



# **World class materials to world class customers**

March 2021



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## Summary of risk factors (1/2)

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### *Risks relating to the Group's business and the industry in which the Group operates*

- The Group's business operations have been and will continue to be affected by general economic and political conditions in the markets in which it operates
- The Group operates in a highly competitive market
- The Group's business is subject to several risks relating to its intellectual property rights, including the risk of the Group infringing upon third party intellectual property rights and the risk of the Group's intellectual property rights being infringed upon by others
- The Group may experience practical and/or technical problems at its manufacturing centers, and the Group is subject to risks relating to handling of the powder especially since some of the powders which the Group manufactures are pyrophoric
- The Group may not be successful in continuing to develop its existing plasma systems and powders, nor develop new attractive and innovative plasma systems
- The Group is dependent on key suppliers which subjects the Group to, among others, risk of delays in deliveries and production, disruption in operations and increased costs
- The Group is subject to risks related to the availability of raw materials used in the production of the Group's metal powders
- The Group is subject to several risks related to its sales and distribution processes, and any operational or technical problem at the distribution and sales offices may lead to disruption in the distribution and sale of the Group's products and systems
- The Group may not be able to renegotiate its customer contracts on favorable terms or at all
- The Group's business is subject to price risk as well as currency and exchange rate risk
- Defects in the Group's plasma systems, plasma technology or its products may result in loss of income, legal liability or reputational damage
- The Company is a newly formed entity with limited operating history
- The Group may not be able to implement its business strategy successfully or manage its growth effectively

## Summary of risk factors (2/2)

### *Risks relating to the Group's business and the industry in which the Group operates cont.*

- The Group's insurance policies may not be adequate to cover all types of risks, which would result in significant costs and liability for the Group
- The Group relies on IT and other infrastructure systems to conduct its business and any disruption, failure or security breaches of its systems could adversely affect the Group's business operations
- The Group is dependent upon retaining and attracting current and prospective highly skilled personnel
- The Group may from time to time make acquisitions and engage in other transactions to complement or expand its existing business, but the Group may not be successful at identifying and acquiring suitable targets
- The Group may not be able to meet its funding needs as they arise
- The Group operates in various jurisdictions, which requires the Group to comply with the laws and regulations of each jurisdiction in which it operates
- Trade barriers, trade restrictions and unfair trade practices may have an adverse impact on the Group's access to certain markets and its ability to sell its products and systems
- The Group operates in a legal and regulatory environment that exposes and subjects it to litigation and disputes
- The Group may fail to comply with data protection and privacy laws, which could negatively affect its business

### *Risks related to the shares and the admission to trading on Euronext Growth Oslo*

- The Company will incur increased costs as a result of being listed on Euronext Growth Oslo
- An active trading market on Euronext Growth Oslo may not develop and the shares may be difficult to sell in the secondary market
- The trading volume and price of the shares may fluctuate significantly
- The employee share purchase plan for certain employees of Tekna Holding Canada Inc. entitles the participating employees to dividends in Tekna Holding Canada Inc.
- AFK will, as the majority shareholder of the Company, be able to make decisions regarding the Company in which other shareholders might disagree with
- The Company will be subject to financial reporting and other obligations under applicable law following the listing, which will place significant demands on the Company's management, administrative, operational and accounting resources
- Shareholders may not be able to exercise their voting rights for shares registered on a nominee account
- The transfer of shares is subject to restrictions under the securities laws of the United States and other jurisdictions



# Introduction

## Today's speakers



**Morten Henriksen**

**Chairman Tekna Canada  
(CEO Tekna Holding AS\*)**



**Luc Dionne**

**CEO Tekna Canada**

\*Note: Tekna Holding AS is a newly established Norwegian-domiciled holding company controlling Tekna Canada as outlined in the legal structure shown in slide 44. Tekna Holdings AS is contemplating a listing on Euronext Growth Oslo

## Key investment highlights



1

Megatrends accelerating demand for high-quality micro and nano materials

2

IP protected plasma technology driving disruptive manufacturing change

3

Proven and commercialized technology with >200 blue-chip customers

4

Scalable, recurring and sticky business model with low CAPEX requirements

5

Increasing market share and accelerating adoption drives strong revenue growth

# Tekna is a world-leading provider of advanced materials

## Established organization with world-wide reach

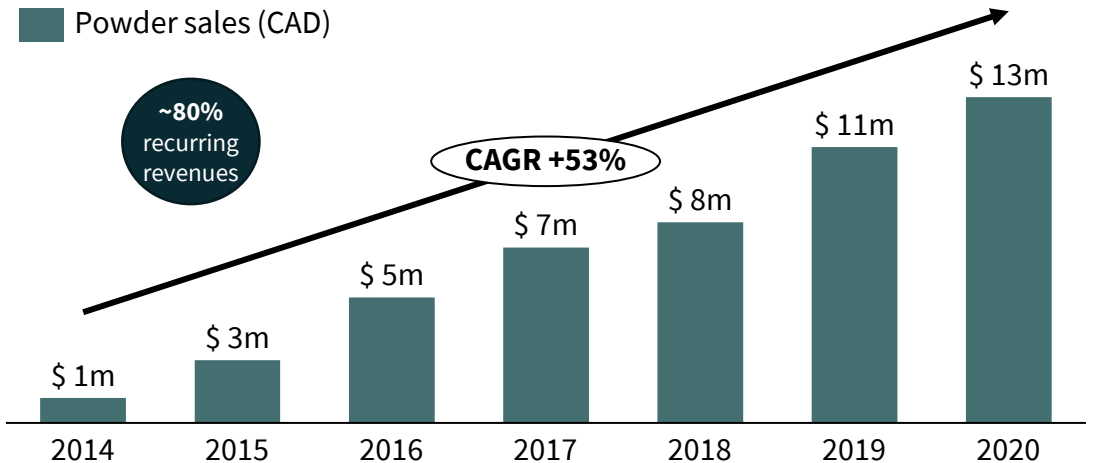


Note: In India and Japan, Tekna has distribution/sales representative agreements  
1) Current and targeted

## Large base of blue-chip customers<sup>1</sup>



## Strong track-record with rapid growth





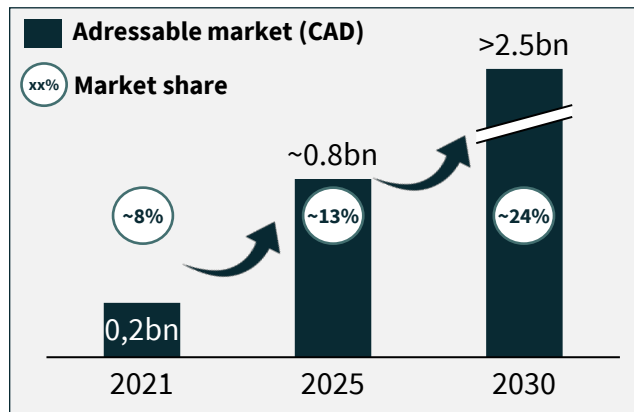
# Tekna is developing its position in three multi-billion-dollar market verticals



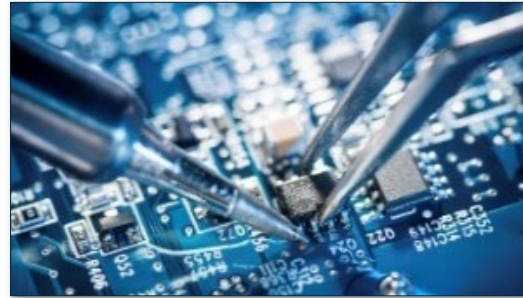
## Additive manufacturing / 3D printing



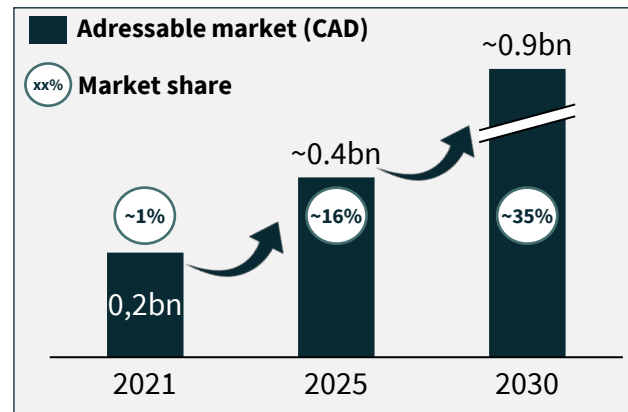
- ✓ Fast-growing industrial **3D printing market**
- ✓ **Reducing waste & producing longer lasting components**



## Printed electronics



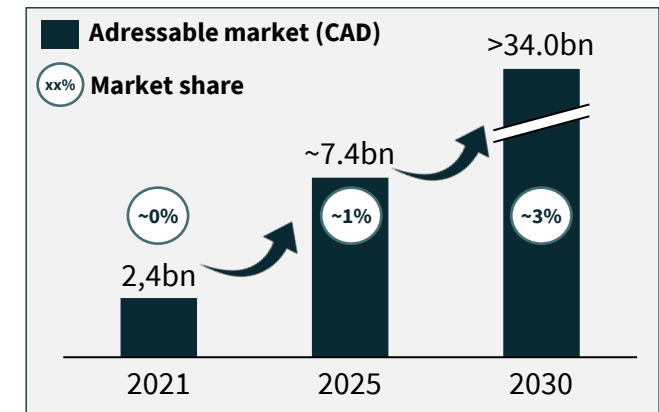
- ✓ **IoT and digitalization** of every-day devices
- ✓ Enabling technological advancements towards more **efficient resource usage**



## Energy storage

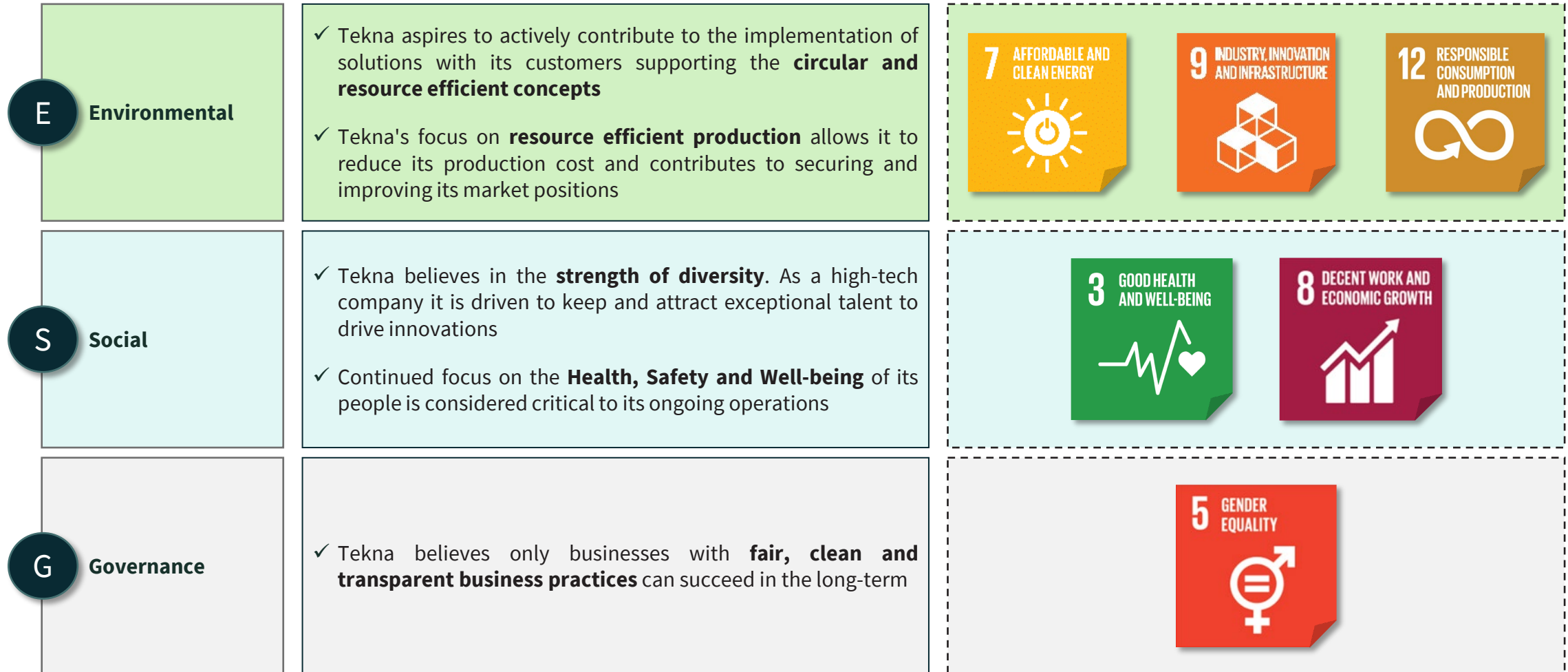


- ✓ **Electrification and grid reserve**
- ✓ Increasing **clean energy storage and performance**

