

Loudspring

Half-year review 2020

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1 January 2020 – 30 June 2020 (unaudited)



# LOUDSPRING IN BRIEF

We manage a portfolio of Nordic growth companies that are making a big environmental impact globally. We believe that as our entrepreneurial teams are contributing to solving some of the biggest challenges our planet faces, this translates into a unique opportunity for growing profitable businesses. Loudspring is an investment group focused on saving natural resources.

## INVESTMENTS

### Eagle Filters

power plant efficiency technologies



### Nuuka Solutions

smart building SaaS company



### ResQ Club

consumer app for rescuing restaurant meals



### Sofi Filtration

efficient water filtration technology



### Enersize

energy efficiency cloud analytics for heavy industry



### Other holdings

Aurelia Turbines 0,6%  
Metgen 1,5%  
Sansox 9,6%  
Swap.com 6,8%  
Watty 3,2%

## IMPACT



Please see our latest [Loudspring Impact Report](#) for our achievements so far.

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January – June 2020

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## Summary of Main Events

*Figures below are unaudited estimates.*

- The combined non-audited revenue estimate of the core holdings (excluding Enersize) was EUR 2,67 million in H1 2020.
- Loudspring carried out two directed emissions totalling 1,45 million EUR.
- Loudspring increased its loan facility with NEFCO by 1 million EUR and NEFCO's conversion option was removed.
- Eagle Filters decided to start production of high-quality respirators.
- Net loss for the review period was EUR 499 thousand.
- Loudspring description of risks and uncertainties is included at the end of the report.

## Summary of Outlook for 2020

- The business environment is expected to remain difficult for investment products due to travel restrictions and the economic downturn.
- Eagle Filters' respirator business provides a significant opportunity for growth during H2.
- Digital businesses such as Nuuka and ResQ Club are expected to continue growth in the prevailing pandemic environment.
- A need for securing additional funding continues for Loudspring and most of the portfolio companies.

# Key figures

(In thousands of euros)	1–6 / 2020	1–6 / 2019	1–12 / 2019
Turnover	95	134	204
Operational result	-413	-557	-910
Result for the financial period	-499	-629	-4 149
Cash and cash equivalents	612	32	450
Shareholders equity at the end of the review period	7 558	9 661	6 607
Equity ratio	62,1%	74,4%	62,8%

Loudspring does not report consolidated accounts as Loudspring and its subsidiaries is regarded as a minor group in accordance with Finnish Accounting Act chapter 1 § 6 a.

At the end of the review period Loudspring had the following financing arrangements and balance sheet items:

- Cash EUR 1,06 million taking into account EUR 450 thousand (current) untapped credit limit from Nordea.
- EUR 200 thousand Undrawn amount of the NEFCO loan facility.
- The company owned listed shares (Enersize Oyj) with a fair value 30.6.2020 of EUR 2,0 million.\*
- Short term receivables from portfolio companies totalling EUR 742 thousand.
- Capital loan receivables from portfolio companies totalling EUR 1,5 million.

\*32% of the Enersize shares owned by Loudspring have been given as collateral for Loudspring and daughter company Eagle Filters loans. The consent of the collateral holder is required for the selling of these shares.

# Holdings

Loudspring effective fully diluted ownership 30.6.2020

Company	Ownership	Options
Aurelia	0,6%	
Eagle Filters	80,1%	
Enersize	19,6%	
Metgen	1,5%	
Nuuka Solutions	42,3%	
Resq Club	25,3%	
Sansox	9,6%	
Sofi Filtration	24,7%	
Swap.com	6,8%	
Watty*	3,2%	

\*Loudspring currently only holds indirect ownership in the company through a holding company.

Eagle Filters Oy, Lumeron Oy and Loudspring Sweden AB were Loudspring's only subsidiaries at the end of the review period. 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.



# CEO's Review

**"Eagles' ability to quickly come out with a high-quality respirator product is based on the company's long experience in the industrial filtration business."**

The first half of this year has been dominated by the Covid-19 pandemic. This has brought a different impact on different core portfolio companies at Loudspring. But as always, even the most severe change in the business environment has also created opportunities. During the pandemic our ability to secure funding and remote working operations to our portfolio companies is key to continued success.

We set the expectation of nearly doubling the core company revenues during 2020 and have been working hard to achieve this. We have reviewed

all the revenue targets set for this year and have set targets regarding year 2021, where possible. This will be itemized at each company chapter of this report. In minimum, our funding need remains at the level indicated in H1/2019 report.

Of the core portfolio companies, Sofi Filtration has been hit hard by the pandemic as opportunities for selling investment goods have largely stopped. Nuuka Solutions and ResQ Club both have fared relatively well, and are aiming to reach their targets despite the pandemic. Eagle Filters, on the other hand, has been able to turn the situation in its favour by entering the personal protective equipment business. Eagles' ability to quickly come out with a high-quality respirator product is based on the company's long experience in the industrial filtration business. Eagle Filters' revenue performance is heavily linked to the success of the respirator business.

We have updated the Loudspring -index we created the previous year.

