



Offering and contemplated listing on First North Growth Market Finland
Up to 2,000,000 shares
Additional share allotment up to 500,000 shares
Subscription price EUR 3.00 per share

This prospectus (the "Prospectus") has been prepared in connection with the contemplated Offering (as defined later) of Tamturbo Plc, a public limited liability company incorporated in Finland ("Tamturbo" or the "Company"). Through the Offering, the Company aims to raise gross proceeds of EUR 6,000,000 by offering a maximum of 2,000,000 new shares in the Company (the "Offer Shares") (the "Offering"). The Offering consists of a (i) public offering to private individuals and entities in Finland and Sweden (the "Public Offering") and (ii) private placement to institutional investors in Finland, in Sweden and internationally (the "Institutional Offering"). If the Offering is oversubscribed, the Board of Directors may increase the number of Offer Shares by an additional share allotment of up to 500,000 new shares (the "Additional Share Allotment").

The subscription price in the Offering is EUR 3.00 per Offer Share (the "Subscription Price"). The subscription period for the Offering will commence on 18 May 2020 at 10:00 Finnish time, and is expected to end on 28 May 2020 at 16:00 Finnish time with regard to the Public Offering and on 29 May 2020 at 12:00 Finnish time with regard to the Institutional Offering, if the subscription period is not discontinued or prolonged. Terms of the Offering are further defined under "*Terms and conditions of the Offering*".

Augment Partners AB acts as the financial adviser of the Company in the Offering and as the Certified Adviser according to the First North Nordic Rulebook. Nordnet Bank AB ("Nordnet") acts as the subscription venue for the Offering.

Certain funds managed by OP Fund Management Company LTD, the current shareholders EAKR-Aloitusrahoitus Oy, KWH-konserni AB, Nurmira Oy as well as other investors (the "Cornerstone Investors") have given subscription commitments in the Offering, according to which they will subscribe for a total of 50 per cent of the Offer Shares. The subscription commitments are conditional upon certain terms, that have to be fulfilled, as defined under "*Arrangements relating to the Offering - Subscription commitments*".

The Company's shares are not subject to trading on a regulated market or a multilateral trading facility. The Company intends to leave an application to Nasdaq Helsinki Oy ("Nasdaq Helsinki") to apply for the Company's shares to be traded on the Nasdaq First North Growth Market Finland marketplace ("First North") with the trading symbol "TURBO". Trading with the Company's shares is expected to commence on First North on 9 June 2020 (the "FN Listing").

In certain countries legislation may restrict the distribution of this Prospectus and sale and offering of the Offer Shares. This Prospectus does not constitute an offer to issue Offer Shares to anyone in such country, where it would be prohibited by local laws or other regulations to offer shares to such person. This Prospectus or any other material relating to the Offering shall not be distributed or disseminated in any country without complying with the laws and regulations of such country.

The Offering does not apply to people resident in Australia, South-Africa, Hong Kong, Japan, Canada, New Zealand or the United States or in any other country where it would be prohibited by local laws or other regulations. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S), unless registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of the United States.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Nasdaq Helsinki approves the application for admission to trading.

Investment in the Offer Shares involves risks. The principal risk factors are discussed under "Risk factors" below.

*The Company's financial adviser in the Offering
and Certified Adviser*

Subscription venue



INFORMATION IN THE PROSPECTUS

In this Prospectus, the "Company", "Tamturbo Group" and "Tamturbo" refers to Tamturbo Plc and its subsidiaries, except where the context may otherwise require.

In connection with the Offering, the Company has prepared a Finnish-language prospectus (the "Finnish-language Prospectus") in accordance with the following regulations: Finnish Securities Markets Act (746/2012, as amended, the "Finnish Securities Markets Act"), Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"), Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (as amended, Annexes 1 and 11), Commission Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "Finnish FSA").

The Prospectus contains also summary in accordance with Article 7 of the Prospectus Regulation in the required form. The Finnish-language Prospectus has been approved by the Finnish FSA, as competent authority under Prospectus Regulation on 15 May 2020. The Finnish FSA only approves the Finnish-language Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of the Finnish-language Prospectus. The investors shall make their own evaluation on investment in the securities. The register number of the Finnish FSA's approval of the Finnish-language Prospectus is 18/02.05.04/2020. In accordance with the Prospectus Regulation, an English-language translation which includes a Swedish-language summary has been prepared. The Financial Supervisory Authority notifies the approved Prospectus to the Swedish Financial Supervisory Authority (Swedish: Finansinspektionen) (the "Swedish FSA") for use in Sweden. The Company is responsible for the translations of the Prospectus and the documents incorporated by reference thereto.

The Offering will be governed by the laws of Finland and any disputes arising in connection with the Offering will be settled by a court of competent jurisdiction in Finland.

This document is an unofficial English translation of the Finnish-language Prospectus and references to the "Prospectus" refer to the Finnish-language Prospectus. In the event of any discrepancies, the Finnish-language Prospectus shall prevail.

The Prospectus is available as of 15 May 2020 on the website of the Company (www.tamturbo.com/ipo), on the website of Augment Partners AB (<http://offers.augment.se/>) and on the website of Nordnet (www.nordnet.fi/fi/tamturbo and www.nordnet.se/se/tamturbo).

Notice to investors

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved. Tamturbo has not authorised anyone to provide any information or give any statements other than those provided in the Prospectus. Delivery of the Prospectus shall not, under any circumstances indicate that the information presented in the Prospectus is correct on any day other than the date of the Prospectus, or that there would not be any changes in the business of Tamturbo after the date of the Prospectus. However, in case a significant new factor, material mistake or material inaccuracy in the Prospectus arises, after the Finnish FSA has approved the Prospectus but before the closing of the offer period which may effect on evaluation of the securities, the Prospectus will be supplemented in accordance with the Prospectus Regulation. This Prospectus is in force until the Offering ends in accordance with its terms and conditions. After the validity period of the Prospectus, there is no obligation to supplement the Prospectus even if significant new factors, material mistakes or material inaccuracies arise.

Information given in the Prospectus is not a guarantee for future events by Tamturbo and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Tamturbo or its industry are based upon the reasonable estimates of the Company's management.

In certain countries legislation may restrict the distribution of this Prospectus and sale and offering of the Offer Shares. The Company and its advisers require persons into whose possession this Prospectus comes adequately inform themselves of and observe all such restrictions. Neither the Company nor its advisers accept any legal responsibility for any violation of these restrictions, whether or not a prospective subscriber or purchaser of the Offer Shares is aware of such restrictions.

This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any country where such an offer or invitation is against the law. No actions have been taken to register or to permit a public offering of the Offer Shares in any jurisdiction of outside Finland and Sweden.

The Company reserves the right based on its sole discretion to resolve on rejection of such subscription of the Offer Shares that, based on the Company's or its representative's opinion, may lead to breach of any law, rule or regulation.

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SUMMARY

Introduction

This summary contains all the sections that must be presented in accordance with the Prospectus Regulation for the security in question and its issuer. This summary should be read as an introduction to the Prospectus. The investor should base his decision to invest in the securities in the Prospectus as a whole.

An investor investing in securities may lose all or part of the invested capital. If an action is brought in court against the information contained in the Prospectus, the plaintiff investor may, under applicable law, be required to bear the costs of translating the Prospectus prior to the commencement of the proceedings. Tamturbo will be civilly liable for this summary only if the summary, read in conjunction with other parts of the Prospectus, is misleading, inaccurate or inconsistent, or if the summary, read in conjunction with other parts of the Prospectus, does not provide key information to assist investors when considering investing in the securities issued by Tamturbo.

The contact details for the issuer are the following:

Name of the issuer:	Tamturbo Plc
Address:	Koskikatu 7 A, 33100 Tampere
Telephone number:	+358 10 4232 300
The Company's website:	www.tamturbo.com
Legal entity identifier (LEI):	743700DWIDWP0Z2AGY34
The name of the security:	TURBO
ISIN-code:	FI4000260682

The Company will submit a listing application to Nasdaq Helsinki regarding the listing of the Company's shares on First North. The Prospectus has been approved by the Finnish Financial Supervisory Authority, as the competent authority in accordance with the Prospectus Regulation, on 15 May 2020. The Finnish Financial Supervisory Authority approves this Prospectus only to the extent that it meets the requirements for comprehensiveness, comprehensibility and consistency set out in the Prospectus Regulation. This approval by the Financial Supervisory Authority shall not be construed as evidence of the approval of the issuer to which this Prospectus applies. The number of the approval decision by Financial Supervisory Authority is 18/02.05.04/2020.

The contact details of the competent authority, the Finnish Financial Supervisory Authority, which approves this Prospectus are as follows:

Authority:	Finnish Financial Supervisory Authority
Address:	PL 103, 00101 Helsinki
Telephone number:	+358 9183 51
Email:	kirjaamo@finanssivalvonta.fi

Key information about Tamturbo

Who is the issuer of the securities?

The registered business name of the issuer is Tamturbo Oyj, in Swedish Tamturbo Abp and in English Tamturbo Plc. The company is a public limited company incorporated in Finland and governed by Finnish law. The company's domicile is Tampere and its registered in the Trade Register maintained by the Finnish Patent and Registration Office under the business ID 2326864-0. The Company's legal entity identifier ("LEI") is 743700DWIDWP0Z2AGY34.

Overview

Tamturbo was founded in Tampere in 2010 to develop new, more energy-efficient and environmentally friendly industrial compressor technology. Today, the Tamturbo Group consists of the parent company Tamturbo Plc and its wholly owned U.S. subsidiary Tamturbo Inc., which was established in 2018.

Tamturbo has developed a family of compressor products that, according to the Company, outperforms traditional technology while, according to the Company, operates at significantly lower life cycle costs. Better performance means energy savings in compressed air production, which means economic benefits for the customer. Both society and nature will also benefit from the reduction in energy consumption. Tamturbo's Touch-Free™ technology is virtually wear-free, so no traditional maintenance is required. This saves the customer unnecessary maintenance downtime and money, as well as extends the technical life of the unit, which in turn reduces the environmental burden created by waste.

Shares and ownership

On the date of this Prospectus, the fully-paid share capital amounts to EUR 81,000.00. A total of 6,416,480 of the Company's shares are registered. All shares are of the same class.

The Company had 685 shareholders on the date of this Prospectus.

The following table sets forth the ten (10) largest shareholders of the Company on the date of this Prospectus.

Shareholder	Shares and votes	% of all shares and votes
EAKR-Aloitusrahasto Oy	815,830	12.71 %
KWH-koncernen Ab	577,430	9.00 %
Nurmiraanta Holdings Oy	530,250	8.26 %
Jaakko Säiläkivi	310,500	4.84 %
WS Cleantech Motor Fund Ky	301,700	4.70 %
Timo Pulkki	164,750	2.57 %
Olli-Pekka Kulmala	141,500	2.21 %
Process Flow Ltd Oy	141,500	2.21 %
Circulos Meos Oy	115,320	1.80 %
Springvest Oy	106,360	1.66 %
Total	3,205,140	49.95 %
Other shareholders	3,211,340	50.05 %
Total	6,416,480	100.00 %

The Company is not aware of any shareholder having a controlling interest in the Company. The Company is not aware of any arrangements that might result in a change in the control of the Company in the future.

Key management personnel and auditor

The Company's Board of Directors consists of Sami Somero (Chairman), Kjell Antus, Heidi Ahonen, Hannu Rusanen and Johanna Ylikoski. Tamturbo's management team consists of Timo Pulkki (Managing Director), Marja-Leena Niemenmaa (CFO), Hannu Heinonen (VP, Americas), Olli Kuismanen (Director, Global Customers and Partners), Kimmo Pyykönen (Chief Operating Officer), Juha Lammi (CTO), Heli Malinen (Marketing Officer), Igor Nagaev (Area Director, Eastern Europe and CIS) and Brecht Vanlee (Area Director, Western Europe and Asia). Tamturbo's statutory auditor is the auditing firm KPMG Oy Ab, with Teemu Suoniemi, Authorised Public Accountant, as the principal auditor.

What is the key financial information of the issuer?

The selected historical key financial information presented below is derived from Tamturbo's audited financial statements prepared in accordance with FAS for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017, and Tamturbo's unaudited financial information of the three-month period ended 31 March 2020 and 31 March 2019. Tamturbo has established the subsidiary Tamturbo Inc. in 2018 and prepared the consolidated financial statements for the first time for the financial year ended 31 December 2019.

The following table shows the key figures of Tamturbo for the reported periods:

EUR thousand, if not otherwise stated	1.1.- 31.3.2020	1.1.- 31.3.2019	1.1.- 31.12.2019	1.1.- 31.12.2018	1.1.- 31.12.2017
	FAS	FAS	FAS	FAS	FAS
	Tamturbo Group	Tamturbo Group	Tamturbo Group	Tamturbo Plc	Tamturbo Ltd
	(Not audited)		(Audited)		
Revenue	504.0	19.4	2,134.1	554.1	157.9
Revenue growth rate	2501.7 %	-	285.1 %	250.9 %	-
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
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¹ Unaudited.

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

What are the key risks for the issuer?

- The coronavirus pandemic is having a negative impact on the world economy and its impact on the operations of the Company and its suppliers and customers is so far very difficult to assess
- Uncertainty in the Company's key operating markets, financial markets and general economic situation may adversely affect the Company
- The Company may not succeed in implementing its growth and internationalisation strategy
- The technological disruption of medium pressure compressors that the Company anticipates may not occur on the Company's anticipated time schedule or may not occur at all
- The Company has a history of operating losses and the operations may stay unprofitable for an unforeseeable future
- The Company's working capital on the date of the Prospectus is insufficient to cover the Company's current needs and working capital needs for the next 12 months from the date of the Prospectus and if the Company is not able to raise at least EUR 3.1 million in net proceeds the Company may need additional working capital financing
- The expected income of capitalised development costs may prove to be lower than expected
- Tamturbo is likely to need more external financing to implement its strategy and grow its business and it is not certain that it will receive financing on favourable terms or at all
- The Company supplies turbo compressors to industries that use compressed air and a failure of a turbo compressor may cause significant damage to the customer in the event of a disruption or interruption of the manufacturing process, which may result in a compensation liability to the Company and significant reputational damage
- The Company may not be able to sufficiently protect its intellectual property rights
- The Company is dependent on availability of its key suppliers and subcontractors and their delivery schedule
- The Company is reliant on its ability to recruit and retain key personnel

Key information about the securities

What are the key features of the securities?

Tamturbo has one series of shares. Tamturbo's shares are registered in the book-entry system maintained by Euroclear Finland. The ISIN-code for the shares is FI4000260682 and their trading code will be "TURBO".

The Company is offering a maximum of 2,000,000 new shares in the Company (the "Offer Shares") (the "Offering"). In the Offering, The Offering consists of a (i) public offering to private individuals and entities in Finland and Sweden (the "Public Offering") and (ii) private placement to institutional investors in Finland and Sweden and, in accordance with applicable law, internationally (the "Institutional Offering"). If the Offering is oversubscribed, the Board of Directors may increase the number of Offer Shares by an additional share allotment of up to 500,000 new shares (the "Additional Share Allotment").

Rights to the Offer Shares include, but are not limited to, the pre-emptive right to subscribe for new shares in the Company, the right to participate and exercise voting rights, the right to dividends and other unrestricted equity distributions and the right to demand redemption to a fair value from a shareholder that owns more than 90 per cent of all shares and votes in the Company, as well as other general rights according to the Finnish Companies Act. The Offer Shares are freely transferable. Each Offer Share entitles the holder to one vote at the Company's General Meeting.

Based on Tamturbo's current investments and growth prospects, as well as the Company's liquidity and general economic situation, it cannot be expected that the Company will pay dividends in the near future. Tamturbo's current intention is to save any future profit to finance the Company's development and growth. The Company has not paid a dividend so far and there is no certainty that it will have distributable funds available in the future.

Where will the securities be traded?

The Company intends to make an application to Nasdaq Helsinki for listing the Company's shares on the Nasdaq First North Growth Market Finland marketplace ("First North") with the trading symbol "TURBO". Trading in the Company's shares is expected to start on First North on 9 June 2020.

Nasdaq First North Growth Market is a registered SME growth market. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated market, as defined in EU legislation. Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies.

What are the key risks connected with the securities?

- The Company's shares have not been traded on a regulated market or in an MTF prior to the FN Listing, and as a result the share price may fluctuate and an active and liquid market may not develop for the share
- Future issues or sales of a substantial number of shares or special rights entitling to shares could have a negative effect on the market price of the shares and/or cause dilution
- The ability of Tamturbo to pay dividends in the future or amount of possible future dividends is not certain

Key information about the offer of securities to the public

What are the conditions and schedule for investing in the securities?

The Offering

The Company Offers up to 2,000,000 new shares in the Company (the "Offer Shares") for subscription (the "Offering"). The Offering consists of a (i) public offering to private individuals and entities in Finland and Sweden (the "Public Offering") and (ii) private placement to institutional investors in Finland and Sweden and, in accordance with applicable law, internationally (the "Institutional Offering").

The Offer Shares are offered in deviation from the shareholders' pre-emptive rights in order to get the shares listed on Nasdaq Helsinki Oy's multilateral trading facility Nasdaq First North Growth Market Finland ("First North") (the "FN-Listing").

Additional Share Allotment

If the Offering is oversubscribed, the Board of Directors of the Company may increase the number of Offer Shares by an additional share allotment of up to 500,000 additional new shares in the Company ("Additional Share Allotment"). Assuming that the Additional Share Allotment is exercised in full, in aggregate up to 2,500,000 Offer Shares may be issued in the Offering and in such case the Offer Shares will upon consummation of the Offering constitute approximately 28.04 per cent of the outstanding shares in the Company.

Subscription price and subscription period

The Offer Shares are issued at a subscription price of EUR 3.00 per Offer Share (the "Subscription Price").

The subscription period for Offer Shares in the Institutional Offering will commence on 18 May 2020 at 10:00 Finnish time and is expected to end on 29 May 2020 at 12:00 Finnish time. The subscription period for Offer Shares in the Public Offering will commence on 18 May 2020 at 10:00 Finnish time and is expected to end on 28 May 2020 at 16:00 Finnish time. In the event of an oversubscription, the Company's Board of Directors has the right to discontinue the Offering no earlier than 26 May 2020 at 16:00 Finnish time. The Institutional and Public Offerings may be discontinued independently of each other. The Institutional and Public Offerings may be discontinued even if there is no oversubscription for them. The possible discontinuation will be announced in a company release. The Company may, at its sole discretion, extend the subscription period. The subscription period may be extended one or several times by the Company's Board of Directors, provided, however that it will not be extended beyond 5 June 2020. Any extension to the subscription period will be announced by way of company release before the end of the subscription period.

FN Listing

The Company intends to make an application to Nasdaq Helsinki for listing the Company's shares on the Nasdaq First North Growth Market Finland marketplace ("First North") with the trading symbol "TURBO". Trading in the Company's shares is expected to start on First North on 9 June 2020 (the "FN Listing").

Cancellation of subscriptions

Subscriptions placed in the Offering are binding and irrevocable and may only be cancelled where the Prospectus Regulation provides for a cancellation right.

If the Prospectus is supplemented or corrected in accordance with the Prospectus Regulation due to a significant new fact, material error or material inaccuracy related to the information contained in the Prospectus, which becomes apparent after the Finnish FSA has approved the Prospectus but before the end of the subscription period, the investors who have subscribed for Offer Shares before the supplement or amendment of the Prospectus, have the right, according to the Prospectus Regulation, to cancel their subscription within at least two (2) working days from the publication of the supplement or amendment. The condition of the right of cancellation is that a significant new fact, material error or material inaccuracy that led to the supplement or adjustment occurred or was noted before the end of the subscription period and the delivery of the Offer Shares. If the

Prospectus is supplemented, this will be announced by way of company release. The company release will also inform investors of the right to withdraw their subscription in accordance with the Prospectus Regulation.

Fees and expenses

In connection with the Offering, the Company is expected to pay a total of approximately EUR 0.6 million in fees and expenses.

No fees are charged by the Company or subscription venue of the Offering Nordnet Bank AB to the investors subscribing for Offer Shares. However, brokers and other service providers engaged by the investor may charge the investor as agreed between the investor and the service provider.

Dilution

In case the Offering is fully subscribed, the Offer Shares will correspond to approximately 23.76 per cent of the shares and votes in the Company after the Offering. If also the Additional Share Allotment is exercised in full the Offer Shares will correspond to approximately 28.04 per cent of the shares and votes in the Company after the Offering.

Why has this prospectus been prepared?

Tamturbo has prepared and published this Prospectus in order to carry out the Offering and to apply for the admission of its shares to trading on First North maintained by Nasdaq Helsinki.

Reasons for the Offering

Tamturbo experienced strong sales growth in 2019. The Company's first air compressors were sold in 2017, and by the end of 2019, the Company had sold 18 units to eleven different customers globally. The Company estimates that its current customers have a total of more than 1,500 compressors from various manufacturers in use in hundreds of different factories, and the Company is in negotiations with tens of similar potential customers. In 2019, the Company's revenue was approximately EUR 2.1 million, an increase of approximately 285 percent compared to 2018. The Company is well positioned and needs additional capital due to new orders and for generally growing global demand, which is why the Company is arranging the Offering and intends to apply for its shares to be traded on First North.

The Company plans to use the net proceeds of the Offering for the following purposes:

- To increase the sales, marketing and customer service organisation in order to enhance the global "go-to-market" strategy (approximately EUR 3.2 million).
- To create growth in inventories and financing capital tied up to accounts receivables (approximately EUR 1.4 million).
- Expansion of other operations to meet growth targets (approximately EUR 0.3 million).
- The necessary capital expenditures as the sales volume increases, the most significant of which is the planned expansion of the test laboratory (approximately EUR 0.3 million).

The FN Listing opens up the capital markets for the Company and, according to the Company, strengthens its awareness and credibility among customers, suppliers and potential new employees of the Company. The FN Listing will also enable more liquidity in the Company's shares. The Company also wants to offer investors the opportunity to be part of building a Finnish industrial growth story.

Proceeds from the Offering

The Company aims to raise approximately EUR 6.0 million in the Offering. If the Offering is fully subscribed, the Company expects to receive net proceeds of approximately EUR 5.4 million from the Offering after deducting the estimated costs of the Offering to be paid by the Company, which will total approximately EUR 0.6 million. From this amount, proceeds have not been reduced by subscriptions paid by certain Cornerstone Investors by offsetting the convertible bond granted to the Company and the interest accrued on it, the amount of which is approximately EUR 0.2 million. This means that if all the abovementioned receivables are set off, the net proceeds in the Offering after the set-off will be approximately EUR 5.2 million.

The Board of Directors has decided on an Additional Share Allotment to be executed in the event of an oversubscription of the Offering. If the Additional Share Allotment is subscribed in full, the Company's gross proceeds from the Offering will increase by approximately EUR 1.5 million, before the estimated costs, and the net proceeds by an estimated EUR 1.4 million.

Conflicts of interest connected to the Offering

Augment Partners AB acts as financial advisor to the Company in accordance with the terms and conditions of the agreement made with them in connection with the Offering. The agreement defines the services provided by Augment Partners AB in connection with the Offering and the rights and obligations of the parties. Augment Partners AB receives a pre-determined fee for their services in connection with the Offering and a part of the fee depends on the amount of the proceeds of the Offering.

Therefore, it is in the interest of Augment Partners AB that the Offering is successful. Augment Partners AB also acts as the Certified Adviser of the Company.

The members of the Board of Directors or the CEO of Tamturbo have no conflicts of interest between their duties in the Company and their private interests and/or other duties.

Governing law and dispute resolution

The Prospectus is governed and construed in accordance with the laws of Finland, excluding the governing choice of law (relating to Finland or any other jurisdiction) which could result in the application of any law other than Finnish law.

SAMMANFATTNING

Denna sammanfattning innehåller alla avsnitt som måste presenteras i enlighet med Prospektförordningen för värdepapperet i fråga och dess emittent. Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperet bör baseras på en bedömning av Prospektet i dess helhet från investerarens sida.

En investerare som investerar i värdepapper kan förlora hela eller delar av det investerade kapitalet. Om en talan väcks vid domstol mot informationen i Prospektet kan den klagande investeraren enligt tillämplig lag krävas att bära kostnaderna för översättning av Prospektet innan förfarandet inleds. Tamturbo är civilrättsligt ansvarig för denna sammanfattning endast om sammanfattningen, läst i samband med andra delar av Prospektet, är vilseledande, felaktig eller inkonsekvent, eller om sammanfattningen, läst i samband med andra delar av Prospektet, inte innehåller nyckelinformation för att hjälpa investerare när de överväger att investera i de värdepapper som emitterats av Tamturbo.

Kontaktuppgifterna för emittenten är följande:

Emittentens namn:	Tamturbo Abp
Adress:	Koskikatu 7 A, 33100 Tammerfors, Finland
Telefonnummer:	+358 10 4232 300
Bolagets webbplats:	www.tamturbo.com
LEI-kod:	743700DWIDWP0Z2AGY34
Värdepapperets namn:	TURBO
ISIN-kod:	FI4000260682

Bolaget kommer att lämna in en noteringsansökan till Nasdaq Helsinki avseende notering av Bolagets aktier på First North. Prospektet har godkänts av finska Finansinspektionen, som den behöriga myndigheten i enlighet med Prospektförordningen, den 15.5.2020. Finska Finansinspektion godkänner detta Prospekt endast i den utsträckning det uppfyller kraven för fullständighet, tydlighet och konsistens som anges i Prospektförordningen. Detta godkännande av Finansinspektionen ska inte tolkas som bevis på godkännandet av den emittent som detta Prospekt gäller. Numret för beslutet om godkännande från Finansinspektionen är FIVA 18/02.05.04/2020.

Kontaktinformationen för den behöriga myndigheten, Finansinspektionen, som godkänner detta Prospekt är följande:

Myndighet:	Finansinspektionen
Adress:	PL 103, 00101 Helsingfors
Telefonnummer:	+358 9183 51
E-post:	kirjaamo@finanssivalvonta.fi

Nyckelinformation om Tamturbo

Vem är emittenten av värdepapperet?

Emittentens registrerade företagsnamn är Tamturbo Oyj, på svenska Tamturbo Abp och på engelska Tamturbo Plc ("Bolaget"). Bolaget är ett publikt aktiebolag som är etablerat i Finland och regleras av finsk lag. Bolagets hemvist är Tammerfors och Bolaget är registrerat i handelsregistret som upprätthålls av Patent- och Registerstyrelsen i Finland under företags-ID 2326864-0. Bolagets LEI-kod är 743700DWIDWP0Z2AGY34.

Översikt

Tamturbo grundades i Tammerfors 2010 för att utveckla ny, mer energieffektiv och miljövänlig industriell kompressorteknologi. Idag består Tamturbo-koncernen av moderbolaget Tamturbo Abp och dess helägda amerikanska dotterbolag Tamturbo Inc., som grundades 2018.

Tamturbo har utvecklat en familj av kompressorprodukter som, enligt Bolaget, överträffar traditionell teknologi samt fungerar med betydligt lägre livscykelkostnader. Bättre prestanda innebär energibesparingar i tryckluftproduktion, vilket innebär ekonomiska fördelar för kunden. Både samhället och naturen kommer också att dra nytta av minskningen i energiförbrukningen. Tamturbos Touch-Free™ -teknologi är praktiskt taget slitagefri, så inget traditionellt underhåll krävs. Detta sparar kunden onödigt underhållstid och pengar, samt förlänger enhetens tekniska livslängd, vilket i sin tur minskar miljöbördan som avfallet skapar.

Aktier och ägande

Vid dagen för detta Prospekt uppgår det fullt betalda aktiekapitalet till EUR 81 000,00. Totalt 6.416.480 av Bolagets aktier är registrerade. Alla aktier är av samma serie.

Bolaget hade 685 aktieägare vid dagen för detta Prospekt.

Följande tabell visar de tio (10) största aktieägarna i Bolaget per datumet för detta Prospekt:

Aktieägare	Aktier och röster	% av alla aktier och röster
EAKR-Aloitusrahasto Oy	815.830	12,71 %
KWH-koncernen Ab	577.430	9,00 %
Nurmira Oy	530.250	8,26 %
Jaakko Säiläki	310.500	4,84 %
WS Cleantech Motor Fund Ky	301.700	4,70 %
Timo Pulkki	164.750	2,57 %
Olli-Pekka Kulmala	141.500	2,21 %
Process Flow Ltd Oy	141.500	2,21 %
Circulos Meos Oy	115.320	1,80 %
Springvest Oy	106.360	1,66 %
Totalt	3.205.140	49,95 %
Övriga aktieägare	3.211.340	50,05 %
Totalt	6.416.480	100,00 %

Bolaget känner inte till att någon aktieägare har ett bestämmande inflytande i Bolaget. Bolaget känner inte till några arrangemang som kan leda till en förändring av kontroll av Bolaget i framtiden.

Nyckelpersoner och revisor

Bolagets styrelse består av Sami Somero (ordförande), Kjell Antus, Heidi Ahonen, Hannu Rusanen och Johanna Ylikoski. Tamturbos ledning består av Timo Pulkki (VD), Marja-Leena Niemenmaa (CFO), Hannu Heinonen (VP, Nord- och Sydamerika), Olli Kuismanen (chef, globala kunder och partners), Kimmo Pyykönen (COO), Juha Lammi (CTO), Heli Malinen (marknadsföringschef), Igor Nagaev (områdeschef, Östeuropa och CIS) och Brecht Vanlee (områdeschef, Västeuropa och Asien). Tamturbos lagstadgade revisor är revisionsföretaget KPMG Oy Ab, med Teemu Suoniemi, auktoriserad revisor, som huvudrevisor.

Vad är den utvalda finansiella informationen för emittenten?

Den utvalda historiska finansiella informationen som presenteras nedan härrör från Tamturbos reviderade finansiella rapporter upprättade i enlighet med FAS för de räkenskapsår som slutade 31 december 2019, 31 december 2018 och 31 december 2017, och Tamturbos oreviderade finansiella information för den tremånadersperiod som slutade 31 mars 2020 och 31 mars 2019. Tamturbo har etablerat dotterbolaget Tamturbo Inc. år 2018 och upprättat koncernredovisningen för första gången för räkenskapsåret som slutade den 31 december 2019.

Följande tabell visar nyckeltalen för Tamturbo för de rapporterade perioderna:

Belopp i EUR tusen	1.1.- 31.3.2020 FAS Tamturbo- koncernen	1.1.- 31.3.2019 FAS Tamturbo- koncernen	1.1.- 31.12.2019 FAS Tamturbo- koncernen	1.1.- 31.12.2018 FAS Tamturbo Abp	1.1.- 31.12.2017 FAS Tamturbo Ab
	(Oreviderat)		(Reviderat)		
Omsättning	504,0	19,4	2.134,1	554,1	157,9
Omsättningstillväxt (%)	2.501,7 %	-	285,1 %	250,9 %	-
Rörelseresultat	-1.125,1	-775,5	-2.959,5	-2.600,2	-1.441,9
Rörelsemarginal (%) ²	-223 %	-3.997 %	-140 % ¹	-469 % ¹	-913 % ¹
Årets resultat	-1.177,4	-795,9	-3.325,2	-2.647,9	-1.461,6
Kassaflöde från den löpande verksamheten	-1.228,7	-660,1	-2.874,5 ¹	-2.388,2 ¹	-2.091,4 ¹
Kassaflöde från investeringsverksamheten	-27,2	-267,3	-285,9 ¹	-1.144,4 ¹	-1.083,9 ¹
Kassaflöde från finansieringsverksamheten	-27,3	-795,4	4.790,3 ¹	1.398,8 ¹	1.146,5 ¹
Totala tillgångar	8.368,3	7.738,1	9.687,7	7.812,3	8.680,4
Totalt eget kapital	3.506,5	3.489,0	4.683,9	3.366,9	5.427,8

¹ Oreviderat

² Rörelseresultat (EBIT) i förhållande till omsättning

Vilka är de huvudsakliga riskerna för emittenten?

- Coronaviruspandemin påverkar världsekonomin negativt och dess påverkan på Bolaget och dess leverantörer och kunder är hittills mycket svår att bedöma
- Osäkerhet på Bolagets viktigaste operativa marknader, finansmarknader och allmän ekonomisk situation kan påverka Bolaget negativt
- Bolaget kanske inte lyckas implementera sin tillväxt- och internationaliseringsstrategi
- Det tekniska genombrottet av medeltryckskompressorer som Bolaget förutser kanske inte inträffar i Bolagets förväntade tidsplan eller kanske inte inträffar överhuvudtaget
- Bolaget har en historia av rörelseförluster och verksamheten kan förbli olönsam under en oförutsägbart framtid
- Bolagets rörelsekapital per datumet för Prospektet är otillräckligt för att täcka Bolagets nuvarande behov och rörelsekapitalbehov under de kommande 12 månaderna från per datumet för Prospektet och om Bolaget inte lyckas anskaffa minst EUR 3,1 miljoner i nettolikvid kan Bolaget behöva ytterligare rörelsekapitalfinansiering
- De förväntade intäkterna av aktiverade utvecklingskostnader kan visa sig vara lägre än förväntat
- Tamturbo kommer troligen att behöva mer extern finansiering för att genomföra sin strategi och expandera sin verksamhet och det är inte säkert att Bolaget kommer få finansiering till gynnsamma villkor eller överhuvudtaget
- Bolaget levererar turbokompressorer till industrier som använder tryckluft och ett fel i en turbokompressor kan orsaka betydande skador för kunden i en händelse av störningar eller avbrott i tillverkningsprocessen, vilket kan leda till kompensationsansvar för Bolaget och betydande ryktesskador
- Bolaget kanske inte kan skydda sina immateriella rättigheter tillräckligt
- Bolaget är beroende av tillgängligheten för sina viktigaste leverantörer och underleverantörer och deras leveransschema
- Bolaget är beroende av sin förmåga att rekrytera och behålla nyckelpersoner

Nyckelinformation om värdepappret

Vilka är de huvudsakliga funktionerna i värdepapperet?

Tamturbo har en serie av aktier. Tamturbos aktier är registrerade i det värdepapperssystem som upprätthålls av Euroclear Finland. ISIN-koden för aktierna är FI4000260682 och aktiens kortnamn kommer att vara "TURBO".