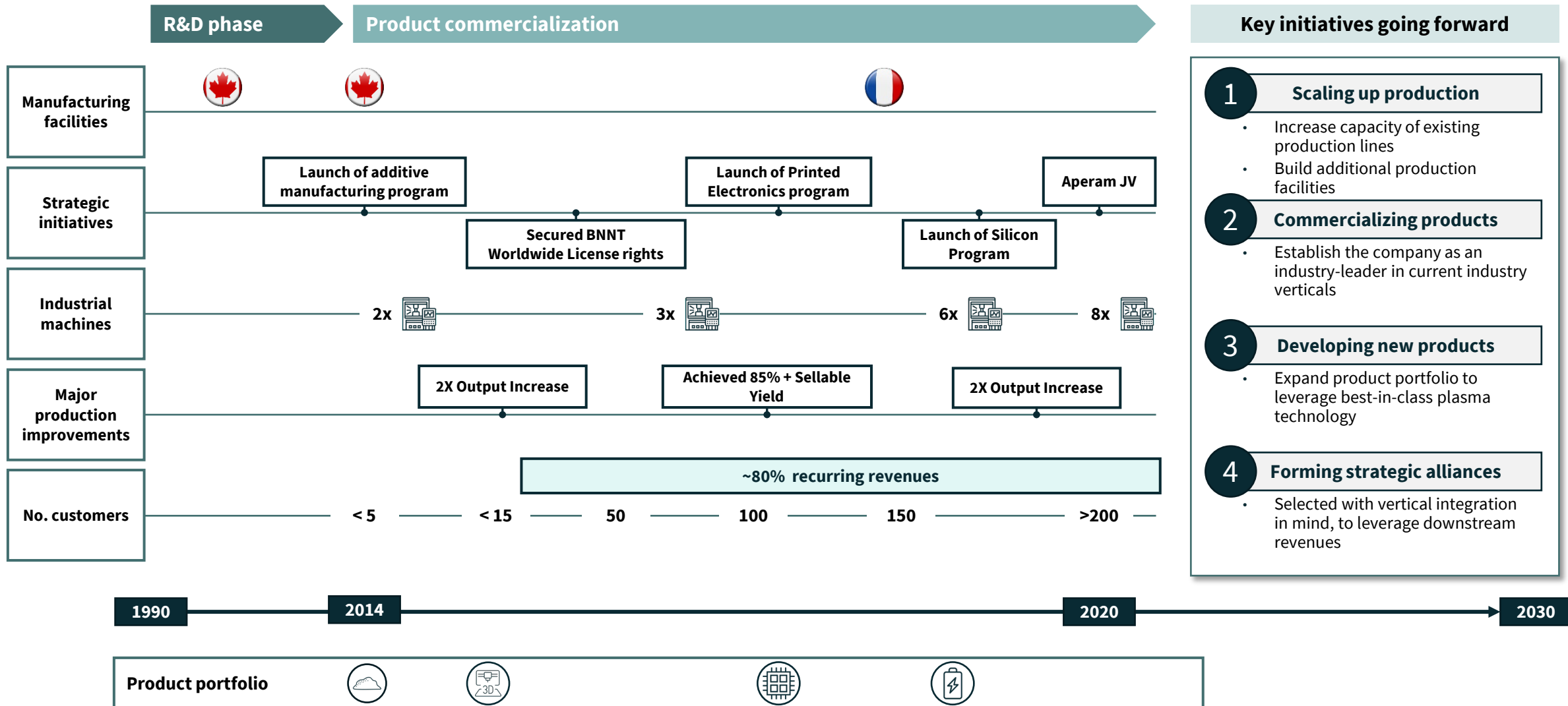


**Tekna's technology starts where others' end**

# Tekna is dedicated to enable sustainable and resource efficient technologies



# Tekna has developed from a R&D company to a world-leading advanced materials supplier

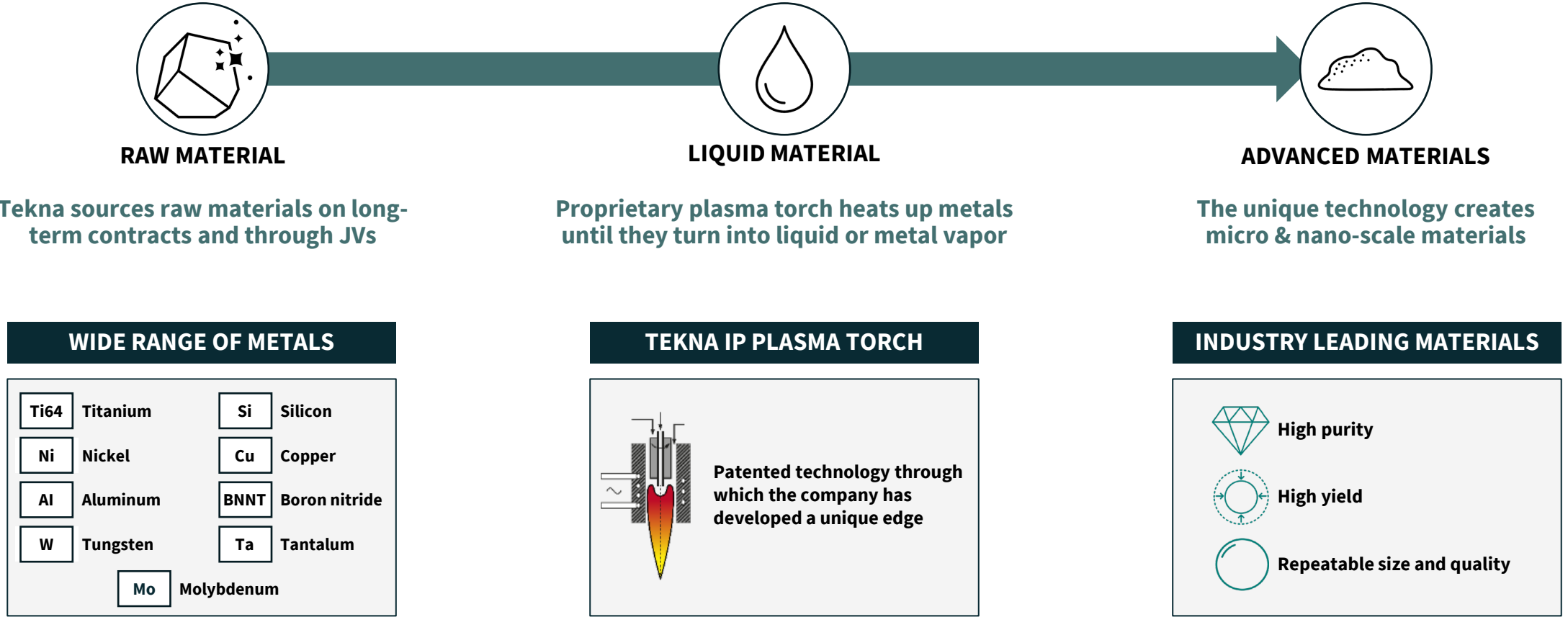




## Technology platform



# Tekna produces the world’s highest quality micro and nano materials



# Technology incubator – building on 30 years of innovation



Photo from Canadian plant showing multiple plasma units in operation

## Strong innovation capabilities, developing world-leading systems

- ✓ **Since 1990**, Tekna has been developing plasma and materials processing, systems engineering and manufacturing
- ✓ Best-in-class research facilities and analytical and chemistry laboratories in Canada and France
- ✓ Driving **continuous technology and manufacturing productivity improvement** (increased powder output rate by 4X and yield of sellable materials from 40% to 85%)
- ✓ The current system facility has **large capacity** and can manufacture up to 20 plasma units per year and could be scaled-up to over 30 units, without significant CAPEX

## Protected by patents and certifications



25  
countries covered



90  
active patents



30  
pending patents



2  
certificates

## Tekna business model relies on two revenue streams with synergistic effects



### Sale of R&D systems

In addition to own R&D, the incubator sells research systems to research institutions as well as OEMs. This makes the incubator self-financed and **enables customers to familiarize themselves with new materials, thereby driving new materials sales**

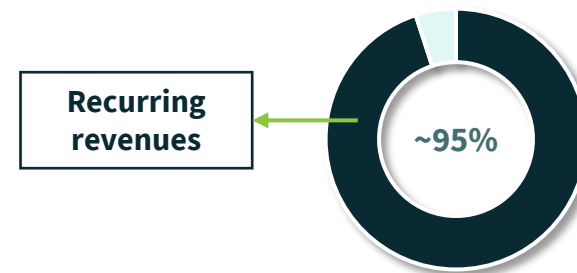


Long-term share of profits



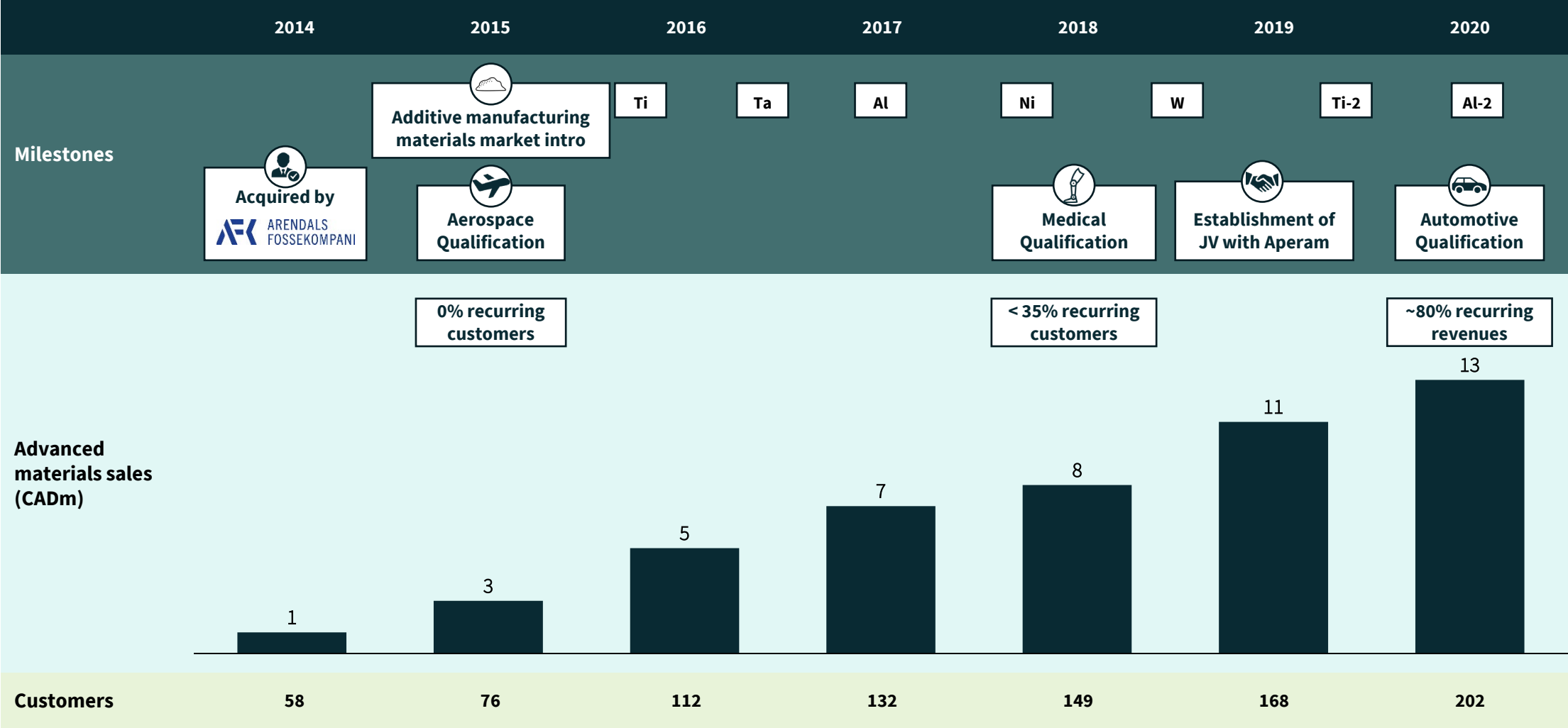
### Sale of advanced materials

Tekna uses proprietary technology to produce world-leading materials. Due to its **superior characteristics and rigorous qualifying processes**, customers become dependent on Tekna, creating **strong customer stickiness**



Long-term share of profits

# Proven track-record of scalability and profitability





# Current industry verticals are leading to a global network of blue-chip customers<sup>1</sup>



1) Current and targeted



## **Tekna's business segments**

# Tekna advanced materials enables products of the future



## ADDITIVE MANUFACTURING

**8%**  
market share

**CAD 13m**  
revenues 2020



**Aerospace**



**Medical**



**Automotive**

**Al**

Aluminum

**Ni**

Nickel

**Ti**

Titanium

**W**

Tungsten

**Ta**

Tantalum



## PRINTED ELECTRONICS

**1 of 2**  
producers of <100 nm materials



**Consumer  
electronics**



**Autonomous  
vehicles**



**5G & IoT**

**Ni**

Nickel nano powder

**Cu**

Copper nano powder

**BNNT**

Boron Nitride nano powder



## ENERGY STORAGE

**Sample deliveries**  
to top-tier battery producers



**Electric vehicles**



**Consumer  
electronics**



**Electric grid**

**Si**











Silicon nano powder

**BNNT**

Boron Nitride nano powder



# Additive Manufacturing is superior for complex, yet light-weight parts

	Traditional milling	Additive manufacturing / 3D printing
Process	 <p><b>Breaks down materials into components</b></p> 	<p><b>Builds up components and complex structures from advanced materials</b></p>  
Characteristics	Pros	Cons
	<ul style="list-style-type: none"> <li>+ <b>Rapid production at large scale</b></li> <li>+ High precision</li> <li>+ Repeatability</li> <li>+ Known technology</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Large amounts of waste</b></li> <li>- <b>Problems with manufacturing complex parts</b></li> <li>- Long turnaround time</li> <li>- Low flexibility</li> </ul>
Best for	Pros	Cons
	<ul style="list-style-type: none"> <li>+ <b>Savings in weight and material</b></li> <li>+ <b>Distributed production</b></li> <li>+ <b>Highly flexible</b></li> <li>+ Nearly unlimited geometric freedom</li> <li>+ Parts consolidation</li> <li>+ Short turnaround time</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Slower process for each part made</b></li> <li>- Limited (but growing) pallet of available material</li> <li>- Technology learning curve</li> </ul>
Best for	Simple parts in high volume	Complex and non-standard parts
	<div> <p><b>Example:</b> Stainless steel gear</p>  </div> <div> <p><b>Example:</b> Bolts</p>  </div> <div> <p><b>Example:</b> Connector plate</p>  </div>	<div> <p><b>Example:</b> Rocket Engine</p>  </div> <div> <p><b>Example:</b> Facial Plating</p>  </div> <div> <p><b>Example:</b> Heat Exchanger</p>  </div>



# Tekna has already commercialized industry-leading materials for additive manufacturing

## Industry and growth drivers

Metal 3D printing adopted by leading OEMs:



**Additive manufacturing is at the heart of the 4.0 industrial revolution.**

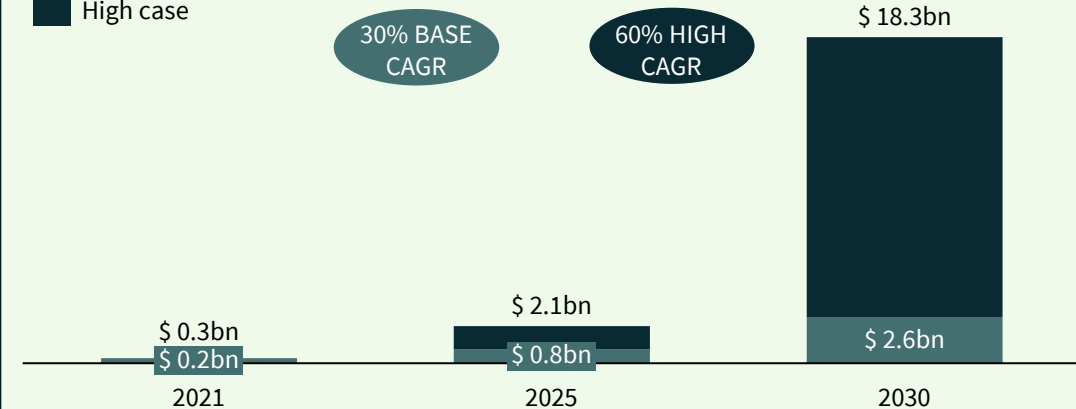
*It is considered the 21st century's best option to re-shore manufacturing operations and to reduce/simplify supply chains*