**Jarkko Joki-Tokola**  
CEO









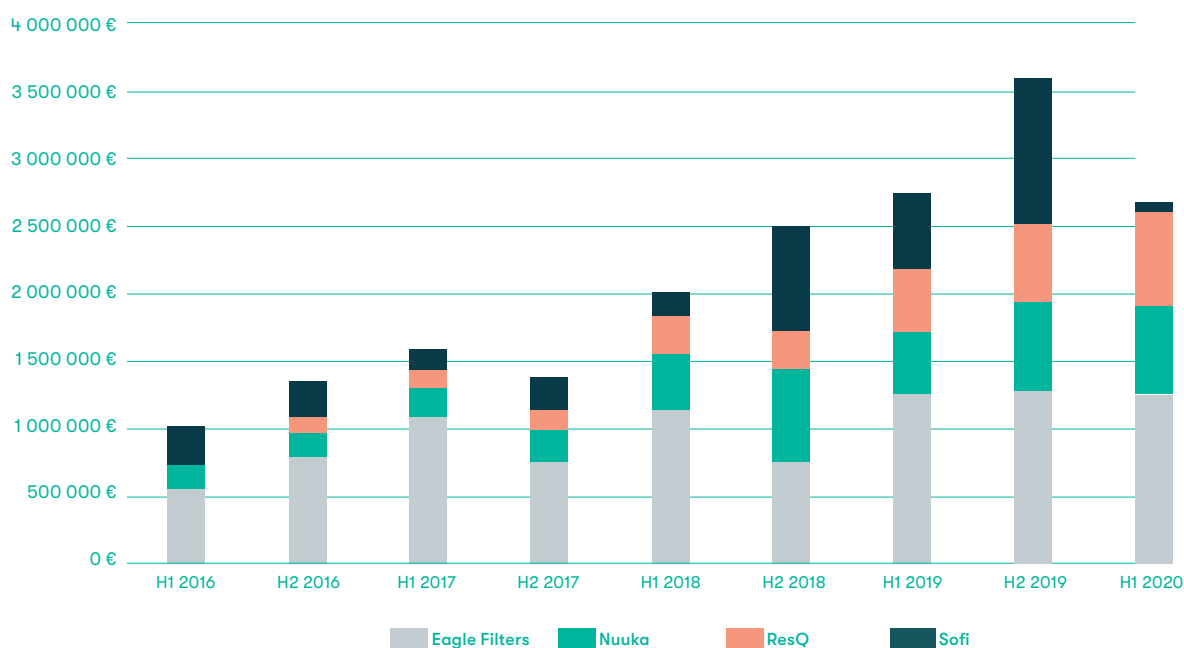
# Overall Development

The combined revenue (non audited estimate) of unlisted core holdings was 2,67 million EUR, a 26% decrease from H2 2019 and 3% decrease from H1 2019. The decrease in the combined revenue is mainly due to a drastic slow-down of Sofi Filtration's business. Growth of other core holdings has also been hampered by the current market situation. Core holdings include Eagle Filters, Enersize, Nuuka Solutions, ResQ Club and Sofi Filtration. Follow-on investments were made in Eagle Filters, Nuuka Solutions and Swap.com.

The comments on associated companies are not full descriptions of each of the associated companies'

situations or their risks. Risks are described in more detail in the Risks and Uncertainties section. Loudspring will in this review provide unaudited financial estimates of its core portfolio provided that they are available at the time of this report.

Semi-annual revenue development for Loudspring's core holdings 2016 - H1/2020 (estimated), excluding Enersize

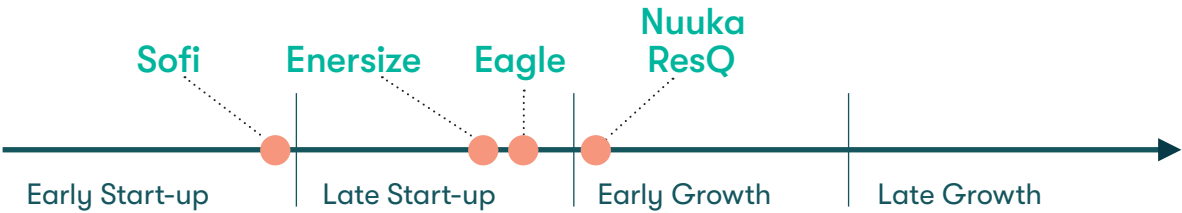


# Overall Development

In this report Loudspring provides high and low revenue targets for its core holdings (excluding Enersize) for this and the following years. 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. Loudspring management views the targets as

achievable revenue target ranges for each company. Ranges are developed in co-operation with portfolio company CEOs, and are based on portfolio companies’ sales pipelines.  
Below the stage of each core holding is illustrated, as perceived by our proprietary Loudspring Index. The Loudspring Index measures the internal maturity of a company’s processes

that is needed for the company to be able to grow but actual growth is also influenced by a number of external factors e.g. market conditions that are beyond the portfolio company’s control.





