

Loudspring

Investor Memorandum -
Loudspring Rights Issue 2022



Rights issue

February 28 2022

Up to 23,880,845 class A shares

Subscription price EUR 0.104 or SEK 1.09 per share

Loudspring Oyj (“Loudspring” or the “Company”), a public limited liability company registered in Finland, is offering up to 23,880,845 new class A shares (the “Offer Shares”) in a rights issue primarily to its shareholders at the subscription price of EUR 0.104 or SEK 1.09 per Offer Share (the “Subscription Price”) in accordance with the terms of the Offering (the “Offering”) set out below. The Offer Shares will be payable in euro in Finland or Swedish krona in Sweden. The Offer Shares will constitute up to 33.3 per cent of all shares in the Company should the Offering be subscribed for in its entirety.

Loudspring will give all shareholders registered in Loudspring’s shareholder register maintained by Euroclear Finland Ltd (“Euroclear Finland”) or Euroclear Sweden Ltd (“Euroclear Sweden”) one (1) book-entry subscription right (the “Subscription Right”) per each share held on the Offering record date of 24 February 2022 (the “Record Date”). Two (2) Subscription Rights entitles their holder to subscribe for one (1) Offer Share. Fractions of Offer Shares are not assigned, and a single Subscription Right may not be exercised only partially. The Subscription Rights will be registered in shareholders’ book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 25 February 2022 and in the book-entry system maintained by Euroclear Sweden approximately on 28 February 2022. The Subscription Rights can be freely assigned, and they will be traded on the First North Growth Market Finland marketplace (“First North Finland”) maintained by Nasdaq Helsinki Oy (trading symbol LOUDU0122, ISIN: FI4000518196) and the First North Growth Market Sweden marketplace (“First North Sweden”) maintained by Nasdaq Stockholm AB (trading symbol LOUDS TR, ISIN: SE0017563570) between 1 March 2022 and 10 March 2022. The subscription period for the Offer Shares will commence on 1 March 2022 at 9:30 Finnish time (8:30 Swedish time) and will end on 17 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Sweden. Unexercised Subscription Rights will expire and have no value on 17 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Sweden. Please see “Terms and conditions of the Offering – Exercising Subscription Rights”.

The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden. After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the “Temporary Shares”) will be entered in the subscriber’s book-entry account. Trading in the Temporary Shares will commence on First North Finland (trading symbol LOUDN0122, ISIN: FI4000518204) and on First North Sweden (trading symbol LOUDS BTA, ISIN: SE0017563588) as their own special share class on approximately 1 March 2022. The Temporary Shares will be combined with the Company’s current shares after the Offer Shares have been registered in the Trade Register. The combining will occur in the book-entry system maintained by Euroclear Finland approximately on 1 April 2022 and in the book-entry system maintained by Euroclear Sweden approximately on 8 April 2022. The Offer Shares will be subject to trading together with the Company’s existing shares approximately on 4 April 2022 on First North Finland and approximately on 8 April 2022 on First North Sweden.

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Nasdaq Helsinki Oy and Nasdaq Stockholm AB approve the application for admission to trading.

Investment in the Offer Shares involves risks. The principal risk factors are discussed under "Risk factors" below.

Important information and notice to investors

In connection with the Offering, the Company has prepared this investor memorandum (the “Investor Memorandum”) as well as basic information document in accordance with Chapter 3, Section 2 of the Finnish Securities Markets Act (746/2012, as amended) (the “Basic Information Document”). The Offering does not require a prospectus approved in accordance with the Finnish Securities Markets Act (746/2012, as amended). This document (the “Investor Memorandum”) or the Basic Information Document is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the “Prospectus Regulation”) or other applicable securities market laws and have not been approved by the Finnish Financial Supervisory Authority or any other authority.

The Offering will be governed by the laws of Finland and any disputes arising in connection with the Offering will be settled by a court of competent jurisdiction in Finland.

No person has been authorised to give any information or to make any statements regarding the Offering other than those contained in the Investor Memorandum and the Basic Information Document.

The information contained herein is current as at the date of the Investor Memorandum and the Basic Information Document. The validity of the Investor Memorandum and the Basic Information Document ends upon the end of the offer period. Obligation to provide with supplement to the Investor Memorandum and the Basic Information Document due to a significant new fact, material error or material inaccuracy shall end when the Investor Memorandum and the Basic Information Document are no longer valid.

The information contained in the Investor Memorandum and the Basic Information Document is not an insurance or guarantee of future events by Loudspring and should not be construed as such. Unless otherwise stated, estimates of market developments related to the Company, its portfolio companies or their business are based on estimates reasonably verified by the Company’s management.

Neither the publication of the Investor Memorandum and the Basic Information Document nor the offer, sale or delivery of the Subscription Rights or the Offer Shares based on the Investor Memorandum and the Basic Information Document, does not in any circumstances mean that no changes could occur in the Company’s business after the date of the Investor Memorandum and the Basic Information Document or that the information contained in the Investor Memorandum and the Basic Information Document would hold true in the future. However, the Company has the obligation to supplement the Investor Memorandum and the Basic Information Document prior to the end of the offer period due to an error or omission of material information or material new information not included in the Investor Memorandum and the Basic Information Document, discovered prior to the end of the offer period if information bears material significance to the investors. According to the law, such inaccurate, insufficient, or new material information shall be published without undue delay by way of publishing a supplement to the Investor Memorandum and the Basic Information Document in the same manner as the Investor Memorandum and the Basic Information Document.

Investors are encouraged to follow company announcements published by the Company.

Making an investment decision regarding the Offering should be based on an independent assessment of the legal, tax, business, financial and other consequences of subscription or acquisition of the Subscription Rights and the Offer Shares, including the merits and risks involved. Any tax consequences arising from an investor’s participation in the Offering will be solely on account of such investor.

In certain countries legislation may restrict the distribution of this Investor Memorandum and the Basic Information Document and sale and offering of the Subscription Rights and the Offer Shares. This Investor Memorandum and the Basic Information Document does not constitute an offer to issue the Subscription Rights or the Offer Shares to anyone in a country where it would be prohibited by local laws or other regulations to offer shares to such a person. This Investor Memorandum and the Basic Information Document or any other material relating to the Offering shall not be delivered to or published in any country without complying with the laws and regulations of such coun-

try. The Company and its advisers recommend the persons into whose possession the Investor Memorandum and the Basic Information Document come to adequately familiarise themselves of and to observe all such restrictions.

The Offering does not apply to persons resident in Australia, South-Africa, Hong Kong, Japan, Canada, New Zealand, Singapore or the United States or in any other country where it would be prohibited by local laws or other regulations. The Subscription Rights or the Offer Shares have not been registered or will not be registered in accordance with the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state of the United States and, accordingly, may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S), unless registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of the United States.

Neither the Company nor its advisers accept any legal responsibility for any violation of these restrictions, whether or not a prospective subscriber or purchaser of the Subscription Rights and the Offer Shares is aware of such restrictions. This Investor Memorandum and the Basic Information Document does not constitute an offer of, or an invitation to purchase, any of the Subscription Rights or the Offer Shares in any country where such an offer or invitation is against the law. No actions have been taken to register or to permit a public offering of the Subscription Rights or the Offer Shares in any jurisdiction outside Finland and Sweden.

The Company reserves the right based on its sole discretion to resolve on rejection of such subscription of the Offer Shares that, based on the Company's or its representative's opinion, may lead to breach of any law, rule or regulation.

Background and reasons for the Offering and use of proceeds

This Investor Memorandum has been prepared in connection with a share issue of Loudspring (the “Offering”) in which up to 23,880,845 new class A shares (the “Offer Shares”) are offered for subscription to existing shareholders.

Loudspring is transforming into an industrial company with its 100% subsidiary Eagle Filters Oy (“Eagle Filters” or “Eagle”) as its core business. Eagle Filters provides filtration products and materials as well as PPE. Eagle's customers include some of the world's largest utilities and industrial companies. The company's proprietary technology enables large scale cost savings and CO2 emission reductions.

Eagle Filters has incurred higher than anticipated costs related to pandemic induced logistics and sourcing challenges, moving its production in-house as well as entering the PPE market. Hence, Eagle Filters and Loudspring need to secure additional financing. With advances in material development and production automation, Eagle has been able to improve its sales margins during H2 2021 and aims to improve sales margins further, which will alongside targeted revenue growth lead towards positive EBITDA.

