems are recorded under the percentage-of-completion method. Under this method, contract income and profits are recognized proportionally with the degree of completion of work when persuasive evidence of an arrangement exists, the sales price is fixed or determinable and collection is reasonably assured. The degree of completion is determined using the cost-to-cost method, which consists in comparing the actual costs incurred with the total expected costs.

Contract balances

Contract balances consist of client-related assets and liabilities. Contract assets relate to consideration fo work complete, but not yet invoiced at the reporting date. The contract assets are transferred to trade receiv ables when the right to payment has become unconditional, which usually occurs when invoices are issued t the customers. When a client pays consideration in advance, or an amount of consideration is due contractu ally before transferring of the license or service, then the amount received in advance presented as a liability.

Contract liabilities represent mainly prepayments from clients for unsatisfied or partially satisfied performanc obligations in relation to licenses and services. Contract assets are within the scope of impairment require ments in IFRS 9. For contract assets the simplified approach is applied, and the expected loss provision i measured at the estimate of the lifetime expected credit losses.

Income tax

Income tax on the profit for the period consists of current and deferred tax. Income tax is recognized in th income statement with the exception of tax on items that are recognized directly in equity or in other com prehensive income. The tax effect of the latter items is recognized directly in equity or in other comprehen sive income. Current tax is the forecast tax payable on the year's taxable income at current tax rates at th balance sheet date, and any adjustments of tax payable for previous years less tax paid in advance. Deferre tax liabilities are calculated based on the balance sheet-oriented liability method taking into account tempo rary differences between the carrying amount of assets and liabilities for financial reporting and tax values The following temporary differences are not considered: goodwill not deductible for income tax purposes the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and difference relating to investments in subsidiaries that are not expected to reverse in the foreseeable future. The provi sion for deferred tax is based on the expected manner of realization or settlement of the carrying amount o assets and liabilities, measured at the tax rates in force at the balance sheet date. Deferred tax assets are rec ognized only to the extent that it is probable that the asset can be utilized against future taxable results. De ferred tax assets are reduced to the extent that it is no longer probable that the related tax asset will be real ized. Tax assets that can only be utilized via group contributions from the parent company are not recog nized until the contribution has actually been paid and is recognized in the individual companies.

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Notes to the Consolidated Financial Statements (- Note 1 continued)

Leases

The company's and the group's leases consist mainly of office space, machines, cars, IT equipment and other office machines. Assets and liabilities arising from a lease are initially measured on a present value basis.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option,
- and payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets ar grouped at the lowest levels for which there are separately identifiable cash inflows which are largely inde pendent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial as sets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment a the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash o hand and deposits held at call with financial institutions.

Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless the contain significant financing components when they are recognized at fair value. They are subsequentl measured at amortized cost using the effective interest method, less loss allowance. See note 9 for furthe information about the group's accounting for trade receivables.

Inventories

Raw materials and stores, work in progress and finished goods are recognized at the lower of cost and ne realizable value. Net realizable value is the estimated sales price in ordinary operations, less the estimate costs for completion and sales costs. Cost is based on an average historical cost for raw material and include costs incurred upon procurement of goods and the costs of bringing them to their present condition an location. For finished goods and work in progress, cost is calculated as a share of the indirect cost based o normal utilization of capacity.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in debt and equity instruments, trade and othe receivables, cash and loans, trade payables and other debts.

Trade and other receivables that fall due in less than three months are not discounted. Non-derivative finan cial instruments are measured on initial recognition at fair value plus any directly attributable transactio costs. After initial recognition, the instruments are measured as described below.

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Notes to the Consolidated Financial Statements (- Note 1 continued)

Interest-bearing loans are valued at fair value less transaction costs on initial recognition in the balance sheet. Instruments are subsequently measured at amortized cost, with any differences between cost and redemption value recognized over the term of the loan as part of the effective interest rate.

Financial assets are derecognized when the contractual rights to the cash flows from an asset expire, or when the Group has transferred the contractual rights in a transaction where the risk and return of ownership of the financial asset have substantively been transferred.

Financial assets classified as held for trading

A financial instrument is classified at fair value through profit or loss if it is held for trading. The instrument is measured at fair value and the changes in fair value are recognized in the income statement.

Other

Other non-derivative financial instruments are measured at amortized cost less any impairment losses.

Property, plant and equipment

The depreciation methods and periods used by the group are disclosed in note 11. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Intangible assets

Other intangible assets and development

Development costs that are directly attributable to the design and testing of identifiable and unique softwar products controlled by the group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use
- management intends to complete the product and use or sell it
- there is an ability to use or sell the product
- it can be demonstrated how the product will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the product are available, and
- the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the product include employee costs and an appropri ate portion of relevant overheads. Capitalized development costs are recorded as intangible assets an amortized from the point at which the asset is ready for use.

Development expenditure that does not meet the criteria above are recognized as an expense as incurred Development costs previously recognized as an expense are not recognized as an asset in a subsequent pe riod.

Amortizations methods and periods Refer to note 12 for details about amortization methods and period used by the group for intangible assets.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the fi nancial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recogni tion. Trade and other payables are presented as current liabilities unless payment is not due within 12 month after the reporting period. They are recognized initially at their fair value and subsequently measured a amortized cost using the effective interest method.

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Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Pensions

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.

Share-based compensation

For share-based compensation by equity instruments granted that do not vest until the employee completes a specified period of service, it is assumed that the services to be rendered as consideration for the equity instruments will be received in the future, during the vesting period. Such services are accounted for as they are rendered by the employee during the vesting period, with a corresponding increase in equity.

Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The grants related to an expense are presented as other revenues, not against the expense. The grants related to fixed assets or intangible assets are recorded against the cost on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognized in the income statement over the useful life of a depreciable asset as a reduced depreciation.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares o options are recognized as a deduction, net of tax, from the proceeds. On the repurchase of treasury shares the purchase amount including directly attributable costs are recognized as a change in equity. Purchase shares are classified as treasury shares and reduce total equity. When treasury shares are sold, the receive amount is recorded as an increase in equity, and the subsequent gain on the transaction is recognized i share premium.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer a the discretion of the entity, on or before the end of the reporting period but not distributed at the end of th reporting period.

Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 20).
- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Segment information

The Chief Operating Decision Maker (CODM) assesses the financial performance and position of the Grou and makes strategic decisions. The internal financial reporting to the CODM is on a consolidated basis. As result, the Group has only one reportable segment. The CODM is identified as the Board of Directors.

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Notes to the Consolidated Financial Statements (continued)

Note 2 Research and development

Amounts in CAD 1000	2022	2021
Salaries	1,850	1,776
Materials and other costs	1,135	1,021
R & D Tax credits	-253	-249
Research and Development costs	**2,732**	**2,548**
Less: development capitalized	-532	-782
Research expensed	**2,200**	**1,766**

Note 3 Revenue from contracts with customers

Accounting principles and information related to external customers are described in the Accounting Principles. There are no customers that represent 10 per cent or more of the Group's total revenues on an annual basis.

Disaggregation of revenue from contracts with customers

2022 *Amounts in CAD 1000*	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	18,909	1,521	222	20,652
Revenue recognized over time	6,238	-	-	-	6,238
Revenue from external customers	**6,238**	**18,909**	**1,521**	**222**	**26,889**
Contribution margin	2,794	5,677	657	222	9,350
Contribution margin %	44.8%	30.0%	43.2%	100.0%	34.8%
Revenue from external customers specified per geographical area:					
North America	1,608	7,204	760	111	9,684
Europe	-	9,827	760	111	10,698
Asia	4,629	1,878	-	-	6,507
Total	**6,238**	**18,909**	**1521**	**222**	**26,889**

2021 *Amounts in CAD 1000*	Systems & Equipment	Materials	Spare parts	Other	Total
Revenue recognized at a point in time	-	17,492	974	414	18,879
Revenue recognized over time	7,931	-	-	-	7,931
Revenue from external customers	**7,931**	**17,492**	**974**	**414**	**26,810**
Contribution margin	4,440	6,368	545	151	11,503
Contribution margin %	56.0%	36.4%	56.0%	36.4%	42.9%
Revenue from external customers specified per geographical area:					
North America	4,354	6,726	487	207	11,774
Europe	-	8,159	487	207	8,853
Asia	3,577	2,606	-	-	6,183
Total	**7,931**	**17,492**	**974**	**414**	**26,810**

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Notes to the Consolidated Financial Statements (continued)

Note 4 Other income

Accounting principles and information related to grants and other income are described in the Accounting Principles.

Disaggregation of other income

Amounts in CAD 1000	2022	2021
Grant	755	476
Gain/loss disposals	12	10
Other	-	-
Other Income	**767**	**486**

Note 5 Remuneration and employee benefits

Amounts in CAD 1000	2022	2021
Salaries	16,903	13,965
Social security contributions	2,721	2,175
Pension costs	438	364
Other benefits	738	434
Capitalized as development, inventories etc.	-4,791	-4,206
Total employee benefit expenses	**16,009**	**12,733**
Average number of full time employees	219	190

Note 6 Other operating expenses

Amounts in CAD 1000	2022	2021
Maintenance equipment & buildings	831	750
Marketing, travel and representation costs	1,616	1,039
Consultants and professional fees	5,717	3,841
IT costs	1,482	2,036
Manufacturing overhead costs	1,189	734
Total operating expenses	**10,835**	**8,401**

Remuneration to auditor

Amounts in CAD 1000	2022	2021
Statutory audit	374	254
Other assurance services	261	60
Tax advisory	30	16
Other non-audit services	22	-
Total remuneration to auditor	**687**	**330**

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Note 7 Income tax

Amounts in CAD 1000	2022	2021
Tax payable on ordinary income	114	-114
Adjustment for previous years		-
Current tax expense	**114**	**-114**
Deferred tax expense	**-**	**-**
Total tax expense in the income statement	**114**	**-114**
Reconciliation of effective tax rate		
Profit / (loss) before income tax	-22,404	-14,201
Tax based on current ordinary tax rate	-5,937	-3,763
Effect of non-deductible expenses	29	375
Effect of unrecognised tax loss carryforward	5,908	3,274
Effect of changed tax assessments for previous years	114	-
Total tax expense	**114**	**-114**
Effective tax rate	-0.51%	0.80%

2022	Assets	Liabilities	Net assets
Property, plant and equipment	-	-208	-208
Intangible assets	-	-1,216	-1,216
Other items	719	-	719
Tax loss carryforward	25,254	-	25,254
Unrecognised tax assets	*-24,549*	-	-24,549
Recognised tax loss carryforward	705	-	705
Deferred tax asset/liability	1,424	-1,424	-
Offsetting of assets and liabilities			
Net deferred tax asset/liability	**1,424**	**-1,424**	**-**

2021	Assets	Liabilities	Net assets
Property, plant and equipment	-	-200	-200
Intangible assets	-	-1,883	-1,883
Other items	-668	-668	-1,336
Tax loss carryforward	9,767	-	9,767
Unrecognised tax assets	*-6,348*	-	-6,348
Recognised tax loss carryforward	3,419	-	3,419
Deferred tax asset/liability	2,751	-2,751	-
Offsetting of assets and liabilities	-2,751	2,751	
Net deferred tax asset/liability	**-**	**-**	**-**

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Note 8 Inventories

Inventory stock

Amounts in CAD 1000	2022	2021
Raw materials	10,840	5,258
Work in progress	712	455
Finished goods	9,039	8,702
Total inventories (net after provision for obsolescence)	20,592	14,415

Provision for obsolescence related to finished goods

Amounts in CAD 1000	2022	2021
Balance at 1 january	3,648	2,716
New provisions recognised during the year	2,218	938
Provisions reversed	-871	-6
Balance at 31 December	4,996	3,648

Provision slow moving

When producing powder of a specific alloy, the process generates a distribution of size fractions, which are dedicated to various markets and applications. Some of the size fractions could accumulate in inventory, depending on the demand and on the level of market penetration. A provision for slow moving inventory is recorded by Tekna following a periodic review of historical sales data for each fraction as well as the growth rate of sales and order intake. The provision could fluctuate depending on the level of inventory and the historic performance of sales.

Note 9 Trade and other receivables

Trade receivables

Amounts in CAD 1000	2022	2021
Trade receivables from contracts with customers	5,676	3,727
Loss allowance	-42	-26
Total	5,634	3,701

Write-down *

Amounts in CAD 1000	2022	2021
Balance at 1 january	-26	-
New write-downs recognised during the year	-38	-26
Write-downs reversed	22	-
Balance at 31 December	-42	-26

*For more information about credit risk and write-downs, see note 16

Other receivables

Amounts in CAD 1000	2022	2021
Indirect Tax Receivable	599	565
Refundable deposit on Raw mat	703	453
Grant and Investment tax credit receivable	440	444
Prepaid Expenses	505	517
Total	2,246	1,979
Total trade and other receivables	7,880	5,680

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Notes to the Consolidated Financial Statements (continued)

Note 10 Cash and cash equivalents

Amounts in CAD 1000	2022	2021
Total cash at bank	11,364	38,649
Restricted cash	-	-

Note 11 Property, plant and equipment

Amounts in CAD 1000	Vehicles, machinery, equipment	Buildings and land	RoU assets	Total
Year ended 31 December 2021				
Cost at 1 January 2021	17,512	9,929	1,132	28,573
Additions, net of tax credits & Translation adjustments	1,429	1,953	-	3,382
Grants	-402	-71	-	-473
Disposal	-110	-	-	-110
Cost at 31 December 2021	18,429	11,811	1,132	31,372
Accumulated depreciation at 1 January 2021	8,539	3,076	475	12,090
Depreciation	1,288	1,287	226	2,801
Disposal	-92	-	-	-92
Accumulated depreciation at 31 December 2021	9,735	4,363	701	14,799
Carrying amount at 31 December 2021	8,694	7,448	431	16,573

Amounts in CAD 1000	Vehicles, machinery, equipment	Buildings and land	RoU assets	Total
Year ended 31 December 2022				
Cost at 1 January 2022	18,429	11,811	1,132	31,372
Additions, net of tax credits & Translation adjustments	3,830	758	1,983	6,571
Grants	-1,059	-109	-	-1,168
Disposal	-	-	-	-
Cost at 31 December 2022	21,200	12,460	3,115	36,775
Accumulated depreciation at 1 January 2022	9,735	4,363	701	14,799
Depreciation	1,414	569	823	2,806
Translation adjustments	-43	-28	1	-70
Accumulated depreciation at 31 December 2022	11,106	4,904	1,525	17,535
Carrying amount at 31 December 2022	10,094	7,556	1,590	19,240

Property, plant and equipment is recognized at historical cost less depreciation. Depreciation is calculate using the straight-line method over their estimated useful lives as follows:

Asset	Period
Building	25 years
Equipment incl. development cost	5-8 years
Mobile infrastructure incl. development cost	25 years
Permanent systems incl. development cost	10 years
RoU assets	5-8 years

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Note 12 Intangible assets

Amounts in CAD 1000	Technologies	IP and licenses	Development	Total
Year ended 31 December 2021				
Cost at 1 January 2021	10,767	4,393	1,837	16,997
Additions, net of tax credits	-	327	455	782
Grants	-	-31	-24	-55
Cost at 31 December 2021	10,767	4,689	2,268	17,724
Accumulated amortization at 1 January 2021	5,384	2,099	83	7,566
Amortization	718	149	74	941
Disposal	-	-	-	-
Accumulated amortzation and impairment at 31 December 2021	6,102	2,248	157	8,507
Carrying amount at 31 December 2021	4,666	2,441	2,111	9,217

Amounts in CAD 1000	Technologies	IP and licenses	Development	Total
Year ended 31 December 2022				
Cost at 1 January 2022	10,767	4,689	2,268	17,724
Additions, net of tax credits	-	311	221	532
Grants	-	-22	-23	-45
Cost at 31 December 2022	10,767	4,978	2,466	18,211
Accumulated amortization at 1 January 2022	6,102	2,248	157	8,507
Amortization	718	259	190	1,167
Disposal	-	-	-	-
Accumulated amortzation and impairment at 31 December 2022	6,820	2,507	347	9,674
Carrying amount at 31 December 2022	3,948	2,471	2,119	8,537
Estimated useful lives	15 years	15 years	10 years	

Intangible assets are recognized at historical cost less amortization. Amortization is calculated using straight line method to allocate the cost over their estimated useful lives. Intangible assets with definite useful lif consists of acquired technology, internally generated intangible assets arising from development costs as we licenses for software. Useful life varies between four and ten years.

If there are indications of impairment for the intangible assets with defined useful life, an impairment test i performed. For 2022, there are no such indications.

Development cost is recognized as an asset when it is identifiable and the company has the power to obtai the future economic benefits following from the underlying resource and to restrict the access of others t those benefits.

Note 13 Non-current receivables

Amounts in CAD 1000	2022	2021
Loan to employees	933	1,331
R&D Tax Credit Receivable	4,406	4,267
Total non-current receivables	5,339	5,598

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Notes to the Consolidated Financial Statements (continued)

Note 14 Leases

This note provides information for leases where the group is a lessee.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Amounts in CAD 1000	2022	2021
Total right-of-use assets	1,590	431
Current lease liabilities	459	235
Non-current lease liabilities	1,161	227
Total lease liabilities	**1620**	**462**

Amounts recognised in the statement of income

The statement of income shows the following amounts relating to leases:

Amounts in CAD 1000	2022	2021
Total depreciation charge right-of-use assets	823	226
Interest expense	77	29

The group has no variable rate leases. Expenses in the statement of income related low value leases are immaterial to these financial statements.

Note 15 Trade payables and other current liabilities

Amounts in CAD 1000	2022	2021
Trade payables	7,852	4,772
Other current liabilities	2,059	1,744
Total	**9,911**	**6,516**

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts o trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Specification of other current liabilities

Amounts in CAD 1000	2022	2021
Accrued expenses and other current liabilities	2,059	1,744
Total	**2,059**	**1,744**

The accrued expenses include restructuring fees for an amount of CAD 150 thousand.

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Notes to the Consolidated Financial Statements (continued)

Note 16 Financial risk and financial instruments

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Tekna operates on an international level, and produces spherical powders and nano powders, and delivers plasma systems for powder production of advanced materials. The Group's metal powders and plasma systems are produced for and delivered to a number of industrial sectors, such as aviation, aerospace, medical, mining and drilling, energy storage and microelectronics, and are delivered to its customers worldwide. The Group is headquartered in Canada and operates manufacturing centres in Canada and France, as well as sales and distribution offices in China and South Korea.

COVID-19

Signs are positive that the COVID19 pandemic is coming to an end. However, should the situation persist, absenteeism and quarantines could continue to affect Tekna's own day-to-day operations as well as its supply chain performance. The opportunities to market its systems depend highly on tradeshows, which have frequently been cancelled due to the pandemic.