## Eagle Filters

*Eagle Filters provides advanced air filtration solutions for energy utilities, which increases the efficiency of gas turbines. The technology significantly reduces CO2 emissions and increases profitability. Eagle's technology is being used by some of the world's largest energy utilities. Eagle also produces high-quality respirators for health care professionals. Loudspring has increased its ownership in Eagle from 79,9% to 80,1% during the review period.*

### BUSINESS UPDATE

Eagle Filters companies' revenue H1 2020 was EUR 1,27 million (unaudited estimate). Revenue increased 1% from H1 2019, with a 2% decrease from H2 2019. At the time of reporting, the accumulated revenue and orders scheduled for full year 2020 was EUR 2,19 million.

Eagle Filters continues sales of its gas turbine filtration products globally while responding to the pandemic by entering the personal protective equipment market. The company's experience of providing air filtration for most advanced industrial applications has enabled designing and starting the production of respirators in a very short time frame. However, the production ramp-up has taken more time than expected and production volumes have not yet reached targeted levels. Eagle has received first orders from several hospital districts in Finland and passed the tests required for COVID-19 certification for its product, enabling first deliveries. A CE certification process has also been initiated.

Overall, Eagle's industrial energy efficiency market has suffered from the pandemic, by delaying maintenance of turbines and by making new customer acquisi-

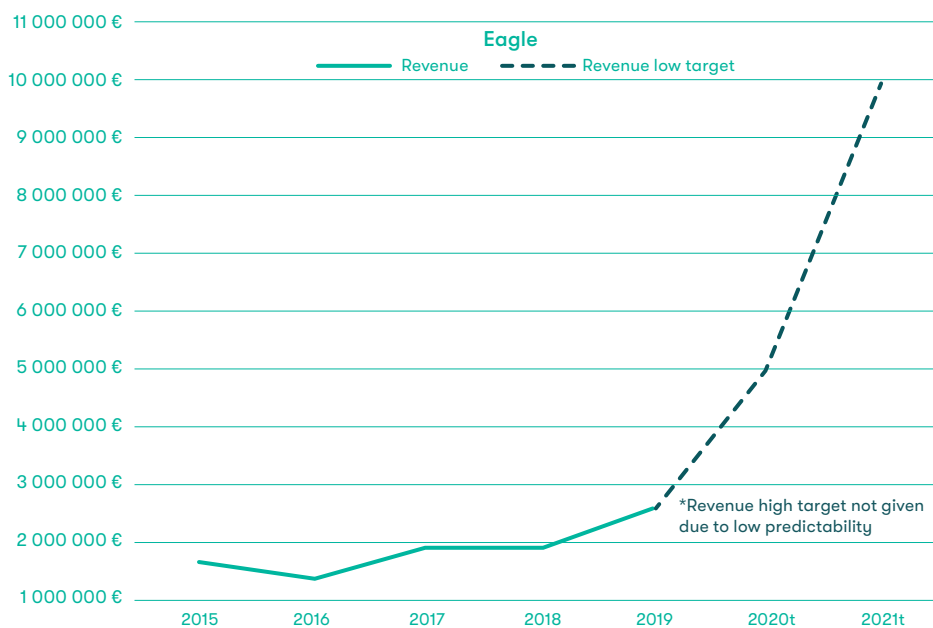
tion more difficult. The targets regarding the industrial business have therefore been lowered, but at the same time the new respirator business provides a large opportunity for growth. The target volumes for the respirator business during 2020 and 2021 have a wide spread due to, among other things, fluctuating market conditions and uncertainties regarding the CE certification delivery time.

### NON-AUDITED FINANCIALS H1/2020 (ESTIMATE) / H1/2019

Revenue H1/2020	Revenue H1/2019	EBITDA H1/2020	EBITDA H1/2019
1 270 000	1 260 000	-783 000	-361 000

Revenue development and Loudspring's target range for 2020 and 2021 revenue for Eagle Filters is illustrated below.

### EAGLE FILTERS REVENUE DEVELOPMENT AND TARGET RANGE



Targets for Eagle	2020	2021
Revenue low target	5 000 000	10 000 000
Revenue high target	n/a	n/a

## Nuuka Solutions

*Nuuka Solutions makes buildings work smart and turns them healthy. Nuuka connects building automation, energy meters and IoT into a cloud data platform. The data platform provides energy and indoor climate analytics, process diagnostics and machine learning apps to save energy, improve sustainability and save costs through as well as streamlined operations and reporting. Customers include large building portfolio owners, property developers, retail chains and smart cities. Nuuka focuses on using analytics, machine learning and AI, and its technology, to operating buildings and make them healthy.*

### BUSINESS UPDATE

Nuuka companies' revenue H1 2020 was EUR 644 400 (unaudited estimate). Revenue grew 40% from H1 2019, and decreased 2% from H2 2019. Nuuka's contracted Monthly Recurring Revenue (MRR) was at the end of the review period EUR 135 thousand / month. This is the anticipated monthly revenue from current signed contracts after the projects have been fully installed. The recurring revenue grows gradually as buildings are connected to Nuuka over a period of several months or years in some cases. Invoiced MRR grew to 72.5k€, with 6% average monthly net growth.