## Tekna among the TOP 3 suppliers in the industry based on major competitive advantages

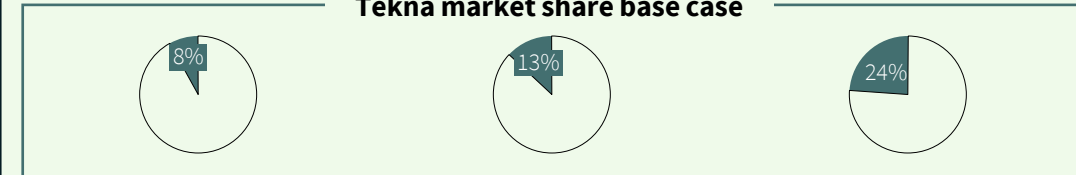
- ✓ **Best advanced materials quality & competitive pricing:** Tekna's unique plasma process
- ✓ **Breadth of material portfolio & global distribution network:** >200 customers with 80% recurring revenues
- ✓ **Autonomous and independent advanced materials supplier:** Manufacturing of own advanced materials production equipment

## Addressable market size (CAD)

Base case  
High case



## Tekna market share base case



## 2 competing technologies: Plasma Atomization (PA) and Gas Atomization (GA)


- PA is the leading technology in terms of quality and market share
- GA is high volume, lower quality technology
- **Tekna is among the world leaders with PA**
- Both are similar in operating cost



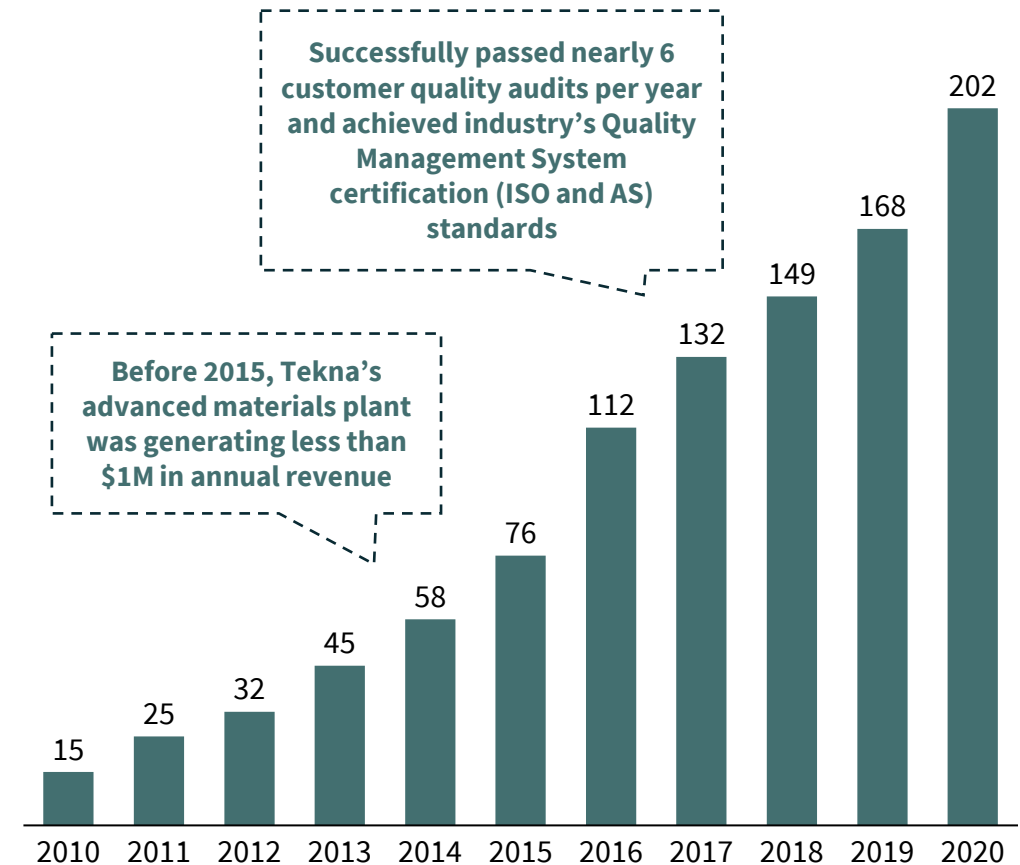
# Additive manufacturing case study depicting superiority of our technology

Tekna's Additive Manufacturing journey tells the story of how Tekna has quickly transformed an R&D innovation into a commercial success

## Example of customer benefits

Customer	Tekna's offering
	Aluminum powders
Customer strategy	Benefits and rationale
Generate at least 50,000 series components and more than 10,000 spare parts annually	"Tekna's powders unique properties allows our customers to <b>increase their printing hourly output by up to 20% while yielding parts with superior mechanical properties</b> "
A single automotive customer could yield annual material sales of up to \$6M CAD <sup>1</sup>	

Number of customers invoiced per year

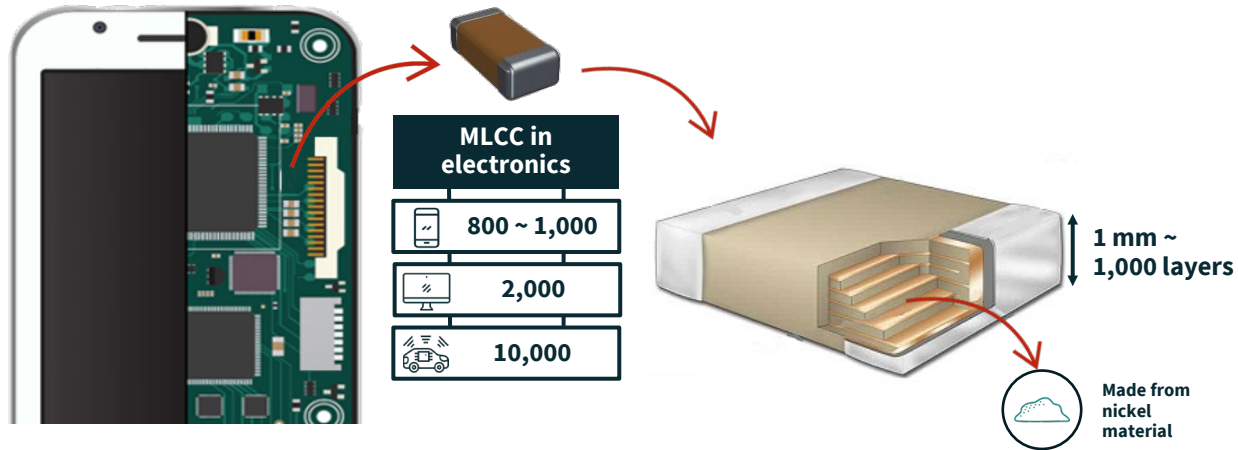


# Tekna has developed a nano material that will be used in next-generation devices

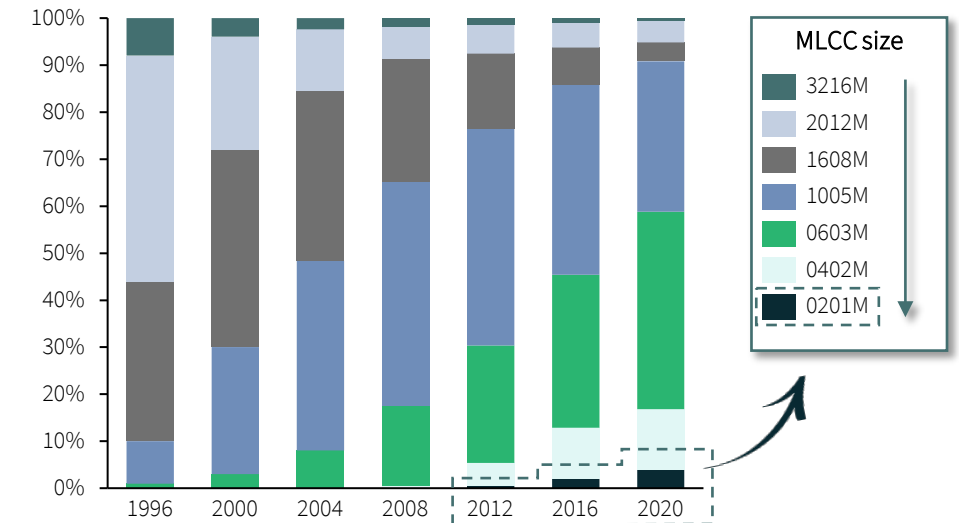
Thousands of MLCCs in everyday devices

Made with extremely fine material

As MLCCs get smaller, Tekna 80 nm material becomes standard



Over 1 trillion MLCCs produced annually



As electronic **devices get increasingly smaller** and more complex, the **size of MLCCs is decreasing**

Historical development is showing how smaller MLCCs are introduced, become standard and then become replaced by even smaller MLCCs



The new emerging standard is 0201M which is smaller than 1 mm. **Tekna produces Nickel nano materials** that are used in the manufacturing of these MLCCs

Based on lifecycle of 0603M, Tekna advanced material has **~20 years of growth ahead**

# Tekna is targeting a 35% market share equaling \$313 M in revenues by 2030

## Industry and growth drivers

The multi-layer ceramic capacitor (MLCC) market is mostly driven by:



**Consumer electronics**



**Autonomous vehicles**



**5G % IoT**

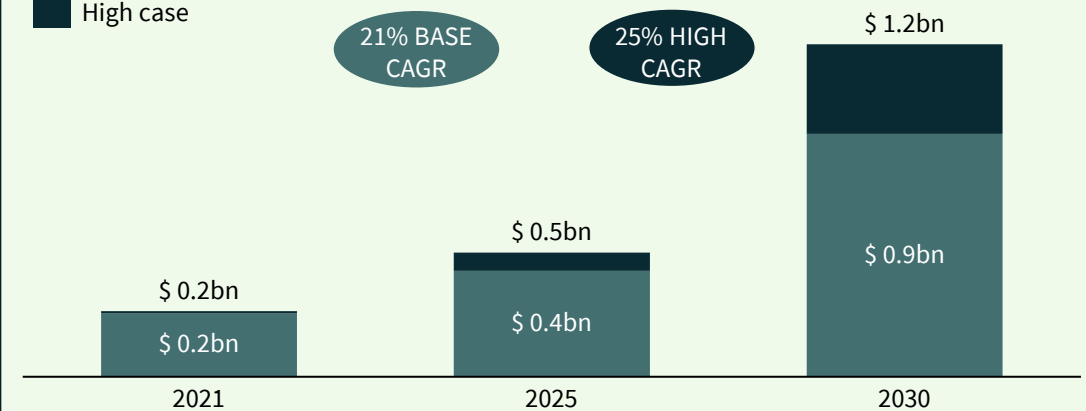
*General trend in 5G compatible devices, IoT and electric vehicles, less impacted by economic downturn and benefiting of economic stimulus.*

## Gaining traction in the industry

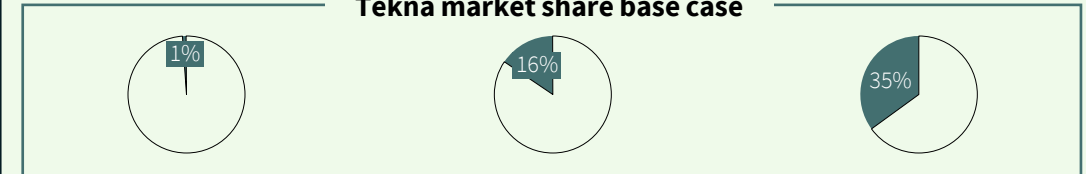
- ✓ **Only one other real competitor and Tekna being the best alternative** because of the ICP plasma yielding ultra small size materials
- ✓ **Advanced material properties and chemical composition can be tailored during production to customer needs**
- ✓ Canadian material source appealing to Korea and China where the largest MLCC producers are located

## Addressable market size (CAD)

Base case  
High case



## Tekna market share base case



## 2 competing technologies: DC Plasma (Shoei Chemical, Guangbo) & ICP Plasma (Tekna)

- DC Plasma process provides a high yield of large materials that are suitable for larger MLCCs (3 mm) and an estimated lower yield (<5%) of small size materials
- Tekna's ICP Plasma provides a high yield (~75%) of small size materials that are suitable for the smallest MLCCs (1 mm) targeted by Tekna

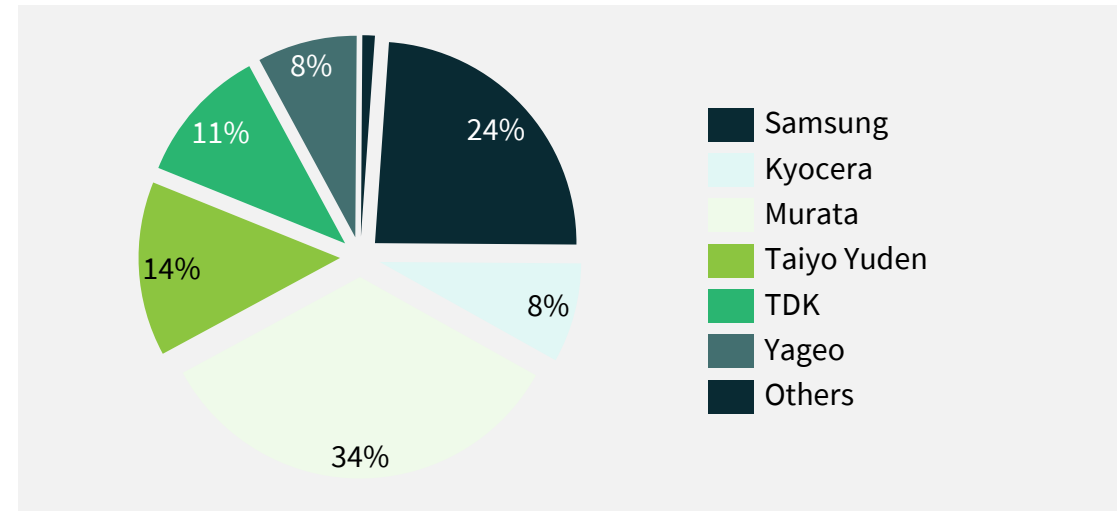


# Tekna's nano materials will be the solution to an undersupplied market

## Tekna will be enabler of next gen MLCCs

- **Legacy processes are reaching physical limits** (yield, size and purity) preventing them from adapting to the market trend of ever smaller devices
- The quality of the materials now required in this industry is at the **sweet spot of Tekna's plasma process** : high yield, higher purity and consistent nano sized materials
- **Tekna is the best available alternative** option in the market
- Canadian material source appealing to Korean and Chinese market