Bolaget erbjuder högst 2.000.000 nya aktier för teckning i Bolaget ("Erbjudandeaktier") ("Erbjudandet"). Erbjudandet består av (i) ett offentligt erbjudande till privatpersoner och allmänheten i Finland och Sverige ("Offentliga Erbjudandet") och (ii) ett private placement arrangemang för institutionella investerare i Finland och Sverige och internationellt, i enlighet med tillämplig lag ("Institutionella Erbjudandet"). Ifall Erbjudandet övertecknas kan styrelsen öka antalet Erbjudandeaktier med en överteckningsemission av aktier om upp till 500.000 nya aktier ("Överteckningsemissionen").

Rättigheterna till Erbjudandeaktier inkluderar, men är inte begränsade till, företrädesrätt att teckna nya aktier i Bolaget, rätten att delta och utöva rösträtt, rätten till utdelning och annan obegränsad aktieutdelning och rätten att kräva inlösen av aktierna till verkligt värde från en aktieägare som äger mer än 90 procent av alla aktier och röster i Bolaget samt andra allmänna rättigheter enligt den finska aktiebolagslagen. Erbjudandeaktierna är fritt överlåtbara. Varje Erbjudandeaktie berättigar till en röst vid bolagsstämman.

Baserat på Tamturbos nuvarande investeringar och tillväxtutsikter, liksom Bolagets likviditet och allmänna ekonomiska situation, kan det inte förväntas att Bolaget kommer att betala utdelning inom en snar framtid. Tamturbos nuvarande avsikt är att spara eventuella framtida vinster för att finansiera Bolagets utveckling och tillväxt. Bolaget har hittills inte betalat utdelning och det finns ingen säkerhet att det kommer att finnas tillgängliga utdelningsbara medel i framtiden.

Var kommer värdepapperet att handlas?

Bolaget avser lämna in en ansökan till Nasdaq Helsinki för notering av Bolagets aktier på Nasdaq First North Growth Market Finland marknadsplats ("First North") med kortnamnet "TURBO". Handel med Bolagets aktier förväntas påbörjas på First North den 9 juni 2020 ("FN-notering").

Nasdaq First North Growth Market är en registrerad tillväxtmarknad för små och medelstora företag. Emittenter på Nasdaq First North Growth Market omfattas inte av samma regler som emittenter på en reglerad marknad, enligt definitionen i EU-lagstiftningen. Istället är de föremål för mindre omfattande regler och förordningar som är anpassade till små tillväxtföretag.

Vilka är de huvudsakliga riskerna kopplade till värdepapperet?

- Bolagets aktier har inte handlats på en reglerad marknad eller på en MTF innan FN-noteringen, och på grund av detta kan aktiekursen fluktuera och en aktiv och likvid marknad kanske inte utvecklas för aktien
- Framtida emissioner eller försäljning av ett betydande antal aktier eller särskilda rättigheter som berättigar till aktier kan ha en negativ inverkan på marknadspriset för aktierna och/eller orsaka utspädning
- Det råder osäkerhet om Tamturbos förmåga att betala utdelning i framtiden eller hur stor den framtida utdelningens kan vara

Nyckelinformation om erbjudandet av värdepapperen till allmänheten

Vilka är villkoren och schemat för investeringar i värdepapperet?

Erbjudandet

Bolaget erbjuder högst 2.000.000 nya aktier för teckning i Bolaget ("Erbjudandeaktier") ("Erbjudandet"). Erbjudandet består av (i) ett offentligt erbjudande till privatpersoner och allmänheten i Finland och Sverige ("Offentliga Erbjudandet") och (ii) ett private placement arrangemang för institutionella investerare i Finland och Sverige och internationellt, i enlighet med tillämplig lag ("Institutionella Erbjudandet").

Erbjudandeaktierna erbjuds i avvikelse från aktieägarnas företrädesrätt för att få aktierna noterade på Nasdaq Helsinki Ab:s multilaterala handelsplattform Nasdaq First North Growth Market Finland ("First North") ("FN-notering").

Överteckningsemission

Om Erbjudandet övertecknas kan Bolagets styrelse öka antalet Erbjudandeaktier med en Överteckningsemission på upp till 500.000 ytterligare nya aktier i Bolaget. Förutsatt att Överteckningsemissionen utnyttjas i sin helhet, kan sammanlagt upp till 2.500.000 Erbjudandeaktier emitteras i Erbjudandet och i sådana fall utgör Erbjudandeaktier vid genomförandet av Erbjudandet cirka 28,04 procent av de utestående aktierna i Bolaget.

Teckningskurs och teckningsperiod

Erbjudandeaktierna emitteras till en teckningskurs om EUR 3,00 per Erbjudandeaktie ("Teckningskurs").

Teckningsperioden för Institutionella Erbjudandet börjar den 18 maj 2020 kl. 10.00 finsk tid och beräknas avslutas den 29 maj 2020 kl. 12.00 finsk tid. Teckningsperioden för Offentliga Erbjudandet börjar den 18 maj 2020 kl. 10.00 finsk tid och beräknas avslutas den 28 maj 2020 kl. 16.00 finsk tid. I händelse av överteckning har Bolagets styrelse rätt att avbryta Erbjudandet tidigast den 26 maj 2020 vid 16.00 finsk tid. Det Institutionella och Offentliga Erbjudandet kan avbrytas oberoende av varandra. Det Institutionella och Offentliga Erbjudandet kan avbrytas även om det inte finns en överteckning. Det eventuella avbrytandet kommer att meddelas genom pressmeddelande. Bolaget kan förlänga, efter eget gottfinnande, teckningsperioden. Teckningsperioden kan förlängas en eller flera gånger av Bolagets styrelse, under förutsättning att den inte kommer att förlängas efter 5.6.2020. Eventuell förlängning av teckningsperioden kommer att tillkännages genom ett pressmeddelande innan teckningsperiodens slut.

FN-notering

Bolaget avser att lämna in en ansökan till Nasdaq Helsinki för att notera Bolagets aktier på First North marknadsplatsen med kortnamnet "TURBO". Handel med Bolagets aktier förväntas starta på First North den 9 juni 2020.

Återkallelse av teckningsanmälan

Teckningar som har gjorts inom ramen för Erbjudandet är bindande och kan inte återkallas förutom i de situationer som beskrivs i Prospektförordningen.

Om Prospektet kompletteras eller korrigeras i enlighet med Prospektförordningen på grund av ett väsentligt nytt aspekt, väsentliga misstag eller grundläggande felaktigheter relaterade till informationen i Prospektet, vilket blir uppenbart efter att Finansinspektionen har godkänt Prospektet men före utgången av teckningsperioden, har de investerare som har bundit sig att teckna för Erbjudandeaktier innan komplettering eller korrigering av Prospektet, rätt enligt Prospektförordningen att annullera sin teckning inom minst två (2) bankdagar efter publiceringen av kompletteringen eller korrigeringen av Prospektet. En förutsättning för återkallelserätt är att aspekten, misstaget eller den grundläggande felaktigheten inträffade eller upptäcktes innan slutet av teckningsperioden och leveransen av Erbjudandeaktierna. Om Prospektet kompletteras kommer detta att meddelas genom ett pressmeddelande. Bolagets pressmeddelande kommer också att informera investerare om rätten att återkalla sin teckningsanmälan i enlighet med Prospektförordningen.

Avgifter och kostnader

I samband med Erbjudandet förväntas Bolaget betala totalt EUR 0,6 miljoner i emissionsavgifter och -kostnader.

Bolaget eller Nordnet Bank AB, teckningsplatsen i samband med Erbjudandet, debiterar inte några avgifter eller kostnader för investerare som tecknar Erbjudandeaktier. Värdepappersmäklare och andra tjänsteleverantörer som används av investerare kan dock debitera investeraravgifter baserat på avtal mellan investeraren och tjänsteleverantören.

Utspädning

Om Erbjudandet är fulltecknat kommer Erbjudandeaktierna att motsvara cirka 23,76 procent av aktierna och rösterna i Bolaget efter Erbjudandet. Om dessutom Överteckningsemissionen utnyttjas i sin helhet kommer Erbjudandeaktierna att motsvara cirka 28,04 procent av aktierna och rösterna i Bolaget efter Erbjudandet.

Varför har detta Prospekt utarbetats?

Tamturbo har förberett och publicerat detta Prospekt för att genomföra Erbjudandet och ansöka om antagande av sina aktier till handel på First North som upprätthålls av Nasdaq Helsinki.

Syftet med Erbjudandet

Tamturbo upplevde en stark försäljningstillväxt under 2019. Bolagets första kompressorer såldes 2017 och i slutet av 2019 hade Bolaget sålt 18 enheter till elva (11) olika kunder globalt. Bolaget uppskattar att dess nuvarande kunder har totalt mer än 1.500 kompressorer från olika tillverkare som används i hundratals olika fabriker, och Bolaget har pågående förhandlingar med tiotals liknande potentiella kunder. År 2019 var Bolagets nettoomsättning cirka EUR 2,1 miljoner, en ökning med cirka 285 procent jämfört med 2018. Bolaget är väl positionerat och behöver ytterligare kapital på grund av nya orders och generellt växande global efterfrågan, varför Bolaget nu genomför Erbjudandet och avser att ansöka om att dess aktier ska handlas på First North.

Bolaget planerar att använda nettolikviden av Erbjudandet för följande ändamål:

- Att öka försäljningen, marknadsföringen och kundtjänstorganisationen för att förbättra den globala "go-to-market" -strategin (cirka EUR 3,2 miljoner).
- Att skapa tillväxt i omsättningstillgångar och finansiera kapitalet bundet till kundfordringar (cirka EUR 1,4 miljoner).
- Utvidgning av andra verksamheter för att uppnå tillväxtmål (cirka EUR 0,3 miljoner).
- De nödvändiga investeringarna när försäljningsvolymen ökar, varav den viktigaste är den planerade utvidgningen av testlaboratoriet (cirka EUR 0,3 miljoner).

FN-noteringen öppnar kapitalmarknaden för Bolaget och stärker dess kännedom och trovärdighet bland kunder, leverantörer och potentiella nyanställda i Bolaget. FN-noteringen möjliggör också mer likviditet i Bolagets aktier.

Likvid från Erbjudandet

Bolaget avser anskaffa cirka EUR 6,0 miljoner i Erbjudandet. Om Erbjudandet fulltecknas räknar Bolaget med att få en nettolikvid om cirka EUR 5,4 miljoner efter avdrag för de beräknade emissionskostnaderna för Erbjudandet som ska betalas av Bolaget, vilka kommer att uppgå till cirka EUR 0,6 miljoner. Från detta belopp har intäkterna inte minskats från de teckningar som betalats av vissa ankarinvestorer genom att kvitta obligationslånet som beviljats Bolaget, och de räntor som tillkommit på det, vars belopp är ungefär EUR 0,2 miljoner. Detta innebär att om alla ovannämnda fordringar kvittas, kommer nettolikviden i Erbjudandet efter kvittningen uppgå till cirka EUR 5,2 miljoner.

Styrelsen har beslutat att en Överteckningsemission kan genomföras ifall Erbjudandet övertecknas. Om Överteckningsemissionen tecknas i sin helhet ökar Bolagets bruttolikvid från Erbjudandet med cirka EUR 1,5 miljoner före de uppskattade kostnaderna och nettolikviden ökar med en uppskattad summa om EUR 1,4 miljoner.

Intressekonflikter kopplade till Erbjudandet

Augment Partners AB tillhandahåller finansiell rådgivning till Bolaget i enlighet med det avtal som upprättats i samband med Erbjudandet. Avtalet definierar de tjänster som Augment Partners AB tillhandahåller i samband med Erbjudandet samt parternas åtaganden och rättigheter. Augment Partners AB erhåller en i förväg överenskommen avgift för dessa tjänster, och en del av denna avgift är knuten till likviden från Erbjudandet. Således ligger det i Augment Partners AB:s intresse att Erbjudandet blir framgångsrikt. Augment Partners AB agerar också som Bolagets Certified Adviser.

Styrelseledamöterna eller verkställande direktören för Tamturbo har inga intressekonflikter mellan deras uppgifter i Bolaget och deras privata intressen och/eller andra uppgifter.

Tillämplig lag och tvistlösning

Prospektet styrs och tolkas i enlighet med Finlands lagar, med undantag för det reglerande valet av lag (som rör Finland eller annan jurisdiktion) som kan leda till tillämpning av annan lag än finsk lag.

RISK FACTORS

Investors considering investing in the Offer Shares are advised to carefully review all the information in this Prospectus, especially the risk factors presented later in this Prospectus. Issues that may possibly affect the investment decision are also dealt with elsewhere in the Prospectus. If one or more of the risk factors described herein is realised, it may have a negative effect on the Company's business, financial condition and results of operation and/or the value of the Company's securities. The following description of risk factors is based on information known and projected when preparing the Prospectus, and therefore the description of risk factors is not necessarily exhaustive. Additional risks and uncertainties that the Company is not currently aware of or which it currently considers to be immaterial may have a material adverse effect on the Company's business, results of operations and financial position. The Company's shares may decline in value due to the realisation of these risks, which could lead to investors losing parts or all of their invested capital.

The risks presented here are divided into the following categories according to their nature:

- 1. Risks related to the coronavirus and macroeconomic conditions*
- 2. Risks related to Tamturbo's operating environment and strategy implementation*
- 3. Risks related to Tamturbo's financial position and financing*
- 4. Risks related to Tamturbo's business operations*
- 5. Risks related to third parties*
- 6. Risks related to management and employees*
- 7. Risks related to the Company's shares, FN Listing and the Offering*

Each category presents first the risk that is estimated to be the most significant based on the overall assessment of the criteria set out in the Prospectus Regulation. However, the order of presentation after the first risk factor in each category does not describe the likelihood of the risk factors occurring or the potential impact of their realisation. The order in which the risk categories are presented does not reflect an assessment of the significance of the risks included in each risk category in relation to the risks included in the other risk categories.

Risks related to the coronavirus and macroeconomic conditions

The coronavirus pandemic is having a negative impact on the world economy and its impact on the operations of the Company and its suppliers and customers is so far very difficult to assess

So far, the effects of the coronavirus pandemic on the Company's operations have been limited to the acquisition of new customers, which has temporarily slowed down and/or shifted to remote appointments. Customer projects that were underway before the pandemic began have progressed with minor delays. When coronavirus restrictions are lifted, the risk that a large portion of employees of the Company or its critical suppliers will be exposed to the coronavirus cannot be ruled out. Should the coronavirus epidemic spread widely in Finland or in the home countries of the Company's critical suppliers, it is also not ruled out that new restrictions could be introduced to temporarily ban people from leaving their homes or industrial companies from doing business. In the situations described above, it is possible that the Company will not receive the components it needs and/or will not be able to assemble and deliver its products to customers on time, which would result in delays in payments from customers and, in the worst case, cancellation of deals. If travel restrictions remain in place for a long time, this may make it more difficult or slower to sell the Company's products, especially to new customers, and to install and deploy the Company's products, which may result in delays in payments from customers. Similarly, any financial difficulties that may arise for the Company's customers due to the coronavirus epidemic may affect their investment decisions. If any of the negative effects of the coronavirus described above on the Company's operations materialise, they may have a material adverse effect on the Company's business, results of operations, financial condition and/or value of securities.

Uncertainty in the Company's key operating markets, financial markets and general economic situation may adversely affect the Company

Tamturbo has so far delivered its products to seven countries and the Company's current view is that its main markets will be Europe, North America, Russia and the Far East. Economic developments and uncertainty in the financial markets especially in these markets may adversely affect the Company's business and growth opportunities. Even before the coronavirus epidemic, the general world political situation has brought uncertainty to the world economy. Strong fluctuations in oil prices, tariffs imposed by the United States and China, discussions between several countries and the EU on possible trade restrictions and Brexit are likely to have a harmful effect on the global economy and create a climate of uncertainty.

The general economic development also affects the Company's customers, and a slowdown in economic growth or negative economic growth may indirectly adversely affect the demand for the Company's products and the number of orders received by the Company as companies may reduce their investments. The Company's management estimates that in the economic downturn, replacement investments and long-term investments in particular may be delayed. Companies operating in the

manufacturing, consumer products and food industries, among others, are significant customers of the Company, and changes in their financial condition, future prospects or the amount of available funds may adversely affect the demand for the Company's products. Uncertainty in the economy, structural and regional changes and changes in the operations of the Company's customers may, among other things, lead to the postponement or suspension of investments that have already been decided on.

As the political environment, the global economy and the uncertainty in the financial markets materialise, it is possible that the Company's financing opportunities will also decline. Weaker economic conditions may adversely affect the Company's business and result of operations. The factors described above, alone or combined, may have a material adverse effect on the Company's customers and on the Company's business, results of operations, financial condition, prospects and/or value of the securities.

Risks related to Tamturbo's operating environment and strategy implementation

The Company may not succeed in implementing its growth and internationalisation strategy

Time schedule uncertainty is associated with the wider launch of the Company's international business operations and the growth of its business. Customers' decisions on binding orders may be delayed, which can have a major impact on the result and cash flow for that specific year. The first delivery order of the delivery process to a new market area typically takes one to two years from the first customer contact. The slower-than-planned developing order backlog may expose the Company to negative earnings development, with investments in acquiring customers in the target country producing results later than planned.

The total capacity of the Company's industrial operations is developed by investing in production and supplier strategy, quality system, software, personnel and business premises solutions to create the conditions for cost-effective and rapid growth. Slower-than-planned revenue growth may lead to slower-than-planned implementation of these development measures. The Company may fail to increase the capacity of its industrial operations, in which case there will be no delivery capacity required for growth. For example, managing and streamlining production and deliveries involves uncertainty due to the Company's reasonably short operating history. Failure in production and distribution logistics or inventory management may adversely affect the Company's business or results of operations.

The internationalisation of operations exposes the Company to new types of risks, such as the management of the resale and distribution network, the management of service and software interfaces, the management of laws, regulations, standards and other norms in new market areas and exchange rate fluctuations. It is possible that the Company will not be able to anticipate all the challenges related to growing its business and establishing itself in new markets or to acquire the resources it needs in a new market area. If such risks materialise, the Company may fail to meet its growth targets and expand into certain market areas, resulting in a slowdown in the Company's growth, or the cost of delivery in a new market may rise higher than anticipated, affecting the Company's profitability. The realisation of the above risks may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

The technological disruption of medium pressure compressors that the Company anticipates may not occur on the Company's anticipated time schedule or may not occur at all

The Company expects the technological disruption of medium pressure compressors to high-speed turbos to take place over the next 10 to 15 years. The duration of the technological disruption is determined by the replacement interval of traditional industrial screw compressors, i.e. the average service life. The typical designed lifetime of screw compressors is 10-15 years, and existing oil-free screw compressors are overhauled every 4-7 years. The cost of an overhaul is usually more than 50 per cent of the price of a new compressor. Thus, when the compressor reaches the end of its life or when the compressor is in overhaul, the customer may be receptive to new technology.

If the technological disruption does not materialise within the Company's projected time schedule or at all, the Company's products may not generate the customer demand sought by the Company within the Company's foreseeable time schedule or at all, which may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or value of the securities.

Changes may occur in the competitive environment that will adversely affect the Company

Tightening competition and/or similar or substitute products, services or technologies used and developed by competitors may significantly affect the Company's business opportunities. There are several players in the compressor market that are clearly larger than the Company, with greater resources for product development, sales and marketing. Atlas Copco, the Company's largest competitor, already has a product similar to the Company's product. If other major players in the industry would also succeed in creating a technology similar to the technology developed by the Company, it would have a significant impact on the Company's business opportunities, among other things, by tightening competition and affecting product pricing. On the other hand, new competitors entering the market will further increase the awareness of the technology and, in the Company's view, make the technological disruption even faster than predicted. However, the Company may also fail to develop new products, bring them to the market, succeed with the marketing, respond to technological developments or competition. The

Company's business competitors and opportunities for new types of methods are discussed in more detail in the section “*Market and industry overview - Competitive environment*” of this Prospectus.

Tightening competition or other changes in the Company's main market areas may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

Risks related to Tamturbo's financial position and financing

The Company has a history of operating losses and the operations may stay unprofitable for an unforeseeable future

Like many other early-stage technology companies, Tamturbo has invested in the development of its products, offering and production as well as the expansion of its operations into new markets during the first operational years and has not yet reached a sales volume and margin that would cover the operational costs. Thus, the Company has incurred significant operating losses since it was founded in 2010. The loss for the financial year ended 31 December 2019 was approximately EUR 3,325.2 thousand. Tamturbo's cumulative losses on 31 December 2019 were approximately EUR 9,793.0 thousand. These losses have resulted principally from costs incurred in research and development of products and production processes as well as from general and administrative costs associated with the Company's operations.

The Company cannot with certainty estimate, when its operating profit will turn positive or assure that this will happen in the future. This may impair the Company's ability to sustain its operations or obtain any required additional financing. Even if the Company's operating profit would turn positive in the future, the Company may not necessarily be able to sustain a positive operating profit in subsequent periods. It is likely that the Company will experience fluctuating revenues, operating results and cash flows.

The Company's working capital on the date of the Prospectus is insufficient to cover the Company's current needs and working capital needs for the next 12 months from the date of the Prospectus and if the Company is not able to raise at least EUR 3.1 million in net proceeds the Company may need additional working capital financing

The Company estimates that it does not have sufficient working capital at the date of this Prospectus to cover its current needs and working capital needs for the next 12 months from the date of this Prospectus (see “*Operating and financial review and prospects - Working Capital Statement*” of the Prospectus).

Tamturbo expects to receive net proceeds of approximately EUR 5.4 million from the Offering if fully subscribed. From this amount, proceeds have not been reduced by subscriptions paid by certain Cornerstone Investors by offsetting the convertible loan granted to the Company and the interest accrued on it, the amount of which is approximately EUR 0.2 million. This means that if all the above-mentioned receivables are set off, the net proceeds in the Offering after the set-off will be approximately EUR 5.2 million. If the net proceeds from the Offering are less than EUR 3.1 million, the Company may need additional working capital financing, which it plans to raise to the extent necessary through debt and equity financing. There can be no assurance that the Company will be able to obtain the necessary additional equity or debt financing in this situation. If no additional funding is available, the Company is likely to experience financial difficulties. This could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or value of the securities.

The expected income of capitalised development costs may prove to be lower than expected

The Company capitalises the expenditures, including both personnel expenditures and procurements, for product and technology development, to the extent that they are expected to generate economic benefits in the future. Total development costs capitalised in the balance sheet were EUR 5,548.4 thousand as of 31 December 2019. The assets are amortised on a straight-line basis over 15 years. Adverse changes in expected future profitability may lead to changes in amortisation period or recognition of impairment losses. If the Company is required to change the amortisation period or recognise impairment losses, it could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or value of the securities.

Tamturbo is likely to need more external financing to implement its strategy and grow its business and it is not certain that it will receive financing on favourable terms or at all

Tamturbo needs, as of the date of this Prospectus and expects to continue to need in the future, external financing to implement its strategy and enable the growth of its business. A significant part of the Company's revenue is generated from the sale of investment-type products and the average duration of deliveries is four months. Long-term deliveries can increase working capital requirements if payment schedules for orders are backloaded. Negative changes, such as the general weakening of financial markets or the tightening of regulations in the banking sector, may weaken the ability of banks and other financial institutions to provide financing options and lead to stricter financing conditions. Such negative changes could have a negative impact on Tamturbo's ability to obtain additional funding. There is also no guarantee that Tamturbo will be able to obtain

sufficient additional funding in a timely manner and on favourable terms to maintain its liquidity at a sufficient level and to finance operating expenses and investments.

Implementing Tamturbo's strategy and growing its business with external financing may expose Tamturbo to the risks associated with indebtedness. If financial expenses increase as a result of high indebtedness and Tamturbo has to use a significant portion of its operating cash flow for amortisation and interest payments, this would reduce the amount of cash flows and funds available to Tamturbo's business and its development. If Tamturbo's cash flow from operating activities is not sufficient to cover current or future borrowing costs, Tamturbo would be forced to limit its business, investments and capital expenditures, sell its assets, restructure its loans or seek additional financing from the market. The above factors could weaken Tamturbo's financial position, and its large-scale indebtedness could also impair Tamturbo's ability to obtain additional financing on terms similar to or more favourable than the current financing arrangements. However, there is no guarantee that Tamturbo will be able to negotiate or refinance these agreements on acceptable terms or at all. At present, of the Tamturbo loans, only the loan granted by Nordea with the original amount of EUR 600.0 thousand has a variable interest rate. In the future, however, a rise in interest rates could have a material adverse effect on the price of financing and Tamturbo's financing costs. Therefore, it is possible that a significant rise in interest rates or inadequate measures to manage interest rate risk could lead to a significant increase in interest expenses. Further information on Tamturbo's financing arrangements is presented in the section "*Operating and financial review and prospects - Sources of funding*" of the Prospectus.

Failure to obtain financing, an increase in financing costs, unfavourable terms or an increase in interest expenses may have a material adverse effect on the Company's results of operations, financial condition, prospects and/or the value of the securities.

The Company may be adversely affected by fluctuations in exchange rates

The Company is exposed to exchange rate risks in the form of translation and transaction risks due to exchange rate fluctuations. Tamturbo's functional currency is the euro. The reporting currency for Tamturbo's main business and cash flows is the euro, but Tamturbo also conducts business in other currencies. The most significant foreign currency to which Tamturbo is currently exposed is the U.S. dollar. In addition, the Company regularly makes purchases denominated in British Pounds. The amount of such purchases has so far been a few tens of thousands of euros a year. Foreign exchange transaction risk arises when Tamturbo or its subsidiary engages in commercial or financial transactions and makes payments in a foreign currency and when the incoming and outgoing cash flows associated with the payments are not equal or simultaneous. Foreign exchange risk also arises when a subsidiary's equity is denominated in a currency other than the parent company's functional currency. Tamturbo reports its results in euros but has assets in foreign currencies. Thus, Tamturbo's operations involve exchange rate risk related to assets, liabilities, revenue and expenses reported in a currency other than the euro. In order to prepare the consolidated financial statements, Tamturbo must translate the values of the above assets, liabilities, revenues and expenses into euros in accordance with the exchange rates applicable at that time.

Tamturbo does not currently have arrangements in place to hedge against exchange rate fluctuations. In addition, it should be noted that increasing economic uncertainty is likely to increase exchange rate volatility. Fluctuations in exchange rates may strengthen, but also weaken, the price competitiveness of the Company's products relative to competitors' products manufactured in other currency areas.

The Company's management believes that the magnitude of the exchange rate risk in Tamturbo's activities to date has been quite low, and it has been limited mainly to exchange rate fluctuations between the euro, the US dollar and the British pound. If the Company's order intake and sales grow in the euro area or in other currency areas according to plan in the future, and the Company is unable to hedge against the exchange rate risk arising from this accordingly, the realisation of foreign exchange rate risk could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

The Company may not be able to utilize all tax losses incurred

On 31 December 2019, Tamturbo had a total of EUR 6,450 thousand of unused tax losses for the years 2010-2018, and their partial use in the future requires an exemption from the tax authorities. It is possible to deduct tax losses from the resulting profits during the ten (10) tax years following the occurrence of the loss. Deferred tax assets due to tax losses have not been recognised in the balance sheet. Due to the share issues made in 2011-2016, there have been changes in the Company's ownership that limit the use of tax losses accumulated in 2010-2016 (totalling EUR 2,345.5 thousand) in the future. Therefore, it is possible that the Company will not be able to use the tax losses.

The use of tax losses requires future taxable income to cover losses. However, there is no assurance that the Company will generate sufficient taxable income in the future to utilise some or all of its tax losses. This could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

Risks related to Tamturbo's business operations

The Company supplies turbo compressors to industries that use compressed air and a failure of a turbo compressor may cause significant damage to the customer in the event of a disruption or interruption of the manufacturing process, which may result in a compensation liability to the Company and significant reputational damage

Key customer segments of Tamturbo's products include the food and beverage industry, the paper and pulp industry, the electronics industry, the automotive industry, the textile and glass industry, the chemical industry, the pharmaceutical and cosmetics industry, and the manufacturing industry, all of which use significant amounts of compressed air in their processes. The above-mentioned segments typically carry out large-scale manufacturing operations. A failure in the turbo compressors supplied by Tamturbo may cause disruption or interruption to the manufacturing process, which in turn may cause significant damage to the customer.

The Company has not been able to limit the maximum amount of its compensation liability in all its customer agreements, which exposes the Company to unpredictable compensation liabilities for direct damages in these agreements. The failures may also damage the Company's reputation, which will weaken the Company's ability to grow its business. Therefore, the failure of the turbo compressors supplied by Tamturbo may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

The service contracts entered into by the Company in connection with the Air-as-a-Service business are significantly shorter than the leases under which the Company has leased the turbo compressors used in the Air-as-a-Service business, which exposes the Company to lease obligations in the event of termination

The Company has so far entered into four (4) Air-as-a-Service service contracts with its customers. The termination notice period for Air-as-a-Service service contracts is a maximum of twelve (12) months. The Company has sold five (5) turbo compressors used in the Air-as-a-Service business model to AppaRentals Oy and leased them back under a ten (10) year lease agreement.

If the customer terminates the Air-as-a-Service service contract or the service contract is terminated, for example due to the customer's breach of contract, the Company may not be able to find a new Air-as-a-Service customer to whom the vacated turbo compressor could be delivered to at the end of the contract. In this case, the Company will still have to pay a monthly rent for the turbo compressor to AppaRentals Oy without receiving cashflow for the turbo compressor to itself. Should several Air-as-a-Service service contracts terminate during the lease period of the turbo compressors used in them, this could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or value of the securities.

The Company may not be able to sufficiently protect its intellectual property rights

Tamturbo's strategy so far has been that the Company has not actively sought to patent its inventions. As of the date of this Prospectus, Tamturbo holds one patent, which is described in more detail in the section "Description of Business - Patents and Trademarks" of the Prospectus. In addition, there are likely to be patentable inventions in the invention process for which the rationale for patenting is being investigated. The key intellectual property, which Tamturbo strives to protect to the best of its ability, is related to the control and regulation of a multi-stage turbo compressor, where, in addition to patents, control algorithms and software are an essential part, the development of which Tamturbo has completely in its own hands.

So far, Tamturbo has relied primarily on trade secrets, non-disclosure agreements and certain other intellectual property right agreements to protect its intellectual property rights. There can be no assurance that Tamturbo's measures will effectively prevent competitors from abusing Tamturbo's intellectual property rights. Competitors may misuse intellectual property rights owned or licensed by Tamturbo, ownership of the intellectual property rights may be in dispute, and the intellectual property rights may otherwise become known to competitors or may be developed independently by competitors. Tamturbo may also decide to take steps to prevent third parties from obtaining patent protection or other intellectual property rights protection, which may result in significant costs to the Company. Furthermore, there is no guarantee that Tamturbo's employees, consultants or other partners will not breach their confidentiality obligations related to Tamturbo's trade secrets in a manner that could compromise Tamturbo's intellectual property rights.

Failure in protection of Tamturbo's intellectual property may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or value of the securities.

The Company may infringe third party intellectual property rights or claims may be made against the Company on such infringements

Certain technologies and processes used by Tamturbo may be protected by intellectual property rights of third parties in certain countries, and non-infringement of third-party intellectual property rights by Tamturbo cannot always be ruled out with certainty. Such third parties may take legal action against the infringement of these intellectual property rights, Tamturbo may be

prohibited from using such technology in its products and such lawsuits may delay Tamturbo's development or delivery of products.

Further, Tamturbo may have to replace its technology with another technology, or acquire a license for the use of such technology, in which case the Company may have to pay license fees or royalties for its use. There are no guarantees that Tamturbo is able to obtain such licenses at commercially acceptable terms, if at all. Potential patent infringements may cause significant costs for Tamturbo and there are no guarantees that Tamturbo can successfully refuse such claims. Any infringements of third-party intellectual property rights or any potential claims by third parties may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the value of the securities.

Risks related to third parties

The Company is dependent on availability of its key suppliers and subcontractors and their delivery schedule

Tamturbo only assembles its own products. For some components, Tamturbo is dependent on the availability and delivery schedules of its key suppliers and subcontractors. The Company has sought to secure alternative suppliers and subcontractors that the Company may use if any of the existing suppliers or subcontractors are unable to supply the necessary components or need to be replaced. Similarly, Tamturbo has required buffer stocks for some of its suppliers and partially procured critical components for its own stock. As component suppliers that are significant to the Company's business run into delivery difficulties, the introduction of alternative component supplier products may cause delays in delivery schedules. Similarly, changing suppliers or subcontractors can put cost pressures on Tamturbo's end products and negatively affect the warranty terms of customer products. Disruptions in the availability or delivery schedules of suppliers or subcontractors may therefore have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

Tamturbo's contractual relationships, and in particular customer agreements, involve counterparty risk

Tamturbo's contractual relationships involve counterparty risk related to the counterparties' ability to meet their contractual obligations, especially with respect to Tamturbo's customer agreements. The risks are mainly related to the payment of the Company's receivables when they fall due. Tamturbo's deliveries typically do not involve advance payments, and invoicing has only taken place after the delivery of the unit. In Tamturbo's view, counterparty risk is mainly related to deliveries to smaller distributors, not so much to large key customers. Although Tamturbo strives to select only solvent parties as its customers, Tamturbo's receivables are not paid from time to time when they fall due, and there is no guarantee that Tamturbo will receive payments on time or at all.

The Company may also incur costs for recovering debt, and recovering efforts may also tie up Tamturbo's resources. There can be no assurance that Tamturbo's measures to manage counterparty risk will adequately protect Tamturbo from counterparty risk. Errors, delays or breaches of contractual obligations by Tamturbo's counterparties and Tamturbo's failure to hedge may have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

Risks related to management and employees

The Company is reliant on its ability to recruit and retain key personnel

Tamturbo has a relatively small organisation, resulting in a dependence on individual employees. The Company's future development depends largely on the knowledge, experience and commitment of management and other key personnel. The Company could be adversely affected in the short term if any of these people would leave. Even though the Company has a good reputation as an innovative high-tech company and so far has been able to recruit competent employees, it is not certain that the Company in the future will be able to recruit new qualified employees to the extent that the Company wishes. Failure in recruiting and retaining relevant key personnel may have a material adverse effect on the Company's business, financial condition, results of operations, prospects and/or the value of the securities.

