

Loudspring

Half-year review 2018

1 January to 30 June (unaudited)



Loudspring is an industrial group
focused on saving natural resources.

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January – June 2018

Summary of Main Events

The combined non-audited revenue of the two subsidiaries Eagle Filters and Nuuka was 1,56 MEUR in H1 2018.

Loudspring appoints co-founder and former chairman of the board Lassi Noponen as new CEO.

Loudspring acquired majority ownership in Eagle Filters, a technology company providing efficiency for the energy industry.

Loudspring secured a right to acquire majority ownership in Nuuka, a smart building SAAS company.

Loudspring subsidiary Nuuka signs large deals with ICA Real Estate, Unilever HQ and Helsinki City.

Nocart delays in large projects continued. Nocart secured bridge funding but still requires more funding due to delayed payments.

Loudspring increased its ownership in ResQ Club, a consumer app for rescuing surplus food from restaurants.

PlugSurfing sold to Fortum.

Loudspring signed contract for debt facilities with Nordea, totalling 2,5 MEUR.

Loudspring sets financial targets for its two subsidiaries Eagle Filters and Nuuka Solutions.

Summary of Outlook for 2018

Loudspring will focus on long-term profitable growth and has set initial financial targets for its two subsidiaries. Previously communicated targets regarding exits, IPOs and other statements regarding the future no longer apply.

For most business sectors the outlook continues to be very positive.

Aiming for steady progress in growth, strengthening organizations, overall professionalism and setting and achieving clear targets.

Loudspring's mission is saving the earth's natural resources by growing companies.

Key figures

(In thousands of euros)	1–6 / 2018	1–6 / 2017	1–12 / 2017
Turnover	22	18	29
Operational result	-825	-617	-1 305
Result for the financial period	-1 029	-653	-1 562
Cash and cash equivalents	1 151	2 527	3 562
Shareholders equity	21 013	21 704	22 705
Equity ratio	88,7%	90,8%	91,3%

Loudspring does not report consolidated accounts. Loudspring is regarded as minor group in accordance with Finnish Accounting Act and hence only reports parent company-level (Oyj) accounts.

CEO's Review

“Saving natural resources is a unique long term business opportunity.”

I am writing this for the first time as the CEO of Loudspring, also as part of a whole new management team. We have promised to find ways to increase transparency into our portfolio and we have made changes to this report with an aim to give readers more information in a relevant framework to form a comprehensive picture of how Loudspring businesses are performing, as well as their future outlook. For this aim, we have also worked with Inderes, which has started providing coverage of Loudspring. This is also the first time Loudspring provides financial targets for subsidiaries. I trust, these actions will serve shareholders and investors well, and we will continue developing reporting as we go forward.

It has been another action packed half year for Loudspring. Loudspring has a diversified business portfolio and while some have faced challenges and setbacks in their growth process, I am pleased to say that many have achieved good results. Eagle Filters has been strengthening its organization as well as international footprint and we expect to soon see results from these investments. Nuuka Solutions has been signing large customers in Europe and in the United States. The deal with the City of Helsinki, installing Nuuka into a large portion of Helsinki's public buildings, is a major milestone not only for Nuuka but also for the City of Helsinki in its strategy to become the world's leading city in digitalization. ResQ Club has continued its growth as it crossed 700 000 portions sold. Operationally, the company has focused on profitability and long term growth. In the United States, Swap.com has radically shifted its focus towards achieving profitability

and efficiency, putting technology at its core for long term feasibility. As you can read from this report, progress has been good in most of our companies and our team has been hands on in supporting our core holdings.

Investing into early stage companies is extremely risky and that is why Loudspring has built a portfolio of companies to diversify such risk. Unfortunately, not all early stage companies will succeed, but Loudspring allows investors to invest into this asset class with diversified risk. Over the years, just about every company in our portfolio has gone through tough situations, some have not made it but most have emerged stronger. Nocart has been undergoing a very tough period due to the well published delays in the company's projects in Africa. Nocart is an example where risk and potential reward go hand in hand. Nocart continues to work hard on its projects and aims to secure capital needed due to the project delays, and also recently announced a new major project in Kenya.

Saving natural resources is Loudspring's mission, and it is a truly important one. We will continue on this mission and believe it is a unique long term business opportunity.

Lassi Noponen
Managing Director



Loudspring Industry & Ventures

Loudspring effective fully diluted ownership in portfolio companies 30.6.2018

Company	Ownership
Aurelia	2,3%
Eagle Filters	67,6%
Enersize	35,6 %
Metgen	2,4%
Nocart	19,3%
Nuuka Solutions	46,8%
Oricane	21,2%
Resq Club	19,4%
Sansox	9,6%
Sofi Filtration	25,2%
Swap.com	6,6%
Watty	3,8%

Loudspring Industry consists of two subsidiaries:

Eagle Filters

power plant efficiency technologies

Nuuka Solutions

smart building SaaS company

Loudspring Ventures consists of minority ownerships in 10 growth companies.