## Tekna has already engaged the largest MLCC producers



## In an almost non-existing competitive environment

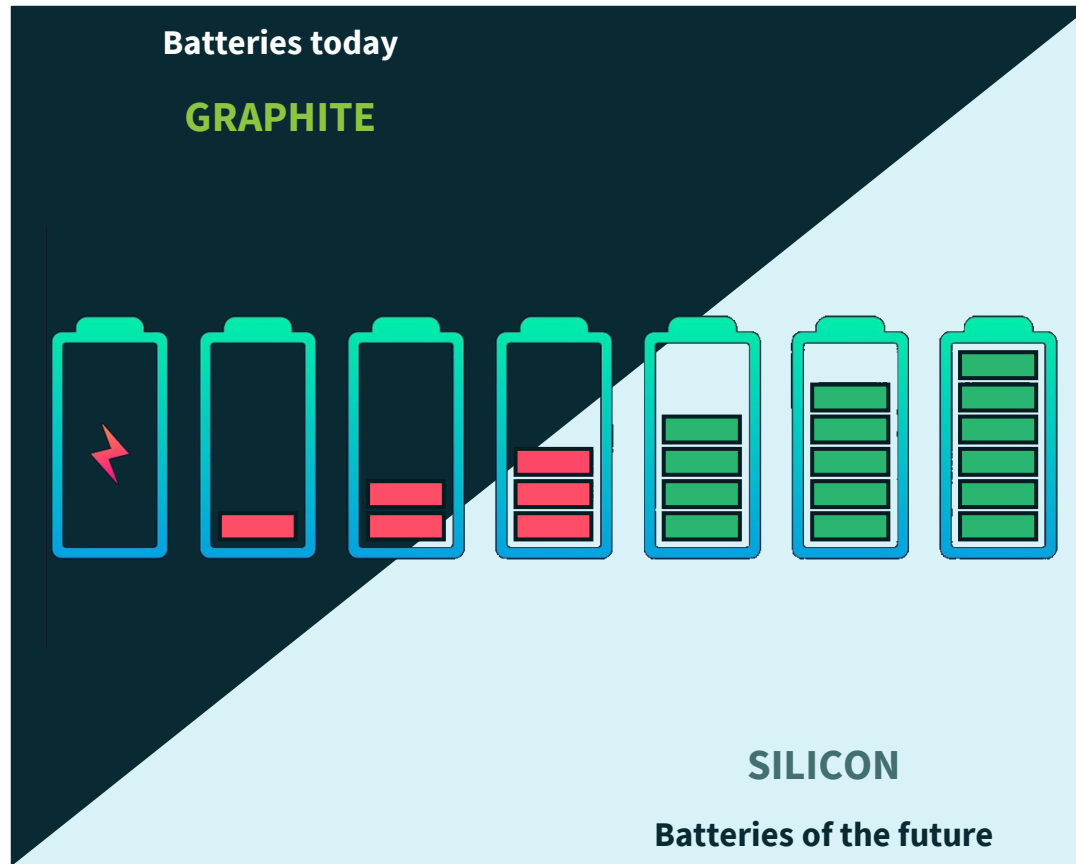


- **There is only one other company qualified to meet the requirements for ever smaller MLCC devices**
- This creates a shortage in both volume and quality

## Customer benefits

**Tekna advanced material properties and chemical composition can be tailored to the customer needs, providing them with the ability to differentiate with their own product on the marketplace**

# Batteries of the future expected to contain nano silicon produced by Tekna



Silicon is the most abundant element in earth's crust after oxygen and will result in **cheaper batteries**



Silicon can hold 12x more energy than graphite which means **higher energy density and longer driving range (EVs)**



Batteries can handle 10x more charging cycles resulting in **longer battery lifetime**



Improved energy density **reduces battery weight**

# Battery market is large and growing due to the electrification of nearly all industries

## Industry and growth drivers

The Lithium-Ion Battery (LiB) market is mostly driven by:



Electric vehicles



Consumer electronics



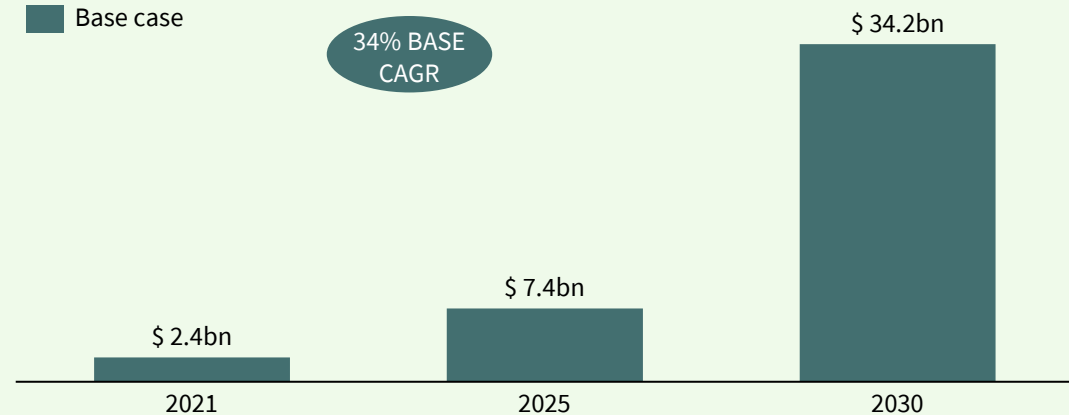
Electric grid

*The growth for Silicon nano materials is the combined result of industry growth and increasing silicon content inside batteries from 3% to 20% by 2030*

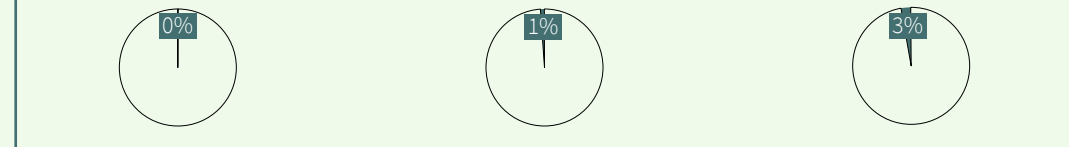
## Competitive advantages of Tekna Silane process

- ✓ **Low-cost** Silicon production process
- ✓ Small particle size **increases the total number of charge cycles** AND **increases the power density** (more current in less time)
- ✓ Small particle size (<100nm) **mitigates current battery expansion issues**
- ✓ Improvement of Lithium-Ion **conductivity**
- ✓ **99,99% purity and controlled (low) oxygen content**

## Addressable market size<sup>1</sup> (CAD)



## Tekna market share base case

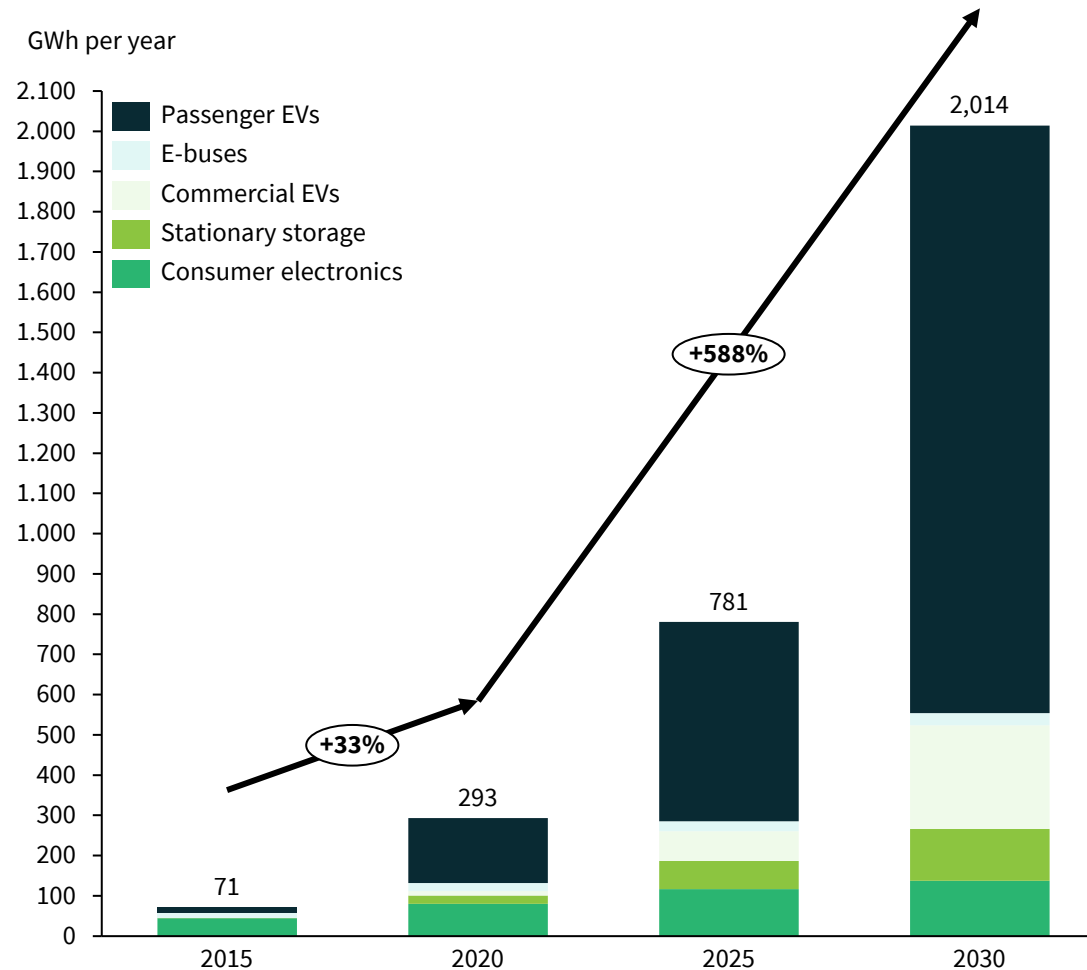


- Large battery manufacturers have recently begun adding **~1% of Silicon** into the anodes of their batteries.
- The increase of Silicon inside anodes will inevitably **require higher purity, smaller size silicon** such as produced from Silane using Tekna's method



# Tekna silicon advanced material enables batteries with superior properties

## Step-change in demand for batteries



## Tekna material enables next generation batteries

### Three methods for manufacturing Silicon

- **Silane (Tekna process):** Expected to become the most used Si source material
- **Milling and crushing:** Dominating method, but battery performance has reached a physical limit with this method
- **Chemical process (Trichlorosilane):** Will continue to be a limited Si source, due to the difficulty in handling and limited availability

### Industry issue

- The Lithium-Ion Battery (LiB) makers **use silicon material** to increase the operating range of batteries
- The **problem** with the current Silicon is **swelling**, its volume expands with the number of cycles and breaks the anodes

### Tekna's solution

- Tekna's plasma process can **produce nano size Silicon** material which has **very little expansion** thus resolving the traditional Silicon material issues
- Tekna **nano size material enables increased concentration** of Silicon material **up to 20%** increasing in turn the operating range of the batteries



## **Business plan and growth ambitions**

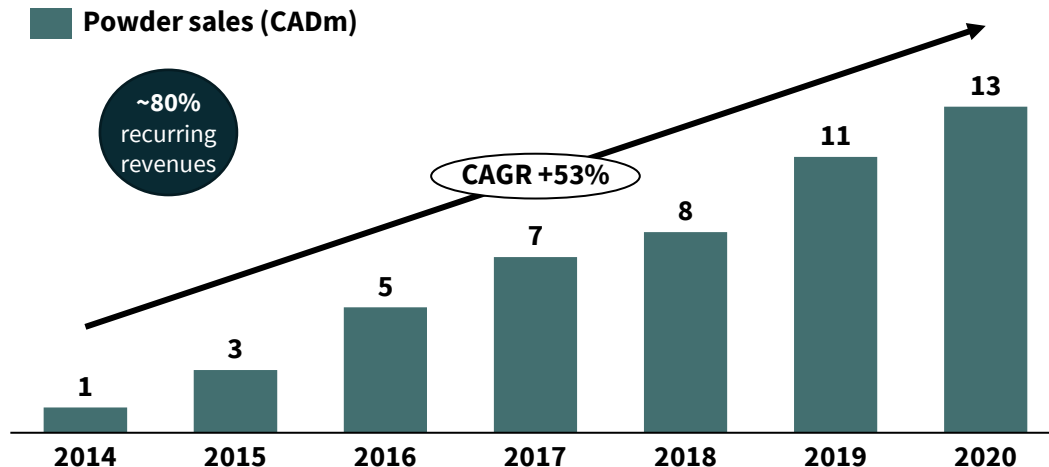


# Tekna is well positioned for growth

## Established organization with world-wide reach

- Tekna has over **200 customers** with **80% recurring sales** of additive manufacturing material
  - Ongoing negotiations of long-term supply agreements with leading OEMs in Aerospace, Medical and Automotive
- Tekna **operates 2 manufacturing centers** located in Canada and in France
- **8 material production systems** are operating **24/7** in these sites today. Up to 7 additional systems can be added (varying with material needs)

## Proven track-record of scalability with recurring sales



1) Including revenues from systems and other verticals Tekna is currently maturing

## Business plan

### Organic growth

- Additive Manufacturing sales will drive Tekna revenues up to \$0.5B by 2030
- The Printed Electronics (PE) and Energy Storage (ES) segments will generate respectively \$0.3B and \$1.0B by the end of the plan

**\$ ~2bn**  
by end of plan<sup>1</sup>

### Strategic alliances

- Establishing strategic alliances, like Tekna's JV with Aperam (Arcelor Mittal) established in 2019, will be key in ensuring a swift and deep penetration of these markets

