Tamturbo Plc
Financial statement
1.1.-31.12.2024

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Tamturbo

TAMTURBO PLC COMPANY RELEASE 9.4.2025 at 14.30 EET/ 13.30 CET

TAMTURBO PLC FINANCIAL STATEMENT 1.1. – 31.12.2024

THE FIGURES IN THE FINANCIAL STATEMENT ARE AUDITED.

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

This financial statement report is available in the company's website Investors section on address https://investors.tamturbo.com.

FINANCIAL POSITION SIGNIFICANTLY STRENGTHENED

Year 2024 in brief:

- Net sales decreased by 2% to 8.0 million euros (comparison period FY 2023 net sales was 8.2 million euros)
- The company received new orders for 6.8 million euros and the order backlog at the end of the year was 5.0 million euros, which is 0.8 million euros less than at the end of the comparison period.
- EBITDA was -5.7 million euros (-4.8)
- The net result was -6.6 million euros (-5.6)

July-December 2024 in brief:

- Net sales decreased by 10% to 4.9 million euros (comparison period July-December 2023 turnover was 5.4 million euros)
- The company received new orders in July–December for 3.9 million euros and the order backlog at the end of the year was 5.0 million euros.
- EBITDA was -2.2 million euros (-2.3)
- The net result was -2.7 million euros (-2.7)

CEO Igor Nagaev comments on year 2024:

"Despite the challenging global economic environment in 2024, Tamturbo continued to strengthen its market position and maintain a solid foundation for long-term growth. While our net sales decreased slightly by 2% to 8.0 million euros (8.2 million euros in 2023), this was largely due to temporary external factors rather than a reflection of our strong business fundamentals.

The overall state of the global economy and high interest rates are affecting the market dynamics. Also, the presidential elections in the United States traditionally have led to cautious investment approach from companies, delaying capital expenditures. Additionally, the ongoing geopolitical uncertainties in Europe, including the Russian-Ukrainian conflict, impacted decision-making timelines. However, we see these as short-term market effects rather than long-term obstacles to our growth trajectory.

Encouragingly, our customer base continues to expand, and our existing clients remain highly satisfied, with more than 65% of our new orders coming from returning customers. Our order intake for the second half of the year increased to 3.9 million euros, showing resilience in a fluctuating market. Furthermore, our commitment to product margin improvements and cost optimization is already yielding results, ensuring a pathway to enhanced profitability in the coming periods.

In 2024, we successfully initiated partnerships and secured first orders from three new global customers, including two in the FMCG sector and one in the food industry. These companies not only represent substantial business potential but also serve as highly respected industry references, further strengthening our market credibility and attracting new clients.

The main theme for the year 2024 was the strengthening of our financial position. During the year, we carried out three rights issues directed at our existing shareholders, raising in total some 5.7 million euros. The cherry on top, was a directed share issue that was initiated in December 2024 and finalized in early January 2025. Through the directed share issue we secured 20.8 million euros from prominent Finnish industrial families and family offices, with support from existing owners and new international investors. Building on continuous new key customer wins and repeat orders from global blue-chip customers, this funding will significantly accelerate Tamturbo’s international growth.

Another major highlight after the reporting period was the decision of a Fortune Global 500 company to fully transition to Tamturbo's solutions for their compressed air needs. This milestone confirms the position of Tamturbo's technology as a preferred choice for the industry leaders worldwide.

We continue to expand our presence in key markets, particularly in the US and Europe, where demand for energy-efficient and oil-free compressed air solutions remains strong. Our ability to consistently deliver high-performance, cost-effective, and environmentally friendly compressors positions us for sustained growth, reinforcing our commitment to providing cutting-edge solutions to the world's leading industrial companies."