Core venture holdings include the following growth companies:

Enersize

energy efficiency cloud analytics for heavy industry

ResQ

consumer app for rescuing restaurant meals

Nocart

providing renewable power plants in the developing world

Swap.com

online store for pre-owned clothing

Sofi Filtration

efficient water filtration technology

In addition to these, there are five incubation holdings in the venture portfolio.

Starting from this report Loudspring has changed its information policy, to provide only audited financials from minority owned associated companies. Half and full year unaudited estimates are reported for Loudspring subsidiaries only.

Ownership is reported as effective fully diluted except for Enersize, where effective ownership is reported due to Enersize being a listed company. Effective ownership takes into account both direct and indirect ownership in the portfolio firms. Loudspring has indirect ownership through the Clean Future Fund (CFF), a Finnish limited partnership and several Cleantech Invest SPVs, all of them Swedish holding companies founded by Loudspring. Exit and dividend proceeds from portfolio companies may differ from ownership percentages, both in positive or negative direction, due to different share classes and provisions in shareholder agreements.

Market Segments

Loudspring companies are serving some of the largest global companies, making big efficiency improvements where it matters most. Please see below examples of how we are helping our customers save natural resources in several market segments.

Energy Production

Engie
the world's largest operator of gas turbines, has selected Eagle Filters for improving power plant efficiency

Astoria Energy
a power plant supplying 15 - 20% of electricity for New York City, uses Eagle Filters to improve efficiency

Helen
a Helsinki City owned utility in Finland uses Eagle Filters for improved reliability

VAPO
in Finland uses Sofi Filtration for cutting costs of cleaning exhaust gas of a waste-to-energy plant

Fortum
Finland's largest power utility,

uses Sofi Filter for treating district heating water

International humanitarian organization HQ in Nepal, is powered by a Nocart solar-battery power plant

Real Estate

Unilever
HQ in New Jersey USA is implementing Nuuka Solutions for smart control and efficiency of the HQ campus buildings

Deloitte
HQ in Amsterdam, The Netherlands uses Nuuka Solutions for big data management

ICA Real Estate
a leading grocery store chain in Sweden is implementing Nuuka Solutions into its store network

City of Helsinki
Finland is deploying Nuuka Solutions to appx. 1000 buildings for smart building management

Varma
one of the Nordics' largest pension funds is utilizing Nuuka Solutions in several of its buildings

Lähitapiola
one of Finland's largest pension funds is utilizing Nuuka Solutions in its HQ in Finland

AINOA
shopping mall in Finland is utilizing Nuuka Solutions for smart building analytics

Industry

LG Chem
Korea's largest chemical manufacturer, applies Eagle

Filters in several of its industrial sites

BOE
one of the world's largest manufacturers of LED TVs cuts electricity use with Enersize's cloud analytics

Foton
one of China's largest vehicle manufacturers, utilizes Enersize in its car manufacturing plant

Cummins
a Fortune 500 company has deployed Enersize cloud analytics for an engine plant in China

BBMG
one of China's largest cement manufacturers, uses Enersize for compressed air system efficiency

Dürr Group
one of the world's leading mechanical engineering firms, utilizes Enersize in its factory in Germany

Scania
a world leading provider of transport solutions, has implemented Enersize in its factory in Sweden

Lindström
a leading laundry chain in the Nordics, circulates water with Sofi Filtration's technology

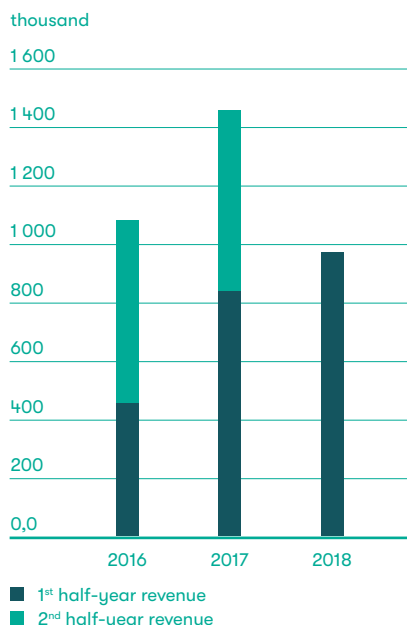
Consumers

Swap.com
500 000 consumers in the US have given 6 million pieces of pre-owned items a new life

ResQ Club
300 000 rescuers have saved over 700 000 portions of food from over 2000 restaurants in Europe

