

CAPNOR WEASEL BIDCO OYJ

Financial Statements Bulletin
January – December 2024



Financial Statements Bulletin 2024

Fourth quarter highlights

- Revenue decreased by 9% to MEUR 52.3 (57.3)
- Adjusted EBITDA decreased by 14% to MEUR 18.0 (20.8), corresponding to a 34% (36%) EBITDA margin
- Adjusted EBIT decreased to MEUR 14.6 (17.6), corresponding to a 28% (31%) EBIT margin
- Operational Cash Flow decreased to MEUR 9.3 from MEUR 12.3 in the previous year

Significant events during the quarter

- Jukka Havia was appointed CFO and member of the iLOQ Leadership team and will start in his new position early 2025. Prior to joining iLOQ, Jukka worked as Chief Financial Officer for Kamux Oyj. iLOQ's current CFO Timo Pirskanen will leave the company by common decision in the spring.
- iLOQ announced that, starting January 1, 2025, iLOQ Belgium has become the company's 16th subsidiary. This step reinforces iLOQ's commitment to the Belgian market, allowing them to better serve customers and partners while further strengthening their presence in Europe.
- To fulfill iLOQ's growth strategy, drive development in sales, the brand and marketing functions, and provide a more customer-centric focus, iLOQ announced establishment of three Regional Business Units: Nordics, Europe & Emerging Markets and North America and also announced a new global Chief Revenue Officer function

EUR thousand	Q4 2024	Q4 2023	Change in %	FY 2024	FY 2023	Change in %
Revenue	52,278	57,278	-9 %	128,746	141,318	-9 %
EBITDA	16,178	20,786	-22 %	19,614	31,367	-37 %
EBITDA margin	31 %	36 %		15 %	22 %	
EBIT	12,765	17,594	-27 %	7,212	20,493	-65 %
EBIT margin	24 %	31 %		6 %	15 %	
Operational Cash Flow	9,248	12,295	-25 %	20,298	11,197	81 %
Operational Cash Flow %	18 %	21 %		16 %	8 %	
Adjusted EBITDA*	17,977	20,786	-14 %	21,413	32,673	-34 %
Adjusted EBITDA margin*	34 %	36 %		17 %	23 %	
Adjusted EBIT	14,564	17,594	-17 %	9,011	21,799	-59 %
Adjusted EBIT margin	28 %	31 %		7 %	15 %	
Adjusted Operational Cash Flow	11,047	12,295	-10 %	22,097	12,504	77 %
Adjusted Operational Cash Flow %	21 %	21 %		17 %	9 %	

* Year 2023 EBITDA, EBIT & Operational Cash Flow included an impact from the IT Salonen transaction and a brand renewal together with costs related to iLOQ 20 years anniversary, which have been treated as items affecting comparability. The adjustment related to brand renewal was 378 thousand euros. The adjustment related to IT Salonen acquisition was 60 thousand and iLOQ 20 years anniversary events 870 thousand euros. Q4 2024 and FY 2024 included 1.8 MEUR adjustments related to strategic analysis of iLOQ's full sales potential together with restructuring costs. These costs have been excluded in the Adjusted EBITDA, EBIT and Operational Cash Flow figures above.

Management overview of the fourth quarter

iLOQ Group's revenue decreased 9 percent compared to the corresponding period of the previous year. Negative market sentiment has persisted in the Nordics throughout the year, primarily due to delays in decision-making within the renovation market, which has impacted overall demand. This is largely driven by economic uncertainties, including recent years of inflation and rising material costs, leading to postponed projects. Market activity in Sweden was particularly slow during this period. The outcome of the US sales did not fully meet expectations as three larger projects that were originally scheduled for Q4 were postponed to Q1. This shift occurred as end customers were optimizing their 2024 cash flows, which led to delays. Similarly, on the Critical Infrastructure side, customers also postponed their decision-making for the same reason. These delays have impacted overall market momentum, resulting in a more cautious and less active environment. However, the worst of the slowdown appears to be behind us, and early signs suggest improving market sentiment, particularly in government or municipalities owned projects and in rental housing.