Tamturbo may not be able to meet its workforce needs and is exposed to the risk of increasing personnel costs

Tamturbo's business is highly dependent on its personnel. Tamturbo complies with the collective agreement applicable to the industry. The social partners are not always able to negotiate new collective agreements before the expiry of existing ones, and prolonged collective bargaining can lead to labour disputes and industrial action. In addition, Tamturbo's ability to meet its workforce needs while managing its labour costs depends on many external factors, such as the availability and competition of qualified personnel in different markets, prevailing wage levels, minimum wage legislation, medical expenses and other insurance costs. Failure to comply with applicable labour legislation in the countries in which Tamturbo operates may result in material fines, penalties or claims. In addition, Tamturbo's labour costs may rise faster than expected in the future as a result of both staff growth and salary increases. If labour costs increase, Tamturbo's operating expenses will also increase unless it is

able to pass these costs on to customers by raising prices or offsetting the impact of cost increases by increasing its sales, improving productivity or other measures.

Modifications, repeal or expiration of favourable regulations in labour legislation or an increase in labour costs may significantly increase Tamturbo's operating expenses or limit its operational flexibility, which could have a material adverse effect on the Company's business, results of operations, financial condition, prospects and/or the value of the securities.

Risks related to the Company's shares, the FN Listing and the Offering

The Company's shares have not been traded on a regulated market or in an MTF prior to the FN Listing, and as a result the share price may fluctuate and an active and liquid market may not develop for the share

Prior to the FN Listing, the Company's shares have not been traded on a regulated market or an MTF. The Company intends to submit a listing application to Nasdaq Helsinki. However, there is no assurance that an active market will develop or be maintained after the FN Listing. Thus, there can be no certainty about the liquidity of the Company's shares. Following an FN Listing, the market price of the Company's shares may fluctuate due to, for example, actual or anticipated fluctuations in the Company's results of operations, innovations, new products or services introduced by the Company or its competitors, changes in financial analysts' estimates, market conditions and trends, exchange rates, regulatory developments, general market conditions or other factors. In addition, there have been occasional price and volume fluctuations in international financial markets that have not been related to the business development or prospects of individual companies. Thus, a deterioration in the general market situation or a deterioration in the market for similar securities may have a material adverse effect on the Company's share and liquidity.

In addition to the other risks mentioned in this section, there are risks in the capital markets that the Company cannot control. The capital markets have experienced significant price and volume fluctuations in recent months. The market prices of companies' shares have fluctuated, and these fluctuations have often not been related to the particular company's results of operations or earnings expectations of those companies. Such market fluctuations may lead to increased volatility in the market price of the Company's shares, and the price of the Company's share may fall below the Subscription Price.

Future issues or sales of a substantial number of shares or special rights entitling to shares could have a negative effect on the market price of the shares and/or cause dilution

Tamturbo may issue shares for a variety of reasons, such as to finance its business, in connection with acquisitions, or as an incentive for its employees. The Company's largest shareholders that include EAKR-Aloitushast Oy, KWH-konsernen Ab, Nurmira Oy, Jaakko Säiläki, WS Cleantech Motor Fund Ky, Timo Pulkki, Olli-Pekka Kulmala, Process Flow Ltd Oy, Circulos Meos Oy, Gerako Oy, Kimmo Laine and Juha Tantari, as well as Marja-Leena Nieminen, Juha Lammi, Olli Kuusmanen, Kimmo Pykönen and Hannu Heinonen who are part of the management team have committed to lock-ups, on the date of this Prospectus, and therefore they cannot sell any shares they hold in the Company for a period of 12 months from the first trading day on First North. See "Listing Arrangements - Lock-up Agreements" in the Prospectus. The Company is not in a position to assess whether a significant number of shares will be sold after the lock-up expires.

The holders of the Company's 2019 convertible bond have undertaken to exercise the stock options related to the convertible bond in connection with the subscription of the Company's new shares in connection with the Offering. As a result of the exercise of the stock options, the number of the Company's shares will increase by 119,615 shares. The shares that can be subscribed for on the basis of the stock options correspond to approximately 1.70 percent of the fully diluted number of the Company's shares before the Offering and approximately 1.32 percent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and no oversubscription issue is used. The Company has also issued other stock options, see "Share capital and shares - Stock options and other special rights entitling to shares" in the Prospectus for more information.

Future issues or sales of the Company's shares or rights entitling to shares, or the perception that such issues or sales may occur in the future, may adversely affect the market price of the Company's share and the Company's ability to obtain equity financing. In addition, any future rights issues carried out by the Company will dilute the shareholder's relative shareholding and voting rights if the shareholder decides not to subscribe for shares.

The amount of possible future dividends to be distributed to shareholders is not certain

The Company has not paid a dividend so far. Based on Tamturbo's current investments and growth prospects, as well as the Company's liquidity and general economic situation, it cannot be expected that dividends will be paid in the near future. Tamturbo's current intention is to save any future income to finance the Company's development and growth.

The future payment of potential dividends and their amount will depend on Tamturbo's future results, cash flows, financial position, capital requirements, the terms of any financing agreements binding Tamturbo, investment needs and other factors

affecting the Company's financial condition. In addition, the distribution of dividends and other unrestricted equity depends on the provisions of the Finnish Limited Liability Companies Act (624/2006, amendments), the Board of Directors discretion and, ultimately, the decision of Tamturbo's Annual General Meeting. According to the Finnish Limited Liability Companies Act, the amount of dividends distributed by the company may not exceed the distributable funds indicated in the most recent audited financial statements approved by the Annual General Meeting. A dividend may not be distributed if it is known or should have been known at the time of the distribution that the company is insolvent or that the distribution of the dividend would cause the company to become insolvent. The Board of Directors of the Company must therefore ensure that the solvency of the Company is maintained before deciding on the distribution of dividends.

Subscriptions are irrevocable, except under certain limited circumstances

Subscriptions for Offer Shares will be irrevocable upon exercise, and except in certain limited circumstances as set forth in “*Terms and conditions of the Offering – Cancellation of subscriptions*”, may not be withdrawn, cancelled or modified after such time.

Holders of shares in the Company registered in custodial nominee accounts may not be able to exercise their voting rights

Beneficial owners of shares in the Company whose shares are registered in a custodial nominee account will not be able to exercise their voting right unless their ownership is re-registered in their names with Euroclear Finland prior to the Company's General Meeting. There can be no assurance that beneficial shareholders in the Company will receive the notice for a General Meeting in time to instruct their nominees to either effect a re-registration of their shares or otherwise exercise their voting right in the manner desired by such beneficial owners. There can further be no assurance that the nominees in fact do carry out all necessary measures to enable such investors to attend a General Meeting, even where properly instructed by such investors.

There is no certainty that all Cornerstone Investors fulfil their obligations towards the Company

The Company has received subscription commitments from the Cornerstone Investors totalling EUR 3.0 million (see the section “*Listing Arrangements - Subscription commitments*” in the Prospectus). Thus, the Offering will be subscribed for at least 50 per cent. The Company has not received or solicited collaterals from the Cornerstone Investors. Although the Company has trust for the Cornerstone Investors, there is no assurance that all the Cornerstone Investors will meet their obligations towards the Company.

IMPORTANT DATES IN CONNECTION WITH THE OFFERING

Subscription period for the Offering begins	18 May 2020
The Offering can be discontinued at the earliest	26 May 2020
The subscription period in the Public Offering ends (estimate)	28 May 2020
The subscription period in the Institutional Offering ends (estimate)	29 May 2020
The outcome of the Offering is announced (estimate)	1 June 2020
Offer Shares are registered with the Finnish Trader Register (estimate)	8 June 2020
Offer Shares are delivered to the book-entry accounts of subscribers (estimate)	8 June 2020
First day of trading on First North (estimate)	9 June 2020

AUDITORS AND ADVISERS

The Company's auditor

KPMG Oy Ab
Töölönlahdenkatu 3 A
00100 Helsinki

The Company's financial adviser in the Offering and Certified Adviser

Augment Partners AB
Birger Jarlsgatan 2
SE-114-34 Stockholm

The Company's legal adviser

Smartius Oy
Kalevantie 2
33100 Tampere

Subscription venue and issuer agent

Nordnet Bank AB
Yliopistonkatu 5
00100 Helsinki

RESPONSIBILITY STATEMENT

The Company accepts responsibility for the information contained in this Prospectus. To the best knowledge of the Company, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. These statements may not be based on historical facts, but are statements about future expectations. When used in this Prospectus, the words "estimates", "anticipates", "assumes", "believes", "expects", "will", "intends", "may", "plans", "pursues", "should" and similar expressions as they relate to the Company or the Offering identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements are set forth in a number of places in this Prospectus, including in "*Risk Factors*", "*Operating and Financial Review and Prospects*" and wherever this Prospectus include information on the future plans and expectations with regard to the Company's business, including its strategic plans and plans on growth and profitability, and the general economic conditions.

These forward-looking statements are based on present plans, estimates, projections and expectations. They are based on certain expectations, which, even though they seem to be reasonable at present, may turn out to be incorrect. Such forward-looking statements are based on assumptions and are subject to various risks and uncertainties. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied in the forward-looking statements.

The absence or the occurrence of these factors may cause the Company's actual results of operation and financial condition to differ significantly from the results stated or described, expressly or implicitly, in the sections containing such forward-looking statements. In light of the risks, uncertainties, assumptions and other factors referred to in this Prospectus, events described in the forward-looking statements may not occur or may fail to materialise. Consequently, there can be no guarantee regarding the accuracy and completeness of any of the forward-looking statements contained in this Prospectus or the actual materialisation of predicted developments.

FINANCIAL INFORMATION

The financial statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 as well as the unaudited financial information for the three-month periods ended 31 March 2020 and 31 March 2019 of the Company have

been prepared in accordance with the Finnish Accounting Act (31.12.1997/1336, as amended), Finnish Accounting Ordinance (31.12.1997/1337, as amended), and instructions and statements of the Accounting Board operating under the Ministry of Employment and the Economy (the “Finnish Accounting Standards”, “FAS”).

The official financial statements and the official auditor's reports of the Company are in Finnish. The financial statements of the Company presented in other languages are unaudited translations of the official financial statements. Auditor's reports of the Company presented in other languages are translations of the official Finnish language auditor's reports.

ALTERNATIVE PERFORMANCE MEASURES

Tamturbo presents in this Prospectus certain performance measures of financial performance and financial position, which in accordance with the “Alternative Performance Measures” guidance issued by the European Securities and Markets Authority (ESMA) are considered alternative performance measures.

Tamturbo presents alternative performance measures as additional information to financial measures presented in the income statement and balance sheet prepared in accordance with the Finnish Accounting Standards. In the Company's view, alternative performance measures provide the management, investors, securities market analysts and other parties with significant additional information related to the Company's results of operations and financial position and are widely used by analysts, investors and other parties.

Alternative performance measures should not be viewed in isolation or as a substitute to the financial measures according to the Finnish Accounting Standards. All companies do not calculate alternative performance measures in a uniform way, and therefore the alternative performance measures presented in this Prospectus may not be comparable with similarly named measures presented by other companies. The alternative performance measures presented in this Prospectus are unaudited.

Tamturbo believes the following alternative performance measures are helpful in analysing the business:

- Operating profit/(loss) (EBIT) in relation to revenue

CERTAIN OTHER INFORMATION

The figures presented in this Prospectus, including the financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row in tables may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Unless otherwise indicated in this Prospectus, all references to “EUR” or “euro” are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community. All amounts presented in this Prospectus are in euro, unless otherwise indicated.

Unless otherwise presented herein, the figures of the Prospectus on the Company's share capital, share number and voting rights pertaining to the shares have been calculated based on the information registered with the Finnish Trade Register held by the National Board of Patents and Registration of Finland up to the date of this Prospectus.

ABBREVIATIONS AND KEY CONCEPTS

As used throughout this Prospectus, references to:

- “Euroclear Finland” are to Euroclear Finland Oy;
- “First North” are to the multilateral trading facility First North Finland Growth Market operated by Nasdaq Helsinki;
- “Nasdaq Helsinki” are to Nasdaq Helsinki Oy;

GENERAL MARKET, ECONOMY AND INDUSTRY DATA

This Prospectus contains information about the markets and industries in which Tamturbo operates, the size of the market and Tamturbo's competitive position in the market. Where such information contained in this Prospectus has been derived from third party sources, the name of the source is given therein.

While the Company has accurately reproduced such third-party information, the Company has not verified the accuracy of such information, market data or other information on which third parties have based their studies. As far as the Company is aware and is able to ascertain from information published by these third parties, the information has not been omitted which would render the reproduced information inaccurate or misleading. Moreover, market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative.

This Prospectus also contains the Company's managements' estimates regarding the market position of the Company. These estimates cannot be gathered from market research publications or other independent sources. In many cases, there is no publicly available information on such data, for example from industry associations, public authorities or other organisations and institutions. The Company believes that its internal estimates of market data and information derived therefrom and included in this Prospectus are helpful in order to give investors a better understanding of the industry in which the Company operates as well as its position within this industry. Although the Company believes that its internal market estimates are fair, they have not been reviewed or verified by any external experts and the Company

INFORMATION ON THE WEBSITE

The Prospectus will be published on the Company's website at www.tamturbo.com/ipo on or about 15 May 2020. However, the contents of the Company's website or any other information or documents other than this Prospectus, potential supplements to the Prospectus and the documents incorporated by reference on any other website do not form a part of this Prospectus and prospective investors should not rely on such information in making their decision to invest in the Offer Shares.

REASONS FOR THE FN LISTING, THE OFFERING AND USE OF PROCEEDS

Tamturbo, founded in 2010, is a technology company that enables cleaner and more energy-efficient production processes and lower maintenance costs with its oil-free compressed air solution, thus meeting the requirements of sustainable development of industries. 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, which have, according to the Company, better performance than traditional technology and at the same time, according to the Company, operate with significantly lower total cost of ownership.

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 percent 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 percent 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 sales and 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 through the organisation globally. In addition to Finland, the Company has delivered air compressors to the United States, Belgium, the United Kingdom, Italy, Korea, Malaysia and Turkey.

Tamturbo experienced strong sales growth in 2019. The Company's first air compressors were sold in 2017, and by the end of 2019, the Company had sold 18 units to eleven different customers globally. The Company estimates that its current customers have a total of more than 1,500 compressors from various manufacturers in use in hundreds of different factories, and the Company is in negotiations with tens of similar potential customers. In 2019, the Company's revenue was approximately EUR 2.1 million, an increase of approximately 285 percent compared to 2018. The Company is well positioned and needs additional capital due to new orders and for generally growing global demand, which is why the Company is arranging the Offering and intends to apply for its shares to be traded on First North.

The Company aims to raise approximately EUR 6.0 million in the Offering. If the Offering is fully subscribed, the Company expects to receive net proceeds of approximately EUR 5.4 million from the Offering after deducting the estimated costs of the Offering to be paid by the Company, which will total approximately EUR 0.6 million. From this amount, proceeds have not been reduced by subscriptions paid by certain Cornerstone Investors by offsetting the convertible bond granted to the Company and the interest accrued on it, the amount of which is approximately EUR 0.2 million. This means that if all the abovementioned receivables are set off, the net proceeds in the Offering after the set-off will be approximately EUR 5.2 million.

The Company plans to use the net proceeds of the Offering for the following purposes:

- To increase the sales, marketing and customer service organisation in order to enhance the global "go-to-market" strategy (approximately EUR 3.3 million).
- To create growth in inventories and financing capital tied up to accounts receivables (approximately EUR 1.4 million).
- Expansion of other operations to meet growth targets (approximately EUR 0.3 million).
- The necessary capital expenditures as the sales volume increases, the most significant of which is the planned expansion of the test laboratory (approximately EUR 0.3 million).

The Board of Directors has decided on an Additional Share Allotment to be executed in the event of an oversubscription of the Offering. If the Additional Share Allotment is subscribed in full, the Company's gross proceeds from the Offering will increase by approximately EUR 1.5 million, before the estimated costs, and the net proceeds by an estimated EUR 1.4 million. Any net proceeds from the Additional Share Allotment will be used for the abovementioned purposes, except for capital expenditures.

The FN Listing opens up the capital markets for the Company and, according to the Company, strengthens its awareness and credibility among customers, suppliers and potential new employees of the Company. The FN Listing will also enable more liquidity in the Company's shares. The Company also wants to offer investors the opportunity to be part of building a Finnish industrial growth story.

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>

TERMS AND CONDITIONS OF THE OFFERING

Authorisation for the Offering and Board resolution on the Offering

The Company's Extraordinary General Meeting held on 11 May 2020 resolved to authorise the Board of Directors to decide on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act as follows: The number of shares to be issued based on the authorisation may in total amount to a maximum of 4,200,000 shares. The authorisation may be used e.g. to the contemplated share issue in connection with the planned FN Listing, to commit key personnel of the Company and for other purposes decided by the Board of Directors from time to time.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The issuance of shares and of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorisation is valid until 30 June 2021.

On 15 May 2020 the Board of Directors of the Company resolved on issuing the Offer Shares by adopting the terms set out below.

The Offering

The Company offers up to 2,000,000 new shares in the Company (the "Offer Shares") for subscription (the "Offering"). The Offering consists of a (i) public offering to private individuals and entities in Finland and Sweden (the "Public Offering") and (ii) private placement to institutional investors in Finland and Sweden and, in accordance with applicable law, internationally (the "Institutional Offering").

The Offer Shares are offered in deviation from the shareholders' pre-emptive rights in order to get the shares listed on Nasdaq Helsinki Oy's multilateral trading facility Nasdaq First North Growth Market Finland ("First North") (the "FN-Listing").

Additional Share Allotment

If the Offering is oversubscribed, the Board of Directors of the Company may increase the number of Offer Shares by an additional share allotment of up to 500,000 additional new shares in the Company (the "Additional Share Allotment"). Assuming that the Additional Share Allotment is exercised in full, in aggregate up to 2,500,000 Offer Shares may be issued in the Offering and in such case the Offer Shares will upon consummation of the Offering constitute approximately 28.04 per cent of the outstanding shares in the Company.

Subscription Price

The Offer Shares are issued at a subscription price of EUR 3.00 per Offer Share ("Subscription Price").

When determining the subscription price, the Company has taken into consideration, among other things, the Company's previous capital raises, the current market situation and expected future profits of the Company. The Subscription Price corresponds to Tamturbo's Board of Directors' understanding of the market value of the Offer Shares.

The subscription price for the Offer Shares will be recorded in the fund for invested unrestricted equity.

Subscription Period

The subscription period for Offer Shares in the Institutional Offering will commence on 18 May 2020 at 10:00 Finnish time and is expected to end on 29 May 2020 at 12:00 Finnish time.

The subscription period for Offer Shares in the Public Offering will commence on 18 May 2020 at 10:00 Finnish time and is expected to end on 28 May 2020 at 16:00 Finnish time.

In the event of an oversubscription, the Company's Board of Directors has the right to discontinue the Offering no earlier than 26 May 2020 at 16:00 Finnish time. The Institutional and Public Offerings may be discontinued independently of each other. The Institutional and Public Offerings may be discontinued even if there is no oversubscription. The possible discontinuation will be announced in a company release.

The Company may, at its sole discretion, extend the subscription period. The subscription period may be extended one or several times by the Company's Board of Directors, provided, however that it will not be extended beyond 5 June 2020. Any extension to the subscription period will be announced by way of company release before the end of the subscription period.

Dilution

As a result of the Offering, the number of shares in the Company may increase from 6,416,480 to a maximum of 8,416,480 shares. If the oversubscription issue lot is used in full, the number of shares may increase further to 8,916,480 shares.

In case the Offering is fully subscribed, the Offer Shares will correspond to approximately 23.76 per cent of the shares and votes in the Company after the Offering. If also the Additional Share Allotment is exercised in full the Offer Shares will correspond to approximately 28.04 per cent of the shares and votes in the Company after the Offering.

The relative number of holdings and votes in the Company of a shareholder who does not subscribe for any Offer Shares in the Offering will be diluted accordingly.

The Company's net asset value per share on 31 March 2020 was EUR 0.55 (taking into account the reverse split of shares resolved on the Extraordinary General Meeting held on 11 May 2020). The subscription price in the Offering is EUR 3.00 per Offer Share.

Allocation of Offer Shares

A maximum of 1,333,333 Offer Shares will be offered in the Institutional Offering and a maximum of 666,667 Offer Shares in the Public Offering. Depending on demand, the Company may decide to transfer the Offer Shares, deviating from the initial number of shares, between the Institutional and Public Offerings without restriction, as provided in the special terms and conditions of the Institutional and Public Offering.

In case of an oversubscription the Board of Directors of Tamturbo will decide on the allocation of the Offer Shares so that Offer Shares are first allocated to the Cornerstone Investors. Secondly, the Company aims to approve subscriptions in full up to 300 Offer Shares and, for subscriptions exceeding this amount, allocate the Offer Shares in proportion to the amount of subscriptions unmet. The Company can however prioritise existing shareholders and new investors deemed strategic by the Board of Directors of the Company when allocating Offer Shares in the Offering.

The Company may, at its sole discretion, refuse to accept a subscription made by an investor in the Offering, for example, if there is a reason to believe that the Company would be required to take measures other than the publication of the Prospectus to allow the transfer of Offer Shares to investors.

Announcement of the outcome of the Offering

Provided that no changes are made to the subscription period, the Company will announce the outcome of the Offering on or about 1 June 2020 by way of company release.

Registration and delivery of Offer Shares

If no changes to the subscription period are made, the Offer Shares will be registered with the Finnish Trade Register on or about 8 June 2020. The Offer Shares will be issued and registered in the book-entry system of Euroclear Finland as soon as possible after having been registered with the Trade Register.

The Offer Shares will be delivered to investors through the book-entry system of Euroclear Finland. If no changes of the subscription period are made, the Offer Shares are delivered to investors on or about 8 June 2020.

FN Listing

The Company intends to make an application to Nasdaq Helsinki for listing the Company's shares on the Nasdaq First North Growth Market Finland marketplace ("First North") with the trading symbol "TURBO". Trading in the Company's shares is expected to start on First North on 9 June 2020 ("FN Listing").

Shareholder rights

The Offer Shares will confer all shareholder rights from their registration with the Trade Register and delivery to the investors.

Cancellation of subscriptions

Subscriptions placed in the Offering are binding and irrevocable and may only be cancelled where the Prospectus Regulation provides for a cancellation right.

If the Prospectus is supplemented or corrected in accordance with the Prospectus Regulation due to a significant new fact, material error or material inaccuracy related to the information contained in the Prospectus, which becomes apparent after the Finnish FSA has approved the Prospectus but before the end of the subscription period, the investors who have subscribed for Offer Shares before the supplement or amendment of the Prospectus, have the right, according to the Prospectus Regulation, to cancel their subscription within at least two (2) working days from the publication of the supplement or amendment. The condition of the right of cancellation is that a significant new fact, material error or material inaccuracy that led to the supplement or adjustment occurred or was noted before the end of the subscription period and the delivery of the Offer Shares. If the Prospectus is supplemented, this will be announced by way of company release. The company release will also inform investors of the right to withdraw their subscription in accordance with the Prospectus Regulation.

If an investor wishes to cancel his or her subscription in accordance with the above-mentioned right of withdrawal, the cancellation of the subscription must be done in writing to the place of subscription where the subscription has been made within the time limit set for cancellation. In Finland, subscribers via Nordnet must send a written request for cancellation by e-mail to operations.fi@nordnet.fi or by delivering the cancellation to the office with the following exceptions: Nordnet's own customers in Finland and Sweden accept through the internet service of Nordnet's the cancellation of a separate subscription using Nordnet's bank identification.

The possible cancellation of a subscription concerns the entire subscription. If an investor has cancelled his or her subscription, the amount paid by the investor for the Offer Shares will be returned to the investor's bank account stated in connection with the subscription. The money is refunded approximately within five (5) banking days of the cancellation. If an investor's bank account is in a different bank than that subscription place, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

The Company's right to withdraw the Offering

The Offering will not be executed if at least 1,333,400 Offer Shares are not subscribed for and paid in the Offering.

The Company may also, at its sole discretion (and for any reason), withdraw the Offering. If the Offering is withdrawn, any subscriptions given by investors will be automatically cancelled. In such case, the subscription price paid by investors will be returned to the bank accounts of the investors given by the investors in connection with the subscriptions. The funds will be repaid approximately within five (5) local banking days of the Offering being withdrawn. If an investor's bank account is in a different bank than that subscription venue, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount. A withdrawal of the Offering will be announced by the Company by way of a company release.

The Company may not withdraw the Offering after the Board of Directors of the Company has resolved on the allocation of the Offer Shares.

Governing law

The terms and conditions of the Offering shall be governed by, and construed in accordance with, Finnish law. The courts of Finland have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering.

Other matters

The Board of Directors of the Company may resolve on other matters relating to the Offering.

Special terms and conditions of the Institutional Offering

Preliminary a maximum of 1,333,333 Offer Shares are offered in the Institutional Offering as private placements to institutional investors in Finland and Sweden and, in accordance with applicable law, internationally. The amount of Offer Shares may be more or less than mentioned in these terms and conditions. The Company may, based on the demand, reallocate Offer Shares between the Institutional Offering and the Public Offering from the preliminary number of Offer Shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering shall be 333,000 Offer Shares, or if the aggregate number of Offer Shares covered by the subscriptions in the Public Offering is less than this, such aggregate number of Offer Shares as covered by the subscriptions. Nordnet has the right to reject a subscription, either partially or wholly, if the subscription does not comply with the terms and conditions set forth herein.

The Offer Shares are being offered in the Institutional Offering to institutional investors in Finland and Sweden as well as internationally in certain other countries outside the United States in accordance with the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), as defined in Regulation S. The Offer Shares have not been, and will not be, registered

under the U.S. Securities Act, or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S), unless registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of the United States. More information about the restrictions regarding the offering of Offer Shares under “*Information in the Prospectus*”.

Subscription to a share savings account in the Institutional Offering can only be made for a share savings account on Nordnet.

Right to participate

An investor whose subscription includes at least 33,334 Offer Shares, may participate in the Institutional Offering. Companies, which make a subscription, have to have a valid LEI-code.

Subscription venue

Subscriptions by institutional investors will be accepted by Nordnet. Further information is available from Nordnet on +358 9 6178 8444.

Payment of the Offer Shares

Institutional investors must pay for the Offer Shares corresponding their accepted subscription in accordance with the instructions issued by Nordnet on or about 4 June 2020. If necessary in connection with the subscription being made or before approval of the subscription, Nordnet has the right provided by the duty of care set for securities intermediaries to require that the investor provides information concerning its ability to pay for the Offer Shares corresponding to its subscription or require that the amount corresponding to the subscription be paid in advance. Possible refunds will be made on or about 4 June 2020. No interest will be paid on the refunded amount.

The Cornerstone Investors EAKR-Aloitusrahasto Oy, KWH-koncernen Ab, Nurmira Holding Oy, Olli-Pekka Kulmala, Ari Pöytäri and Teuvo Rintamäki who have given the Company a convertible bond can however pay their subscriptions according to the terms of their subscription commitments by offsetting the subscription price with the capital and interest rate of the convertible bond for the amount exceeding what the option rights connected to the convertible bond give right to convert to shares. The amount of the subscription commitments paid by means of offsetting loans is approximately EUR 0.2 million in total.

Approval of the subscriptions

The Company decides on the approval of the subscriptions. The subscriptions can be accepted or rejected partially or wholly. The Cornerstone Investors have the right to allocation in the Offering.

A confirmation of the accepted subscriptions in the Institutional Offering will be provided as soon as practically possible after the allocation of the Offer Shares.

Special terms and conditions of the Public Offering

Preliminary a maximum of 666,667 Offer Shares are offered in the Public Offering for subscription by private individuals and corporations in Finland and Sweden. The Company may, based on demand, reallocate Offer Shares between the Institutional Offering and the Public Offering in deviation from the preliminary number of Offer Shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering shall be 333,000 Offer Shares or, if the aggregate number of Offer Shares covered by the subscriptions submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the subscriptions.

Subscription to a share savings account in the Institutional Offering can only be made for a share savings account on Nordnet.

Nordnet has the right to reject a subscription, either partially or wholly, if the subscription does not comply with the terms and conditions set forth herein or if it is otherwise incomplete.

Right to participate and minimum and maximum amounts for subscriptions

Investors whose permanent address or domicile is in Finland or Sweden and who submit their subscription in Finland or Sweden, may participate in the Public Offering. The company subscribing must have a valid LEI code. Subscriptions made on the part of persons under 18 years of age, made on their behalf or investors otherwise under guardianship shall be made by guardians or authorised persons and they may require permission from the guardianship authority. In Finland, guardian may not subscribe for the Offer Shares without permission of the local guardianship authority, because the Offer Shares will not yet be admitted

to trading on a stock exchange when the subscription is made. More information about the restrictions in connection with the offering of Offer Shares are found in the Prospectus under “*Information in the Prospectus*”. In the Public Offering, the subscription must concern a minimum of 300 Offer Shares and a maximum of 33,333 Offer Shares. Multiple subscriptions submitted by one and the same investor will be combined into one subscription to which the above-mentioned minimum and maximum amounts are applied.

Subscription venues and submission of subscription in Finland

The subscription venue for the Public Offering in Finland:

- Nordnet’s online service with Nordnet’s bank identifiers at www.nordnet.fi/fi/tamturbo. The subscription can be made through online service with bank identifiers of Nordnet, Aktia, Danske Bank, Handelsbanken, Nordea, Oma Säästöpankki, Osuuspankki, POP Bank, S-Bank, Säästöpankki as well as Ålandsbanken.
- In addition when separately agreed, the subscription in the Offering can be made at Nordnet Bank AB, Finnish branch’s office at Yliopistonkatu 5, 00100 Helsinki on weekdays between 1:00 pm and 5:00 pm.
- The subscription can also be made on behalf of corporation through the online service of Nordnet. Estates of deceased a person or persons under guardianship, which are not Nordnet’s own customers, cannot submit the subscription through the online service of Nordnet, but instead they have to submit the subscription at the office of Nordnet.

The subscription will be considered to have been made when the investors has submitted the subscription according to the instructions of the subscription venue or has confirmed the subscription with his or her bank identifiers and the subscription has been paid. Subscription made by delivering a subscription form to the subscription venue shall be paid to Nordnet’s bank account immediately after delivery of the subscription form in accordance with the instructions included in the subscription form. Subscription made in online service shall be paid when making the subscription with bank identifiers. Subscription shall be paid from a bank account that has been registered in the investor’s name. Any detailed instructions possibly issued by the subscription venue must be taken into consideration when subscribing. The subscription in the Public Offering is binding and cannot be changed and can only be cancelled in the specific manner and situations referred to under “*Terms and conditions of the Offering – Cancellation of subscriptions*”.

The Cornerstone Investors EAKR-Aloitusrahasto Oy, KWH-koncernen Ab, Nurmiraanta Holdings Oy, Olli-Pekka Kulmala, Ari Pöyhtäri and Teuvo Rintamäki who have given the Company a convertible bond can however pay their subscriptions according to the terms of their subscription commitments by offsetting the subscription price with the capital and interest rate of the convertible bond for the amount exceeding what the option rights connected to the convertible bond give right to convert to shares. The amount of the subscription commitments paid by means of offsetting loans is approximately EUR 0.2 million in total.

Subscription venues and submission of subscription in Sweden

The subscription venue in the Public Offering in Sweden for customers with a securities account in Nordnet Sweden is:

- Nordnet’s online service with bank identifiers of Nordnet Bank at www.nordnet.se/se/tamturbo

In the case of a subscription made in the Public Offering in Sweden via Nordnet’s online service, the subscription will be charged on the day the allocation takes place (i.e. approximately on 1 June 2020). In order to not lose the right to allotment, account clients at Nordnet must have sufficient funds available for their subscription on the account during the period from 26 May 2020 at 16:00 Finnish time until the settlement day, which is estimated to be on or about 8 June 2020. More information regarding the subscription process is available at www.nordnet.se/se/tamturbo. Subscribing via Nordnet’s online service requires a valid service agreement with Nordnet.

The subscription will be considered to have been made when the investors has submitted the subscription according to the instructions of the subscription venue or has confirmed the subscription with his or her bank identifiers. Any detailed instructions possibly issued by the subscription venue must be taken into consideration when subscribing. The subscription in the Public Offering is binding and cannot be changed and can only be cancelled in the specific manner and situations referred to under “*Terms and conditions of the Offering – Cancellation of subscriptions*”.

Approval of subscriptions and allocation of Offer Shares

In the Public Offering, the Company will decide on the allocation of Offer Shares. The subscriptions can be accepted partially or wholly. The Cornerstone Investors have a pre-emptive allocation right in the Offering. In the event of an oversubscription, the Company aims to approve subscriptions in full for up to 300 Offer Shares and, for subscriptions exceeding this amount, allocate Offer Shares in proportion to the amount of the subscription unmet. A confirmation letter regarding the approval of the subscriptions and allocation of the Offer Shares will be sent as soon as possible and on or about 2 June 2020. Investors who have subscribed as a Nordnet customer through Nordnet will see their subscription and the Offer Shares allocated to them on the transaction page of the Nordnet online service.

Refunding of paid amount in Finland

If a subscription is rejected or approved only partially, the paid amount of the part thereof will be refunded to the investor to the Finnish bank account indicated in the subscription form or, in the case of Nordnet's own customers, to Nordnet's cash account on or about 1 June 2020. If an investor's bank account is in a different bank than the subscription venue, the funds to be returned will be paid to the investor's Finnish bank account in accordance with the schedule of payment transactions between banks approximately two (2) banking days later. If entries made by the same investor have been combined, any refund will be made to only one of the investor's bank accounts. No interest will be paid on the funds returned.

INSTRUCTIONS TO INVESTORS

Entry of the shares in the book-entry system

The Offer Shares will be registered and issued in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry system of Euroclear Finland.

Investors have to have a book-entry account in a Finnish account operator or in an account operator operating in Finland. The book-entry account number should be given when making a subscription. The account must be in the name of the investor. In the Public Offering, Swedish investors must have a valid investment service agreement with Nordnet.

Subscription by legal entities

A legal entity subscribing for Offer Shares may be requested by the Company or Nordnet, in their sole discretion, to provide evidence on the entity's authorisation to subscribe for Offer Shares and on the authorisation of the representative of the entity to represent the entity.