Nuuka's first Artificial Intelligence app was released. This unique application uses Machine Learning to control air ventilation in the properties, and thus offer guaranteed indoor climate for tenants while creating substantial energy savings – without needing any manual work after one time installation. After the reporting period Nuuka signed

the first product for the application: City of Lappeenranta.

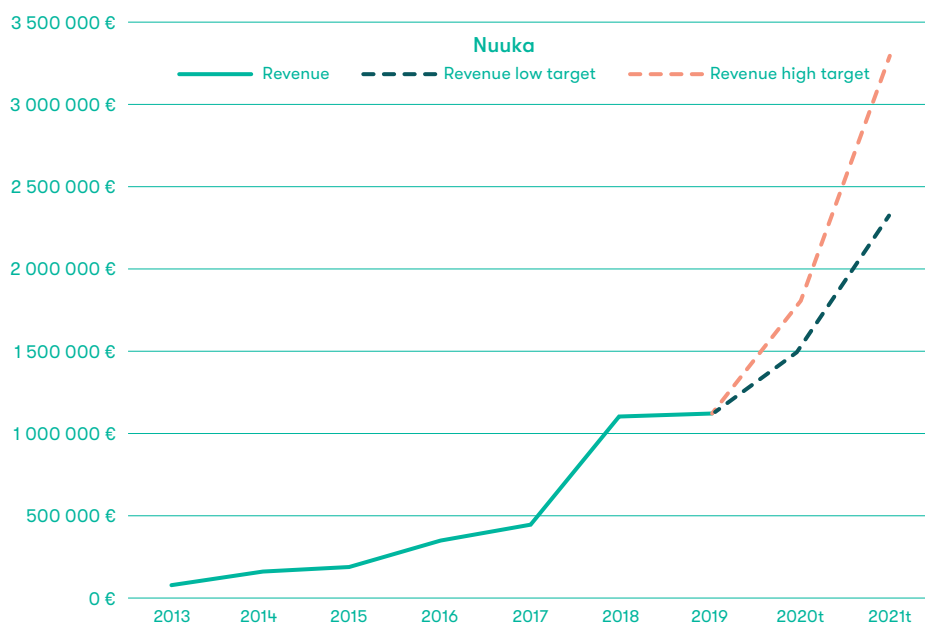
The corona epidemic slowed down new customer acquisition and also slowed project deliveries. Thus, revenues are impacted. However, Nuuka was able to continue to grow its MRR during the review period.

### NON-AUDITED FINANCIALS H1/2020 (ESTIMATE) / H1/2019

Revenue H1/2020	Revenue H1/2019	EBITDA H1/2020	EBITDA H1/2019
644 400	461 000	-504 000	-566 000

Revenue development and Loudspring's target range for 2020 and 2021 revenue for Nuuka Solutions is illustrated below.

### NUUKA SOLUTIONS REVENUE DEVELOPMENT AND TARGET RANGE



Targets for Nuuka	2020	2021
Revenue low target	1 500 000	2 350 000
Revenue high target	1 800 000	3 300 000

## ResQ Club

*ResQ is an app for rescuing surplus food from restaurants and grocery stores, at big discounts. The online marketplace enables restaurants, cafes and grocery stores to sell their surplus food to nearby people who want to save time, money and the planet while enjoying quality food.*

### BUSINESS UPDATE

GMV for H1 2020 was EUR 3,95 million and revenue EUR 694 916 (unaudited estimates), up 46% from H1 2019 and 20% from H2 2019.

The restaurant industry was heavily impacted by the pandemic during Q2. Despite a dramatic drop in the market, ResQ was relatively mildly impacted. Monthly GMV saw a 25% decline from March to May. Since then, GMV has continued to grow.

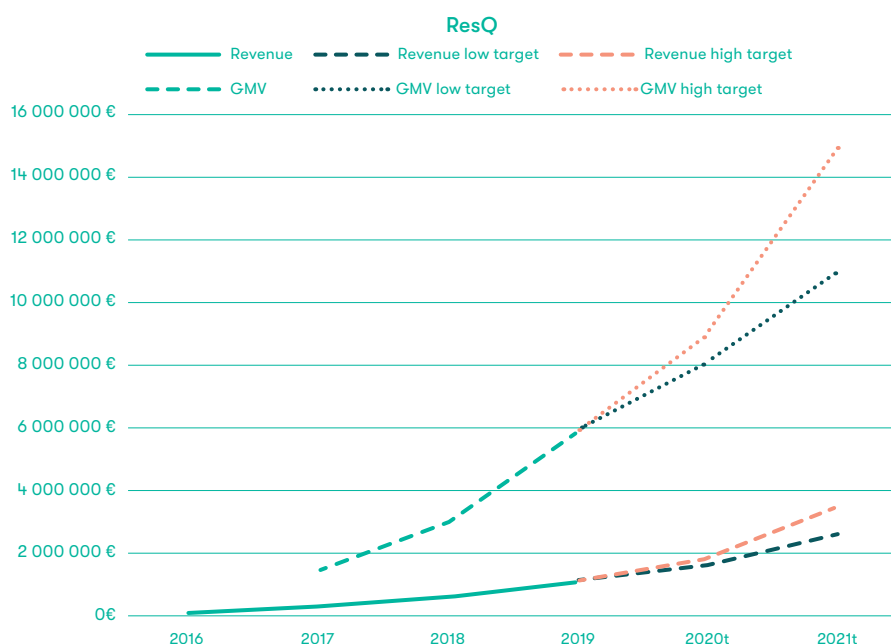
ResQ Club continued to progress according to its strategy, also during Q2/2020, and has made preparations for international expansion throughout the year. So far, revenue from outside Finland remains relatively small and the company expects to continue significant growth in Finland while building capabilities for upcoming expansion.