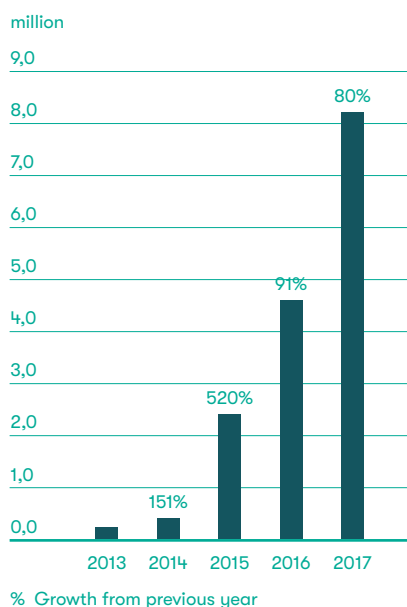
Ownership weighted revenue development for subsidiaries

Loudspring's portion of Eagle & Nuuka revenue growth 2016–2018



Ownership weighted revenue development for subsidiaries and core holdings

Full-year revenue weighted with Loudspring effective ownership 30.06.2018



Major Events

The comments on associated companies are not full descriptions of each of the associated companies' situations or their risks. In describing associated company developments, Loudspring relies on management reports of associated companies. As a general rule, Loudspring releases news regarding associated companies only after the associated company releases the news itself or approves the news for release. Furthermore, in minority owned companies, Loudspring is not in a controlling position and information Loudspring receives is limited to each company's selected communication to its shareholders, which may also be influenced by confidentiality and competition issues.

illustrates Loudspring's portion of the estimated (non-audited) revenue with the current effective ownership of 67,6% in Eagle Filters and 47,9% in Nuuka Solutions. The estimated (non-audited) combined revenue for Loudspring subsidiaries, weighted with effective ownership is 1,0 MEUR for 1.1.2018–30.6.2018.

The audited combined revenue of subsidiaries and core holdings, weighted with Loudspring effective ownership 30.6.2018 was 8,2 MEUR in 2017 (80% growth from 2016). Revenue is highly dependent on Nocart and for the most part, 2017 its revenue is in receivables.

Overall Development

Most Loudspring companies developed positively during the reporting period. Eagle Filters, Nuuka Solutions and ResQ Club in particular made very good progress: Eagle Filters is steadily attracting new customers globally; Nuuka Solutions won large deals with high profile customers; and ResQ Club has continued rapid growth. Nocart has experienced delays in its large projects as well as related cash constraints. Swap.com has significantly reduced costs and streamlined its operations during H1, which is expected to reduce the pace of growth but at the same time reduce time to profitability.

Loudspring signed an agreement with Nordea to increase its limit for debt facilities to 2,5 million €. The debt facilities consist of a limit and a long-term debt.

The revenue for Loudspring subsidiaries Eagle Filters and Nuuka Solutions have been growing steadily. The graph

FINANCIAL TARGETS FOR 2020

2020 REVENUE

More than



Nuuka Solutions

Nuuka Solutions provides a cloud-based software for professional building analytics.

Nuuka connects building intelligence systems into one common platform, enabling greatly improved energy efficiency and indoor air quality, as well as streamlined operation and reporting. The Nuuka platform is hardware-independent, making it extremely flexible and future-proof. Nuuka has over 1000 buildings connected to its cloud. Customers include large building asset managers, multinational corporations and cities. Nuuka has recently won several high profile projects in Europe and USA, and is in a position to expand rapidly. Loudspring has a right to over 50% ownership in Nuuka through an add-on investment.

BUSINESS UPDATE

Nuuka has continued its growth during the reporting period. Nuuka's Monthly Recurring Revenue (MRR) order intake number has more than tripled in the first half of the year. Nuuka's most significant deals include: the Unilever HQ building in the USA; OVG in The Netherlands; a deal with the ICA Real Estate in Sweden; and a deal with the City of Helsinki, to install Nuuka in approximately 1000 city-owned buildings.

Nuuka is developing its software continuously, introducing several new integrations and features. Smart building markets are in a significant growth stage. Nuuka is strengthening its position in the Benelux, which it sees as one of the leading markets globally in the smart buildings space. Also the Nordics and parts of the USA are seen as key growth markets for Nuuka's offering. Competition is increasing, with several large software players as well as start-ups currently entering the smart building market. We welcome this competition as a sign of a growing market. Operating as an integral part of Loudspring Group will be an additional benefit for Nuuka in the real estate market going forward.

Nuuka is a subsidiary of Loudspring. Loudspring has the right to increase its ownership in Nuuka to over 50%.

TARGETS FOR 2020

Loudspring has set the following financial targets for 2020 for Nuuka Solutions: 2020 revenue: more than 4 MEUR.

These targets are Loudspring group level targets and are more conservative than the subsidiary company's internal targets. The targets are not financial guidance and will only be in general updated on an annual or semi-annual basis. Deviation from these targets will not trigger a positive or negative profit warning.