Subscription through an agent

Investors subscribing for Offer Shares may do so through an agent. In such case, the agent shall provide evidence of its authorisation to represent the investor by producing a power of attorney in form and substance satisfactory to the Company and Nordnet.

No fees are charged to investors

No fees are charged by the Company or Nordnet to the investors subscribing for Offer Shares. However, brokers and other service providers engaged by the investor may charge the investor as agreed between the investor and the service provider.

Taxation

For an explanation of certain matters relating to the taxation of investments in Offer Shares, see "*Taxation Considerations*".

ARRANGEMENTS RELATING TO THE OFFERING

Financial adviser and Certified Adviser

Augment Partners AB acts as financial advisor to the Company in accordance with the terms and conditions of the agreement made with them in connection with the Offering. The agreement defines the services provided by Augment Partners AB in connection with the Offering and the rights and obligations of the parties. In the agreement, the Company has undertaken to exempt Augment Partners AB from certain liabilities and to bear the costs of the Offering.

Augment Partners AB receives a pre-determined fee for their services in connection with the Offering and a part of the fee depends on the amount of the proceeds of the Offering. Therefore, it is in the interest of Augment Partners AB that the Offering is successful.

Augment Partners AB acts as the Certified Adviser of the Company.

Issuer agent and subscription venue for the Offering

Nordnet Bank AB acts as the Company's issuer agent and the subscription venue of the Offering.

Liquidity Provider

On the date of this Prospectus, the Company has not concluded an agreement on the provision of a liquidity provider service for the Company.

Lock-up agreements

Augment Partners AB and the Company have entered into lock-up agreements with the Company's largest shareholders that include EAKR-Aloitusrahassto Oy, KWH-koncernen Ab, Nurmiraanta Holdings Oy, Jaakko Säiläkivi, WS Cleantech Motor Fund Ky, Timo Pulkki, Olli-Pekka Kulmala, Process Flow Ltd Oy, Circulos Meos Oy, Gerako Oy, Kimmo Laine and Juha Tanttari, as well as Marja-Leena Niemenmaa, Juha Lammi, Olli Kuusmanen, Kimmo Pyykönen and Hannu Heinonen who are part of the management team. The shareholders mentioned above have, for a 12 month period commencing on the first day of trading of the shares in the Company on First North, irrevocably undertaken not to, directly or indirectly, without the prior written consent of Augment Partners AB: (i) offer, allot, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any of the shares it held as of the date of this Prospectus or subscribed in the Offering; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of shares or other securities or in cash or otherwise.

The lock-up agreement is subject to the following carve-outs: (i) the sale of shares in a block trade where majority of the Company's shares is being sold; (ii) exercise of any stock option to purchase shares pursuant to any remuneration plan of the Company; (iii) transfers of Shares or any security directly or indirectly convertible into or exercisable or exchangeable for Shares as a bona fide gift or by will or inheritance; and (iv) distributions of Shares or any security directly or indirectly convertible into or exercisable or exchangeable for Shares to limited partners, members, shareholders or affiliates of the undersigned, or to any partnership or limited liability company controlled by the undersigned or by a member of the immediate family of the undersigned.

Subscription commitments

The Company has received the following binding subscription commitments from Cornerstone Investors regarding the subscription of the Offer Shares in connection with the Offering:

Cornerstone Investor	Subscription commitment (shares)	Subscription commitment (EUR)	Subscription commitment to be paid by off-setting the convertible bond (EUR)	Total subscription commitments (EUR)
Certain OP Fund Management Company LTD managed funds	333,333	999,999	-	999,999
EAKR-Aloitusrahassto Oy	140,130	384,657	35,715	420,390
KWH-koncernen Ab	102,238	270,999	35,715	306,714
Nurmiraanta Holdings Oy	95,238	249,999	35,715	285,714

Mirallas Oy	50,000	150,000	-	150,000
Olli-Pekka Kulmala	39,000	100,001	16,999	117,000
Circulos Meos Oy	36,000	108,000	-	108,000
Janne Vertanen	33,333	99,999	-	99,999
Ari Pöyhtäri	17,500	33,750	18,750	52,500
Verman Group Oy	16,666	49,998	-	49,998
Kvaliteetti Oy	16,666	49,998	-	49,998
Formue Nord Markedsneutral A/S	15,900	47,700	-	47,700
Ariette Oy	15,000	45,000	-	45,000
Raimo Mäkilä	10,000	30,000	-	30,000
Pekka Tammela	8,333	24,999	-	24,999
Fredrik Attefall	8,333	24,999	-	24,999
Castle River AB	8,333	24,999	-	24,999
Specialist Kirurgen - Stefan Nydahl AB	8,333	24,999	-	24,999
Fredrik Lundgren	8,333	24,999	-	24,999
Cuvatun Oy	7,500	22,500	-	22,500
Matti Häkkinen	7,500	22,500	-	22,500
Maalaamo M ja K Naakka Oy	6,666	19,998	-	19,998
Teuvo Rintamäki	5,666	-	16,998	16,998
Matti Heikkilä	3,333	9,999	-	9,999
Timo Ruokolainen	3,333	9,999	-	9,999
Juhani Kallio	3,333	9,999	-	9,999
Total	1,000,000	2,840,108	159,892	3,000,000

The subscription commitments are conditional upon the Company receiving minimum subscriptions of EUR 3.0 million in the Offering and that all the Offer Shares in accordance with the subscription commitments are allocated to the Cornerstone Investors. The Company has not received, nor requested, any collateral from the parties that have committed to subscribe for Offer Shares in the Offering through subscription commitments.

MARKET AND INDUSTRY OVERVIEW

The Prospectus contains certain market and industry data from third parties. Although the information has been accurately reproduced and the Company considers the sources reliable, the Company has not independently verified the information why its accuracy and completeness cannot be guaranteed. As far as the Company is aware of and can confirm through comparison with other information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. As far as the information has been obtained from an independent source, the source has been mentioned. The information presented in market and industry overview should not be considered as a complete analysis on Tamturbo's essential markets but the meaning is to give a general picture on markets relevant to Tamturbo and their essential characteristics.

Introduction

Compressed air is a key part of industrial manufacturing processes and is widely used, for example, to power machinery, equipment and automation, as well as to transfer materials related to production processes in various ways. In the European Union, 10 per cent of industrial electricity is used to produce compressed air.³ The growth of manufacturing and the strong increase in automation will increase the use of compressed air by about 5.5 percent annually, which will also increase electricity consumption.⁴

Increasing environmental awareness will increase the use of energy-efficient and less environmentally harmful equipment and clean technologies. The constant rise in energy prices, in turn, increases the need for industries to look for more energy-efficient solutions. The current “oil-free”⁵ screw technology in air compressors is challenged by the pollutants contained in the compressed air it produces, the energy inefficiency of the technology and the large need for service and maintenance due to the rapid wear and tear of complex equipment and components. Additionally, clean and oil-free compressed air is essential in many industries. Industries therefore need a more energy-efficient and environmentally friendly solution to produce compressed air.

Tamturbo offers its customers a new generation compressor solution to achieve cleaner and according to the Company, more energy-efficient and almost maintenance-free compressed air production. Tamturbo's Touch-Free™ technology is 100 per cent oil-free. It offers a truly ecological and sustainable solution for compressed air production. In addition, according to the Company, it is a clearly cheaper alternative to traditional technology in terms of life cycle costs. The solution can also be implemented as an Air-as-a-Service service model, in which case customers only pay for the compressed air they use.

Tamturbo's current and potential future customers are the world's leading industrial companies that want to utilise oil-free compressed air in their production processes without significant filtration and air purification costs. Such industries include the food and beverage industry, the paper and pulp industry, the electronics industry, the automotive industry, the textile and glass industry, the chemical industry, the pharmaceutical and cosmetics industries and the manufacturing industry, all of which use significant amounts of compressed air in their processes and where the purity of compressed air is critical and imperative in terms of the quality of their own production.

Market size

Tamturbo operates in a large, global and growing market. A market study published by Research and Markets in 2020 has estimated the global industrial air compressor market to be worth about USD 14.0 billion, with a CAGR of about 3.3 percent until 2025, when the market is estimated to be worth about USD 16.9 billion.⁶ The market is divided into oil-free and oil-lubricated compressors. In 2018, industrial oil-free air compressors accounted for approximately 20 per cent, meaning USD 2.8 billion, of the market value.⁷ Based on the Company's own assessment and the source material used by it, the need for oil-free compressed air in the future will increase the market size for oil-free air compressed air to 50 per cent in the next 5-10 years in terms of air volume.⁸

³ A review on compressed-air energy use and energy savings: http://kchbi.chtf.stuba.sk/upload_new/file/Miro/Proc%20problem%20odovzdane%20zadania/Kvasniak/3%20A%20review%20on%20compressed-air%20energy%20use%20and%20energy%20savings.pdf

⁴ Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

⁵ Although the name oil-free screw compressor refers to complete oil-freeness, the unit still uses oil. The gearbox and bearings of the compressors are lubricated with oil, but the compression spaces of the elements themselves are completely oil-free.

⁶ Industrial Air Compressor Market – Growth, Trends, and Forecast: <https://www.researchandmarkets.com/reports/4591638/industrial-air-compressors-market-growth#rela4-4457616>

⁷ Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

⁸ Oil-free Compressors to be the Largest and Fastest in Global Air Compressor Market Through 2023: <https://www.prnewswire.com/news-releases/oil-free-compressors-to-be-the-largest-and-fastest-in-global-air-compressor-market-through-2023-897910624.html>

The competitive environment

Industrial oil-free compressed air can be produced by a number of different technologies. The technology that competes with Tamturbo's air compressors in the same power range is the "oil-free"⁹ screw compressor technology manufactured by only a few large companies, such as Atlas Copco AB, Ingersoll Rand Inc., Hitachi Ltd., Kobe Steel Ltd. and ELGi Equipments Ltd. In addition, numerous medium-sized manufacturers purchase essential oil-free compressor components or compressor cores from these large manufacturers and build their own oil-free compressor packages.

From the customer's point of view, Tamturbo's products compete mainly with oil-free dry screw compressors. Indirectly, Tamturbo also competes with traditional geared turbo compressors and oil-lubricated screw compressors.

The rapid and strong growth of the market relevant to Tamturbo is due to the even faster growth in the demand for oil-free compressed air within the growing air compressor market, and the technological disruption in the oil-free air compressor market. A key driver here is the growth of environmental awareness, which will increase the use of energy-efficient and less environmentally harmful equipment and clean technologies. The continuing global rise in energy prices is also putting cost pressures on the manufacturing industry. A key goal of Tamturbo's growth strategy is to capitalise on this ongoing technological disruption by enabling cleaner and more energy-efficient processes with its completely oil-free air compressor solutions with, according to the Company, clearly the lowest total cost of ownership, and thus replacing traditional technology.

SOLUTION	High-speed turbo, gearless	DIRECT COMPETITION	INDIRECT COMPETITION	
		"Oil-free" screw compressor	Turbo, geared	Oil lubricated screw compressor
MAIN COMPETITIVE PRODUCTS	Tamturbo Plc Atlas Copco AB	SEVERAL COMPANIES	SEVERAL Not available in the 100-350 kW size range	SEVERAL No oil-free compressed air
OIL IN THE UNIT	NO	YES	YES	YES
OIL SPILL RISK	NO	HIGH	LOW	ALWAYS
ENERGY EFFICIENCY	HIGH	LOW	HIGH	HIGH
ANNUAL MAINTENANCE COSTS	LOW	HIGH	AVERAGE	HIGH
OVERHAUL NEED	10 - 15 YEARS	4 - 7 YEARS	7 - 10 YEARS	7 - 10 YEARS
OVERHAUL COSTS	10 %	60 – 80 %	30 – 50 %	25 – 40 %
WASTE GENERATION	LOW	HIGH	LOW	HIGH
INDUSTRY 4.0 COMPATIBILITY	HIGH	LOW	LOW	LOW
LIFE CYCLE COSTS	LOW	HIGH	AVERAGE	AVERAGE

Table 1: Competitive landscape compared with the characteristics of different compressors according to the knowledge and understanding of the Company's management.

The industry, its development and the solution offered by the Company

Compressed air is a commodity comparable to electricity, water and heat, with its production being an integral part of most industrial manufacturing processes. Compressed air is used in almost all industrial plants to power up machines, tools and automation, as well as to move materials related to production processes in different ways. In order to obtain electricity or water, an industrial plant does not have to own its own electricity or water plant or a thermal power plant, but for the time being, the industrial plants are still mainly responsible for the production of compressed air.

About 10 per cent of industrial electricity in the European Union is used to produce compressed air.¹⁰ Industrial growth and a sharp increase in automation will increase the use of compressed air by about 5.5 percent annually from 2019 to 2026.¹¹ The purity of compressed air is absolutely critical in many industries, including those processes where compressed air comes into contact with end products. The oil contained in the compressed air produced by traditional technology damages air compressor actuators, degrades the quality of the products manufactured and exposes workers to poor air quality and mineral oil in the form

⁹ Although the name oil-free screw compressor refers to complete oil-freeness, the unit still uses oil. The gearbox and bearings of the compressors are lubricated with oil, but the compression spaces of the elements themselves are completely oil-free.

¹⁰ A review on compressed-air energy use and energy savings: http://kchbi.chtf.stuba.sk/upload_new/file/Miro/Proc%20problemy%20odovzdane%20zadania/Kvasniak/3%20A%20review%20on%20compressed-air%20energy%20use%20and%20energy%20savings.pdf

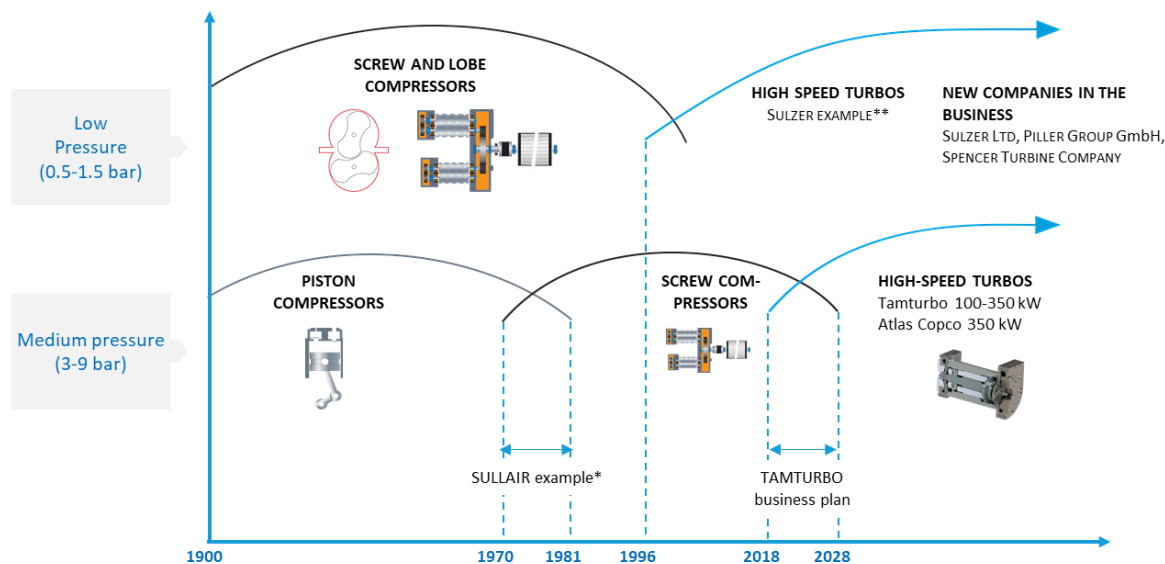
¹¹ Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

of vapor and aerosol. There is no use of oil in the compressed air in any application, since the oil clogs the compressed air piping and breaks the actuators. The treatment of compressor waste oil and filters also imposes a significant environmental burden on the industry.

The compressor market is divided into the low pressure and medium pressure markets. In manufacturing, medium pressure generally refers to compressed air networks operating at pressure levels of about 3 to 12 bar. Most industrial medium pressure compressed air networks operate at pressure levels below 8 bar, while higher pressures are used in special applications. Practically all industries have a medium pressure compressed air network to some magnitude. Many industrial plants, especially in the processing industry, also have a low-pressure network.

The first dominant technology in the medium pressure market was the reciprocating, or piston, compressor, dominating the market from the 19th century until the 1970s, when screw compressor technology took a dominant position. Screw compressor technology became more widespread in the 1960s, bringing clear benefits to customers and meeting the expectations of reciprocating compressor users regarding energy efficiency, reliability and life cycle costs.

Screw compressor technology took a dominant position in the rapid technological disruption of the 1970s and 1980s. This technological disruption opened up the possibility for new players to enter the market and gain market share. In the technological disruption of screw compressors, several new companies, including the American Sullair, L.L.C. and the Finnish Oy Tampella Ab, grew rapidly and took a significant position in the industrial compressor market.



* Sullair, L.L.C. presents a product range of oil-free screw compressors. Oy Tampella Ab was one of the new companies in the industry that led the technological disruption, in addition to Sullair.

** The Finnish company High Speed Tech Oy, now owned by Sulzer Ltd., introduces a high-speed turbo compressor to the low pressure market in 1996.

Picture 1: According to the Company's assessment, the technological disruption in medium pressure compressors will follow the disruption in low pressure compressors that has already taken place.

Year 1996 saw the beginning of a technological disruption in the market for low pressure compressors (0.5-1.5 bar), in which high-speed turbo technology has already replaced the existing screw and reciprocating compressor technology in a number of applications. During the technology shift Sulzer Group, for example, achieved a significant market position in the market for low pressure high-speed compressors.

Compared to low pressure compressors, medium pressure compressors perform air compression in several stages. In addition, higher pressures and variations in consumption and pressure in the industrial compressed air network cause higher forces, require higher rotational speeds and cause higher temperature fluctuations and the need to transfer heat away from the compressor. As a result, high-speed turbo technology has been much more challenging to develop in the medium pressure range.

Tamturbo has developed and launched a family of high-speed turbo compressors for the industrial pressure class, and the Company has supplied air compressors to its industrial customers around the world. The technological disruption that has taken place in low pressure compressors is also underway in the market for industrial medium pressure compressors. The reasons for the change are the same as in the low-pressure market: customers want to implement both green values and oil-free compressed air in their processes, lower total cost of ownership and a virtually maintenance-free compressor.

The expensive maintenance and oil changes of traditional screw compressor technology cause significant hidden costs that often come as a surprise to the customer. Due to declining energy efficiency and hidden costs, and the frequent time horizon of maintenance needs, the life cycle costs of traditional technology are often significant for customers.

The technological disruption of compressed air

Nowadays, most industrial compressed air is produced by oil-lubricated screw compressors, where the air passes through oil while it is compressed and pressurised in the screw elements of the screw compressors. In this way, the compressed air is rich in oil, both as droplets and as steam.



Picture 2: In many industries, compressed air cannot contain oil so that the quality of the end products does not deteriorate.

Although the name oil-free screw compressor refers to complete oil-freeness, the unit still uses oil. The gearbox and bearings of the compressors are lubricated with oil, but the compression spaces of the elements themselves are completely oil-free.

However, clean and completely oil-free compressed air is essential in many industries, such as the food and beverage industry, the paper and pulp industry, the electronics industry, the automotive industry, the textile and glass industry, the chemical industry, the pharmaceutical and cosmetics industries and the manufacturing industry. The growth of these sectors and the tightening of quality and environmental requirements will increase the market share of oil-free compressors at the expense of oil-lubricated compressors. Oil-free air compressors account for 10 per cent of unit sales of industrial compressors. The proportion of oil-free compressed air is about 20-25 per cent. In the Company's view, the amount of oil-free compressed air is expected to increase to as much as 50 per cent in the next few years.¹²

The duration of the technological disruption is determined by the replacement interval of industrial compressors, i.e. the average service life. The typical designed lifetime of screw compressors is 10 to 15 years and the overhaul of currently existing oil-free screw compressors is performed every 4 to 7 years. In the overhaul, the compressor screw units are recoated or replaced with new ones. The cost of an overhaul is usually more than 50 per cent of the price of a new compressor. Thus, when the compressor nears the end of its life or when the compressor requires an overhaul, the customer typically gets interested in alternative and modern, sustainable technology.

In these situations, Tamturbo will have the opportunity to replace customers' old compressors with new technology. The Company estimates that the technological disruption in medium pressure compressors and the transition to high-speed turbos will take place over the next 10 to 15 years. The Company's estimate is based, among other things, on the fact that the technological transition from reciprocating compressors to screw compressors took place in a similar period of time and the typical designed lifetime of screw compressors is 10 to 15 years. Tamturbo aims to lead the way in this ongoing technological disruption.

¹² Oil-free Compressors to be the Largest and Fastest in Global Air Compressor Market Through 2023; <https://www.prnewswire.com/news-releases/oil-free-compressors-to-be-the-largest-and-fastest-in-global-air-compressor-market-through-2023-897910624.html>

TAMTURBO'S BUSINESS

General

Tamturbo was founded in Tampere in 2010 to develop new, more energy-efficient and environmentally friendly industrial compressor technology. Today, the Tamturbo Group consists of the parent company Tamturbo Plc and its wholly owned U.S. subsidiary Tamturbo Inc., which was established in 2018.

Tamturbo has developed a family of compressor products that, according to the Company, outperforms traditional technology while, according to the Company, operates at significantly lower life cycle costs. Better performance means energy savings in compressed air production, which means economic benefits for the customer. Both society and nature will also benefit from the reduction in energy consumption. Tamturbo's Touch-Free™ technology is virtually wear-free, eliminating the need for conventional maintenance. This saves the customer unnecessary maintenance downtime and money, as well as extends the technical life of the unit, which in turn reduces the environmental burden created by waste.

Not only do high-speed turbo compressors produce oil-free compressed air, but also the entire compressor is completely oil-free. There is no risk of compressed air contamination and the use of oil can be abandoned altogether. The customer does not have to worry about the transfer of oil with the compressed air to the end product or the workers' breathing air, nor about oil changes, the treatment of oily condensate or the responsible disposal of waste oil.

History

Kimmo Laine and Jaakko Säiläkivi founded Tamturbo in 2010. From the beginning, the business idea has been to develop a more environmentally friendly alternative for the production of industrial compressed air. Throughout his career, Kimmo Laine worked on industrial screw compressors in Tampella, Tamrock and Tamrotor. He also acted as CEO of Gardner Denver Oy, following the American company's acquisition of Tamrotor. He was a key person in the development and commercialisation of screw compressor technology for Tampella and its successors on the world market in the 1970s and 1980s. Jaakko Säiläkivi has been developing products based on high-speed technology in various companies since the early 1990s, and has sold and licensed these technologies to large international customers.

In 2011-2012, the Company focused on the pre and concept design of high-speed- and turbo compressors.

In 2013, the Company won the CleanDesign Award, an international environmental technology award for the most promising start-ups. The Company presented its technology concept at the Hannover Messe ComVac fair, the world's largest trade fair for the air compressor industry organised biannually.

During 2013–2014, the Company continued its product development projects and in 2014 it was the only Finnish company among the top 10 in the Nordic Cleantech Open competition in the Nordic Cleantech sector.

In 2015-2016, the Company began piloting its products and testing them in real conditions with customers. The Company introduced its first product to the market at the Hannover Messe ComVac fair in 2015.

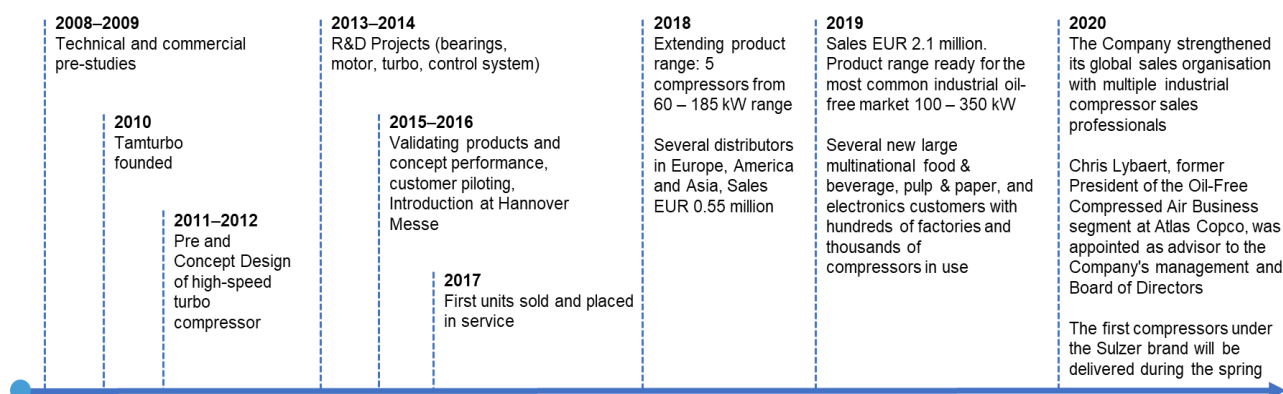
During 2015 and 2016, the Company raised approximately EUR 6.4 million in share issues.

In 2016, the first compressors were delivered to customers. After the testing period, the first compressor was sold to HKScan Oyj in 2017.

In 2018, the Company signed a private label agreement with Sulzer Pumps Finland Oy, which is part of the Sulzer Group, and the subsidiary, Tamturbo Inc., was established. The first follow-up orders came in 2018 and 2019 from three customers.

In 2019, the Company raised approximately EUR 5.1 million in share issues. The Company also gained the first internationally significant and well-known customers in the food and beverage, paper and electronics industries.

In 2020, the Company strengthened its sales organisation with two sales persons, among others, and appointed Chris Lybaert, former President of Atlas Copco AB's Oil-Free Compressed Air Business segment, as an advisor to the Company's management and Board of Directors. The first compressors under the Sulzer brand were delivered during the spring.



Picture 3: The historical development of Tamturbo.

Key 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.

Existing industrial growth market

Compressed air is used in virtually every industrial plant, powering up machines, tools and automation and moving materials in different ways:

- As industrial automation increases, compressed air consumption will increase by about 5.5 per cent per year¹³
- There is a technological disruption ongoing in the industrial medium pressure compressor market
- Customers are looking for more cost-effective, energy-efficient and low-maintenance alternatives to current technology
- There is room for a challenger in the market, as the oil-free air compressor market is dominated by the Swedish Atlas Copco AB with its traditional "oil-free" screw compressor technology with a superior market share.

Tamturbo meets the demands of sustainability

Tamturbo is an industrial cleantech growth company that enables cleaner and, according to the Company, more energy-efficient production processes with its oil-free compressed air solution, which meets the requirements of sustainable development:

- According to the Company, lowest life cycle cost, 20-30 per cent, i.e. about EUR 600-800 thousand lower than "oil-free" screw compressors
- 100 per cent oil-free air, no risk of compressed air contamination
- According to the Company, better, and permanent energy efficiency throughout the life of the compressor
- Virtually maintenance-free technology
- Savings in waste management, no oil waste, no oily condensate or oil separation costs
- Compact size, space saving. The customer's threshold to switch from traditional technology to Tamturbo's technology is very low because the unit is smaller in size and the electrical and piping connections meet the standards.

New generation compressor technology

Tamturbo Touch-Free™ technology is based on active magnetic bearings and variable high-speed turbo compression, and offers customers the following substantial benefits:

- Completely oil-free compressors enable oil-free production processes
- Lower production costs due to minimised life cycle costs and lower maintenance downtime
- Environmentally friendly alternative due to energy efficiency and oil-free technology
- The entry threshold is high due to the demanding development of a new technology.

Scalable and flexible business model

A flexible sales and supply chain enable efficient business scaling:

- Sales to large customers are scaled efficiently - the Company's current 11 customers have a total of more than 1,500 air compressors in hundreds of different factories. In addition, the Company is in negotiations with dozens of similar potential customers

¹³ Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

- Tamturbo has a global strategic network of sales and collaboration partners through which the Company's technology is effectively sold and marketed around the world in addition to its own large customer sales
- The Company's private label partner Sulzer has a global sales organisation.

The Air-as-a-Service service model enables the customer purchase compressed air as a service easily and reliably without investing in a compressor unit:

- The Air-as-a-Service contract can be based on consumed compressed air or a fixed monthly fee
- Remote monitoring 24/7
- Transferable container solutions.

Global customer base

The current customer base includes the world's leading industrial manufacturers in various industries, such as:

- Food and beverage industry
- Paper and pulp industry
- Electronics industry
- Automotive industry
- Glass industry
- 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:

- Top management and the Board of Directors hold 11.35 per cent of the Company's shares
- Top management and key personnel have strong experience in the compressor business, the growing of global sales and the building of distribution channels and OEM partnerships, among other things
- Experienced customer managers with a strong background in compressor sales in Europe, North and South America and Asia.

The production and supply chain

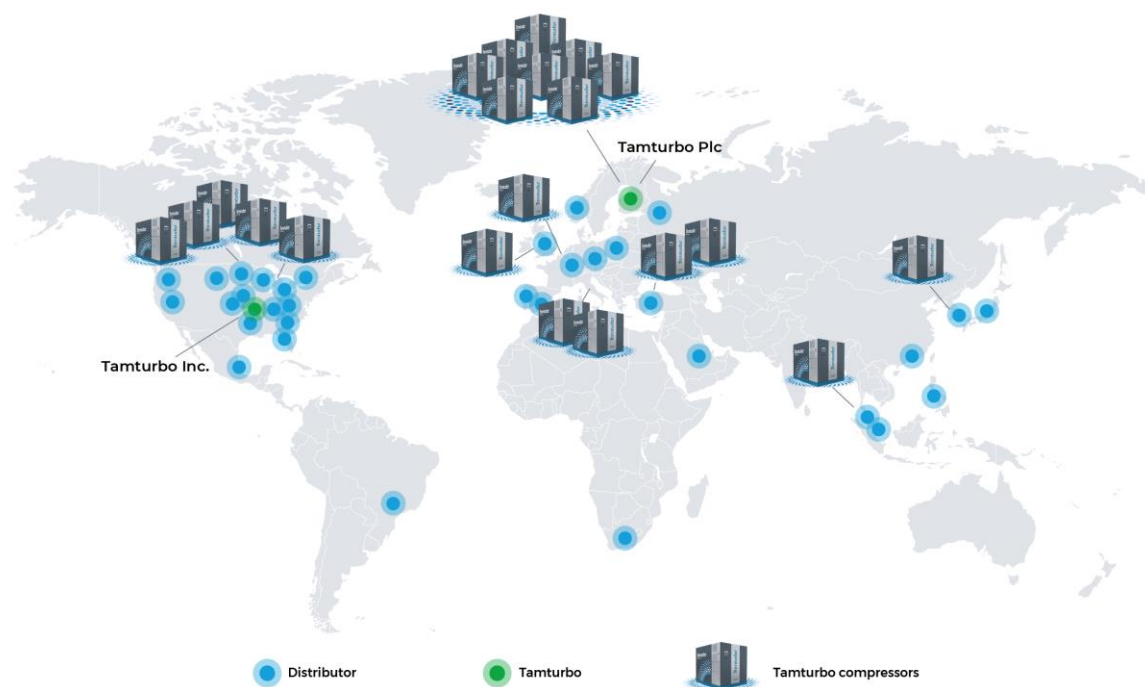
Tamturbo assembles all its products in its leased production plant in Ylöjärvi. The Company purchases all parts from various subcontractors and the assembly and testing takes place at the Company's factory. The current annual production capacity is about 25 compressors and can be expanded in the current plant to 150-200 compressors. In addition, the Company has the opportunity to outsource the assembly to contract manufacturing partners. The Company's management and quality system is ISO 9001 certified.

Customers

Tamturbo's products are suitable for use in all industrial compressed air needs, and the market is not limited to customer applications that require oil-free air. Some of the Company's customers are customers in so-called traditional industries, for whom oil-freeness is not an absolute value in itself, but the total cost of ownership of oil-free compressed air which is, according to the Company, significantly lower than that of oil-lubricated screw compressors, becomes more important in the decision-making.

However, the key customer segments of Tamturbo's products are companies that need and want oil-free compressed air for their production without significant filtration and air purification costs. Such industries include the food and beverage industry, the paper and pulp industry, the electronics industry, the automotive industry, the textile and glass industry, the chemical industry, the pharmaceutical and cosmetics industries and the manufacturing industry, all of which use significant amounts of compressed air in their processes and where the purity of compressed air is critical and imperative in terms of the quality of their own production.

Most production facilities in these segments use three to ten separate air compressors to meet their various compressed air needs. Most companies in these segments are large - there are several or even hundreds of factories. Tamturbo already has excellent experience in expanding the customer relationship, which originates from a single production plant into cooperation across several factories and even on several continents. With the user experience, customers have been very interested in using the same technology in all their new product purchases, which combined with the service capability of Tamturbo and its partners, as well as technical customer support, has brought very good results in customer expansion and new customer acquisition.



Picture 4: Tamturbo's existing distributor partnerships and public reference compressors. As of the date of the Prospectus, Tamturbo has a distributor in the following countries: Japan, South Korea, Philippines, Malaysia, Singapore, China, Saudi Arabia, Turkey, Spain, Portugal, France, Belgium, Poland, Czech Republic, Norway, England, South Africa, United States, Canada, Mexico and Brazil.

Food and beverage industry

Clean, oil-free compressed air is important in many industries, but it is particularly critical in food and beverage processing. Compressed air is used, among other things, to transfer foodstuffs and handle ingredients during the manufacturing process of products.

In the absence of alternatives, the industry has had to use 60-100-year-old compressor technology that uses oil in one form or another. These techniques require the use of oil filtration to prevent oil from ending up in food or drink. Oil filtration significantly increases both life cycle and indirect costs.

Tamturbo air compressors can eliminate the ingress of oils and harmful substances into factories and the manufacturing process and, according to the Company, achieve better efficiency compared to old technology, and virtually maintenance-free.

Pulp and paper industry

The continuous manufacturing process represented by the pulp and paper industry requires extreme reliability and predictability of the maintenance of machines and equipment.

Interruptions to manufacturing processes are expensive and all maintenance is carefully planned in advance on a tight schedule. Companies in the industry have invested in the quality and quantity of production for years to meet the needs and requirements of their customers.

Pharmaceutical and medicine industry

The pharmaceutical and medicine industries need 100 per cent oil-free and sustainable compressed air production, which is extremely important for both the end product and the quality of the process. Because the air is in direct contact with the end product, even a small amount of oil in the compressed air can be extremely harmful to the quality of the final product.