Climate risk

The most material climate risks in the short and medium term are physical risks in the supply chain and in Tekna's own operations. There is a risk of extreme weather events impacting Chinese suppliers and their ability to supply Tekna with titanium and nickel. Also, higher temperatures put the health and safety of workers in China at risk. Physical climate risks might also impact goods transportation. In the medium and long term, physical risks might impact where the company considers establishing new production locations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate becaus of changes in foreign exchange rates. Currency risk arises when financial assets or financial liabilities are de nominated in a currency other than the Company's functional currency. The foreign exchange rate risk fo the Group relates to the fact that the Group's business transactions, operations and sales are made in severa currencies, including Canadian dollar (CAD), U.S dollar, euro, Chinese Yuan, Indian rupee, South Korean wor Unfavourable fluctuations in exchange rates could have an adverse effect on the Group's business, financia 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 be cause of changes in market interest rates. The Company is exposed to interest rate risk on its fixed and float ing 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.

As at December 31, 2022, 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 1,1m and non-interest bearing on other loans

Price risk

The Group's business is subject to price risk. There is no guarantee that the Group will be able to obtain th expected prices for its metal powders and plasma systems, and any change in the market conditions, includ ing in the global technology and powder markets or in a specific regional and/or end markets in which th Group operates, could lead to lower sales prices or volumes of the Group's products and systems. If expecte prices for products and systems are not obtained or the Group experiences lower sales volumes, this ma adversely impact the Group's business, financial position and profits.

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Notes to the Consolidated Financial Statements (- Note 16 continued)

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 and may be terminated by the bank without notice.

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 amortised cost.

2022 *Amounts in CAD 1000*	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Lease liabilities	1,620	1,838	337	320	526	655	-
Trade and other payables	7,852	7,852	7,852	-	-	-	-
Bank loan	1,197	1,197	1,197	-	-	-	-
Borrowings	4,651	8,050	462	461	790	2,607	3,730

2021 *Amounts in CAD 1000*	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
Lease liabilities	462	489	126	126	142	94	-
Trade and other payables	4,772	4,772	4,772	-	-	-	-
Bank loan	3,733	3,733	-	3,733	-	-	-
Borrowings	3,978	7,139	154	263	728	2,083	3,911

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party b failing to discharge an obligation. Financial instruments which potentially subject the Company to credit ris consist principally of cash and accounts receivable. The Company's cash is maintained at major financial insti tutions; therefore, the Company considers the risk of non-performance of this instrument to be remote. I addition, the Company has provided for this risk through the allowance it has taken on its accounts receiva ble. No trade receivables mature beyond one year. To mitigate the credit risk on trade receivables, the grou is following up credit risk on a regular basis and require down payments and letters of credit to cover th value of the systems contracts signed with its customers. Historically, the group has not experienced signifi cant 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 failin to engage in a repayment plan with the company. Where loans or receivables have been written off, th company continues to engage in enforcement activity to attempt to recover the receivable due. Wher recoveries are made, these are recognised in profit or loss.

Trade receivables

Amounts in CAD 1000	External customer rec not due	External customer rec 1-30 days past due	External customer rec 31-60 days past due	External customer rec 61-90 days past due	External customer rec > 90 days past due	Trade accounts receivable
2022						
Outstanding trade receivables	2,276	1,218	833	463	885	5,676
Provision for losses	-	-	-	-	-42	-42
2021						
Outstanding trade receivables	1,653	888	709	-103	578	3,727
Provision for losses	-	-	-	-	-26	-26

Provisions for losses are based on individual assessment of each item and customer. Expected loss in catego ries without any provisions made is based on the assumption that there are not risk of any materia losses.

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Notes to the Consolidated Financial Statements (continued)

Note 17 Borrowings

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings. For more information on the Group's interest rate risk and foreign exchange risk see Note 16.

Tekna Holding ASA has complied with the financial covenants of its borrowing facilities at year end 2022. The credit limit on the bank credit facilities is CAD 4 million and USD 0.75 million.

The table below reconciles the movement in financial liabilities to cash flow from financing activities.

	Borrowings		Lease liabilities		Bank Loan (ST)		Total financial liabilities	
Amounts in CAD 1000	2022	2021	2022	2021	2022	2021	2022	2021
Balance at 1 January	3,978	24,250	462	688	3,733	633	8,173	25,571
New loan	1,286	17,898	2,031	-	-	3,100	3,317	20,998
Cash Flow - repayment	-263	-37,535	-873	-226	-2,536	-	-3,672	-37,761
Non cash changes								
FX variation loss (gain)	-	-515	-	-	-	-	-	-515
Conversion to equity	-	-	-	-	-	-	-	-
Amortization	-640	-378	-	-	-	-	-640	-378
Debt accretion on long-term debt	290	258	-	-	-	-	290	258
Total debt	**4,651**	**3,978**	**1,620**	**462**	**1,197**	**3,733**	**7,468**	**8,173**
Short-term portion	-532	-200	-459	-235	-1,197	-3,733	-2,188	-4,168
Balance long-term portion at 31 December	**4,119**	**3,778**	**1,161**	**227**	**-**	**-**	**5,280**	**4,005**

Amounts in CAD 1000	2022	2021
Loans secured by pledged assets		
Building and land	1,144	1,213
Machinery and equipment	-	-
Universality of movable and immovable property, tangible and intangible, current and future	1,218	682
Total non-current borrowings secured by pledged assets	**2,362**	**1,895**

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Notes to the Consolidated Financial Statements (continued)

Note 18 Finance items

Amounts in CAD 1000	2022	2021
Interest income	20	-
Currency exchange income	124	400
Total Finance income	**144**	**400**
IFRS 16 interest	77	29
Interest expense	255	627
Total finance cost	**332**	**656**
Net finance items	**-188**	**-256**

Note 19 Share information

Amounts in CAD 1000	2022	2021
Ordinary shares	125,227	125,227
Share capital	37,277	37,277
Share premium	451,473	451,473

At 31 December 2022 there were 125.227.346 ordinary shares each with a par value of NOK 2,00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

There were no paid out dividends in 2022.

Major shareholders at year-end 2022	Number of shares	% of total	Country
Arendals Fossekompani ASA	89,046,452	71.11%	NOR
Ulfoss Invest AS	2,941,975	2.35%	NOR
Havfonn AS	2,913,580	2.33%	NOR
Must Invest AS	2,821,245	2.25%	NOR
Kvantia AS	2,354,862	1.88%	NOR
Skandinaviska Enskilda Banken AB	2,154,711	1.72%	LUX
Victoria India Fund AS	1,331,883	1.06%	NOR
Other	21,662,638	17.30%	Various
Total number of shares	**125,227,346**	**100.00%**	

Note 20 Earnings per share

Basic earnings per share are based on profit attributable to the equity holders of the parent and th weighted average number of outstanding ordinary shares.

Amounts in CAD 1000	2022	2021
Net profit for the year	-22,517	-14,087
Attributable to non-controlling interests	-829	-486
Attributable to ordinary shares	-21,688	-13,601
Weighted number of ordinary shares, basic and diluted	125,227,346	100,272,679
Number of shares end of period	125,227,346	125,227,346
Basic and diluted earnings per share	**-0.17**	**-0.14**

Note 21 Investment in joint ventures

The Imphytek Powders S.A.S. joint venture is owned in equal parts by the Group (TPE; Tekna Plasma Europ S.A.S.) and Aperam. The business is organized as a company with limited liability corresponding to Norwe gian corporations. Guidelines for the operation of companies are based on the shareholders agreement. Ac cording to the shareholder agreement it is required unanimity between the parties for makin decision about relevant activities. Accordingly, participants in the companies have joint control over the activities. Th Group's responsibility as a participant in Imphytek Powder S.A.S. is limited to the capital contributi n, and th return equals the Group's share of profit. Thus, the group as a participant is entitled to the arrangements ne assets.

The investments in joint ventures are accounted for according to the equity method.

Entity	Country	Activities	Ownership interest
Imphytek Powders S.A.S.	France	Production of powders	50%

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Notes to the Consolidated Financial Statements (- Note 21 continued)

Based on an overall assessment where the size and complexity is taken into consideration Imphytek Powders S.A.S. is considered to be significant joint ventures. Further information regarding this company is disclosed below.

Amounts in CAD 1000	Imphytek Powders
Book value 31.12.2020	**1,407**
Book value as at 01.01.2021	**1,407**
Share of profit after tax 2021	-1,472
Investment during the period	1,442
FX variations	-146
Book value 31.12.2021	**1,231**
Book value as at 01.01.2022	**1,231**
Share of profit after tax 2022	-1,509
Investment during the period	680
FX variations	177
Book value 31.12.2022	**579**

The company has no observable market value in form of market price or similar.

Description of the business

Imphytek Powders S.A.S. has its headquarters and operations in Macon in France. The company is combining Aperam's expertise in Nickel & Specialty Alloys with Tekna's unique wire plasma atomization technology. The joint venture has the exclusive right 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 company's main activities are the production of high-performance powder for advanced manufacturing technologies. The company is organized as a company with limited liability similar to Norwegian private limited liability companies, and the company is not publicly traded. The company is strategically important company in the business segment Advanced Materials.

Imphytek Powders S.A.S. has no contingent liabilities or capital commitments as of 31.12.2022. The partners have an agreement with Imphytek Powders S.A.S. that profits of the company will not be distributed until it has the consent of both partners. The partners have not given consent at the reporting date.

The table on the right shows the condensed financial information of the joint venture, based on 100% ownership.

Imphytek Powders S.A.S.

The joint venture has the same reporting period as the Group.

Amounts in CAD 1000	2022	2021
Total revenue	1,447	884
Depreciations	-174	-255
Interest income	-	-
Interest expenses	-41	-2
Tax expenses	-	-
Profit	-3,110	-3,258
Other income and expenses	-	-
Comprehensive income	-	-
The Groups share of comprehensive income	1	1
Current assets	4,228	4,304
whereof cash and cash equivalents	995	781
Non-current assets	-	-
Current liabilities	2,966	264
Long-term liabilities	4,374	2,882
Equity	-1,166	1,158

The values are tested annually for impairment. In this testing each segment/subgroup is assessed as a cash generating unit. The recoverable amount is estimated based on value in use. Estimated value in use is based on discounted future cash flows. This measures the cash flows based on market requirements of return and risk. Value in use for 2022 has been calculated in the same way as in 2021. Budgets have been used for 2022 and long-term budgets from strategy plans for the period up to 2027. A terminal value is applied based on a growth rate of 2%. A risk premium of 3% was used in the calculations.

The Required Rate of Return (pre-tax WACC) for the investment in the joint venture has been set to 12.2%. The risk-free rate of return has been set to 3.1%. When calculating the WACC consideration is given to the fact that the company's earnings are mainly in EUR. A sensitivity analysis based on a unilateral change in estimated future EBITDA shows that a reduction of more than 20% may lead to impairment. Equivalently, a change in pre-tax WACC from 12.2% to 14.5% may cause impairment.

The cash-generating unit in the impairment testing suggests excess value. Reasonable changes in the assumptions will not result in additional impairment losses.

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Note 22 Subsidiaries

Company	Ownership held by the group	Ownership held by the non-controlling interests	Domicile
Tekna Holdings Canada Inc.	96.54%	3.46%	Canada
Tekna Plasma Systems Inc.	96.54%	3.46%	Canada
Tekna Advanced Materials Inc.	96.54%	3.46%	Canada
Tekna Plasma Europe S.A.S.	96.54%	3.46%	France
Tekna Plasma Systems Suzhou Co Ltd.	96.54%	3.46%	China
Tekna Plasma India Pr Ltd.	96.54%	3.46%	India
Tekna Inc.	96.54%	3.46%	USA
Tekna Plasma Korea Co Ltd.	96.54%	3.46%	South Korea

Note 23 Related parties

At year end Arendals Fossekompani ASA (AFK) owned 89,046,452 shares, representing 71,11 % of the total number of shares in Tekna.

See table on the next page.

The CEO's period of notice is eight (8) weeks, with a period of pay of twelve (12) months after termination of employment if the CEO is dismissed by the company.

The other members of the Group Executive have a period of notice varying from four (4) weeks to eight (8) weeks.

The purpose of Tekna's compensation and benefits policy is to attract personnel with the competence that the Group requires, develop and retain employees with key expertise and promote a long-term perspective and continuous improvement supporting achievement of Tekna's business goals. The general approach adopted in Tekna's policy is to pay fixed salaries and pensions in line market prices, while offering variable pay linked to results for bonus.

a) Fixed elements

b) Variable elements – annual bonus

Executives in Tekna participate in the Group's central annual bonus program. The program has a maximur ceiling of 25% of the executive's fixed salary and 35% for CEO. The basis for bonus payments is based o financial targets and performance strategic KPIs.

In addition, the Group has share-based incentive programs described in (c) below.

(c) Shared incentive program

On February 18, 2021, the Board of Directors of the Company resolved to establish a share incentive progran for key employees of the Company. The share incentive program is based on a structure in which certai members of the Company's Management and management of the Portfolio Companies are offered the op portunity to subscribe for Shares in Tekna Holdings Canada Inc., and where the Company will provide partia financing of their subscription of Shares under the share incentive program. The total number of Shares in cluded in the share incentive program of Tekna Holdings Canada Inc is 3 482 408. As part of the share incen tive program, the key employees purchased Shares subject to a lock-up undertaking of 36 months followin the date of the purchase of the Shares. The company has originally provided full loan financing of the pur chase price of the Shares under the share incentive program, for a total of CAD $1,3 million. As of Decembe 31, 2022, the loan financing balance is CAD $0,93 million. The share incentive program is based on a struc ture in which certain members of the management within the Group were offered the opportunity to sub scribe for Shares in Tekna Holdings Canada at fair value less a discount reflecting the lock-up period. Th vested portion of the discount is reflected in as share-based compensation with an amount totaling CAD 63 K for the executive team for 2022 as disclosed above.

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Notes to the Consolidated Financial Statements (- Note 23 continued)

Board of Directors compensation 2022 and number of shares owned 31 December 2022								
Name	Title	Board of Directors remunera-ted	Remunera-tion provision			Own Holdings	Related Parties	Number of shares in Tekna Holding ASA
Dag Teigland[1,2]	Chair	-	21,000			-	52,000	52,000
Morten Henriksen[2]	Member of Board	-	-			51,500	4,125	55,625
Torkil Sigurd Mogstad[2]	Member of Board	-	-			48,000	4,125	52,125
Anne-Lise Meyer[3]	Member of Board	-	38,667			-	-	-
Barbara Thierart Perrin[4]	Member of Board	-	43,500			-	-	-
Total		**-**	**103,167**			**99,500**	**60,250**	**159,750**
Name	Title	Fixed salary	Paid bonus	Pension	Share-based compensa-tion	Other benefits	Number of shares in Tekna Holdings Canada Inc	Loan from Tekna Plasma Systems Inc
Luc Dionne	CEO	335	45	3	21	36	588,576	169,859
Serge Blackburn	CFO	246	26	10	7	8	196,192	56,620
Other executive management		901	77	42	35	33	980,960	338,873

1: Dag Teigland representing Tibidabo Industrier AS, elected from October 2022. The remuneration is subject to approval by the general assembly.

2: Representing Arendals Fossekompani ASA with 89 046 452 shares

3: Anne-Lise Meyer elected from May 2022

4: Barbara Thierart-Perrin elected from April 2022

Note 24 Contingent liabilities

The Company's subsidiary and the operating company o the Group, Tekna Plasma Systems Inc., is currently involve in a dispute with AP&C Advanced Powders & Coatings Inc regarding competing patent rights for the production o titanium powder in Canada, and more precisely to a specifi patent which is part of the same patent type as one of th Group's significant patents. Proceedings were conducte and parties are waiting for the court decision. If the disput is not resolved in favor of Tekna Plasma Systems Inc., th Group's production and sales of titanium powder in Canad may be restricted, which could have a negative effect on th Group's business operations.

There are no provisions booked for future income o expenses regarding the legal dispute in the financial state ments

Note 25 Subsequent events

Arendals Fossekompani ASA, Tekna's majority shareholde and Tekna Plasma Systems Inc have signed an agreemer for a CAD 25 million loan facility.

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Parent Financial Statements

Income Statement

Amounts in CAD 1000	Note	2022	2021
Employee benefit expenses	2	103	-
Other operating expenses	3	1,536	961
Net operating income/(loss)		**-1,639**	**-961**
Finance income	8	2,513	1,332
Finance costs	8	320,974	92
Profit/(loss) before income tax		**-320,100**	**279**
Income tax expense		-	-
Profit/(loss) for the period		**-320,100**	**279**
Attributable to equity holders of the company		-320,100	279
Attributable to non-controlling interests		-	-

Amounts in CAD 1000	Note	2022	2021
Items that may be reclassified to statement of income			
Exchange differences on translation of foreign operations		-	
Items that may be reclassified to statement of income		-	
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		-	
Total comprehensive income/(loss) for the period		**-320,100**	**279**
Attributable to equity holders of the company		-320,100	279
Attributable to non-controlling interests		-	

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Parent Financial Statements (continued)

Balance Sheet

Amounts in CAD 1000	Note	31.12.2022	31.12.2021
Non-current assets			
Investment in subsidiaries	5	97,500	418,468
Intercompany loans	7	67,535	37,251
Total non-current assets		165,035	455,719
Current assets			
Trade and other receivables	7	77	24
Cash and cash equivalents	6	3,975	33,351
Total current assets		4,052	33,373
Total assets		169,087	489,094

Amounts in CAD 1000	Note	31.12.2022	31.12.2021
Equity			
Share capital and share premium		494,956	494,956
Other reserves		-326,028	-5,928
Capital and reserves attributable to holders of the company		168,928	489,028
Non-controlling interests		-	
Total equity		168,928	489,028
Trade and other payables	7	51	65
Other current liabilities		108	
Total current liabilities		159	65
Total liabilities and equity		169,087	489,094

Arendal, 10 April .2023

The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

Dag Teigland	Torkil Sigurd Mogstad	Barbara Thierart-Perrin	Anne Lise Meyer	Luc Dionne
Chair of the Board	Member of the Board	Member of the Board	Member of the Board	CEO

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Parent Financial Statements (continued)

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 2021	14	-	14	-	14
Profit/(loss) for the period	-	-5,927	-5,927	-	-5,927
Other comprehensive income/(loss)	-	-	-	-	-
Issue of stock	494,942	-	494,942	-	494,942
Adjustment	-	-1	-1	-	-1
Balance at 31 December 2021	**494,956**	**-5,928**	**489,028**	**-**	**489,028**
Balance at 1 January 2022	494,956	-5,928	489,028	-	489,028
Profit/(loss) for the period	-	-320,100	-320,100	-	-320,100
Other comprehensive income/(loss)	-	-	-	-	-
Adjustment	-	-	-	-	-
Balance at 31 December 2022	**494,956**	**-326,028**	**168,928**	**-**	**168,928**

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Parent Financial Statements (continued)

Cash flow

Amounts in CAD 1000	FY 2022	FY 2021
Cash flow from operating activities		
Net profit/(loss)	-320,100	279
Impairment loss	320,968	-
Capitalized interest on intercompany loans	-2,284	-782
Total after adjustments to profit before income tax	-1,416	-503
Change in trade and other receivables	-53	-22
Change in trade and other payables	93	64
Total after adjustments to net assets	-1,375	-461
Net cash from operating activities	-1,375	-461
Cash flow from investing activities		
Cash Flow from Internal Loans and Borrowings	-28,000	-36,517
Purchase of shares in subsidiaries	-	-22,954
Net cash flow from investing activities	-28,000	-59,471
Cash flow from financing activities		
Proceeds from issue of shares	-	93,225
Net cash flow from financing activities	-	93,225
Net increase in cash and cash equivalents	-29,375	33,293
Cash and cash equivalents at the beginning of the financial year	33,351	14
Effects of exchange rate changes on cash and cash equivalents	-	44
Cash and cash equivalents at end of the period	3,975	33,351

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Notes to the Parent Financial Statements

Accounting principles

Note 1

The financial statements comprise the statement of income, statement of financial position, statement of cash flows, and related notes. The financial statements have been prepared in accordance with the Norwegian Accounting Act §3-9 and Regulations for simplified IFRS issued by the Ministry of Finance on 10 December 2019 (generally accepted accounting principles). This means that recognition and measurement comply with International Financial Reporting Standards (IFRS) and the presentation and disclosures are in accordance with the Norwegian Accounting Act and general accepted accounting practice. All amounts are in CAD, unless otherwise stated.

