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Tamtron acquires Lahti Precision, launches a directed share issue and updates its profit forecast

Tamtron Group Plc ("**Tamtron**" or the "**Company**") has today 2 February 2023 entered into an agreement to acquire the entire share capital of HPP Bulk Technologies Ltd., parent company of Tamtron's Finnish competitor, weighing technology company Lahti Precision Ltd. ("**Lahti Precision**") (the "**Acquisition**").

Under the authorisation granted by the shareholders of the Company on 3 November 2022, the Board of Directors of the Company has today decided to issue up to 845,864 new shares in the Company in order to raise a maximum of approximately EUR 4.5 million in gross proceeds (the "**Share Issue**"). The proceeds from the Share Issue will be used to finance the Acquisition. The subscription period of the Share Issue begins on 9 February 2023 at 10:00 EET.

Ensto Invest Oy has undertaken to subscribe for offered shares in the Share Issue for EUR 2 million, and the Chairman of the Board of Directors of the Company Pentti Asikainen has undertaken to subscribe for offered shares in the Share Issue for EUR 1.5 million. The amount of the subscription undertakings provides the Company with sufficient minimum gross proceeds to finance the Acquisition.

Due to the Acquisition, Tamtron updates its profit forecast.

Acquisition of Lahti Precision

Lahti Precision Ltd. is a Finnish weighing technology company with over a hundred years of expertise, specializing in the development of industrial competitiveness. Its head office is in Lahti. The products and services of Lahti Precision cover industrial weighing solutions (e.g. truck scales, big bag stations, conveyor belt scales, dispensing systems, life cycle services and calibrations) and mScales, a SaaS-based material flow management system. During 2022, the company's turnover reached EUR 17 million and EBITDA EUR 1.8 million. The company employs 94 experts. The customer base consists of leading industrial, recycling, mining and logistics companies, including manufacturers of battery materials used in electric vehicles.

The enterprise value of Lahti Precision in the Acquisition is EUR 9 million, and the equity value for the shares is EUR 9.9 million after adjustments for net cash and working capital. The purchase agreement has been signed on 2 February 2023 and the Acquisition is expected to be completed by 1 March 2023. The Acquisition is not

subject to any conditions the fulfilment of which would be uncertain. The purchase price will be paid in cash at completion.

"Together with Tamtron, Lahti Precision will create a strong actor on the Finnish and Nordic markets. A comprehensive portfolio of weighing systems, a Nordics-wide after-sales service network and the combination of two most innovative SaaS-based material flow management systems will provide significant benefits to customers now and going forward. Lahti as a location will be a major centre of expertise in the heavy weighing sector of Tamtron Group. We are also confident that our international success will develop further with the addition of Tamtron's foreign subsidiaries and partners into our distribution channel", says Juho Koskinen, managing director of Lahti Precision.

"The acquisition will enable Tamtron to provide its customers an even wider global range of weighing and dispensing technologies, advanced SaaS solutions and lifecycle services to ensure customer success. Lahti Precision's System sales solutions form a new business sector and foundation to the Tamtron group which will help us serve an even wider international clientele. It is fantastic to be able to collaborate with the professionals of Lahti Precision and collaborate in the development of the most advanced solutions in the industry. Both companies have a strong culture of continuous development and therefore we will be a good match. Tamtron is in a phase of strong growth and the acquisition represents an important step in achieving our strategic objectives. I welcome the 94 experts of Lahti Precision Oy, the current and future customers, partners and stakeholders to build mutual success", the managing director of Tamtron Group, Mikko Keskinen, enlightens the background of the arrangement.

"We are proud to have been part of Lahti Precision's journey together with their excellent management and employees as well as other owners, and we want to congratulate the team for their efforts. Today, Lahti Precision has a strong platform for providing demanding industrial weighing solutions across Nordic countries, and we are looking forward to following Tamtron and Lahti Precision in the years to come", says Emilia Lassas, Senior Associate at Verdane, the main shareholder of Lahti Precision until completion of the Acquisition.

The Share Issue in short:

- The Company aims to raise approximately EUR 4.5 million in gross proceeds by offering a maximum of 845,864 new shares in the Company (the "**Offered Shares**") for subscription.
- In the Share Issue, shares are offered in deviation of the shareholders' pre-emptive subscription right to individuals and entities in Finland. However, the Company's current shareholders are guaranteed the right, if they wish, to subscribe for Offered Shares in the same proportion as they own shares on the record date ("**Record Date**") of the Share Issue. The Record Date of the Share Issue is 6 February 2023.

