



loudspring

Loudspring Oyj: Q3 2019 Summary

Loudspring Oyj

Company release

31 October 2019 at 8:30 (EET)

Please note that this report is not a fully comprehensive report of all events, nor is it in any way a financial performance report. It is only a summary of the main events that have affected us and our portfolio during the quarter and before the date of this report where separately indicated below.

In the quarterly report we will not comment on every portfolio company but focus on our core holdings. To get a comprehensive overview of individual portfolio companies' businesses one should review additional documents such as the company description and the supplement to the company description that were published in 2016, as well as the latest annual and H1 reports. These documents are available at loudspring.earth.

Loudspring Q3 summary

The management has focused on supporting the business development, fundraising and management recruitments of the core portfolio companies.

Loudspring's share price has remained at all time low levels during Q3. The management will run investor roadshows during Q4 in the Nordics and in central Europe to communicate the continued revenue growth, outlook and the scalable environmental impact of the core portfolio companies.

Loudspring has received an offer for an additional EUR 500 000 loan from a financial institution.

Erik Penser Bank published its initial equity research report on Loudspring.

Loudspring has published revenue targets for the core portfolio companies that can be found from the [Loudspring H1 2019 report](#).

Key portfolio developments during Q3

Eagle Filters

- Revenue and orders for 2019 was EUR 2 500 000 at the time of this report
- Received a first order from one of the largest oil exploration & production companies in the USA operating multiple gas turbines at its industrial sites
- Delivered first order to a Gulf region LNG company operating tens of gas turbines

Nuuka Solutions

- Signed MRR (expected SaaS revenue after completion of projects) was at the time of this report EUR 96 000 / month
- In Sweden, the company has, at the time of this report, received permission to start work and invoicing on a large new project with an existing customer. After signing this extension, signed MRR is expected to increase to appx. EUR 116 000 / month
- After the period, Nuuka has appointed Tuomas Pippola as CEO. Founder Mikko Maja continues as CTO

Sofi Filtration

- Accumulated revenue and billing for 2019 at the time of this report was EUR 1 500 000
- A delay in one large customer project will decrease 2019 revenue from earlier anticipated levels

ResQ

- Monthly GMV at end of Q3 was EUR 580 000
- Signed a cooperation agreement with Kotipizza, the largest pizza chain in the Nordics

Enersize

- Raised appx. EUR 4 million new equity in a rights issue after the period, of which results were published 28. October 2019

- Loudspring invested EUR 545 000 in the issue mostly via loan conversion
- Loudspring's effective ownership of Enersize after the rights issue is appx. 19,2%
- Due to decrease of ownership below 20%, Loudspring will reverse Enersize's revaluation reserve (EUR 553 000) according to Finnish GAAP
- Enersize's Q3 report will be published 22. November 2019 and can be found from <https://enersize.com/>

Risks and Uncertainties

Loudspring Oyj (the "Company") and its portfolio companies (the "Portfolio Companies") are associated with a number of risks and uncertainties including but not limited to the following:

The Portfolio Companies of the Company are start-up and growth companies and Company's value depends heavily on the future development of these companies and the Company's ability to realize the value of its investments. The Company and the Portfolio Companies are associated with significant risks and uncertainties including but not limited to: 1) risks related to financial position and availability of additional financing that they dependent on, 2) risk related to Portfolio Companies' acquisitions, expansions and ability to sustain growth, 3) risks related to competition and technological development, 4) risks related to protection of intellectual property rights, 5) dependence on a limited number of Risks and Uncertainties Financial statement bulletin 2018 26 key employees, 6) various business related risks, such as dependence on a limited number of clients, technical and warranty risks, credit loss risk and currency fluctuation risk, 7) insurance risks and 8) economic, political and regulatory risks in various markets.

There can be no assurance that the Company or its Portfolio Companies will become profitable, which could impair the Company's and the Portfolio Companies' ability to sustain their operations or obtain any required additional financing. Even if the Company or its Portfolio Companies would become profitable in the future, they may not necessarily be able to deduct the previous losses in taxation and sustain profit in subsequent periods.

Amendments to the laws and regulations and interpretations of laws and regulations relating to the Company's or Portfolio Company's business may involve negative effects to the Company or to the Portfolio Company in question. In the event of any litigation, authoritative or administrative proceedings, risks related to financial sanctions and/or limitation of business opportunities may occur. Any acts or alleged acts in conflict with the positive societal values, reliability and good quality of the Company or its Portfolio Companies, may damage the Company's or its Portfolio Companies' reputation, long-term profitability and value.

In addition, the Company is associated with inter alia the following risks that relate to its business operations as a development and investment company:

The Company's ability to make profit fully depends on the potential exit proceeds and cash flows it may receive from its Portfolio Companies and all acquisitions and disposals of assets are subject to uncertainty. There is a risk that the Company will not succeed in selling its holdings in the Portfolio Companies at the price the shares are being traded at on the market at the time of the disposal or valued at in the balance sheet. Furthermore, the Company may be affected by liquidity risk if liquidity will not be available to meet payment commitments due to the fact that the Company cannot divest its holdings quickly or without considerable extra costs.

The Company does not independently control its Portfolio Companies, other than its daughter company Eagle Filters Oy, and there may occur potential interest conflicts with the other shareholders and stakeholders exercising influence over each respective Portfolio Companies' operations or the information provided by a Portfolio Company to the Company may not be accurate or adequate. Furthermore, an investment in a Portfolio Company may be affected by the existence of shareholders agreements or articles of associations containing provisions restricting transferability of the Portfolio Companies' shares or otherwise having an impact on the value of said shares.

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Loudspring in brief

Loudspring is an investment group focused on saving natural resources. We own and operate Nordic growth businesses that are fighting climate change and making a big environmental impact. We have a diversified business portfolio with technologies that save energy, water and materials in industry, real estate and in everyday life.

The company group is listed on First North Growth Market Finland under the ticker LOUD and on First North Growth Market Stockholm under the ticker LOUDS.

www.loudspring.earth

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