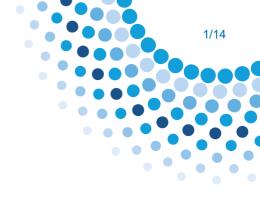
Tamturbo Oyj Half-yearly report January-June 2022

Tamturbo



TAMTURBO PLC COMPANY RELEASE 15.8.2022 at 12:30 EET / 11:30 CET

TAMTURBO OYJ HALF-YEARLY REPORT 1.1. – 30.6.2022 (UNAUDITED)

Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated.

This half-yearly report is available in the company's website News section on address www.tamturbo.com/news/

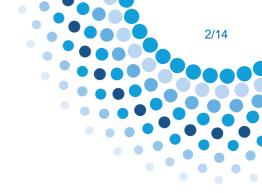
STRONG GROWTH CONTINUES

January-June 2022 shortly:

- Net sales increased by 146% to 2.3 million euros (comparison period January-June 2021 turnover was 0.9 million euros)
- The company received new orders for 1.7 million euros and the order backlog at the end of June was 3.1 million euros, which is over four times more than at the end of the comparison period
- EBITDA was -2.0 million euros (-2.3)
- The net result was -2.7 million euros (-2.8)



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CEO Igor Nagaev :

"In the first half of the year, we achieved strong revenue growth compared to the first half of 2021, which is in line with our long-term goals and the company's current high growth phase.

During the first half of the year, Tamturbo started cooperation and received the first orders from two new global customers. One of these works in the tire industry, and the other one in the chemical industry. These new customers are a strong addition to our already existing customer base.



For the first six months of 2022, we received a total of 1.7 million euros in new orders, which continued the increase in the number of new orders per half-year periods. The total order backlog decreased slightly from the end of 2021, especially due to the relatively large number of completed projects.

In the first half of the year, we invested heavily in improving the margins of our products, and the sales margin developed positively from the comparison period. At the same time, however, the general increase in costs had a negative impact on our margins, which, together with increased expenses, slowed down the development of overall profitability, especially in relation to revenue growth. The development of profitability was also somewhat slowed down by the costs of the financing round organized with Springvest during the spring, and the costs of the preparatory work started to enable the listing. We continue to work to improve profitability and reduce product costs by leveraging volume advantages, accelerating several product cost reduction projects, tightly controlling operational costs, and customer prices management.

The increase in the price of energy shortens the payback time of Tamturbo's solutions to our customers, which gives us a good opportunity to transfer the growing costs to the prices of our products as well. In order to ensure simultaneous strong growth, excellent customer service, and positive margin development, we will continue to focus on developing our sales and customer support organization."



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	1-6/2022 (*	1-6/2021 (*	1-12/2021
Net sales, thousand euros	2,312	940	2,420
Change in net sales %	146%	20%	12%
EBITDA, thousand euros	-2,010	-2,300	-4,302
EBIT, thousand euros	-2,243	-2,528	-4,767
Net profit, thousand euros	-2,693	-2,763	-5,004
Cash flow operations, thousand euros	-2,800	-2,841	-4,861
Equity ratio	59%	55%	42%
Order backlog, thousand euros	3 131	678	3,622
Order intake, thousand euros	1,680	1,579	5,800
Net Gearing %	-1%	8%	82%
Earnings per share, euro	-0.21	-0.26	-0.47
	(* unaudite	ed	

Sales

Kev figures

Tamturbo's net sales for the first half of the year was 2.3 million euros and increased by 146% from the net sales of the first half of 2021 (0.9). The strong increase in net sales was due to the successful progress of the company's go-to-market strategy and the completion of several larger projects during the first half of 2022.

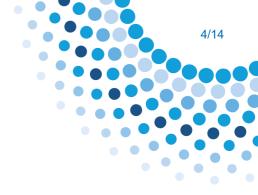
The new orders received during the first half of the year totaled 1.7 million euros. The company's total order backlog remained strong throughout the first half of the year, and the total value of the order backlog at the end of June was 3.1 million euros, which is an increase of 2.5 million euros from the end of the comparison period. The time from order to delivery and revenue recognition is 6-18 months, depending on the customer and the content of the order. The current order backlog is estimated to be recognized in turnover during the second half of the year, and the year 2023.