### NON-AUDITED FINANCIALS H1/2020 (ESTIMATE) / H1/2019

Revenue H1/2020	Revenue H1/2019	GMV H1/2020	GMV H1/2019	EBITDA H1/2020	EBITDA H1/2019
694 916	477 000	3 949 348	2 600 000	2 813	-127 743

Revenue development and Loudspring's target range for 2020 and 2021 revenue for ResQ Club is illustrated below.

### RESQ CLUB REVENUE DEVELOPMENT AND TARGET RANGE



Targets for ResQ	2020	2021
Revenue low target	1 567 445	2 583 740
Revenue high target	1 763 375	3 532 282
GMV low target	8 000 000	11 000 000
GMV high target	9 000 000	15 000 000

## 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

Sofi Filtration's revenues in H1 2020 were EUR 60 000 (unaudited estimate). Revenues decreased by 89% compared to H1 2019 and by 94% compared to H2 2019.

The pandemic has had a significant negative impact on Sofi. The market for investment goods has come to a halt and existing and potential new customer deliveries have been stalled.

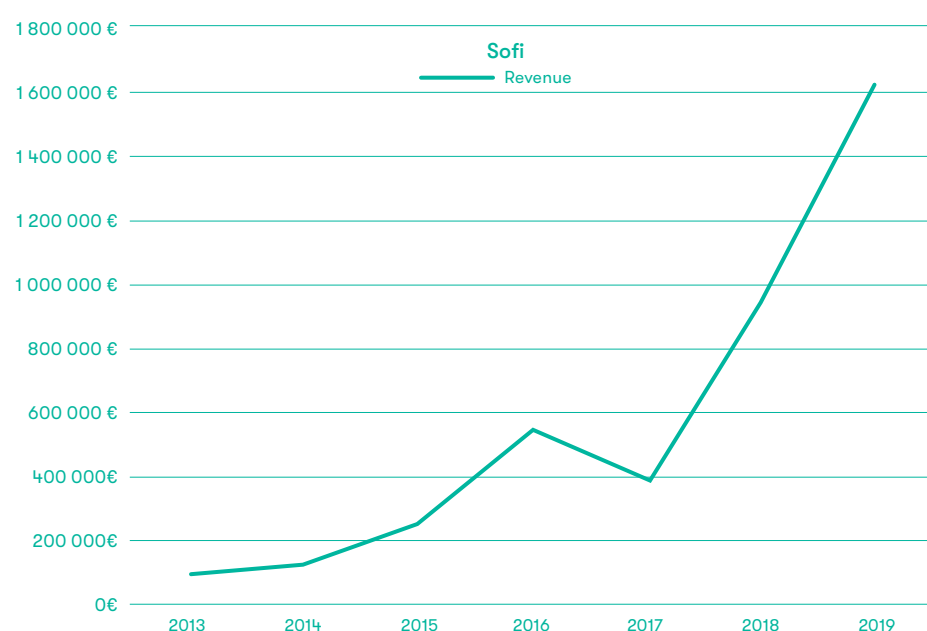
Sofi is targeting to secure additional funding for continuing operations and executing its long term strategy during H2 2020.

### NON-AUDITED FINANCIALS H/2020 (ESTIMATE) / H1/2019

Revenue H1/2020	Revenue H1/2019	EBITDA H1/2020	EBITDA H1/2019
60 000	547 225	-279 000	-280 823

Revenue development for Sofi Filtration is illustrated below. Sofi Filtration's revenue for 2020 and 2021 involves high uncertainty and therefore Loudspring does not set revenue targets for Sofi Filtration. Sofi Filtration's revenue for 2020 is expected to be very low due to delayed orders.

### SOFI FILTRATION REVENUE DEVELOPMENT AND TARGET RANGE



Targets for Sofi	2020	2021
Revenue low target	n/a	n/a
Revenue high target	n/a	n/a

## 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 significantly in their compressed air system electricity costs.*

### BUSINESS UPDATE

As a Nasdaq First North listed company, Enersize reports independently on its developments. Enersize's financial reports can be found on <https://enersize.com/>. Enersize stock owned by Loudspring at the end of H1 2020 had a market value of EUR 2,0 million.