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Key figures

	H2/2024	H2/2023	2024	2023
Net sales, thousand euros	4 911	5 458	8 017	8 184
Change in net sales %	-10 %	96 %	-2 %	60 %
EBITDA, thousand euros	-2 183	-2 260	-5 650	-4 810
EBIT, thousand euros	-2 455	-2 528	-6 173	-5 318
Net profit, thousand euros	-2 699	-2 674	-6 587	-5 645
Cash flow operations, thousand euros	-4 013	-2 695	-7 158	-5 679
Equity ratio	71%	40%	71 %	40 %
Order backlog, thousand euros	5 031	5 838	5 031	5 838
Order intake, thousand euros	3 900	3 466	6 786	8 445
Net Gearing %	53 %	-33 %	53 %	-33 %
Earnings per share, euro	-0,11	-0,16	-0,28	-0,31

Sales

Tamturbo's net sales in 2024 was 8.0 million euros and decreased by 2% from the net sales in 2023 (8.2). The net sales for the second half of 2024 was 4.9 million euros and decreased by 10% from the net sales for the second half of 2023 (5.5). The net sales was weaker in the beginning of 2024 but turned into growth during the second half. This was abled by the completion of several larger projects during the second half of 2024. This is typical for the development of net sales in Tamturbo.

The new orders received during 2024 totaled 6.8 million euros. The total value of the company's order backlog at the end of the year was 5.0 million euros, which is an decrease of 0.8 million euros from the end of the comparison period. New orders in the second half of the year were 3.9 million euros. The time from order to delivery and turnover is 6-12 months, depending on the customer and the content of the order. The order backlog at the moment is reflected in the turnover during the first half of the year 2025.

Operating result and profitability

Gross margin has been on the same level compared to comparison period. The group's EBITDA for the review period, however, weakened from the previous year and was -5.7 million euros (-4.8). Profitability was weakened by increased costs, the development of

manufacturing, sales and support organization, and the resources used for project activities. The group's operating result for the period under review weakened accordingly from the previous year and was -6.2 million euros (-5.3). Items affecting comparability in 2024 were the arrangement costs related to the subscription rights rounds (501 thousand euros).

Cash flow and financing

The cash flow from operations in 2024 was -7.2 million euros (-5.7) and the cash flow from financing was 16.6 million euros (5.2). Cash flow from operations in the second half of the year was -4.0 million euros (-2.7).

During the financial year, the Company organized three rights issues, 9.5.-31.5.2024, 9.9.-4.10.202 4 and 25.11.-12.12.2024, in which the Company collected a total of 5.73 million euros in gross assets from the Company's owners and new investors. During the financial year, the Company organized a directed share issue on 16.12.2024, which ended after the financial year on 15.1.2025. The Company collected 20.8 million euros in gross assets from new investors, of which the Company collected 11.02 million euros by the end of the financial year. The funds received from the share issues will be used primarily to increase the company's capital needs required for international growth and to purchase its own shares from Sulzer and cancel them.

Short-term loans were repaid in the amount of 45 thousand euros (99). The company's interest-bearing net liabilities were 2,9 million euros (3,4) at the end of the year. At the end of the year, the company's liquid assets exceeded the interest-bearing loans, and the net gearing ratio was 53% (-33%). At the end of the review period, the company had cash assets of 10.8 million euros (1.5).

Product development and investments

Product development expenses in 2024 totaled 1,2 million euros, which is an increase of 9% from 2023 (1,1 million euros). A total of 153 thousand euros (132) of the year's product development expenses were capitalized in the balance sheet, and the total amount of capitalized product development expenses was 4.3 million euros (4,6) at the end of 2024.

In 2024, there were fixed asset investments of 366 thousand euros (215 thousand euros).

Personnel

At the end of 2024, Tamturbo employed a total of 49 people (47), of which 1 were part-time (4). Of the personnel, 45 (44) worked in Finland and 4 in the United States (3). Personnel costs for 2024 totaled 4,3 million euros (3.6).

Tamturbo's business and operating environment

Compressed air is a key part of industrial manufacturing processes and is widely used, for example, to power machinery, equipment and automation, and to move materials related to production processes in various ways. Clean and oil-free compressed air is also essential in many industries.