NON-AUDITED FINANCIALS H1 2018 (ESTIMATE) / H1 2017

Revenue H1/2018	Revenue H1/2017	EBITDA H1/2018	EBITDA
413 000	198 875	-180 645	-390 574

FINANCIAL TARGETS FOR 2020

2020 REVENUE

More than

10 MEUR

2020 EBITDA

More than

2 MEUR

Eagle Filters

Eagle Filters has developed and patented a high performance air filtration solution for gas turbines, which significantly increases the efficiency of gas turbines. Eagle's solution increases annual output up to 6% and improves overall fuel efficiency by up to 3%. The potential impact for the global energy industry is significant, as over 20% of world electricity is produced with natural gas. Eagle's technology has been tested and verified by some of the world's largest energy utilities, and global sales are now ramping up. Eagle's business model translates into high-margin recurring revenue, and the business has a potential to be highly profitable. Loudspring has acquired options to increase its ownership in Eagle to 80%.

BUSINESS UPDATE

Eagle's revenue H1 2018 was 1,14 MEUR (unaudited estimate). During the reporting period, Eagle received orders from new customers as well as repeat orders from existing customers.

Sales started very well in Q1 but Q2 was somewhat slower. Some expected deliveries were postponed and recently increased efforts on new customer acquisition do not affect sales yet as the lead times are typically several months. There are a healthy number of open offers and many new RfQ:s and the market outlook remains very positive.

Eagle Filters has renewed its European sales strategy and is starting direct sales to the area which has a lot of untapped potential.

In H1, Astoria, a power plant providing 15 to 20% of New York City electricity, selected Eagle for all of its four turbines after rigorous testing of Eagle and competing filtration solutions. Eagle hired a new sales director in June and is increasing sales activities especially in Europe and USA.

Eagle estimates the market potential for high performance filtration products is \$1,65 BUSD annually. There are over 10 000 gas turbines in the world that could apply Eagle's technology. The potential economic benefits for customers are \$7,5 BUSD annually. Currently, approximately 95% of new power plants still use F-level filtration, but utilities are becoming increasingly aware of the benefits of high performance filtration.

TARGETS FOR 2020

Loudspring has set the following financial targets for 2020 for Eagle Filters: 2020 Revenue: more than 10 MEUR, 2020 EBITDA: more than 2 MEUR.

These targets are Loudspring group level targets and are more conservative than the subsidiary company's internal targets. The targets are not financial guidance and will only be in general updated on an annual or semi-annual basis. Deviation from these targets will not trigger a positive or negative profit warning.

NON-AUDITED FINANCIALS H1 2018 (ESTIMATE) / H1 2017

Revenue H1/2018	Revenue H1/2017	EBITDA H1/2018	EBITDA H1/2017
1 142 000	1 100 000	-240 000	-216 240

Monthly GMV (products sold over platform) was at the end of the reporting period over 200 000€.

With Enersize's technology, large industrial factories can save up to several million € annually.

ResQ Club

ResQ Club is about creating zero-food-waste communities. ResQ is an online marketplace that enables restaurants, cafes and grocery stores to sell their surplus food to nearby people who want to save time, money and planet while enjoying quality food.

BUSINESS UPDATE

Monthly GMV (products sold over platform) was at the end of the reporting period over 200 000€. During H1 2018, the amount of weekly purchasing consumers doubled, showing the attractiveness and stickiness of the service. During the same period, the company cut operating costs significantly. Also, marketing spend per each new acquired customer decreased significantly. Currently ResQ is concentrating its expansion efforts to the Nordics.

The company initiated successful pilots with grocery stores in April 2018 which were welcomed very well by both the partners and users. At the end of the period, over 20 grocery stores were already using ResQ. The new rescued groceries offering covers ready-made bags and individual products.

Enersize

Enersize provides energy efficiency cloud analytics for heavy industry. The company is listed in Nasdaq First North Stockholm. With Enersize's technology, large industrial factories can save up to several million € annually in their compressed air system electricity costs.

BUSINESS UPDATE

As a Nasdaq First North listed company, Enersize reports independently on its developments. Enersize reported an estimated, non-audited revenue of 183 932€ for H1/2018.

Enersize reports the following on its H1 2018 review:

Enersize made a deal in February with Dürr Systems AG, part of Dürr

Group, for measuring, analyzing and improving the efficiency of the compressed air system at Dürr factory campus in Bietigheim-Bissingen, Germany. Enersize recruited VP of Operations, China and a project leader for Enersize's operations in China. Both will be based in Shanghai. In addition, Enersize presented a new outlook for the current sales pipeline in the Chinese market.

At the end of March news about Enersize having a technological breakthrough were published. The technological advancement have lead to two patent applications and have had a significant impact on Enersize's strategic position. Both patent applications have been filed in China and Sweden.

Enersize announced in March that with the new technology breakthrough and patent filings changes to the company strategy, business model and growth strategy will change towards a focus on growth through licensing. Enersize will be able to offer the new technology on a licensing basis to both new and existing customers.

Enersize signed a 4-year profit sharing contract with Foton & Cummins in April. The profit sharing contract has been signed as a continuance for an existing installation agreement with Beijing Foton Cummins.

For full info on Enersize's progress, please see Enersize 2018 H1 report that is available for download from the Enersize homepage.