## Other holdings

*Swap.com has deepened its partnerships with inventory partners to reduce inventory related working capital and to streamline its marketplace operations, thus reducing its operating expenses and moving towards its goal of profitability.*



## Income Statement: Revenue and Result

### Revenue

The company's revenue for the review period 1 January to 30 June 2020 was EUR 95 thousand (1-6/2019: EUR 134 thousand).

### Expenses

Personnel costs during the review period 1 January to 30 June 2020 amounted to EUR 172 (247) thousand. The decline in personnel expenses is mainly due to the decrease in persons working for the company.

Other operating expenses in the review period 1 January to 30 June 2020 were a total of EUR 296 (299) thousand.

### Depreciation, amortization and write-downs

Depreciation, amortization and write-downs of intangible and tangible assets in the review period 1 January to 30 June 2020 was a total of EUR 32 (88) thousand.

### Operating income

The company's operating loss for the review period 1 January to 30 June 2020 was EUR 413 (557) thousand. The decrease in operating loss is mainly due to decreased operating expenses.

### Financial income and expenses

Financial income in the review period 1 January to 30 June 2020 was a total of EUR 0 (13) thousand, financial expenses a total of EUR 86 (84) thousand.

### Result for the review period

The net loss of the review period 1 January to 30 June 2020 was EUR 499 (629) thousand.

## Balance Sheet: Financing and Investments

At the end of the review period, the balance sheet total stood at EUR 12 173 (10 523) thousand. The shareholders' equity was EUR 7 558 (6 607) thousand and the equity ratio was 62,1% (74,4%).

The total current liabilities at the beginning of the review period was EUR 814 thousand and EUR 916 thousand at the end of the review period.

Loudspring increased its loan facility with NEFCO by 1 million EUR and NEFCO's conversion option was removed. During the review period Loudspring made draw-downs totalling EUR 0,8 million from the NEFCO loan facility. At the end of the review period Loudspring had untapped NEFCO loan facilities totalling EUR 200 thousand. Loudspring has a plan for securing funding required for its operations.

## Investments During the Review Period

Eagle Filters Oy: Loudspring participated in an investment round in Eagle Filters. Current ownership is 80,1%.

Enersize Oy: Loudspring participated in Enersize's rights issue in June 2020, increasing Loudspring's ownership from 19,2% to 19,6%.

ResQ Club: During the review period Loudspring increased its ownership in ResQ Club to 25,3%.

In addition, Loudspring has made follow-on investments in the form of loans to Eagle Filters, Nuuka Solutions and Swap.com totalling EUR 810 000 during the review period.

## Personnel, Management and Administration

The company went through the following personnel changes during the review period:

Previous member of the board Catharina Burch left the board at the AGM 3rd of August. Anders Lundström was elected as a new member of the board.

Matti Vuoria was re-elected as the Chairman of the Board. At the end of the review period the Board of Directors consisted of Matti Vuoria (Chairman), Lassi Noponen (Vice Chairman), James Penney, Tiina Kähö, Johan Strömberg and Anders Lundström. Loudspring employed on average 5 persons during the review period.

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## Annual General Meeting

The Annual General Meeting of Loudspring was held on the 3rd of August 2020 in Helsinki. The Annual General Meeting adopted the annual accounts for 2019 and resolved that the net loss of EUR 4 151 030,77 be transferred to accrued earnings and that no dividend be paid. The Annual General Meeting discharged the members of the Board of Directors and the CEO from liability for the year 2019. The Annual General Meeting resolved that the members of the Board of Directors be paid EUR 400 per month and that the Chairman of the Board would be granted 25 000 stock options, the Vice-Chairman 20 000 stock options and the other members of the Board of Directors 15 000 stock options as annual remuneration. In addition, the Board members who have been elected to the Board of Directors by the Annual General Meetings held on 21 April 2017, 20 April 2018 and 26 April 2019 be granted 10 000 stock options for years 2017 and 2018, in addition, the Chairman be granted 25 000, Vice Chairman 20 000 and other Board members 15 000 stock options for year 2019 (a total of 165 000 stock options), as the stock options granted by the Annual General Meetings held on 21 April 2017, 20 April 2018 and 26 April 2019 have not been issued to such members of the Board of Directors. The stock options shall be issued based on the authorization granted by the Annual General Meeting. The remuneration of the members of the Board of Directors is not paid to persons working for the company. The members of the Board of Directors are reimbursed for reasonable travel and lodging costs. Travel and lodging costs will not be compensated to those members of the Board of Directors who reside in the greater Helsinki area when the meetings are held in the greater Helsinki area.

The AGM resolved that six members be elected to the Board of Directors and re-elected the current members of the Board of Directors Mr. Lassi Noponen, Mr. James Penney, Mr. Matti Vuoria, Ms Tiina Kähö and Mr. Johan Strömberg as members of the Board of Directors and elected Mr. Anders Lundström as a new member to the Board of Directors for a term ending at the closing of the Annual General Meeting of year 2021.