Tamturbo offers its customers a new generation of compressor solutions for cleaner, more energy-efficient and virtually maintenance-free compressed air production. Tamturbo's Touch-Free™ technology is 100 percent oil-free. Tamturbo's current and potential new customers include the world's leading industrial companies that want to utilize oil-free compressed air in their production processes without the expense of extensive filtration and air purification.

Implementation of the strategy

Tamturbo's strong growth is driven by the opening of new large multinational key accounts and organic growth within these customers. Our global customers typically have dozens or even hundreds of factories around the world and each factory has several compressors, so the business potential of even one customer is significant. Tamturbo's current customers already have almost 2,000 factories worldwide, with thousands of compressors installed. Tamturbo's goal is to have as many of these replaced as possible with our completely oil-free, cost-effective and environmentally friendly compressors.

During 2024, we started cooperation and received first orders from three new global customers. Two of these companies operate in the FMCG sector, while the third is a traditional player in the food industry.

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

Sales to key customers' various factories are carried out through Tamturbo's own sales organization or a local sales partner, and each customer is supported by an active and service-minded partner who knows and understands the customer's needs and operating environment.

Our core markets in the US and Europe remain central to our growth, and we will continue to strengthen our presence in these regions.

Executive Team

The 2024 Tamturbo Plc Management Team consisted of the following individuals during the review period: Igor Nagaev, CEO; Tommi Holopainen, CFO; Brecht Vanlee, Business Director; Hannu Heinonen, VP Americas; Heli Malinen, Marketing Director; Antti Kaura, COO. Timo Pulkki, Growth Director, left the Management Team.

Shares and shareholders

2024, the company organized three rights issues and one directed share issue. In the first rights issue, which was organized in May, 2,822,986 new shares were subscribed for at a price of EUR 1/share, i.e. the company received EUR 2.8 million in new capital. Tamturbo's Board of Directors approved the subscriptions at its meeting on June 5, 2024.

In the second rights issue, held in September-October, a total of 1,714,051 new shares were subscribed for at a price of EUR 1/share, i.e. the company received EUR 1.7 million in new capital. Tamturbo's Board of Directors approved the subscriptions at its meeting on October 9, 2024.

In the third rights issue held in December, a total of 1,192,177 new shares were subscribed for at a price of EUR 1/share, i.e. the company received EUR 1.2 million in new capital. Tamturbo's Board of Directors approved the subscriptions at its meeting on December 18, 2024. The shares from the third issue were registered in the Trade Register after the financial year on January 7, 2025, so they do not appear in the final number of shares for the financial year.

The number of shares in the company increased during the year by 4,537,037 shares as a result of the two registered rights issues mentioned above, and by 1,192,177 shares as a result of the last unregistered rights issue.

During the financial period, the Company organized a directed share issue in December, which ended after the financial period on January 16, 2025. In the directed issue, 20,800,000 shares were subscribed for at a price of EUR 1/share, with which the Company raised gross assets of EUR 20.8 million from new investors, of which the Company raised EUR 11.02 million by the end of the financial period.

The number of shares in the company at the beginning of the financial year was 18,443,163 and at the end 23,514,908 shares and there was a total of 1,536 shareholders. A total of 534,708 new shares were subscribed based on the option programs. The total number of options at the end of the financial year is 265,225, and the options entitle the holder to the same number of shares when exercised. Of the options, 64,165 are held by the company's previous management, 69,667 by Sulzer AG and 131,393 by Springvest's agents. The exercise of Sulzer AG's options is conditional on share subscriptions based on other option programs.

The company held an annual general meeting on March 12, 2024 in Tampere and an extraordinary general meeting on September 27, 2024, as well as a second extraordinary general meeting on November 7, 2024, both in Tampere.

Short-term risks and uncertainties

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

General economic developments may negatively affect the company's operating environment.