## Investment requirements

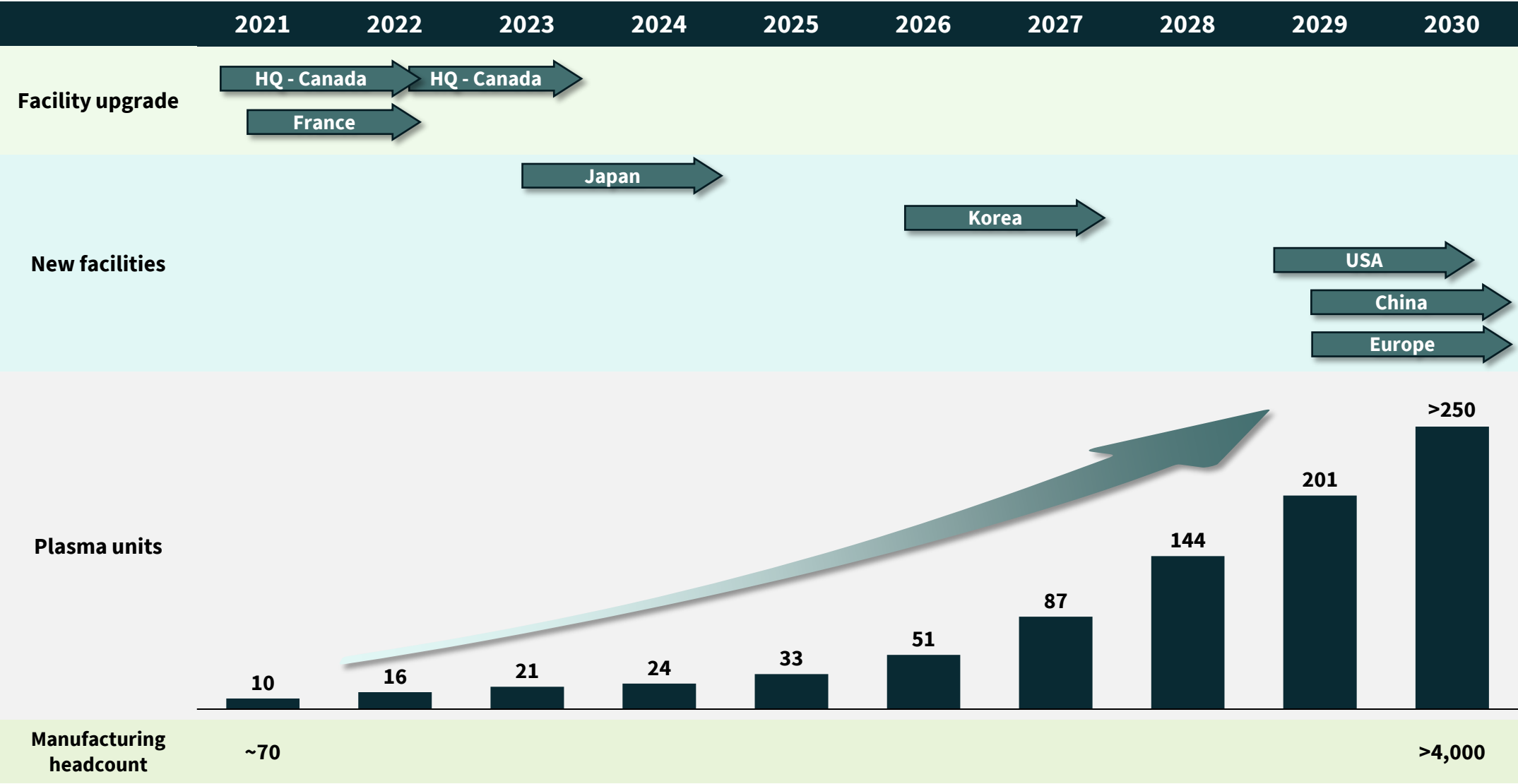
### Manufacturing centers and systems

- Expect to add or expand up to 9 manufacturing centers each having up to 30 systems
- Asian countries are target for printed electronics and energy storage while the additional European site is targeted for energy storage alone

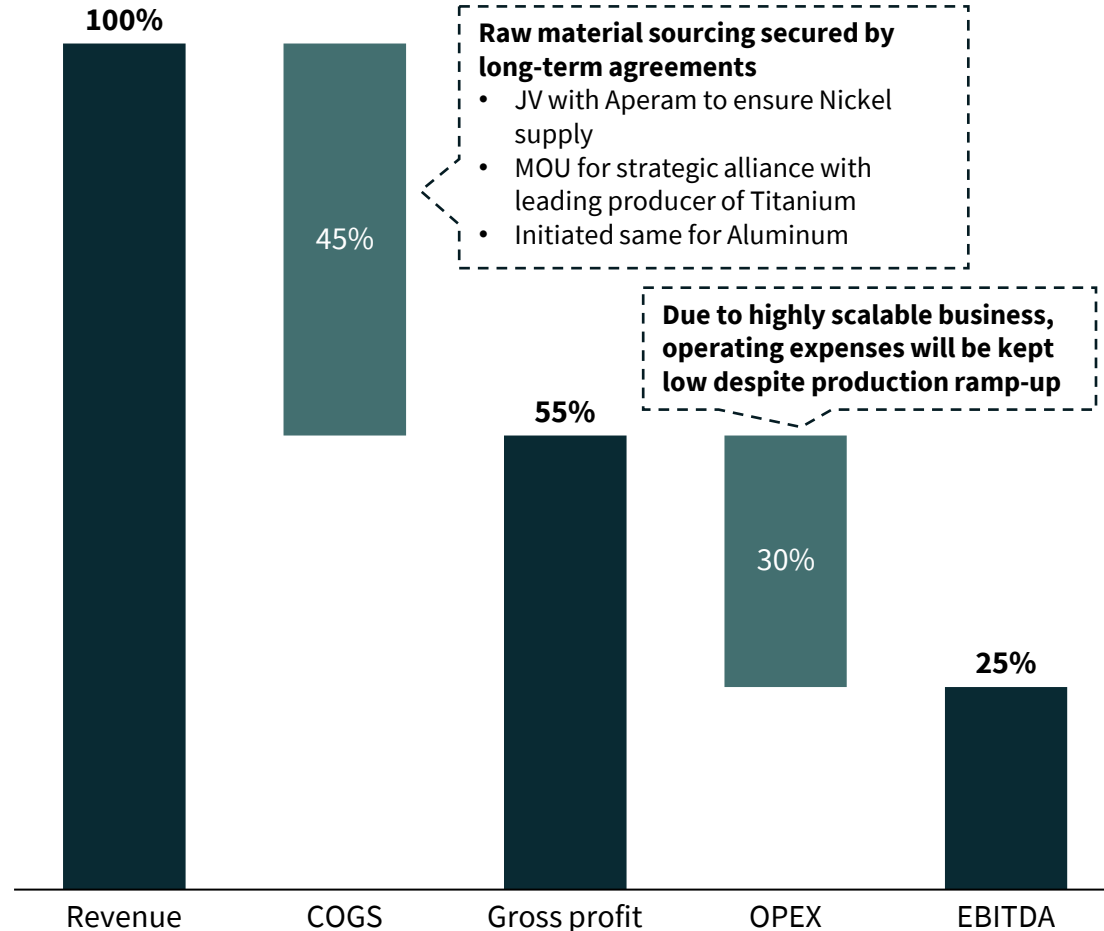
### Systems

- The fabrication of the systems will be conducted at Tekna's current equipment manufacturing plant in Canada which can produce up to 15 systems per year

Tekna has defined a detailed yet flexible roll-out plan towards 2030



# High profitability and limited CAPEX requirements lead to short payback time



## Plasma unit economics (CAD)

**<\$ 60m**  
CAPEX per  
facility with  
~20 units

**\$ ~3m**  
CAPEX per  
plasma unit

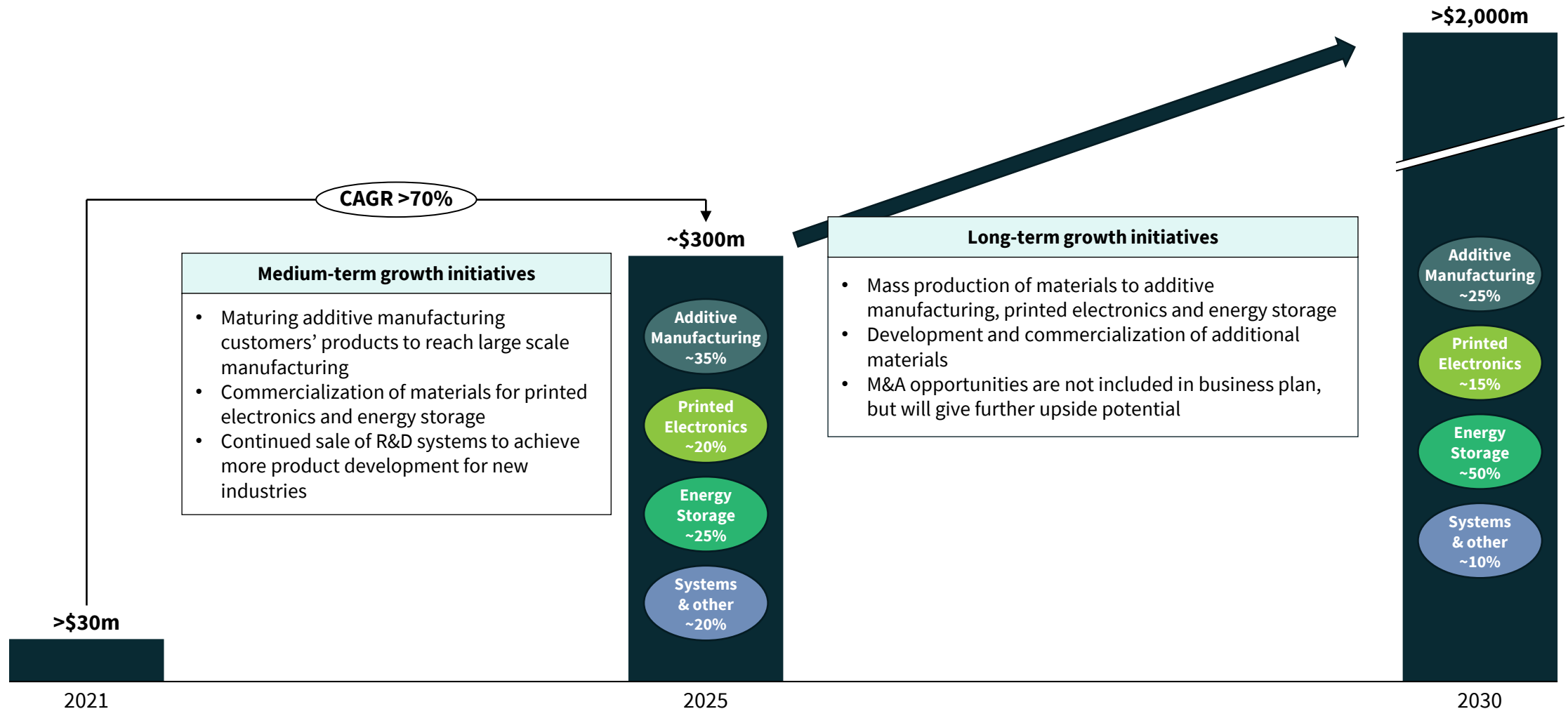
**\$ 7-8m**  
Revenues per  
plasma unit @  
100% capacity<sup>1</sup>

**<2 year<sup>2</sup>**  
Unit payback  
time @ 25%  
EBITDA margin

1) Practical capacity indicating 24/7 operations and planned maintenance

2) Based on pre-tax profits and 100% capacity utilization

# Industrial scale and optimized production enabling strong growth in Tekna's profitability



Note: numbers in CAD. Further details and guidance for Tekna provided in appendix on slide 36

## Key investment highlights



1

Megatrends accelerating demand for high-quality micro and nano materials

2

IP protected plasma technology driving disruptive manufacturing change

3

Proven and commercialized technology with >200 blue-chip customers

4

Scalable, recurring and sticky business model with low CAPEX requirements

5

Increasing market share and accelerating adoption drives strong revenue growth



# Appendix



# Key performance indicators and financial targets

Metric	2021	Mid-to-long term ambition	Comments
Revenue growth	<ul style="list-style-type: none"> <li>Reach CAD 22 m run-rate material sales during 2021</li> </ul>	40-50% organic revenue growth per year	<ul style="list-style-type: none"> <li>Consecutive growth acceleration from AM and PE midterm &gt;50% and towards end of decade ES &gt;60%</li> </ul>
Business mix	~50% AM, ~35% SY, ~15% other	<p>Mid-term: ~30% AM, ~20% PE, ~25% ES ~15% SY + other</p> <p>Long-term: ~50% ES, ~25% AM, ~15% PE, ~10% SY + other</p>	<ul style="list-style-type: none"> <li>AM will be the main revenue stream, eventually taken over by ES from 2028</li> </ul>
Operational EBITDA margin <sup>1</sup>	Negative	Towards 25% mid- and long-term	<ul style="list-style-type: none"> <li>Significant scalability <b>with &gt;50% gross</b> margins (Revenue – COGS)</li> <li>Increasing number of systems per plant will increase operational performance</li> </ul>
R&D	<ul style="list-style-type: none"> <li>5% of revenues near-term trending towards 3% mid- to long-term</li> </ul>		<ul style="list-style-type: none"> <li>Financial model for R&amp;D was drafted according to (Canadian) GAAP rules.</li> <li>Future budgets will account for R&amp;D in accordance with IFRS</li> </ul>
Growth capex	Expansion within existing facilities	<p>Targeting 30+ plasma units in operation by 2025,</p> <p>250+ plasma units in operation by 2030</p>	<ul style="list-style-type: none"> <li>Capex per plasma unit of approx. CAD 3 m (all-in pre &amp; post-processing) – capex per manufacturing center of approx. CAD 60 m for 20 plasma unit capacity</li> <li>System and Process efficiency improvements over time will increase sellable yield and revenue per system levelling out by 2025</li> </ul>
Other capex	Maintenance capex <1% of revenues		<ul style="list-style-type: none"> <li>Asset-light business - only moderate maintenance capex</li> </ul>
Capital structure	<ul style="list-style-type: none"> <li>Post transaction Tekna will be equity financed and well-positioned for organic growth and M&amp;A.</li> </ul>		
Dividend	<ul style="list-style-type: none"> <li>Earnings will be reinvested in organic and inorganic growth initiatives mid-term to secure long-term profitability</li> <li>Strong cash flows expected mid- to long-term, enabling dividends</li> </ul>		
Tax rate	<ul style="list-style-type: none"> <li>In line with the Canadian corporate tax rate of 30% from approx. 2023 and onwards – carried forward losses may push this out further</li> </ul>		