Operating result and profitability

The group's EBITDA for the review period improved from the previous year and was EUR -2.0 million (-2.3). Profitability improved thanks to the increase in sales volumes and own planned development and cost-saving measures. The group's operating profit for the review period improved from the previous year and was -2.2 million euros (-2.5). Adjusted for items affecting comparability, the net profit for the review period was EUR -2.1 million (-2.6). Items affecting comparability are the arrangement costs related to the financing round in H1 2021 (194 thousand euros) and the costs related to organizing the financing round and preparations for the listing in H1 2022 (570 thousand euros).



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Cash flow and financing

The cash flow from operations in the first half of the year was -2.8 million euros (-2.8) and the cash flow from financing was 5.7 million euros (4.9).

In the spring of 2022, the company organized a share issue with Springvest, of which the company received a total of 5.6 million euros additional funding. During the first half of the year, the company also received an additional investment of 220 thousand euros from the subscribers of the 2019 convertible bond, because most of the subscribers of the bond subscribed to the shares according to the related options before the start of the share issue organized by Springvest. The maturity date of the convertible bond issued in 2019 was also extended by half a year, the original maturity date was May 13, 2022.

Short-term loans were repaid in the amount of 164 thousand euros (55). The company's interest-bearing net debt was 4.2 million euros (4.2) at the end of the first half of the year. At the end of the first half of the year, the company's liquid assets exceeded interest-bearing loans and the net gearing was -1% (8%). At the end of the review period, the company had cash assets of 4.2 million euros (3.4).

Product development and investments

Product development expenses during the first half of the year totaled 469 thousand euros, which is an increase of 15% from the first half of 2021 (409). A total of 69 thousand euros (87) of the product development expenses for half of the year were capitalized in the balance sheet, and the total amount of capitalized product development expenses was 4.9 million euros (5.2) at the end of the half year.

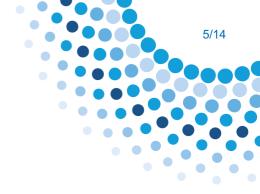
There were no fixed asset investments in the first half of the year (39 thousand euros in the comparison period).

Personnel

At the end of June 2022, Tamturbo employed a total of 32 people (42), of which 2 were part-time (4). Of the personnel, 31 (40) worked in Finland and 1 in the United States (2). Personnel expenses for the first half of the year totaled 1.4 million euros (1.6).



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Implementation of the strategy

The industrial world is undergoing an unprecedented change towards more environmentally sustainable operations. More and more customers see Tamturbo's compressors as an efficient and reliable way to simultaneously reduce both CO2 emissions and Total Cost of Ownership. The compressors designed by Tamturbo are 100% oil-free, more energy efficient than traditional technology, and almost completely maintenance-free, which enables significant environmental and cost savings for our customers. Our compressors are the best source in the markets for completely oil-free air – there is not a single drop of oil in the compressed air, nor in the entire compressor structure, which brings additional benefits to the environment, costs, and occupational safety.

At the same time, rising energy prices and growing concern about climate change significantly increase the superiority of Tamturbo's solutions compared to traditional industrial compressor technologies. Our innovative energy recovery systems continue to increase our competitive advantage and the demand for our solutions.

Tamturbo's strong growth is driven by the opening of new large multinational key customer relationships, and growing organically within these customers. Our global customers typically have dozens or even hundreds of factories around the world. Each factory has several compressors in its installed base, so the business potential of even one customer is significant. Tamturbo's current customers already have more than 1,000 factories worldwide, where thousands of compressors are installed. Tamturbo's goal is to replace as many of these as possible with our completely oil-free compressors that save costs and the environment.

During the first half of the year, we started cooperation, and received the first orders, from two new global customers. One of these works in the tire industry, and the other one in the chemical industry.

In addition to the huge business potential, global customers are also the best and most demanding customer references, which lowers the threshold for other new customers to invest in Tamturbo's solutions.

Sales to different factories of the global customers are carried out through Tamturbo's own sales organization or a local sales partner, and each customer is supported by an active and service-oriented partner who knows and understands the customer's needs and environment. During the review period, interest in Tamturbo's solutions grew especially in the Middle East, which is now one of Tamturbo's new key market in addition to Europe and America.



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Responsibility

Tamturbo was founded in Tampere in 2010 to develop new, more energy efficient, and environmentally friendly industrial compressor technology. Environmental sustainability is the purpose of the company's existence, and responsibility is the cornerstone of all our own operations and products. The reduction of our customers' carbon dioxide and other environmental emissions by reducing energy, oil and material consumption, is the goal of all our activities.