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

The delivery times for the components needed by the company are sometimes long and there may be occasional difficulties in obtaining certain components, which can affect business operations.

A significant portion of the company's revenue is generated from the sale of investment-type equipment, the delivery duration of which is typically 6-18 months. Long-term deliveries may increase the need for working capital. Adverse changes, such as a general weakening of financial markets, may impair the company's ability to obtain additional financing and lead to stricter financing terms.

The company is exposed to foreign exchange risks because the company does not currently have arrangements in place to hedge against foreign exchange rate fluctuations. Tamturbo's primary operating and cash flow reporting currency is the euro, but Tamturbo also conducts business in other currencies. The most significant foreign currency to which Tamturbo is currently exposed is the US dollar.

Tamturbo's organization is relatively small, so the importance of an individual employee to the company's operations is relatively high. The future development of the company depends substantially on the professional skills, experience and commitment of the management and other key personnel. The termination of such persons may have an adverse effect on the company in the short term. The company has a good reputation as an innovative technology company and has previously been successful in recruiting qualified employees. There is no certainty about the company's future opportunities to recruit new skilled employees to the extent it wishes. Failure to recruit and retain key personnel may have a material adverse effect on the company's business, results of operations, financial condition, prospects and/or the value of its securities.

Based on the cash flow forecast, the continuity of the company's operations has been secured for at least the next 12 months from the balance sheet date.

Business Outlook

We expect the positive development of the business to continue also during 2025.

However, we also expect that the high market volatility will continue, especially due to the ongoing wars in Eastern Europe and the Middle East, as well as other geopolitical changes. These, if realized, may affect the delivery and project schedules of customer projects and thereby cause changes in order intake, deliveries and revenue recognition.

Significant events after the end of the review period

During the financial period, the Company organized a directed share issue in December, which ended after the financial period on January 16, 2025. In the directed

issue, 20,800,000 shares were subscribed for at a price of EUR 1/share, with which the Company raised gross assets of EUR 20.8 million from new investors, of which the Company raised EUR 11.02 million by the end of the financial period.

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ACCOUNTING PRINCIPLES

This audited financial statement for the period 1.1.-31.12.2024 has been prepared according to Finnish Accounting Standards (FAS).

Consolidated Income Statement

	1.7.-31.12.2024	1.7.-31.12.2023	1.1.-31.12.2024	1.1.-31.12.2023
NET SALES	**4 911 057,52**	**5 457 808,96**	**8 016 644,67**	**8 183 890,12**
Change in the inventory of finished goods and work in progress	-757 393,28	-437 192,10	-53 719,28	-494 360,73
Manufacturing for own use	342 308,65	104 657,67	396 860,55	168 385,67
Other operating income	346,03	38 894,84	2 530,11	38 894,84
Materials and services				
Raw materials and consumables				
Purchases during the financial year	-3 738 210,05	-3 708 545,24	-6 622 689,21	-6 849 165,48
Change in inventories	209 048,24	-289 470,71	-64 994,68	741 519,85
External services	-27 258,59	-11 671,99	-46 212,18	-59 787,68
	-3 556 420,40	-4 009 687,94	-6 733 896,07	-6 167 433,31
Personnel expenses				
Wages and salaries	-1 676 067,10	-1 549 643,99	-3 636 885,11	-3 076 299,31
Pension expenses	-227 333,92	-220 376,88	-504 676,73	-462 179,99
Other personnel expenses	-64 133,18	-38 950,68	-126 366,53	-100 715,98
	-1 967 534,20	-1 808 971,55	-4 267 928,37	-3 639 195,28
Depreciation and amortization				
Depreciation according to plan	-271 901,09	-267 400,07	-522 984,95	-507 702,33
	-271 901,09	-267 400,07	-522 984,95	-507 702,33
Other operating expenses	-1 155 120,58	-1 605 672,33	-3 010 134,75	-2 900 032,67
OPERATING LOSS	**-2 454 657,35**	**-2 527 562,52**	**-6 172 628,09**	**-5 317 553,69**
Financial income and expenses				
Other interest and financial income				
From others	214 660,81	70 128,89	357 360,08	232 791,27
Interest and other financial expenses				
To others	-459 405,27	-216 998,30	-772 022,04	-560 377,89
	-244 744,46	-146 869,41	-414 661,96	-327 586,62
LOSS BEFORE APPROPRIATIONS AND TAXES	**-2 699 401,81**	**-2 674 431,93**	**-6 587 290,05**	**-5 645 140,31**
LOSS FOR THE FINANCIAL YEAR	**-2 699 401,81**	**-2 674 431,93**	**-6 587 290,05**	**-5 645 140,31**