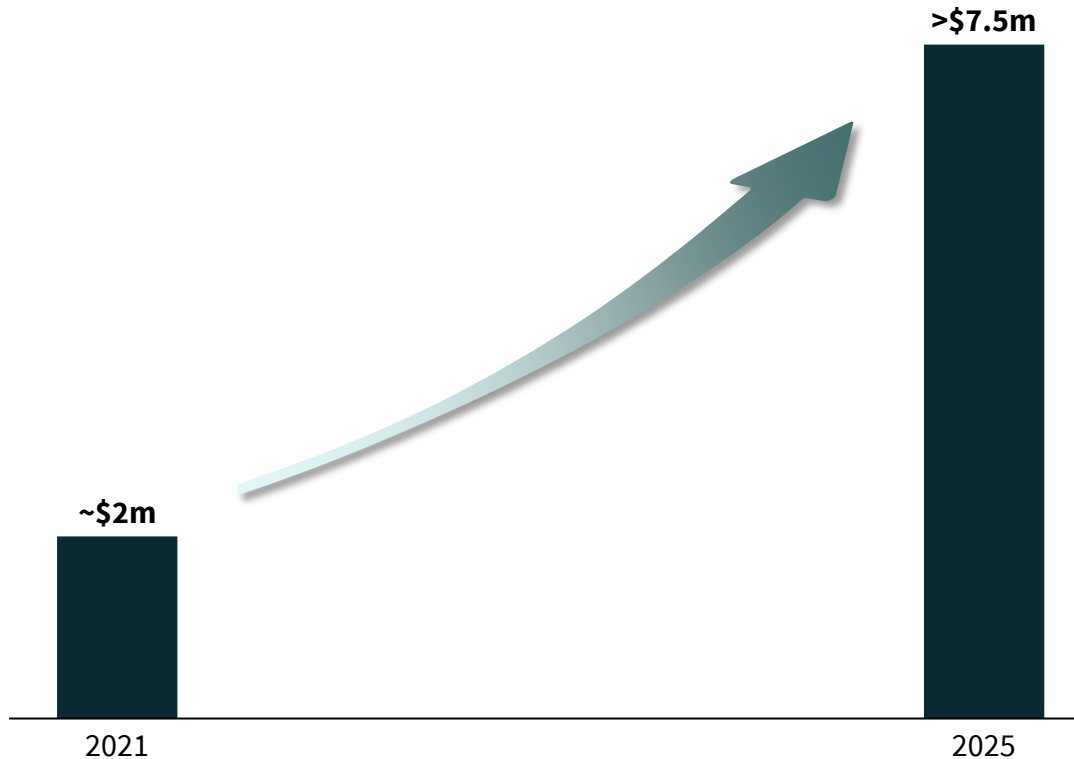
1) Operational EBITDA margin excludes R&D.

Note: AM: Additive Manufacturing, PE: Printed Electronics, ES: Energy Storage, SY: Systems

# Scaling up operations to cope with future demand

## Strong plasma unit revenue growth expected...

Revenue per plasma unit (CAD)



## ...driven by significant efficiency gains



Increased number of plasma units allowing for higher capacity utilization while still being able to serve sudden spikes in demand



Continuous improvement journey in terms of atomization process:

- Feed rate
- Yield
- Particle size distribution
- OEE
- Post-processing improvements

## Group P&L and KPIs

Key metrics (CADm)	2018	2019	2020
<b>Revenue</b>	<b>22.9</b>	<b>21.4</b>	<b>26.2</b>
<i>Growth (%)</i>	17.7%	-6.6%	22.2%
COGS	12.2	10.9	9.7
<b>Gross profit</b>	<b>10.7</b>	<b>10.5</b>	<b>16.5</b>
<i>Gross margin (%)</i>	47%	49%	63%
Personnel expenses	9.8	9.9	12.2
Other OPEX	4.4	4.2	2.9
<b>EBITDA</b>	<b>-3.5</b>	<b>-3.6</b>	<b>1.4</b>
<i>EBITDA margin (%)</i>	-15%	-17%	5%
Depreciation and amortisation	4.4	4.9	4.9
<b>EBIT</b>	<b>-7.8</b>	<b>-8.6</b>	<b>-3.5</b>
<i>EBIT margin (%)</i>	-34%	-40%	-13%

### Key KPIs

Materials revenue (% of revenue)	35%	55%	59%
Recurring materials revenue (% of total materials revenue)	63%	79%	80%
Number of installed plasma units	6	6	8
Number of invoiced customers	149	168	202

### Commentary

- Revenue growth 2020 mainly driven by new customers and increased powder sales
  - Limited impact from Covid-19 with good order intake in 2<sup>nd</sup> half of 2020 for powders
  - Growth driven by accelerated OEM transition from product qualification to industrial production scale
  - Commercial trade tensions between NA and China slowed down the Systems revenues
- 2020 revenues includes a non-recurring gain of CAD 2.7m, in the form of grants for Covid mitigation and a further CAD 1.6m of commercial rights recharged to JV Imphytek Powders
- Significant improvement of profitability from 2019 to 2020. EBITDA positive in 2020
  - Accounting of direct labor was in 2020 moved from COGS to personnel expenses. This is in line with accounting principles going forward

## Pro-forma balance sheet

Assets (CADm)	31. Dec 2018	31. Dec 2019	31. Dec 2020
Property plant and equipment	17	15	18
Intangible assets	13	12	8
Other investments	3	4	4
Deferred tax assets	0	1	0
<b>Total non-current assets</b>	<b>34</b>	<b>32</b>	<b>31</b>
Inventories	10	12	12
Trade and other receivables	5	4	7
Contract assets	0	2	1
Intercompany loan (short term)	0	0	0
Cash and cash equivalents	3	2	3
<b>Total current assets</b>	<b>18</b>	<b>18</b>	<b>22</b>
<b>Total assets</b>	<b>52</b>	<b>50</b>	<b>53</b>

Equity & liabilities (CADm)	31. Dec 2018	31. Dec 2019	31. Dec 2020 <sup>1</sup>
Share capital	0	0	0
Other paid in capital	33	33	53
Retained earnings	-19	-27	-34
<b>Total equity</b>	<b>14</b>	<b>6</b>	<b>19</b>
Loans and borrowings	3	3	4
Lease liability (IFRS 16) non-current	0	1	0
Deferred tax liabilities	3	2	0
Intercompany borrowings (long term)	23	33	20
<b>Total non-current liabilities</b>	<b>29</b>	<b>39</b>	<b>25</b>
Borrowings (Current part)	1	0	1
Lease liability (IFRS 16) current	0	0	0
Trade and other payables including derivatives	5	2	4
Contract liabilities	0	0	2
Intercompany borrowings (short term)	0	0	0
Other current liabilities	2	1	2
<b>Total current liabilities</b>	<b>9</b>	<b>5</b>	<b>9</b>
<b>Total equity and liabilities</b>	<b>52</b>	<b>50</b>	<b>53</b>

Note: According to IFRS, the JV with Aperam is not considered a subsidiary but a co-enterprise. The JV is based on a 50%-50% control with Aperam. Tolling revenues, charge for services and Tekna's proportionate share of the JVs profit or loss will be reflected in Tekna's consolidated financial statements. Tekna assumes that both partners will need to finance the operations of the JV at 50%-50% between Tekna and Aperam. A proportion of such loans are assumed to be converted to capital stock during the first years.

1) Please find net debt calculation on next slide with a footnote on proforma net debt at the time of the IPO



## Net working capital and net debt breakdown

Net working capital (CADm)	31. Dec 2018	31. Dec 2019	31. Dec 2020
Inventories	10	12	12
Trade and other receivables	5	4	7
Contract assets	0	2	1
<b>Total current assets - WC</b>	<b>15</b>	<b>17</b>	<b>20</b>
Trade and other payables including derivatives	-5	-2	-4
Contract liabilities	0	0	-2
Other current liabilities	-2	-1	-2
<b>Total current liabilities - WC</b>	<b>-7</b>	<b>-4</b>	<b>-8</b>
<b>Pro forma net assets - WC</b>	<b>8</b>	<b>12</b>	<b>11</b>

Net cash / net debt (CADm) <sup>1</sup>	31. Dec 2018	31. Dec 2019	31. Dec 2020
Other investments	3	4	4
<b>Total non-current assets - net debt</b>	<b>3</b>	<b>4</b>	<b>4</b>
Intercompany loan (short term)	0	0	0
Cash and cash equivalents	3	2	3
<b>Total current assets - net debt</b>	<b>3</b>	<b>2</b>	<b>3</b>
Loans and borrowings	-3	-3	-4
Lease liability (IFRS 16) non-current	0	-1	0
Intercompany borrowings (long term)	-23	-33	-20
<b>Total Long-term debt - net debt</b>	<b>-25</b>	<b>-37</b>	<b>-25</b>
Borrowings (Current part)	-1	0	-1
Lease liability (IFRS 16) current	0	0	0
Intercompany borrowings (short term)	0	0	0
<b>Total short-term debt - net debt</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>
<b>Pro forma - net debt</b>	<b>-21</b>	<b>-32</b>	<b>-19</b>

1) Proforma Net Debt at the time of IPO is CAD 47.8m

## Tekna's technology is unlocking future potential business segments



### Orbital aerospace simulation

- Since 2010, Tekna has developed **a comprehensive and unique line of products** (Tektron5, 5S) aimed at supporting OEMs and government agencies in the simulation and testing of orbital, sub-orbital and atmospheric flight transition conditions
- Tekna also provides a number of refractory material options that are **designed to improve thermal and wear resistance** to spacecraft operating under severe conditions such as those encountered during atmosphere re-entry
- Based on historical sales, this line of products has a potential of **delivering over \$250 MCAD in revenues** over the next 10 years with an **average contribution margin of 65%**



### Waste treatment

- Tekna's sustainable waste treatment solution is based on the same plasma technology used to produce materials for additive manufacturing purposes.
- The technology offers a **unique solution for destruction off hazardous wastes, such as medicals and plastics**
- The process of plasma gasification can be used for recovery of metals that later can be reused

# Tekna Canada is lead by an expert team with strong support from experienced board

## Management team



**Luc Dionne**  
CEO

- Experience as Chairman of the board for Tekna international and subsidiaries, and various director positions incl. at IBM Microelectronics
- Degree in Mechanical Engineering and Aeronautics



**Serge Blackburn**  
CFO

- Experience in varying financial roles at Tech. companies
- Chartered Professional accountant (CPA, CA)
- B.A.A. in Accounting and Finance, B.Sc. in Microbiology



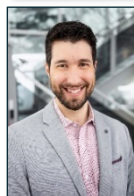
**Rémy Pontone**  
VP Sales & Marketing

- Experience in Business Development, sales and marketing
- Degree in Chemical Engineering and Ceramic Engineering



**Arina van Oost**  
VP Corporate Strategic Development & Innovation

- 13 years of full P&L Responsibility in various countries and businesses
- Experience with raw material supply Aerospace OEMs
- eMBA and B.Sc. in International Management



**Etienne Villeneuve**  
VP Operations

- Experience in variety of leadership roles in Operations in Quality Regulated Businesses in pharmaceutical and nutraceutical industries
- Degree in Mechanical Engineering



## Board of directors



**Morten Henriksen**  
Chair of the Board and EVP at AFK

- Various board memberships and experience from AFK, Kongsberg group, Nexans, Statkraft, Norconsult, EFD Induction and Volue
- M.Sc. Electric power, NTNU



**Torkil Mogstad**  
Board Member and EVP at AFK

- 25 years in management, business development and consulting
- Master in Nuclear Engineering / Applied Plasma Physics (MIT) Master degrees in Chem. Engineering and Business Administration



**James Potter**  
Director – Derwent Interim Supply Chain Ltd

- 30 year in high technology engineering companies and supply chain development, including additive manufacturing
- BEng (Hons) in Aerospace Engineering, MSc in Aerospace Management



**Xavier Kato**  
Investment Director I&T at Investissement Québec

- 20 years in M&A, venture capital and private equity internationally
- Various board memberships, currently APN Inc, NSE Automatech
- Master's degree in corporate finance



# Tekna Holding

## Management team



**Morten Henriksen**  
CEO Tekna Holding and EVP at AFK

- Various board memberships and experience from AFK, Kongsberg group, Nexans, Statkraft, Norconsult, EFD Induction and Volue
- M.Sc. Electric power, NTNU



## Board of directors



**Ørjan Svanevik**  
Chair of the Board and CEO at AFK

- CEO at Arendals Fossekompagni ASA
- Previous COO in Seatankers, Head of M&A at Aker and COO in Kværner
- MBA Thunderbird School of Global Management



**Lars Peder Fensli**  
Board member and CFO at AFK

- Experience from Volue (Markedskraft), PwC Consulting, Axellus (Orkla Health) and Lilleborg
- M.Sc. Business Administration, NHH



**Torkil Mogstad**  
Board member and EVP at AFK

- 25 years in management, business development and consulting
- Master in Nuclear Engineering / Applied Plasma Physics (MIT) Master degrees in Chem. Engineering and Business Administration