After the review period in August, Tamturbo has started a collaboration and project with an experienced ESG specialist company. The goal of the project is to start drafting the company's responsibility program by finding out both the CO2 emissions of the company's own operations (carbon footprint) and the climate benefits of Tamturbo's products and services, i.e. the emission reduction potential for our customers (carbon handprint).

The goal is to demonstrate that Tamturbo meets the requirements set by investors for their green investment targets for sustainable development of the environment, as well as other ESG criteria.

Executive team

Tamturbo is reorganizing its management team to meet the needs of the company's international high growth phase, and the following changes took effect during the review period.

Brecht Vanlee (M.Sc. Eng) was appointed Tamturbo 's business director with the title of Chief Commercial Officer (CCO). Brecht is a growth-focused and highly experienced professional in the international sales of industrial oil-free compressed air. Before the position of CCO, he worked in the company for two years as sales director for Western Europe and Asia.

Tommi Holopainen (M.Sc. Econ) was appointed Chief Financial Officer (CFO). Tommi has more than 20 years of experience in international financial management roles in Telia Company. He has also served as CFO of the Nasdaq First North listed company.

Chief Operating Officer Kimmo Pyykönen moved to new positions outside the company. The reorganization of his responsibilities and the necessary recruitment processes are underway.



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Shares and shareholders

In the spring of 2022, the company organized a share issue with Springvest, of which the company received a total of 5.6 million euros in additional financing. A total of 1,862,400 new shares were subscribed in the offering at a price of EUR 3.00. In connection with the offering, Springvest also subscribed the 206,926 options it received from organizing the offering for the same number of shares.

During the first half of the year, the company also received an additional investment of 220 thousand euros from the subscribers of the 2019 convertible bond, because most of the subscribers of the bond subscribed to the shares according to the related options before the start of the share issue organized by Springvest. Option loan share subscriptions were made for a total of 107,715 shares, and in the same connection, a free share issue was arranged for Sulzer AG, in which they received 71,810 shares to keep their ownership at the level prior to the share subscriptions of the option bond.

The number of shares in the company at the end of the review period was 12,979,910 shares and the shareholders totaled 1,291. The total number of options at the same time is 1,033,836, the options entitle to the same number of shares when exercised. Of the options, 556,805 are held by the company's current and former management and employees, 385,973 by Sulzer AG and 91,058 by Springvest's tied agents. The use of Sulzer AG's options is conditional on share subscriptions based on other option programs.

The company organized an Extraordinary General Meeting on 10th February 2022 and an Annual General Meeting on 25th April 2022 in Tampere. The minutes of both meetings can be found on the company's website www.tamturbo.com.

Short-term risks and uncertainties

Tamturbo's management constantly maps the risks related to the group's global business and uses various internal and external tools and routines to manage and reduce risks. The ability to identify, analyze and manage risks is crucial for effective business management.

The general economic development can affect the company's operating environment negatively. Due to the nature of the business, Tamturbo is exposed to risks related to component shortages, which are expected to continue at least in the second half of 2022.



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Covid-19 continues to cause restrictions in various parts of the world. The pandemic can also affect our customers' ability to operate, the demand for end products, and the general industrial operating environment.

Due to the nature of the business, Tamturbo may be subject to compensation claims, of which the final solution cannot be predicted. However, based on current information, there are no claims that are expected to have a material impact on the Group's financial position.

The delivery times for the components the company needs are sometimes long, and there may be difficulties in obtaining certain components from time to time, which can affect the business. Covid-19 has also increased uncertainty in each country, which may affect our ability to deliver.

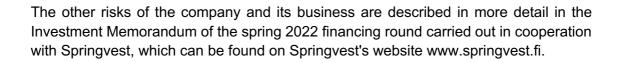
A significant part of the company's turnover comes from the sale of investment-type equipment, whose delivery time is typically 6-18 months. Long-term supplies may increase the need for working capital. Negative changes, such as a general weakening of the financial market, can weaken the company's ability to obtain additional financing and lead to stricter financing conditions. There is also no guarantee that Tamturbo will be able to obtain sufficient additional financing in a timely manner, and on favorable terms, to maintain its liquidity at a sufficient level, and to finance business expenses and investments.