The financial statements give a true and fair view of the assets and liabilities, financial position, and income.

When applying accounting principles and presenting transactions and other matters, emphasis is placed on economic realities, not just legal form. Contingent losses that are probable and quantifiable are expensed. Transactions are recorded at the value of the consideration at the time of execution. Revenue is recognized in the accounting period in which they are earned and associated costs are matched with revenues.

Assets and liabilities that are due within one year after the balance sheet date are classified as current assets or current liabilities. Current assets and liabilities are valued at the lowest or highest value of acquisition cost and fair value. Fair value is defined as the estimated future sales price less expected sales costs. Other assets are classified as fixed assets. Corresponding principles are normally used as a basis for liability items.

Use of estimates

In the preparation of the annual accounts, estimates and assumptions have been applied that have affected the statement of income and the valuation of assets and liabilities, as well as doubtful assets and liabilities on the balance sheet date in accordance with generally accepted accounting principles. Areas that to a large extent contain such discretionary assessments, a high degree of complexity, or areas where assumptions and estimates are material to the financial statements, are described in the notes.

Foreign currency

Foreign currency transactions are translated at the exchange rate at the time of execution. Cash items in foreign currency are translated into Norwegian kroner using the exchange rate on the balance sheet date. Non-cash items measured at the historical exchange rate expressed in foreign currency are translated into Norwegian kroner using the exchange rate at the time of execution. Non-monetary items that are measured at fair value expressed in foreign currency are translated at the exchange rate determined at the measurement date. Exchange rate fluctuations are recognized in the statement of income on an ongoing basis during the accounting period under other financial income/costs.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Deferred tax is calculated at 22% percent on the basis of existing temporary differences between accounting and tax values together with tax loss carry forward at the year end. Tax-increasing and tax-reducing temporary differences that are reversed or can be reversed in the same period are offset and netted. Net deferred tax assets are recognized in the balance sheet to the extent that it is probable that this can be utilized.

Non-current financial assets

Fixed assets include assets intended for permanent ownership and use. Long-term receivables are carried at the nominal amount at the time of the transaction. Long-term receivables in foreign currency are carried in the balance sheet based on the exchange rate on the balance sheet date.

Current assets

Current assets and current liabilities normally include items that due within one year after the balance sheet date, as well as items related to the product cycle. Current assets are valued at the lower of acquisition cost and fair value. Current liabilities are carried at the nominal amount at the time of the transaction.

Subsidiaries

Investment in subsidiaries are evaluated at lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement. An impairment to fair value has been recognized when impairment is due to reasons that cannot be expected to be temporary, and it is necessary in accordance with generally accepted accounting principles. Impairment losses are reversed when the basis for impairment is no longer present.

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Notes to Parent Financial Statements (- Note 1 continued)

Receivables

Trade receivables and other receivables are carried at face value after deduction of provisions for expected credit losses. Provisions for credit losses are made on the basis of a separate assessment of the individual receivables. For other accounts receivable, an unspecified provision is made to cover expected losses.

Statement of cash flows

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid investments.

Note 2 Remuneration and employee benefits

Amounts in CAD 1000	2022	2021
Salaries	103	-
Social security contributions	-	-
Pension costs	-	-
Other benefits	-	-
Capitalized as development, inventories etc.	-	-
Total employee benefit expenses	**103**	**-**

The company has no employees.

The company is not required to have an occupational pension scheme in accordance with Norwegian law on obligatory occupational pension ("lov om obligatorisk tjenestepensjon").

Note 3 Other operating expenses

Amounts in CAD 1000	2022	2021
Audit and other fees	1,432	473
Marketing, travel and representation costs	11	
ICT expenses	-	13
Other expenses	4	289
Intercompany expenses	88	185
Total operating expenses	**1,536**	**961**

Amounts in CAD 1000	2022	2021
Statutory audit	133	32
Other assurance services	209	76
Tax advisory	-	
Other non-audit services	10	
Total remuneration to auditor	**352**	**108**

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Notes to Parent Financial Statements (continued)

Note 4 Tax

Income tax - current year

Amounts in CAD 1000	2022	2021
Income tax expense:		
Tax Payable	-	-
Change in deferred tax asset	-	-
Income tax expense	**-**	**-**
Taxable income:		
Ordinary profit before tax	-320,100	263
Unrecognized tax loss carried forward	-868	4,552
Permanent differences	320,968	-4,815
Taxable income	**-**	**-**
Taxable payable:		
Income tax expense	-	-
Taxable Income	**-**	**-**
Calculation of effective tax rate		
Ordinary profit before tax	-320,100	263
Tax at the applicable tax rate	-70,422	58
Unrecognized tax loss carried forward	-191	1,002
Tax effect of permanent differences	70,613	-1,059
Taxable income	**-**	**-**
Effective tax rate	0.00%	0.00%

The tax effect of temporary differences and loss carry forwards that have given rise to deferred tax and deferred tax asset, specified by type of temporary differences.

Amounts in CAD 1000	2022	2021
Accumulated loss carryforward	-5,421	-4,553
Not included in basis for calculation of deferred tax	5,421	4,553
Deferred tax asset (22%)	**-**	**-**

Deferred tax asset is not carried in the balance sheet.

Statutory tax rate in Norway was 22.00% in 2021 and 2022.

The 22% tax rate was used to calculate Deferred tax assets and liabilities as at 31 December 2022.

Note 5 Investments in Subsidiaries

		Ownership held by the group		Ownership held by the non-controlling interests		Value in Tekna Holding AS balance sheet	
Company	Domicile	2022	2021	2022	2021	2022	2021
Tekna Holding Canada Inc.	Canada	96.54%	96.43%	3.46%	3.57%	97,500,000	418,468,24

Consolidated accounts for Tekna Holdings Canada Inc for 2022 reported a net loss of CAD 23 409 999 an booked equity of CAD -18 015 871.

Tekna Holdings Canada Inc owns 100 % of the following 7 subsidiaries:

- Tekna Plasma Systems Inc; Canada
- Tekna Advanced Materials Inc; Canada
- Tekna Plasma Europe S.A.S; France
- Tekna Plasma Systems Suzhou Co Ltd; China
- Tekna Plasma India Pr Ltd; India
- Tekna Inc; USA
- Tekna Plasma Korea Co Ltd; South Korea

CEO Luc Dionne and other management of Tekna Holdings Canada Inc. own the remaining 3.46% of th shares in Tekna Holdings Canada Inc.

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Brønnøysundregistrene

Notes to Parent Financial Statements (continued)

Note 6 Cash and cash equivalents

Amounts in CAD 1000	2022	2021
Total cash at bank	3,975	33,351
Restricted cash	-	-

Tax deduction deposits (restricted deposits) amounts to 0 CAD.

Unused credit facilities as of 31 December 2022 was 2 802 809 CAD and 750 000 USD.

Tekna Holding ASA are compliant with the financial covenant requirements in the loan facilities at the end of 2022.

Note 7 Intercompany balances

Amounts in CAD 1000	2022	2021
Intercompany loans to group companies	67,535	37,251
Trade accounts receivables from group companies	77	24
Total intercompany receivables	**67,611**	**37,275**

Amounts in CAD 1000	2022	2021
Trade accounts payables to group companies	4	1
Total intercompany payables	**4**	**1**

Loans to group companies consists of one loan in CAD and one loan in EUR.

The CAD 59 881 537 loan is to the subsidiary Tekna Holdings Canada Inc. The loan will be repaid with CAD 500,000 every quarter from 15 June 2024. Interest on the loan is calculated at a rate corresponding to the Canadian 3 month Interbank rate (CDOR) + 2% on an annual basis.

The EUR 5,300,000 loan is to the subsidiary Tekna Plasma Europe S.A.S. The loan will be repaid with EUR 300,000 every quarter from 15 June 2024. Interest on the loan is calculated with EURIBOR 3 months + 2% on an annual basis.

Note 8 Financial items

Amounts in CAD 1000	2022	2021
Interest income	20	
Currency exchange income (net)	50	782
Interest Income, IC	2,443	550
Total financial income	**2,513**	**1,332**

Amounts in CAD 1000	2022	2021
Interest expense	5	16
Other finance cost	1	
Interest expense, IC	-	76
Impairment loss	320,968	
Total financial expense	**320,974**	**92**

An impairment loss of CAD 320 968 thousand was recorded in 2022

The investment in the subsidiary Tekna Holdings Canada Inc was impaired to the market value of Tekna Holding ASA, as quoted on the Oslo Stock Exchange as of Dec 31st 2022, to CAD 97.5 million. The stock had limited trading volume before this date.

Note 9 Financial risk

The company's operations consist of financing the operations of the subsidiaries.

The company is exposed to various types of financial risk: market risk (including currency, interest rate and market price risk), credit risk and liquidity risk. The company is somewhat sensitive to currency exchange rate fluctuations, limited cash flows, relatively low interest rate exposure.

Interest rate risk

The company has loans to group companies with interest rate returns based on the 3 month EURIBOR and CDOR; see note 7.

Returns from interest rates on bank deposits are also exposed to rate levels. The funds are deposited at floating interest rate.

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Notes to Parent Financial Statements (- note 9 continued)

Credit risk
The company is only exposed to credit risk on receivables from subsidiaries. The risk that counterparties do not have the financial ability to meet their obligations is considered moderate.

Currency risk
The company's currency exposure is related to CAD and EUR receivables from subsidiaries, as well as EUR bank deposits.

Market price risk
The company's is mainly invested in subsidiaries and associated companies. The value of these investments is to a high degree connected to the underlying operations of these companies.

Liquidity risk
The company is financed through a combination of bank and equity financing. See note 6 for more information on unused credit facilities.

Note 10 Share Capital and Shareholder Information

Amounts in CAD 1000	2022	2021
Ordinary shares	125,227	125,227
Share capital	37,277	37,277
Share premium	451,473	451,473

At 31 December 2022 there were 125.227.346 ordinary shares each with a par value of NOK 2,00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

There were no paid out dividends in 2022.

Major shareholders at year-end 2022	Number of shares	% of total	Country
Arendals Fossekompani ASA	89,046,452	71.11%	NOR
Ulfoss Invest AS	2,941,975	2.35%	NOR
Havfonn AS	2,913,580	2.33%	NOR
Must Invest AS	2,821,245	2.25%	NOR
Kvantia AS	2,354,862	1.88%	NOR
Skandinaviska Enskilda Banken AB	2,154,711	1.72%	LUX
Victoria India Fund AS	1,331,883	1.06%	NOR
Other	21,662,638	17.30%	Various
Total number of shares	**125,227,346**	**100.00%**	

At year end Arendals Fossekompani ASA (AFK) owned 89,046,452 shares, representing 71,11 % of the tota number of shares in Tekna.

Board of Directors compensation 2022 and number of shares owned 31 December 2022

Name	Title	Board of Directors remunerated	Remuneration provision	Own Holdings	Related Parties	Number o shares in Tekna Holding AS
Dag Teigland[1,2]	Chair	-	21,000	-	52,000	52,00
Morten Henriksen[2]	Member of Board	-	-	51,500	4,12	55,62
Torkil Sigurd Mogstad[2]	Member of Board	-	-	48,000	4,12	52,12
Anne-Lise Meyer[3]	Member of Board	-	38,667	-	-	-
Barbara Thierart Perrin[4]	Member of Board	-	43,500	-	-	-
Total		-	103,167	99,500	60,25	159,75

The CEO does not own shares in the company per 31 December 2022.

11 Subsequent Events

Arendals Fossekompani ASA, Tekna's majority shareholder, and Tekna Plasma Systems Inc, a Tekna grou subsidiary, have signed an agreement for a CAD 25 million loan facility.

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Independent auditor's report

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To the General Meeting of Tekna Holding ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tekna Holding ASA, which comprise:

- the financial statements of the parent company Tekna Holding ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Tekna Holding ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

PricewaterhouseCoopers AS, Kystveien 14, NO-4841 Arendal
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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pwc

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 26 February 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue from construction contracts	
In 2022 revenue from construction contacts constituted CAD 6 238 thousand, equal to approximately 23% of total operating revenues. Revenue from construction contracts is recognized over time based on expected final outcome, and stage of completion of the contract measured as incurred cost compared to estimated total contract cost. There are several reasons why we consider revenue from construction contracts a key audit matter. The Group has a significant volume of construction contracts that, may have a long duration during which time the assessment of contract costs and stage of completion may be complex and subject to judgement. Furthermore, management's judgement related to construction contracts impacts several financial statement line items, and thus has a pervasive effect on the financial statement. Note 3 and the accounting principles include additional information on the Group's construction contracts.	We obtained a sample of customer contracts and assessed the accounting treatment against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that the accounting treatment was consistent with the content of the contracts and that accounting principles were based on IFRS 15. The Group has implemented controls to ensure that accounting for construction contracts reflect management's best estimates with respect to total contract cost, revenue and stage of completion. Through meetings with management and project leaders, including review of relevant documentation, we tested some of the relevant controls. Estimating total project costs and calculating stage of completion requires judgement. We performed various procedures to assess whether management's judgements were reasonable, including: • Obtained and read contract agreements, and change orders, when applicable to understand contract scope and key terms. • Evaluated the timely identification of circumstances that may warrant a modification to the total estimated costs including, but not limited to, contracts subject to claims and contract modifications. • Discussed with project leaders and management to evaluate progress to date, the estimate of costs to be incurred, and factors impacting the amount of time and cost to complete the project. • Compared the original budget expected on the contract to actual. • Compared the costs incurred and the estimated costs to complete to the original total estimated costs. • Tested on a sample basis, the costs incurred to supporting evidence.

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Independent auditor's report (continued)

- Compared the original total estimated costs to the total costs incurred for contracts completed during the year.

We found that assumptions used, and judgements made by management were reasonable. We further evaluated the disclosures in note 3 and found them to be adequate and appropriate.

Inventory valuation

As described in Notes 1 and 8 to the consolidated financial statements, inventories are valued at the lower of cost and net realizable value, and management records a provision as necessary to appropriately value inventories. The cost of inventory is based on a first-in first-out basis for raw material and includes costs incurred upon procurement of goods and the costs of bringing them to their present condition and location. For finished goods and work in progress, cost is calculated as direct production cost plus a share of indirect costs based on normal utilization of capacity. At the balance-sheet date, the Company's consolidated net inventories balance was CAD 20 592 thousand, inclusive of the inventory provision of CAD 4 996 thousand. Management estimates the net realizable value based on the Group's periodic review of historical sales data for both raw materials, work in progress and finished goods as well as the growth rate of sales and order intake.

We considered inventory valuation to be a key audit matter due to the significant net book value of inventory and because estimating net realizable value of inventory, including slow-moving inventory, is subject to significant management judgement. Leading to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to the estimate. Addressing the matter by performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements.

Our procedures included understanding and testing the implementation of controls relating to the review of the provision including the assumptions used. Our procedures also included, among others:

- For a sample of raw material inventory items, valued using the first-in first-out method, tracing the underlying data to recent purchase invoices and shipping documents.
- Evaluating the appropriateness of management's process for determining the standard cost for work in progress.
- Testing the standard cost used by management against actual costs
- Observing the physical condition of inventories during inventory counts.
- Evaluating the appropriateness of management's process for developing estimates of net realizable value.
- Testing data used by management by agreeing the data to underlying records.
- Testing data used by management by agreeing the data to underlying records.
- Testing the reasonableness of the assumptions for quality, damages, future demand, selling prices and market conditions by considering historical trends and consistency with evidence obtained in other areas of the audit.

We found that assumptions used, and judgements made by management were reasonable. We also read the disclosures in notes 1 and 8 and found them to be adequate and appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent auditor's report (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Tekna Holding ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Tekna Annual Report 2022.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Arendal, 10 April 2023
PricewaterhouseCoopers AS

Lars Ole Lindal
State Authorised Public Accountant

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Corporate Governance Report

Corporate Governance Report

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Corporate Governance report

Tekna aims to maintain high standards for corporate governance. In the Company's opinion, good corporate governance is an important condition for value creation.

Tekna Holding ASA's (the "Company") corporate governance defines the business framework within which all activities in the Company should operate and clarifies the roles and responsibilities between governing bodies in the Company.

The Company is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (the "Code") available at www.nues.no. The Board of Directors' Statement of Corporate Governance follows the structure of the Code.

This report provides an overview of how Tekna follows the 15 points set out in the Code and the deviations from the Code in Tekna's operations. This report should be viewed in conjunction with all the measures relating to corporate governance detailed in the Company's annual report 2022.

1. Implementation and reporting on corporate governance

Our governance structure

The Board has the overall responsibility for ensuring that the Company has a high standard of corporate governance. The Board has adopted a corporate governance policy document (the "Policy"). This Policy describes the Company's main principles for corporate governance and addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors, the Chief Executive Officer (the "CEO") and the Tekna Group senior management (the "Executive Leadership Team"). The Company is a holding company, and the operations of the Tekna group of Companies are carried out through the operating subsidiaries of the Company (the "Tekna Group"). The Policy is based on the Code, the Company's goal is to act in accordance with every recommendation in the Code.

The Board and Executive Leadership Team perform an annual assessment of its principles for corporate governance.

The Board members and the Executive Leadership Team are requested once a year to complete a Directors and Officers compliance questionnaire, disclosing any conflicts of interest.

1: Responsibility for Governance, including risk management is assigned to the CFO

2: Responsibility for ESG reporting lies with the VP Corporate Strategic Development and Innovation

Code of Conduct for suppliers and for employees

In 2021 Tekna has developed the supplier code of conduct ("sCoC" and the employee code of conduct ("eCoC"). The sCoC, signed off b the CEO in August 2021, gives clear guidance to our employees an business partners that we expect clean, transparent and fair busines dealings.