The Annual General Meeting resolved that the auditor's fees are paid according to the auditor's invoice approved by the company. The Annual General Meeting elected auditing firm KPMG Oy Ab as the company's auditor. KPMG Oy Ab has informed that the principal auditor will be Mr. Petri Kettunen, Authorised Public Accountant.

Three main authorizations were given: 1) authorizing the Board of Directors to decide on issuance of shares, 2) authorizing the Board of Directors to decide on issuance of options and 3) authorizing the Board of Directors to decide on acquisition of the company's own shares.

The AGM decisions are available in detail on the company website at: <https://loudspring.earth/news/category/1213/resolutions-of-loudspring-plcs-annual-general-meeting1>









## Outlook 2020

All Loudspring portfolio companies face many growth company challenges and thus carry significant amounts of risks. At the same time, the companies are maturing and are better equipped to face these challenges.

Due to the pandemic, the market outlook is clearly two folded for Loudspring's core portfolio companies. The business environment is expected to remain difficult for investment products due to travel restrictions and the economic downturn. Sofi Filtration's and Eagle Filters' industrial filter businesses suffer from this situation in the short run. However, Eagle Filters' respirator business provides a significant opportunity for growth during H2. The global pandemic is expected to accelerate digitalization, and this trend supports the growth of Loudspring's digital businesses such as Nuuka and ResQ Club.

Loudspring's mission of saving natural resources is widely appreciated in the society and the demand for energy and resource efficiency is a megatrend that provides vast opportunities for growth, as well as increasing competition, for all of Loudspring's core portfolio companies. Economic stimulus focused on green technologies and digital transformation is expected to support portfolio companies' growth in a post pandemic world.

A need for securing additional funding continues for Loudspring and most of the portfolio companies.

Creating a positive environmental impact by business means is a unique long-term business opportunity. Loudspring will continue to work towards achieving set profitability targets as well as securing the required resources for growth.

## Events After the Review Period

After the review period the following events have taken place:

- Eagle Filters' respirator products passed tests required for COVID-19 certification, performed at a European certification laboratory. Passing of the COVID-19 certification test enables the use of respirators in healthcare in EU.
- Eagle Filters has started a CE certification process for its respirator products

## Risks and Uncertainties Accounts

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 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.

Covid-19 pandemic may cause severe negative effects to the Company and Portfolio Companies. These negative effects may include, but not be limited to, effects on operations, financing as well as negative effects on customers, suppliers and partners. Furthermore, the pandemic may cause completely unforeseeable negative effects.

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## Financial Communication

Loudspring Oyj Q3/2020 quarterly summary, which is not a financial performance report or a fully comprehensive report of all events, will be published 30.10.2020. The 2021 financial information release schedule will be published by the end of 2020.

## Share

At the beginning of the review period the company had a total of 27 501 832 shares, divided into 4 304 031 series K shares each having 20 votes at shareholders' meetings, and 23 197 801 series A shares each having one vote at shareholders' meetings. At the end of the review period the company had a total of 32 501 828 shares, divided into 4 054 031 series K shares and 28 447 797 series A shares.

Loudspring board members and the management team owned on 30.6.2020 a total of 4 836 639 Series A shares, 2 671 247 Series K shares and options that give a right to subscribe 1 209 749 Series K shares and options that give a right to subscribe 310 000 class A-options taking into account all shares and options owned directly and indirectly through companies controlled or influenced by them or through their family members. In addition, 10 000 options that give a right to subscribe series A shares are owned by persons working for the company.

The shares owned by board members and the management team represent approximately 23,1% of the company's all outstanding shares registered on 30.6.2020 in the trade register and 53,2% of the voting rights of the shares.

Loudspring had 4 713 registered shareholders according to the share register on 30th of June 2020. Euroclear Finland had 3 497 shareholders and Euroclear Sweden 1 216 shareholders.

The number of class A shares, which are traded on First North, at the end of the financial period was 28 447 797 and the market cap on 30th of June 2020 EUR 12,2 million. When taking into account also the class K shares, which are not subject to multilateral trading, the market cap was EUR 14,0 million. Closing price of the company's class A share on 30th of June 2020 was 0,43€ per share on First North Finland. During the financial period the highest price paid for the company's class A share on First North Finland was 0,49€, the lowest 0,22€, and the volume-weighted average 0,34€ per share.

The company has a liquidity provision agreement with Pareto Securities that fulfils Nasdaq Stockholm AB's Liquidity Providing (LP) requirements. Loudspring's shares traded on First North Finland are 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 half-year figures for 2019 and 2020 of the review have not been audited. The full year figures for 2018 and 2019 of the profit and loss statement, balance sheet and statement of cash flows are audited. The figures presented are rounded.