- The subscription price ("**Subscription Price**") of each Offered Share in the Share Issue is EUR 5.32.
- The Offered Shares may correspond to a maximum of approximately 11.60 percent of the Company's shares ("**Shares**") and votes after the Share Issue, assuming that all Offered Shares are subscribed. As a result of the Share Issue, the number of Shares may increase from 6,447,512 Shares to a maximum of 7,293,376 Shares.
- The Offered Shares are offered in deviation of the shareholders' pre-emptive subscription right since the purpose of the Share Issue is to secure the financing of the Acquisition and to enable the expansion the Company's shareholder base. The Acquisition has a significant impact in terms of the Company's strategic goals, as it enables growth and expansion of operations in accordance with the Company's strategy. In December 2022, the Company carried out an initial public offering in which Shares were offered for subscription to the public, personnel and institutional investors. In the public offering and in the offering to the personnel, all subscription commitments in the initial public offering were accepted, and as only a short time has passed since the initial public offering, it can be assumed that a large part of the Company's current shareholders may not wish to subscribe for shares in proportion to their current shareholding. However, the terms of the Share Issue ensure that the current shareholders have the possibility, if they wish, to subscribe for Offered Shares in proportion to their shareholdings.
- Ensto Invest Oy has undertaken to subscribe for Offered Shares in the Share Issue for EUR 2 million, and the Chairman of the Board of Directors of the Company Pentti Asikainen has undertaken to subscribe for Offered Shares in the Share Issue for EUR 1.5 million. The amount of the subscription undertakings provides the Company with sufficient minimum gross proceeds to finance the Acquisition. If, during the subscription period, Offered Shares have been subscribed in the Share Issue for a total amount exceeding EUR 4,5 million, a corresponding amount of Ensto Invest Oy's subscription will be rejected by the Board of Directors, however, such that Offered Shares will be allocated to Ensto Invest Oy at least in proportion to Ensto Invest Oy's current shareholding, i.e., in an amount of approximately EUR 695,000.
- The period for subscription of Shares in the Share Issue begins on 9 February 2023 at 10:00 EET and ends on 23 February 2023 at 16:00 EET.
- Trading in the Shares is expected to begin on the First North Growth Market Finland market place ("**First North**") operated by Nasdaq Helsinki Ltd. ("**Nasdaq Helsinki**") on 3 March 2022. The trading code of the Shares is "TAMTRON". The ISIN-code of the Shares is FI4000541313.

Background and reasons for the Share Issue

The purpose of the Share Issue is to secure the financing of the Acquisition and enable the expansion of the Company's ownership base. The Acquisition has a significant impact in terms of the Company's strategic goals, as it enables growth and expansion of operations in accordance with the Company's strategy.

Use of the proceeds from the Share Issue

The proceeds from the Share Issue will be used to partially finance the Acquisition.

Trading in the Shares, basic information document and the terms of the Share Issue

The Company will apply for admission of the Shares validly subscribed in the Share Issue to be traded on First North as shares of the same class as the Company's other Shares.

According to Chapter 3, Section 2 of the Securities Markets Act, the Company does not have to publish a prospectus in connection with the Share Issue, as the offer is not subject to the notification in accordance with Article 25 of the Prospectus Regulation, the securities are not offered outside of the European Economic Area, and the total consideration of the securities to be offered does not exceed EUR 8,000,000 over a 12-month period. The Company has prepared a basic information document in accordance with the aforementioned legal provision, which will be published and submitted to the Finnish Financial Supervisory Authority, and which will be kept available on the Company's website throughout the duration of the Share Issue.

The detailed terms and conditions of the Share Issue in the Finnish language are attached to this company release and they will be kept available on the Company's website throughout the duration of the Share Issue.

Nordnet Bank AB Finnish branch acts as subscription venue for the Share Issue for customers of all account operator banks.