The employee code of conduct was signed off at the most senio level by the Board of Directors of Tekna on February 8, 2022 as par of the corporate code of governance. Both documents can be foun here: www.tekna.com/investors.

Deviations from the Code of Practice: None

2. The business

The Company business is to conduct business developme including investments, and to be co-owner of other companies. Th Compan is the owner of the Tekna Group. The Tekna Group's core business to produce high-purity metal powders for applications such as 3D printing in the aerospace, medical and automotive sectors, as well a optimized induction plasma systems for industrial research and pro duction.

The Board has prepared clear goals, strategies, and a risk profile fo the Company. The Company has guidelines for how it integrates th interests of the society at large into its value creation for shareholder in a sustainable manner. The ESG – Environmental, Social, Governance - report is included in the annual report and is available on th Company's website. The Board evaluates targets, strategies and a ris profile on an annual basis, at a minimum.

Deviations from the Code of Practice: None

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Corporate Governance report (continued)

3. Equity and dividends

Equity

Total equity for the group at 31 December 2022 was CAD 53.4 million, corresponding to a long-term debt/equity ratio of 0.10. Considering the nature and scope of Tekna's business, the Board considers that the Company has adequate equity and capital structure. The Board constantly assesses the company's financial capacity in light of its objectives, strategy and risk profile.

Dividend policy

The Company strives 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. In deciding whether to propose a dividend and in determining the dividend amount, the Board takes 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.

Capital increase and Repurchase of shares

Existing mandates granted to the Board, to issue shares and to purchase its own shares, are presented in the shareholder information section of the annual report. The mandates are restricted to defined purposes and limited in time to no later than the date of the next Annual General Meeting, but in no event later than 30 June 2023.

Deviations from the Code of Practice: None

4. Equal treatment of shareholders and transactions with close associates

Equal treatment of shareholders

There is only one class of shares, and all shares have equal voting rights. At 31 December 2022 there were 125,227,346 ordinary shares each with a par value of NOK 2.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. The articles of association place no restriction on voting rights. Shareholders do not have pre-emption rights upon any change of ownership of shares in the company.

Largest shareholder

Arendals Fossekompani ASA ("AFK") is the Company's largest shareholder, owning 71.1% of the Company's shares at 31 December 2022. The Company's guidelines require that AFK acts in a manner conductive to equal treatment of Company's shareholders.

Transaction with close associates

All transactions with close associates are disclosed in the notes to the annual accounts. All business activities are based on arm's length terms. In the event of transactions with insiders or close associates, procedures apply to ensure the respect of the Norwegian Public Limited Liability Companies Act.

Deviations from the Code of Practice: None

5. Shares and negotiability

The Shares in Company are listed on the Oslo Stock Exchange an are freely negotiable. There are no provisions in the Company Articles of Association that limit the right to own, trade or vote fo shares in the Company.

Deviations from the Code of Practice: None

6. General meetings

Through the General Meeting, the shareholders exercise the highes authority in the Company. All shareholders have a right to attend make a statement and vote at the General Meeting as long as the are recorded in the Company's share register no later than two busi ness days before the date of the general meeting. The General Meet ing deals with such matters as required by Norwegian law.

The notice of the meeting, the agenda and detailed and comprehen sive supporting information, are made available on Tekna's website a least 21 days before a general meeting takes place. At the same tim the notice and agenda are distributed to all shareholders.

The Annual General Meeting for 2023 takes place on 3 May 2023.

Shareholders who cannot attend the meeting in person can vote b proxy and voting instructions can be given on each item of the agen da. In addition, shareholders may vote in advance, either in writing o by electronic means.

The General Meetings are opened by the Chair of the Board. Normal ly, the Board proposes that the Chair of the Board shall also Chair th General Meetings. The Board will propose an independent Chair fo

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Corporate Governance report (continued)

the General Meeting if any of the matters to be considered calls for such arrangement.

The notices and minutes of the General Meetings are published in Oslo Børs' information system (https://newsweb.oslobors.no, ticker: TEKNA) and on Tekna's website (www.tekna.com/investors).

Deviations from the Code of Practice: two deviations from this section:

1) "the members of the Board of Directors and the Chair of the nomination committee attend the general meeting": The Company does not have a Nomination Committee. All members of Board of Directors have normally not participated in the general meeting. Matters under consideration at the general meeting of shareholders have not previously required this. The Chair of the Board of Directors is always on hand to present the report and answer any questions. Other board members participate as needed. The Board considers this to be adequate.

2) "the general meeting is able to elect an independent Chair for the general meeting": The General Meetings are opened by the Chair of the Board. Normally, the Board proposes that the Chair of the Board shall also Chair the General Meetings. The Board will propose an independent Chair for the General Meeting if any of the matters to be considered calls for such arrangement.

7. The nomination committee

The Company has not established a nomination committee.

At the listing of the company in March 2021 the Board of Directors of the Company consisted of three male executives from its majority shareholder. The Board hired then an independent board selection agency for the selection of new Board members. Changes have now taken place to improve the Board composition in terms of competencies relevant to the Company, independence, and diversity and to comply with the exigence of the Code. Two independent female Board members have joined the Board bringing considerable market know-how for the company's future endeavours, and a new Chair, which is not an employee of the majority shareholder, has been elected.

The remuneration of the members of the Board has been voted by the General Meeting.

Deviations from the Code of Practice: The Company has not established a nomination committee. The function and responsibilities of a nomination committee are considered by the Company to have been sufficiently handled by the Board of Directors with the help of an independent selection agency.

8. Board of directors: composition and independence

Composition and election

In 2022, three new Board members joined the Board, and one of them has been elected as the new Chair. The Board members have been chosen with the interest of the shareholders in mind and for the capacity, expertise and diversity needed by the Company. The Board acts as a collegial body, independently of special interests.

Board members are elected for a period of up to two years. The Board members and Chair are elected by the general meeting. There is no corporate assembly in Tekna.

According to the articles of association, the Board shall consist of minimum three and maximum nine members. On 31 March 2023, the Board of Directors consisted of four members, 2 women and 2 men:

- Dag Teigland, Chair of the Board elected on October 3, 2022
- Torkil Sigurd Mogstad, elected until the Annual General Meeting of 2023
- Barbara Thierart-Perrin, elected on April 1, 2022.
- Anne Lise Meyer, elected on May 30, 2022

See presentation of Board members in the annual report for details.

The Chair of the Board at the beginning of 2022, Morten Henrikse has been replaced on October 3, 2022 by Dag Teigland. Morte Henriksen stayed on the Board as a Director until his resignation o January 17, 2023.

Independence of the Board of Directors

The composition of the Board ensures that it ca operat independently of any special interest.

Torkil Mogstad is not considered to be independent of the mai shareholders due to his position as Executive Vice Presidents i Arendals Fossekompani ASA. Dag Teigland was engaged by Arenda Fossekompani ASA as a senior business advisor with a special focu on the Company and, as such, is not to be considered as an inde pendent Chair of the Board. Barbara Thierart-Perrin and Anne Lis Meyer are independent from the Company main shareholder.

The Board members are requested once a year to complete Directors and Officers compliance questionnaire, disclosing an conflicts of interest.

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Corporate Governance report (continued)

Board members' shareholdings

Board members are encouraged to own shares of the Company. Board members' shareholdings in the Company are disclosed in Note 23 Related Parties of Tekna's consolidated financial statements.

Deviation from the Code of Practice: " The majority of the shareholder-elected members of the Board of Directors should be independent of the company's executive personnel and material business contacts.": The Company has four Board members, half of which are independent and the other half is not. The Company considers this to be adequate.

9. Work of the Board of Directors

Duties of the Board of Directors

The Board of Directors has adopted Rules of Procedures for the Board, which indicate rules as to the work and administrative procedures of the Board and as to the functions and duties of the CEO towards the Board.

The overall management of the Company is vested in the Board and the Executive Leadership Team. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization and allocation of responsibilities and duties, 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 Board leads the governance system and meets with relevant Board Committees a minimum of four times a year to gain insights, review and ensure proper implementation of internal control mechanisms and risk management processes for good governance. The Board meets the CEO, the CFO and the Executive Leadership Team as often as necessary to perform its duties. ESG, including climate-related risks and opportunities are subject to an annual review with the Board. Top risks and emerging risks are reported in the company's risk management tool.

The Board had 13 meetings during 2022 with 94 per cent participation.

Agreements with related party

The Board has also adopted Guidelines for Related Party Agreements to ensure proper handling of agreements between the Company and related parties. These Guidelines stipule that Members of the Board and the Executive Leadership Team must notify the Board if they have any material direct or indirect interest in any agreement to be entered into by the Company. In each case, the Board will consider whether it is necessary to obtain an independent evaluation.

In 2022, no Related Party Agreements were executed.

The Audit Committee

In light of the company's conversion to public limited company Tekna's Board has initiated an Audit Committee in 2022 (the "Audit Committee") and adopted Guidelines for the Audit Committee. The Audit Committee is a subcommittee of the Board and acts as a preparatory and advisory body for the Board and supports the Board in the exercise of its responsibility for financial reporting, internal control, and risk management. The Audit Committee also reviews and monitors the independence of the Company's auditor.

The Audit Committee consists of two members who are members of the Board: Anne Lise Meyer and Torkil Mogstad. They have been appointed by the Board which has also designated Anne Lise Meyer as the Chair of the Audit Committee. The members of the Audit Committee have collectively the expertise required for the performance of the tasks assigned to the Audit Committee.

Deviations from the Code of Practice: two deviations from th section:

"The majority of the members of the Audit Committee should b independent.": The Audit Committee has two members, one is inde pendent, the other is not. The Board considers this to be adequate.

"The Board evaluates its performance once a year.": The Board ha not evaluated its performance in 2022 since three of the Board mem bers are new, and the Board consider that a full year of Board activit is needed before it is meaningful to proceed with an evaluation.

10. Risk Management and Internal Control

The Board ensures that Tekna has sound internal control and system for risk management that are appropriate in relation to the extent an nature of the company's activities. The internal control and the sys tems also encompass the Company's corporate values and ethica guidelines.

The objective of the risk management and internal controls to man age exposure to risks to ensure successful conduct of the company business and to support the quality of its financial reporting.

The Board carries out an annual review of the Company's mos important areas of exposure to risk and the Board and the Executiv Leadership Team conduct risk assessments related to various dimen sions and aspects of operations to verify that adequate risk manage ment systems are in place.

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Corporate Governance report (continued)

The Board provides an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Internal control of financial reporting is conducted through day-to-day follow- up by Executive Leadership Team, and supervision by the Audit Committee.

Deviations from the Code of Practice: None

11. Board remuneration

The General Meeting determines the Board's remuneration annually. Remuneration of Board members is reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise. The remuneration of the Board members is not performance-related nor include share option elements.

The Board is informed if individual Board members perform tasks for the Company other than exercising their role as Board members. Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

Additional information on remuneration paid to the individual Board members can be found in Note 23 of the financial statements for 2023.

Deviations from the Code of Practice: None

12. Salary and other remuneration for executive personnel

The Board has resolved guidelines to the CEO for remuneration to the Executive Leadership Team, including performance-related remuneration. The Guidelines can be found in the Corporate Governance Policy of the Company.

The salary and other remuneration of the CEO are decided by the Board.

The Company's senior executive remuneration policy is based primarily on the principle that executive pay should be competitive and motivating, in order to attract and retain key personnel with the necessary competence, in order to ensure the long terms interest of the Company.

The performance-related remuneration portion is limited in the variable compensation plan.

Details relating to the salary and benefits payable to the CEO and other subsidiaries' senior executives are available in note 23 to the financial statements and the Remuneration Report 2022.

Deviations from the Code of Practice: None

13. Information & communication

Communication with shareholders, investors and analysts is a priorit for the Company. The Board has implemented an Investor Relation Policy with the objective to provide the public with accurate, compre hensive and timely information to form a good basis for makin decisions related to valuation and trade of the Company share. Th Company's communication is based on openness and respects th requirement for equal treatment of all shareholders.

All notices sent to the stock exchange are made available on th Company website and at https://newsweb.oslobors.no.

The dates for major events such as the Annual General Meeting, th publication of interim reports and public presentations are publishe on the Company's website: www.tekna.com/investors/calendar and a https://newsweb.oslobors.no.

Deviations from the Code of Practice: None

14. Take-over situations

The Board has adopted Guidelines relating to take-overbids. In th event of a take-over bid being made for the Company, the Board wi follow the overriding principle of equal treatment for all shareholder and will seek to ensure that the Company's business activities are no disrupted unnecessarily. The Board will strive to ensure that share holders are given sufficient information and time to form a view o the offer.

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Corporate Governance report (continued)

The Board will not seek to prevent any take-over bid unless it believes that the interests of the Company and the shareholders justify such actions. The Board will not exercise mandates or pass any resolutions with the intention of obstructing any take-over bid unless this is approved by the General Meeting following the announcement of the bid.

If a take-over bid is made, the Board will issue a statement in accordance with statutory requirements and the recommendations in the Code.

In the event of a take-over bid, the Board will obtain a valuation from an independent expert. If a major shareholder, any member of the Board or Executive Leadership Team, or related parties or close associates of such individuals, or anyone who has recently held such a position, is either the bidder or has a particular personal interest in a take-over bid, the Board will arrange for an independent valuation.

Any transaction that is in effect a disposal of the Company's activities will be submitted to the General Meeting for its approval.

Deviations from the Code of Practice: None

15. Auditor

Role of Auditor

PwC is the Company's Auditor.

The primary task of the Auditor is to perform the audit work required by law and professional standards with the level of care, competence and integrity required by law and such standards. The Auditor participates in all meetings of the Audit Committee. The Minutes of the Audit Committee are shared with the Board Members. If required by the Board, the Auditor can assist to the Board.

The Auditor has assisted the Board related to 2022 Annual financial results.

Use of the Auditor for services other than the audit.

The Audit Committee reviews and monitors the independence of the Company's auditor, including 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 Auditor provides the Board with an annual written confirmation that it continues to satisfy the requirements for independence.

The Auditor annually provides the Board with a summary of all services in addition to audit work that have been undertaken for the Company. The fees paid for audit work and fees paid for other specific assignments are specified in the notes to the financial statements.

Deviations from the Code of Practice: None

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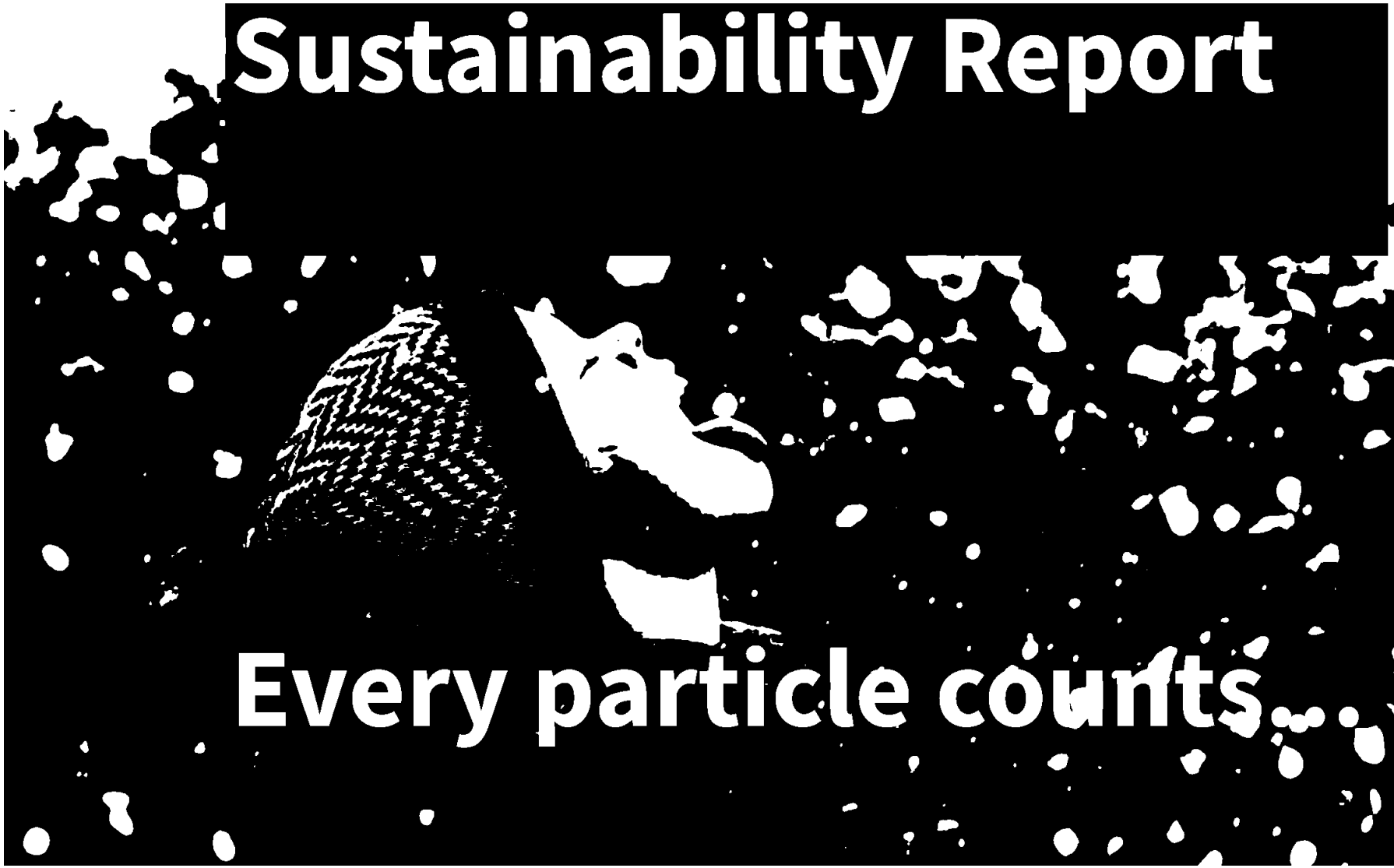

Sustainability Report

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Advancing the world one particle at a time...

The magic of Tekna originates in the strong drive of its employees to do better. Better for an earth that is damaged and in desperate need of a green transition.

At Tekna we make tiny particles of advanced materials that enable this transition.

It is through the transformation of the metal supply chain in additive manufacturing, and enabling electrification through the miniaturization of microelectronic components as well as improving the characteristics of a lithium-ion battery that these tiny particles become magical.

And so does the plasma technology that produces them.

Photo credit: Microsoft

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Part 1 | This is Tekna

Introduction letter to the Sustainability Report

2022 was a challenging year across the globe. The lingering COVID19, the war in Ukraine, high inflation, off-pattern weather-events... Resilience, which we are building in our teams and in our value chain, is becoming more relevant than ever before.