That said, the market recovery in 2025 is expected to happen gradually. Despite this short-term slowdown, management remains confident in the long-term growth potential of the Nordic market as digital solutions are outgrowing mechanical locking systems. For example, the market sentiment in Finland turned positive during the fourth quarter and iLOQ won a large energy company deal in Austria for S50. Delayed investments are expected to be temporary, and the underlying demand drivers remain intact. iLOQ is well-positioned to continue outperforming the market even during periods of slower activity, leveraging a strong project pipeline, customer relationships, and its focus on innovation. iLOQ invested into its future growth strategy by developing a full potential plan for sales, a new internal sales incentive model, and a revamped partner program.

iLOQ continues to invest in future growth and ramping its entry into the US, an enormous market and opportunity for iLOQ. iLOQ has a local sales organization in place, which has already generated a solid pipeline in the US market. Logistic channels with distribution center in Dallas and partner networks are up and running and the US standard ANSI cylinder products were launched at the year-end in 2023. Naturally, the growth ambitions including the establishment of a team in the US and the expansion of US-relevant product features has resulted in an increasing cost base.

Operational cashflow improved compared to the previous year mainly due to improvement in the net working capital efficiency.

Fourth quarter 2024

Total revenue decreased 9% compared to Q4 2023. Still low activity in the multi-residential new construction and renovation markets in the Nordics, but good performance in the rest of the world continued and international expansion also underpinned the revenue compared to the same period in the previous year.

EBITDA amounted to MEUR 16.2 (20.8), corresponding to a 31% (36%) EBITDA margin.

EBIT amounted to MEUR 12.8 (17.6), corresponding to a 24% (31%) EBIT margin.

Operational cashflow was MEUR 9.3 (12.3).

Full year 2024

Total revenue decreased 9% compared to corresponding period in the previous year.

EBITDA amounted to MEUR 19.6 (31.4), corresponding to a 15% (22%) EBITDA margin. Gross margins have remained unchanged at the historical healthy levels. Continued investments in growth, including costs related to the US market entry,

continued to increase opex and impacted EBITDA negatively especially in the first quarter, which in combination with lower delivery volumes resulted in the negative EBITDA development.

EBIT amounted to MEUR 7.2 (20.5), corresponding to a 6% (15%) EBIT margin.

Operational cashflow was MEUR 20.3 (11.2). Improvement was based on lower net working capital.

Capnor Weasel Bidco Oyj successfully priced senior secured floating rate notes of EUR 55 million with a tenor of five years in March. The New Notes have a floating rate coupon of 3 months EURIBOR + 4.00 per cent per annum and final maturity in March 2029. Capnor Weasel Bidco Oyj intends to apply for listing of the New Notes on the corporate bond list of Nasdaq Stockholm. The total amount of different fees related to the transaction amounted to MEUR 1.4.

Quarterly Information

QUARTERLY INFORMATION	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Revenue	51,003	32,000	29,135	22,905	57,278	20,288	28,352	27,828	52,278
EBITDA	16,625	6,060	2,840	1,679	20,786	-3,098	4,027	2,507	16,178
EBITDA margin	33 %	19 %	10 %	7 %	36 %	-15 %	14 %	9 %	31 %
EBIT	13,952	3,542	305	-948	17,594	-5,835	963	-681	12,765
EBIT margin	27 %	11 %	1 %	-4 %	31 %	-29 %	3 %	-2 %	24 %
Operational Cash Flow	7,065	7,753	-6,893	-3,639	12,295	10,433	-532	1,149	9,248
Operational Cash Flow %	33 %	24 %	-24 %	-16 %	21 %	51 %	-2 %	4 %	18 %
Adjusted EBITDA	16,625	6,438	2,840	2,609	20,786	-3,098	4,027	2,507	17,977
Adjusted EBITDA margin	33 %	20 %	10 %	11 %	36 %	-15 %	14 %	9 %	34 %

Declaration of the Board

We confirm that, to the best of our knowledge, the condensed financial statements give a true and fair view of the Group's assets, liabilities, financial position and results of operations for the period. We also confirm, to the best of our knowledge, that the management overview includes a fair review of important events that have occurred during the full year of 2024.

Espoo February 14, 2025

Heikki Hiltunen

President and CEO

Magnus Hammarstöm

Member of the Board

INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT, IFRS				
EUR Thousand	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	52,278	57,278	128,746	141,318
Other income	8	35	18	35
Materials and services	-20,349	-22,753	-53,956	-59,724
Employee benefit expenses	-4,915	-7,102	-29,469	-26,908
Depreciation, amortisation and impairment losses	-3,413	-3,192	-12,402	-10,873
Other operating expenses	-10,843	-6,672	-25,724	-23,355
Operating profit	12,765	17,594	7,212	20,493
Finance income	85	156	414	278
Finance cost	-1,390	-1,886	-7,004	-6,330
Net financial expenses	-1,305	-1,730	-6,590	-6,051
Profit (-loss) before taxes	11,460	15,864	622	14,442
Income taxes	-1,246	-3,095	-821	-3,338
Profit (loss) for the financial period	10,214	12,769	-199	11,104
Items that may be subsequently reclassified to profit or loss				
Translation differences	-535	11	-256	25
Total comprehensive income	9,679	12,780	-454	11,129
Earnings per share, undiluted (EUR)	96,787	127,796	-4,543	111,289
Earnings per share, diluted (EUR)	96,787	127,796	-4,543	111,289