Sofi Filtration

Sofi Filtration provides efficient water filtration technology. Their self-cleaning filter enables cost efficient micro filtration of large amounts of water.

BUSINESS UPDATE

During the reporting period, a new project delivery agreement was signed for power plant water reuse in Finland. Sofi Filtration has also made successful tests for marine SOx scrubber water

filtration, a successful demonstration in oil & gas industry in the US as well as a successful pilot for a plastics manufacturing plant. The marine SO_x scrubber application is a promising area, as regulation such as the IMO 2020 for SO_x emissions are increasing interest for marine scrubbers.

Nocart

Nocart provides turn-key renewable power plants in the developing world. Nocart's power management technology turns different renewable energy sources into good quality electricity.

BUSINESS UPDATE

Nocart has experienced delays in its large projects, which are subject to notable inherent risks. The slow realization of receivables has had a direct impact on the company's cash flow. For the most part, 2017 of the company's revenue is in receivables. During H1 Nocart has secured additional funding, however, Nocart still requires and is negotiating, further funding with investors to bridge payments from ongoing projects.

Nocart has stated in its annual report the following:

Currently the majority of the company's business is coming from big projects in Africa and Asia. Nocart is also working on smaller deliveries and projects where contracts are being finalized. With these smaller projects Nocart is striving to move away from relying solely on big, single projects.

Swap.com

(Swap.com Services Oy)

Swap.com is an online store for pre-owned clothing. Swap.com has an extensive selection, wide consumer reach, and thanks to its full service consignment sales model, shipping expenses are lower than

in comparable peer-to-peer sales platforms such as eBay.

BUSINESS UPDATE

During H1, Swap.com made updates to its business model. After significant top line growth in the previous three years the company shifted its focus to margins and reaching profitability. As a result there were necessary layoffs and item adding was reduced as inventory reached 2.3M unique items. The company has been steadily increasing inventory turnover in part by focusing on inventory quality. Operational costs were reduced significantly, and product focus was shifted towards higher margin products with higher customer demand resulting in faster turnaround.

Swap.com closed a new funding round with current investors. The equity investment will be completed in tranches and totals appx. 4,5 million €.

Incubation Holdings

Incubation holdings (venture holdings that are not deemed core holdings by Loudspring) will be commented upon only if significant development take place.

During the reporting period there were the following major events: PlugSurfing GmbH was acquired by Fortum. The contract value was not disclosed. Loudspring owned 3.3% of PlugSurfing before the sale. The transaction returned the invested capital and yielded approximately 18% annual return on top of it during the time the company was in the Loudspring portfolio.

Oricane (Swedish AB) was written down, and Loudspring no longer has financial expectations from the company.

After significant top line growth in the previous three years the company shifted its focus to margins and reaching profitability.

Income Statement: Revenue and Result

Revenue

The company's revenue for the review period 1 January to 30 June 2018 was 22 kEUR (1-6/2017: 18 kEUR).

Expenses

Personnel costs during the review period 1 January to 30 June 2018 amounted to 335 (208) kEUR.

Other operating expenses in the review period 1 January to 30 June 2018 were a total of 352 (296) kEUR. Higher costs are mainly due to increased personnel and travel expenses.

Depreciation, amortization and write-downs

Depreciation, amortization and write-downs of intangible and tangible assets in the review period 1 January to 30 June 2018 was a total of 89 (89) kEUR.

Operating income

The company's operating loss for the review period 1 January to 30 June 2018 was 825 (617) kEUR. The increase in the operating loss was mainly due to higher operational costs.

Financial income and expenses

Financial income in the review period 1 January to 30 June 2018 was a total of 56 (147) kEUR, financial expenses a total of 259 (EUR 182) kEUR. The financial expenses were mostly due to a write down in Oricane, a bank loan arrangement fee and currency fluctuations. Financial income was mainly return on capital from exit proceeds.

Result for the review period

The net loss of the review period 1 January to 30 June 2018 was 1 029 (653) kEUR. The increased loss was mainly due to increased expenses and financial expenses including the write-down in Oricane.

Balance Sheet: Financing and Investments

At the end of the review period, the balance sheet total stood at 23,698 (23,894) kEUR. The decrease is mainly due to the write down of Oricane and a change in the revaluation reserve due to a decrease in the valuation of Enersize. The shareholders' equity was 21,103 (21,704) kEUR and the equity ratio was 88,7% (90,8%).

The total current liabilities at the beginning of the review period was 623 kEUR and 1 152 kEUR at the end of the review period. The change in the total current liabilities are mainly due to a bank loan from Nordea and an increase in other current liabilities.

Investments During the Review Period

ResQ Club Oy: Loudspring led an investment round for ResQ Club, increasing ownership from 15,6% to 19,4%.