We want to express our sincere gratitude to our colleagues, customers, and suppliers for their unwavering support and dedication to our mission. We firmly believe that it is only by working together that we can make progress, especially during challenging times.

In 2021, Tekna released its first Sustainability report, recognizing the importance of measuring our impacts to motivate positive change. For our second report, we have adopted a methodology that further enhances transparency. We have created separate reports for external frameworks such as GRI, GHG Protocol, i.e., carbon accounting, EU Taxonomy, and the UN Global Compact. This Sustainability Report 2022 focuses primarily on our vision and the actions we are taking to achieve it.

We have made significant strides in 2022, but we also acknowledge that some actions take longer to execute. One example is the Life-Cycle Assessment of our titanium metal powder, a customer-driven action that we are committed to completing.

However, we have a solid foundation on which to build our sustainability journey. Our manufacturing locations are based in countries where we can utilize clean energy, such as hydropower in Canada and nuclear power in France. Our vision is to expand these sites to produce each metal powder in North America and Europe, bringing us closer to the point-of-use and creating supply resilience through redundancy.

Elaborating further on the foundation of the company, at Tekna we are driven by a culture that seeks to leave the world a better place than we found it. *Advancing the world one particle at a time...* Finding solutions to use production resources as much as possible in closed loops (water, helium and argon), and driving social change through our supply chain. We also take tangible actions in our community, such as participating in no-mow-May and spring-cleaning efforts to remove litter from a wide area. These initiatives are inspired by our Environment Committee, which comprises employees from various departments in Tekna.

Last year, we communicated our ambitions to reduce CO_2 emissions in scopes 1 and 2. Although the sum of emissions in these scopes has remained stable in 2022, we have identified an opportunity to switch our natural gas heating systems to electricity, which we plan to budget for before 2030. We have also mapped additional categories in scope 3, such as Employee Commute, Business Travel, and Waste, and plan to estimate up- and downstream emissions next year to identify significant reduction potential and set a target for achieving climate-neutrality.

Furthermore, we have conducted an initial assessment of climate-related risks and have begun the process of quantifying these risks financially.

We are confident in the quality of the data presented, as Tekna's main shareholder, Arendals Fossekompani, has its (including our) CO_2 emissions assured by an auditor. Our Audit Committee and Board of Directors review all ESG reporting before publication.

We are dedicated to continuing this journey wit much energy and passion and will continue to repo on our progress. If you have any questions, com ments, or ideas on how we can improve, please d not hesitate to reach out.

Sincerely,

Luc Dionne

CEO Tekna

Arina van Oost

VP Corporate Strategic Development and Innovation (in Sustainability)

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This is Tekna (continued)

Guidance on Tekna's ESG reporting

This year we have decided to split our ESG reporting into topic-specific in-depth reporting particularly for external frameworks. Therefore, this sustainability report focusses on our vision, our roadmap and our actions.

We present an overview of the reports you can download from our website on the right.

The relation between Tekna's material topics, our focus areas, UN Sustainable Development Goals and the GRI requirements are below.

We also included direct links to the documents.

In-depth Report (with link)	Content description
GRI Report 2022	Sustainability information provided in the structure of the GRI General Disclosures 2021. This also includes metrics from 2019-2022 per GRI definition.
Carbon Accounting Report 2022	Quantitative and Qualitative information on the CO2 emissions of the Company
Human Rights and Transparency Act Report 2022	Reporting on Supply Chain governance following the Norwegian Transparency Act
Corporate Governance Report 2022	Reporting on the Company's Governance structure following the Norwegian Code of practice for Corporate Governance
EU taxonomy Progress Report 2022	Progress report ahead of the EU taxonomy reporting requirement per 2023
TCFD progress Report 2021	Progress report on preparations following the structure of the Task Force on Climate-Related Financial Disclosures (TCFD). Keep an eye out for the update in 2023.
UN Global Compact CoP	United Nations Global Compact communication on progress. This is an online reporting in the UN system due in June 2023
Annual Report 2022	Tekna's annual report containing the Board of Directors' report and consolidated and audited financial statements among other

Material topics[1]	Focus area	SDG[2]	ESG[3]	in GRI[4] Report, item:	See also this Report
Enable customers to reach their ESG targets [4.O] Producing more with less materials [8.O]	**Sustainability:** Enabling customers' positive impact	SDG 7	S	201, 202, 203, 416, 417, 418	EU Taxonomy Progress Report 2022
Increased demand for circular economy innovation and solutions [1.O] Growing demand for green technology drives demand for certain raw materials [5.R]	**Circularity:** Strive for circular and sustainable production	SDG 12	E	301, 302, 303, 304, 305, 306	Carbon Accounting Report 2022
Achieve climate-friendly production [2.O] Rising resource scarcity worsening the increasing costs [12.R]	**Resilience:** Responsible and resilient supply chain	SDG 9	G	2-6, 2-13, 2-25, 3-1, 3-2 ,204,308,410, 411, 413, 414	Human Rights and Transparency Act Report 2022 TCFD progress Report 2021
Hygiene area (minimum safeguard)	**Society:** Great place to work	SDG 8	S	2-7, 2-8, 2-16, 2-17, 2-26, 2-30, 401, 402, 403, 404, 405, 406, 407, 408, 409	
Hygiene area (minimum safeguard)	**Governance:** Ethical business conduct	SDG 16	G	2-1, 2-2, 2-3, 2-4, 2-5, 2-9, 2-10, 2-11, 2-12, 2-14, 2-15, 2-18, 2-19, 2-20, 2-21, 2-22, 2-23, 2-24, 2-27, 2-28, 2-29, 205, 206, 207, 415	Corporate Governance Report 2022

1: Coding at the end of the topic relates to the map in the materiality analyses in Appendix A. "O" is opportunity and "R" is risk. 2: Global Reporting Initiative. 3: UN Strategic Development Goals. 4: Environment, Social, Governance

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This is Tekna (continued)

About Tekna

Tekna is a global leader in the development, manufacturing and sales of advanced micron and nano powders as well as plasma process solutions.

Since we started in 1990, Tekna has developed a unique and proprietary plasma technology platform for manufacturing micro and nano sized powders for a range of industries. Our business model relies on two revenue streams, both with synergistic effects:

- Development and sale of plasma systems: We develop and sell plasma systems customized for the purpose of research and development.
- Development and sale of advanced powders: We develop and operate our own proprietary plasma processes to produce and sell spherical powders and nano powders.

Tekna's is developing the position of its advanced materials in three multi-billion-dollar market verticals.

Tekna is headquartered in Québec, Canada, and has additional offices in France, China, Korea, USA, and seven distributors operating globally (Europe, Asia and North America).

Additive Manufacturing:
Currently our fastest growing segment. Tekna enjoys an estimated 19 per cent market share, up by 6 per cent on main selling products. This global market is on track to outperform, in terms of growth, traditional machining due to improved environmental efficiency, for instance through resource efficiency and speed of availability of parts.

Microelectronics:
We aim to secure industrial scale supply to global tier 1 customers in the microelectronics industry. Nano powders below 100 nm are expected to become the new industry standard for high-end MLCC devices, and Tekna is one of only three producers that can deliver this.

Energy Storage:
Tekna has developed and patented its industrial process to produce high purity spherical silicon nano powder. Nano silicon used in rechargeable batteries could provide electric vehicles with 60 per cent more distance travelled on a single charge. Important industries for our powders are: batteries, electronics, medical, automotive, aerospace and satellites.

Systems | Plasmasonic:
In the systems business w launched the Plasmasonic Proc uct line. This wind tunnel simu lates hypersonic conditions t enable research for for instanc space tourism.

Founded in 1990

Tekna Holding ASA listed in OSLO 2022

carbon neutral
Aspiration 2030

Headquartered in Sherbrooke, QC, Canada

216 employees

90 active patents

3 manufacturing and research centers

7 subsidiaries

1 joint venture

Brønnøysundregistrene

Årsregnskap regnskapsåret 2022

This is Tekna (continued)

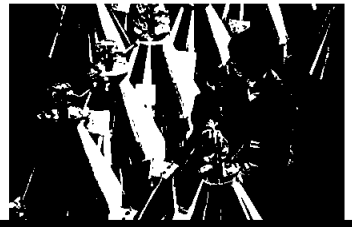
Sustainability highlights 2022 per focus area

Enabling customer's impact

* Reducing single –use plastic powder packaging by reusable transportation vessel (page 84)
* Providing Plasma system customers with guidance on "green" maintenance and end-of-life disposal (page 84)
* EU Taxonomy: Completed a progress report in preparation of 2023 reporting (page 76)
* Supported the AMGTA research on resource efficiency for AM (in peer review) (page 85)

Circular and sustainable production

* Further baseline CO2 emission assessments completed in categories of Scope 3 of GHG protocol (page 75)
* The development of the carbon reduction action plan is progressing (page 86)
* In our JV Imphytek we are initiating to recycle within our own value-chain (page 82)



Resilient and responsible supply-chain

* Powder products formally certified for REACH and RoHS. Certificates available on the website. (page 82)
* We have signed a partnership with Factlines to apply a solid and consistent approach to responsibility in Supply Chain (Transparency Act) (page 88)
* Improved governance through hiring of a full-time legal counsel. (page 91)

Great place to work

* 345 Health and safety audits and awareness interactions took place between management and personnel throughout the year. (page 89)
* We increased the skill level of our staff by training on various topics through scheduled in-house knowledge sharing program (page 89)
* Finalized and implemented the pay equity process ensuring unbiased treatment of all employees. (page 89)
* 62% of employees have passed with success the Cyber security training in 2022 (page 90).

Ethical business conduct

* Signed the UN Global Compact. We will start communicating on progress ("CoP") in 2023. (page 91)
* Two independent Board members started tenure and gender diversity was achieved. Furthermore, an Audit committee was established (page 91)
* 91 % of employees signed CoC (page 76)

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This is Tekna (continued)

Tekna's climate footprint at a glance

Energy Intensity per kg metal powder produced

Performance vs baseline FY19

Direct electricity of plasma systems within Tekna | Ti64 and AlSiMg | in kWh per kg

FY19: 16.3 kWh/kg — baseline

FY21: 12.0 kWh/kg[4] — -26% (vs FY19)

-20x% (vs FY19)

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. However, the testing to achieve the improvements has impacted our energy intensity in 2022.

Renewable energy share

69%

Scope 1

585 tCO2e

vs 577 **(+1%)** in 2021. Tekna has added a third facility in Canada, increasing natural gas consumption for heating in 2022.

Scope 2

34 tCO2e

vs 42[4] **(-19%)** in 2021. At the end of 2021 Tekna has added AM production equipment in Canada increasing consumption in 2022. France and China reduced by 9 tCO2e total.

Scope 3 (incomplete)

755 tCO2e

The emissions compared to 2021 increased due to broader emissions mapping in scope 3 and improved data quality.

Tekna's climate footprint at different stages of the value chain

(GHG protocol[1] | in tCO2e)

Suppliers & Resources

Fuel– and energy-related activities (scope 3)

FY21 391 baseline

FY22 -2% (vs FY21)

Other categories to be included for Suppliers & resources: Purchased goods and services, Capital goods, and Upstream Transportation and Distribution

Complete baseline estimations for upstream emissions (scope 3) expected in 2023.

Tekna operations

Production (scope 1 + scope 2)

FY21 619 baseline

FY22 0% (vs FY21)

Employees (business travel + daily commute[3] - scope 3)

FY21

FY22 baseline

Waste[2] (scope 3)

FY21

FY22 19 baseline

Customers

Categories to be included for Customers: Downstream Transportation and Distribution and Processing of sold product

Baseline estimations for downstream emissions (scope 3) expected latest in 2024.

End-users & End-of-life

Categories to be included for End-users & End-of-life: Use of sold products and End-of-life treatment

Target for 203

Reduce in absolut terms compared t baseline year

under developme

-50 %

under developme

under developme

See also focus areas Circularit and Society.

For a full breakdown of the climate footprint accounting, scop 1, 2 and 3 emissions, read the Carbon Accounting Report 2022

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Included only hazardous waste in 2021. 3: Employee Commute not included in 2021. 4: Restated 2022, see part 4 on restatements

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This is Tekna (continued)

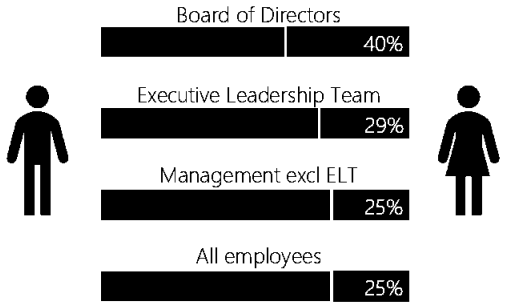
Key indicators at a glance

Our people

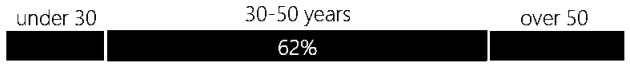
Total employees **216**

Nationalities **22**

Gender diversity per 31 December 2022



Age distribution all employees excl Board of Directors



Governance

Code of Conduct signed **91%**

Compliance incidents detected **1**

Health & Safety

Fatalities **0**

Lost time injuries **1**

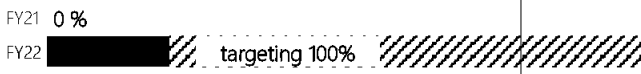
Employees absence rate **2.6%**

Internal Safety audits **345**

Reporting: Transparency Act | EU Taxonomy | GRI standards

Suppliers assessed for social impacts[1]

Status as per 17 March 2023, due diligence in process



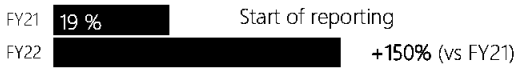
EU taxonomy [2]

High eligibility, alignment to be confirmed

3.6. Manufacture of other low carbon technologies
(Climate Change Mitigation)

% completion of all GRI standards[3]

(GRI Standards 2021: 2, 3, 20x, 30x, 40x)



1: Top 25 selected suppliers based on highest spend and / or greater risk, status completion % as of 17 March 2023. Refer to Human Rights and Transparency Act Report 2022. 2: Refer to EU taxonomy progress report 2022. 3: Refer to GRI Report 2022.

Tegningsrett: Styrets leder i fellesskapsåret 2022 for 925327884

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This is Tekna (continued)

Sustainability journey

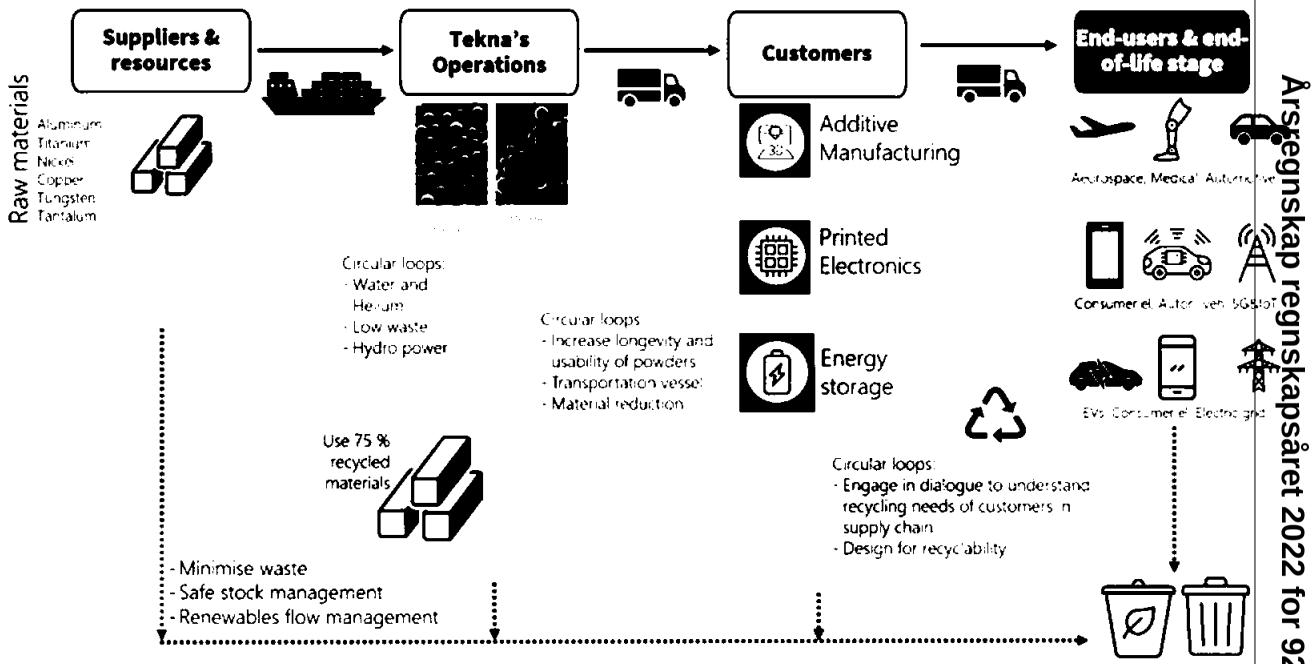
Tekna is in the process of revisiting its corporate purpose. Building on our core, sustainability will play a more explicit role in our strategy. The vision, mission and values for the corporation will integrate driving positive impact, creating sustainable value for the company as well as society.

Our Sustainability vision consists of three parts: Circularity in our value-chain, Business model resilience and Resilience across and for all stakeholders.

The journey towards CIRCULARITY in our value chain

The circular loops within Tekna's own operations are well-established (light blue arrow in image). We have closed loop systems for process gases and water and recycle waste. As additive manufacturing material volumes are shifting to industrialised demand, the opportunity for building sustainable loops with our customers in for instance packaging and revalorising waste material, are becoming valid options. See page 84 on universal and reusable container and page 87 on revalorising waste material.

One of our material topics is raw materials which we use as feedstock. Circularity, using recycled material as feedstock, is a direct improvement towards mitigating negative impacts associated with raw material extraction. Our aim is to increase the percentage of recycled material in the feedstock we use to 75 percent. There are serious challenges t overcome in achieving that while maintaining th quality and specifications our customers prescribe Metal recycling streams today are highly contaminat ed, and our advanced materials are made of alloy with a high purity and specific oxygen level. For 202 our target is to work with the suppliers and know how much recycled material is used. From there w envision designing a joint approach to work toward the target. See the short story on page 82 on how our JV Imphytek Powders is proposing to do th within France.



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This is Tekna (continued)

Sustainability journey (continued)

Business model resilience: Eco-systems (ie value-chains) per continent

Let's start with the end goal: having supply eco-systems per continent that are resilient to local adversity and are dynamic enough to support each other when facing shortages or crises.

Today Tekna produces most materials in Canada and nickel alloys in France. Our vision is to set up local manufacturing ecosystems, in essence supply chains, per continent. This would make those supply chains much more resilient, with lower exposure to the climate and other risks, while leaving a smaller carbon footprint due to reduced transportation and at the same time enabling circular use of materials within our own ecosystem.