In medical applications, compressed air is used not only for production processes, but also for the treatment of patients, for example in hospitals, where oil-freeness and reliability are vital conditions.

Automotive industry

The automotive industry uses huge amounts of compressed air both in component production and in car assembly plants.

Welding robots require oil-free air to function properly without additional expensive maintenance outages and services. Sand-blasting, coating and painting are also processes that require large amounts of clean air. Even a drop of oil, silicone or PTFE¹⁴ spoils the quality of the end product.

Electronics industry

The electronics and semiconductor industries are typical compressed air users. The air purity and volume requirements of the electronics industry are already extremely high. A small amount of oil, silicone or PTFE will spoil the end product. The energy consumption and environmental requirements of the electronics industry are becoming stricter, which is creating pressure for the introduction of a new generation of compressed air solutions.

Textile industry

A typical textile manufacturing process uses large amounts of air at different stages of the process. Because the air is in direct contact with the end product, there can be no contaminants such as oil, silicone or PTFE in the compressed air.

Because the processes typically also use hot water, Tamturbo's Touch-Free™ technology offers an added benefit - up to 93 per cent of the energy consumed is recovered as standard for use in the plant for washing, bleaching and chemical processes. Hot water is very useful because its temperature can be over 80 degrees, so it can also be used in hygienic processes.

Manufacturing industry

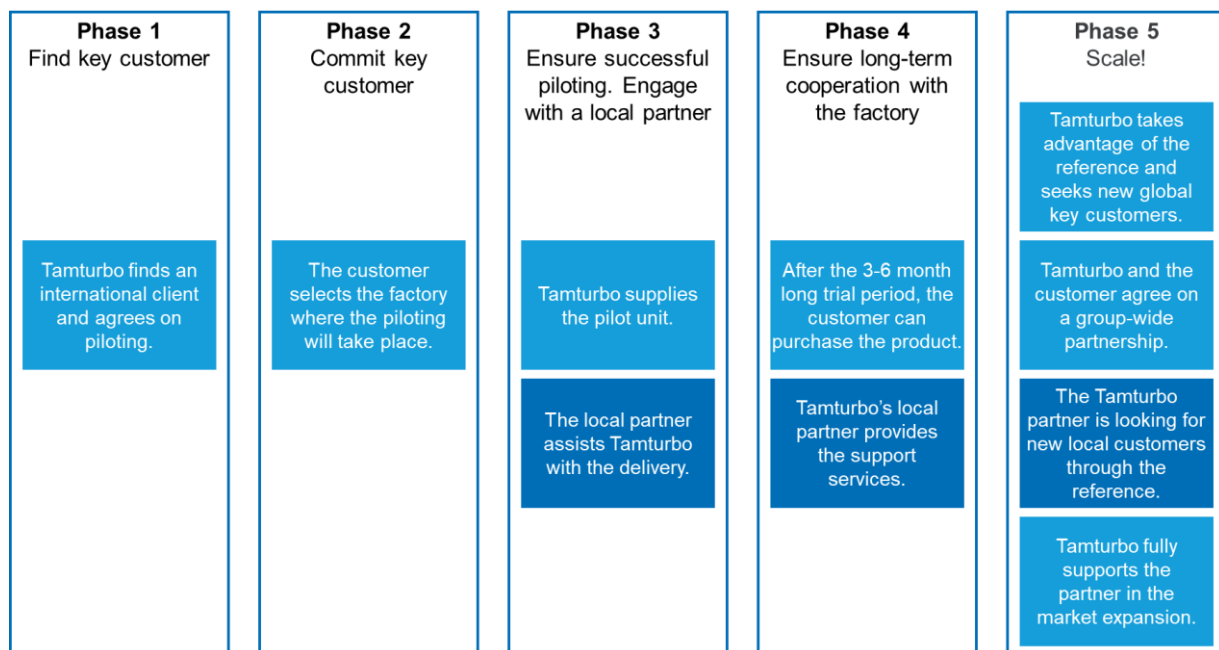
With the automation of the manufacturing industry, oil-free compressed air is increasingly needed. Even if the process itself does not require 100 per cent oil-free air, pneumatic equipment, robots, valves and other fine components suffer significantly from the oil that almost always occurs with traditional air compressor technology.

The manufacturing industry is very energy intensive, and energy efficiency requirements are taken seriously. Process interruptions are expensive, and all maintenance measures are carefully planned on a tight schedule.

Sales and distribution

Tamturbo has a global network of sales and collaboration partners through which the Company's technology is sold and marketed around the world. Tamturbo sells its products directly to its end customers in Finland and to large global key customers, through which sales can be expanded over the customer organisation globally. The global sales, distribution and customer support network can be built most efficiently with the help of various sales partners. In line with Tamturbo's strategy, the sales network utilises a multi-channel strategy, where Tamturbo-branded products are sold through its own direct sales and distribution channel, and Sulzer-branded products are sold in cooperation with Sulzer.

¹⁴ Polytetrafluoroethylene (PTFE) is a synthetic fluoropolymer of tetrafluoroethylene that has numerous applications. The well-known brand name of PTFE-based formulas is Teflon



Picture 5: The Company's go-to-market strategy, in which the sales partner is strongly involved.

Direct sales to key customers

Tamturbo is focused on acquiring large key customers and growing, training and maintaining a global sales network. Many of the Company's customers are international groups with production units in several different countries. In this case, in addition to sales work at the local level, it is important to market and sell the benefits of the technology also at the Group level, so that Tamturbo can become the customer's approved product supplier. Tamturbo's customers are typically large global companies. With these global customers, Tamturbo aims to cover the entire customer group in several countries and continents, most often for dozens or hundreds of factories around the world. Each plant has several compressors, which means that the potential of even one customer is often significant. The sales processes of the key customers' different factories are carried out with a local sales partner, i.e. the customer is supported by a local, active and service-oriented local support organisation.

Sales partners

There are thousands of independent resellers of air compressors around the world. The Company selects partners who have an existing customer network, resources to adopt new technology, the ability to actively sell and market and whose business is on a healthy and profitable footing. In addition, they must be committed to building a new business. Sales partners are essential in most markets to sell and support the products. The partners give Tamturbo local reliability: customers know the local partner based on years of cooperation, and they also take care of the support of the product.

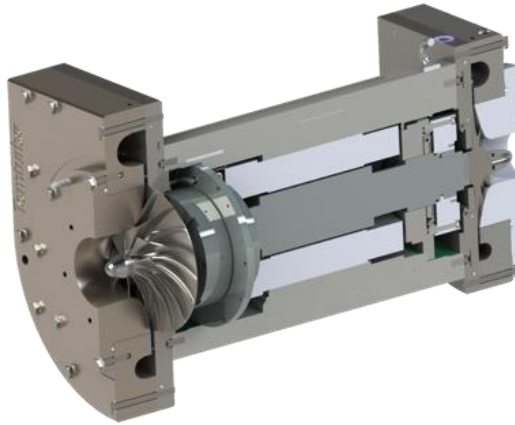
Tamturbo has several sales partners who sell and market the Company's products on four continents. Tamturbo's sales partners are experienced companies selling and servicing industrial compressors with a well-functioning end customer network. The sales partners are ready and able to start the selling and marketing of Tamturbo's products immediately after the product and sales training supported by the Company is done. In order to achieve fast and efficient sales, the most important thing is to get a credible reference customer in the new market, usually from a key customer acquired by the Company. Many of the Company's early market successes have followed the process of first delivering a product to a new market (country, industry, key customer) for a limited period of time for validation, leading to deals and the first reference customer. All validations have resulted in a commercial agreement after the customer verified Tamturbo's value propositions.

Collaboration with Sulzer

Tamturbo also has a private label partner, the Swiss Sulzer Group, which has led the technology shift in the low-pressure market since the 1990s. Its global sales network is trained to sell high-speed turbo technology in the low-pressure range instead of traditional technologies. Sulzer is a strong player in some important customer segments using oil-free compressed air, such as the paper and pulp, sugar, starch and fertiliser industries. Tamturbo, on the other hand, offers Sulzer significant potential and the opportunity to lead a technological disruption together with Tamturbo in the market for industrial medium pressure compressors. The partnership with Sulzer began in 2018 and Tamturbo has so far trained its sales staff and sales management to sell the Sulzer HSR product designed and manufactured by Tamturbo on all continents.

Products

Tamturbo's Touch-Free™ technology is a 100 per cent oil-free compressor technology that provides a truly ecological and sustainable compressed air solution for industrial production processes at a significantly lower total cost of ownership than traditional technology. This benefits both the environment and the customer. The comprehensive air compressor product family is complemented by a range of ancillary products and services that bring the customer ease and reliability to the production and use of compressed air. Tamturbo's versatile services, from mobile container-built compressor rooms to round-the-clock remote-control systems for multi-machine compressors, ensure that partners and customers can be confident that production-critical compressed air production is ensured. Tamturbo's technology can also be introduced as an Air-as-a-Service business model, in which case customer only pays for the compressed air they use. An Air-as-a-Service contract can be based on either consumed compressed air or a fixed monthly fee.



Picture 6: Tamturbo high-speed turbo engine and turbo units. The cross-section shows the permanent magnet motor, active magnetic bearings and turbo impellers, as well as turbo housings.

The customer's compressed air needs and requirements vary according to production variations. In order to be able to meet the customer requirements of the industrial medium pressure range, compressors are needed for different pressure ranges and different compressed air output volumes. Tamturbo's product family consists of compressors from two different pressure ranges, covering 3-9 bar in the industrial medium pressure range. The lower pressure range is produced by two-stage compressors (to pressures of 3-5 bar), where the Company has three products (TT115, TT135 and TT235). The higher pressure range is filled most energy-efficiently with three-stage compressors (to pressures of 5-9 bar), where the Company has four products (TT145, TT185, TT225 and TT325). All products are based on Tamturbo Touch-Free™ technology and have the same value promises and lower total cost of ownership than traditional technology. With this product range, Tamturbo covers the most common oil-free compressed air capacity needs in the medium pressure range and in the capacity/power range of 10–60 m³/min /90–350 kW, which is also the optimum capacity/power range for oil-free screw compressors.



Picture 7: Tamturbo Touch-Free™ technology air compressor.

Technology

The compressor's core technology is based active magnetic bearings and variable high-speed turbo compression. The rotor of the high-speed motor and the turbo impeller attached to it levitates in the magnetic field of the magnetic bearings, so that the rotating parts have no mechanical contact and thus do not require oil lubrication, have no wear and thus do not need maintenance. Tamturbo's technology is also more energy-efficient compared to traditional screw compressor technology. Because there are no wearing parts, energy-efficiency also remains high throughout the product's life cycle. Due to its good energy efficiency, complete oil-freeness, which eliminates the need for conventional maintenance, the total cost of ownership of Tamturbo Touch-Free™ technology compressors are, according to the Company, the lowest on the market and clearly lower than those of old, traditional oil-free screw compressors.

The threshold for entering the industry and thus the threshold for competitors to develop a completely new compressor technology and product family is very high. Bringing a new technology to the compressor market is neither easy nor fast. In addition, marketing the benefits of the new technology would cannibalise the strongest business of companies manufacturing the traditional technology, namely the service and maintenance of compressors. To date, in addition to Tamturbo, only Atlas Copco, the industry's superior market leader, has successfully developed high-speed turbo technology for the medium pressure industry.

The Company estimates that high-speed turbo technology will take a dominant position within 10-15 years and the market will be divided between 4-5 companies that succeed in developing and mastering the new technology. In the opinion of the Company's management, Tamturbo has years of advantage over its competitors. When new competitors enter the market, they will further increase the awareness of the technology and, according to the Company, make the technology disruption even faster than predicted.

Proven customer benefits of Tamturbo Touch-Free™ technology:

- According to the Company, lowest life cycle cost, 20-30 per cent, i.e. about EUR 600-800 thousand, lower than “oil-free” screw compressors
- 100 per cent oil-free air, no risk of compressed air contamination
- According to the Company, better and permanent energy-efficiency throughout the life of the compressor
- Better quality of customer production and end product
- Wide capacity control range with one compressor
- Virtually maintenance-free technology
- No maintenance outages, which improves customer's productivity
- Savings in waste management, no oil or oil filter waste, unlike “oil-free” screw compressors, no oily condensate or oil separation costs
- Compact size, space saving, customer threshold to switch from old product to Tamturbo compressors is low
- Lower installation and transportation costs
- Health aspects due to improved air quality of production
- Air-as-a-Service service model where the customer only pays for the compressed air produced.

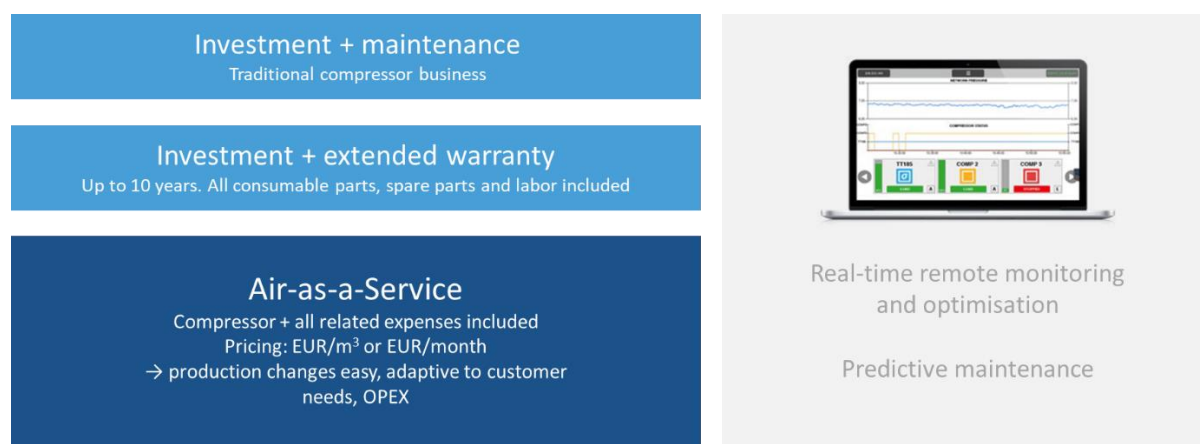
Business model, revenue model and pricing

Tamturbo currently sells most of its compressors according to a traditional business model. This means that the customer either i) buys a compressor and maintenance (investment + maintenance) or ii) buys a compressor and an extended warranty that includes all consumables, spare parts and related labour for, for example, 10 years (investment + extended warranty).

In addition to traditional sales and spare parts business models, Tamturbo's Air-as-a-Service service model provides customers with value-added services. Customers can focus on their core processes by purchasing only the compressed air they need with the Air-as-a-Service business model. This allows customers to purchase compressed air as a service instead of having to invest in an air compressor. Tamturbo's remote monitoring system makes it easy to provide compressed air as a service to global customers around the world. Remote monitoring perfectly enables monitoring, compressor optimisation, problem solving and continuous communication remotely. The customer, the sales partner or Tamturbo can control and diagnose the compressor remotely from their own desk.

An Air-as-a-Service contract can be based on either consumed compressed air or a fixed monthly fee. Payments include everything related to the compressor (the product, maintenance, spare parts, wearing parts (filters, etc.)). The customer only pays the energy costs directly, so it is very easy for customers to compare the costs with competing and old technologies. The Air-as-a-Service contract customer also benefits from the foreseeable costs of compressed air production, and there are no surprising hidden costs. For Tamturbo, the profitability of Air-as-a-Service service contracts is high, as the total cost of ownership of Tamturbo compressors are, according to the Company, clearly the lowest on the market. Over the life of the compressor, costs are recovered many times over.

There is an ongoing trend where capital is not tied up in machinery and equipment, but the necessary things are procured through service contracts. The Air-as-a-Service business model allows Tamturbo to change the global compressor market also at the level of the business model. The Company estimates that it will be difficult for competitors to move away from the traditional business model, where a significant portion of revenue and margin comes from maintenance and aftermarket, and move to new all-inclusive and predictable service contract sales. The traditional aftermarket potential of Tamturbo's technology is small because the compressors are virtually maintenance-free, but selling compressed air as a service brings a steady business alongside project-based compressor sales. The Company estimates that competitors will not be able to move to this business model on a fast schedule, leaving the market open for Tamturbo. In the Company's view, this is a significant additional competitive advantage.



Picture 8: Different purchase options for Tamturbo's technology and services.

Long-term 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, calculated by dividing the Company's revenue by market size
- operating margin of 20 per cent
- 25 per cent of compressors manufactured are delivered as Air-as-a-Service business model

Research and development

Tamturbo's product family of high-speed turbo compressors is essentially complete. The main product range (100-350 kW power/capacity range) is covered by products tested in the first generation market, the benefits of which have proved to be in line with the targets. The product family is likely to require an additional, smaller capacity size class in the next few years, based on the same core technology components. For products outside the compressors, multi-machine control is in the product development pipeline, as is the productisation of aftertreatment products for Tamturbo products. Tamturbo does not develop after-treatment products itself (filters, dryers), but their development and manufacturing are mainly carried out by a network of partners. The Company is constantly reviewing opportunities to reduce costs and manage supplier risk, among other things, by evaluating alternative suppliers and subcontractors.

Below is a summary of the Company's development expenses for the financial years that ended 31 December 2019, 31 December 2018 and 31 December 2017 (amounts expressed in thousands of euros).

Capitalised development expenses in the period			Depreciation of development expenses			Capitalised development expenses a the end of the period		
(audited)								
1.1.-31.12.2019	1.1.-31.12.2018	1.1.-31.12.2017	1.1.-31.12.2019	1.1.-31.12.2018	1.1.-31.12.2017	31.12.2019	31.12.2018	31.12.2017
810.4	1,143.3	891.0	-378.2	-307.1	-275.6	5,548.4	5,225.1	4,749.1

Patents and trademarks

Tamturbo has one valid patent, "Turbo compressor control solution," related to turbo compressor control. The patent is valid in 16 countries in key market areas. In addition, there are likely to be patentable inventions in the invention process for which the

rationale for patenting is pending. The key intangible right, which Tamturbo strives to protect to the best of its ability, is related to the control and regulation of a multi-stage turbo compressor, where, in addition to patents, control algorithms and software are an essential part, the development of which Tamturbo has completely in its own hands.

The Company has also registered the TAMTURBO trademark in the EU, China, India, Japan, South Korea, Russia, Turkey, the United States, Canada and Brazil.

Company organisation

The Tamturbo Group consists of the parent company Tamturbo Plc and its wholly owned U.S. subsidiary Tamturbo Inc. Tamturbo has 34 employees as of the date of this Prospectus. The Company had an average of 27 employees in 2019, an average of 27 employees in 2018 and an average of 19 employees in 2017. The organisational structure of the Company is described below.



Picture 9: Tamturbo's organisation.

Material agreements

Sales and delivery agreement with Sulzer Pumps Finland Oy

On March 16, 2018, the Company entered into a sales and delivery agreement with Sulzer Pumps Finland Oy ("Sulzer"). The agreement provides for a partnership in which Tamturbo will supply turbo compressors to Sulzer, who will market and sell them under its own brand through Sulzer's global sales network and take care of the maintenance of the turbo compressors it sells. Sulzer has the exclusive right to sell turbo compressors manufactured by Tamturbo in the industries defined in the agreement (which include water treatment, paper and pulp, sweeteners, biofuels and bioethanol, metal, fertilisers, oil, and gas) in China, Russia, Australia and almost all European countries (excluding, however, Finland, Sweden and Poland). The agreement is valid for three (3) years, after which it is valid for the time being with twelve (12) months termination notice.

Under the agreement, Sulzer has purchased two (2) turbo compressors from Tamturbo by the date of the Prospectus.

Agreements with AppaRentals Oy

In a transaction completed in December 2019, the Company sold five (5) turbo compressors to AppaRentals Oy for a total purchase price of EUR 932.0 thousand and leased them back from AppaRentals Oy under a ten (10) year lease for use as Air-as-a-Service. Four (4) of the above-mentioned turbo compressors have been made available to Tamturbo's end customers as Air-as-a-Service by the date of this Prospectus, and the fifth will be handed over in the coming weeks. The rent to be paid to AppaRentals Oy for the turbo compressors totals EUR 12.3 thousand per month. Tamturbo is responsible for the functionality of the turbo compressors, their maintenance and any damage they may cause to end customers during the term of the lease.

Administrative procedures, legal proceedings and arbitration proceedings

According to Tamturbo's management, Tamturbo has not been a plaintiff or defendant in administrative procedures, legal proceedings or arbitration proceedings that may have or have had a material effect on Tamturbo's financial position or profitability in the 12 months prior to the date of this Prospectus nor, according to Tamturbo's management, are they under threat of such matters.

Related party transactions

As of the date of this Prospectus, Tamturbo's related parties include Tamturbo's subsidiary Tamturbo Inc. as well as members of Tamturbo's Board of Directors, the CEO and members of Tamturbo's management team. The Company's related parties also include close family members of these individuals and entities in which the aforementioned Tamturbo executives or their close family members directly or indirectly exercise control or significant influence, or in which such person has, directly or indirectly, significant voting power. Transactions with related parties have been made on normal market terms.

Loans to related parties

The following table shows Tamturbo's receivables and liabilities from related parties on the reported dates (not audited):

EUR thousand	31.3.2020 Tamturbo Group	31.12.2019 Tamturbo Group	31.12.2018 Tamturbo Plc	31.12.2017 Tamturbo Ltd
Convertible bond 2019	100.0*	200.0	0.0	0.0

*Olli-Pekka Kulmala's and Teuvo Rintamäki's share of the convertible bond has been deducted from the amount, as they no longer belong to the Company's related parties as of March 31, 2020.

The terms of the convertible bond and the interest paid on it are described in more detail in the section “*Operating and financial review and prospects - Sources of funding*” of the Prospectus.

Employee benefits of related parties

The following table shows the employee benefits of the management team and the Board of Directors for the periods reported (not audited):

EUR thousand	1.1.- 31.3.2020 Tamturbo Group	1.1.- 31.3.2019 Tamturbo Group	1.1.- 31.12.2019 Tamturbo Group	1.1.- 31.12.2018 Tamturbo Plc	1.1.- 31.12.2017 Tamturbo Ltd
Wages and salaries	227.7	252.8	942.4	690.0	295.0
Total employee benefits of related parties	227.7	252.8	942.4	690.0	295.0

The Company's Annual General Meeting on March 10, 2020 and the Extraordinary General Meeting on May 11, 2020 decided that the members of the Board will be paid the following remuneration for the term beginning at the end of the Annual General Meeting and ending at the end of the election term: EUR 3,000 per month for the Chairman and EUR 1,500 per month for other Board members.

Approximately 1/3 of the remuneration paid to the members of the Board is paid on the basis of the Board's share issue authorisation by issuing the Company's shares to the Board members and approximately 2/3 is paid in cash.

The number of shares to be paid for the remuneration in shares is determined on the basis of the value of the Company's share determined in First North as follows: the share value is the volume-weighted average price (VWAP) of the share for the two (2) weeks following the date of publication of the Company's half-year report from 1 January to 30 June 2020.

Alternatively, instead of issuing new shares or shares held by the Company, the shares to be issued as a share reward may be repurchased in the names and on behalf of the members of the Board. In this case, the shares would be repurchased within two (2) weeks from the date of publication of the Company's half-year report from January 1 to June 30, 2020 on the basis of a purchase order issued by the Company. In this case, the Company is responsible for the costs arising from the acquisition of the shares and any transfer tax.

In addition, Board members are reimbursed for reasonable expenses incurred for attending Board meetings.

For more information on the remuneration and benefits of the members of the Board of Directors and the management team, see the section “*Board of Directors, management and auditors - Remuneration and benefits of the Board of Directors and management*”.

Other related party transactions

On October 4, 2011, the Company and Central Office Finland Oy, a company controlled by Sami Somero, the Chairman of the Board of Tamturbo, entered into a service agreement for the right to use office and representative premises in Central Office Finland Oy's premises. The Company has paid Central Office Finland Oy EUR 3,000 in 2019, EUR 3,000 in 2018 and EUR

3,000 in 2017. In 2020, the Company has paid Central Office Finland Oy EUR 1,000 on the basis of the agreement by the date of the Prospectus.

On December 1, 2012, the Company and Nurmiraanta Holdings Oy, a company controlled by Sami Somero, the Chairman of the Board of Tamturbo, entered into an assignment agreement, according to which Nurmiraanta Holdings Oy will provide the Company with the financial administrative services specified in the agreement. Based on the agreement, the Company has paid Nurmiraanta Holdings Oy EUR 52,000 in 2019, EUR 32,000 in 2018 and EUR 28,000 in 2017. In 2020, the Company has paid Nurmiraanta Holdings Oy EUR 5,000 by the date of the Prospectus.

SELECTED FINANCIAL INFORMATION

Tamturbo has established the subsidiary Tamturbo Inc. in 2018 and prepared the consolidated financial statements for the first time for the financial year ended 31 December 2019. The following tables present selected financial statement information and other information of the Company for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017, as well as information regarding the income statement and balance sheet for the three-month periods ended 31 March 2020 and 31 March 2019. The summary below is based on the audited financial statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 and the Company's unaudited income statement and balance sheet information for the three-month periods ended 31 March 2020 and 31 March 2019.

This section should be read in conjunction with Tamturbo's financial statements for the financial years ended on 31 December 2019, 31 December 2018 and 31 December 2017 incorporated into this Prospectus by reference, and the section "Results of operations, financial position and prospects" in the Prospectus. Tamturbo's financial statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017, as well as the unaudited information regarding the income statement and balance sheet information for the three-month periods ended 31 March 2020 and 31 March 2019, have been prepared in accordance with FAS. The summary below does not include all information of the financial statements.

Income statement

EUR thousand	1.1.- 31.3.2020 FAS Tamturbo Group (Not audited)	1.1.- 31.3.2019 FAS Tamturbo Group (Not audited)	1.1.- 31.12.2019 FAS Tamturbo Group (Audited)	1.1.- 31.12.2018 FAS Tamturbo Plc (Audited)	1.1.- 31.12.2017 FAS Tamturbo Ltd (Audited)
REVENUE	504.0	19.4	2,134.1	554.1	157.9
Change in stock of finished goods and work in progress	48.4		-439.5	936.1	0.0
Manufacturing for own use	27.2	264.2	810.4	1,143.3	1,065.5
Other operating income	0	0.0	0.4	50.0	23.3
<i>Materials and services</i>					
Raw materials, consumables and goods					
Purchases during the financial year	-637.3	-152.6	-1,409.6	-937.8	-1,448.4
Change in stock	45.5	149.7	137.5	-704.3	925.2
External services	-4.2	-4.0	-41.7	-16.9	-101.6
Raw material and services total	-596.0	-7.0	-1,313.8	-1,658.9	-624.9
<i>Personnel expenses</i>					
Wages and salaries	-482.1	-441.4	-1,827.6	-1,665.8	-867.6
Indirect personnel expenses					
Pension expenses	-55.1	-75.1	-293.7	-287.1	-163.4
Other personnel expenses	-22.1	-8.7	-29.7	-31.9	-17.3
Personnel expenses total	-559.3	-525.2	-2,151.0	-1,984.8	-1,048.4
Depreciation and reduction in value	-108.2	-100.3	-394.9	-356.6	-295.8
Other operating expenses	-441.2	-426.6	-1,605.2	-1,283.4	-719.6
OPERATING LOSS	-1,125.1	-775.5	-2,959.5	-2,600.2	-1,441.9
<i>Financial income and expenses</i>					
Interest and other financial income	0.0	2.4	5.2	2.3	15.7
Interest and other financial expenses	-52.3	-22.8	-371.0	-49.9	-35.4
Financial income and expenses total	-52.3	-20.4	-365.8	-47.7	-19.6
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-1,177.4	-795.9	-3,325.2	-2,647.9	-1,461.6
PROFIT (LOSS) FOR THE FINANCIAL YEAR	-1,177.4	-795.9	-3,325.2	-2,647.9	-1,461.6

Balance sheet

EUR thousand	31.3.2020 FAS Tamturbo Group (Not audited)	31.12.2019 FAS Tamturbo Group	31.12.2018 FAS Tamturbo Plc (Audited)	31.12.2017 FAS Tamturbo Oy
ASSETS				
<i>NON-CURRENT ASSETS</i>				
<i>Intangible assets</i>				
Development costs	5,471.1	5,548.4	5,225.1	4,749.1
Intangible rights	0.0	0.0	0.0	1.0
Other intangible assets	8.1	9.8	17.9	27.0
Intangible assets total	5,479.2	5,558.2	5,242.9	4,777.0
<i>Tangible assets</i>				
Machinery and equipment	80.6	82.5	506.9	185.1
Tangible assets total	80.6	82.5	506.9	185.1
NON-CURRENT ASSETS TOTAL	5,559.8	5,640.8	5,749.9	4,962.1
<i>CURRENT ASSETS</i>				
<i>Stocks</i>				
Raw materials and consumables	403.9	358.4	220.9	924.2
Work in progress	191.1	4.5	0.0	1.0
Finished products	362.9	500.9	936.1	0.0
Current assets total	957.9	863.7	1,157.0	925.2
<i>Short-term debtors</i>				
Trade receivables	913.5	945.8	281.9	8.6
Loan receivables	0.0	0.2	0.0	0.0
Other receivables	22.9	1.7	62.2	110.0
Prepayments and accrued income	32.8	70.9	26.6	6.2
Short-term debtors total	969.2	1,018.5	370.7	124.8
Cash in hand and at bank	881.5	2,164.6	534.6	2,668.3
CURRENT ASSETS TOTAL	2,808.5	4,046.9	2,062.3	3,718.3
TOTAL ASSETS	8,368.3	9,687.7	7,812.3	8,680.4

EUR thousand	31.3.2020 FAS	31.12.2019 FAS	31.12.2018 FAS	31.12.2017 FAS
	(Not audited)	(Audited)		
EQUITY AND LIABILITIES				
<i>EQUITY</i>				
Share capital	81.0	81.0	81.0	81.0
Fund for invested unrestricted equity	14,395.9	14,395.9	9,753.7	9,166.7
Retained earnings (loss)	-9,793.0	-6,467.8	-3,819.9	-2,358.3
Loss for the financial year	-1,177.4	-3,325.2	-2,647.9	-1,461.6
EQUITY TOTAL	3,506.5	4,683.9	3,366.9	5,427.8
<i>LIABILITIES</i>				
<i>Non-current liabilities</i>				
Loans from credit institutions	2,960.5	2,987.8	2,944.0	2,709.3
Other loans	502.5	502.5	0.0	0.0
Non-current liabilities total	3,463.0	3,490.3	2,944.0	2,709.3
<i>Current liabilities</i>				
Loans from credit institutions	278.3	278.3	676.6	99.3
Advances received	15.0	15.0	15.0	15.0
Accounts payable	123.3	255.2	203.8	127.9
Other payables	135.0	379.8	75.3	47.4
Accruals and deferred income	847.2	585.2	530.7	253.6
Current liabilities total	1,398.8	1,513.4	1,501.4	543.3
LIABILITIES TOTAL	4,861.8	5,003.7	4,445.4	3,252.6
EQUITY AND LIABILITIES TOTAL	8,368.3	9,687.7	7,812.3	8,680.4

Cash flow statement

EUR thousand	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 Plc	1.1.- 31.12.2017 FAS Tamturbo Ltd
	(Not audited)		(Not audited)		
<i>Cash flow from operating activities</i>					
Loss before appropriations and taxes	-1,177.4	-795.9	-3,325.2	-2,647.9	-1,461.5
<i>Adjustments</i>					
Depreciation according to plan	108.2	100.3	394.9	356.6	295.8
Other income and expenses	-0.1	21.5	0.0	0.0	0.0
Financial income and expenses	47.0	0.0	366.1	46.7	16.8
Cash flow before changes in working capital	-1,022.2	-674.1	-2,564.1	-2,244.6	-1,148.9
<i>Changes in working capital</i>					
Changes in current receivables, non-interest bearing	49.4	258.8	-647.8	-245.9	-89.5
Changes in stocks	-94.1	-149.7	293.2	-231.8	-925.2
Changes in current liabilities, non-interest bearing	-114.6	-73.7	410.3	380.9	89.1
Cash flow from operating activities before financial items and taxes	-1,181.6	-638.6	-2,508.3	-2,341.4	-2,074.5
Interest and financial items paid	-47.0	-23.9	-371.4	-49.0	-32.6
Interest and financial items received	0.0	2.4	5.2	2.3	15.7
Cash flow from operating activities (A)	-1,228.7	-660.1	-2,874.5	-2,388.2	-2,091.4
<i>Cash flow from investing activities</i>					
Investments in tangible and intangible assets	-27.2	-267.3	-570.5	-1,144.4	-1,083.9
Investments in subsidiaries	0.0	0.0	284.6	0.0	0.0
Cash flow from investing activities (B)	-27.2	-267.3	-285.9	-1,144.4	-1,083.9
<i>Cash flow from financing activities</i>					
Share issue	0.0	918.0	4,642.2	587.0	0.0
Raising of short-term debt	0.0	0.0	300.0	450.0	0.0
Raising of long-term debt	0.0	204.7	707.2	0.0	1,146.5
Repayment of short-term debt	0.0	-300.0	-750.0	416.4	0.0
Repayment of long-term debt	-27.3	-27.3	-109.1	-54.5	0.0
Cash flow from financing activities (C)	-27.3	795.4	4,790.3	1,398.8	1,146.5
Change in cash and cash equivalents (A+B+C)	-1,283.1	-132.0	1,630.0	-2,133.7	-2,028.8
Cash and cash equivalents at the beginning of the period	2,164.6	534.6	534.6	2,668.3	4,697.1
Cash and cash equivalents at the end of the period	881.5	402.6	2,164.6	534.6	2,668.3

Key financial figures

	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 Plc	1.1.- 31.12.2017 FAS Tamturbo Ltd
EUR thousand, if not otherwise stated	(Not audited)		(Audited)		
Revenue	504.0	19.4	2,134.1	554.1	157.9
Revenue growth rate	2501.7 %	-	285.1 %	250.9 %	-
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.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following review of Tamturbo's results and financial position should be read in conjunction with Tamturbo's audited financial statements for the financial years ended on 31 December 2019, 31 December 2018 and 31 December 2017 incorporated into this Prospectus by reference, and the section "Selected financial information" in the Prospectus.