# Organizational chart

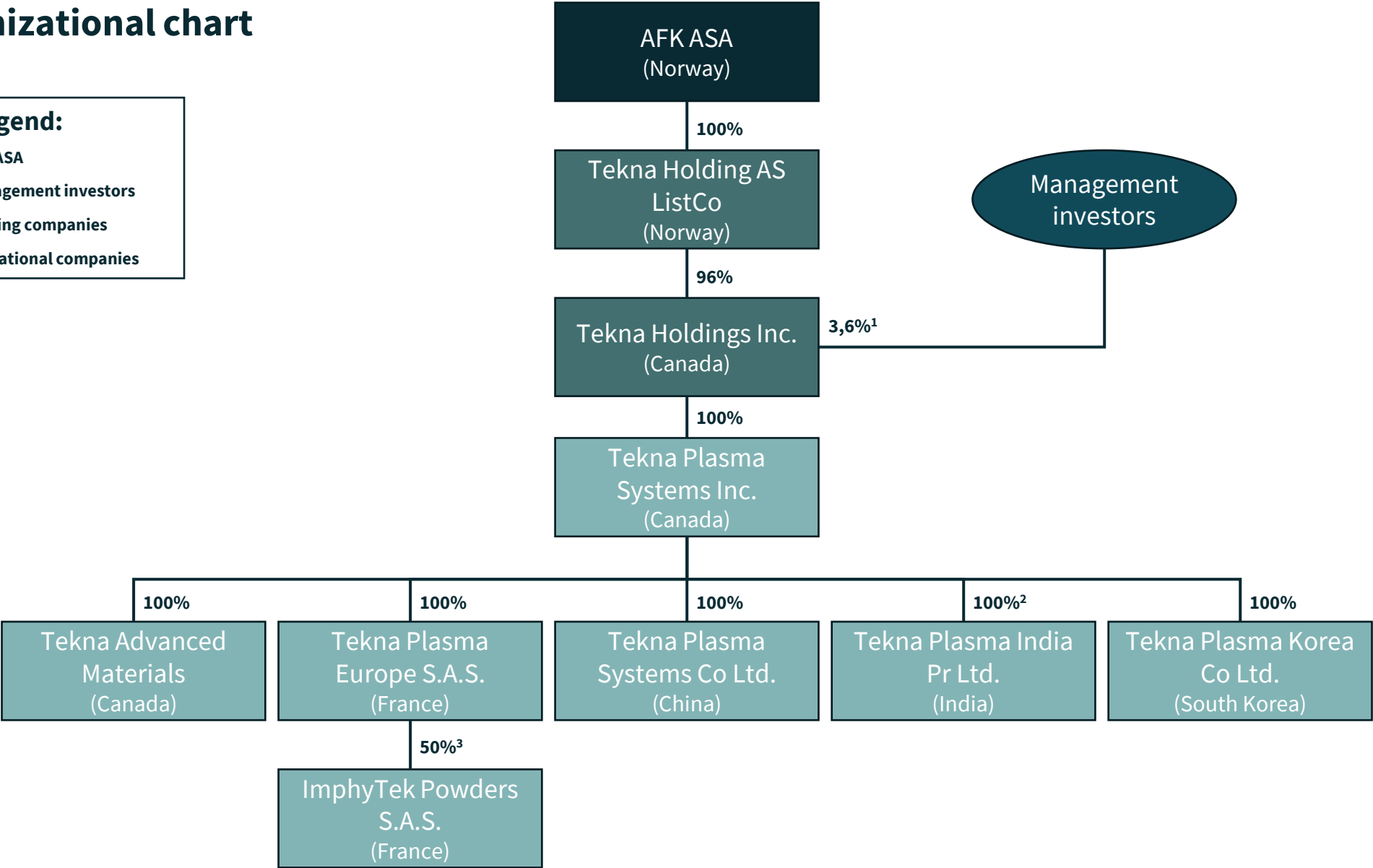
**Chart legend:**

AFK ASA

Management investors

Holding companies

Operational companies



1) Through employee share purchase program as described on slide 45  
2) Currently under liquidation  
3) Through joint venture



## Employee share repurchase plan

On 18 February 2021, Tekna Holdings Canada Inc. ("Tekna Canada") established an employee share purchase plan for certain qualified employees of Tekna (the "Plan"). Under the Plan, the qualified employees may purchase Class B Common Shares in the share capital of Tekna Canada. The Class B Common Shares do not grant the holder of such shares any voting right. However, the holders of the Class B Common Shares are entitled to receive distribution on all return of capital (incl. dividends) declared by Tekna Canada, on a pro rata basis on all the issued and outstanding shares in Tekna Canada. The Class B Common Shares may be subscribed by the Participants, if authorized and approved by the Board, in its sole discretion, at a price per Share their Fair Market Value, minus a discount for lack of marketability which is equal to 20% of the Fair Market Value.

Shares representing not more than 4% of all issued and outstanding shares of Tekna Canada are available for issue under the Plan, and at the date hereof shares representing 3.5% of the issued and outstanding shares have been issued to employees under the Plan. The Plan furthermore provides that Tekna may loan the employees the subscription amount payable under the Plan, and loan agreement has been entered into with all participating employees in this respect.

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

# Risk factors

Below is a further description of the risk factors summarized on page 3-4 that are relevant for the Group's business and the industry in which it operates, as well as the shares and the admission to trading on Euronext Growth Oslo. Reference is made to the general information about the risk factors on page 3 which consequently applies for the description set forth below. If any of the risks described herein were to materialise, individually, jointly or together with other circumstances, it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects, which may cause a decline in the value of the shares that could result in a loss of all or part of any investment in the shares.

## 1. Risks relating to the Group's business and the industry in which it operates

### *The Group's business operations have been and will continue to be affected by general economic and political conditions in the markets in which it operates*

The Group produces spherical powders and nanopowders, 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 centers in Canada and France, as well as sales and distribution offices in China and South Korea.

As of the date of this Information Document, the outlook for the world economy remains subject to uncertainty. Downturns in general economic conditions, whether globally or in the specific regional and/or end markets segments in which the Group operates, can result in reduced demand for, and lower prices of, the Group's plasma systems and powders, which could have a material negative impact on the Group's revenues, profitability and growth prospects. Furthermore, downturns in general economic conditions may affect the customers' income, capital and liquidity, which in turn could affect the customers' payment ability for the Group's systems and powders. Factors relating to general economic conditions, such as business and customer confidence, employment trends, business investment, government spending, inflation, volatility and strength of both debt and equity markets, may all affect the prices and demand for the Group's systems and products, and thereby affect the revenue, profitability and financial condition of the Group. Furthermore, political conditions may affect the global powder market in general. For example, laws and regulations may be implemented which could result in increased costs for the Group in order to operate within the global powder market or impose restrictions on the Group's business operations or could affect the demand or need for the Group's systems and products, and political changes may impact the prices in the market and result in fluctuations in the market which could affect the Group's operations. Furthermore, the ongoing outbreak of Covid-19 has had a significant negative impact on global trade and economic activity, and it is difficult to predict the continued impact it will have on the world economy going forward. The outbreak of Covid-19 has led to governmental shutdowns of cities, borders and companies to close business operations. The impact of these restrictions and potential further restrictions on the Group are difficult to predict, but they have had and are likely to continue to have a negative effect on the general economy, and this may in turn have negative consequences for the Group's business. The outbreak of Covid-19 may cause disruptions in the Group's value chain, for example in regards of delays or cancellations in supply from the Group's suppliers, and may result in decline in sales of the Group's systems and powders. Furthermore, Covid-19 measures implemented in jurisdictions in which the Group operates or delivers its products may impact its operations, such as in relation to logistics and transportation of its products. Many of the risks related to general economic and political conditions are outside of the Group's control, and the Group may not be able to predict the exact nature of all the risks and uncertainties that it faces as a result of the current economic and political conditions, as well as economic and political outlook in the markets in which it operates. If any of these risks or related risks materialise, it could have a material adverse effect on the Group's business, financial position and profits.

### *The Group operates in a highly competitive market*

The global powder market is highly competitive, and some of the Group's competitors are large, sophisticated and well-capitalised technology companies that may have greater financial, technical and marketing resources than the Group. Furthermore, these competitors may have larger research and development expenditures, and thereby, have a greater ability to fund powder and system research and can respond more quickly to new or emerging technologies or trends in the powder market or changes in customer demands. Increased competition in the market could result in price reductions, loss of market share, reduced margins and fewer customer orders. The focus on developments in plasma technology may also result in new competitors in the powder market, and thereby increased levels of competition in the market segments in which the Group operates. Increased demand in the powder market for innovative systems and new or developed powders may also encourage new competitors to enter the market, including start-ups and other companies that may target only a certain product range, industry or a limited geographic area. There can be no assurance that the Group's plasma systems and powders will continue to compete successfully against current or new entrants on the market. Any failure by the Group to compete successfully against current or new competitors could have a material adverse effect on the Group's business, financial position and profits.

# Risk factors

*The Group's business is subject to several risks relating to its intellectual property rights, including the risk of the Group infringing upon third party intellectual property rights and the risk of the Group's intellectual property rights being infringed upon by others*

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

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

The Group's operating and development activities involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge cannot eliminate. Major expenses may be required to protect its intellectual property, develop plasma technology processes and systems, as well as production of metal powders at its manufacturing centres. The Group may experience practical or technical problems in its manufacturing centres in the operation of advanced plasma technology systems and equipment. Break down of vital equipment may lead to prolonged outage or shutdowns of its manufacturing centres. This could substantially increase production costs and/or result in production shortfall. The Group's inability to efficiently produce its metal powders and deliver plasma technology systems in a cost effective and timely manner, and with a quality that it anticipates and which is required under the Group's customer agreements, could adversely affect the sale ability of the products and systems. In case these risks materialise, the Group may not be able to realize the anticipated premiums or may even be required to apply discounts to its prices or its customers may reject the product and systems. There can be no assurance that the Group will be successful in developing plasma technology processes and systems, and its production activities in general.

The Group is subject to risks related to handling the powder. Some of the powders in which the Group manufactures are pyrophoric, and any accident or error in the Group's systems, technology and manufacturing process, leading such powders to ignite, could significantly harm the Group's employees involved in the manufacturing process, as well as harm the manufacturing centres. Such incidents could also result in a material disruption in the Group's business operations and significant liability for the Group. Packaging and transport of the powders are subject to detailed regulation, and the construction and fire safety of the manufacturing centre where the powders are manufactures are also regulated. Any breach by the Group of these regulations could result in liability and fines.

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

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

The Group's future success is dependent on its ability to continue to improve and develop powders and plasma systems. Any failure in improving existing products and systems or developing new products and systems may have a material adverse effect on the Group's financial position. Although the Group invests, and expects to continue to invest in the future, significant resources on its research and development operations, and the general improvement and development of its plasma systems and powders, there can be no assurance that new or improved systems or products will be successfully completed, or if developed, will achieve significant market acceptance. If the Group is not able to respond effectively to technological changes or emerging industry standards, it could have a material adverse effect on the Group's business, financial position and profits. Furthermore, there can be no assurance that the Group will be successful in introducing new plasma technology or improved plasma systems to the global powder market in line with ongoing market trends or changes in customer demand. For example, in times of downturns in the powder market, there is a risk that the consumer demand for the Group's products and systems will decrease. If the Group introduces new products and systems at such times, there is a risk that the Group will suffer economic loss due to reduced sales. Furthermore, if the Group fails to introduce new products or systems in response to competitors' offerings, there is a risk that the Group may lose its competitive advantage and experience loss of market share. Moreover, the Group may allocate resources to the development of new plasma technology and new plasma systems that ultimately never come to market or that never gain market acceptance. Furthermore, the Group's business depends upon the strength of its brand. A critical component of the Group's future growth is its ability to maintain, improve and promote the strength of the Tekna brand in all of the Group's markets. Any failure in maintaining and developing its plasma systems, technologies and powders could harm the Group's reputation and adversely impact the Group's efforts to maintain and develop its brand a high-valued, high-quality and secure brand. Any failure to stay current with its offering of metal powders, plasma technology and plasma systems in any of the Group's markets could significantly decrease the Group's market share and make it difficult for the Group to regain market share in those markets when the Group does introduce new products, technology and systems. This could have a material adverse effect on the Group's business, financial position and profits.

# Risk factors

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

The Group depend on certain key suppliers of raw materials for the production of its metal powders, as well as certain components, consumables and services delivered by its suppliers. In the event that any supplier should experience financial difficulties or otherwise be unable to provide products and services to the Group, the Group's operations and productions may experience delays or short-fall. Such circumstances may result in higher costs for the Group, loss of revenue, cancellation of orders from customers, customer claims and loss of market share. To the extent the processes that the Group's suppliers use to manufacture raw materials, components, consumables or deliver services are proprietary, the Group may in addition be unable to obtain comparable raw materials, components, consumables and/or services from alternative suppliers. The failure of a supplier to supply raw materials, components, consumables and/or services in a timely manner, or to supply raw materials, components, consumables and/or services that meet the Group's quality, quantity and cost requirements, could impair the Group's ability to manufacture its products or decrease its costs (including claims), particularly if it is unable to obtain substitute sources of these raw materials, components, consumables and/or services on a timely basis or on terms acceptable to the Group. This could have a significant adverse effect on the Group's business, prospects, financial results and results of operations. Furthermore, should certain of the risks described herein materialise, counterparties to any supplying or contracting agreements could, among other things, exercise their rights of renegotiation, termination and/or right to payment of liquidated damages or other amounts. Further, any termination of agreements or change of supplier may cause delay or shortfall of the Group's production. If any of these risks materialize it could have a material adverse effect on the Group's business, financial position and profits.

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

Further to the above, there is a risk that the Group will not be able to obtain the sufficient amount of raw materials required for its production metal powders. The availability of raw materials are subject to numerous uncertainties which are beyond the Group's control. For example, raw materials used in the production of powders may be unavailable for the Group's suppliers or have lower quality than expected or required by the Group. Furthermore, the Group may experience an unforeseen increased need for raw materials, however, there can be no assurance that the Group's suppliers may be able to provide an increased amount of raw materials on a short notice. Consequently, there can be no assurance that the Group will be able to obtain the required amount of raw materials or raw materials with the required quality from its suppliers. Such circumstances may lead to disruption in the Group's operating activities, loss of revenue and market share, customer claims and liability for the Group, which may in turn adversely impact the Group's business, financial position and profits.

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

The Group operates distribution and sales offices in China and South Korea. Any operational or technical problem at the distribution and sales offices may lead to disruption in the distribution and sale of the Group's products and systems, which could subsequently result in material delays in the delivery of the Group's products and systems to customers. Any such delay could have an adverse effect on the Group's business and financial position. Further, any operational or technical problems related to the distribution and sale offices, may also lead to unexpectedly higher operating costs, loss of earnings and significant repair costs of products and systems. Some of the Group's powders are in the dual usage group of controlled goods. Powders falling within this category of goods require export permits, and the granting of export permits is under the control of governmental authorities in each jurisdiction. There is a risk that export permits may not be granted to the Group, or that previously granted export permits may be redrawn or not renewed. If this risk materialise, it could have a material adverse effect on the Group's business operations and financial position.