Eagle Filters Oy: Loudspring made two additional investments in Eagle Filters, first increasing ownership from 34% to 63,4%, followed by another investment to increase ownership to 67,6%. Loudspring still has the option to further increase ownership to 80%.

In addition, Loudspring has participated in the funding of Swap and Nocart in the form of loans and has a right to increase ownership through conversion of the loans.

Personnel, Management and Administration

The company went through the following personnel changes in May:

Lassi Noponen, Loudspring's former chairman of the board, was appointed Managing Director and continued as a member of the board. Alexander Lidgren, who acted as the Managing Director of the company until May left Loudspring's service. Tarja Teppo who acted as CFO of the company left Loudspring's service with Timo Linnainmaa taking over the position as CFO. Thomas Bengtsson, former member of the board took over the position as Chairman of the Board. Antonio Gallizio was appointed Chief Investment Officer. Alf-Oskar Witting was appointed Junior Controller to assist with financial management and investor relations. Joshua Burguete-Kirkman continued as Communications Director.

At the end of the review period Loudspring employed 6 persons including Thomas Bengtsson who assists with the operational management of Loudspring in addition to acting Chairman of the Board.

Previous members of the board Gudrun Giddings and Peter Carlsson left the board at the AGM 20th of April. At the end of the review period the board of directors consisted of Thomas Bengtsson (Chairman), Lassi Noponen, James Penney and Matti Vuoria.

Annual General Meeting

The Annual General Meeting (AGM) of Loudspring was held on the 20th of April 2018 in Helsinki. The AGM resolved that four members be elected to the Board of Directors and re-elected the current members of the Board of Directors Mr. Lassi Noponen, Mr. Thomas Bengtsson Mr. Matti Vuoria and Mr. James Penney. The AGM authorized the Board of Directors to decide on the issuance of class A shares in total amount to a maximum of 5,000,000 shares. This authorization canceled the previous dated 21 April 2017 on the issuance of shares. In addition, the AGM authorized the Board of Directors to decide, in one or more transactions, on the issuance of options. The number of new class A shares that can be subscribed to based on these options may in total amount to a maximum of 1,200,000 shares and may be issued to the key personnel, including members of the Board of Directors of the company, and to cooperation partners and advisors of the company as part of the company's incentive scheme. This authorization canceled the previous dated 21 April 2017 issuance of options. The AGM also authorized the Board of Directors to decide on acquisition of maximum of 1,204,000 company's own class A shares.



Outlook 2018

Loudspring continues to focus on international growth of our businesses. At the same time, securing needed funding and achieving profitability will take a bigger role in our target setting. As we have shifted focus on building Loudspring as an industrial group, our previously communicated targets regarding exits, IPOs and other statements regarding the future no longer apply. We will consider potential exit routes for our companies when we see the right timing and opportunity, but our aim will be to achieve profitable growth.

Loudspring will aim to continue increasing ownership in selected companies, consolidate Loudspring Industry, and build some of the current portfolio companies into larger industrial companies. We will focus our own efforts on companies where we can have control and where we see the most value. We will also focus on finding the right talent to support the growth of our companies.

Loudspring has several potential high performers in our business portfolio. For most firms the future outlook has continued to be very positive and several of our firms have increased their ambition level. The growing global demand for many of Loudspring's solutions provides the basis for continued growth into the foreseeable future and we expect many of our companies to continue achieving good results.

We aim to make steady progress in continued growth, strengthening organizations, overall professionalism and setting and achieving clear targets. Loudspring is evolving rapidly, but one thing will remain: our mission of saving the earth's natural resources by growing companies.

Events After the Review Period

After the reporting period Nuuka signed a new agreement with ICA Real Estate to install their technology in a further 50+ buildings. It was announced in January that ICA Real Estate would use Nuuka's software in pilot-projects to monitor, analyze and improve the efficiency of a few of their assets <https://www.icafastigheter.se/nyheter/digital-innovation/>. The ultimate goal of the co-operation was to evaluate how ICA Real Estate could maintain their properties even more efficiently and sustainable. ICA Real Estate wants to create the best shopping experience for their customers and at the same time provide a great workplace for their employees through digitalization.

The trial period of Nuuka's Connect and Create software was a success and now ICA Real Estate has decided to roll it out to 54 more sites in Sweden. This news follows shortly after the recent contract signing with the City of Helsinki to install Nuuka in 1000 of their buildings only two weeks ago.

After the reporting period, Nocart confirmed a 35 MW waste-to-energy plant deal in Kenya. Nocart had previously signed a sales contract for the delivery of a waste-to-energy plant but the advancement of the project has been awaiting completion of the buyer's permitting processes and PPA-contract process. The purchase price of the plant is 62 MEUR. In addition, Nocart is involved in the project as a co-owner (35%) of the founded IPP (Independent Power Producer) power plant company. The IPP company has a 20-year contract for selling electricity to Kenya's national grid.

