



Loudspring's Half-year review 1 January – 30 June 2022

Loudspring Oyj

Company release

31 August 2022 at 9:00 (EET)

H1 ended with a growing order book despite challenging operating environment

[The full half-year review 2022 report in PDF can be found here.](#)

This release is a summary of Loudspring Plc's Half-year review January–June 2022. The complete report is attached to this release as a pdf file. It is also available on Loudspring's website at <https://loudspring.earth/>

HIGHLIGHTS OF THE REVIEW PERIOD

JANUARY – JUNE 2022

(Figures below are unaudited)

- Eagle Filters' revenue was EUR 1.6 million (5% growth from H1 2021)
- Eagle Filters' revenue and orders for 2022 amounted to EUR 3.9 million at the time of reporting
- Customer interest for Eagle's products grew significantly during the end of H1, which is reflected in the amount of submitted offers
- Loudspring executed a rights issue of EUR 2.5 million and a directed share issue of EUR 0.6 million
- Loudspring sold almost half of its ownership in Nuuka for EUR 2.0 million. The transaction has a EUR 1.0 million positive impact on Loudspring's 2022 result.
- Loudspring sold stocks in Enersize, decreasing its ownership from 7.1% to 4.2% The impact of the transaction loss and impairment related to Enersize Oyj shares amounted to EUR -0.3 million.
- Loudspring's operating result for the review period was EUR -479 (-404) thousand. Net result amounted to EUR 151 (-957) thousand.

- Loudspring description of risks and uncertainties is included in the complete report which is attached to this release as a pdf file, and available at loudspring's website at <https://loudspring.earth/>.

KEY FIGURES

EUR '000	1–6 / 2022 (unaudited)	1–6 / 2021 (unaudited)	1–12 / 2021
Turnover	80	90	180
Operating result	-479	-404	-685
Operating result / turnover (%)	Neg.	Neg.	Neg.
Result for the financial period	151	-957	-1 631
Earnings per share (EUR)	0.00	-0.02	-0.04
Cash at the end of the period	266	774	43
Shareholders' equity at the end of the period	12 218	9 258	9 484
Equity ratio	74.1 %	65.0 %	61.4 %
Net debt	2 884	3 617	4 406
Head count at the end of the review period	4	4	4
Salaries	119	120	233

CEO'S REVIEW

During H1 2022 Loudspring continued to execute its transformation process into an industrial company focusing on Eagle Filters. Concrete strategic steps towards the goal are the divestments of almost half of Loudspring's ownership in Nuuka Solutions and Enersize Oyj. The group organization structure was modified through the decisions made by the Annual General Meeting, and the new Board of Directors' lineup will bring additional value and expertise to the governance of Eagle Filters.

Demand for Eagle Filters' high quality products is increasing rapidly, offers submitted in H1 2022 grew to over EUR 14 million from appx EUR 6 million in H1 2021. Our actions on growing the top line and reaching profitability remain our top priority despite the challenging public market environment. While Russia's war on Ukraine has caused major turbulence in the global energy sector, also interest towards energy efficiency and security have grown alongside climate targets.

Reaching profitability remains Eagle Filters' key objective and during H1 2022 improvements have been made in the form of automation investments and development of new product versions, which will lead towards improved margins and increased production capacity. The global market environment has caused cost inflation as well as challenges in supply chain & material sourcing. Eagle Filters has responded to these issues with price increases and by investing significant amounts of working capital in inventories, to facilitate deliveries and material availability. With the increased production capacity, the Company is well positioned to meet the demand for its high quality products.

We expect Eagle Filters' demand environment in the second half of 2022 to be higher than the corresponding period in the previous year and we continue to see long-term opportunities for Eagle Filters products that increase efficiency in power generation.

OUTLOOK 2022

During H2 2022 Loudspring will aim to complete the transformation process into an industrial company Eagle Filters. This includes streamlining cost structure, governance, market visibility and communication. Loudspring expects that synergies in cost savings will be realized in 2023 onwards.

Loudspring has during H1 2022 financed Eagle Filters with working capital, which has been used to significantly increase inventory levels, investments in factory automation and loan amortization. Eagle Filters demand environment in H2 2022 is expected to be higher than the corresponding period in the previous year. To execute Eagle Filters growth-strategy, management is actively evaluating ways for more effective use of capital. To support the growing working capital needs of Eagle Filters, Loudspring

needs to either continue to divest venture holdings or raise additional funding during H2 in order to secure liquidity.

Loudspring maintains its revenue target range for Eagle Filters between EUR 4.5-6.0 million, which was communicated in conjunction with the financial statement bulletin 2021. This targeted revenue growth in conjunction with targeted margin improvements aim to enable positive monthly EBITDA towards the end of 2022.

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Loudspring in brief

Loudspring is focused on saving natural resources. We own a portfolio of Nordic growth companies that have the potential of making a big environmental impact globally. We have selected to use our resources to develop Eagle Filters, our fully owned daughter company that provides high performance air filters for the energy industry as well as personal protective equipment. With this strategy we see a clear path to a long term profitable and scalable business, transforming into an industrial company.

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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