Consolidated Balance Sheet

ASSETS	31/12/2024	31/12/2023
NON-CURRENT ASSETS		
Intangible assets		
Development costs	4 286 145,39	4 594 745,16
Other intangible assets	48 205,28	60 623,96
Intangible assets total	4 334 350,67	4 655 369,12
Tangible assets		
Machinery and equipment	611 321,36	293 950,97
Machinery and equipment	611 321,36	293 950,97
NON-CURRENT ASSETS TOTAL	**4 945 672,03**	**4 949 320,09**
CURRENT ASSETS		
Raw materials and consumables	1 519 788,96	1 584 783,64
Work in progress	167 629,26	237 015,74
Finished products	15 667,20	0,00
Inventories total	1 703 085,42	1 821 799,38
Long-term receivables		
Prepayments and accrued income	0,00	46 274,94
Short-term receivables		
Trade receivables	3 230 793,70	3 140 047,86
Other receivables	167 831,09	600 946,78
Prepayments and accrued income	160 775,28	78 352,56
Short-term receivables total	3 559 400,07	3 819 347,20
Cash in hand and at banks	10 841 192,51	1 474 587,38
CURRENT ASSETS TOTAL	**16 103 678,00**	**7 162 008,90**
TOTAL ASSETS	**21 049 350,03**	**12 111 328,99**

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Consolidated Balance Sheet

EQUITY AND LIABILITIES	31/12/2024	31/12/2023
EQUITY		
Share capital	81 000,00	81 000,00
Share issue	12 212 177,00	0,00
Invested unrestricted equity fund	39 907 105,11	35 367 929,27
Retained earnings (loss)	-30 613 233,80	-25 013 480,67
Translation differences	-112 741,17	45387,18
Loss for the financial year	-6 570 090,05	-5 645 140,31
TOTAL EQUITY	**14 904 217,09**	**4 835 695,47**
PROVISIONS		
Other provisions	105 831,74	106 335,00
Total provisions	105 831,74	106 335,00
LIABILITIES		
Long-term liabilities		
Loans from credit institutions	2 266 242,00	2 415 086,00
Other long-term loans	0,00	0,00
Total long-term liabilities	2 266 242,00	2 415 086,00
Short-term liabilities		
Loans from credit institutions	512 058,00	467 847,00
Advances received	44 819,14	864 984,59
Accounts payable	1 524 544,10	2 082 516,03
Other liabilities	118 125,39	167 295,30
Accrued liabilities	1 573 512,59	1 171 569,61
Total short-term liabilities	3 773 059,20	4 754 212,52
TOTAL LIABILITIES	**6 039 301,20**	**7 169 298,52**
TOTAL EQUITY AND LIABILITIES	**21 049 350,03**	**12 111 328,99**

Calculation of key figures

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

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

EBIT, EUR = Earnings before interest and taxes

Net Profit , EUR = Total revenues - total expenses

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

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

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

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

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

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Tamturbo Plc
Board of Directors

More information:

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CFO, Tommi Holopainen, tel: +358 50 400 3235

Release distribution:

Tamturbo Plc shareholders
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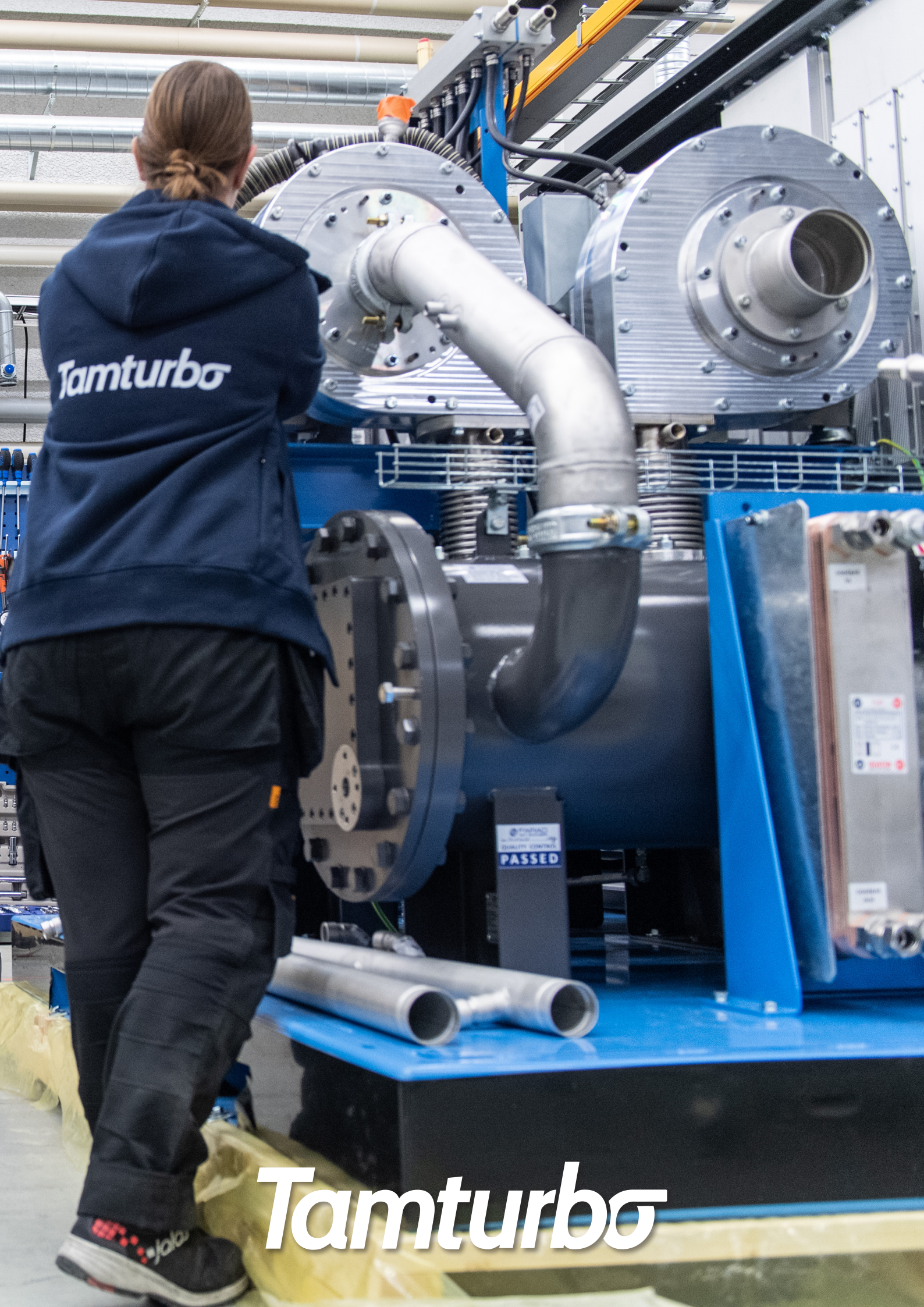

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