BALANCE SHEET

CONSOLIDATED BALANCE SHEET, IFRS		
EUR Thousand	Dec 2024	Dec 2023
ASSETS		
Non-current assets		
Intangible assets	108,797	107,750
Goodwill	92,467	92,467
Property, plant and equipment	6,483	6,989
Deferred tax assets	587	395
Total non-current assets	208,334	207,601
Inventories	23,064	24,477
Trade and other receivables	30,848	36,908
Current tax receivables for the financial year	1,978	143
Cash and cash equivalents	9,066	7,397
Total current assets	64,955	68,925
Total assets	273,289	276,526
EQUITY & LIABILITIES		
Equity		
Share capital	80	80
Invested unrestricted equity fund	143,240	143,240
Translation difference	-222	33
Retained earnings	27,881	27,972
Total equity	170,979	171,325
LIABILITIES		
Non-current liabilities		
Financial liabilities	54,599	54,979
Non-current lease liabilities	1,833	1,716
Non-current provisions	949	880
Deferred tax liabilities	15,437	16,316
Total non-current liabilities	72,818	73,891
Current liabilities		
Short-term interest-bearing liabilities	62	5,062
Account payables and other liabilities	26,431	22,401
Current lease liabilities	1,842	1,597
Current provisions	1,113	386
Current tax liabilities	45	1,864
Total current liabilities	29,492	31,309
Total liabilities	102,310	105,201
Total equity and liabilities	273,289	276,526

STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS		
EUR Thousand	FY2024	FY2023
CASH FLOW FORM OPERATING ACTIVITIES		
Profit (Loss) for the financial period	-199	11,104
Adjustments:		
Depreciation and amortization	12,402	10,873
Unrealized exchange rate gains and losses	189	-306
Financial Income	-414	-278
Financial Expense	7,004	6,330
Taxes	821	3,338
Other adjustments*	476	-817
Change in Working Capital:		
Change in trade and other receivables	5,893	-7,714
Change in inventory	1,413	1,640
Change in trade and other payables	4,024	-1,106
Change in provisions	796	-12
Interest paid	-4,988	-5,127
Interest received	91	35
Income tax paid	-5,220	-4,117
Other financial items	-1,522	-138
Net cash flow from operating activities (A)	20,768	13,705
Cash flow from investing activities		
Payments from tangible assets sales	0	18
Investments in intangible assets	-10,843	-12,736
Investments in tangible assets	-600	-259
Net cash flow from investing activities (B)	-11,443	-12,978
Cash flow from financing activities		
Payments of lease liabilities	-2,277	-1,851
Withdrawals of short-term loans	0	8,365
Proceeds from short-term liabilities	-5,000	-3,365
Withdrawals of long-term loans	55,000	0
Payments of long-term liabilities	-55,064	-62
Net cash flow from financing activities (C)	-7,341	3,087
CHANGE IN CASH AND EQUIVALENTS (A+B+C)	1,983	3,813
Cash and cash equivalents, in the beginning of period		
	7,397	4,087
Net effect of exchange rate changes on cash and cash equivalents	-314	-504
Cash and cash equivalents, at the end of period	9,066	7,397

*) Other adjustments relates to misstatement in the bonus and commission provision and impairment of intangible assets.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Reserve for invested non-restricted equity	Translation reserve	Retained earnings	Total
EUR thousand						
Equity on Jan 1, 2024	80	0	143,240	33	27,972	171,325
Adjustment for previous year's retained earnings	0	0	0	0	108	108
Comprehensive income						
Profit for the financial year	0	0	0	-256	-199	-454
Total comprehensive income	0	0	0	-256	-199	-454
Equity on Dec 31, 2024	80	0	143,240	-223	27,881	170,979

Adjustment for the previous year's retained earnings was mainly related to the misstatement in the bonus and commission provision.