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

The Group is dependent on customers using its metal powders and plasma technology systems. A commercial success of the Group accordingly requires that the Group retains its current customer base, and enter into new customer contracts on commercially favorable terms in order to develop and increase its customer base. However, there is a risk that the Group may suffer loss of existing customers, important customer collaborations may be terminated, existing customers may refrain from renewing contracts on the same or more favorable terms and the Group may not be able to attract new customers, all of which could result in a significant loss of revenues which may in turn adversely impact the Group's business, financial position and profits. Furthermore, the Group relies on certain key customers with respect to sale of its metals powders and plasma technology systems. If one or more of these customers were to default with respect to their contractual arrangements with the Group, the Group might not be able to find new buyers for its products and systems or could have to sell such products and systems at a considerably lower price than expected, which in turn could have a significant material adverse effect on the financial results of the Group.

## *The Group's business is subject to price risk and currency and exchange rate risk*

There is no guarantee that the Group will be able to obtain the expected prices for its metal powders and plasma systems, and any change in the market conditions, including in the global technology and powder markets or in a specific regional and/or end markets in which the Group operates, could lead to lower sales prices or volumes of the Group's products and systems. If expected prices for products and systems are not obtained or the Group experiences lower sales volumes, this may adversely impact the Group's business, financial position and profits. The foreign exchange rate risk for the Group relates to the fact that the Group's business transactions, operations and sales are made in several currencies, including Canadian dollar (CAD), U.S dollar, euro, Chinese Yuan, Indian rupee, South Korean won. Unfavorable fluctuations in exchange rates could have an adverse effect on the Group's business, financial positions and profits.

# Risk factors

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

The Group's plasma systems and equipment are based on complex plasma technology. The Group sets high-quality and security standards for its systems and equipment, but it is possible that its systems, equipment or the technology in which it base its systems and equipment may contain errors or defects or otherwise not perform as expected. Although the Group carries out control procedures for testing, monitoring, securing and developing its systems, equipment and technology, there is a risk that these procedures may fail to test for all possible conditions for use, or identify all defects or errors in the specific technology used in its systems and equipment. Defects or other errors or failures could occur in the plasma technology used or within the Group's plasma systems and equipment. Any damage caused by defects or other errors or failures in the Group's systems and products may cause material liability claims against the Group, as well as significant costs for the Group, and may lead to significant reputational damage for the Group which could result in loss of customers and consequently reduced future sales. Defects or other errors in the Group's plasma systems and equipment may also result in claims for property damage, business interruptions and other negative consequences, alleged to have been caused by such error or defect. Any such errors or defects could have a material adverse effect on the Group's business, financial position and profits. The Group is working with various technical solutions for the development of its plasma systems and plasma technology, and might from time to time be reliant on technology, know-how, patents and other intellectual property rights that are held by third parties or restricted by third parties holding such intellectual property rights. Consequently, third parties may in the future assert claims against the Group, alleging infringement of patents, trademarks, or other intellectual property rights, which could result in risk of legal proceedings, harm the Group's reputation, result in substantial liability for the Group or prevent the Group from offering its systems and products affected by such claims. If any of the risks described above materialise, it could have a material adverse effect on the Group's business, financial position and profits.

## *The Company is a newly formed entity with limited operating history*

The Company is a newly formed entity. The subsidiary of the Company, Tekna Plasma Systems Inc., which is the operating company in the Group, was incorporated in 1990 and accordingly has decades of history and strong market positions. However, the Company has limited operating history, and there is a risk that the establishment of the Company as the new parent holding company of the Group may not be successful. This could have a material adverse effect on the Group's business, financial position and profits.

## *The Group may not be able to implement its business strategy successfully or manage its growth effectively*

The Group's ability to implement its strategy, including its ability to realize the expected benefits of establishing the Company as a new holding company for Tekna Plasma Systems Inc., and achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. The Group's failure to execute its business strategy or to manage its growth effectively could adversely affect the Group's business, prospects, financial condition and results of operations. In addition, there can be no guarantee that even if the Group successfully implements its strategy, it would result in the Group achieving its business and financial objectives.

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

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

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

The Group is highly dependent on IT and other infrastructure systems in its day-to-day business, in order to achieve its business objectives and in order to develop its software solutions and platforms, as well as to provide analyses and trading and management services. The Group is consequently subject to several risks associated with maintaining, developing and securing its IT and other infrastructure systems. The Group relies upon industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, there is a risk of virus attacks, attempts at hacking, social manipulation and phishing scams. Further, the Group electronically maintains sensitive data, including intellectual property, proprietary business information and that of its customers, and some personally identifiable information of customers and employees, on the Group's networks. Any failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, litigation, claims from customers and downtime, all of which could have a material adverse effect on the Group's business, financial position and profits.

# Risk factors

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

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

## *The Group may from time to time make acquisitions and engage in other transactions to complement or expand its existing business, but the Group may not be successful at identifying and acquiring suitable targets*

The Group may from time to time consider acquiring or making investments in other companies or forming joint ventures. There can be no assurance that any future acquisition or investment will be successful. The Group may not be able to identify or acquire suitable targets, and the Group may not be able to complete acquisitions or other transaction on acceptable terms or at all. Moreover, if, in the future, the Group seeks to acquire an acquisition target that is of a significant size, it may need to finance such an acquisition with either additional debt or equity financing or a combination of additional debt and equity financing. If the Group is unable to identify suitable targets, the Group's growth prospects and strategy may suffer, and the Group may not be able to realize sufficient scale advantages to compete effectively in all markets. In addition, in pursuing acquisitions, the Group may face competition from other companies in the technology and energy market to acquire new businesses or assets. The Group's ability to acquire targets may also be limited by applicable antitrust laws and other regulations. To the extent that the Group is successful in making acquisitions, it may have to spend substantial amounts of cash, incur debt, assume loss-making business units and incur other types of expenses in order to acquire and integrate the acquired businesses, and such integration may not be successful. In addition, the Group may be required to increase costs, reduce anticipated synergies and reduce return of investments. If any of these risks materialise, it could have a material adverse effect on the Group's business, financial position and profits.

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

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

## *The Group operates in various jurisdictions, which requires the Group to comply with the laws and regulations of each jurisdiction in which it operates*

The Group is subject to laws and regulations in several jurisdictions relating to areas including, but not limited to, antitrust, product safety, environment, health and safety, procurement, administrative, accounting, corporate governance, money-laundering, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation, and any changes in legal and regulatory regimes within the relevant jurisdictions may have an adverse effect on the Group. It may not be possible for the Group to detect or prevent every violation in every jurisdiction where the Group carries out its operations, or in which its employees are located. Any failure to comply with applicable laws and regulations now or in the future may lead to disciplinary, administrative, civil and/or criminal enforcement actions, fines, penalties and civil and/or criminal liability as well as negative publicity, which could harm the Group's business and reputation. Furthermore, changes in laws and regulations may impose more onerous obligations on the Group and limit its profitability, including increasing the costs associated with the Group's compliance with such laws and regulations. Failure to comply with laws and regulations and changes in laws and regulations could have a material adverse effect on the Group's business, financial position and profits.

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

As stated above, the Group is headquartered in Canada, and operates manufacturing centres in Canada and France, and sales and distribution offices in China and South Korea. The Group's access to the powder market on a global basis may be affected and potentially restricted by trade restrictions imposed by the government in the countries in which the Group operates. Any trade restrictions, trade barriers or trade practices, may have an adversely affect the Group's ability to freely offer its products in all markets and thus negatively affect the Group's sales volume with respect to its products.

# Risk factors

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

The Group may from time to time be subject to commercial disagreements, contractual disputes, and, possibly, litigation with its counterparties, in the ordinary course of its operations such as product and system liability claims, administrative claims and intellectual property claims as well as in relation to insurance matters, environmental issues, and governmental claims for taxes or duties. The Group cannot predict with certainty the outcome or effect of any future disagreement, dispute or litigation involving the Group. The ultimate outcome of any disagreement, dispute or litigation, and the potential costs, time and management focus associated with prosecuting or defending such, could have a material adverse effect on the Group's business, financial condition and cash flows. In addition, the Group might suffer economic and/or reputational damage from involvement in claims or disputes, which could have a material adverse effect on the Group's business, financial position and profits, as well as lead to the deterioration of existing customer relationships and the Group's ability to attract new customers. The Company's subsidiary and the operating company of the Group, Tekna Plasma Systems Inc., is currently involved in a dispute with AP&C Advanced Powders & Coatings Inc. regarding competing patent rights for the production of titanium powder in Canada, and more precisely to a specific patent which is part of the same patent type as one of the Group's significant patents. Unless settlement is reached, court proceedings are expected to commence in 2022. If the dispute is not resolved in favor of Tekna Plasma Systems Inc., there is a risk that the Group's production and sales of titanium powder in Canada may be restricted, which could have a negative effect on the Group's business operations consisting of relocation to ensure business continuity and the Group's financial position.

## *The Group may fail to comply with data protection and privacy laws, which could negatively affect its business*

The Group processes, collects, stores and handles personal data, including customer data, and its operations are accordingly subject to a number of laws relating to data privacy, including the General Data Protection Regulation (EU) 2016/79 in EEA/EU member states, as well as other local data protection and privacy laws in the jurisdictions in which the Group operates. There is a risk that the Group's technical and organisational measures may not be sufficient in order to comply with the requirements set forth in applicable laws which could result in material administrative fines. Furthermore, breach of data privacy legislation could result in the Group being subject to claims from its customers that it has infringed their privacy rights, and it could face administrative proceedings (including criminal proceedings) initiated against it by the data protection regulators of the jurisdictions in which the Group operates. Complying with these obligations could cause the Group to incur substantial costs and could increase negative publicity surrounding any incident that compromises customer data.

## 2. Risks relating to the shares and the admission to trading on Euronext Growth Oslo

### *The Company will incur increased costs as a result of being listed on Euronext Growth Oslo*

As a company with its shares admitted to trading on Euronext Growth Oslo, the Company will be required to comply with the Euronext Growth Markets Rule Book and related Notices issued by Oslo Børs (the "**Euronext Growth Rule Book**") including, but not limited to, specific reporting and disclosure requirements. The Company will incur additional legal, accounting and other expenses in order to ensure compliance with the Euronext Growth Rule Book and other application rules and regulations. The Company anticipates that its incremental general and administrative expenses as a company with its shares admitted to trading on Euronext Growth Oslo will include, among other things, costs associated with annual and interim reports, general meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. In addition, the Company's board of directors (the "**Board of Directors**") and executive management (the "**Management**") may be required to devote significant time and effort to ensure compliance with the Euronext Growth Rule Book and other applicable rules and regulations for companies with its shares admitted to trading on Euronext Growth Oslo, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Group's business, financial position and profits.

### *An active trading market on Euronext Growth Oslo may not develop and the shares may be difficult to sell in the secondary market*

Although the shares in the Company are freely transferable and will be admitted to trading on Euronext Growth Oslo, investors must expect that it may be difficult to sell the shares in the secondary market. Prior to the expected admission to trading on Euronext Growth Oslo, the shares have not been traded on any stock exchange, other regulated marketplaces or multilateral trading facilities, and there has, accordingly, been no public market for the shares. If an active public market does not develop or is not maintained, shareholders may have difficulty in selling their shares. There can be no assurance that an active trading market will develop or, if developed, that such a market will be sustained at a certain price level. The Company cannot predict at what price the shares will trade upon following the admission to trading on Euronext Growth Oslo, and the market value of the shares can be substantially affected by the extent to which a secondary market develops for the Shares following the admission to trading on Euronext Growth Oslo.

### *Potential volatility of share prices*

An investment in the shares involves risk of loss of capital, and securities markets in general have been volatile in the past. The trading volume and price of the shares may fluctuate significantly in response to a number of factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations, (ii) recommendations by securities research analysts, (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company, (v) addition or departure of the Company's executive officers, directors and other key personnel, (vi) release or expiration of lock-up or other transfer restrictions on outstanding shares or securities convertible into shares, (vii) sales or perceived sales of additional shares or securities convertible into shares, (viii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors, and (ix) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets. Another factor that may influence the market price of the shares is the annual yield on the shares. An increase in market interest rates may lead purchasers of shares to demand a higher annual yield, which accordingly could materially adversely affect the market price of the shares.



# Risk factors

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

## *The employee share purchase plan for certain employees of Tekna Holding Canada Inc. ("Tekna Canada") entitles the participating employees to dividends in Tekna Canada*

Tekna Canada, the previous holding company of the Group, has established an employee share purchase plan for certain qualified employees (the "Plan"). Under the Plan, qualified employees may purchase Class B Common Shares in the share capital of Tekna Canada, which entitle the qualified employees holding such shares to receive distribution on all return of capital, including dividends, declared by Tekna Canada, on a pro rata basis on all the issued and outstanding shares in Tekna Canada. Shares representing not more than 4% of all issued and outstanding shares of Tekna Canada are available for issue under the Plan, and as of this date, shares representing 3.5% of the issued and outstanding shares have been issued to employees under the Plan.

## *Risks related to majority shareholders and majority shareholder rights*

AFK is and will be the majority shareholder of the Company following the admission to trading on Euronext Growth Oslo. AFK will, as the majority shareholder, be able to make decisions regarding the Company in which other shareholders might disagree with. Any conflict or disagreement between the majority shareholder and other shareholders of the Company may lead to disputes and could result in other shareholders selling their shares in the Company.

## *Financial reporting and other public company requirements*

As a result of the admission to trading on Euronext Growth Oslo, the Company will become subject to reporting and other obligations under applicable law, including the Norwegian Securities Trading Act and the Euronext Growth Rule Book. These reporting and other obligations will place significant demands on the Company's Management, administrative, operational and accounting resources. Any failure of the Company to maintain effective internal controls could cause the inability of the Company to meet its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the shares.

The Management does not expect that the Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in any control systems, no evaluation of these controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

## *Shareholders may not be able to exercise their voting rights for shares registered on a nominee account*

Beneficial owners of the shares that are registered on a nominee account or otherwise through a nominee arrangement (such as brokers, dealers or other third parties) may not be able to exercise voting rights and other shareholders rights as readily as shareholders whose shares are registered in their own names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the shares will receive the notice for the Company's general meeting in time to instruct their nominees to either effect a re-registration of their shares in the manner described by such beneficial owners.

## *The transfer of shares is subject to restrictions under the securities laws of the United States and other jurisdictions*

None of the shares have been registered under the U.S. Securities Act of 1933 (as amended) (the "U.S. Securities Act") or any U.S. state securities laws or any other jurisdiction outside of Norway, and are not expected to be registered in the future. As such, the shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or right offerings.