

[DEMO/TEST]: Tamturbo, a Finnish technology company manufacturing oil-free industrial compressors, is planning a listing on the Nasdaq First North marketplace in Finland

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Finnish technology company Tamturbo Oyj ("Tamturbo" or the "Company") is planning an initial public offering ("The Offering") and listing of its shares on the Nasdaq First North Growth Market Finland marketplace during the second quarter of 2020. The purpose of the planned Offering is to raise funding to implement the Company's growth strategy. Progress in the plan requires a decision by the Company's shareholders. An Extraordinary General Meeting will be held on 11 May 2020.

If the planned Offering materializes, many of the larger current shareholders of the Company would enter into subscription commitments in the Offering. Furthermore, the Company's 9 largest shareholders, among others, would be committed to lock-up agreements for 12 months starting from the first day of trading.

Tamturbo in brief

Founded in 2010, Tamturbo is a technology company that develops and manufactures 100 per cent oil-free industrial air compressors. Tamturbo enables cleaner, more energy-efficient and virtually maintenance-free compressed air production with next generation Touch-Free™ compressor technology, and with its flexible and scalable business models.

As a result of long-term product development, the Company has developed a product family of high-speed turbo compressors for the industrial pressure class. Tamturbo's Touch-Free™ technology is 100 per cent oil-free. For the Company's customers, who represent the world's leading industrial companies, it also offers significantly lower total cost of ownership in comparison to traditional technology. Tamturbo's solution can also be implemented as an Air-as-a-Service business model, where the customer only pays for the compressed air they use.

Tamturbo's sales grew strongly in 2019. The Company's first air compressors were sold in 2017. In 2019, the Company received several of the world's largest companies within the food, beverage, paper and electronics industries, including AB Inbev (who's best-known brands are Budweiser and Stella Artois), as customers. Tamturbo estimates that the Company's current customers have a total of more than 1,500 compressors from various manufacturers in hundreds of different industrial factories, and the Company is in negotiations with dozens of similar potential customers. In 2019, the Company's net sales were approximately EUR 2.1 million, an increase of 285 per cent compared to 2018.

Tamturbo's five largest shareholders are: EAKR-Aloitusrahassto Oy (12.71 %), KWH-Koncernen Ab (9.00 %), Nurmiraanta Holdings Oy (8.26 %, owned by the Company's chairman Sami Somero), Jaakko Säiläkivi (4.84 %) and WS Cleantech Motor Fund Ky (4.70 %).

The market

Compressed air is used in virtually every industrial plant, powering up machines, tools and processes and moving materials in different ways. As industrial automation increases, compressed air consumption will increase by about 5.5 per cent per year.[1] A 2020 market study has estimated the global market for industrial air compressors to be about USD 14.0 billion, with a CAGR expected to be about 3.3 per cent until 2025, when the market is expected to be valued at about USD 16.9 billion.[2] The strong growth in the market relevant to Tamturbo is due to the general growth of the air compressor market and, within it, the growth in demand for oil-free air compressors, which is developing even faster than the general growth of the market. The Company's growth potential is also affected by the technological disruption in the oil-free air compressor market, where Tamturbo's technology has a good possibility of replacing the current technology.

The Company has delivered its products to its customers around the world through its global network of distributors and sales partners, which has accelerated the sales and marketing of the Company's technology worldwide. Tamturbo sells its products directly to its end customers in Finland and to large global key customers worldwide, through which sales can be expanded over the customer organisation globally. In addition to Finland, the Company has delivered air compressors to the United States, Belgium, the United Kingdom, Italy, South Korea, Malaysia and Turkey.

Tamturbo's CEO Timo Pulkki comments:

"The manufacturing industry needs an environmentally friendly solution to produce compressed air. Tamturbo is an industrial cleantech growth company and we want to lead the way in the ongoing technological disruption. With our oil-free compressed air solutions, we enable cleaner and more energy-efficient production processes as well as a clearly lower total cost of ownership for our customers. Our goal is thus to replace traditional "oil-free" screw compressor technology in the industrial medium pressure market, in the same way that our sales partner Sulzer has done in the low pressure market. Our compressed air solutions will significantly help industries to achieve their climate goals, which in recent years has become one of the main drivers of industrial investment.

We are well positioned in our market. Our goal is to continue the strong growth through a global sales network and strategic partnerships, and to achieve an 8 per cent market share of the entire industrial oil-free compressor market in the medium to long-term. We believe that the growing energy and maintenance cost savings targets for the manufacturing industry, growing demands for sustainable production technologies, the good suitability of our technology for different industries and the increasing demand for the service business create good conditions for our growth in line with our targets.

Despite the fact that the Covid-19 pandemic has posed significant challenges to companies around the world, we need to look to the future. In our main market segments, the food and beverage industry and the paper and pulp industry, there is currently no significant decline in demand in the horizon due to the pandemic. In order to continue our growth in the global market, we are planning the Offering to raise new capital and support the implementation of our growth strategy.”

Tamturbo’s strengths

Tamturbo operates in a fast-growing, existing global market and the Company's growth is supported by global megatrends. Tamturbo's strategy is strongly based on both direct sales to large customers and the rapid growth sought through sales partnerships. The scalability of the Company's business, strategic partnerships with major subcontractors and technology suppliers enable the Company to grow in a controlled manner.