As a first step toward this vision Tekna announced in January 2022 that we are setting up a new production facility in France, Europe. The plan is for this facility to produce all products we deliver in Europe.

The realization of this ambition started with the commissioning of the Mâcon factory in France for the production of nickel alloys and will continue with the establishment of a supply chain for aluminum materials that is 100 per cent European-based, ranging from feedstock procurement to manufacturing of advanced powders, and delivery to point-of-use, with fully traceable, closed-loop material recycling.

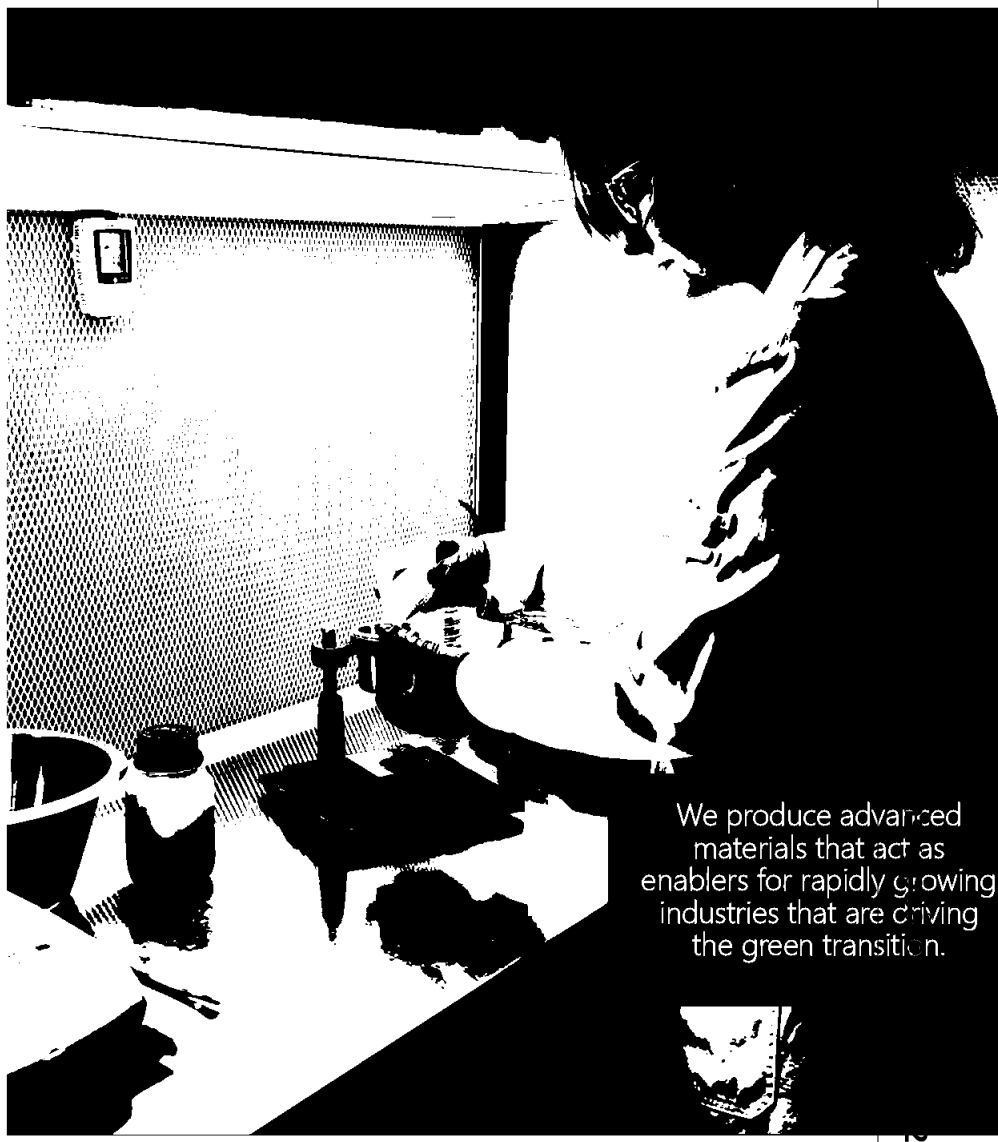
Tekna's RESILIENCE framework

Human and climate resilience are the capacity of our ecosystem, including our society, to thrive long term. It entails sustainability by proactively planning for stability and circularity in the face of adversity.

Workforce resilience is mankind resilience, and it is the capacity of our 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 our operations through the planning of alternative stable states and teamwork flexibility is key to pursuing our vision.



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Part 2 | Material topics

Our Stakeholders

Tekna has identified four main stakeholder groups that guide our journey towards increased sustainability. We have conversations throughout the year and at various levels of the organization to ensure we focus on the topics that resonate with our stakeholders.

Investors

Tekna is proud to find amongst its major investors many that are driven by sustainability. We are thankful for the insights and support they have provided to improve our sustainability reporting and obtain a fair evaluation on our status quo and improvements.

Customers

Tekna's customer base consists mostly of large OEMs that have adopted sustainability as part of their strategies. When Tekna is qualified as a supplier sustainability is usually part of the discussion. Customers frequently enquire about the environmental footprint of our technology. Requests for CO_2 emissions, cradle-to-grave, per kilogram of powder, have moved us to include a Life-Cycle Assessment for titanium powder on our roadmap.

General public and authorities

The expectations of the society-at-large are clear: a more equitable and sustainable future for all, addressing the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. We aim to make our value-chain as sustainable as possible. As a relatively small organization we communicate our efforts and achievements mostly on LinkedIn and endeavor to engage where possible.

Employees

In 2020 Tekna created its environment committee, le Comité Environnement. A committee consisting of vo
unteering employees created to drive awareness and improvements on the environmental footprint both o
Tekna as well as outside of work. An example of their contribution as that, early 2022, the committee inspire
a large group of colleagues to collaborate on a spring-cleaning of the industrial park. Read more about it i
the feature story (page 80).

Tekna thanks its Environment committee members for their ongoing drive for continuous improvemen

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Material topics (continued)

An active employee Environment committee

by Andreane Laberge, Chair of the committee

The Environment Committee, le Comité Environnement, was created in 2019 to promote environmental awareness and behavioral change for Tekna and also at home.

In 2022, Tekna continued to support sustainable practices and took several actions to reduce its environmental impact. This section summarizes the environmental initiatives carried out.

During the year, Tekna introduced an on-site organic fruits and vegetables market, to promote healthy, sustainable, and local food choices among employees and reduce the carbon footprint associated with the transportation of food.

In May, we participated in the *No Mow May* campaign, which aims to promote the conservation of native plant species, natural habitats, and biodiversity by reducing lawn mowing.

Many other activities were aiming to reduce the amount of waste in the environment. We introduced washable rags for the mechanical team to replace the disposable wipes previously used. A litter pickup activity in the industrial district was organized, in which many employees participated (see images below). Tekna also placed several waste reduction awareness posters throughout our facilities and carried out a characterization of the compost in our operations. This compost initiative allowed us to identify opportunities to improve our composting practices.

Finally, Tekna's environmental committee published three environmental bulletins. These bulletins highlight different topics, such as the importance of buying local and recycling practices, and report on the progress of Tekna's sustainability strategy. The bulletins were distributed to all employees to raise awareness about environmental issues and promote sustainable practices.

This year, the committee will be supporting the ISO 14001 certification effort and working towards making the Tekna terrains in Sherbrooke (HQ) more bio-friendly (spring-cleaning, nesting boxes, less grass more native flowers).

Tekna spring-cleaning in Sherbrooke (CA) industrial park

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Material topics (continued)

Materiality analyses

In the context of corporate sustainability, the concept of materiality has evolved – and broadened - to characterize issues that substantively affect the company's ability to create, preserve, or erode value over the short, medium, and long term[1]. These issues can be of an economic or environmental, social, and governance (ESG) nature.

Tekna is using double materiality, i.e. financial materiality as well as impact materiality, in its sustainability reporting.

Our material topics are selected based on two sources: stakeholder expectations and internal strategic priorities. Stakeholder expectations are mapped through interviews, and in dialogue with stakeholders as part of our daily business. We assess identified topics for the significance of their environmental, social and economic impacts. The information collected was aggregated and defined our most important ESG material topics and priorities. A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on the company that are likely to influence its future cash flow.

Late 2021, we reviewed the value chain analysis, opportunities, risks and impacts of material topics across our supply chain and updated our materiality priorities, making sure to include items from the climate risk assessment. From the twenty identified strategic material topics, six were classified as high likelihood and high consequences. The six topics led to the creation of the top three focus areas in our sustainability pyramid, which serves as the basis for our sustainability strategy and reporting.

This year, we're building upon last year and improving our strategy. One of the key learnings after submitting our 2021 sustainability report to the UN Global compact peer review process, was to better highlight the relationship between our material topics and the focus areas. At the base of the pyramid are hygiene areas (governance and employees/society), vital to accomplish the top strategies. We can only achieve the top focus areas if the hygiene ones are covered. Next, the six high consequence and high likelihood material topics were used to define the top of our pyramid. Sustainability, circularity, and resilience are our response to the materiality analysis. They are at the core of our strategic focus areas. Tekna's bottom-up approach in the pyramid ensures that all material topics are incorporated within our supply chain and topics are placed according to where the most significant potential impact occurs. A list of the top six material topics used to build our strategic focus areas is presented below:

Enable customers' positive impact (Sustainability goal)

Enable customers to reach their ESG targets, by AM producing e.g. more resource efficient products, and by addressing vulnerability challenges (e.g. transportation disrupted by extreme weather events), and building resilience to supply chain disruptions.

Reduce costs by producing more with less materials and resources and by considering the limited availability of critical raw materials, which can spike raw material prices.

Circular and Sustainable production (Circularity goal)

Increased demand for circular economy innovatio and solutions, e.g. create products with lower re source density, better resource management, mor recycled materials, and a zero-waste production.

Growing demand for green technologies drives de mand for certain raw materials and decreases it fo others that negatively impact the environment (e.g Titanium, Silicon)

Responsible and resilient supply cha (Resilience goal)

Achieve a climate friendly production which ensure the offering of products with lower emissions tha those of our peers, offer alternatives, and aim t have a positive impact on nature and biodiversity.

Rising resource scarcity worsening the increasin costs of materials, raw materials, and energy due t restrictions, regulations and/or climate change.

Refer to Appendix A for the full materiality matri and all topics included as per update Q4 2021.

1: This definition is taken from the International Integrated Reporting Council (IIRC)

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Material topics (continued)

Value chain

Tekna Holding ASA and its subsidiaries ("Tekna") consists of ten legal entities (including one joint venture), of which three are in Europe ("EU") (32 employees), four are in North America ("NA") (179 employees) and three are in Asia (6 employees). Manufacturing takes place in Canada and France, whereas the other entities are sales offices.

In our sustainability journey, we have focused our attention on understanding the impacts of our own operations. However, Tekna has a diversity of interactions across the value chain: suppliers, customers, our own operations and interactions related to the end user and end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks and opportunities. Tekna can have a positive or negative impact on the value chain. Examples of a positive impact is the enabling strength of our high-quality additive manufacturing ("AM") materials converting more customers to resource efficient AM methods. As a global business the need for business travel and the related Greenhouse gas emissions (GHG) is an example of a negative impact. Raw materials for the manufacturing of metal powders are likely to represent the main negative impact, both potential and actual, in our supply chain.

We have a general understanding of the potential impacts and risks associated with raw material extraction and refining. This may include child labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions. We need to study the impacts specifically for the feedstock materials we use, from extraction to delivery at Tekna. Only this way we can mitigate negative impacts. In 2023, we want to focus our attention to upstream impacts and continue downstream in 2024.

Below a simplified overview of the Tekna value chain for the two business segments. We have indicated in red the part with highest impact, which materials are on the Critical raw material list, and which are potential conflict material.

* REACH, RoHS and potential conflict minerals

Our supply team has delivered third-party verification guaranteeing our powder products are meeting REACH (toxic chemicals) and RoHS (hazardous substances) requirements.

Tekna is following the Responsible minerals initiative (Conflict minerals reporting) for Tungsten and Tantalum. Both are sourced exclusively from Conflict-Free material based on OECD due diligence and Dodd-Frank requirements. Tekna has the declaration, which is made with all the information from partners in the entire supply-chain from smelters up to Tekna.

* Recycling nickel within our own value-chain

Imphytek Powders ("IP"), a joint venture betwee Tekna and Aperam, has developed a small-scale pro posal to recycle nickel alloys within France. IP woul buy back at fair market value unused powder, rejec parts and 3D printing supports and coordinate th recycling at Aperam Imphy plant (a melt shop 175 kr from Tekna's production site in France). Strict mater al segregation will be a success factor for this ap proach.

Value chain ▶ / ▼ Business Segments	Suppliers & Resources	Tekna Operations	Customers	End-users (& End-of-life-stage)
Advanced Materials BU's:	*Raw materials to feedstock:*		*Production of:*	*Utilization:*
Additive Manufacturing	Aluminum Alloys Nickel alloys Tantalum[1,2] Titanium[1] Tungsten[1,2]	Processing feedstock by plasma atomization: heating the metals until they turn into liquids or vapor and subsequently develop the liquids or vapor into micro- and nanoscale advanced materials.	Tier 1 and Tier 2 Metal part manufacturers	Aerospace, medical implants, automotive and consumer (enabling additive manufacturing)
Microelectronics	Nickel		Multi-Layer Ceramic Capacitors (MLCC) Original Equipment Manufacturers	for Electronics (devices, EVs, enabling miniaturization and electrification)
Energy Storage	Silicon[1]		Material for anodes of Lithium-ion batteries: Product in development	
Systems	Parts and subassembly producers	Manufacturing, commissioning and servicing of Plasma systems	Research institutes and companies	Research and small production of (new) materials (enabling electrification)

1: Critical raw material list. 2: Potential conflict material Tekna's supplier guaranteed material purchased non-conflict.

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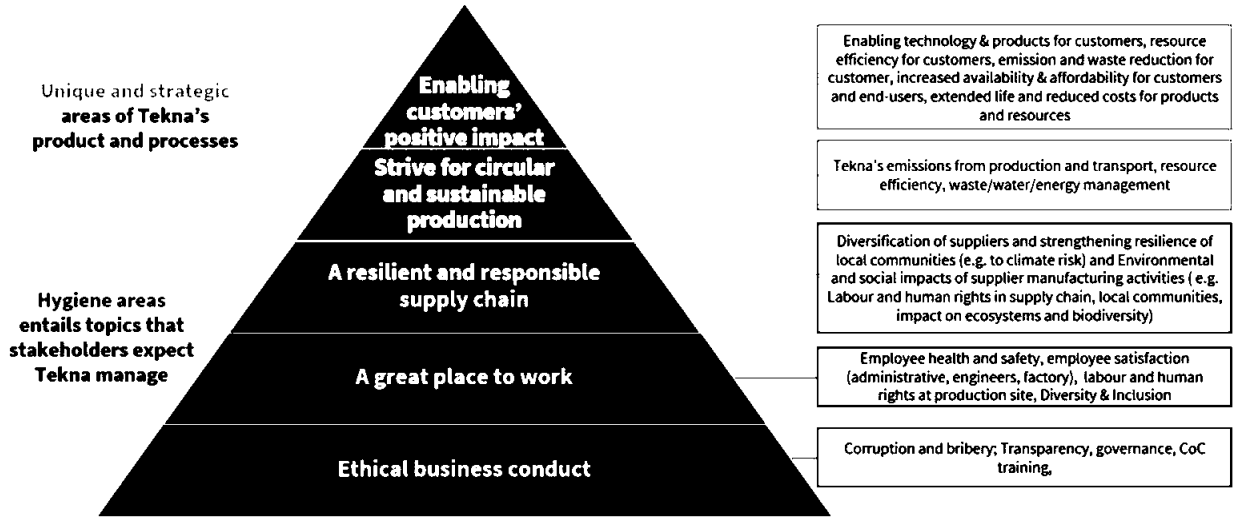
Part 3 | Focus Areas



Tekna has defined five focus areas, consisting of hygiene factor areas at the base of the sustainability pyramid and more unique and strategic areas towards the top. Hygiene areas entail topics that stakeholders expect Tekna to manage, whereas the strategic areas are calibrated to Tekna's products and processes. This part will go deeper into the various focus areas, its relevance, our impact, the achievements and its short and mid- to long term goals.

At the base of our operations are ethics and our 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 our value chain. Human rights are a precondition for the freedom and dignity of people, for the rule of law, as well as for the inclusive and sustainable growth on which we depend as a business. The next layer is the focus of offering "A great place to work," with the goal of attracting and retaining talent and offering a safe and healthy workplace.

Now, becoming our own ecosystem requires unique and strategic areas for our products and processes. We aim to drive the green transition by enabling our customers' positive impact. We want to offer business continuity to our customers by maximizing resilience on all fronts, this includes having a diverse number of suppliers working with us towards a circular economy. This will guarantee our 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 we aim to make our operations ecosystem friendly. This calls for a low carbon footprint and closed-loop systems. An example of the latter is our green hydrogen production for own consumption.

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 our 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. Our first step towards that goal is to strengthen our production facility in Mâcon, France, for our European customers.

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Focus area: Sustainability

Enabling Customer / Stakeholder impact

This focus area highlights Tekna's commitment to its customers. Tekna aspires to actively contribute to the implementation of circular and resource efficient solutions and carefully plan for resilience with all stakeholders. This will not only reduce the environmental impact of the value chains it operates within, but also reduce the impact of climate change on business continuity. Enabling our customers in such ways allows them to contribute and further integrate our resilient ecosystem. Planning for adversity together guarantees that Tekna and its stakeholders can keep advancing despite climate change and other challenges. By empowering its customers in achieving their goals, Tekna can be a driving force in the transition to greener and circular materials.

* Tons of material saved

There is a common understanding that Additive Manufacturing ("AM") reduces the amount of raw material needed to make a part. Tekna estimates, based on customer inputs and depending on the industry, that 60 to 90 per cent of material is saved by applying additive manufacturing techniques versus traditional substractive approaches like milling. Based on our AM powder sales we estimate that **200 – 1300 Tons of metal was avoided** by our customers.

* Replacing single-use packaging

Additive manufacturing ("AM") materials are typically transported in single-use packaging, with aluminum powder being shipped in 5kg plastic drums and titanium powder in metallic bottles of 2.5kg each. Unfortunately, once they have been used, the single-use packaging are left with small quantities of residual metal powder making them not easily reusable nor recyclable.

As the volumes of AM materials are increasing, the business case for returning the powder to Tekna for reconditioning will become stronger. (read also Revalorizing powder).

In order to reduce single-use packaging, Tekna is developing a Universal and Reusable CONTAINER for Additive Manufacturing powders together with industry partners. One container replaces 25 single -use plastic drums or 80 metallic bottles.