The company is exposed to exchange rate risks because the company currently has no arrangements in place to protect itself from exchange rate fluctuations. Tamturbo's main business and cash flow reporting currency is the euro, but Tamturbo also conducts business in other currencies. The most significant foreign currency that Tamturbo is currently exposed to is the US dollar.

Tamturbo's organization is relatively small, so the importance of an individual employee to the Company's operations is relatively large. The company's future development essentially depends on the professionalism, experience and commitment of the management and other key personnel. Such persons leaving the company may have a short-term negative effect on the company. Although the company has a good reputation as an innovative technology company, and has succeeded in recruiting qualified employees in the past, there is no guarantee about the company's future capabilities to recruit new skilled employees to the desired extent. Failure to recruit and engage key personnel may have a material adverse effect on the company's business, business results, financial position, future prospects and/or the value of securities.



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The effects of the corona pandemic on business

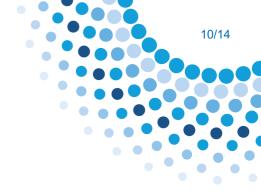
The covid-19 pandemic that started in 2020 has also continued during 2022 with new virus variants. The restrictive measures taken to combat the virus still had a negative impact on the development of the global economy in the first half of 2022.

Business Outlook

We expect the positive development of business to continue in the second half of this year as well. However, we also expect that the high volatility of the market will continue, especially due to the ongoing war in Eastern Europe, high inflation, possible new restrictions in China and other parts of the world due to the development of Covid-19, and bottlenecks in the supply chain. These may affect the customer projects' delivery and project schedules, and thereby cause changes in the order intake, deliveries and revenue generation.



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ACCOUNTING PRINCIPLES

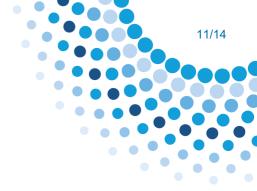
This unaudited half-yearly report for the period 1.1.-30.6.2022 has been prepared according to Finnish Accounting Standards (FAS).

Consolidated Income Statement

Consolidated Income Statement	1.130.6.2022	1.130.6.2021	1.131.12.2021
NET SALES	2 312 231,20	939 582,79	2 420 412,87
Change in the inventory of finished goods and work in progres	-105 046,59	32 192,73	64 364,61
Manufacturing for own use	94 403,06	86 834,86	158 074,48
Other operating income	80,00	52 423,00	52 423,00
Materials and services			
Raw materials and consumables			
Purchases during the financial year	-1 791 888,23	-1 275 828,50	-2 456 443,06
Change in inventories External services	80 697,71	365 237,34	194 060,87
	-116 286,10 -1 827 476,62	-63 916,86 -974 508,02	-87 291,61 -2 349 673,80
	-1 027 470,02	-974 506,02	-2 349 073,80
Personnel expenses			
Wages and salaries	-1 191 454,17	-1 408 381,38	2 532 091,18
Pension expenses	-163 889,86	-186 339,86	-337 409,20
Other personnel expenses	-42 748,22	-52 589,42	-85 504,98 2 109 177,00
	-1 398 092,25	-1 647 310,66	2 109 177,00
Depreciation and amortization			
Depreciation according to plan	-233 075,42	-228 456,45	-464 888,03
	-233 075,42	-228 456,45	-464 888,03
Other operating expenses	-1 086 365,52	-788 801,25	-1 692 331,42
	-1 000 000,02	-700 00 1,20	-1 002 001,42
OPERATING LOSS	-2 243 342,14	-2 528 043,00	-4 766 623,65
Financial income and expenses			
Other interest and financial income			
From others	131 173,07	28 676,39	76 863,22
Interest and other financial expenses			
To others	-580 509,77	-263 365,75	-313 808,87
	-449 336,70	-234 689,36	-236 945,65
LOSS BEFORE APPROPRIATIONS AND TAXES	-2 692 678,84	-2 762 732,36	-5 003 569,30
LOSS FOR THE FINANCIAL YEAR	-2 692 678,84	-2 762 732,36	-5 003 569,30



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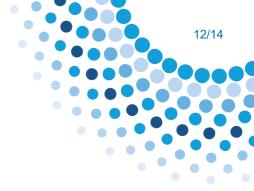