To strengthen its financial position, Loudspring has decided to arrange the Offering.

The total proceeds of the Offering may amount at maximum approximately EUR 2.5 million based on the maximum number of Offer Shares (23,880,845 Offer Shares) and the Subscription Price of EUR 0.104 per Offer Share. The net proceeds from the issuance of the Offer Shares amount to a maximum of approximately EUR 2.5 million, after deducting estimated offering fees and expenses payable by the Company of approximately EUR 40 thousand. The Company may complete the Offering even though the Offer Shares are not subscribed for in full.

In addition to the Offering, Loudspring may renegotiate the repayment schedule of its debt obligations and may raise additional funding to further accelerate growth. To service its medium to long term funding needs, Loudspring also targets to exit its shareholding in Nuuka Solutions Oy. Loudspring entered into an agreement to sell a part of its ownership in Nuuka in February 2022 for EUR 2 million.

Company introduction

Introduction of Loudspring

Loudspring is an investment group focused on saving natural resources. Our strategy is to focus on the ownership and governance in Eagle Filters where we see a clear path to a long term profitable and scalable business, and divest more opportunistic higher risk investments, transforming into an industrial company. Customers of our portfolio companies saved 125 000 tons CO2 emissions during 2020 using our portfolio companies' technology, which equates to the CO2 carbon footprint of 12 000 Finns on average.

The registered business name of the Company is Loudspring Oyj, in Swedish Loudspring Abp and in English Loudspring Plc. The Company was registered in the Trade Register maintained by the Finnish Patent and Registration Office 28 December 2005 under the business ID 2005438-0. The Company's legal entity identifier (“LEI”) is 74370040F0RYWDWUJC65. The Company is domiciled in Helsinki and its company form is a public limited company. The registered address is Loudspring Oyj, Fredrikinkatu 71 A 11, 00100 Helsinki, Finland. Company's class A shares are traded on First North Finland under the ticker LOUD and on First North Sweden under the ticker LOUDS.

The address of the Company's website is www.loudspring.earth. The Company underlines that any other information presented on such website, or any other websites referenced on the Company's website shall not be considered as part of this Investor Memorandum.

Introduction of Eagle Filters

Eagle Filters is a **material science company**, applying the latest technology for developing and producing **filtration materials and products** for improved performance, energy efficiency, reliability and cost reductions.

Eagle Filters has in-depth experience in providing air filtration solutions to one of the most demanding applications: gas turbine inlet air. Having worked with several of the world's largest energy companies, Eagle Filters has developed a high performance air filtration technology that has the ability to significantly reduce energy consumption and emissions of some of the world's largest CO₂ point emitters - gas fired power plants. This technology is currently used successfully by several of Eagle's customers' individual power plants. Eagle's target is to rapidly scale up its high performance filter sales within current and new customers. The growing **Clean Energy business** constitutes the majority of Eagle Filters' current revenues. Eagle's technology delivers up to millions of euros annual savings (per turbine) to the customer.

Eagle's proprietary filtration media provides improved and reliable filtration efficiency, with significantly reduced pressure loss at competitive cost. These proprietary materials provide opportunities to expand to several new filtration application areas, including HVAC, automotive as well as industrial filtration. Eagle intends to enter these new application areas through its **Advanced Materials business**, providing filtration media materials for OEMs. The new materials enable energy and cost savings for end customers.

Eagle has also entered the PPE market and launched the production of FFP2&3 respirators. Initial sales have been made to several hospitals in Finland, and the company is targeting to launch a new series of respirator masks in Q1 2022. The new masks are produced with high quality European materials with excellent breathability and ergonomics. The goal of the **Health and Safety business** is to provide respirators with market leading safety, breathability, design and ergonomics alongside very competitive pricing. The CE certification process for the new models is ongoing, with FFP2 respirators having already passed the technical requirements for certification.

MATERIAL SCIENCE FOR IMPROVED PERFORMANCE



Technology and competitive edge of Eagle Filters

Eagle Filters has conducted research and developed new filtration materials continuously in cooperation with several universities and research institutes. By combining a deep understanding of industrial clients' requirements and applying the latest material and production technologies, Eagle has developed proprietary filter media materials with the following benefits in comparison to market incumbents:

- Up to 50% decreased pressure loss, resulting in energy savings
- More durable, resulting in longer end product life
- Competitive cost

In gas turbine (GT) inlet air filters Eagle has additionally patented a dual layer construction that improves the efficiency and reliability of the filters, further improving performance. Eagle's GT products are especially competitive in conditions where ambient air includes salt or sub-micron pollutants. A large portion of gas turbines are located in areas subject to salt and/or industrial pollutants.

Eagle's filter media, GT filter products and respirators are all produced in-house in Kotka, Finland. The operations are centralised into a 3 500 square metres manufacturing facility with production lines and a testing laboratory.

Eagle's technology enables currently the following benefits for end users:

- Significant fuel cost savings and CO₂ emission reductions in energy production
- More durable and reliable filtration for energy industry as well as real estate
- Competitive pricing

Eagle is developing new advanced materials with the following further benefits:

- Potential for significant energy saving in building ventilation through reduced pressure drop
- Potential to improve indoor air quality through increased filtration efficiency
- Bio-based and/or biodegradable materials

Other holdings

Loudspring has fully-owned subsidiaries Eagle Filters Oy, Lumeron Oy ja Loudspring Sweden AB. In addition, the Company has minority shareholdings in the following companies (situation on 31 December 2021):

Name of the company	Business description	Effective ownership*
Nuuka Solutions Oy	<p>Nuuka is a Finnish PropTech company helping major real estate owners and developers, retail chains, and whole cities to deliver a great indoor climate, save energy, reduce operating costs, cut emissions and increase property lifetime value.</p> <p>Nuuka diagnoses and optimizes HVAC and energy systems using AI.</p> <p>Nuuka is proven in 8 million square meters, in 8 countries, in various kinds of public and commercial buildings.</p>	<p>42.3%</p> <p>(Loudspring agreed to sell a part of its ownership in Nuuka in February 2022 for EUR 2 million. After completion of the transaction the remaining ownership in Nuuka Solutions is 24,2%)</p>
Sofi Filtration Oy	<p>Sofi Filtration provides efficient water filtration technology. The company's self-cleaning filter enables cost efficient micro filtration of large amounts of water. The technology can be applied in several industrial applications and enables energy savings and reduced use of freshwater.</p>	19.6%
Enersize Oyj	<p>Enersize offers energy saving services, with a focus on industrial compressed air systems.</p> <p>Enersize has developed a measurement and data collection system that allows the electricity consumption of industrial compressed air systems to be reduced by as much as 30%.</p> <p>Enersize is listed on Nasdaq First North Sweden.</p>	7.1%
Aurelia Turbines Oy		0.3%
Metgen Oy		1.8%
Sansox Oy		10.3%
Swap.com Services Oy		15.0%**
Clean Future Fund Ky		36.8%

*Effective ownership takes into account both direct and indirect ownership in the portfolio firms. 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. Stock option plans may dilute ownership in the future.

** Situation at 30 June 2021

Loudspring is actively evaluating opportunities to divest other holdings than Eagle Filters and there are a number of opportunities especially in the area of proptech where portfolio company Nuuka Solutions Oy ("Nuuka") has developed very well during recent times.

Loudspring entered into an agreement to sell 18,1% ownership in Nuuka in February 2022 for EUR 2 million. After completion of the transaction the remaining shareholding of Loudspring in Nuuka Solutions is 24,2%.

During the past two years Nuuka has pivoted its solution from energy reporting to automatically diagnose and optimize building performance for public and commercial with Artificial Intelligence (AI). Nuuka is now fully focused on building performance by diagnosing and optimizing HVAC and energy systems using AI.

The benefits of Nuuka's solutions have increased with further improvements in indoor climate, increased reductions in energy consumption and emissions as well as reduced need for manual labor. For example, Nuuka's Optimize solution can improve indoor climate and simultaneously cut buildings' energy consumption significantly – e.g. from 25% to beyond 50% of energy consumed by a ventilation system. Similarly, Nuuka Diagnostics can reduce needed manual work by over 50% and make maintenance more effective. Nuuka has demonstrated these results in numerous cases ranging from small kindergartens to the smartest buildings of the world, such as award winning Workery+ by YIT.