Tamturbo’s strengths are:

- **Existing industrial growth market**
Compressed air is used in virtually every industrial plant, powering up machines, tools and processes and moving materials in different ways. As industrial automation increases, compressed air consumption will increase by about 5.5 per cent per year.[3]
- **Tamturbo meets the demands of industry and sustainability**
Tamturbo is an industrial cleantech growth company that enables cleaner and more energy-efficient production processes with its oil-free compressed air solution, which meets the requirements of the industry and sustainable development.
- **New generation compressor technology**
Tamturbo’s Touch-Free™ technology is based on active magnetic bearings and variable high-speed turbo compression, and offers the Company’s customers substantial financial benefits.
- **Scalable and flexible business model**
The Air-as-a-Service service business model enables the customer to purchase compressed air as a service easily and reliably without investing in a compressor unit. A flexible sales and supply chain enable efficient scaling of the business. The Company's current 11 customers have a total of more than 1,500 air compressors in hundreds of different factories, which means significant sales potential for the Company. In addition, the Company is in negotiations with dozens of similar potential customers.

- **Global customer base**

The current customer base includes the world's leading industrial manufacturers in various industries, such as the food and beverage, paper and pulp, electronics, automotive, glass and manufacturing industry.

- **Experienced and committed management and Board of Directors**

The experienced management and the Board of Directors are owners in the Company and are committed to the long-term development of the Company.

Key financial figures

EUR thousand, if not otherwise stated	1.1.- 31.3.2020 FAS Tamturbo Group	1.1.- 31.3.2019 FAS Tamturbo Group	1.1.- 31.12.2019 FAS Tamturbo Group	1.1.- 31.12.2018 FAS Tamturbo Oyj	1.1.- -31.12.2017 FAS Tamturbo Oy
	(Not audited)	(Not audited)	(Audited)	(Audited)	(Audited)
Revenue	504.0	19.4	2,134.1	554.1	157.9
Revenue growth rate (%)	2,502%	-	285% [1]	251% [1]	-
Operating loss	-1,125.1	-775.5	-2,959.5	-2,600.2	-1,441.9
Operating margin (%) [2]	-223%	-3,997%	-140% [1]	-469% [1]	-913% [1]
Loss for the financial period	-1,177.4	-795.9	-3,325.2	-2,647.9	-1,461.6
Cash flow from operating activities	-1,228.7	-660.1	-2,874.5 [1]	-2,388.2 [1]	-2,091.4 [1]
Cash flow from investing activities	-27.2	-267.3	-285.9 [1]	-1,144.4 [1]	-1,083.9 [1]
Cash flow from financing activities	-27.3	-795.4	4,790.3 [1]	1,398.8 [1]	1,146.5 [1]
Total assets	8,368.3	7,738.1	9,687.7	7,812.3	8,680.4
Total equity	3,506.5	3,489.0	4,683.9	3,366.9	5,427.8

1 Unaudited.

2 Operating profit/(loss) (EBIT) in relation to revenue.

Financial goals

The Company aims to continue its strong growth in the medium and long-term through a global sales network and strategic partnerships.

The Company has set the following medium and long-term goals:

- 8 per cent market share in the market for industrial oil-free compressors globally
- operating margin of 20 per cent
- 25 per cent of compressors manufactured are delivered as Air-as-a-Service business model

Information regarding the planned Offering

The Offering would open up the capital markets for the Company and strengthen its awareness and credibility among customers, suppliers and potential new employees of the Company. The Offering would also enable more liquidity in the Company's shares.

The planned Offering is expected to consist of a new share issue. The objective of the planned Offering is to support growth in line with the Company's strategy by enhancing the Company's global growth strategy for its sales, marketing and customer service as well as for expanding the Company's other operations.

The Company's largest shareholders would enter into ordinary lock-up agreements and many of them would also enter into subscription commitments in the Offering.

Press conference (in Finnish)

Tamturbo will hold a press conference for the media on 11 May 2020 from 10:00 a.m. (EEST) via Zoom.

Registration: Maarit Bystedt / Nasdaq Helsinki, Corporate Communications

Phone: +358 9 6166 7274 or +358 40 555 2030, Email: maarit.bystedt@nasdaq.com

A link to the event will be sent to those who have registered before the event. You can also participate in the event by phone. The press conference will be held in Finnish only.

Advisers

Augment Partners AB acts as the financial adviser to the Company in the Offering and as the Certified Adviser according to the First North Nordic Rulebook. Nordnet Bank AB acts as the subscription venue for the Offering. Smartius Oy acts as the Company's legal adviser in the Offering.

For more information:

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Tamturbo in brief

Tamturbo is a Finnish industrial growth company in the cleantech sector that enables cleaner and more energy-efficient industrial compressed air production with a new generation of Touch-Free™ compressor technology and service models that add value to customers. Tamturbo develops and manufactures air compressors, which offer a more environmentally friendly solution that is completely oil-free, energy-efficient and a long-lasting option which is significantly cheaper for the customer than traditional technology in terms of total cost of ownership. It is possible to implement the solution as an Air-as-a-Service business model, in which case the customer only pays for the compressed air they use. Tamturbo operates in a fast-growing market and its growth is supported by global megatrends. The Company aims to continue its strong growth in the medium and long term.

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This release is not a prospectus and does not constitute any offer, invitation or investment advice to subscribe for or purchase Tamturbo's securities. Investors should not subscribe for or purchase any securities or make any investment decisions referred to herein except on the basis of information contained in the prospectus issued by Tamturbo in connection with the Offering.

PRESS RELEASE

13 May 2020 11:46:00 CEST



[1] Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

[2] Industrial Air Compressor Market – Growth, Trends, and Forecast: <https://www.researchandmarkets.com/reports/4591638/industrial-air-compressors-market-growth#rela4-4457616>

[3] Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

ATTACHMENTS

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