This review contains forward-looking statements, which are subject to risks and uncertainties. Important factors, which may cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied in the forward-looking statements, are described in sections "Forward-looking statements" and "Risk factors" of this Prospectus.

Material accounting principles

The Company prepares its financial statements in accordance with the Finnish Accounting Act (31.12.1997/1336, as amended), Finnish Accounting Ordinance (31.12.1997/1337, as amended), and instructions and statements of the Accounting Board operating under the Ministry of Employment and the Economy (the "Finnish Accounting Standards", "FAS").

Tamturbo has established the subsidiary Tamturbo Inc. in 2018 and prepared the consolidated financial statements for the first time for the financial year ended 31 December 2019. All intra-group transactions, receivables, liabilities and unrealised gains as well as internal profit distribution have been eliminated in the preparation of the consolidated financial statements. Tamturbo Inc.'s balance sheet has been translated into euros at the exchange rate on the balance sheet date and the income statements at the average exchange rate for the financial year. The translation difference arising from the translation of Tamturbo Inc.'s equity and the average exchange rate difference arising from the translation of the result have been recognised separately in equity.

Product development costs are capitalised in the balance sheet as intangible assets. Assets are depreciated when the business in connection to the product begins and the product is ready for use. An asset that is not yet ready for use is tested annually for impairment. Development costs are depreciated on a straight-line basis over their useful lives over 15 years.

Research & Development costs are capitalised as intangible assets. Assets are depreciated from the date when the product-related business begins, and the product is ready for use. Assets that are not ready for use are tested annually for depreciation. Development costs are straight-line depreciated over their estimated useful lives of 15 years.

Other capitalised long-term costs are costs associated with the renovation of the leasing facilities which are straight-line depreciated over their estimated useful lives of 5 years.

Intangible and tangible assets have been valued at their acquisition cost less depreciation according to plan. Depreciation according to plan is calculated on a straight-line basis over the useful life of the asset for intangible assets and for compressor service sales, and 25 per cent of the declining balance for tangible assets.

Planned depreciation:

- Development costs: 15-year straight line depreciation
- Renovation of leasing facilities: 5-year straight line depreciation
- Intangible rights: 3-year straight line depreciation
- Machinery and equipment: 15-year straight line depreciation
- Other equipment: 25 per cent of declining balance

Factors affecting the results of business operations

A significant part of the Company's revenue is generated from the sale of investment-type products, where the average duration of deliveries is several months. Therefore, the timing of the sales and their payments have a significant impact on the Company's revenue, earnings and/or cash flow for each financial year. Long-term deliveries can increase working capital requirements if payments for orders are backloaded. In the Air-as-a-Service business model, the Company's Revenue accrue monthly charges in accordance with service contracts. The annual amount of revenue from an Air-as-a-Service contract differs from the amount of sales of a similar unit. The Air-as-a-Service business can increase the need for working capital.

The average sales price and gross margins of the Company's products vary by product, sales channel and also depending on the geographical area. The Company sells compressors in different pressure and power classes. At the general level, the gross margin for higher pressure and power class compressors is higher. The Company sells its products through three distribution channels: direct sales, sales partners and through its private label partner Sulzer. In principle, the highest margins are obtained through direct sales. The Company has access to several geographical markets. The Company has identified some key markets such as the European Economic Area and North America, which means that most of the Company's revenue is currently in euros and dollars. Product pricing is affected by country-specific price levels and resale agreements.

The Company's operating result and profitability are affected by the management of operating expenses, which are mainly in euros. The Company's variable costs are mainly the purchase and logistics costs of product components, assembly and testing costs and, on a case-by-case basis, installation costs. The Company seeks continuous cost efficiency through a number of measures, such as optimising unit prices and transportation costs for components through supply contracts and order volumes, reducing unit prices through continuous development of assembly and testing operations, and improving supply chain efficiency in cooperation with subcontractors.

The Company is a technology company operating in a competitive market where a technology disruption is expected in the coming years. The Company's operating losses are mainly due to investments in research and development and sales and marketing in order to enter the market. Research costs are recognised as incurred, while development costs are recognised in the Company's balance sheet to the extent that they meet the conditions in accordance with the accounting principles. The Company estimates that research and development costs will not increase significantly, and the focus of other operating expenses will be on sales, marketing and customer support operations.

Significant trends

Technological developments, and in particular the rapid growth of automation in manufacturing, are increasing the use of compressed air in many industries. Today, the global trend in many industries is to move to more environmentally friendly solutions, and this is also true in the production of industrial compressed air.

Compressed air is a key part of industrial manufacturing processes and is widely used, for example, to power machinery, equipment and automation, as well as to move materials related to production processes in different ways. Technological advances and a sharp growth in automation are increasing the use of compressed air in a wide range of industries. In the European Union, 10 per cent of industrial electricity is used to produce compressed air.¹⁵ The growth of manufacturing and the strong increase in automation will increase the use of compressed air by about 5.5 percent annually, which will also increase electricity consumption.¹⁶

Manufacturing therefore clearly needs a more environmentally friendly solution to produce compressed air. The rapid and strong growth of the market relevant to the Company is due to the even faster development of the demand for oil-free compressed air within the growing compressed air market and the technological disruption in the oil-free air compressor market. A key driver here is the growth of environmental awareness, which will increase the use of energy-efficient and less environmentally harmful products and clean technologies. The constant rise in energy prices, in turn, increases the need for industries to look for more energy-efficient solutions.

Another driving force is customer demand for new and better compressors to replace old compressors. As compressor technology improves, customers are replacing their compressors with newer models. New and improved technology improves efficiency, simplifies use and saves life cycle costs. In addition, the Company has discovered that there is market demand for the Air-as-a-Service service model, where the customer does not buy a compressor but instead compressed air as a service and pays for it in the same way as, for example, for electricity, heat and water.

Recent development and material changes in financial position

The Company is in the process of negotiating further deliveries to existing customers, and has several ongoing negotiations with new customers. During the first part of 2020, the Company has recruited four (4) new employees primarily to strengthen the sales and customer support organisation. In addition, in March 2020, Business Finland has granted a de minimis -grant to the Company of a maximum of EUR 100.0 thousand for the development of the supply chain to increase the reliability of deliveries, and for the development of product energy efficiency features. An amount of EUR 70.0 thousand has been paid to the Company in April 2020.

There have been no significant changes in the Company's financial position since the financial period ended 31 March 2020.

Future prospects

The Company operates in a market where a technological disruption is expected in the coming years. The Company has verified the validity of the Company's value promises in several customer deliveries. The Company sees that the growing energy and maintenance cost saving targets for manufacturing, the growing requirements for sustainable production technologies and the good suitability of the Company's product for the service business, which is generating increasing demand among customers, creates good growth conditions for the Company.

¹⁵ A review on compressed-air energy use and energy savings:
http://kchbi.chtf.stuba.sk/upload_new/file/Miro/Proc%20problemy%20odovzdane%20zadania/Kvasniak/3%20A%20review%20on%20compressed-air%20energy%20use%20and%20energy%20savings.pdf

¹⁶ Industrial Air Compressors Market Size to cross \$24bn by 2026: <https://www.gminsights.com/pressrelease/industrial-air-compressors-market>

During 2020 the pandemic following the spread of COVID-19 (“coronavirus”) has caused approximately 300,000 deaths globally, large-scale movement restrictions and a shock to the global economy. As a result, several countries around the world, as well as the European Union, have decided on major stimulus packages aimed at reducing the damage caused to the private and public economies by the coronavirus. The exact duration of the coronavirus epidemic and its ultimate financial impact is not known at the date of this Prospectus.

So far, the effects of the coronavirus pandemic on the Company’s operations have been limited to the acquisition of new customers, which has temporarily slowed down and/or shifted to remote appointments. Customer projects that were underway before the pandemic began have progressed with minor delays. The Company's operations may be affected if a large portion of the Company's employees become exposed to the coronavirus or if a quarantine is introduced that prevents the Company's employees, suppliers' employees or customers' employees from going to work, or if travel restrictions persist for a longer time. Similarly, any financial difficulties that may arise for the Company's customers due to the coronavirus epidemic may affect their investment decisions. The launch of projects with new potential customers may also be delayed because of restrictions due to the coronavirus. However, some of the Company's new customer projects have also progressed faster than previously expected due to the fact that many factories, such as the ones in food and beverage, and the paper/carton industry are operating at full capacity despite the pandemic. Thus, it is difficult for the Company to assess the possible negative effects of the coronavirus on its operations as of the date of the Prospectus.

Operating results

The three-month period ended 31 March 2020 compared to the three-month period ended 31 March 2019

Revenue

Revenue for the three-month period ended 31 March 2020 was EUR 504.0 thousand, an increase of EUR 484.6 thousand, or 2,501.7 per cent, compared to EUR 19.4 thousand for the three-month period ended 31 March 2019. The increase in revenue was due to deliveries to new customers and follow-up orders from old customers.

Manufacturing for own use

Manufacturing for own use in the three-month period ended 31 March 2020 was EUR 27.2 thousand, a decrease of EUR 237.1 thousand, or 89.7 per cent, compared to EUR 264.2 thousand in the three-month period ended 31 March 2019.

Materials and services

Expenses related to materials and services for the three-month period ended 31 March 2020 amounted to EUR 596.0 thousand, an increase of EUR 589.0 thousand, or 8414.3 per cent, compared to EUR 7.0 thousand for the three-month period ended 31 March 2019. The increase in expenses was mainly due to the increase in component purchases.

Personnel expenses

Personnel expenses for the three-month period ended 31 March 2020 were EUR 559.3 thousand, an increase of EUR 34.1 thousand, or 6.5 per cent, compared to EUR 525.2 thousand for the three-month period ended 31 March 2019.

Depreciation and reduction in value

Depreciation and reduction in value for the three-month period ended 31 March 2020 amounted to EUR 108.2 thousand, an increase of EUR 7.9 thousand, or 7.8 per cent, compared to EUR 100.3 thousand for the three-month period ended 31 March 2019. The increase was due to increased depreciation of development expenses.

Other operating expenses

Other operating expenses for the three-month period ended 31 March 2020 were EUR 441.2 thousand, an increase of EUR 14.6 thousand, or 3.4 per cent, compared to EUR 426.6 thousand for the three-month period ended 31 March 2019.

Operating loss (EBIT)

The operating loss for the three-month period ended 31 March 2020 was EUR -1,125.1 thousand, an increase of EUR 349.6 thousand, or 45.1 per cent, compared to EUR -775.5 thousand for the three-month period ended 31 March 2019.

Financial income and expenses

Financial income and expenses for the three-month period ended 31 March 2020 totalled EUR 52.3 thousand and increased by EUR 31.8 thousand, or 155.8 per cent, compared to EUR 20.4 thousand for the three-month period ended 31 March 2019.

Loss for the financial year

Due to the above reasons, the loss for the three-month period ended 31 March 2020 was EUR -1,177.4 thousand, and the loss increased by EUR 381.5 thousand, or 47.9 per cent, compared to a loss of EUR -795.9 thousand during the three-month period ended 31 March 2019.

The financial year ended 31 December 2019 compared to the financial year ended 31 December 2018

Revenue

Revenue for the financial year ended 31 December 2019 was EUR 2,134.1 thousand, an increase of EUR 1,580.0 thousand, or 285 per cent, compared to EUR 554.1 thousand in the financial year ended 31 December 2018. The increase in revenue was due to deliveries to new customers and follow-up orders from old customers.

Manufacturing for own use

Manufacturing for own use for the financial year ended 31 December 2019 was EUR 810.4 thousand, a decrease of EUR 332.9 thousand or 29.1 per cent, compared to EUR 1,143.3 thousand in the financial year ended 31 December 2018.

Other operating income

Other operating income for the financial year ended 31 December 2019 was EUR 0.4 thousand, a decrease of EUR 49.6 thousand, or 99.2 per cent, compared to EUR 50.0 thousand in the financial year ended 31 December 2018.

Materials and services

Expenses related to materials and services in the financial year ended 31 December 2019 were EUR 1,313.8 thousand, and they decreased by EUR 345.1 thousand, or 20.8 per cent, compared to EUR 1,658.9 thousand in the financial year ended 31 December 2018. Materials and services decreased due to lower product development purchases and due to a decrease in the component inventory.

Personnel expenses

Personnel expenses in the financial year ended 31 December 2019 were EUR 2,151.0 thousand, an increase of EUR 166.2 thousand, or 8.4 per cent, compared to EUR 1,984.8 thousand in the financial year ended 31 December 2018. The increase in personnel expenses was mainly due to the effects of the 2018 recruitments for 2019, investments in technical assistance and targeted salary revisions.

Depreciation and reduction in value

Depreciation and reduction in value for the financial year ended 31 December 2019 were EUR 394.9 thousand, an increase of EUR 38.3 thousand, or 10.7 per cent, compared to EUR 356.6 thousand for the financial year ended 31 December 2018.

Other operating expenses

Other operating expenses for the financial year ended 31 December 2019 were EUR 1,605.2 thousand, an increase of EUR 321.8 thousand, or 25.1 per cent, compared to EUR 1,283.4 thousand for the financial year ended 31 December 2018. The increase in other operating expenses was mainly due to investments in sales and promotion and information system projects.

Operating loss (EBIT)

The operating loss for the financial year ended 31 December 2019 was EUR 2,959.5 thousand, an increase of EUR 359.3 thousand or 13.8 per cent, compared to EUR 2,600.2 thousand in the financial year ended 31 December 2018. The increase in operating loss was mainly due to an increase in other operating expenses.

Financial income and expenses

Financial income and expenses totalled EUR 365.8 thousand in the financial year ended 31 December 2019, increasing by EUR 318.1 thousand or 666.9 per cent, compared to EUR 47.7 thousand in the financial year ended 31 December 2018. Financial expenses were raised by the costs of the spring 2019 financing rounds and the interest expenses of the new convertible bond.

Loss for the financial year

Due to the above reasons, the loss for the financial year ended 31 December 2019 was EUR 3,325.2 thousand, and the loss increased by EUR 677.3 thousand, or 25.6 percent, compared to a loss of EUR 2,647.9 thousand in the financial year ended 31 December 2018.

The financial year ended 31 December 2018 compared to the financial year ended 31 December 2017

Revenue

Revenue for the financial year ended 31 December 2018 was EUR 554.1 thousand, an increase of EUR 396.2 thousand, or 250.9 per cent, compared to EUR 157.9 thousand in the financial year ended 31 December 2017. The increase in revenue was due to new customer deliveries.

Manufacturing for own use

Manufacturing for own use for the financial year ended 31 December 2018 was EUR 1,143.3 thousand, an increase of EUR 77.8 thousand, or 7.3 per cent, compared to EUR 1,065.5 thousand in the financial year ended 31 December 2017.

Other operating income

Other operating income for the financial year ended 31 December 2018 was EUR 50.0 thousand, an increase of EUR 26.7 thousand, or 114.6 per cent, compared to EUR 23.3 thousand in the financial year ended 31 December 2017.

Materials and services

Expenses related to materials and services in the financial year ended 31 December 2018 were EUR 1,658.9 thousand, an increase of EUR 1,034.0 thousand, or 165.5 per cent, compared to EUR 624.9 thousand in the financial year ended 31 December 2017. Materials and services increased due to increased product development and component purchases.

Personnel expenses

Personnel expenses in the financial year ended 31 December 2018 were EUR 1,984.8 thousand, an increase of EUR 936.4 thousand, or 89.3 per cent, compared to EUR 1,048.4 thousand in the financial year ended 31 December 2017. The increase in personnel expenses was mainly due to new recruitments during 2018.

Depreciation and reduction in value

Depreciation and reduction in value for the financial year ended 31 December 2018 were EUR 356.6 thousand, an increase of EUR 60.8 thousand, or 20.6 per cent, compared to EUR 295.8 thousand for the financial year ended 31 December 2017.

Other operating expenses

Other operating expenses for the financial year ended 31 December 2018 were EUR 1,283.4 thousand, an increase of EUR 563.8 thousand, or 78.3 percent, compared to EUR 719.6 thousand for the financial year ended 31 December 2017. The increase in other operating expenses was mainly due to investments in sales and marketing and information system projects.

Operating loss (EBIT)

The operating loss for the financial year ended 31 December 2018 was EUR 2,600.2 thousand, an increase of EUR 1,158.3 thousand, or 80.3 per cent, compared to EUR 1,441.9 thousand in the financial year ended 31 December 2017. The increase in operating loss was mainly due to product development investments and the Company's growth phase investments in sales and marketing and the development of information systems.

Financial income and expenses

Financial income and expenses in the financial year ended 31 December 2018 totalled EUR -47.7 thousand, an increase of EUR 28.1 thousand, or 43.4 per cent, compared to EUR -19.6 thousand in the financial year ended 31 December 2017. Financial income was reduced by lower interest income on deposits and financial expenses were raised by interest expenses on new loans.

Loss for the financial year

Due to the above reasons, the loss for the financial year ended 31 December 2018 was EUR 2,647.9 thousand, and the loss increased by EUR 1,186.3 thousand or 81.2 per cent compared to the loss of EUR 1,461.6 thousand in the financial year ended 31 December 2017.

Financial position

Non-current assets

The Company's non-current assets were EUR 5,640.8 thousand on 31 December 2019 and EUR 5,749.9 thousand on 31 December 2018. Intangible assets, the value of which was EUR 5,558.2 thousand on 31 December 2019 and EUR 5,242.9 thousand on 31 December 2018, consisted of capitalised development costs. Tangible assets, the value of which was EUR 82.5 thousand on 31 December 2019 and EUR 506.9 thousand on 31 December 2018, mainly consist of machinery and equipment used in the service business.

The Company's non-current assets were EUR 5,749.9 thousand on 31 December 2018 and EUR 4,962.1 thousand on 31 December 2017. Intangible assets, the value of which was EUR 5,242.9 thousand on 31 December 2018 and EUR 4,777.0 thousand on 31 December 2017, consisted mainly of development costs. Tangible assets, the value of which was EUR 506.9 thousand on 31 December 2018 and EUR 185.1 thousand on 31 December 2017, mainly consist of machinery and equipment used in the service business.

Current assets

The Company's current assets were EUR 4,046.9 thousand on 31 December 2019, which was EUR 1,984.6 thousand more than on 31 December 2018, when they were EUR 2,062.3 thousand. The increase in current assets is mainly explained by the increase in the Company's cash and cash equivalents.

The Company's current assets were EUR 2,062.3 thousand on 31 December 2018, which was EUR 1,656.0 thousand less than on 31 December 2017, when they were EUR 3,718.3 thousand. The decrease in current assets is mainly explained by the decrease in the Company's cash and cash equivalents.

Equity

The Company's equity was EUR 4,683.9 thousand on 31 December 2019, i.e. EUR 1,317.0 thousand more than on 31 December 2018, when it was EUR 3,369.9 thousand. The changes in equity were related to an increase in the invested unrestricted equity fund of EUR 4,642.2 thousand due to share issues and a loss of EUR 3,325.2 thousand for the financial year.

The Company's equity was EUR 3,366.9 thousand on 31 December 2018, i.e. EUR 2,060.9 thousand less than on 31 December 2017, when it was EUR 5,427.8 thousand. The changes in equity were related to the loss for the financial year and the proceeds from the share issue.

Non-current liabilities

The Company's non-current liabilities consist of loans received from Nordea and Business Finland and a convertible bond.

The Company's non-current liabilities were EUR 3,490.3 thousand on 31 December 2019, EUR 2,944.0 thousand on 31 December 2018 and EUR 2,709.3 thousand on 31 December 2017.

Current liabilities

Current liabilities mainly consist of trade payables and other ordinary current liabilities.

The Company's current liabilities totalled EUR 1,513.4 thousand on 31 December 2019, EUR 1,501.4 thousand on 31 December 2018 and EUR 543.3 thousand on 31 December 2017.

Cash flow

Cash flow from operating activities

The Company's cash flow from operating activities in the financial year ended 31 December 2019 was EUR -2,874.5 thousand, and it changed by EUR 486.2 thousand compared to EUR -2,388.3 thousand in the financial year ended 31 December 2018.

The Company's cash flow from operating activities in the financial year ended 31 December 2018 was EUR -2,388.2 thousand, and it changed by EUR 296.8 thousand compared to EUR -2,091.4 thousand in the financial year ended 31 December 2017.

Cash flow from investing activities

Cash flow from investing activities was EUR -285.9 thousand in the financial year ended 31 December 2019, and it decreased by EUR 858.5 thousand compared to EUR -1,144.4 thousand in the financial year ended 31 December 2018. The decrease was due to reduced investments in development costs and the sale of equipment on the balance sheet.

Cash flow from investing activities was EUR 1,144.4 thousand in the financial year ended 31 December 2018, an increase of EUR 60.5 thousand compared to EUR 1,083.9 thousand in the financial year ended 31 December 2017. The increase was due to an increase in capitalised development costs.

Cash flow from investing activities

Cash flow from financing activities was EUR 4,790.3 thousand in the financial year ended 31 December 2019, and this included the proceeds received from the share issue of EUR 4,642.2 thousand.

Cash flow from financing activities was EUR 1,398.8 thousand in the financial year ended 31 December 2018, and this included EUR 587.0 thousand in proceeds received from the share issue.

Cash flow from financing activities was EUR 1,146.5 thousand in the financial year ended 31 December 2017 and consisted entirely of new borrowings.

The increase in cash and cash equivalents for the financial year ended 31 December 2019 was EUR 1,630.0 thousand. In the financial year ended 31 December 2018, the decrease in cash and cash equivalents was EUR 2,133.7 thousand. In the financial year ended 31 December 2017, the decrease in cash and cash equivalents was EUR 2,028.8 thousand. Tamturbo's cash and cash equivalents on 31 December 2019 were EUR 2,164.6 thousand, on 31 December 2018 EUR 534.6 thousand and on 31 December 2017 EUR 2,668.3 thousand.

Investments

Investments in the financial year ended 31 December 2019 amounted to EUR 570.5 thousand and are related to capitalised development costs.

Investments in the financial year ended 31 December 2018 amounted to EUR 1,144.4 thousand and are related to capitalised development costs.

Investments in the financial year ended 31 December 2017 amounted to EUR 1,083.9 thousand and are related to capitalised development costs and the acquisition cost of a service sales machine.

Planned investments

The Company has not decided on any planned investments as of the date of the Prospectus.

Capitalisation and indebtedness

The following table shows Tamturbo's capital structure and indebtedness as of 31 March 2020. The table should be read in conjunction with Tamturbo's financial statements for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 included in the Prospectus and with the sections "*Selected financial information*" and "*Operating and financial review and prospects*" of the Prospectus.

The figures have been prepared specifically for the Prospectus and are unaudited. The debts are interest-bearing if nothing else is mentioned.

Equity and liabilities, EUR thousand	31.3.2020
Current interest-bearing debt	
Against guarantee or surety	54.5
Against collateral	54.5
Without guarantee/surety or collateral	169.2
Total current interest-bearing debt	278.3
Non-current interest-bearing debt	
Against guarantee or surety	150.0
Against collateral	652.5
Without guarantee/surety or collateral	2,660.5
Total non-current interest-bearing debt	3,463.0
Total current and non-current interest-bearing debt	3,741.3
Equity	
Share capital	81.0

Fund for invested unrestricted equity	14,395.9
Retained earnings (losses)	-9,793.0
The period's result	-1,177.4
Total equity	3,506.5

Net financial indebtedness, EUR thousand	31.3.2020
A) Cash	881.5
B) Other liquid funds	0.0
C) Marketable securities	0.0
D) Liquidity A+B+C	881.5
E) Current receivables	0.0
F) Current receivables from financial institutions	0.0
G) Current portion of non-current liabilities	278.3
H) Other current financial liabilities	0.0
I) Current financial liabilities F+G+H	278.3
J) Net current financial indebtedness I-E-D	-602.2
K) Non-current liabilities from financial institutions	2,960.5
L) Issued bonds	
M) Other non-current liabilities	502.5
N) Non-current financial liabilities K+ L+ M	3,463.0
O) Net financial indebtedness J+N	2,859.9

The share issues arranged by the Company are described in the section “*Share capital and shares - Share capital development*” of the Prospectus.

Sources of funding

Tamturbo obtains long-term external financing through equity financing (share issues), debt financing (bank loans and other debt instruments) and product development grants and loans. The goal is also to achieve a positive cash flow from operations.

Tamturbo's cash in hand and at banks on 31 March 2020 were EUR 881.5 thousand. The Company's interest-bearing liabilities on 31 March 2020 totalled EUR 3,741.3 thousand. The net debt on 31 March 2020 was thus a total of EUR 2,859.9 thousand.

Summary of the Company's loans and changes in them

The Company's interest-bearing liabilities on 31 March 2020 totalled EUR 3,741.3 thousand. Interest-bearing liabilities consist of a loan from Nordea Bank Oyj (EUR 409.1 thousand), a convertible bond (EUR 502.5 thousand) and product development loans from Business Finland (EUR 2,829.8 thousand). The Company must repay its long-term interest-bearing liabilities (EUR 3,741.3 thousand) by the end of 2025.

The tables below describe the changes in the Company's loans for the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 (the amounts are expressed in EUR thousand).

1.1.-31.12.2019				31.12.2019	
	Loans raised	Repayments of loans	Repayments of interest	Loans	Interest liabilities
Nordea Bank Oyj	300.0	859.1	16.1	436.4	1.3
Business Finland	0.0	0.0	27.8	2,829.8	12.2
Convertible bond 2019	502.5	0.0	31.7	502.5	-
Total	802.5	859.1	75.6	3,768.6	13.5

1.1.-31.12.2018				31.12.2018	
	Loans raised	Repayments of loans	Repayments of interest	Loans	Interest liabilities
Nordea Bank Oyj	450.0	54.5	14.4	995.5	1.8
Business Finland	416.4	0.0	23.0	2,625.1	12.1
Total	866.4	54.5	37.3	3,620.6	13.9

1.1.-31.12.2017				31.12.2017	
	Loans raised	Repayments of loans	Repayments of interest	Loans	Interest liabilities
Nordea Bank Oyj	600.0	0.0	0.0	600.0	1.6
Business Finland	546.5	0.0	3.1	2,208.7	11.4
Total	1,146.5	0.0	3.1	2,808.7	13.0

Maturity of interest-bearing liabilities

The table below presents the maturity of the Company's interest-bearing liabilities (amounts express in EUR thousand).

	31.3.2020	31.12.2019	31.12.2018	31.12.2017
Total interest-bearing liabilities	3,741.3	3,768.6	3,620.6	2,808.7
Amounts due in less than a year	278.3	278.6	676.6	99.3
Amounts due in 1-5 years	3,418.2	3,445.5	2,663.1	2,183.8
Amounts due in more than five year	44.8	44.8	280.9	525.5

Loans from financial institutions and investors

Nordea Bank Oyj

On 6 November 2017, the Company signed a loan agreement with Nordea Bank Oyj ("Nordea") for a loan of EUR 600.0 thousand. The annual interest rate on Nordea's loan is six (6) months EURIBOR + 2.00 per cent. The bank has the right to review the loan margin. The accrued interest will be paid every three (3) months as of 8 February 2018. The loan will be repaid in 24 instalments amounting to EUR 27.3 thousand each. The due date of the first instalment was 8 August 2018, and thereafter the instalments will be paid every three (3) months so that the last instalment falls due on 8 November 2023. Of the loan principal of Nordea's loan, EUR 409.1 thousand was outstanding on 31 March 2020.

The loan is covered by the European Investment Fund's EIF SME guarantee program for Finland, for which a 50 per cent guarantee has been granted. Finnvera Oyj has granted a 30 per cent guarantee for the loan. The Company has also pledged corporate mortgages totalling EUR 220,000 as collateral for the loan.

Convertible bond 2019

In April 2019, the Company issued a convertible bond amounting to EUR 502.5 thousand, which includes 23,923 stock options. Each stock option entitles its holder to subscribe for one (5) new shares in the Company. The subscription period for the shares subject to the stock options starts on 1 June 2020 and ends on 12 May 2022. The subscription price of the shares to be subscribed for on the basis of the stock options is determined on the basis of the most recent share issue or series of shares of the Company prior to the share subscription, reducing the above subscription price by ten (10) per cent. When the stock options were issued, the latest subscription price for the Company's share issue was EUR 21.00 per share. However, if it is decided to sell the Company's shares before 1 June 2020, the subscription price of the shares will be used, reduced by ten (10) per cent. The shares may be subscribed for if the Company is listed. In this case, the subscription price is ten (10) per cent less than the subscription price of the Offering. The annual interest rate of the convertible bond is ten (10) per cent and the principal of the loan matures on 12 May 2022 as a one-time instalment.

All the holders of the convertible bond have undertaken to exercise their stock options related to the convertible bond in connection with the subscription of shares in connection with the Offering. In addition, of the Cornerstone Investors EAKR-Aloitusrahasto Oy, KWH-koncernen Ab, Nurmiraanta Holdings Oy, Olli-Pekka Kulmala, Ari Pöyhtäri and Teuvo Rintamäki have undertaken, in accordance with the terms of their subscription commitments, to use the principal and interest of their convertible bond to the Company to the extent that the warrants are not sufficient to convert the convertible bond into Company shares. The share of the convertible bond to be paid by offsetting in the Offering totals approximately EUR 0.2 million.

Product development loans

Business Finland has granted the following seven (7) product development loans to the Company:

- Product development loan no. 3035-14872 with a principal of EUR 299.2 thousand. The loan agreements were signed on 24 January 2011 and 20 October 2011. The interest rate on the loan is currently one (1) per cent. The loan is due for repayment in four equal instalments on 14 February 2021, 14 February 2022, 14 February 2023 and 14 February 2024.
- Product development loan no. 3035-15366 with a principal of EUR 224.0 thousand. The loan agreement was signed on 17 October 2012. The interest rate on the loan is currently one (1) per cent. The loan is due for repayment in five equal instalments on 23 October 2021, 23 October 2022, 23 October 2023, 23 October 2024 and 23 October 2025.
- Product development loan no. 3035-15724 with a principal of EUR 466.0 thousand. The loan agreement was signed on 17 January 2014. The interest rate on the loan is currently one (1) per cent. The loan is due for repayment in four equal instalments 1 February 2021, 1 February 2022, 1 February 2023 and 1 February 2024.
- Product development loan no. 3035-16187 with a principal of EUR 470.0 thousand. The loan agreement is dated 27 April 2015. The interest rate on the loan is currently one (1) per cent. The loan is due for repayment in four equal instalments on 5 June 2021, 5 June 2022, 5 June 2023 and 5 June 2024.

- Product development loan no. 3035-16749 with a principal of EUR 676.9 thousand. The loan agreement is dated 6 October 2016. The interest rate on the loan is currently one (1) per cent. The loan is due for repayment in four equal instalments on 10 October 2020, 10 October 2021, 10 October 2022 and 10 October 2023.
- Product development loan no. 3035-17173 with a principal of EUR 693.7 thousand. The loan agreement is dated 25 October 2017. The interest rate on the loan is currently one (1) per cent. The loan is due for repayment in four equal instalments on 21 November 2021, 21 November 2022, 21 November 2023 and 21 November 2024.

Other commitments and contingencies

Rent liabilities according to lease contracts are presented in the table below for those falling separately due the following year and over a year (amounts expressed in EUR thousand).

Leasing liabilities	31.12.2019	31.12.2018	31.12.2017
	(Not audited)		
Due no later than one year	266.8	242.1	183.4
Due later than one year	208.2	230.6	142.3
Total	475.0	472.8	325.7

For the Company's production facilities in Ylöjärvi, the termination notice period for the lessor is twelve (12) months and for the tenant six (6) months. The termination notice period for the Company's head office in Tampere is one (1) month. In addition, the Company has leased office space in Klaukkala with a termination notice period of three (3) months.

The Company also has a bank guarantee liability of EUR 37.0 thousand.

Pledged assets

The Company has pledged a total of EUR 520.0 thousand as collateral for loans and guarantees to Nordea and Finnvera.

Subsidies

During its operations, the Company has received a total of EUR 583.0 thousand in company development grants, trade fair grants, product development support and EU Horizon 2020 funding.

In addition, in March 2020, Business Finland has granted a de minimis -grant to the Company of a maximum of EUR 100.0 thousand for the development of the supply chain to increase the reliability of deliveries, and for the development of product energy efficiency features. An amount of EUR 70.0 thousand has been paid to the Company in April 2020.

Working capital statement

The Company estimates that its working capital at the date of the Prospectus will not be sufficient to cover the current need for at least the next twelve (12) months from the date of this Prospectus and the FN Listing. The reason for this is the estimated costs arising from the Company's operations over the next twelve (12) months. Based on a conservative revenue forecast and cost estimate, the Company believes that EUR 3.1 million will be sufficient to cover the working capital shortfall for at least the aforementioned twelve (12) months from the date of this Prospectus and the FN Listing. The Company's current working capital is estimated to be sufficient until the middle of July 2020.

The Company will carry out the Offering to ensure, among other things, the adequacy of working capital. The Company estimates that if the Offering is completed on schedule and the net proceeds are at least EUR 3.1 million, the proceeds from the Offering, together with the Company's cash and cash in hand at banks, will provide the Company with sufficient working capital for its current financing needs and to cover working capital needs of EUR 3.8 million for at least twelve (12) months from the date of this Prospectus and the FN Listing.

If the amount of net proceeds from the Offering is less than EUR 3.1 million and the Offering and the FN Listing are implemented, the Company may need additional financing within the next 12 months, which it plans to obtain to the extent necessary with other debt or equity financing. If additional funding is not received, the Company may run into have payment difficulties.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General information on the Company's administration

The Company adheres to the Finnish Companies Act and the First North Nordic Rulebook in the organisation of its administration. The Company does not adhere to the Finnish Corporate Governance Code 2020 recommendation, as it is not justified with respect to the size and the extent of the business of the Company.

The administration of the Company is, in accordance with the Finnish Companies Act, divided between the General Meeting, the Board of Directors and the Managing Director. The shareholders exercise rights belonging to them mainly in the General Meeting, which normally is convened by the Board of Directors of the Company. The General Meeting shall, in addition, be held if the auditor or shareholders of the Company, whose shares represent at least one tenth of all issued shares, which are not in the possession of the Company, demand in writing the holding of the General Meeting.

The business address of the members of the Board of Directors and the Managing Director is Koskikatu 7 A 5, 33100 Tampere.