Objectives and strategy

Loudspring focuses on Eagle Filters' business and aims to exit other holdings. The medium to long term objectives for Eagle Filters are as follows:

- 30%+ average annual growth
- 20% EBITDA to revenue

To achieve these objectives, Eagle focuses on the following key tasks:

- Continuous R&D to maintain technological competitive advantages
- Strengthening manufacturing, logistics and sales through new key recruits
- Streamlining operations and sourcing and deploying new materials to improve margins

Team, auditor and Certified Advisor

Management Team

JARKKO JOKI-TOKOLA, CEO

Jarkko Joki-Tokola, (M.Sc. Eng.) has worked as a Co-Founder in CRF Health and Lifeline Ventures. He has been employed in new business development roles in his early career at Fortum and TeliaSonera, and has lived and worked in the US for nearly 10 years.

LASSI NOPONEN, MANAGING DIRECTOR

Lassi Noponen is a co-founder of Loudspring. He has served as a member of the Board, Chairman and/or CEO of Loudspring from November 2010 onwards. In 2001 Lassi co-founded Proventia Group Oy, one of the first investment companies focused on clean technologies. Lassi served as the CEO of Proventia Group until exit in 2006. His previous posts include partner (M&A) at Evli Corporate Finance Oy 1999–2000, and before that, several management posts at Neste Corporation 1992–1999, most recently as Corporate Controller. Lassi has been a member, deputy chairman and Chairman of the Board of Directors of Incap Oyj 2009–2015. By education, Mr. Noponen is a Master of Law and M.Sc. (Mgmt) from London Business School.

TIMO LINNAINMAA, CFO

Timo Linnainmaa is the co-founder of Loudspring (previously Cleantech Invest) and has worked in the cleantech area since 2002, as an advisor and investor. Timo was Cleantech Invest's (currently Loudspring) CEO 2005–2010. Prior to that, he was a Director of the Environmental Management Research unit of Helsinki University of Technology 2002–2005. By education, Timo is a M.Sc. (Industrial Engineering and Management).

Board of Directors

MATTI VUORIA, CHAIRMAN OF THE BOARD

Elected to the Board in 2016. Independent of the Company and the major shareholders.

After a decade of service as the CEO of VARMA Mutual Pension Insurance Company Matti Vuoria retired in 2014. He is currently deputy Chairman of the Board of Wihuri Oy. His previous Board positions include YIT Oy, Stora Enso Oy, Wartsilä Oy, Sampo Oy, Orion Oy and Danisco (Denmark) as well as Nordic Investment Bank. He was the full-time Chairman of the Board of Fortum Oy for five years during 1998-2003. Matti Vuoria is a member of the Swedish Academy of Engineering Sciences.

LASSI NOPONEN, BOARD MEMBER

Elected to the Board in 2010. Major shareholder and not independent of the Company.

Lassi Noponen has been a member of the Board since February 2010. Lassi Noponen is a co-founder of Loudspring. He has served as a member of the Board, Chairman and/or CEO of Loudspring from November 2010 onwards. In 2001 Lassi co-founded Proventia Group Oy, one of the first investment companies focused on clean technologies. Lassi served as the CEO of Proventia Group until exit in 2006. His previous posts include partner (M&A) at Evli Corporate Finance Oy 1999–2000, and before that, several management posts at Neste Corporation 1992–1999, most recently as Corporate Controller. Lassi has been a member, deputy chairman and Chairman of the Board of Directors of Incap Oy 2009–2015. By education, Lassi is a Master of Law and M.Sc. (Mgmt) from London Business School.

JOHAN STRÖMBERG, BOARD MEMBER

Elected to the Board in 2019. Independent of the Company and the major shareholders.

Johan Strömberg is a partner at Nordia Law Firm in Stockholm since 1992. He was also CEO of Nordia Law for two periods. Johan is the founder and Board member of the Lennart Johansson Foundation whose aim is to promote the prerequisites for good leadership in the national and international football federations and football clubs, focusing on democracy, equality, and anti-corruption. He is also a Board member of ACC, a profile clothing company and HLK Ab, an investment company. He was Chairman of the Board of AIK (Sweden's biggest football club) from 2008 to 2013. Johan specializes in company law, dispute resolution, media, sports and entertainment law, real estate and construction law, insurance law and tort law.

JAMES PENNEY, BOARD MEMBER

Elected to the Board in 2016. Independent of the Company and the major shareholders.

James Penney is the Chairman of London based Darwin Property Investment Management Limited and chairs the Investment Committee. In 2015 Darwin Property Investment Management Limited was named 'Alternative Investment Manager of the Year' at European Pension Awards and 'Alternatives Manager of the Year' by LAPF Investment Awards. James Penney is also the owner and MD of Darwin Consulting. Prior to founding Darwin Consulting, James Penney had an academic career including undergraduate and doctoral studies at Trinity College, Cambridge, as Principal Lecturer at Westminster College, Oxford and as a Sloan Fellow at London Business School from which he has a M.Sc. in Management Studies.

Holdings of the Company's Board of Directors and management team

The below table sets out the holdings of shares in the Company as well as rights entitling to shares by the members of the Board of Directors and the management team of the Company on the date of this Investor Memorandum.

	Class K shares	Class A shares	Shares in total	Percentage of shares / votes	Stock options***
Matti Vuoria	0	866 677	866 677	1.81% / 0.67%	70 000
Johan Strömberg	0	105 340	105 340	0.22% / 0.08%	30 000
Lassi Noponen*	1 910 067	178 936	2 089 003	4.37% / 29.61%	190 000
James Penney	0	1 132 183	1 132 183	2.37% / 0.87%	50 000
Jarkko Joki-Tokola**	429 109	6 195 891	6 625 000	13.87% / 11.40%	0
Timo Linnainmaa	991 934	17 244	1 009 178	2.11% / 15.32%	649 886

* Ownership partially through Prila Oy.

** Ownership partially through Thorkel Investments Oy.

*** Entitle to subscription of new class A shares.

Further information about the Board of Directors and other management

During a period of five years from the date of this Investor Memorandum, no member of the Company's Board of Directors or member of the management team:

- has been convicted for fraudulent offences
- has faced official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of the Company, or any company, or from acting in the management or conduct of the affairs of any company.

AUDITOR

Auditing firm KPMG Oy Ab acts as the Company's auditor. Company's principal auditor is Petri Kettunen, Authorised Public Accountant.

CERTIFIED ADVISOR

Erik Penser Bank AB, Appelbergsgatan 27, Box 7405, 103 91 Stockholm, Sweden

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.

The following tables present some of the Company's unaudited preliminary financial information for the financial year ended 31 December 2021 and financial information from the audited financial statements for the financial year ended 31 December 2020. The Company's financial statements have been prepared in accordance with the Finnish Accounting Standards ("FAS"). Loudspring does not report consolidated accounts as Loudspring and its subsidiaries are regarded as a minor group in accordance with Chapter 1, Section 6 a of the Finnish Accounting Act.

Income statement (FAS)	1-12 / 2021	1-12 / 2020
EUR '000	(unaudited)	(audited)
Turnover	180	185
Materials and services	-75	-11
Personnel expenses	-264	-327
Depreciation and amortization	-2	-33
Other operating expenses	-488	-634
Operating loss	-648	-820
Financial income and expenses	-1 026	-518
Result before taxes	-1 674	-1 338
Taxes	0	0
Result for the financial period	-1 674	-1 338

Balance sheet (FAS)	31.12.2021	31.12.2020
EUR'000	(unaudited)	(audited)
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	11	12
Investments	10 835	13 405
Total non-current assets	10 845	13 418
CURRENT ASSETS		
Non-current receivables	3 558	40
Current receivables	144	232
Cash and cash equivalents	43	650
Total current assets	3 744	922
TOTAL ASSETS	14 589	14 340

Balance sheet (FAS)	31.12. 2021	31.12. 2020
EUR '000	(unaudited)	(audited)
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80	80
Revaluation reserve	1 958	1 958
Reserve for invested non-restricted equity	23 862	22 962
Retained earnings	-14 786	-13 447
Result for the financial period	-1 674	-1 338
Total equity	9 441	10 215
LIABILITIES		
Non-current liabilities	2 800	2 800
Current liabilities	2 349	1 325
Total liabilities	5 149	4 125
TOTAL EQUITY AND LIABILITIES	14 589	14 340

Financial performance and targets of Eagle

Eagle Filters companies comprises the parent company Eagle Filters Oy and its subsidiaries Eagle Filters DMCC, Eagle Filters Inc. and Plus-E Oy. The reported figures are Eagle Filters Oy's, as Eagle does not prepare consolidated financial statements. The figures previously reported in semi-annual and annual reports of Loudspring have been estimates of the combined Eagle companies' revenues.