The key benefits of this solution:

- Enabling resource efficiency, circularity and GHG reduction: the sturdy containers can be reused "indefinitely" and will be used to deliver pristine powder to the customer and the customer can return degraded material back to Tekna

- Eliminate the use of single-use packaging and disposal activities
- Allow for safer handling both during transportation as well as at the point of use. 1) reducing the risk of exposure to powder; 2) the Container has wheels, eliminating the risk of dropping or injurie due to lifting; 3) easy to use, "plug and play" reducing the risk of handling mistakes
- Increased efficiency as more material is loaded to the machine per packaging unit

The prototype was certified in 2022 and is ready t be put into operation early 2023. **Given Tekna's pro jected volumes, the company will avoid 1 Millio tCO2e over the next 5-years.**

* Updating Systems manuals

Systems have a very long life. Of the mo than 20 Systems sold, Tekna is aware of only a handful tha have been dismantled. Since 2022 we included i our manuals how to dismantle a system and how th different parts can be recycled and reuse Further more, we have also made recommendations o good environmental practices for maintenances an cleaning.

Roadmap short and midterm

In appendix B we have included a summarizin roadmap reflecting the various activities we ar working. The sustainability roadmap is here

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Focus area: Sustainability (continued)

Enabling Customer / Stakeholder impact

Developing advanced materials for Lithium-ion batteries

Energy Storage is one of our developing businesses units. Tekna has developed a cost and resource-efficient process to produce silicon nano powders that can be used in the manufacturing of Lithium-ion batteries (LiB). The use of silicon nano powders opens the possibility of increasing the LiB charge density and number or charging cycles and therefore improve battery performance with the following direct benefits:

- Increases clean energy storage capability (windmills, solar cells, etc.)
- Reduces the volume of raw materials in manufacturing LiB and thus the cost;
- Increases clean energy performance as a substitute to coal and fossil-fuels;
- Reduce global consumption of fossil fuels.

Tekna employees with a Powered Air Purifying Respirator Unit, personal protective equipment

Benefits of Additive Manufacturing

Many aspects of Additive Manufacturing can have a positive impact on the environment. 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. The Additive Manufacturer Green Trade Association (AMGTA) is working to improve this by commissioning life-cycle assessment (LCA) studies. As this report is being written the studies are in peer review and should become available soon.

A brief overview of the opportunities:

- More efficient design: 3D printers can produce parts with shapes and features unachievable with traditional manufacturing methods. One can redesign your part or product to make it more efficient, while using less material. Products that were once made of multiple sub-components can now be printed as one, reducing material use, time and labor. The knock-on effect of this more efficient part design optimization (called topology optimization) and part consolidation are products, such as cars and aircraft, that use less raw material and are lighter, and therefore are more fuel efficient and emit fewer greenhouse gases.
- Less raw material: 3D printing makes parts with only the material needed and minimal support material, instead of carving out a part from a block of material, which produces waste.
- Repairability & spare parts: 3D printers can quickly and cheaply make repair parts for unique or out-of-production equipment, keeping older machines and vehicles running, eliminating the need for new (raw material and energy)
- Make parts locally: Less environmental impact from transportation due to locally produced parts, prototypes and products. (3D printers fit into an office.)
- Inventory reduction: With 3D printers, you can print on demand or print small batches instead of having a warehouse of spare and overstock parts many of which may never be needed.
- Smaller, quieter factories: Less manufacturing equipment makes for smaller, quieter factories and fewer emissions. 1 printer replaces multiple traditional manufacturing equipment and it can make a wide variety of materials, shapes and forms.
- Streamline manufacturing: 3D printers require fewer tools, parts, and processes than traditional manufacturing eliminating much of the labor, equipment and energy. 3D printing is often faster.

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Focus area: Circularity

Circular and sustainable production

Tekna's growth, powered by the green transition, introduces an environmental cost to the value chain. Tekna is committed to keeping this cost as low as possible, through green energy, resource efficiency and aiming for increased circularity. This simultaneously reduces our production cost and contributes to securing and improving our market positions.

Climate change and increased demand for greener materials will worsen resource scarcity. Moving forward, Tekna's decisions, where available, will be guided by life cycle assessment-based management of all resources. The sustainability and circularity of Tekna's operations become a priority because all future proof consumer activities must contribute to balancing our ecosystem.

Circular and resource efficient products through Additive Manufacturing

Tekna's inhouse developed manufacturing processes are low emission, resource efficient (e.g. closed-loop gas and water), green (hydro) powered systems. For over 30 years, Tekna has been a responsible manufacturer of quality, leading-edge products.

The manufacturing processes developed by Tekna have the following characteristics:

- Low carbon emissions;
- 95% of the gases involved in the manufacturing of its products are reused in the process (read also Closed-loop manufacturing);
- 100% of the power used to run the facility and the processes are sourced from clean energy, i.e. hydro power plants in Canada and nuclear power in France;
- The stocks of gases are maximized with gas trailers and silos containers avoiding non-eco-friendly weekly replacement of bulk packs.
- Re-using and repurposing of material waste from ours and our customers' processes.

* CO2 reduction plan

Last year, we communicated our ambitions to reduce CO2 emissions in scopes 1 and 2. The sum of emissions in these scopes has remained stable in 2022. The key reduction opportunity we identified is to switch our natural gas heating systems to electricity. We plan to budget for this before 2030.

We have also mapped additional categories in scope 3, such as Employee Commute, Business Travel, and Waste, and plan to estimate up- and downstream emissions next year to identify significant reduction potential and set a target for achieving reductions and climate-neutrality.

* Quantifying waste

Waste is one of the first topics we focused on sustainability. We have increased our waste segregation and recycling adding organic in the offices and cafeterias and volunteers bringing Styrofoam to the eco-center recycling station. This year for the first time we have quantified our complete waste and recycling streams, including hazardous waste, in our headquarter and manufacturing sites in Canada and France. Our emissions amount to 19 tCO2e, which is our baseline from which we will start reducing. We will set a reduction target in 2023.

* Water management

We have identified one Tekna office is located in an area known to have water stress and that is a small sales office in Korea. We used 0.03 megaliter of water in that office in 2022. The water that is being withdrawn is discharged back into the ecosystem via sewerage (not measured).

Roadmap short and midterm

In appendix B we have included a summarizin roadmap reflecting the various activiti we ar working. The circularity roadmap is here.

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Focus area: Circularity (continued)

Circular and sustainable production

Closed-loop manufacturing

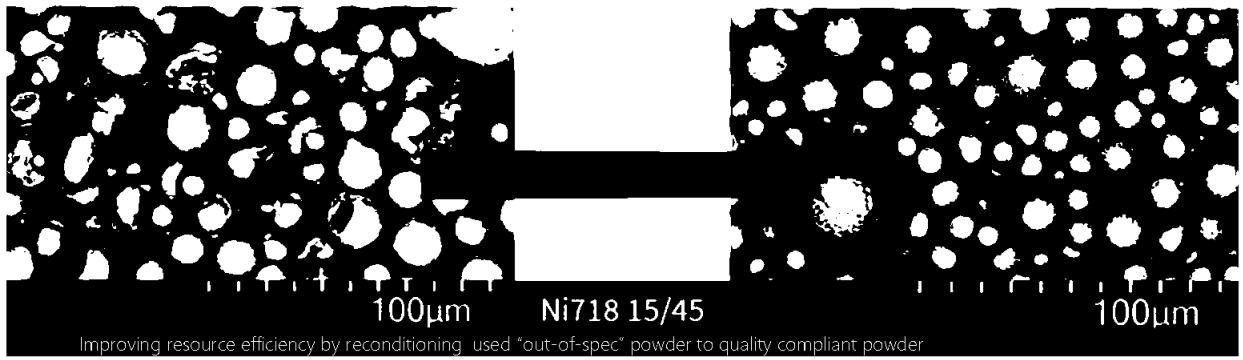
by Richard Dolbec (Director emerging technologies)

Climate change and other environmental concerns remind us that resources are valuable and must be managed wisely. Companies with manufacturing operations can reduce their negative impacts on resources is by including sustainability in the design and manufacture of their goods. One model being implemented across many industries is closed-loop manufacturing.

In closed-loop manufacturing, waste materials are conditioned and reintroduced into the production process to create new products. Negative environmental impacts such as waste, energy consumption, transports, and packaging can thus be significantly reduced or even eliminated. The same goes for the costs they entail. Simply put, closed-loop production systems strive for sustainability by simultaneously improving economic and environmental goals.

At Tekna, we constantly innovate to improve the performances of our powder production processes. We benefit from closed-loop manufacturing in three different ways. Firstly, the pure gases required for generating the plasma are expensive. Since plasma is only a transient state of the gases (no permanent change), we have developed a gas recycling technology that collects gases at the outlet of the process and reinject them at the inlet, in a virtually infinite loop. This is a major advantage for the good control of our production cost, and for the environment as gas supply' embedded emissions are minimized. Secondly, our powder production units require high-quality cooling water. This high-quality water produced internally is recirculated in a closed loop across the manufacturing area. Water temperature in regulated with a heat exchanger connected to a second water cooling circuit that interacts with ambient conditions outside the building. Our approach minimizes freshwater consumption. It also ensures a perfect control over cooling water properties and provides stability to our plasma processes. Finally, the wastewater generated from our industrial operations is filtered and treated in our facility. The quality level we obtain is sufficiently high to allow introducing this water back into our processes, thus closing the loop again.

In Tekna's close-loop manufacturing approach, natural resources are conserved, which is a big win for the environment. It also helps keeping a good control over production cost without compromising process stability. Those efforts positively impact sustainability not only for Tekna but also for the supply chains we are part of.



Improving resource efficiency by reconditioning used "out-of-spec" powder to quality compliant powder

Revalorizing powder [1]

by Richard Dolbec (Director emerging technologies)

Powders used in additive manufacturing (AM) ar considered at the end of their service life when the characteristics are no longer meeting the specifica tions imposed by the end use. Amongst other waste reducing solutions, the plasma spheroidization tech nology developed by Tekna over the last 30 years a promising solution for reconditioning AM powders

By exposing end-of-life AM powders to plasma, a tered characteristics are restored, reading thos powders for a new service life. Up until now, Tekna powder reconditioning process has been successfull demonstrated for materials including Titanium, In conel 718 and Cobalt-chrome powders.

Note that for this to become a real solution, loca capacity, close to point-of-use, is needed. Neithe the ecological nor the financial business case mak sense if waste material needs to be shipped ove long distances to be revalorized. Tekna is selling th spheroidization equipment it produces. A solid re turn on investment on this equipment requires certain volume of material.

1: Source: J.Pollak, O.Bailly and R.Dolbec (Tekna employees), Production of spherical metallic powders dedicated to additive manufacturing, Proceedings of the 2017 International Conference on Powder Metallurgy & Particulate Materials (POWDERMET 2017) pp.436-443.

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Focus area: Resilience

Resilient and responsible supply

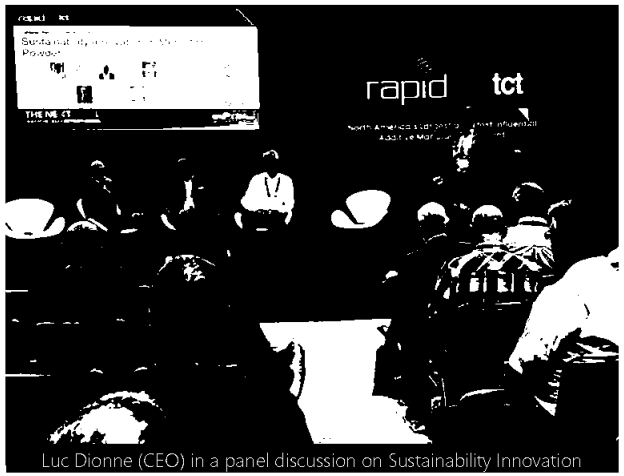
The global supply chain faces many risks and can be vulnerable to the adverse effects of climate change. As part of our resilience goal, we therefore want to encourage capacity-building initiatives aimed at strengthening local supply chains. In order to stay ahead of disruptions and shortages Tekna will focus on more inclusive planning and a circular and sustainable management of resources. Being capable of quickly responding and adapting to events is key to resilience and a better management of resources. All on the basis of a solid due diligence on who we partner with and their willingness to improve.

Developing resource efficient production processes

Tekna is a global leader in manufacturing powders for Additive Manufacturing ("AM"). Tekna's involvement goes beyond the manufacturing of powders up to assisting the industry in developing standards and product requirements that will, in the end, accelerate the technology adoption. By being a leader in its field and promoting the development and adoption of AM as an alternative solution to traditional manufacturing methods Tekna directly contributes to these UN SDG targets. (9.2; 9.4; 9.5)

* Business partner sustainability due diligence process

Tekna is in the process of performing the due diligence to identify, measure and understand the most important risks in our supply chain. This is conducted with assistance from Factlines, a company that provides a corporate social responsibility self-reporting form based on the ten principles of UN Global Compact, OECDs guidelines for responsible business conduct, and the Transparency Act law. The form covers topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals. See the Human Rights and Transparency Act Report 2022



Luc Dionne (CEO) in a panel discussion on Sustainability Innovation

* Producing hydrogen for Tekna's own consumption

Hydrogen is a hot topic. Since around 2010 Tekna has produced hydrogen (H2) for use in our plasma processes by means of water hydrolysis. We use renewable energy (hydroelectricity) for the hydrolysis process. By doing so, we avoid using H2 derived from fossil fuels. Currently, most hydrogen is produced from fossil fuels, specifically natural gas. By producing H2 on-demand, we avoid storing bulk quantities of H2 on-site, which is a big plus for the safety of our workers on the plant. The same goes for community safety as we contribute to reducing the volume of flammable gas transported on the roads.

* Using our voice for good

In cooperation with the Additiv Manufacturing Green Trade Associa tion ("AMGTA"), we have participat ed in panel discussions. Luc Dionn (CEO) discussed on Sustainabilit Innovation in Metal Additive Manu facturing Powder at the RAPID con ference, North America's largest an Additive Manufacturing ever (Detroit, May 2022). Arina van Oos (VP) discussed the making of a firs ESG report at the TIPE conference, Women in 3D Printing event, (virtua January 2022).

Roadmap short and midterm

In appendix B we have included a summarizing roadmap reflecting the various activities we are working. The resilience roadmap is here.

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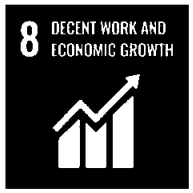
Focus area: Society

Great place to work

Tekna believes in the strength of diversity as proof shows that more diverse teams make better decisions. As a high-tech company Tekna is driven to keep and attract exceptional talent to drive innovations, as our employees are our most important resource. Continued focus on the health, safety and well-being of our people is considered critical to the resilience of the ongoing operations.



SDG 8 Decent work and economic growth

SDG 8 is at the core of our focus area 'Great place to work'. As such, we want to achieve higher levels of economic productivity through diversification, technological upgrading, and innovation (target 8.2). Target 8.8 highlights the importance of protecting labor rights and promote safe and secure working environments for all workers.

* Health, Safety (OHS) and Well-being

Tekna continues to focus on this very important topic. 345 health and safety audits and awareness interactions took place between management and personnel throughout the year. 19 major and 47 minor OHS actions were identified and resolved during the year. In the GRI Report 2022 you will find an extensive description of our OHS system and metrics. We had 4 recordable work-related injuries, which based on 200,000 worked hours gives an injury rate of 10.7.

* Pay equity program fully implemented

Tekna has developed and transitioned its workers compensation system to ensure equality, based on an objective job evaluation method that positions employees on the relative value of their jobs. This system is compliant with the legal requirements prescribed by the Commission for labor standards, pay equity and occupational health and safety (CNESST) of the Province of Quebec. Therefore, the average pay for men and women vary due to differences in job categories and years of service, not because of gender.

* Raising competence level in Lean six sigma

Starting in April 2022, internal training has been given by our Master Black Belt at Tekna on Lean six sigma to gain common understanding over quality and continuous improvement initiatives. Over a year, 40 people completed successfully white belt level certification, 7 reached yellow belt level and 18 others are in process of achieving that goal. Training sessions include usage of tools and

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Focus area: Society (continued)

Great place to work

practical sessions over real-life situations and challenges we face as a company on a demanding market driven by high quality standards.

As Tekna has a tremendous amount of talent in-house we use this to raise the skill level on many more topics, e.g. Cyber security, Project Management and a Sustainability training is planned.

* Cyber Security high priority

In 2022 Tekna did not experience any data breaches. We have a thorough risk assessment process on cyber security, of which we inform the Board of Directors twice a year, once in-depth and once as part of the general risk management.

As a philosophy, the IT team itself is working under the zero-trust model, using least privileged access and multifactor authentication to secure our environment and access levels within the team. We do not host customer-facing applications at Tekna.

As any enterprise, we are vulnerable to social engineering tactics, but phishing awareness campaigns in addition to an internal security conference, elevates our staff's knowledge and reduces the inherent risk we face. 143 (62%) users have passed with success the Cyber training from the service provider Knowbe4 during 2022 and efforts will continue increase this to +90%. As a metric, every new employee is assigned basic cybersecurity training and are made aware of the cybersecurity conference video as part of the new IT orientation in 2023. The aim is to complete ISO 27001 on information security in the course of 2023.

* Remuneration

The average remuneration in the company was 90k CAD. The total compensation ratio of CEO to the median of all employees was 5.4[1], which is within range for midsize Canadian companies.

* Employee Commute and Electrical Vehicles

This year we mapped the CO2 emissions from employees commuting to Tekna facilities around the globe. The emissions amounted to 236 tCO2e, which will be our baseline for 216 employees. The number of employees with electrical vehicles is rising year after year. With 100 per cent electricity from hydro power this is a clean means of transportation in Quebec. Tekna provides free charging to its employees at its four charging stations. In 2022 this equaled 9,205 kWh (439 charging sessions) and negligible emissions.

* Business travel back to pre-covid level

Creating strong relations is considered a strong success factor for the company as we are developing business across the globe. In 2021 we looked at our emissions from our business travel, which we knew would not reflect a true picture due Covid travel restrictions skewing the trips. For 2022 we tripled 155 tCO2e (40) emissions and take this as the realistic baseline to start from. The employees were requested to complete a form per business trip, including km travelled by car (incl taxi), train, flights, and hotel nights.

Social engagement: Le Grand défi Pierre Lavoie

by Etienne Villeneuve (VP Operations)

What is it: Cycling 1,000 km end-to-end within 60 hours, across several Quebec regions, with major stops in several of Québec's cities along the way: that is "*The 1,000 KM*" event.

What is the ultimate goal: The Grand défi Pierre Lavoie distributes millions of dollars every year to promote healthy life habits among young people and to support research on rare genetic diseases. This was done by means of scholarships and grants awarded by the Fondation du Grand défi Pierre Lavoie and through the school sponsorships of the teams in the 1,000 KM.