Board of Directors

General information on the Board of Directors of the Company

The Board of Directors shall see to the administration of the Company and the appropriate organisation of its operations. The Board of Directors shall be responsible for the appropriate arrangement of the control of the Company accounts and finances. The Board of Directors or a member of the Board of Directors shall not comply with a decision of the General Meeting or the Board of Directors where it is invalid owing to being contrary to the Finnish Companies Act or the Articles of Association. The General Meeting elects the members of the Board of Directors.

According to the Company's Articles of Association, the Board of Directors shall consist of three (3) and at most eight (8) members elected by the shareholders at a General Meeting. The term of office of each member of the Board of Directors ends at the adjournment of the first Annual General Meeting following the election.

The opinion of the majority of the members in attendance in the meeting shall constitute the decision of the Board of Directors. In the event of a tie the Chairman shall have the casting vote. The Chairman of the Board shall be elected by the Board of Directors. The Board of Directors has not established any committees among the Board members.

As of the date of this Prospectus, the Board of Directors comprises the persons set out in the below table:

Name	Position	Born	Elected
Sami Somero	Chairman of the Board	1975	2011
Kjell Antus	Board member	1965	2017
Heidi Ahonen	Board member	1978	2020
Hannu Rusanen	Board member	1957	2020
Johanna Ylikoski	Board member	1966	2020

Presentation of the members of the Board of Directors

Sami Somero, Master of Science.

Sami Somero is a private investor and board member of several growth companies. Somero was a founding partner and business director for ten years at Plenware Oy, which acted as a partner in the telecommunications industry and manufacturing industry in product development projects for intelligent machines and devices. The company employed more than 600 people in five countries. Since Cybercom's acquisition of Plenware Oy, Somero has worked as an investor and board professional in several internationally operating growth companies.

In addition to his assignment in Tamturbo, Sami Somero has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
7Bros Oy	Board member	Assignment ongoing
Anders Innovations Oy	Board member	Assignment ongoing
BON GAMES OY	Board member	Assignment ongoing
Central Office Finland Oy	Board member	Assignment ongoing
Gear Rink Sport Oy	Deputy board member	Assignment ongoing

Gofore Oyj	Board member	Assignment ongoing
Haarla Oy	Chairman of the Board	Assignment ongoing
Kiinteistö Oy Runoilevi III	Board member	Assignment ongoing
Kiinteistö Oy Ruuskanen	Board member	Assignment ongoing
Kiinteistö Oy Sointuilevi I	Board member	Assignment ongoing
Lean Entries Oy	Chairman of the Board	Assignment ongoing
Nurmiraanta Holdings Oy	Board member	Assignment ongoing
ProcuWare Oy	Deputy board member	Assignment ongoing
Radiantum Oy	Board member	Assignment ongoing
Shoop Commerce Oy	Board member	Assignment ongoing
Taipuva Consulting Oy	Board member	Assignment ongoing
Varaani Works Oy	Board member	Assignment ongoing
VividWorks Oy	Board member	Assignment ongoing
Ylöjärven Pienteollisuustalo Oy	Board member	Assignment ongoing
Gofore Vantaa Oy	Board member	Assignment ended
Kiinteistö Oy Sapara IV	Chairman of the Board	Assignment ended
Leadin Oy	Board member	Assignment ended
Nonono.io Oy	Board member	Assignment ended
VividWorks Oy	Chairman of the Board	Assignment ended

Kjell Antus, Master of Science in Economics.

Kjell Antus is the President and CEO of KWH-konsernen Ab. Previously, Kjell Antus served as CFO of KWH-konsernen Ab and as Director of KWH Invest. KWH-konsernen Ab has a large global customer base in the automotive industry, which uses oil-free compressed air in its manufacturing processes. KWH-konsernen Ab made a strategic investment in Tamturbo in 2016.

In addition to his assignment in Tamturbo, Kjell Antus has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
Böka Invest AB	Chairman of the Board	Assignment ongoing
Mirka Oy	Chairman of the Board	Assignment ongoing
Oy Backman - Trummer Ab	Chairman of the Board	Assignment ongoing
Oy KWH Freeze Ab	Board member	Assignment ongoing
Oy Prevex Ab	Chairman of the Board	Assignment ongoing
Uponor Infra Oy	Board member	Assignment ongoing
A. Jalander Oy	Board member	Assignment ended
Fastighets Ab Blåräven Kiinteistö Oy	Board member	Assignment ended
KWH Norrsken Ab	Board member	Assignment ended
Mirka Oy	Board member	Assignment ended
Nykarleby Monteringstjänst Ab	Board member	Assignment ended
Oy Adolf Lahti Yxpila Ab	Board member	Assignment ended
Oy Blomberg Rent Ab	Board member	Assignment ended
Oy Blomberg Stevedoring Ab	Board member	Assignment ended
Oy Moonway Ab	Board member	Assignment ended
Oy Otto Rodén Ab	Board member	Assignment ended
Stevena Oy	Board member	Assignment ended

Heidi Ahonen, Master of Social Sciences.

Heidi Ahonen is a private equity professional with about 20 years of experience in both the private and public private equity industries. Heidi Ahonen has strong experience in managing venture capital funds, most recently as Investment Director at Veraventure Oy, a subsidiary responsible for Finnvera Oyj's venture capital operations. In addition, Heidi Ahonen has solid experience of board work in growth companies.

In addition to her assignment in Tamturbo, Heidi Ahonen has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
Airmodus Oy	Board member	Assignment ongoing
CapHolder Oy	Board member	Assignment ongoing

Nostetta Ventures Oy	Board member	Assignment ongoing
Surveypal Oy	Board member	Assignment ongoing
Xwoop Oy	Deputy board member	Assignment ongoing
Tassu ESP Oy	Board member	Assignment ended

Hannu Rusanen, Master of Science in Engineering.

Hannu Rusanen has approximately 30 years of experience in the manufacturing industry, most recently from Konecranes Oyj's management team, as Director of the Industrial Equipment business area. Hannu Rusanen has been with Konecranes since 2003, before which he was with ABB, where he was responsible for ABB's Finnish maintenance operations, among other things.

In addition to his assignment in Tamturbo, Hannu Rusanen has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
Asunto Oy Likolehto	Board member	Assignment ongoing
Kantriina Oy	Chairman of the Board	Assignment ongoing
Norrhydro Group Oy	Board member	Assignment ongoing
Tamspecta Oy	Chairman of the Board	Assignment ongoing
CTS Engtec Oy	Chairman of the Board	Assignment ended
CTS Holding OY	Chairman of the Board	Assignment ended
CTS Investment Russia Oy	Chairman of the Board	Assignment ended
HPP Bulk Technologies Oy	Board member	Assignment ended
Lahti Precision Oy	Board member	Assignment ended

Johanna Ylikoski, Master of Science in Engineering.

Johanna Ylikoski has more than 20 years of experience in sales and marketing from the AGA Group and is currently the Sales and Marketing Director of AGA Baltics.

In addition to her assignment in Tamturbo, Johanna Ylikoski does not serve and has not been a member of any administrative, governing or supervisory bodies unrelated to the Company and/or been a partner in partnerships during the five (5) years prior to the date of this Prospectus.

Managing Director and management team

The Board of Directors appoints the Managing Director. The Managing Director shall see to the executive management of the Company in accordance with the instructions and orders given by the Board of Directors. The Managing Director shall see to it that the accounts of the Company are in compliance with the law and that its financial affairs have been arranged in a reliable manner. The Managing Director shall supply the Board of Directors and the members of the Board of Directors with the information necessary for the performance of the duties of the Board of Directors.

The Managing Director may undertake measures that are unusual or extensive in view of the scope and nature of the activities of the Company only if so authorised by the Board of Directors or if it is not possible to wait for a decision of the Board of Directors without causing essential harm to the business operations of the Company. In the latter case, the Board of Directors shall be notified of the measures as soon as possible.

Tamturbo's management team has solid experience from the compressor industry and compressor business, as well as general extensive expertise in building and selling industrial businesses worldwide. The management team includes former employees of Atlas Copco, Gardner Denver and Konecranes, who all have solid experience in compressor sales globally, as well as people with extensive experience in developing distribution channels and using OEM partnerships.

The following table sets forth the members of the management team of the Company as of the date of this Prospectus:

Name	Position	Born
Timo Pulkki	Managing Director	1978
Marja-Leena Niemenmaa	CFO	1966
Hannu Heinonen	VP, Americas Region	1962
Olli Kuismanen	VP, Partnerships	1975
Kimmo Pykönen	COO	1980
Juha Lammi	CTO	1986
Heli Malinen	Marketing Director	1977

Igor Nagaev	Area Director, East Europe and CIS	1964
Brecht Vanlee	Area Director, West Europe and Asia	1987

Presentation of the members of the management team

Managing Director Timo Pulkki, Master of Science in Engineering.

Timo Pulkki has worked at Tamturbo since 2012. He has been the Company's Managing Director since 2014. Prior to Tamturbo, Timo Pulkki worked for Konecranes Oyj, where he held various management positions in the development and product development/management of the global service business. Prior to Konecranes, Timo Pulkki worked in various sales support and controller positions at M-Real Oyj (now Metsä Board Oyj).

In addition to his assignment in Tamturbo, Timo Pulkki has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
TJP Growth building Oy	Deputy board member	Assignment ongoing

CFO Marja-Leena Niemenmaa, Master of Science in Economics.

Marja-Leena Niemenmaa has been employed by Tamturbo since 2018. Marja-Leena Niemenmaa has extensive experience in corporate finance management and development, acquisitions, business development and management teamwork from several technology and industrial companies. Prior to Tamturbo, Marja-Leena Niemenmaa served as CFO of Vexve Oy.

In addition to her assignment in Tamturbo, Marja-Leena Niemenmaa has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
As Oy Ylöjärven Rotikonkodit	Board member	Assignment ongoing
As Oy Ylöjärven Kartano Niemenmaa	Chairman of the Board	Assignment ended
Asunto Oy Sastamalan Exlibris	Board member	Assignment ended
Keskinäinen Kiinteistö Oy Levin Cirius	Deputy board member	Assignment ended
Kiinteistö Oy Levin Klubi	Board member	Assignment ended
Kiinteistö Oy Levin Torinaukio	Board member	Assignment ended
Kiinteistöosakeyhtiö Kuntomäki	Board member	Assignment ended
Medilappi Oy	Deputy board member	Assignment ended
Partnos Oy	Deputy board member	Assignment ended
Vexve Oy	Board member	Assignment ended

VP, Americas, Hannu Heinonen, Bachelor of Engineering, MBA

Hannu Heinonen is responsible for developing Tamturbo's business operations in North and South America. Hannu Heinonen has more than 30 years of experience in the sale and marketing of industrial compressors in the Americas and globally for Gardner Denver and its predecessor Tamrotor, as well as for FuSheng in Taiwan and ELGi Equipments in India.

In addition to his assignment in Tamturbo, Hannu Heinonen does not serve and has not been a member of any administrative, governing or supervisory bodies unrelated to the Company and/or been a partner in partnerships during the five (5) years prior to the date of this Prospectus.

VP, Partnerships, Olli Kuusmanen, Master of Science in Engineering.

Olli Kuusmanen is responsible for building Tamturbo's international business through global customer relationships and a network of sales partners. Olli Kuusmanen has previously worked at Robit Oyj as a member of the company's management team responsible for the Down-the-hole business segment, and in the Konecranes Group in various positions, where he, among other things, has been responsible for the global innovation operations and for the operations of the so-called Business Factory organisation.

In addition to his assignment in Tamturbo, Olli Kuusmanen does not serve and has not been a member of any administrative, governing or supervisory bodies unrelated to the Company and/or been a partner in partnerships during the five (5) years prior to the date of this Prospectus.

COO, Kimmo Pyykönen, Bachelor of Engineering.

Kimmo Pyykönen started with Tamturbo in 2015, when his first task was to build a sales process and assemble a sales channel in Finland so that new compressor models could be piloted and sold efficiently and profitably. Kimmo Pyykönen has previously worked for more than 10 years in the supply chain and procurement at Sandvik Mining and Construction.

In addition to his assignment in Tamturbo, Kimmo Pyykönen has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
Roki Rent Oy	CEO, Deputy board member	Assignment ongoing

CTO, Juha Lammi, Master of Science in Engineering.

Juha Lammi has worked at Tamturbo since 2014 in product development and technical customer support. Juha Lammi has previously worked in research and development at the Konecranes Group.

In addition to his assignment in Tamturbo, Juha Lammi does not serve and has not been a member of any administrative, governing or supervisory bodies unrelated to the Company and/or been a partner in partnerships during the five (5) years prior to the date of this Prospectus.

Marketing Director, Heli Malinen, Master of Science.

Heli Malinen joined the Tamturbo team in September 2019. She has extensive experience in marketing, communications and project management.

In addition to her assignment in Tamturbo, Heli Malinen has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
Xemax Oy	CEO	Assignment ended

Regional Director, East Europe and CIS, Igor Nagaev, Doctor of Science, Master of Science in Economics and Engineering.

Igor Nagaev has more than two decades of experience in the compressor industry. He has previously served as CEO of Atlas Copco in Poland and Senior Vice President, Global Customers in Atlas Copco's Oil-Free Compressors Division.

In addition to his assignment in Tamturbo, Igor Nagaev has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
Lingroom Sp. z o.o.	Chairman of the Board, owner	Assignment ongoing
Atlas Copco Polska Sp. z o.o.	CEO	Assignment ended

Area Director, West Europe and Asia, Brecht Vanlee, Master of Science in Engineering.

Brecht Vanlee joined the Tamturbo team in 2019. He has nearly ten years of experience in the compressor industry, during which he has worked at Atlas Copco as well as AF Compressor, particularly in the areas of sales, business development, engineering and project management.

In addition to his assignment in Tamturbo, Brecht Vanlee has or has had during the last five (5) years before the date of this Prospectus the following memberships in administrative, governing or supervisory bodies unrelated to the Company and/or been partners in the following partnerships:

Company	Position	Assignment ongoing/ended
ANY Development	Owner	Assignment ongoing

Auditors

Based on the Articles of Association, the Company shall have one ordinary auditor and one deputy auditor. In case an auditing firm certified by the Finland Chamber of Commerce or chamber of commerce is elected as auditor, deputy auditor does not need to be elected. The term of office of the auditors ends at the adjournment of the Annual General Meeting first following the election.

The Company's Annual General Meeting held on 10 March 2020 elected KPMG Oy Ab (Business ID 1805485-9, address Töölönlahdenkatu 3 A, 00100 Helsinki), as the Company's ordinary auditor with Teemu Suoniemi, Authorised Public Accountant, as the auditor with principal responsibility. The ordinary auditor KPMG Oy Ab, with Teemu Suoniemi, Authorised Public Accountant, as the auditor with principal responsibility, has also acted as the Company's auditor for the financial years 2017, 2018 and 2019.

Conflicts of interest of the Board of Directors and management, family relationships and investigations

Provisions regarding the conflict of interests of the management of Finnish companies are set forth in the Finnish Companies Act. Pursuant to Chapter 6, Sections 4 and 19 a member of the Board of Directors or the Managing Director shall be disqualified from the consideration of a matter pertaining to a contract between himself and the company. He or she shall also be disqualified from the consideration of a matter pertaining to a contract between the company and a third party if he/she may thereby receive a material benefit which may be in contradiction with the interests of the company. The above provision on a contract shall correspondingly apply to other legal act and to legal proceeding and other similar matter. Members of the Board of Directors, the Managing Director and the other members of the management team do not have any conflicts of interests between their duties relating to the Company and their private interests and/or their other duties. The Managing Director Timo Pulkki and the CTO Juha Lammi are cousins. In other respects, there are no family ties between members of the Board of Directors or the management team.

Notwithstanding the exceptions mentioned above, as of the date of this Prospectus, none of the members of the Board of Directors or management board has during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative, management or supervisory body or belonged to the senior management of any company at the time of its bankruptcy, liquidation or reorganisation; or
- been subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.

Holdings of the Company's Board of Directors and management team

The table below includes the holdings of shares in the Company as well as holdings of rights entitling to shares by the members of the Board of Directors and the management team of the Company on the date of this Prospectus. The stock option programme is further described under "*Share capital and shares - Stock options*".

Board of Directors	Shares	Stock options¹
Sami Somero ²	530,250	-
Kjell Antus	-	-
Heidi Ahonen	-	-
Hannu Rusanen	-	-
Johanna Ylikoski	-	-
Management team		
Timo Pulkki	164,750	7,000
Marja-Leena Niemenmaa	3,330	5,000
Hannu Heinonen	2,000	2,000
Olli Kuismanen	500	2,400
Kimmo Pyykönen	1,900	3,400
Juha Lammi	28,700	2,000
Heli Malinen	-	-
Igor Nagaev	-	-
Brecht Vanlee	-	-
Board and management team in total	728,430	21,800

¹ Each stock option entitles the holder to subscribe for five (5) new shares.

² Ownership through Nurmiraanta Holdings Oy.

Remuneration and benefits of Board members and management

For the financial year 2019, (i) members of the Board were paid a total of EUR 21.0 thousand, (ii) Managing Director Timo Pulkki was paid EUR 146.4 thousand, including fringe benefits, and (iii) other members of the management team were paid a total of EUR 775.1 thousand. After the end of the financial year 2019, the salaries of the members of the Company's management team, with the exception of the Managing Director, have been increased by a general increase in accordance with the collective agreement for senior employees in the technology industry as of March 1, 2020.

For the financial year 2018, (i) Board members were paid a total of EUR 9.0 thousand, (ii) Managing Director Timo Pulkki was paid EUR 83.2 thousand, including fringe benefits, and (iii) other members of the management team were paid a total of EUR 597.8 thousand.

For the financial year 2017, (i) Board members were paid a total of EUR 0.0 thousand, (ii) Managing Director Timo Pulkki was paid EUR 73.3 thousand, including fringe benefits, and (iii) other members of the management team were paid a total of EUR 221.7 thousand.

The Company's Annual General Meeting on March 10, 2020 and the Company's Extraordinary General Meeting 11 May 2020 decided that Board members will be paid the following rewards for the term beginning at the end of the Annual General Meeting and ending at the end of the election term: EUR 3,000 per month for the Chairman and EUR 1,500 per month for other Board members.

Approximately 1/3 of the remuneration paid to the Board members is paid on the basis of the Board's share issue authorisation by issuing the Company's shares to the Board members and approximately 2/3 is paid in cash.

The number of shares to be paid for the remuneration in shares is determined on the basis of the value of the Company's share determined in First North as follows: the share value is the volume-weighted average price (VWAP) of the share for the two (2) weeks following the date of publication of the Company's half-year report from 1 January to 30 June 2020.

Alternatively, instead of issuing new shares or shares held by the Company, the shares to be issued as a share reward may be repurchased in the names and on behalf of the members of the Board. In this case, the shares would be repurchased within two (2) weeks from the date of publication of the Company's half-year report from January 1 to June 30, 2020 on the basis of a purchase order issued by the Company. In this case, the Company is responsible for the costs arising from the acquisition of the shares and any transfer tax.

In addition, Board members are reimbursed for reasonable expenses incurred for attending Board meetings.

Under his service contract Managing Director Timo Pulkki is entitled to a monthly salary of EUR 10,000 thousand, and he also has a telephone benefit. In case the Company terminates Timo Pulkki's service contract, Pulkki is entitled i) to the salary for the termination period determined in accordance with the Employment Contracts Act (two (2) months' salary until 6 October 2020, then four (4) months' salary) and ii) six (6) months' severance pay, if the termination takes place without a reason specified in the Managing Director's service contract and the Company does not invest in positions similar to those of the Managing Director, where the Managing Director worked before his position as Managing Director.

The Company has no supplementary pension and retirement plans or group supplementary pension benefits. The Company has taken out group life insurance for the members of the management team, where the beneficiaries are their relatives. The annual cost of this is about EUR 3.1 thousand.

Auditor's fees

Fees are paid to the Company's auditors based on the agreement according to the invoice.

Management incentive schemes

In 2018 and 2019, Tamturbo has had a bonus program approved by the Board of Directors for the key sales personnel and the Managing Director. The total amount of bonuses paid in 2018 was EUR 73.0 thousand and in 2019 EUR 95.0 thousand. For 2020, the Company's Board of Directors has not made a decision on the bonus program by the date of the Prospectus.

The stock option programs for key personnel are described in the section "*Share capital and shares - Stock options*" of the Prospectus.

OWNERSHIP STRUCTURE

On the date of this Prospectus, the fully-paid share capital amounts to EUR 81,000.00. A total of 6,416,480 of the Company's shares are registered. All shares are of the same class.

The Company had 685 shareholders on the date of this Prospectus.

The following table sets forth the ten (10) largest shareholders of the Company on the date of this Prospectus.

Shareholder	Shares and votes	% of all shares and votes
EAKR-Aloitusrahasto Oy	815,830	12.71 %
KWH-koncernen Ab	577,430	9.00 %
Nurmiranta Holdings Oy	530,250	8.26 %
Jaakko Säiläkivi	310,500	4.84 %
WS Cleantech Motor Fund Ky	301,700	4.70 %
Timo Pulkki	164,750	2.57 %
Olli-Pekka Kulmala	141,500	2.21 %
Process Flow Ltd Oy	141,500	2.21 %
Circulos Meos Oy	115,320	1.80 %
Springvest Oy	106,360	1.66 %
Total	3,205,140	49.95 %
Other shareholders	3,211,340	50.05 %
Total	6,416,480	100.00 %

The Company is not aware of any shareholder having a controlling interest in the Company. The Company is not aware of any arrangements that might result in a change in the control of the Company in the future.

The Certified Adviser does not own any shares of the Company.

SHARE CAPITAL AND SHARES

General information about the Company

The business name of the Company is Tamturbo Plc. The Company is a public limited liability company incorporated on 16 April 2010 in Finland, and it is organised under the laws of Finland. The Company is registered in the Finnish Trade Register under the business identity number 2326864-0. The registered address of the Company is Koskikatu 7 A 5, 33100, Finland and its telephone number is +358 10 4232 300. The Company is headquartered in Tampere, Finland.

According to the Articles of Association of the Company the line of business of Tamturbo is to carry out product development, manufacturing and sales of products for the engineering and mechanical engineering industries independently or through its subsidiaries. The Company may also operate in cooperation on projects with a third party, either in the funding of projects, and/or entities and/or in ownership of entities and coalescence of performing an activity within the Company's line of business. In addition, the Company engages in comprehensive training and consulting activities related to the aforementioned industries. Moreover, the Company may own real estate, shares in housing companies and securities both for its own operations and for rental.

The Company has a fully owned subsidiary in the United States, Tamturbo Inc. (Delaware), which acts as a sales corporation.

Shares and share capital

As of the date of this Prospectus, the registered share capital of Tamturbo amounts to EUR 81,000.00. A total of 6,416,480 of the Company's shares are registered. All of the shares are of the same class and all are fully paid. Each share entitles its holder to one (1) vote at the general meetings of shareholders of Tamturbo.

At the beginning of the financial year 2017, the Company had 1,010,810 shares, at the beginning of the financial year 2018 the Company had 1,010,810 shares and at the beginning of the financial year 2019 the Company had 1,016,606 shares.

The shares have no nominal value. Shares have an ISIN code of FI4000260682. As of the date of this Prospectus, Tamturbo holds 7,500 of its own shares. The shares have been entered into the book-entry securities system of Euroclear Finland on 1 September 2017. The shares are issued under Finnish law. The Company's shares are denominated in euro.

Authorisation

On 11 May 2020, the Extraordinary General Meeting of the Company authorised the Board of Directors to decide, in one or more transactions, on the issuance of shares and the issuance of stock options and other special rights to shares referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act against payment or free of charge, as follows:

The maximum number of shares that can be issued on the basis of the authorisation is 4,200,000 shares. The authorisation can be used e.g. for the share issue related to the planned FN Listing, for committing the Company's key personnel and other purposes decided by the Board of Directors from time to time.

The Board of Directors decides on all terms and conditions for the issuance of shares and stock options as well as other special rights entitling to shares. The authorisation applies to both the issuance of new shares and the transfer of own shares. The issuance of shares and stock options and other special rights entitling to shares can be carried out in deviation of the shareholders' pre-emptive rights (directed issue).

The authorisation revokes the authorisations previously granted to the Board of Directors to decide on share issues and the issuance of special rights entitling to shares. The authorisation is valid until 30 June 2021.

Stock options and other special rights entitling to shares

Key personnel stock option programme 2018

On 14 June 2018, the Company's Board of Directors decided on a stock option programme based on the authorisation received from the general meeting on 15 May 2018, on the basis of which a maximum of 20,000 stock options can be issued, which entitles the holder to subscribe for a maximum of 100,000 new shares in the Company. As of the date of the Prospectus, a total of 18,915 stock options have been allocated to nine (9) key personnel of the Company, of whom the members of the management team are as follows: Timo Pulkki 7,000, Hannu Heinonen 2,000, Juha Lammi 2,000, Kimmo Pyykönen 3,400 and Olli Kuismanen 2,400. The subscription period for the shares subject to the stock options starts on 1 July 2021 and ends on 31 June 2023. The subscription price for the shares is EUR 3.00 per share. The subscription price of the shares is recorded in full in the Company's fund for invested unrestricted equity.

The holder of the stock options may not transfer, pledge or otherwise transfer the stock options to third parties without the prior consent of the Company's Board of Directors.

The right of the holder of stock options to exercise the options arises, i.e. is vested to the recipient linearly on a monthly basis for three (3) years before the start of the share subscription period. If the stock option holder's employment continues at the beginning of the share subscription period, the stock option holder is entitled to exercise the options in full.

If the option holder's employment ends for any reason before the start of the said subscription period, he/she is entitled to exercise the proportion of the options corresponding to the duration of his employment in full months for the three years preceding the start of the subscription period divided by 36 months. The amount obtained is rounded to the nearest lower even number. Upon termination of the employee's employment, options other than those exercised in accordance with the above will be returned from the employee to the Company without special measures. The Company's Board of Directors may decide to reissue the returned options, in which case it may at the same time decide on the vesting periods on a case-by-case basis, deviating from those described above.

The shares that can be subscribed for on the basis of the stock options correspond to approximately 1.42 per cent of the fully diluted number of the Company's shares before the Offering and approximately 1.11 per cent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and the Additional Share Allotment is not used.

Key personnel stock option programme 3-2019

On 26 August 2019, the Company's Board of Directors decided on a stock option programme based on the authorisation received from the general meeting on 13 June 2019, on the basis of which a maximum of 5,000 stock options can be issued, which entitles the holder to subscribe for a maximum of 25,000 new shares in the Company. The stock options have been allocated to the Company's CFO Marja-Leena Niemenmaa. The subscription period for the shares subject to the stock options starts on 1 July 2021 and ends on 31 June 2023. The subscription price for the shares is EUR 3.00 per share. The subscription price of the shares is recorded in full in the Company's fund for invested unrestricted equity.

The holder of the stock options may not transfer, pledge or otherwise transfer the stock options to third parties without the prior consent of the Company's Board of Directors.

The stock options holders' right to exercise the stock options in respect of the 1,527 stock options has been vested to the stock option holder in connection with their subscription. With regards to the other options of the holder of the option rights, the right to exercise the options arises, i.e. is vested, to the holder linearly on a monthly basis for 22 months before the start of the share subscription period. If the stock option holder's employment continues at the beginning of the share subscription period, the stock option holder is entitled to exercise the options in full.

If the option holder's employment ends for any reason before the start of the said subscription period, he/she is entitled to exercise the proportion of the options corresponding to the duration of his employment in full months for the three (3) years preceding the start of the subscription period divided by 22 months. The amount obtained is rounded to the nearest lower even number. Upon termination of the employee's employment, options other than those exercised in accordance with the above will be returned from the employee to the Company without special measures. The Company's Board of Directors may decide to reissue the returned options, in which case it may at the same time decide on the vesting periods on a case-by-case basis, deviating from those described above.

The shares that can be subscribed for on the basis of the stock options correspond to approximately 0.35 per cent of the fully diluted number of the Company's shares before the Offering and approximately 0.28 per cent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and the Additional Share Allotment is not used. The subscription price for the shares with the stock options is EUR 3.00 per share and the subscription price in the Offering is EUR 3.00 per share for the Offer Share.

Key personnel stock option programme 1-2020

On 7 February 2020, the Company's Board of Directors decided on a stock option programme based on the authorisation received from the general meeting on 13 June 2019, on the basis of which a maximum of 51,332 stock options can be issued, which entitles the holder to subscribe for a maximum of 256,660 new shares in the Company. As of the date of the Prospectus, all stock options have been allocated as follows: 38,499 to Timo Pulkki, the Managing Director, and 12,833 to Juha Lammi. The subscription period for the stock options is 1 March 2020 to 28 February 2021. The stock options have not been subscribed by the date of the Prospectus.

The share subscription price is EUR 4.20 per share at the beginning of the option subscription period and is calculated during the option subscription period so that at the end of the option subscription period the price is EUR 0.01 per share. The subscription period for the shares subject to the stock options begins on the day when the stock option agreement to be signed with the

holder of the stock options is signed, and ends 10 years after that. The subscription price of the shares is recorded in full in the Company's fund for invested unrestricted equity.

The holder of the stock options may not transfer, pledge or otherwise transfer the stock options to third parties without the prior consent of the Company's Board of Directors.

If the holder of the stock options resigns, the subscription price of the shares will be determined on a linear basis on the date of resignation. If the Company terminates the holder of the stock options, the subscription price is EUR 0.01 per share. If it is decided to sell the Company's shares or the Company's shares are subject to a redemption procedure in accordance with Chapter 18, Section 1 of the Limited Liability Companies Act, the subscription price is EUR 0.01 per share.

The shares that can be subscribed for on the basis of the stock options correspond to approximately 3.64 per cent of the fully diluted number of the Company's shares before the Offering and approximately 2.84 per cent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and the Additional Share Allotment is not used. If the stock options are subscribed for, the minimum subscription price for the shares with the stock options is EUR 0.01 per share and the subscription price in the Offering is EUR 3.00 per share for the Offer Share.

Key personnel stock option programme 2-2020

The Extraordinary General Meeting of the Company held on 11 May 2020 decided on an option programme, on the basis of which a maximum of 64,165 option rights may be issued, entitling to subscribe for a maximum of 64,165 new shares in the Company. As of the date of the Prospectus, all stock options have been allocated to Sami Somero, Chairman of the Board. The subscription period for the stock options is 1 June 2020 to 31 May 2021. The stock options have not been subscribed by the date of the Prospectus.

The share subscription price is EUR 4.20 per share at the beginning of the option subscription period and is calculated during the option subscription period so that at the end of the option subscription period the price is EUR 0.01 per share. The subscription period for the shares subject to the stock options begins on the day when the stock option agreement to be signed with the holder of the stock options is signed, and ends 10 years after that. The subscription price of the shares is recorded in full in the Company's fund for invested unrestricted equity.

The holder of the stock options may not transfer, pledge or otherwise transfer the stock options to third parties without the prior consent of the Company's Board of Directors.

If Sami Somero resigns from the Board of Directors on his own initiative or if he is removed from the Board of Directors for a reason due to Sami Somero, the share subscription price will be determined linearly on the date of termination of the Board's membership. In other situations where Sami Somero's Board membership ends, the subscription price is EUR 0.01 per share. If it is decided to sell the Company's shares or the Company's shares are subject to a redemption procedure in accordance with the Finnish Companies Act 21.7.2006/624 18:1 before the end date of the stock option subscription period, the share subscription price is EUR 0.01.

The shares that can be subscribed for on the basis of the stock options correspond to approximately 0.91 per cent of the fully diluted number of the Company's shares before the Offering and approximately 0.71 per cent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and the Additional Share Allotment is not used. If the stock options are subscribed for, the minimum subscription price for the shares with the stock options is EUR 0.01 per share and the subscription price in the Offering is EUR 3.00 per share for the Offer Share.

Option program for Springvest Oy and its tied agents 2-2019

On August 8, 2019, based on the authorisation received from the Annual General Meeting on 13 June 2019, the Company's Board of Directors decided on a stock option programme, based on which 33,770 stock options have been granted, entitling to subscribe for a maximum of 168,850 new shares in the Company. The stock options have been allocated to Springvest Oy and its tied agents in connection with the share issue organised by the Company in June 2019. The subscription period for the shares subject to the stock options has started on 8 August 2019 and ends on 31 December 2030. The subscription price for the shares is EUR 0.0002 per share. The subscription price of the shares is recorded in full in the Company's fund for invested unrestricted equity.

A total of 21,272 stock options have been used to subscribe for shares, and the shares subscribed for with stock options have been registered in the Trade Register on the date of the Prospectus. The remaining 62,490 shares that can be subscribed for on the basis of the remaining 12,498 stock options correspond to approximately 0.89 per cent of the fully diluted number of the Company's shares before the Offering and approximately 0.69 per cent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and the Additional Share Allotment is not used.

Convertible bond 1-2019

In April 2019, the Company issued a convertible bond amounting to EUR 502.5 thousand, which includes 23,923 stock options. Each stock option entitles its holder to subscribe for five (5) new shares in the Company. The subscription period for the shares subject to the stock options starts on 1 June 2020 and ends on 12 May 2022. The subscription price of the shares to be subscribed for on the basis of the stock options is determined on the basis of the most recent, above EUR 500 thousand, share issue or series of shares issues of the Company, so that the abovementioned subscription price is reduced by ten (10) per cent. When the stock options were issued, the latest subscription price for the Company's share issue was EUR 21.00 per share. However, if it is decided to sell the Company's shares before 1 June 2020, the subscription price of the shares will be used as the subscription price of the shares reduced by ten (10) per cent. The shares may be subscribed for if the Company is listed. In this case, the subscription price is ten (10) per cent below the subscription price of the Offering. The annual interest rate of the convertible bond is ten (10) per cent and the principal of the loan matures on 12 May 2022 as a one-time instalment.

All the holders of the convertible bond have undertaken to exercise their stock options related to the convertible bond for subscription of shares in connection with the Offering. The shares that can be subscribed for on the basis of the stock options correspond to approximately 1.70 percent of the fully diluted number of the Company's shares before the Offering and approximately 1.32 percent of the fully diluted number of the Company's shares after the Offering, if the Offering is fully subscribed and no oversubscription issue is used.