In 2021, Eagle Filters Oy's revenue increased by approximately 27% compared to 2020. Revenue in 2021 was lower compared to targets due to a delay of one EUR 0.5 million customer delivery from December to Q1 2022, and overall difficulties in sourcing materials. However, the revenue grew to approximately EUR 2.9 million in 2021 (unaudited estimate). Eagle Filters Oy's production costs have been higher than expected in 2021 due to high one-time costs related to ramping up own production, as well as heightened material and logistics costs due to the pandemic. These costs coupled with a growing order book have increased the need for working capital.

In 2021 Eagle Filters Oy's EBITDA was EUR -2.5 million (unaudited estimate), improving from EUR -1.5 million in H1 to EUR -1.0 million in H2. The sales and order backlog for 2022 was on the date of this Investor Memorandum EUR 1.8 million and the offers and qualified sales pipeline for 2022 is significantly higher than at the same time during the previous year. The target for 2022 is EUR 4.5-6.0 million revenue*. Eagle has been able to improve its sales margins during H2 2021 and aims to improve sales margins further, which will alongside targeted revenue growth lead towards positive EBITDA.

As part of the transformation into an industrial company, Loudspring will simplify the company structure and administration, optimise capital structure and reduce overhead costs.

*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.

Financial performance and targets of Nuuka

Despite the pivot and the pandemic, Nuuka's total SaaS revenue 2021 is estimated to have grown 25% to 1.01M€. Total revenue 2021 is estimated to have grown to 1.37M€ (+5%) (unaudited estimate). Total revenue growth was slightly below target due to the pandemic and the pivot to new offering, as Nuuka withdrew completely from higher churn and cost residential markets. As an outcome, substantial onboarding revenues from residential markets were no longer generated. Nuuka has now focused solely on public and commercial buildings that drive higher deal size, growth and margin.

During Q4 Nuuka's total quarterly revenue grew 50% to 460k€ compared to Q3. Growth was driven by new products and largely based on onboarding revenue growth which will secure further Monthly Recurring Revenue ("MRR") growth in H1-2022 as onboarding precedes SaaS revenue. As a result January 2022 MRR grew to 93k€. During the last five months, Nuuka has signed and agreed 10 new customers, including e.g. signing a gross area of almost 200.000 m2 during the first days of 2022.

Full year 2022 Nuuka targets for ARR (Annual Recurring Revenue) to reach over 1.6M€. Total revenue is targeted to grow to 2.5M€ (+80%). Nuuka is confident of reaching this target as over 90% of the SaaS target will come from existing customer contracts, agreed current customer extensions and small planned upsell to current customers.

Loudspring believes that it will be able to exit Nuuka in a reasonable timeframe on attractive terms. Loudspring owns 42.3% of Nuuka issued shares, and 37.3% fully diluted.

Loudspring entered into an agreement to sell 18,1% ownership in Nuuka in February 2022 for EUR 2 million. After completion of the transaction the remaining shareholding of Loudspring in Nuuka Solutions is 24,2%.

Significant changes in the Company's financial position

Significant changes during 2021

- Loudspring has funded Eagle Filters growth with loans totaling EUR 3.3 million.
- Loudspring sold some of its shares in Enersize Oyj. Loudspring's ownership at year-end 2021 was 7.1%.
- Loudspring sold its ownership of 24.0% in ResQ Club Oy to a consortium of Finnish private investors. The sales price was EUR 1.5 million and the impact on the result for the period was EUR -76 thousand.
- Loudspring increased its ownership in Eagle Filters to 100% in H2 2021.
- Loudspring executed directed share issues of EUR 0.9 million in total in November-December 2021.

Significant changes during 2022

- The Company has received subscription commitment payments of approximately EUR 1.3 million in relation to the Offering.
- Loudspring entered into an agreement to sell 18,1% ownership in Nuuka in February 2022 for EUR 2 million. After completion of the transaction the remaining shareholding of Loudspring in Nuuka Solutions is 24,2%. The transaction is expected to have a positive impact of appx EUR 1 048 000 on Loudspring's result. The investment company purchasing the shares has made a commitment to also invest EUR 1 million into Nuuka's share issue subject to Nuuka shareholders' meeting's approval.
- There have been no other significant changes in the Company's financial position between 31 December 2021 and the date of this Investor Memorandum.

Material loans of the Company

NEFCO loan agreement

Loudspring and NEFCO (Nordic Environment Finance Corporation) have signed a Convertible Loan Agreement on 21 November 2018. The Convertible Loan Agreement has been amended in 2020 to the effect that the aggregate amount of the loan was increased from EUR 2.5 million to EUR 3.5 million and the conversion option was removed from the agreement.

During H1 2021 Loudspring negotiated the repayment schedule of the NEFCO loan, delaying the first amortization from May 2021 to May 2022. Repayments for the NEFCO loan are made from May 2022 to November 2025. The interest rate for the NEFCO loan is eight percent p.a. on top of the reference rate (six months' EURIBOR). The NEFCO loan agreement requires creditors consent (which shall not be unreasonably withheld) for the selling of shares in portfolio companies Eagle Filters Oy, Nuuka Solutions Oy and Sofi Filtration Oy. The NEFCO loan agreement also includes the following financial covenants: minimum 3 month cash runway; and a solidity ratio of not less than 35%.

The first repayment instalment of the NEFCO loan agreement (EUR 350 000) is due in May 2022, unless the repayment schedule is renegotiated with NEFCO.

Working capital statement

After the completion of the Offering Loudspring Oyj has estimated that it has sufficient working capital for its business operations for at least the next 12 months.

Risk factors

Risks related to the Company and its business operations

Loudspring 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.

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. 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.

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 in Portfolio Companies quickly or without considerable extra costs.

The Company does not independently control its Portfolio Companies, other than its daughter company Eagle Filters, and there may occur potential interest conflicts with the other shareholders and stakeholders exercising influence over each respective Portfolio Companies’ operations.

The information provided by a Portfolio Company to the Company may not be accurate or adequate.

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 and the war between Russia and Ukraine 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 and the war may cause completely unforeseeable negative effects.

Risks related to the shares of the Company and the Offering

AN ACTIVE PUBLIC MARKET FOR THE COMPANY'S SHARES AND THE SUBSCRIPTION RIGHTS MAY NOT DEVELOP

The Company intends to apply for the listing of the Offer Shares and the Subscription Rights on First North Finland and First North Sweden. There can be no assurance as to the liquidity of the Company's shares and the Subscription Rights.

THE MARKET PRICE OF THE SHARES AND THE SUBSCRIPTION RIGHTS COULD FLUCTUATE CONSIDERABLY, AND THE PRICE OF THE SHARES COULD FALL BELOW THE SUBSCRIPTION PRICE

The market price of the Company's shares and the Subscription Rights could be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of innovations, introductions of new products or services by the Portfolio Companies or their competitors, changes in estimates by financial analysts, conditions and trends in the markets, currency exchange rates, regulatory developments, general market conditions or other factors. In addition, international financial markets have periodically experienced price and volume fluctuations that were unrelated to the operating performance or prospects of individual companies. The above-mentioned changes and market fluctuations may result in increased volatility in the market price of the shares, and the price of the shares may fall below the Subscription Price.

THE AMOUNT OF POSSIBLE FUTURE DIVIDENDS TO BE DISTRIBUTED TO SHAREHOLDERS IS NOT CERTAIN

Under the provisions of the Companies Act, the amount of any dividend that the Company will be permitted to distribute is limited to the amount of distributable funds shown on its latest audited financial statements adopted by the General Meeting.

Dividend payments to shareholders are dependent on Loudspring's financial results and capital requirements. Considering Loudspring's current investments and growth prospects, in addition to the Company's liquidity and financial position in general, dividends are not expected to be paid in the near future. Loudspring currently intends to use future earnings to fund the development and growth of Eagle Filters.

No dividends have been paid so far and there can be no assurance that distributable funds will be available in the future. If no dividends are paid, any returns for an investor will depend entirely on the future price development of the Company's share.

