



# Loudspring Oyj: Q1 2021 Summary

Loudspring Oyj

Company release

22nd April 2021 at 9:00 (EEST)

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 semi-annual reports. These documents are available at [loudspring.earth](http://loudspring.earth).

## Loudspring Q1 summary

As the pandemic continues, our portfolio companies have focused on continuing executing their business plans while adapting to the circumstances.

Eagle Filters experienced strong growth during Q1 2021. ResQ Club continued to grow. Nuuka Solutions MRR grew slightly. Sofi Filtration's revenue remained low during the period.

Eagle Filters is currently experiencing strong growth. As accelerating growth requires an increased amount of working capital and the respirator business has consumed more capital than anticipated, the company requires additional funding. Loudspring plans to secure required funding through debt/equity funding and/or exit proceeds. Loudspring has renegotiated the repayment schedules of the Nefco and Nordea loans to be postponed by 12 and 14 months, respectively.

## Key portfolio developments during Q1

Eagle Filters

- Revenue and won bids for 2021 were EUR 2,95 million at the time of this report, exceeding full year 2020 revenue
- Started in-house production of industrial products

- Production of industrial products have experienced delays from planned schedule, causing an increased backlog of orders and an increased need for working capital
- Respirator revenue was low during Q1, due to price competition
- In final stages of closing a distributor agreement with a major retailer in Finland
- Preparing for the launch of new respirator products with significantly reduced manufacturing cost
- Developing new filtration materials aiming at cost and performance benefits for industrial and respirator products

## Nuuka Solutions

- Monthly SaaS revenue, and signed projects MRR, grew slightly in Q1 to EUR 140k.
- Full focus in augmenting Nuuka's solution with new Diagnostics and Optimize products that work fully automated and use data, SW, AI to optimize building portfolios
- Nuuka sees major added value to real estate industry in energy savings, sustainability, indoor climate, and in moving real estate industry from manpower centric solutions to novel, fully automated real-time solutions diagnosing and optimizing buildings 24x7
- Executing half a dozen pilots with AI and diagnostics in public and commercial buildings, with both old and new customers
- Delivered first results on AI projects, and proved that AI can guarantee great indoor climate while at the same time reducing energy consumption from ventilation by 15-40%
- Increased marketing activity and preparations for wider roll-out of the new AI products to both old and new customers

## ResQ Club

- GMV at end of Q1 was EUR 1,0 million per month
- 2,3% growth in Q1/2021 (compared to Q4/2020), despite restaurant lock-down in Finland in Q1
- Sales currently mainly from Finland
- Performed an EBITDA positive quarter

## Sofi Filtration

- EUR 1,3 million signed orders for 2021 mainly consisting of a project that is on hold and realization of revenue is uncertain
- Modest revenue during Q1
- Travel restrictions and COVID-19 uncertainty have negative effect on sales and piloting efforts

## Enersize

- As a Nasdaq First North Stockholm listed company, Enersize reports independently

## 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 are 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 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 company 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](http://www.loudspring.earth)

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