Consolidated Balance Sheet

ASSETS	30.6.2022	30.6.2021	31.12.2021
NON-CURRENT ASSETS			
Intangible assets			
Development costs	4 906 262,78	5 212 823,49	5 062 483,23
Other intangible assets	0,00	1 512,38	207,68
Intangible assets total	4 906 262,78	5 214 335,87	5 062 690,91
Tangible assets			
Machinery and equipment	120 352,57	107 855,80	102 596,80
Machinery and equipment	120 352,57	107 855,80	102 596,80
NON-CURRENT ASSETS TOTAL	5 026 615,35	5 322 191,67	5 165 287,71
CURRENT ASSETS			
Raw materials and consumables	738 910,31	829 389,07	658 212,60
Work in progress	588 207,76	379 783,26	636 390,92
Finished products	520 967,28	602 679,67	577 830,71
Inventories total	1 848 085,35	1 811 852,00	1 872 434,23
Short-term receivables			
Trade receivables	1 067 529,23	837 578,62	1 583 834,77
Other receivables	121 513,86	206 891,63	8 481,11
Prepayments and accrued income	75 925,25	120 244,90	76 998,65
Short-term receivables total	1 264 968,34	1 164 715,15	1 669 314,53
Cash in hand and at banks	4 227 344,97	3 354 364,05	1 313 597,92
CURRENT ASSETS TOTAL	7 340 398,66	6 330 931,20	4 855 346,69
TOTAL ASSETS	12 367 014,01	11 653 122,87	10 020 634,40



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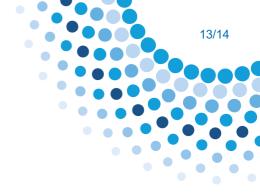


Consolidated Balance Sheet

EQUITY AND LIABILITIES	30.6.2022	30.6.2021	31.12.2021
EQUITY			
Share capital	81 000,00	81 001,75	81 000,00
Invested unrestricted equity fund	29 903 392,97	24 095 924,28	24 095 924,28
Retained earnings (loss)	-20 017 441,95	-14 946 490,13	-14 949 608,77
Translation differences	-13 718,92	-2 828,67	-17916,08
Loss for the financial year	-2 692 678,84	-2 762 732,36	-5 003 569,30
TOTAL EQUITY	7 260 553,26	6 464 874,87	4 205 830,13
PROVISIONS			
Other provisions	32 958,00	28 289,00	32 958,00
Total provisions	32 958,00	28 289,00	32 958,00
LIABILITIES			
Long-term liabilities			
Loans from credit institutions	2 583 017,44	2 679 581,78	2 559 626,86
Other long-term loans	0,00	502 494,00	0,00
Total long-term liabilities	2 583 017,44	3 182 075,78	2 559 626,86
Short-term liabilities			
Loans from credit institutions	572 148,88	581 561,46	688 831,92
Advances received	701 413,74	15 000,00	885 737,73
Accounts payable	146 820,82	465 269,93	341 452,88
Other liabilities	298 284,71	69 573,93	608 040,93
Accrued liabilities	771 817,16	846 477,89	698 155,95
Total short-term liabilities	2 490 485,31	1 977 883,22	3 222 219,41
TOTAL LIABILITIES	5 073 502,75	5 159 959,00	5 781 846,27
TOTAL EQUITY AND LIABILITIES	12 367 014,01	11 653 122,87	10 020 634,40



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Calculation of key figures

Change in net sales, % = (Net sales - Previous financial year's net sales) / Previous financial year's net sales x 100

EBITDA, EUR = Earnings before interest, taxes, depreciation and amortisation

EBIT, EUR = Earnings before interest and taxes

Net Profit, EUR = Total revenues - total expenses

Equity ratio, % = Total equity / (Total assets - Advance payments) x 100

Order backlog, = Received legally binding orders from external customers not yet delivered to customer

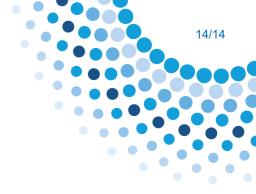
Order intake, = Received legally binding orders from external customers during the period

Net Gearing, % = (Interest-bearing liabilities - Cash and cash equivalents) / Equity x 100

Earnings per share, EUR = Profit for the reporting period / Weighted average number of shares outstanding



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Tamturbo Plc Board of Directors

More information:

Tamturbo Plc CEO, Igor Nagaev, tel. +48 733 511 303 CFO, Tommi Holopainen, tel. +358 50 400 3235

Release distribution:

Tamturbo Plc shareholders www.tamturbo.com



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