SHAREHOLDERS' OWNERSHIP WILL BE DILUTED IF THE SHAREHOLDERS DO NOT EXERCISE THEIR SUBSCRIPTION RIGHTS, AND THE SUBSCRIPTION RIGHTS MAY LOSE THEIR VALUE

In the event a shareholder resolves not to exercise the shareholder's Subscription Rights or if a shareholder or its custodian do not follow the requirements set out in section "Terms and conditions of the Offering", the Subscription Rights will expire without any compensation available for such shareholder. In this event, ownership of such shareholder of all shares and voting rights will be diluted accordingly. Even though a shareholder resolves to sell unexercised Subscription Rights or such Subscription Rights are sold on behalf of the shareholder, the compensation available for the shareholder from relevant market for such Subscription Rights does not necessarily provide sufficient remedy for the dilution caused by the Offering.

As a result of the Offering, the number of the Company's shares may rise from 47,761,691 to a maximum of 71,642,536 shares. The Offer Shares correspond to approximately 50 per cent of all the Company's shares immediately before the Offering and about 33.3 per cent of the Company's shares after the Offering, assuming that the Offering is fully subscribed.

CLASS K SHARES OF THE COMPANY HAVE A 20-FOLD VOTING POWER COMPARED TO CLASS A SHARES

Loudspring has two classes of shares, class K shares and class A shares. The Offer Shares offered in the Offering are class A shares. Each class K share carries twenty (20) votes and each class A share carries one (1) vote in General Meetings. In other respects, the Company's shares carry equal rights. Each class K share can be converted to a class A share upon demand by the shareholder to the Board of Directors with the conversion ratio 1:1.

SUBSCRIPTIONS ARE IRREVOCABLE, EXCEPT UNDER CERTAIN LIMITED CIRCUMSTANCES

Subscriptions for Offer Shares will be irrevocable upon exercise, and except in certain limited circumstances as set forth in "Terms and conditions of the Offering – Supplements to the basic information document and cancellation of subscriptions", may not be withdrawn, cancelled, or modified after such time.

NOT ALL FOREIGN SHAREHOLDERS MAY BE ABLE TO EXERCISE THEIR SUBSCRIPTION RIGHTS

Certain shareholders, who live or have their registered address in certain countries outside Finland and Sweden, may not be able to exercise their preferential Subscription Rights, because the shares in the Company have not been registered as stipulated in the securities-related legislation of the country in question or in another corresponding manner, unless an exception from the registration and other such requirements set in the applicable laws can be applied. See also "Information regarding the securities – Information regarding the shareholder rights attached to the Offer Shares" in the Investor Memorandum.

INVESTORS IN THE SWEDEN PARTICIPATING IN THE OFFERING MAY BE ADVERSELY AFFECTED BY FLUCTUATIONS IN FOREIGN EXCHANGE RATES

Loudspring's reporting currency is euro. However, the shares admitted to trading on First North Sweden, including the Offer Shares, will be traded and settled in Swedish crowns. Further, any potential future dividends will be denominated and distributed by the Company in euro. However, as regards to shares held on book-entry accounts in the system of Euroclear Sweden, investors would receive the dividends in Swedish crowns after currency conversion from euro. Consequently, the market price of the shares and the dividends received in Swedish crowns are affected by the changes in the exchange rate of the Swedish crown and euro. Therefore, as the Swedish crown is not fixed against the euro, any change in the exchange rate between the Swedish crown and euro may affect the shareholder's return on investment in shares in the Company. The value of dividends and other distributions received in Swedish crowns and the value of shares in the Company quoted on First North Sweden in Swedish crowns could increase or decline as a result. This may have a material adverse effect on the market price of the Company's shares traded on First North Sweden and the future cash flows from dividends of the investors with shares registered with Euroclear Sweden.

HOLDERS OF SHARES IN THE COMPANY REGISTERED IN CUSTODIAL NOMINEE ACCOUNTS MAY NOT BE ABLE TO EXERCISE THEIR VOTING RIGHTS

Beneficial owners of shares in the Company whose shares are registered in a custodial nominee account will not be able to exercise their voting right unless their ownership is re-registered in their names with Euroclear Finland prior to the General Meeting of the Company. The same applies to those shareholders whose shares are registered with Euroclear Sweden. There can be no assurance that beneficial owners of shares in the Company will receive the notice for a General Meeting in time to instruct their nominees to either effect a re-registration of their shares or otherwise exercise their voting right in the manner desired by such beneficial owners. There can further be no assurance that the nominees in fact do carry out all necessary measures to enable such investors to attend a General Meeting, even where properly instructed by such investors.

Terms and conditions of the Offering

The Offering and subscription rights

Loudspring Oyj (“Loudspring” or the “Company”) is offering up to 23,880,845 new class A shares in the Company for subscription by the Company’s shareholders (“Offer Shares”) (the “Offering”).

Loudspring will give all shareholders registered in Loudspring’s shareholder register maintained by Euroclear Finland Oy (“Euroclear Finland”) or Euroclear Sweden AB (“Euroclear Sweden”) one (1) book-entry subscription right (the “Subscription Right”) per each share held on the Offering record date of 24 February 2022. Two (2) Subscription Rights entitle their holder to subscribe for one (1) Offer Share. Fractions of Offer Shares are not assigned, and a single Subscription Right may not be exercised only partially. The Subscription Rights will be registered in shareholders’ book-entry accounts in the book-entry system maintained by Euroclear Finland approximately on 25 February 2022 and in the book-entry system maintained by Euroclear Sweden approximately on 28 February 2022. The Subscription Rights can be freely assigned, and they will be traded on First North Finland (trading symbol LOUDU0122, ISIN: FI4000518196) and First North Sweden (trading symbol LOUDS TR, ISIN: SE0017563570) between 1 March 2022 and 10 March 2022. If a Company share entitling to a Subscription Right is subject to a pledge or another such restriction, the Subscription Right may not be exercisable without the consent of the pledgee or other rights holder.

The Company’s Board of Directors has resolved to offer class A shares for subscription also to holders of class K shares of the Company. The Company’s Board of Directors has estimated that this resolution is expected to increase the probability for successful Offering. The Board of Directors considers that this constitutes weighty financial grounds in accordance with Chapter 9, Section 4 of the Companies Act for the Company to deviate from the shareholders’ share class specific pre-emptive subscription right.

The right to subscribe for unsubscribed Offer Shares without Subscription Rights

The Board of Directors of the Company shall resolve on offering any unsubscribed Offer Shares secondarily to shareholders and other investors who have submitted a subscription application concerning the Offer Shares during the Subscription Period without Subscription Rights. See subsequently “*Subscription for Offer Shares without Subscription Rights and allocation*”.

Subscription undertakings

The Company has received subscription undertakings from current shareholders amounting to approximately EUR 1.3 million. The terms of the subscription undertakings are described in more detail below.

Current shareholders of the Company have through subscription undertakings committed to subscribe for approximately 52.3 per cent of the Offer Shares offered in the Offering. The Company has received the following binding commitments to subscribe for Offer Shares in the Offering:

Provider of subscription undertaking	Subscription undertaking (shares)	Subscription undertaking (EUR)
Jarkko Joki-Tokola	4 807 692	499 999,97
Ville Väättäjä	4 807 692	499 999,97
TA Ventures Oy	2 884 615	299 999,96
Total	12 499 999	1 299 999,90

The subscription undertakings have already been paid to the Company.

Subscription Price

The Subscription Price of Offer Shares is EUR 0.104 or SEK 1.09 per Offer Share ("Subscription Price"). The Subscription Price for the Offer Shares will be recorded in the reserve for invested unrestricted equity. The Subscription Price includes a normal pre-emptive rights issue discount. The Subscription Price is approximately 40 per cent lower compared with the closing price of the Company's share on First North Sweden on 16 February 2022 (SEK 1.83) and approximately 41 per cent lower compared with the closing price of the Company's share on First North Finland on 16 February 2022 (EUR 0.1775).

Subscription Period

The subscription period for the Offer Shares (the "Subscription Period") will commence on 1 March 2022 at 09:30 Finnish time (08:30 Swedish time) and is expected to end on 17 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Sweden.

The Company may, at its sole discretion, extend the Subscription Period. The Subscription Period may be extended once or several times, however not past 30 March 2022. Any extensions of the Subscription Period will be announced by way of a company release before the end of the Subscription Period.

If the Subscription Period is extended, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly.