The permitting processes and PPA (Power Purchase Agreement) -process for the plant have now been completed and the plant's financing arrangements are currently being finalized. The plant will be constructed in multiple stages with the first 10MW of the project being completed by the end of 2020 and the remaining 25MW being completed in the beginning of 2023. The project marks a significant starting point for the use of Nocart's gasification technology and this particular waste-to-energy project is the first of its kind in Africa in terms of its type and size. Land for the plant has been acquired and construction work on the land area has begun. Other preliminary construction work for the project has also been

conducted, with the actual preparation of the power plant technology estimated to start later in the fall of 2018.

Risks and Uncertainties Accounts

General risks concerning the business environment of Loudspring Plc are related to macroeconomic and capital market uncertainty. The associate companies of Loudspring are start-up and growth companies, and there are remarkable risks involved both in their business operations and through investments in them. It is uncertain that Loudspring is able to sell its holdings in associate companies in a profitable way or that the sale is possible in a planned schedule in line with the company's strategy. Due to the nature of Loudspring's business environment, success of acquiring finance for associate companies is of utmost importance.

The risks related to the company's business have been described in detail in the listing prospectus dated 2 May 2014, which can be found (in Finnish language only) on the company's website. The investor memorandum for First North Stockholm listing dated February 2016 contains an overview of the risks related to the company's business (in Swedish language only). The investor memorandum can be accessed via the company's website. An update to the memorandum was made in September 2016 which can be found [here](#).

There are no major changes in the risks and uncertainties since the date of Stockholm listing prospectus. Some of the associate companies have not reached their targets as to financing, operations and customers and it should be noted that some rely on successfully acquiring more funding within a short time period in order to continue operations.

Financial Communication

Loudspring Oyj Q3/2018 quarterly summary, which is not a financial performance report or a fully comprehensive report of all events, will be published 31.10.2018. The 2019 financial information release schedule will be published by the end of 2018.



Financial Information

Loudspring aims to primarily increase revenue in its subsidiaries and associated companies. Loudsprings' own revenue is small and mainly consists of services provided to Loudsprings' portfolio companies. The majority of Loudspring's expenses are operating costs related to increasing the value of subsidiaries and associated companies.

Share

At the beginning of the financial period 2018 the company had a total of 23,945,317 shares, divided into 4,569,031 class K shares, each having 20 votes at shareholders' meetings, and 19,376,286 class A shares, each having one vote at shareholders' meetings.

Loudspring board members and management team owned on June 30th 2018 in total 2,252,138 class K-shares, 805,402 class A-shares, options that give a right to subscribe 1,209,749 class K-shares and options that give a right to subscribe 336,000 class A-options, taking into account all stock and options that the persons own directly and indirectly through companies controlled or influenced by them or through their family members. The shares represent approximately 12,7% of the company's total issued and outstanding shares registered on the 30.6.2018 in the trade register and 41,3% of the voting rights of the shares.

Loudspring had 5612 registered shareholders according to the share register on June 30th 2018. Euroclear Finland had 3934 shareholders and Euroclear Sweden 1678 shareholders.

On the 18th of January a share swap with Eagle Filters took place, increasing Loudspring class-A shares by 128,788. At the end of the review period the total amount of Loudspring shares was 24,074,105, divided into 4,569,031 K shares and 19,505,074 A shares.

At the end of the review period Loudspring A-series share was listed both in First North Helsinki and Stockholm. Loudspring's market value at the end of the review period was 28,477,408 EUR. When non-listed K-shares are taken into account and the A-share price in Helsinki First North Exchange at the end of the review period is used, the market value at the end of the period was 35,148,193 EUR. The closing price in First North Helsinki on June 30th 2018 was 1,46€ per share. During the review period the highest price in FN Helsinki was 2,65€, the lowest 1,20 €, and the average 1,80 € per share. The Series A share has a liquidity provision agreement with Pareto Securities that fulfills the NASDAQ OMX Stockholm Oy Liquidity Providing (LP) requirements. Loudspring Series A share trading First North Helsinki is not covered by the liquidity provision agreement.

Definitions

Equity ratio (%)	Total equity x 100/ Total assets
Number of shares	Total number of shares at the end of the period
Weighted average number of shares	Issue and conversion-adjusted weighted average number of shares
Diluted number of shares	Total number of shares at the end of the period added by outstanding warrants
Weighted average number of shares, Diluted	Issue and conversion-adjusted weighted average number of shares added by outstanding warrants
Basic earnings per share (€)	Result for the (financial) period / Issue and conversion-adjusted weighted average number of shares
Diluted earnings per share (€)	Result for the (financial) period / Issue and conversion-adjusted weighted average number of shares added by outstanding warrants

Accounting Principles of the Semi-Annual Accounts

Semi-annual accounts have been prepared following generally accepted accounting principles and applicable laws. The figures of the review have not been audited. The figures presented are rounded.