Important dates

- The subscription period of the Share Issue begins on **9 February 2023 at 10:00 EET**
- The subscription period of the Share Issue ends on **23 February 2023 at 16:00 EET**
- The final result of the Share Issue will be announced in a company release tentatively on **27 February 2023**
- The Offered Shares will be registered in the Trade Register tentatively on **1 March 2023**
- The Offered Shares will be recorded in the investors' book-entry accounts tentatively on **2 March 2023**

- Trading in the Shares is expected to begin on First North tentatively on **3 March 2023**

Advisors in the Share Issue

Translink Corporate Finance Ltd. acts as financial advisor and certified advisor of Tamtron. Dittmar & Indrenius Attorneys Ltd. Acts as legal advisor to Tamtron in relation to the Share Issue.

Tamtron updates its profit forecast due to the acquisition of Lahti Precision

Due to the acquisition of Lahti Precision, the profit forecast of the year 2023 is subject to uncertainties in relation to the amount and timing of integration costs and synergies. For these reasons, the Board of Directors of Tamtron has decided to withdraw the profit forecast for 2023. Due to these uncertainties, the Board of Directors is currently not issuing any guidance on the EBITDA for 2023. However, the turnover is expected to be in the range of 50-55 million in 2023, which includes Lahti Precision's forecasted turnover following the completion of the Acquisition.

Earlier profit forecast for the financial period 2023, published on 14 November 2022:

Tamtron estimates that the turnover will be EUR 38-42 million for the financial period 2023 (average annual growth of approx. 14-19 percent from the financial period 2021). Tamtron estimates the EBITDA to be approx. 14-15 percent of the turnover in the financial period 2023.

About Tamtron

Tamtron is an international weighing technology company and data management systems provider. Tamtron supplies solutions to over 60 countries, to all major industries, including civil engineering, mining, forestry, waste management and recycling, ports, transport and logistics, process and manufacturing. In addition to weighing equipment, Tamtron also provides its customers with comprehensive life cycle services, including verification, maintenance and spare parts services.

The weighing data software developed by Tamtron helps customers to automatically and effortlessly integrate all data into a single system utilising the latest technology and cloud services. The company is headquartered in Tampere, Finland, as well as product assembly and testing. Tamtron also has subsidiaries in eight European countries.

The Company's head office is in Tampere, as well as product assembly and testing. In addition, Tamtron has subsidiaries in eight different European countries.

Tamtron's turnover was EUR 29.4 million and EBIT was EUR 1.2 million in the financial period ending on 31 December 2021. At the end of June 2022, Tamtron employed 176 people.

Read more: www.tamtron.fi

Further enquiries

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The issuance, use and/or sale of the securities are subject to specific legal restrictions in certain jurisdictions. The Company and Translink Corporate Finance Ltd. are not responsible if such restrictions are violated.

This release has been prepared for informational purposes only, and it should not be construed as comprehensive or complete. This release should not be interpreted as an offer to sell or an invitation to buy the securities mentioned herein, and no securities are offered in jurisdictions where their offering, acquisition or sale would be illegal prior to their registration or prior to receiving an approval according to an exemption from the registration requirement or other securities laws of the respective areas. Investors should not accept an offer relating to the securities or acquire the securities referred to in this release unless they do so based on the information contained in a prospectus possibly published by the Company.

The Company has not authorized the offering of the securities to the public outside of Finland. Apart from Finland, no measures have been taken or will be taken to offer the securities to the public in such a way that the publication of a prospectus would be required. The securities can be offered to investors in a member state of the European Economic Area other than Finland only in a situation where one of the exceptions of Article 1, Section 4 of Regulation (EU) 2017/1129 issued by the European Parliament and the Council on 14 June 2017 applies. In this paragraph, the expression "offer securities to the public" means communication directed at individuals in any form and through any channel, which provides sufficient information about the terms of the offer

and the securities offered, so that the investor can make a decision to buy or subscribe these securities.

This release contains forward-looking statements, including statements regarding the Company's business strategy, financial condition, profitability, results of operation and market information, as well as other statements that are not historical information. Statements in connection with which the words "intend", "estimate", "anticipate", "predict", "continue", "expect", "assume", "aim", "may", "plan", "seek", "will", "target", "believe", "could" and other similar or similar negative expressions are used, constitute forward-looking statements. Forward-looking statements inherently include risks and uncertainties that may cause actual consequences or actual business results to differ materially from those anticipated. The reader should not place undue reliance on these forward-looking statements. Except as required by applicable law to disclose material information, the Company has no intention or obligation to update or correct any forward-looking statements to take into account events or circumstances occurred after the publication of this release.