In addition, of the Cornerstone Investors EAKR-Aloitusrahasto Oy, KWH-konsernen Ab, Nurmira Holdings Oy, Olli-Pekka Kulmala, Ari Pöyhtäri and Teuvo Rintamäki who have given the Company a convertible bond can however pay their subscriptions according to the terms of their subscription commitments by offsetting the subscription price with the capital and interest rate of the convertible bond for the amount exceeding what the option rights connected to the convertible bond give right to convert to shares. The amount of the subscription commitments paid by means of offsetting loans is approximately EUR 0.2 million in total.

Share capital development

The following table shows the development of the Company's share capital and changes in the number of shares as of 1 January 2017. On 1 January 2017, the Company had 1,010,810 shares and its share capital was EUR 81,000.00.

Event	Change in share capital (€)	Change in number of shares	New number of shares	New share capital (€)	Registered
Directed share issue 14 June 2018	-	5,796 shares	1,016,606 shares	81,000.00	11 September 2018
Directed share issue without consideration 20 February 2019	-	550 shares	1,017,560 shares	81,000.00	7 May 2019
Directed share issue 23 November 2018	-	40,476 shares	1,057,632 shares	81,000.00	10 June 2019
Directed share issue 20 February 2019/ 10 May 2019	-	31,892 shares	1,089,524 shares	81,000.00	26 June 2019
Directed share issue 20 February 2019/ 10 May 2019	-	172,500 shares	1,262,024 shares	81,000.00	18 September 2019
Subscription of shares with warrants 8 August 2019	-	21,272 shares	1,283,296 shares	81,000.00	18 September 2019
Share issue without consideration in connection with share split 11 May 2020	-	5,133,184 shares	6,416,480 shares	81,000.00	13 May 2020

Directed share issue on 14 June 2018. On 14 June 2018, based on the authorisation received from the Annual General Meeting on 15 May 2018, the Board of Directors decided on a share issue in which a maximum of 15,000 new shares were offered to

the Company's personnel, deviating from the shareholders' pre-emptive rights. A total of 5,796 shares were subscribed. The subscription price was EUR 15.00 per share and was fully recorded in the Company's fund for invested unrestricted equity.

Directed share issue without consideration on 20 February 2019. On 20 February 2019, the Company's Board of Directors decided on a directed share issue without consideration based on the authorisation received from the Annual General Meeting on 15 May 2018, offering a maximum of 550 new shares to Timo Pulkki (450 shares) and Olli Kuismanen (100 shares). The share issue was in connection with the bonus paid in shares. All offered shares were subscribed.

Directed share issue on 23 November 2018. Based on the authorisation received from the Extraordinary General Meeting on 20 November 2018, the Company's Board of Directors decided on a share issue offering a maximum of 250,000 new shares to experienced professional investors pursuant to Chapter 1, Section 23 of the Investment Services Act. A total of 40,476 shares were subscribed for. The subscription price was EUR 21.00 per share and was fully recorded in the Company's fund for invested unrestricted equity.

Directed share issue on 20 February 2019/10 May 2019. On 20 February 2019, based on the authorisation received from the Extraordinary General Meeting on 20 November 2018, the Board of Directors decided to issue a maximum of 250,000 new shares, primarily to the Company's current shareholders and secondarily to individuals and entities in Finland. A decision was made to change the terms of the share issue on 10 May 2019, when Springvest Oy joined to gather investors for the share issue. A total of 204,392 shares were subscribed. The subscription price was EUR 21.00 per share and was fully recorded in the Company's fund for invested unrestricted equity.

Subscription of shares with stock options on 8 August 2019. Springvest Oy has subscribed for 21,272 new shares on the basis of the stock options granted to it on 8 August 2019. The share subscription price was EUR 0.001 per share.

Share issue without consideration in connection with share split 11 May 2020. The Extraordinary General Meeting of the Company held on 11 May 2020 decided to distribute the shares through a share issue without consideration by issuing four (4) new shares (so-called split) for each share. As a result of the share issue, the number of the Company's shares increased by 5,133,184 shares.

Dividend policy

Pursuant to the provisions of the Limited Liability Companies Act, the amount of any dividend that the Company may distribute is limited to the amount of distributable funds indicated in its most recent audited financial statements approved by the Annual General Meeting. Dividend distribution to shareholders is based on Tamturbo's financial performance and capital requirements. Based on Tamturbo's current investments and growth prospects, as well as the Company's liquidity and general economic situation, it cannot be expected that dividends will be paid in the near future. Tamturbo's current intention is to save any future profits to finance the Company's development and growth. The Company has not paid a dividend so far and there is no certainty that it will have distributable funds available in the future.

SHAREHOLDER RIGHTS

General Meeting

General

Pursuant to the Finnish Companies Act, shareholders exercise their power to resolve on matters at General Meetings. Pursuant to the Finnish Companies Act, the Annual General Meeting of the company must be held annually no later than six months from the end of the company's financial year. At the Annual General Meeting, the financial statements, including the income statement and the balance sheet with notes thereto and if required the cash flow statement and the consolidated financial statements, are presented to the shareholders for adoption. At the Annual General Meeting, shareholders also make decisions regarding, among others, use of profits shown in the balance sheet, the discharge from liability of the members of the Board of Directors and the managing director, the number of members to be elected to the Board of Directors as well as the election of the members of the Board of Directors and the auditor, and their respective remuneration.

An Extraordinary General Meeting in respect of specific matters must be convened when deemed necessary by the Board of Directors, or when requested in writing by the auditor of the company or by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company.

Pursuant to the Articles of Association of the Company, the Board of Directors must publish a notice to a General Meeting on the Company's website or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting, however, in any case, at least nine (9) days before the record date of the General Meeting. Under the First North Nordic Rulebook, the Company shall publish the notice to a General Meeting as a company release as well as on the Company's website.

In order to have the right to attend and vote at a General Meeting, a shareholder must be registered at least eight (8) Finnish business days prior to the relevant General Meeting in the shareholder register maintained by Euroclear Finland. An owner of nominee-registered shares contemplating attending and voting at the General Meeting should seek a temporary registration in the shareholder register maintained by Euroclear Finland by the date announced in the notice to the General Meeting, which date must be after the record date of the General Meeting. A notification for temporary registration of an owner of nominee-registered shares into the shareholder register of the Company is considered notice of attendance at the General Meeting.

In addition, in order to have the right to attend and vote at the General Meeting the shareholder should, in accordance with the Company's Articles of Association, register with the Company no later than the date specified in the notice to the general meeting, which can be ten (10) days before the General Meeting at the earliest.

The Finnish Companies Act or the Company's Articles of Association do not contain requirements concerning quorum of the General Meeting.

Voting rights

A shareholder may attend and vote at a General Meeting in person or through an authorised representative. Pursuant to the Finnish Companies Act and the Articles of Association of the Company, each share entitles the holder to one vote at the General Meeting. At a General Meeting, resolutions are generally passed with the majority of the votes cast.

However, certain resolutions, such as any deviations from shareholders' pre-emptive rights in respect of share offerings and repurchases of own shares, amendments to the Articles of Association and resolutions regarding mergers, demergers or dissolution of a company, require at least two-thirds of the votes cast and the shares represented at the General Meeting.

In addition, certain resolutions, such as amendments to the Articles of Association that change the respective rights of shareholders holding the same class of shares or increase the redemption rights of a company or its shareholders require the consent of all shareholders, or where only certain shareholders are affected, require the consent of all shareholders affected by the amendment in addition to the applicable majority requirement.

Dividends and other distribution of funds

Under the Finnish Companies Act, the shareholders' equity of a company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves according to the Finnish Accounting Act (1336/1997, as amended) as well as any possible reserve fund and share premium fund formed under the previous Finnish Companies Act (734/1978, as amended) effective prior to September 1, 2006.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the General Meeting

has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on a proposal by the Board of Directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the General Meeting. If the company has an obligation to elect an auditor pursuant to law or its Articles of Association, such financial statements must be audited.

The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a General Meeting of the company. Pursuant to the Finnish Companies Act, the General Meeting may also authorise the Board of Directors to resolve upon the payment of dividends and other distributions of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the General Meeting.

Pursuant to the Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a General Meeting of the company. A decision regarding the share capital reduction must be registered with the Finnish Trade Register within one month from the General Meeting of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced and the Finnish Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

Distributable funds include the profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth in the balance and the amounts that the Articles of Association of the company require to be left undistributed as well as the amount that is recognised as a development cost on the balance statement in accordance with the accounting act. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial condition of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

Distributable funds are, where applicable, to be further adjusted for capitalised incorporation, research and certain development costs in accordance with the provisions of the Finnish Act on the Implementation of the Finnish Companies Act (625/2006, as amended). A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements.

The dividend may not exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the General Meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the Articles of Association of the company require to be left undistributed (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 per cent of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends declared during the financial period before the Annual General Meeting.

The right to receive payment from a company based on a share in the book-entry system upon distribution of funds rests with the person to whom the share belongs on the record date specified in the fund distribution or share issue decision or other decision. The right to dividends expires after three years from the date of the dividend payment.

Own shares

Pursuant to the Finnish Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the General Meeting, unless the General Meeting has authorised the Board of Directors to resolve upon share repurchases using unrestricted equity. In a public limited liability company, the resolution must be approved by at least two-thirds of all votes cast and shares represented at a General Meeting. In a public limited liability company, a resolution concerning the repurchase, redemption or pledging of own shares may not be made in such a way that the combined number of shares in the possession of or pledged to the company and its subsidiaries would exceed a tenth of all shares.

Pre-emptive rights

Pursuant to the Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company unless the resolution of the General Meeting approving such issue, or authorising the Board of Directors to resolve on such issue, provides otherwise. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a General Meeting. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders.

Certain shareholders resident in, or with a registered address in, certain jurisdictions other than Finland may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available.

Squeeze-out rights

Under the Finnish Companies Act, a shareholder with shares representing more than 90 per cent of all shares and voting rights attached to all shares in a company has the right to redeem remaining shares in such company for fair value. In addition, any minority shareholder that possesses shares that can be redeemed may, pursuant to the Finnish Companies Act, require such majority shareholder to redeem its shares.

Restrictions on foreign ownership

General restrictions on foreign ownership of Finnish companies were abolished as of 1 January 1993. However, the Act on the Control of Foreigners' Acquisition of Finnish Companies (172/2012, as amended, the "Control Act") grants Finnish authorities some control over the ownership of Finnish companies operating in areas sensitive from a national emergency supply or national security perspective. Pursuant to the Control Act, advance clearance by the Finnish Ministry of Employment and the Economy is required if a foreign person or entity, other than a person or entity from another member state of the EU or the European Free Trade Association (EFTA), were to acquire a holding of at least one-tenth, one-third or half of the voting rights, or equivalent control by other means, over a Finnish company involved in the defence industry or producing dual-use goods. Furthermore, there are no minimum thresholds for the number of employees or the amount of turnover or total assets of the acquired company before a clearance procedure is triggered. Pursuant to the Control Act, foreign persons or entities are not required to seek clearance by the Finnish Ministry of Employment and the Economy for acquisitions of Finnish companies operating in other industries than the defence industry.

Foreign exchange control

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, the transfer of assets out of Finland however being subject to payment by the company of withholding taxes in the absence of an applicable taxation treaty. Non-residents having acquired shares in a Finnish limited company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

FIRST NORTH AND SECURITIES MARKETS

About the First North markets

First North is a Nasdaq's registered SME growth market under the Markets in Financial Instruments Directive (EU 2014/65). As opposed to companies listed on a regulated market such as the main list of Nasdaq Helsinki, companies listed on First North are subject to less extensive rules. This is intended to allow smaller companies to enjoy the benefits of being a publicly traded company without excess administrative burden. Unlike on regulated markets, companies listed on First North must engage a Certified Adviser whose role is to ensure that companies comply with applicable requirements and rules. See below "*Regulation of the securities markets*".

The companies listed on First North are classified according to the international Industry Classification Benchmark (ICB). The industry classification facilitates international benchmarking of the companies by providing clearly defined and larger peer groups.

Trading and settlement on First North Finland

First North Finland is maintained by Nasdaq Helsinki. On First North, the currency of trading and settlement of transactions is euro, and the smallest recorded price movement (tick size) depends on the share price. Shares with a price of EUR 0.00-0.499 have a tick size of 0.001, shares with a price of EUR 0.50-0.995 have a tick size of 0.005 and shares with a price of more than one euro have a tick size of 0.01.

First North uses the same INET Nordic trading system as the Nasdaq Nordic main markets for trading in shares. The trading periods comprise a pre-trading session, a continuous trading session and a post-trading session. Transactions in shares are usually settled in Euroclear Finland's automatic settlement system (Infinity 2) on the second banking day after the trade date (T+2), unless the parties have agreed otherwise.

Registration of the shares

General

The Company is a Finnish limited company whose shares will be applied for trading on First North. The shares of the Company are registered in the electronic book-entry securities system maintained by Euroclear Finland.

The book-entry securities system refers to a system in which physical share certificates have been changed to book entries registered in book-entry accounts. The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland.

Euroclear Finland maintains shareholder registers for listed companies. The expenses incurred by Euroclear Finland in connection with maintaining the book-entry securities system are borne mainly by the issuers participating in the book-entry securities system and the account operators. The account operators, which consist of credit institutions, investment firms and other institutions licensed to act as account operators by Euroclear Finland, are entitled to make entries in the book-entry register and administer the book-entry accounts.

Dividends and other distributions of funds are paid to shareholders or their nominees entered in the shareholder register on the relevant record date. Under Euroclear Finland's book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register.

In order to hold entries in the book-entry securities system, a security holder must open a book-entry account with an account operator. A foreign private person, foreign entity or trust may hold book-entries. Such persons may also deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholder register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreign private person, foreign entity or trust may be deposited in a book-entry account opened in the name of such foreign private person, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholder register.

All transfers of securities registered with the book-entry securities system are executed as computerised book-entry transfers to the extent they are executed in the book-entry securities system. The account operator confirms the book-entry by sending a statement of book-entries made to the holder of the respective book-entry account at least four times a year. The book-entry

account holders also receive an annual statement of their holdings at the end of each calendar year. Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry.

Euroclear Finland and the account operators are required to observe strict confidentiality. Certain information (e.g., the name and address of each account holder) contained in the register of shareholders maintained by Euroclear Finland must be made available to the public by Euroclear Finland and the company, except in the case of custodial nominee registration. The Finnish FSA is also entitled to certain information on the holdings of shares registered in a custodial nominee account upon request. The company has the same rights in respect of shares and instruments that entitle the holder to shares issued by the company.

Each account operator is strictly liable for errors and omissions in its registration activity, and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund shall be no less than 0.0048 per cent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five years and it must not be less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of the shares by nominees

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by Euroclear Finland) to act on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A beneficial owner wishing to attend and vote at General Meetings must seek a temporary registration to the shareholders' register and the shares must be registered in the share register no later than eight business days prior to the relevant General Meeting. Upon request by the Finnish FSA or the relevant company, a custodial nominee account holder is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity. A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account at an account operator and a convertible euro account at a bank.

Compensation fund for investors and the deposit guarantee fund

In a compensation fund for investors, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor; however, natural persons are generally presumed to be non-professional investors. Investment firms and credit institutions must belong to the compensation fund. The compensation fund safeguards payment of clear and undisputable claims when an investment company or a credit institution has been declared bankrupt, is undergoing a restructuring process or is otherwise, for a reason other than temporary insolvency, not capable of paying claims within a determined period of time. For valid claims, the compensation fund will pay 90 per cent of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions. Depositary banks must belong to a deposit guarantee fund, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor's funds cannot be safeguarded by both funds at the same time.

Regulation of the securities markets

The securities market in Finland is supervised by the Finnish FSA. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses, public tender offers and the Market Abuse Regulation ((EU) No 596/2014), which regulates, inter alia, the disclosure of insider information and the trade reporting of issuers' executives, among other things. The regulations on the admission of securities and other financial instruments to public trading and the trading of listed financial instruments have been

compiled into the Act on Trading in Financial Instruments (1071/2017, as amended). The Finnish FSA monitors compliance with these regulations and may issue more detailed regulations under the Finnish Securities Markets Act and other laws.

As First North is classified as a multilateral trading facility and not a regulated market, only a subset of the rules contained in the Finnish Securities Market Act apply to the Company and investors in its securities. Thus, for example, the notification obligation provisions do not apply to First North multilateral trading securities. However, certain provisions of the Finnish Securities Markets Act also apply to securities listed on a multilateral trading facility, such as the market abuse regulations and certain rules on takeover bids. In addition, First North Nordic Rulebook imposes obligations on companies traded on First North.

The Finnish Securities Markets Act and the Market Abuse Regulation set out minimum disclosure requirements for companies applying for listing on Nasdaq Helsinki or First North, or whose securities are publicly traded or which offer securities to the public. Disclosure obligations must be disclosed in such a way that the public has rapid access to that information and that the information can be thoroughly, appropriately and timely assessed by the public. A Finnish listed company, that is, a company whose shares are traded on a regulated market, is required to regularly disclose financial information about the company as well as all matters concerning the company which, if disclosed, would be likely to have a significant effect on the price of the issuer's financial instrument. First North Nordic Rulebook also includes an obligation to regularly disclose financial information about the company and other provisions regarding ongoing disclosure. Published information must also be kept available to the public.

Under the Finnish Securities Market Act, there is no obligation based on holdings of shares or voting rights to make a public tender offer to purchase the remaining shares and other securities if such shares or securities are not traded on a regulated market. However, the Finnish Securities Markets Act contains certain provisions that also apply to public takeover bids for securities listed on First North. A party making a voluntary takeover bid shall comply with certain obligations under the Finnish Securities Markets Act, which include, among other things, equal treatment of shareholders, disclosure, and securing financing for the tender offer. A party making a voluntary takeover bid is also subject to the obligations under the Finnish Securities Markets Act regarding the increase and credit of the offer.

The Market Abuse Regulation obligates the persons discharging managerial duties for the issuers of shares listed on a multilateral trading facility and the persons closely associated with them to immediately notify the Finnish FSA and the company of any transactions they have conducted on the company's shares and other financial instruments. The notifications must be made promptly, and no later than within three (3) business days of the transaction date. The obligation to make notifications of all transactions applies to all transactions after reaching a total of EUR 5,000 during a calendar year. The company must furthermore disclose the information concerning the transactions concluded by the persons discharging managerial duties and the persons closely associated with them with a company release promptly, and no later than within three (3) business days of the transaction date. In multilateral trading facilities, the issuers of the traded shares must furthermore maintain a list of insiders which is composed of project-specific sections and, should the issuer so decide, complementary sections, which list permanent insiders.

The Finnish Penal Code (39/1889, as amended) criminalises, inter alia, the misuse of inside information and market manipulation. The Finnish FSA has the right to impose violations of the provisions on disclosure, misuse of inside information, market manipulation and trade reporting of executives, except for administrative sanctions, with the exception of situations in which the entity is suspected of the same offense pre-trial investigation, consideration of charges or a court in criminal proceedings or the entity has been given a final judgment for the same offense. For example, the Finnish FSA may issue a public warning, prohibit a person from trading in financial instruments or impose a penalty or penalty payment.

TAXATION CONSIDERATIONS

Taxation Finland

The tax legislation of the investor's country of residence and the tax legislation of Finland may affect the income received from the securities. The following summary is based on the tax laws of Finland as in effect as at the date of this Prospectus. Changes in the tax laws could have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or discuss the tax laws of any state other than Finland. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to dividend distributions on shares and capital gains arising from the sale of shares. Prospective investors are advised to consult professional tax advisors as to the tax consequences of the purchase, ownership and disposition of shares in Company. The following description does not address tax considerations applicable to such holders of Company's shares that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax-exempt entities or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right of Finland to tax Finnish-source income received by a non-resident.

Generally, a natural person is deemed to be a resident in Finland if such person continuously remains in Finland for a period of more than six months or if the permanent home and abode of such person is in Finland. However, a Finnish national who has moved abroad is considered to be resident in Finland until three years have passed from the end of the year of departure unless it is proven that no substantial ties to Finland existed during the relevant tax year. Earned income, including salary, is taxed at progressive rates.

Currently, the capital income tax rate is 30 per cent. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent on the amount that exceeds EUR 30,000.

Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20 per cent.

Taxation of dividends

General

The tax treatment of dividend income is dictated by whether the company distributing the dividend is publicly listed or not. By a publicly listed company is meant a company ("Listed Company") whose shares are admitted to trading:

- in a regulated market as set forth in the Finnish Act on Trading in Financial Instruments (748/2012, as amended);
- in another regulated market supervised by authorities outside the EEA-area; or
- in a multilateral trading facility as set forth in the Finnish Act on Trading in Financial Instruments, provided that the share has been admitted to trading by application of the company or with its consent.

First North is a multilateral trading facility as referred to above; hence the provisions regarding distribution of dividend of a publicly traded company are applied to the taxation of the dividend income from the Company.

Funds distributed from the so-called reserve for invested unrestricted equity (SVOP-reserve) of a Finnish publicly listed company are considered as dividend income for taxation purposes.

Resident natural persons

85 per cent of dividends paid by a Listed Company to a shareholder, who is a resident natural person, is considered capital income of the recipient, while the remaining 15 per cent is tax exempt.

85 per cent of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is taxable partly as earned income, which is taxed at a progressive rate, and as capital income, and the remaining 15 per cent is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. Currently, the amount of the advance tax withholding is 25.5 per cent. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received.

Finnish limited liability companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not. Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75 per cent of the dividend is taxable income while the remaining 25 per cent is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a Finnish company that is not a Listed Company (i.e. a privately held company) from a Listed Company are fully taxable income. However, in cases where the privately held company directly owns 10 per cent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

Non-residents

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 per cent for non-resident corporate entities as income receivers and 30 per cent for all other non-residents as income receivers. The withholding tax rate may be reduced or removed in full on the basis of an applicable tax treaty.

The reduced withholding rate benefit in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided a valid tax card or necessary details of its nationality and identity to the company paying the dividend.

If shares are held through a nominee account and the person entitled to receive dividends on such shares is a resident in a tax treaty country, the withholding tax rate on the dividend is the tax rate set forth in the relevant tax treaty; however, the tax rate must be at least 15 per cent (if the tax rate set forth in the tax treaty is less than 15 per cent, an application including the necessary details of the nationality and identity of the beneficial owner may be submitted for the refund of the excess withholding tax). This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty or 15 per cent absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary is registered in the Finnish tax authorities' register and that it is resident in a country with which Finland has a double taxation treaty. Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend receiver's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, the 20 per cent withholding tax is withheld on the nominee account's dividends for non-resident corporate entities and 30 per cent for all other non-residents unless otherwise set forth in an applicable tax treaty. Alternatively, provisions of the Finnish Act on Assessment Procedure (1558/1995, as amended) may be applied to the taxation of non-residents located in a state in the EEC.

In accordance with Finnish tax legislation, withholding tax is not withheld from dividends, which are paid to foreign companies, as set forth in Article 2 of the parent-subsidiary directive (2011/96/EU), located in an EU member state and subject to income tax of their home state, which directly have a minimum holding of 10 per cent of the capital of the dividend-distributing Finnish company.

Dividends paid to certain foreign companies located in the EEA-area are also either fully tax exempt or subject to a reduced withholding tax rate depending on how the dividend would be taxed, if it were paid to an equivalent Finnish company. The applicable double taxation treaty may, however, require that an even lower withholding tax rate shall be applied. Full withholding tax is withheld from other dividends paid to non-resident companies, unless the applicable double taxation treaty dictates otherwise.

Capital gains

Resident natural persons

A capital gain or loss arising from the sale of shares that do not belong to the business activity of the shareholder is generally taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons.

Capital gains are currently taxed as capital income. A capital loss arising in 2016 and after that from the sale of shares that do not belong to the business activity of the shareholder is primarily deductible from the resident natural person's capital gains and secondarily from other capital gains arising in the same year and during the following five tax years. Capital losses are excluded from the calculation of capital income deficit for the concerned tax year and can, therefore, not be deducted from the amount of the deficit-credit that is deductible under the deficit-crediting system. If the shares belong to the business activity (business income source) of the seller, any gain arising from the sale thereof is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed at a progressive tax rate and as capital income. The deductibility of losses related to shares included in the seller's business activity is determined as described under "*Finnish limited liability companies*" below.

Notwithstanding the above, capital gains arising from the sale of assets that do not belong to business activity are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws).

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, a natural person holding shares that are not included in the person's business activity may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which equals 20 per cent of the sales price, or in the case of shares which have been held for at least ten years, 40 per cent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

Finnish limited liability companies

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of shares is taxable income of a limited liability company, which is taxed with a rate of 20 per cent.

Shares may be fixed assets, current assets, investment assets or financial assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. Shares may also qualify as non-business income source assets of a limited liability company. The Finnish Income Tax Act's provisions are applied to capital gains that have arisen from the sale of assets from non-business income sources.

The sales price of any sale of shares is generally included in the business income of a Finnish liability company. Correspondingly, the acquisition cost of shares is deductible from business income upon disposal of the shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. The main criteria for the application of the so-called participation exemption is that the company selling the shares has directly and continuously for at least one year, and such ownership of the sold shares has ended at the most one year before the sale, owned at least 10 per cent of the share capital in the company whose shares are sold, and the sold shares belong to the shares owned in accordance with the above.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same financial year and the subsequent five years. Capital losses pertaining to the sale of shares that are not part of fixed assets are tax deductible from taxable income in the same financial year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realised on the sale of shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment.

Finnish transfer tax

Transfer tax is not payable in connection with the issuance of new shares or other securities.

There is no transfer tax payable in Finland on transfers or sales of shares admitted to trading on First North if the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act (747/2012, as amended), is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Act on Assessment Procedure (1558/1995, as amended).

Certain separately defined transfers, such as those relating to equity investments or distribution of funds, are not covered by the transfer tax exemption. In addition, the exemption does not apply to transfers carried out in order to fulfil the obligation to redeem minority shares under the Finnish Companies Act. See “*Shareholder rights – Squeeze-out rights*”. If the transfer or sale of shares does not fulfil the above criteria for a tax-exempt transfer, transfer tax at the rate of 1.6 per cent of the sales price is payable by the purchaser. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm or fund management company, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution or foreign investment firm, the transfer of shares will be exempt from Finnish transfer tax. No transfer tax is collected if the amount of the tax is less than EUR 10.

Taxation Sweden

The following summary outlines certain Swedish tax issues related to the Offering for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended only to provide general information regarding the Offering. The summary does not cover situations where shares are held as current assets in business operations or where shares are held by partnerships. Moreover, the summary does not cover the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends in the corporate sector which may be applicable when the investor holds shares in the Company which are deemed to be held for business purposes (for tax purposes, Sw. näringsbetingade andelar). The special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares is not covered and nor the special taxation rules regarding assets held through investments saving accounts (Sw. investeringssparkonto).

Furthermore, special tax rules apply to certain categories of companies who are shareholders. The treatment for tax purposes of each individual shareholder depend in part on such shareholder's particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences relating to their particular circumstances that could arise from the Offering, including the applicability and effect of foreign regulations and double tax treaties.

Private individuals

Capital gains taxation

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains on listed shares is taxed in the capital income category. The tax rate in the capital income category is 30 per cent.

Capital gains and capital losses are calculated to equal the difference between the proceeds received when the shares are sold or redeemed, after deduction for potential sale expenses and the acquisition cost for tax purposes. The acquisition cost for listed shares is normally determined according to the “average method”. This means that the cost of acquiring all shares of the same type and class as the divested share are added together and calculated collectively, with respect to changes to the holding. Alternatively, the “standard method”, according to which the acquisition cost is deemed to be equal to 20 per cent of the net proceeds received when the shares are sold or redeemed, may be applied.

Capital losses on listed shares may be fully deductible against taxable capital gains on shares the same fiscal year. The loss is also deductible against gains on other listed securities that are taxed in the same manner as shares (however, not against gains on participations in investment funds containing Swedish receivables only, Sw. räntefonder). Capital losses not absorbed by these set-off rules are deductible at 70 per cent in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as property tax and municipal property fees. The tax reduction is granted at 30 per cent of such net loss which

does not exceed SEK 100,000 and at 21 per cent of any remaining net loss. An excess net loss cannot be carried forward to future tax years.

Dividend taxation

For private individuals resident in Sweden for tax purposes, a preliminary tax is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden, or in respect of nominee-registered shares, by the nominee. The Swedish preliminary tax withheld may be reduced under applicable double tax treaties.

Additionally, dividends from a foreign company are generally subject to foreign withholding tax. However, the tax rate is normally reduced under applicable tax treaties for dividends beneficially owned by a person resident in Sweden for the purpose of the treaty. Foreign tax can generally be credited from the Swedish tax on the same income.

Limited liability companies

Capital gains and dividends taxation

For Swedish limited liability companies (Sw. aktiebolag) all income, including taxable capital gains and dividends, is taxed as income from business operations at a rate of 21,4 per cent (the corporate tax rate will be reduced to 20.6 per cent in January 2021). Taxable capital gains and capital losses are calculated in the same way as described above regarding private individuals.

Capital losses on shares may only be offset against taxable capital gains on shares and other securities taxed in the same manner as shares. If a capital loss cannot be deducted by the company which has made the loss, it may be deducted the same year from a group company's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation (through group contributions, Sw. koncernbidrag) and that both companies so request in the tax return of the same year. A net capital loss on shares, which cannot be utilised a certain year, may be carried forward (by the limited liability company having made the loss) and offset in future tax years against taxable capital gains on shares and other securities taxed as shares, without any limitation in time. Special tax rules may apply to certain categories of companies or certain legal persons, for example mutual funds and investments companies.

Additionally, dividends from a foreign company are generally subject to foreign withholding tax. However, the tax rate is normally reduced under applicable tax treaties for dividends beneficially owned by a person resident in Sweden for the purpose of the treaty. Foreign tax can generally be credited from the Swedish tax on the same income.

Shareholders not resident in Sweden for tax purposes

Capital gains taxation

Shareholders who are not resident in Sweden for tax purposes and not conducting business from a permanent establishment in Sweden are generally not liable for capital gains taxation in Sweden upon the disposal of shares. However, shareholders may be subject to taxation in their state of residence. According to a domestic Swedish provision, non-Swedish tax resident individuals may be subject to Swedish capital gains taxation upon disposal of securities, if they have been residents of Sweden or have had a habitual abode in Sweden at any point during the calendar year of disposal or the ten preceding calendar years. In a number of cases, though, the applicability of this rule is limited by double tax treaties.

THIRD PARTY INFORMATION, EXPERT STATEMENT

Expert statements related to this Prospectus

With the exception of the auditor's reports referred to in the section "*Information incorporated by reference*" (auditor's reports regarding the financial periods 2019, 2018 and 2017 have been incorporated by reference), this Prospectus does not include any other expert statements.

Information from third parties

This Prospectus does not include information developed by third parties for the purposes of preparing this Prospectus.

INFORMATION INCORPORATED BY REFERENCE

The Company's financial statements and auditor's reports for the financial periods ended 31 December 2019, 31 December 2018 and 31 December 2017 have been incorporated to this Prospectus by reference. The Finnish language documents incorporated by reference as well as their English language translations are available at the Company's website at www.tamturbo.com/ipo.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during the validity of this Prospectus on the Company's website at www.tamturbo.com/ipo.

- Tamturbo's Articles of Association, as registered at the date of this Prospectus;
- Tamturbo's audited financial statements for the financial period ended 31 December 2019;
- Tamturbo's audited financial statements for the financial period ended 31 December 2018;
- Tamturbo's audited financial statements for the financial period ended 31 December 2017;
- Auditor's report for Tamturbo's financial statements for the period ended 31 December 2019;
- Auditor's report for Tamturbo's financial statements for the period ended 31 December 2018; and
- Auditor's report for Tamturbo's financial statements for the period ended 31 December 2017.

TAMTURBO PLC'S ARTICLES OF ASSOCIATION**1 § Registered name**

The registered name of the company is Tamturbo Oyj, in Swedish Tamturbo Abp and in English Tamturbo Plc.

2 § Domicile

The domicile of the company is Tampere.

3 § Line of business

The line of business of Tamturbo is to carry out product development, manufacturing and sales of products for the engineering and mechanical engineering industries independently or through its subsidiaries. The company may also operate in cooperation on projects with a third party, either in the funding of projects, and/or entities and/or in ownership of entities and coalescence of performing an activity within the company's line of business. In addition, the company engages in comprehensive training and consulting activities related to the aforementioned industries. Moreover, the company may own real estate, shares in housing companies and securities both for its own operations and for rental.

4 § Shares

The shares in the company are entered into the book-entry securities system.

5 § Board of Directors

The company shall have the Board of Directors, which comprises of no fewer than three (3) and no more than eight (8) members.

The term of office of each member of the Board of Directors ends at the adjournment of the first Annual General Meeting following the election.

6 § Managing Director

The company shall have a Managing Director. The Managing Director is nominated by the Board of Directors.

7 § Representation of the company

The company shall be represented by the Board of Directors but also the chairman of the Board of Directors and the Managing Director alone and two members of the Board of Directors acting jointly. The Board of Directors may grant representation rights to nominated persons.

8 § Auditors

The company shall have one ordinary auditor and one deputy auditor. In case an auditing firm is elected as auditor, a deputy auditor does not need to be elected.

The term of office of the auditors ends at the adjournment of the Annual General Meeting first following the election.

9 § Summons, registration period and venue of General Meeting

The notice to convene a General Meeting must be delivered to the shareholders by publishing the notice on the website of the company or otherwise in a verifiable manner no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting, however, in any case, at least nine (9) days prior to the record date of the General Meeting pursuant to the Finnish Companies Act.

A shareholder must register with the company in order to participate in the General Meeting. Shareholders must register no later than on the date referred to in the notice convening the meeting, which date may be at the earliest ten (10) days prior to the General Meeting.

Besides the company's domicile, General Meetings may held in the City of Ylöjärvi or the City of Helsinki, Finland or the City of Stockholm, Sweden.

10 § Annual General Meeting

The Annual General Meeting shall be held each year within six (6) months from the end of the financial period of the company on a date resolved by the Board of Directors.

The Annual General Meeting shall decide on:

1. the adoption of the financial statements;
2. the use of profits shown on the balance sheet;
3. the discharge of members of the Board of Directors and the Managing Director from liability;
4. the remuneration of the members of the Board of Directors and the auditor;
5. the number of the members of Board of Directors;
6. the election of the members of the Board of Directors;
7. the election of the ordinary auditor and if needed, the deputy auditor.