Profit and loss statement

EUR '000	1 - 6 / 2018	1 - 6 / 2017	1 - 12 / 2017
Turnover	22	18	29
Materials and services	-71	-42	-79
Personnel expenses	-335	-208	-453
Depreciation and impairment charges	-89	-89	-179
Other operating expenses	-352	-296	-622
Operating loss	-825	-617	-1 305
Financial income	56	147	314
Financial expenses	-259	-182	-571
Result before taxes	-1 029	-652	-1 561
Taxes	0	-1	-1
Result for the financial period	-1 029	-653	-1 562
Basic earnings per share	-0,04	-0,03	-0,07
Diluted earnings per share	-0,04	-0,03	-0,06

Balance sheet

EUR '000	30/06/18	30/06/17	31/12/17
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	177	351	264
Tangible assets	20	13	22
Holdings in group undertakings	2 722		2 434
Holdings in participating interests	16 888	20 049	17 556
<i>Total non-current assets</i>	19 807	20 413	20 276
CURRENT ASSETS			
Accounts receivables	85	244	110
Loan receivables from participating interests	2 333	428	760
Loan receivables from group undertakings	200	0	16
Loan receivables	0	24	11
Other receivables	77	89	80
Deferred assets	46	120	46
Cash and cash equivalents	1 151	2 527	3 562
<i>Total current assets</i>	3 892	3 431	4 585
<i>Total assets</i>	23 698	23 844	24 862

EQUITY AND LIABILITIES

SHAREHOLDERS EQUITY			
Share capital	80	80	80
Reserve for invested non-restricted equity	16 675	13 859	16 675
Revaluation reserve	11 134	12 703	11 798
Retained earnings	-5 848	-4 286	-4 286
Result for the financial period	-1 029	-653	-1 562
<i>Total shareholders equity</i>	21 013	21 704	22 705

LIABILITIES

NON CURRENT			
Deferred tax liability	1 534	2 104	1 534
Current liabilities			
Bank loans	500	0	269
Accounts payable	51	24	294
Other current liabilities	556	16	9
Accruals	46	48	51
<i>Total current liabilities</i>	1 152	87	623
<i>Total equity and liabilities</i>	23 698	23 894	24 862

Statement of cash flows

EUR '000	30/06/18	30/06/17	31/12/17
CASH FLOW FROM OPERATING ACTIVITIES			
Result before taxes	-1 029	-652	-1 561
Taxes	0	-1	-1
Adjustments	164	206	207
Depreciation	89	89	179
Change in receivables, increase (-), decrease (+)	39	-143	145
Change in current liabilities, increase (+), decrease (-)	-251	-167	0
Cash flow from operating activities	-988	-667	-1031
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	0	0	-12
Investments in group undertakings	-297	0	0
Investments in shares of participating companies	-457	-569	-2 181
Returns received for participating companies	147	0	0
Dividend income from shares	188	0	646
Loans granted to participating companies	-1 975	0	-426
Loan receivables from participating interests	208	0	100
Loan receivables from others	0	0	11
Cash flow from investing activities	-2 185	-569	-1 862

CASH FLOW FROM FINANCING ACTIVITIES

Share issue against payment	0	2 556	4 981
Change in interest bearing liabilities, increase (+), decrease (-)	1 032	0	269
Dividends and other profit distribution	0	0	0
Cash flow from financing activities	1 031	2 556	5 250
CHANGE IN CASH AND CASH EQUIVALENTS	-2 142	1 320	2 356
Cash and cash equivalents at the beginning of the period	3 562	1 206	1 206
Cash and cash equivalents at the end of the period	1 420	2 527	3 562

Statement of changes in shareholders equity

EUR '000	Share capital	Revaluation reserve	Reserve for invested non-restricted equity	Retained earnings	Result for the financial period	Total shareholders equity
SHAREHOLDERS EQUITY JANUARY 1, 2018	80	11 798	16 675	-5 848	0	22 705
Share issue	0	0	0	0	0	0
Revaluation reserve	0	-664	0	0	0	-664
Result for the financial period	0	0	0	0	-1 029	-1 029
SHAREHOLDERS EQUITY JUNE 30, 2018	80	11 134	16 675	-5 848	-1 029	21 013

SHAREHOLDERS EQUITY JANUARY 1, 2017	80	12 703	11 303	-4 286	0	19 800
Share issue	0	0	2 556	0	0	2 556
Revaluation reserve	0	0	0	0	0	0
Result for the financial period	0	0	0	0	-653	-653
SHAREHOLDERS EQUITY JUNE 30, 2017	80	12 703	13 859	-4 286	-653	21 704

SHAREHOLDERS EQUITY JANUARY 1, 2017	80	12 703	11 303	-4 286	0	19 800
Share issue	0	0	5 373	0	0	5 373
Revaluation reserve	0	-905	0	0	0	-905
Result for the financial period	0	0	0	0	-1 562	-1 562
SHAREHOLDERS EQUITY DECEMBER 31, 2017	80	11 798	16 675	-4 286	-1 562	22 705