Subscription locations, account operators, custodians and nominees may require their customers to submit subscription orders on a certain day prior to the start of trading on the Subscription Rights or before the Subscription Period ends.

Subscription locations

The following function as subscription locations:

- a) In Finland, custodians, and account operators and
- b) In Sweden, Aqurat Fondkommission AB's website at www.aqurat.se and Aqurat Fondkommission AB's premises at Kungsgatan 58, 111 22 Stockholm, Sweden (info@aqurat.se, tel. +46 8-684 05 800).

Exercising Subscription Rights

A shareholder may participate in the Offering by subscribing for the Offer Shares through the Subscription Rights in his/her/its book-entry account and by paying the Subscription Price. In order to participate in the Offering, a shareholder shall make a subscription according to the instructions given by his/her/its custodian or account operator.

The holders of purchased Subscription Rights shall submit their subscription order according to the instructions issued by their custodian or account operator.

Such shareholders and other investors participating in the Offering whose Company shares or the Subscription Rights are registered in the name of a nominee shall submit their subscription order according to the instructions given by their nominee.

The subscription orders must be submitted separately for each book-entry account.

Deficient or erroneous subscription orders may be rejected. If the Subscription Price is not paid according to these terms and conditions or the payment is insufficient, the subscription order may be rejected. In such a situation, the Subscription Price paid will be refunded to the subscriber approximately three (3) local banking days from the date when the subscriptions have been accepted. No interest will be paid for such payment.

Any subscriptions made are binding, and they cannot be changed or cancelled except in accordance with the subsequent section "*Supplements to basic information document and cancellations of subscriptions*".

Unexercised Subscription Rights will expire and have no value when the Subscription Period ends on 17 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Finland and on 15 March 2022 at 16:30 Finnish time (15:30 Swedish time) in Sweden.

Subscription for Offer Shares without Subscription Rights and allocation

The subscription of the Offer Shares without the Subscription Rights by a shareholder and/or another investor is performed by submitting a subscription order and by simultaneously paying the Subscription Price in accordance with the instructions provided by the subscriber's account operator, custodian or, in the case of investors entered into the nominee register, the nominee. A subscription order in Sweden which is sent by mail has to be submitted in good time before the last day for subscription. Only one (1) subscription order without subscription rights can be done. If multiple subscription orders are given, only the last one is taken into account. An incomplete or incorrect subscription order may be ignored. The subscription order is binding.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Finland, shall receive the subscription order and the payment no later than on 17 March 2022 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

The custodian, account operator or nominee of the shareholder and/or investor, whose subscribed Offer Shares are delivered through the book-entry system maintained by Euroclear Sweden shall receive the subscription order and the payment no later than on 15 March 2022 or at an earlier time according to the instructions given by the custodian, account operator or nominee.

If all the Offer Shares have not been subscribed on the basis of the Subscription Rights, Loudspring's Board of Directors will decide on the allocation of the Offer Shares subscribed for without the Subscription Rights as follows:

- a) First to those who also have subscribed for the Offer Shares on the basis of the Subscription Rights. If the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined in a book-entry account-specific manner in proportion to the number of the Subscription Rights used to the subscription for the Offer Shares and, if this is not possible, by drawing lots; and
- b) Secondly to those who have subscribed for the Offer Shares only without the Subscription Rights, and if the subscribers in question oversubscribe the Offering, the allocation to such subscribers will be determined by the Board of Directors.

Loudspring will confirm the approval of the subscription of the Offer Shares subscribed for without the Subscription Rights, if approved, for all investors who have submitted a subscription order to subscribe for the Offer Shares without the Subscription Rights. Investors who subscribe for Offer Shares without Subscription Rights through their account operators in Sweden receive information regarding their subscription according to the routines of the account operator.

If the Offer Shares subscribed for without the Subscription Rights are not allocated in the number referred to in the subscription order, the paid Subscription Price corresponding to the Offer Shares not obtained will be refunded to the subscriber approximately on 23 March 2022. No interest will be paid on such a payment.

Dilution of the shareholding

As a result of the Offering, the number of the Company's shares may rise from 47,761,691 to a maximum of 71,642,536 shares. The Offer Shares correspond to approximately 50.0 per cent of all the Company's shares and approximately 18.4 per cent of votes immediately before the Offering and about 33.3 per cent of the Company's shares and 15.6 per cent of votes after the Offering, assuming that the Offering is fully subscribed.

Approval and payment of subscriptions

The Company's Board of Directors will approve all the subscriptions made on the basis of the Subscription Rights and in accordance with the terms and conditions of this Offering and the applicable laws and regulations approximately on 22 March 2022. In addition, the Company's Board of Directors will approve the subscriptions made without the Subscription Rights and in accordance with the terms and conditions of the Offering applicable laws and regulations pursuant to the allocation principles presented above in the section "*Subscription for Offer Shares without Subscription Rights and allocation*".

The Subscription Price of the Offer Shares subscribed for in the Offering must be paid in full in euro in Finland or Swedish krona in Sweden in connection with the submission of the subscription order according to the instructions given by the subscription location, the custodian, or the account operator.

Jarkko Joki-Tokola, Ville Väätäjä and TA Ventures Oy who have given the Company subscription commitments can however pay their subscriptions by offsetting the subscription price with the subscription commitment payment. The amount of subscription commitments already paid is approximately EUR 1.3 million in total.

A subscription is considered made when the subscription order has arrived at the subscription location, the account operator or custodian in question and the Subscription Price has been paid in full. By subscribing, the subscriber

authorises his / her account operator to disclose the necessary personal data, the number of his / her book-entry account and the details of the subscription to the parties involved in the order or the execution of the order to allocate and settle the Offer Shares.

Announcement of outcome of the Offering

Provided that no changes are made to the Subscription Period, the Company will announce the outcome of the Offering approximately on 22 March 2022 by way of a company release.

Registration and delivery of the Offer Shares

The Offer Shares subscribed for in the Offering will be issued as book entries in the book-entry system of Euroclear Finland and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden.

After the subscription, temporary shares corresponding to the Offer Shares subscribed for based on the Subscription Rights (the “Temporary Shares”) will be entered in the subscriber’s book-entry account. Both in Finland and Sweden this is estimated to be the next day, in accordance with Euroclear Finland’s and Euroclear Sweden’s clearing timetable. Trading in the Temporary Shares will commence on First North Finland (trading symbol LOUDN0122, ISIN: FI4000518204) and on First North Sweden (trading symbol LOUDS BTA, ISIN: SE0017563588) as their own special share class approximately on 1 March 2022. The Temporary Shares will be combined with current Shares after the Offer Shares have been registered in the Trade Register. The delivery and combination will take place approximately on 1 April 2022, in the book-entry system maintained by Euroclear Finland, and the Offer Shares will be subject to trading together with the Company’s existing shares approximately on 4 April 2022 on First North Finland. The delivery and combination will take place approximately on 8 April 2022, in the book-entry system maintained by Euroclear Sweden, and the Offer Shares will be subject to trading together with the Company’s existing shares approximately on 8 April 2022 on First North Sweden.

The Offer Shares subscribed for without the Subscription Rights will be delivered at the same time as the ones that have been subscribed for with the Subscription Rights, and no Temporary Shares will be delivered in respect to these.

Supplements to basic information document and cancellations of subscriptions

Subscriptions placed in the Offering are binding and irrevocable and may only be cancelled in situations described below.

If the basic information document prepared by the Company in connection with the Offering is supplemented due to a significant new fact, material error or material inaccuracy, which may affect in evaluation of the Offer Shares or the Temporary Shares, investors that have agreed to subscribe for Offer Shares before the publication of the supplement, have the right to cancel the subscription during a specified time period. The duration of the said time period shall be at least three (3) working days of the publication of the supplement to the basic information document. The cancellation by the investor shall apply to all subscriptions of the said investor. In addition, the right of cancellation is conditional to the occurrence or noting of the abovementioned significant new fact, material error or material inaccuracy prior to the end of the Subscription Period or entry of the Offer Shares or the Temporary Shares subject to cancellation into subscriber’s book-entry account (whichever is first in order). The cancellation must be notified in writing to the account operator, custodian or nominee where the subscription order has been placed.

After the end of the cancellation period, the cancellation right does not exist.

