

# EAGLE FILTERS GROUP

## Eagle Filters Group Q1 2023 Summary: Strong quarter for Eagle Filters Oy as revenue grew 159%

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Eagle Filters Group Oyj  
Company announcement  
05.04.2023, 09:00 (EET)

*Please note that this report is not a fully comprehensive report of all events, nor is it in any way a financial performance report. It is only a summary of the main events that have affected our business during the quarter and before the date of this report where separately indicated below.*

*In the quarterly report we only comment highlights during the period. To get a comprehensive overview of the company's businesses one should review additional documents such as the latest annual and semi-annual reports. These documents are available at [www.eaglefilters.com](http://www.eaglefilters.com).*

### Highlights of the period

*(Figures below are unaudited)*

- Eagle Filters Oy's Q1 revenue was EUR 1.5 million (159 % growth from Q1 2022)
- Eagle Filters Oy's order backlog at the end of Q1 2023 was EUR 3.9 million.
- Eagle Filters Oy's EBITDA has turned positive during Q1
- The sales pipeline for industrial filtration products continues to be strong
- Sales in the Health & Safety business area are highly dependent on ongoing public tender processes
- First sales in advanced materials are targeted for Q2
- The Extraordinary general meeting 18 January 2023 resolved on combining the Eagle Filters Group Oyj's share classes in a way that the company's existing class K shares are converted into shares that have corresponding rights as the existing class A shares with a conversion ratio of 1:1.
- On 29 March 2023 Eagle Filters Group applied for delisting regarding the secondary listing of its shares From Nasdaq First North Growth Market Sweden. The delisting application was approved by Nasdaq Stockholm AB on 29 March 2023.
- The Extraordinary General Meeting 23 March 2023 resolved on authorizing Eagle Filters Group's Board of Directors to decide on issuance of shares and issuance of options and other special rights entitling to shares referred to in Chapter 10 Section 1 of the Companies Act
- Eagle Filters Group has implemented measures to reduce run-rate costs at group level

### Business update

During the period, Eagle Filters Oy's Clean Energy business developed well. After a long period of challenges in sourcing and logistics, the company has been able to ramp up its production and during Q1 2023 the production volume (completed orders) was EUR 1.9 million. Sales in Q1 were EUR 1.5 million, and during Q1 EBITDA has turned positive. Sales continued strong with several large potential orders in the final negotiation stage. Eagle Filters Oy's order backlog at the end of Q1 2023 was EUR 3.9 million.

In the Health and Safety business, Eagle Filters Oy is participating in public tender processes with its FFP2 and FFP3 respirator products. Sales in this business area are highly dependent on the result of these processes.

Eagle Filters continued development of proprietary filtration materials in its Advanced Material business, with first sales targeted for Q2 2023.

During Q1 2023 several structural decisions were made on the Group level. The EGM of Eagle Filters Group resolved on 18 January 2023 on combining the share classes, and 29 March 2023 Eagle Filters Group applied for delisting regarding the secondary listing of its shares From Nasdaq First North Growth Market Sweden. The delisting application was approved by Nasdaq Stockholm AB on 29 March 2023. The delisting is part of a broader cost-saving plan, as the Company aims to reduce run-rate costs at group level.

The turning point towards positive cash-flow steadily approaches in Eagle Filters Oy. However, to support the working capital needs and liquidity, Eagle Filters Group intends to raise additional funding during H1.

## **Risks and uncertainties**

Eagle Filters group Oyj (the "Company") and its Venture Holdings are associated with a number of risks and uncertainties including but not limited to the following:

- The Company and Venture Holdings 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 Venture Holdings 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 exit of Venture Holdings and their 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 Venture Holdings will become profitable, which could impair the Company's and Venture Holdings ability to sustain their operations or obtain any required additional financing. Even if the Company or Venture Holdings 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 Venture Holdings business may involve negative effects to the Company or to Venture Holdings. In the event of any litigation, authoritative or administrative proceedings, or financial sanctions, losses 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:

- The Company's ability to make profit is influenced by its ability to sell Venture Holdings which is subject to uncertainty. There is a risk that the Company will not succeed in selling its Venture Holdings 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 Venture Holdings quickly or without considerable extra costs.
- The Company does not independently control its Venture Holdings, and there may occur potential interest conflicts with the other shareholders and stakeholders exercising influence over each respective Venture Holdings operations or the information provided by a Venture Holding to the Company may not be accurate or adequate. Furthermore, an investment in a Venture Holding may be affected by the existence of shareholders agreements or articles of associations containing provisions restricting transferability of the Venture Holdings shares or otherwise having an impact on the value of said shares.

As Eagle Filters Group is transforming into an industrial company, it is more dependent on the financial performance of Eagle Filters. Eagle filters' financial performance can be negatively affected by risks including but not limited to 1) risks related to production, material sourcing & logistics 2) risks related to availability of additional funding 3) risk related to loss of significant customers and/or material changes in the demand environment 4) risk related to the dependency of key personnel.

Covid-19 pandemic and Russia's attack on Ukraine may cause severe negative effects to the Company and Venture Holdings. These negative effects may include, but are not limited to, effects on operations, financing as well as negative effects on customers, suppliers, and partners. Furthermore, the pandemic and Russia's attack on Ukraine may cause completely unforeseeable negative effects.

### **For more information:**

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## **About Eagle Filters Group Oyj**

*Eagle Filters Group is a material science company that aims to enable a green and healthy environment.*

*Eagle provides high performance filtration solutions that cut CO2 emissions and increase profitability of the energy industry. Eagle's technology improves performance and energy efficiency while cutting costs. The technology is being used by some of the world's largest energy utilities.*

*The company group is listed on First North Growth Market Finland under the ticker EAGLE and on First North Growth Market Stockholm under the ticker EAGLES.*

[www.eaglefiltersgroup.com](http://www.eaglefiltersgroup.com)

## **Attachments**

- [Download announcement as PDF.pdf](#)