## 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.

## Profit and Loss Statement

EUR '000	1 - 6 / 2020	1 - 6 / 2019	1 - 12 / 2019
Turnover	95	134	204
Materials and services	-10	-56	-79
Personnel expenses	-172	-247	-385
Depreciation and impairment charges	-32	-88	-63
Other operating expenses	-296	-299	-571
Operating loss	-413	-557	-914
Financial income	0	13	54
Financial expenses	-86	-84	-3 290
Result before taxes	-499	-627	-4 146
Taxes	0	-2	-2
Result for the financial period	-499	-629	-4 149
Basic earnings per share	-0,02	-0,03	-0,17
Diluted earnings per share	-0,01	-0,02	-0,14



## Balance Sheet

EUR '000	30/06/20	30/06/19	31/12/19
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	0	3	30
Tangible assets	14	16	15
Holdings in group undertakings	1 771	1 155	1 640
Holdings in participating interests	5 188	9 193	4 961
Other shares and similar rights of ownership	1 812		1 448
<i>Total non-current assets</i>	<b>8 785</b>	<b>10 367</b>	<b>8 094</b>
CURRENT ASSETS			
Accounts receivables	187	187	234
Loan receivables from participating interests	1 130	1 127	672
Loan receivables from group undertakings	1 350	1000	1000
Loan receivables	35		
Other receivables	63	51	51
Deferred assets	10	228	22
Cash and cash equivalents	612	32	450
<i>Total current assets</i>	<b>3 388</b>	<b>2 625</b>	<b>2 429</b>
<i>Total assets</i>	<b>12 173</b>	<b>12 992</b>	<b>10 523</b>

## EQUITY AND LIABILITIES

SHAREHOLDERS EQUITY			
Share capital	80	80	80
Reserve for invested non-restricted equity	19 465	17 015	18 015
Revaluation reserve	1 958	2 491	1 958
Retained earnings	-13 447	-9 296	-13 447
Result for the financial period	-499	-629	-4 149
<i>Total shareholders equity</i>	<i>7 558</i>	<i>9 661</i>	<i>6 609</i>
LIABILITIES			
NON CURRENT			
Deferred tax liability	0	0	0
Bank loans	3 800	3 000	3 000
Current liabilities			
Bank loans	500	195	500
Accounts payable	22	10	50
Other current liabilities	302	45	230
Accruals	63	82	65
<i>Total liabilities</i>	<i>4 615</i>	<i>3 331</i>	<i>3 916</i>
<i>Total equity and liabilities</i>	<i>12 173</i>	<i>12 992</i>	<i>10 523</i>

## Statement of Cash Flows

EUR '000	1 - 6 / 2020	1 - 6 / 2019	1 - 12 / 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Result before taxes	-499	-627	-4 146
Taxes	0	-2	-2
Adjustments	125	-9	3 126
Depreciation	32	88	63
Change in receivables, increase (-), decrease (+)	47	-127	32
Change in current liabilities, increase (+), decrease (-)	-99	-99	-101
Cash flow from operating activities	-394	-776	-1 030
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	0	0	0
Investments in group undertakings	-100	0	-200
Investments in shares of participating companies	-613	-5	-192
Returns received for participating companies	0	261	261
Dividend income from shares	0	0	0
Loans granted to participating companies	-560	-617	-865
Loans granted to group undertakings	-450	-1 200	-1 320
Repayment of loan receivables	100	600	720
Loan receivables from others	0	0	0
Cash flow from investing activities	-1 623	-961	-1 596

## CASH FLOW FROM FINANCING ACTIVITIES

Share issue against payment	1 450	0	1 000
Increase in non-current liabilities	800		2 500
Increase in current liabilities	0		0
Increase in interest bearing liabilities	0	2 194	0
Decrease in interest bearing liabilities	-70	-500	-500
Dividends and other profit distribution	0	0	0
Cash flow from financing activities	2 180	1 694	3 000

CHANGE IN CASH AND CASH EQUIVALENTS	163	-44	375
Cash and cash equivalents at the beginning of the period	450	76	76
Cash and cash equivalents at the end of the period	612	32	450

# 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, 2020	80	1 958	18 015	-13 447	0	6 607
Revaluation reserve	0	527	0	0	0	527
Reserve for invested non-restricted equity	0	0	1 450	0	0	1 450
Result for the financial period	0	0	0	0	-499	-499
SHAREHOLDERS EQUITY JUNE 30, 2020	80	1 958	19 465	-13 447	-499	7 558
SHAREHOLDERS EQUITY JANUARY 1, 2019	80	3 045	17 015	-9 296	0	10 844
Share issue	0	0	0	0	0	0
Revaluation reserve	0	-553	0	0	0	-553
Result for the financial period	0	0	0	0	-629	-629
SHAREHOLDERS EQUITY JUNE 30, 2019	80	2 491	17 015	-9 296	-629	9 661
SHAREHOLDERS EQUITY JANUARY 1, 2019	80	3 045	17 015	-9 296	0	10 844
Share issue	0	0	1 000	0	0	1 000
Revaluation reserve	0	-1 086	0	0	0	-1 086
Result for the financial period	0	0	0	0	-4 149	-4 149
Reserve for invested non-restricted equity	0	0	0	0	0	0
SHAREHOLDERS EQUITY DECEMBER 31, 2019	80	1 958	18 015	-9 296	-4 125	6 607





Loudspring