If an investor has cancelled its subscription, any Subscription Price already paid by that investor will be returned to the bank account of the investor given by the investor in connection with the subscription. The funds will be repaid within three (3) local banking days of the cancellation of the subscription. No interest will be paid on the funds returned. The Company announces the cancellation instructions in a company release in connection with the publication of the supplement to the basic information document. If a shareholder of the Company has sold or otherwise transferred his Subscription Rights, the sale or transfer cannot be cancelled.

Legal issues

Legal proceedings and arbitrations

Loudspring has not during the past 12 months been a party to a governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Loudspring is aware), which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of Company.

Conflicts of interest

The conflicts of interest of the management of Finnish companies are regulated in the Companies Act. Pursuant to the disqualification rule in Chapter 6, Section 4 of the Companies Act, a member of the Board of Directors shall not participate in the consideration of a matter pertaining to a contract between the member and the Company. A member of the Board of Directors shall likewise not participate in the consideration of a matter pertaining to a contract between the Company and a third party, if the member is to derive an essential benefit in the matter and that benefit may be contrary to the interests of the Company. The above-mentioned disqualification provision shall respectively be applied to other legal acts and court proceedings as well as to other exercise of right of action. The same provisions are applied to the managing director.

The members of the Board of Directors, the managing director or other members of the management team do not have conflicts of interests between their tasks in relation to the Company and their private interests or other duties, and none of them has been appointed to their position in the Company pursuant to an arrangement or understanding with major shareholders, customers, suppliers or others.

Related party transactions

Loudspring's related parties set forth in the international accounting standards issued pursuant to Regulation (EY) N:o 1606/2002 include Loudspring's subsidiaries, the members of Loudspring's Board of Directors, the managing director, the members of Loudspring's management team and shareholders who have significant influence over the Company. The Company's related parties further include close family members of such persons and entities in which such persons have a controlling interest.

In the financial years ended 31 December 2020 or 31 December 2021 or in the current financial year, as of the date of the Investor Memorandum, the Company has not had any significant related party transactions.

Ownership structure

On the date of this Investor Memorandum, the fully-paid share capital of the Company amounts to EUR 80,000.00. There are a total of 47,761,691 shares in the Company of which 43,453,097 are class A shares and 4,308,594 class K shares. Each class K share carries twenty (20) votes and each class A share carries one (1) vote in General Meetings. In other respects, the Company's shares carry equal rights. Each class K share can be converted to a class A share upon demand by the shareholder to the Board of Directors with the conversion ratio 1:1.

On 4 February 2022, the Company's largest shareholders were the following:

Shareholder	Class A shares	Class K shares	Shares in total	% of shares	% of votes
Verman Group Oy	4 357 639	0	4 357 639	9.12	3.36
Jarkko Joki-Tokola	3 625 000	0	3 625 000	7.59	2.80
Thorkel Investments Oy	2 570 891	429 109	3 000 000	6.28	8.60
Malaja Invest Oy	2 974 138	0	2 974 138	6.23	2.29
Euroclear Bank Sa/Nv	2 401 165	0	2 401 165	5.03	1.85
Rausanne Oy	2 132 671	0	2 132 671	4.47	1.65
Prila Oy	178 936	1 250 204	1 429 140	2.99	19.43
Ville Väätäjä	1 033 333	250 000	1 283 333	2.69	4.65
Christopher Penney	1 132 183	0	1 132 183	2.37	0.87
Holdix Oy Ab	1 118 409	0	1 118 409	2.34	0.86
Other shareholders	21 928 732	2 379 281	24 308 013	50.89	53.64
In total	43 453 097	4 308 594	47 761 691	100.00	100.00

The Company's share capital, shares as well as options and other rights to shares

Share capital

On the date of this Investor Memorandum and on 31 December 2021 and 30 December 2020, the Company's share capital amounted to EUR 80,000.

Shares

Loudspring has two classes of shares, class K shares (ISIN code FI4000092515) and class A shares (ISIN code FI4000092523). Each class K share carries twenty (20) votes and each class A share carries one (1) vote in General Meetings. In other respects, the Company's shares carry equal rights. Each class K share can be converted to a class A share upon demand by the shareholder to the Board of Directors with the conversion ratio 1:1. The Company's shares have no nominal value. The shares have been issued in euros according to Finnish law.

As of the date of this Investor Memorandum, Loudspring does not hold any treasury shares and its subsidiaries does not own any shares in Loudspring.

The following table shows the number of shares issued by the Company on 31 December 2020, 31 December 2021 and as of the date of this Investor Memorandum. On these dates the issued shares have been fully paid and registered in the Trade Register:

Date	Class K shares	Class A shares	Shares (total)
31 December 2020	4 663 894	38 597 797	43 261 691
31 December 2021	4 308 594	43 453 097	47 761 691
Date of the Investor Memorandum	4 308 594	43 453 097	47 761 691

During the financial year ended 31 December 2021, the number of shares changed as a result of directed share issues and conversion of class K shares into class A shares.

Outstanding authorisations

On 16 February 2022, the Company's Extraordinary General Meeting resolved to authorise the Board of Directors to decide, in one or more transactions, on issuance of class A shares as follows:

The number of class A shares to be issued based on the authorization may in total amount to a maximum of 30,000,000 shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue), if there is a weighty financial reason for the company.

Shares may be conveyed either against payment or free of charge in the company's share issues. A directed share issue may be a share issue without payment only if there is an especially weighty reason for the same both for the company and in regard to the interests of all shareholders in the company.

The authorization cancelled the authorization granted by the Annual General Meeting on 23 April 2021. The authorization is valid until 31 December 2022.

Option rights and other special rights

STOCK OPTION PROGRAM 2/2016

Based on the authorization granted by the Extraordinary General Meeting on 9 March 2016, the Board of Directors has on 10 June 2016 decided on a stock option program for the key employees, under which a maximum 1 000 000 new class A shares can be subscribed. 333 333 of these stock options have been marked as 2-2016A, 333 333 as 2-2016B and 333 334 as 2-2016C. The share subscription period with 2-2016A stock options is 1 July 2016 – 31 December 2025, with 2-2016B stock options 1 July 2017 – 31 December 2025 and with 2-2016C stock options 1 July 2018 – 31 December 2025.

On 20 April 2016, the Annual General Meeting resolved that the members of the Board of Directors that are not working for the company be granted 10 000 stock options as annual remuneration. Following members of the Board of Directors received stock options: Thomas Bengtsson, Peter Carlsson, James Penney and Matti Vuoria.

In January 2017, the Board of Directors of the Company allocated 806 000 stock options belonging to the stock option program 2-2016 to key personnel of the Company. The stock options were allocated to the members of the Company's management team as follows: Managing Director Alexander Lidgren 400,000 stock options, Lassi Noponen 200,000 stock options, Tarja Teppo 100,000 stock options, Timo Linnainmaa 100,000 stock options and Joshua Kirkman 6,000 stock options.

The share subscription period shall not begin for stock option 2-2016A prior to the trade volume weighted average quotation of the Company's class A share on First North Finland has been not less than EUR 1.75 during four (4) consecutive weeks, for stock option 2-2016B prior to the trade volume weighted average quotation of the company's class A share on First North Finland has been not less than EUR 2.25 during four (4) consecutive weeks, and for stock option 2-2016C prior to the trade volume weighted average quotation of the company's class A share on First North Finland has been not less than EUR 3.00 during four (4) consecutive weeks. The share subscription price based on these options is EUR 1.00 per share. The subscription price will be recorded into unrestricted equity fund of the Company.

STOCK OPTION PROGRAM 2020

Based on the authorization granted by the Annual General Meeting on 3 August 2020, the Board of Directors has on 16 December 2020 decided on a stock option program for the key employees, under which a maximum 1,200,000

new class A shares can be subscribed. The share subscription period with 1-2020 stock options is 30 November 2020 – 30 November 2030.

On 3 August 2020, the Annual General Meeting resolved that the members of the Board of Directors that are not working for the company be granted stock options as annual remuneration as follows: The Chairman of the Board be granted 25,000, Vice Chairman 20,000 and other Board members 15,000 stock options. 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 per member of the Board of Directors per year 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.

Following current and former members of the Board of Directors received in total 250,000 stock options: Thomas Bengtsson (20,000 stock options), Peter Carlsson (10,000 stock options), James Penney (50,000 stock options), Matti Vuoria (70,000 stock options), Tiina Kähö (30,000 stock options), Johan Strömberg (30,000 stock options), Anders Lundström (15,000 stock options), Catharina Burch (15,000 stock options) and Gudrun Giddings (10,000 stock options).