How does it work: Each cycling team is invited to partner with one or more elementary schools of their choice and to encourage its pupils to enroll in the Energy Cubes Challenge that requires them to practice physical activities on a daily basis alone and with their family. Additionally, all the surplus donations raised by the teams enabled more than 325 elementary schools to pay for projects that promote healthy life habits. The profits generated by *The 1,000 KM* are given to the Fondation du Grand défi Pierre Lavoie to support research of rare genetic diseases and projects promoting healthy life habits.

In 2022, we are proud to mention the Tekna team has raised more than 16,000$ in our fund raise to support medical research and one local school her in Sherbrooke. With our donation, the school ha been able to buy specific sporting equipment fo some students with physical handicap as well a playing modules installed in their backyard for th benefits of all students. In 2023, we are repeating th experience with a more ambitious target of 20,000$.

Etienne Villeneuve, the team captain and VP Opera tions at Tekna: "I'm proud to be part of this socia movement since 2012. We have raised, along wit my teammates, more than 200,000$ to promot healthy life habits among young people in the pas twelve years. What is my motivation? I really think make a real difference for some of thes student leading by example. If I can influence some of ther to start doing sporting activities more regularly an having better lifestyle habits, it makes me feel reached a personal goal".

Tekna team at *Le Grand défi Pierre Lavoie*

1: The CEO pay ratio is calculated by dividing the CEO's compensation by the pay of the median employee, meaning half of a company's workers make more and half make less.

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Focus area: Governance

Ethical business conduct

It is Tekna's belief that it has a social responsibility to the communities reached through its operations, as they are key stakeholders to achieve green, circular, inclusive, transparent, and fair business practices that can succeed in the long-term.

Respect for human rights is rooted in our values and key to our license to operate from employees, customers, investors, communities, governments and other stakeholders.

Tekna supports the local cycling team [1]

A human centered business with respect for the individual and which recognizes the fundamental human rights for everyone is essential as there can be no climate resilience without social resilience. Vulnerability and injustices are exacerbated by climate change and its many adverse effects. Accountability of actions through better and transparent reporting can effectively tackle corruption and vulnerability challenges, supporting the development of local capacity-building and resilience: both necessary for an inclusive and sustainable global growth.

Making sure we do things right

Supporting our pyramid and supply chain is our 'Ethical business conduct' focus area. SDG 16 inspired its direction as we aim to substantially reduce corruption and bribery in all their forms (16.5), and ensure responsive, inclusive, participatory, and representative decision-making at all levels (16.7). Furthermore, we aim to develop an effective, accountable and transparent business (16.6) and actively work to ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements (16.10).

* Ambitious compliance program for 2023

In 2022, we rolled out the Employee Code of Conduct ("CoC") and 91% has already signed the code. We will reach 100% in Q1. In 2023 we put compliance on the agenda. We have planned an employee training on the CoC. We look to expand our Supplier CoC to include Business Partners. Towards the end of the year, we should have the Anti-Corruption Policy and training done in line with principle 10 of the UN Global Compact. And in order to also push our sustainability vision we look to educate our employees on Sustainability and back it up with an updated Environment Policy.

* UN Global Compact

We completed our submission to join the UN Global Compact in 2021 and we are a confirmed member since January 31, 2022. We will start communicating on progress ("CoP"), which is due in June 2023. (link)

* Progress in the Board of Directors and Executive Leadership Team

Currently, Tekna has four Board members, none of whom are members of the company's management. Two Board members are independent of company management and significant business partners. Two Board members, including its Chair Dag Teigland elected in 2022, have an affiliation with Arendals Fossekompani ASA, Tekna's main shareholder. An Audit Committee was established consisting of one dependent and one independer Board member. Tekna is in the process of creating Nomination Committee.

In 2022 Tekna expanded its executive team to in clude a VP for legal affairs.

Two new board members are female increasing th diversity ratio to 50% (0%). The VP Legal Affairs i also female increasing the ratio of females in th Executive Leadership Team to 29% (17%).

Read more in the Corporate Governance Report.

* Business ethics

Tekna has no revenue in countries wit the 50% lowest rankings in the Transparency International Corruption Perception Index. The index includes 18 countries.

2022 Corruption Perceptions Index: Explore the... Transparency.org

Roadmap short and midterm

In appendix B we have included a summarizin roadmap reflecting the various activities we ar working. The governance roadmap is here

1: Faces blurred for privacy protection

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Part 4 | Restatements and Assurances

Restatements

1. CO2 Scope 2

2019-2021 Corrected for Canada TPS and TAM facilities. The supplier, Hydro Sherbrooke, published its emissions, which are slightly higher than the default setting of zero emissions for hydro power in CEMAsys. 2021 is the baseline.

For more information see the Carbon Accounting Report 2022 on www.tekna.com/esg

Category	Description	Unit	2019	2020	2021	2022	% change from previous year
Electricity Green		**tCO_2e**	**3.0**	**2.9**	**4.1**	**4.7**	**14.6%**
Hydropower, Quebec	Canada | TPS - Hydro Sherbrooke	tCO_2e	0.7	0.6	0.9	0.9	
Hydropower, Quebec	Canada | TAM - Hydro Sherbrooke	tCO_2e	2.3	2.3	3.2	3.8	
Hydropower, Quebec	Canada | TMC - Hydro Sherbrooke	tCO_2e	-	-	-	0.1	

Screen capture of relevant section of the Carbon Accounting Report 2022.

2. Energy intensity

2021 was restated due to incomplete electricity data taken in the calculation.

2021 Published 10.9 kwh / kg powder produced

2021 Correction 12.0 kwh / kg powder produced

(See page 75)

Independent assurance of this report

This report was not independently reviewed or assured.

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Appendix

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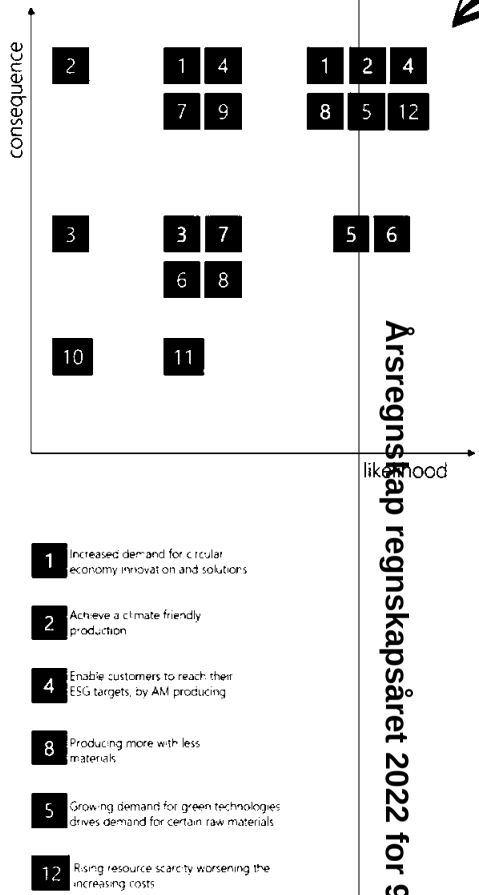
Appendices

A: Materiality analysis 2021

Explanation to numbers in matrix on the right. In bold the items we deem of high materiality.

Categories	Opportunity	Risk
Market	1. **Increased demand for circular economy innovation and solutions, e.g. create products with lower resource density, better resource management, more recycled materials, and a zero-waste production.** 2. **Achieve a climate friendly production which ensures the offering of products with lower emissions than those of our peers, offer alternatives, and aim to have a positive impact on nature and biodiversity.** 3. Increase customer interest by having a transparent and resilient focus on ESG targets (e.g. adapting new production sites in Japan and Korea by integrating relevant regulations). 4. **Enable customers to reach their ESG targets, by AM producing e.g. more resource efficient products, and by addressing vulnerability challenges (e.g. transportation disrupted by extreme weather events), and building resilience to supply chain disruptions.**	2. Increased competition and expectations on sustainability (targets, transparency, reporting, awareness) 3. Not meeting the sustainability targets of customers by driving GHG emissions, fuel consumption and waste (packaging, single-use & hazardous) production. 4. Rising energy prices and regulation taxes, such as EU import tax on carbon intensive raw materials (e.g. aluminum), increases costs of materials and high energy production. 5. **Growing demand for green technologies drives demand for certain raw materials and decreases it for others that negatively impact the environment (e.g. Titanium, Silicon).**
Climate	5. Integrate climate change assessment into Tekna's strategy and risk management in order to harness climate opportunities, mitigate climate risks and build resilience of operations. 6. TCFD disclosures provides opportunities to drive green transition and for positive attention from stakeholders (e.g. investors)	7. Supplier and production sites exposed to extreme weather events, causing power outages and disrupting deliveries (e.g. flood & wildfire risks in France; flood & storm risks with tier one Chinese suppliers of titanium and nickel). 8. Mining sector can permanently cause biodiversity damage, water stress and deforestation, impacting negatively the reputation of those involved and losing the confidence of stakeholders. 9. Conflict materials and higher temperatures puts workers' HSE at risk (e.g. workers in China and heat waves, ultimately reducing resilience and disrupting production).
Financial	7. Increase investor and other stakeholder confidence by increasing transparency through reliable non-financial disclosures. 8. **Reduce costs by producing more with less materials and by considering the limited availability of critical raw materials, which can spike raw material prices.**	10. Unfavorable financing terms due to lack of ESG reporting and/or lack of reliable non-financial data, reducing the advantage for low-carbon solutions. 11. Fail to properly account for climate change and nature related risks and regulations, leading to financial consequences (e.g. fines & added costs) or losing customers. 12. **Rising resource scarcity worsening the increasing costs of materials, raw materials, and energy due to restrictions, regulations and/or climate change.**
Internal	9. Opportunity to attract, recruit and retain talent by building a strong people culture and offering jobs with a greater purpose contributing to a more sustainable future.	6. Increased labor costs and failing to attract talents due to lack of sustainability focus
Reputational		1. Negative reputation risk if suppliers and customers have negative environmental or social impact.



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Appendices (continued)

B. Roadmap 1/6: Strategy, reporting and carbon accounting

	2019-2021 Status Quo	2022 1st report	2023 Transparency	2024-'26 Change	2030 Impact
	2019-2021 **Status Quo** >	**2022** **1st report** >	**2023** **Transparency** >	**2024-2026** **Change** > >	**2030** **Impact**
Strategy	Materiality analyses based on stakeholder interviews and value chain analyses Enhancing understanding and Measuring Sharpened Focus areas	Vision toward circularity in supply chain Vision on resilience Vision to produce close(r) to point-of-use	Update company vision and values to include sustainability Further integrate Environment in decision-making		Circularity in production and value-chain Resilient Supply-chains per continent
Reporting	Content in 2019 + 2020 Sustainability Report AFK	2021 Sustainability Report	2022 reporting: -Sustainability Report -Carbon Accounting Report -GRI Report -Human Rights and Transparency Act report	2023 reporting: -Sustainability Report -Carbon Accounting Report -GRI Report -Human Rights and Transparency Act report	Continued enhancement of transparency
Transparency Act (also in focus area)					
EU taxonomy (also in focus area)	EU taxonomy eligibility assessment	EU taxonomy alignment preparations and Report	EU taxonomy - full reporting (legal req.)	EU taxonomy - evaluate opportunities to increase aligned activities	
Communication	Website & Social media	Website & Social media AMGTA panels Quarterly ESG reporting	Website & Social media Quarterly ESG reporting		the Tekna "voice" promotes sustainable (corp.) behaviour
UN	UN Strategic Development Goals (SDG) selection 7, 9, 12	Signatory UN Global Compact (UNGC)	UNGC Communication on Progress (Report)	SDG target reporting	Delivery on SDG 7, 9, 12

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Appendices (continued)

B. Roadmap 2/6: Enabling Customer / Stakeholder impact

	2019-2021 Status Quo	2022 1st report	2023 Transparency	2024-'26 Change	2030 Impact
Packaging	Powder transportation container - design	Powder transportation container - certify	Powder transportation container - in operation		We focus on: 1) Enabling technology & products for customers 2) Resource efficiency for customers 3) Emission and waste reduction for customers 4) Increased availability & affordability for customers and end-users 5) Extended life, recyclability and reduced costs for products and resources
Life-cycle assessments		Life-Cycle Assessment titanium powder- start	Life-Cycle Assessment titanium powder		
Manuals		System manuals - green maintenance / disposal			
AMGTA	AMGTA membership	AMGTA panels	analyse AMGTA research publication		
EU taxonomy			EU taxonomy: 1) Substantial Contribution Assessment 2) DNSH Environmen-tal Impact assessments 3) Minimum Safeguards 4) Financial Reporting		
R&D			Powder reconditioning titanium	Find development partner to improve LiB capacity	
Certifications			ISO 27001 Information Security	ISO 14001 Environmental Management System ISO 31000 Risk Management	

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Appendices (continued)

B. Roadmap 3/6: Circular and sustainable production

	2019-2021 Status Quo	2022 1st report	2023 Transparency	2024-'26 Change	2030 Impact
Resources and Production	Improvement process gasses, reduction 20%	Energy conservation through improved output	Energy conservation in production Map upstream impacts; raw material extraction	Water conservation TPS plant	We focus on: 1) Tekna's emissions from production and transport 2) Resource efficiency 3) Waste/water/energy management
	"Ici on recycle+" certification TPS (CA) Relighting mercury lights and fluorescents to LED (Canada) Hololens Factory Acceptance Testing	"Ici on recycle+" certification TAM (CA)	Measure recycled material in feedstock Imphytek: Recycling within nickel value-chain	Increase recycled material in feedstock Map downstream impacts and opportunities	
Responsible Packaging				Improve inbound and outbound packaging	

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Appendices (continued)

B. Roadmap 4/6: Resilient and responsible supply

	2019-2021 Status Quo	2022 1st report	2023 Transparency	2024-'26 Change	2030 Impact
Transparency Act ("TA") (business Partners)	Roll out SCoC	Roll out SCoC (continued)	Transparency Act Supplier audits Routine for requests for information Re T.A. Factlines Due Diligence top 25 suppliers Follow-up after DD External Whistleblowing system	Update New supplier Assessment process	We focus on: 1) Diversification of suppliers and strengthening resilience of local communities 2) Improving environmental and social impacts of supplier manufacturing activities 3) Understanding exposure to climate-related risks and ensure the development of mitigation plans.
TCFD Climate-related risk	Climate-related risk analyses	TCFD roadmap	Quantification of climate-related risk Supplier interviews for mitigation	Supplier mitigation plans Mitigate risks in transport routes	
Product compliance		REACH and RoHS certificates powders Completed responsible minerals initiative for potential confilict materials			

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Appendices (continued)

B. Roadmap 5/6: Great place to work

	2019-2021 Status Quo	2022 1st report	2023 Transparency	2024-'26 Change	2030 Impact
Occupational Health & Safety (GRI 403)	430 OHS audits	345 OHS audits	OHS audits OHS system in GRI report	expand on OHS in GRI	We focus on: 1) Employee health, safety and security. 2) Employee satisfaction and development in all levels (administrative, engineers, factory). 3) Labour and human rights, particularly at production sites. 4) Diversity & Inclusion
Employee satisfaction	eSAT: 76% | eNPS: 22 Employee Survey Anchored virtual collaboration in Work-from-Home policy	eSAT: 76% | eNPS: -3 CORE employee representative team	Measure eSAT and eNPS		
Competence improvement (GRI 404)	Competences: inhouse training	Competences: inhouse training Cyber security training	Competences: Inhouse training and budget Cyber security training		
Diversity and equality (GRI 405)	Pay equity process design Diversity: measure status quo	Pay equity process implementation Diversity: increase board and exec team	Diversity: Improve at all levels	Disability Accessibility Assessment	

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B. Roadmap 6/6: Ethical business conduct

	2019-2021 Status Quo	2022 1st report	2023 Transparency	2024-'26 Change	2030 Impact
Policy and training	Code of Conduct Supplier Code of Conduct	Roll out CoC	CoC training Business Partner CoC Environment Policy Sustainability Training Anti-Corruption Policy and Training		We focus on: 1) Zero tolerance on corruption and bribery 2) Increasing transparency 3) Best practice governance 4) Training our employees
Board of Directors		Board of Directors: improve independence Board of Directors: Audit Committee	Board of Directors: Nomination Committee Board of Directors: Remuneration Committee	Board of Directors: Sustainability Committee	
Governance Assessments		Hire inhouse Legal Council	Governance assessment: Audit of activity in China		
Certifications				Sustainability report assurance B-Corporation certified ISO 26000 Social Responsibility ISO 37001 Governance of Organisations FTSE4Good index	

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C. Abbreviations

Abbreviation	Clarification	Useful link	Abbreviation	Clarification	Useful link
AFK	Arendals Fossekompani ASA	Home - Arendals Fossekompani	IR	Injury Rate	
AM	Additive Manufacturing		ISO	International Organisation for Standardisation	ISO - International Organization for Standardization
AMGTA	Additive Manufacturer Green Trade Association	Home - AMGTA	IT	Information Technology	
AR	Absentee Rate		KPI	Key Performance Indicator	
BoD	Board of Directors	investors/governance (tekna.com)	LCA	Life Cycle Assessment	Life-cycle assessment - Wikipedia
CoC	Code of Conduct		LDA	Lost Day Rate	
CoP	Communication on Progress (Re: UN Global Compact)		LiB	Lithium-ion Battery	
CSR	Corporate Social Responsibility		LTI	Lost Time Injury Rate	
eCoC	employee Code of Conduct	esg (tekna.com)	NACE	Nomenclature of Economic Activities	
eNPS	employee Net Promotor Score		NGO	Non-Governmental Organisations	
ERP	Enterprise Resource Planning		NPS	Net Promoter Score	
eSAT	employee Satisfaction Score		OECD	The Organisation for Economic Co-operation and Development	Home page - OECD
ESG	Environmental, Social and Governance	esg (tekna.com)	OEM	Original Equipment Manufacturer	
EU taxonomy	an European tool to help investors understand whether an economic activity is environmentally sustainable, and to navigate the transition	EU taxonomy for sustainable activities | European Commission (europa.eu)	OHS	Occupational Health and Safety	
EY	Ernst & Young		R&D	Research & Development	
FTE	Full-time Employees		SASB	Sustainability Accounting Standards Boards	SASB
GDPR	General Data Protection Regulation		sCoC	Supplier Conduct of Conduct	esg (tekna.com)
GHG	Greenhouse Gas		SDG	Sustainable Development Goals	THE 17 GOALS | Sustainable Development (un.org)
GRI	Global Reporting Initiative	GRI - Home (globalreporting.org)	TCFD	Task Force on Climate-related Financial Disclosures	Task Force on Climate-Related Financial Disclosures TCFD) (fsb-tcfd.org)
HSSE	Health, Safety, Security and Environment		TAM	Tekna Advanced Materials	
HR	Human Resources		TPE	Tekna Plasma Europe	
IoT	Internet of Things		TPS	Tekna Plasma Systems	
IPCC	Intergovernmental Panel on Climate Change	IPCC — Intergovernmental Panel on Climate Change	UN	United Nations	Homepage | UN Global Compact

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