The share subscription price based on these options is EUR 0.37 per share. The subscription price will be recorded into unrestricted equity fund of the Company.

STOCK OPTION PROGRAM 1-2021

Based on the authorization granted by the Extraordinary General Meeting on 25 February 2021, the Board of Directors has on 19 April 2021 decided on a stock option program for the former holders of stock options belonging to the stock option program 2013, under which a maximum 1,439,680 new class A shares can be subscribed. The share subscription period with 1-2021 stock options is 19 April 2021 – 31 December 2030.

Former holders of stock options belonging to the stock option program 2013 have subscribed for the stock options as follows: Timo Linnainmaa (549 886 stock options), Tarja Teppo (449 886 stock options) and Feodor Aminoff (439 908 stock options).

The share subscription price based on these options is EUR 0.37 per share on the date when the stock options are subscribed. During the period of one (1) year beginning on the subscription date of the stock options, the share subscription price shall linearly lower to EUR 0.0001 per share. The subscription price will be recorded into unrestricted equity fund of the Company.

Information regarding the securities

General information regarding the Offer Shares

In the Offering of the Company subject to this Investor Memorandum (the "Offering") up to 23,880,845 new class A shares ("Offer Shares") are offered for subscription. The number of registered shares of the Company prior to the Offering is 47,761,691 of which 43,453,097 are class A shares and 4,308,594 class K shares. The ISIN code for the Offer Shares is FI4000092523 and the trading symbol LOUD on First North Finland and LOUDS on the First North Sweden. The Offer Shares have no nominal value.

The Offer Shares subscribed for in the Offering will be issued as book-entries in the book-entry system of Euroclear Finland Oy, address Urho Kekkosenkatu 5 C (PL 1110), 00100 (00101) Helsinki ("Euroclear Finland") and delivered to the investors through the book-entry systems of Euroclear Finland and Euroclear Sweden AB, address Klarabergsviadukten 63 (PO Box 191), 111 64 (SE-101 23) Stockholm, Sweden ("Euroclear Sweden").

The Offer Shares are denominated in euro. The Offer Shares which are traded on First North Finland are traded and settled in euro. The Offer Shares which are traded on First North Sweden are traded and settled in Swedish krona.

Information regarding the shareholder rights attached to the Offer Shares

The rights attaching to the Offer Shares are determined on the basis of the Companies Act as amended and other legislation prevailing in Finland from time to time. Loudspring has two classes of shares, class K shares and class A shares. Each class K share carries twenty (20) votes and each class A share carries one (1) vote in General Meetings. In other respects, the Company's shares carry equal rights. Each class K share can be converted to a class A share upon demand by the shareholder to the Board of Directors with the conversion ratio 1:1.

Rights attaching to the Offer Shares include the right to participate in the General Meeting of the Company and to vote at such meeting. Each Offer Share entitle to one vote at the General Meetings.

In order to attend and vote at the General Meeting of the Company, a shareholder must, pursuant to the Articles of Association of the Company, register with the Company at the latest on the date referred to in the notice convening the meeting, which may be at the earliest ten (10) days before the General Meeting. Shareholders must comply with the requirements in respect of Company's shares registered in Euroclear Finland or Euroclear Sweden, as the case may be, and any instructions provided in the relevant notice of the General Meeting.

In order for a shareholder with shares registered in Euroclear Finland to have the right to attend and vote at a General Meeting of the Company, a shareholder must be registered at least eight (8) Finnish business days prior to the relevant General Meeting in the shareholder register maintained by Euroclear Finland in accordance with Finnish law. An owner of nominee-registered shares contemplating attending and voting at the General Meeting of the Company should seek a temporary registration in the shareholder register maintained by Euroclear Finland by the date announced in the notice to the General Meeting of the Company, which date must be after the record date of the General Meeting of the Company. A notification for temporary registration of an owner of nominee-registered shares into the shareholder register of the Company is considered notice of attendance at the General Meeting.

In order for a shareholder with shares registered in Euroclear Sweden to have the right to attend and vote at a General Meeting must (i) be registered in the shareholder register of the Company maintained by Euroclear Sweden on the record date of the General Meeting, i.e. eight (8) Finnish business days prior to the General Meeting, and (ii) request temporary registration of ownership of the Company in the shareholder register maintained by Euroclear Finland by the date announced in the notice to convene the General Meeting.

Furthermore, shareholders with Company's shares registered in Euroclear Sweden in the name of a nominee, through a bank or a securities institution, must, in order to have the right to attend the General Meeting of the Company, (i) temporarily re-register their shares of the Company in their own name in the register maintained by Euroclear Sweden by instructing their nominee to send to Euroclear Sweden the request for temporary registration into the

shareholder register of the Company maintained by Euroclear Sweden, and (ii) procure that the nominee sends the above mentioned request for temporary registration in the shareholder register maintained by Euroclear Finland on their behalf.

A request for temporary registration of ownership in the shareholder register of the Company maintained by Euroclear Finland is considered notice of attendance at the General Meeting.

All the shares of the Company, including Offer Shares, entitle to equal financial rights, including right to dividends and other distribution of funds, for example right to possible distribution of funds in the event of dissolution of the Company.

Based on the financial statements on 31 December 2020 or otherwise before the date of the Investor Memorandum, the Company has not paid dividends and there is no guarantee that it will have any distributable funds in the future. Decisions on a possible distribution of dividends or other distribution of funds would be made in accordance with the Companies Act as follows:

Dividends may be paid, and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on a proposal by the Board of Directors of the Company. Pursuant to the Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its Articles of Association, such financial statements must be audited.

The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the parent company's financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial condition of the company since the financial statements were prepared. A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

The dividend may not also exceed the amount proposed or otherwise accepted by the Board of Directors, unless so requested at the General Meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the articles of association of the company require to be left undistributed (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8% of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends declared during the financial year before the annual general meeting of shareholders.

In the regard of shares registered in the Finland's i.e., Euroclear Finland's book-entry system the dividends and other distributions of funds are paid to shareholders, or their nominees entered in the register of shareholders of the Company on the relevant record date. Under Euroclear Finland's book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register.

In the regard of shares registered in the Euroclear Sweden's book-entry system the dividends and other distributions of funds are paid to those holders of the shares whose names are entered into the Swedish central securities register as at a certain record date and distributed to bank accounts designated by the holders registered with Euroclear Sweden. It is expected that shareholders registered with Euroclear Sweden will receive payment one banking day after the payment date for shareholders registered with Euroclear Finland. If the registered holder registered in Sweden is a nominee custodian, the nominee custodian receives the dividend and other economic rights conferred by the shares on behalf of the beneficial owner.

The right to dividends expires (by statute of limitation) after three years from the date of payment of the respective dividend.

According to the Companies Act, the shareholders of the Company have the pre-emptive right to subscribe for shares in proportion to their shareholdings, unless otherwise provided in the resolution regarding the issue. Deviating from the shareholders' pre-emptive subscription right requires that there is a weighty financial reason for deviating. As stated above with respect to dividends, the right to subscribe for shares in the rights issue is also based on the ownership of the Company on the record date.

A redemption right and obligation as set out in the Companies Act is attached to the Company's shares. Under the Companies Act, a shareholder with shares representing more than nine tenths of all shares and voting rights attached to all shares in a company has the right to redeem shares of other shareholders in such company against fair value. Such shareholder is correspondingly obliged to redeem if the shareholder entitled to have its shares redeemed demands the redemption of its shares.

The Offer Shares entitle to above described and other shareholder rights in the Company after they have been registered within the Trade Register and delivered to the investor's book-entry account.

Warning regarding tax issues related to the Offer Shares and the Offering

The investor should note that the tax legislation in the investor's home or residence country and in the Company's country of registration in Finland may affect the income from the Company's shares (including the Offer Shares). Prospective investors are advised to consult professional tax advisors as to the tax consequences of the purchase, ownership and sale or other transfer of Offer Shares.

Available documents

The following documents will be available on the Company's website www.loudspring.earth:

- Basic Information Document
- Articles of Association of the Company as registered at the date of this Investor Memorandum
- Trade Register extract of the Company as registered at the date of this Investor Memorandum
- The Company's half-year report for the period ended 30 June 2021 (unaudited)
- The Company's financial statements 2020 (audited), which includes:
 - The report by the Board of Directors; and
 - The auditor's report on the financial statements.