	Share capital	Share premium reserve	Reserve for invested non-restricted equity	Translation reserve	Retained earnings	Total
EUR thousand						
Equity on Jan 1, 2023	80	0	143,240	8	17,658	160,986
Adjustment for previous year's retained earnings	0	0	0	0	-790	-790
Comprehensive income						
Profit for the financial year	0	0	0	25	11,104	11,129
Total comprehensive income	0	0	0	25	11,104	11,129
Equity on Dec 31, 2023	80	0	143,240	33	27,972	171,325

Adjustment for the previous year's retained earnings was mainly related to the misstatement in the bonus and commission provision.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

Capnor Weasel Bidco Oyj (the Company) is domiciled in Finland. These condensed interim financial statements for the quarter ended December 31, 2024 comprise the Company and its subsidiaries (together referred to as the 'Group')

2. Accounting Principles

The Group's Financial Statements Bulletin for January-December 2024 has been prepared in line with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with the Group's financial statements for 2023, published on April 12, 2024. The Group has applied the same accounting principles in the preparation of this Interim Report as in its Financial Statements for 2023. The information presented in this Interim Report has not been audited.

3. Seasonality

The Group operates in an industry that sees seasonal changes in revenue. In a typical year, the first three quarters amount to approximately two thirds of the Group's full-year revenue while the last quarter sees the revenue rise to amount to one third of the full-year revenue. Therefore, in a normalized year, the financial results of the fourth quarter can be expected to be stronger than compared to the first three quarters.

4. Segment reporting

Capnor Weasel Bidco Group is a Finnish group of companies. In addition to the parent company Capnor Weasel Bidco Oyj, iLOQ Group belongs to the Group. Industrial operations are in the iLOQ Group that offers solutions for electrical locking. iLOQ Group operates with a network business model in the manufacture and distribution of products. iLOQ Group's products are sold through iLOQ's distribution channel providing professional installation and maintenance services. iLOQ Group has subsidiaries in Sweden, Denmark, Norway, Germany, the Netherlands, Belgium, France, Spain, Poland, Great Britain, Canada, Australia, Singapore, United Arab Emirates and United States. The Group's business operations are managed and monitored as one entity. Subsidiaries are sales organizations and their turnover consists of commission charges from the iLOQ Group's parent company. Based on the similarity of business operations, products, services and production process, the Group has only one operating segment. The Executive Board is iLOQ Group's chief operative decision maker. The Executive Board evaluates the performance of the company and the use of resources as a whole. Composition of the Group's turnover and geographical distribution is presented with the notes related to turnover. The Group has no external customers with net sales over 10% of the Group's total net sales. The Group's most significant non-current assets are located at the domicile state of the parent company.

5. Revenue

The revenue of Capnor Weasel Bidco Group consists of digital locking and access management systems. The Group's products consist of supplied locks and software as well as lock operation and maintenance services. The Group's customers are retailers and partners of locking products. Revenue is recognized when control over the goods or the service is transferred to the customer. Lock deliveries are recognized as revenue when control is transferred on the basis of the delivery of the products, when the risks and benefits have been transferred to retailers. EX Works Incoterms delivery term is generally used on the delivery of products. For one significant customer, performance obligation is satisfied at the time of the delivery, and for these deliveries Delivered Duty Paid Incoterms are applied. Revenue from maintenance and repair services is recognized over time as the customer receives the benefits simultaneously as the service is provided. Sales contracts are made with the regular payment terms. A yearly discount can be granted to customers for products sold.

The Group's revenue by geographical area is presented below.

REVENUE BY GEOGRAPHY				
EUR thousand	2024	% of REV	2023	% of REV
Finland	43,884	34 %	44,284	31 %
Northern Europe excl Finland	34,290	27 %	40,892	29 %
Rest of the World	50,572	39 %	56,143	40 %
Total Sales	128,746	100 %	141,318	100 %

The classification of revenue according to the timing of product deliveries and service production is presented below.

REVENUE				
EUR thousand	2024	% of REV	2023	% of REV
Revenue is recognized at point of time	122,876	95 %	137,186	97 %
Revenue is recognized over time	5,870	5 %	4,132	3 %
Total Sales	128,746	100 %	141,318	100 %

INTANGIBLE ASSETS

EUR thousand	Technology	Intangible Rights	Brand	Goodwill	Other Intangible assets	Customer relations	Work in progress	Total
Acquisition cost, Jan 1, 2024	85,742	2,253	12,865	92,467	4,200	12,142	17,501	227,170
Adjustment to previous year				0				0
Transfer between items	9,499				36		-9,536	0
Additions	0	458	0	0	0	0	10,385	10,844
Deductions	-42	-76			-154		-519	-791
Acquisition cost, Dec 31, 2024	95,200	2,635	12,865	92,467	4,083	12,142	17,831	237,222
Accumulated depreciations and impairment Jan 1, 2024	17,733	722	3,480	0	1,737	3,281	0	26,953
Amortisation	5,806	294	858	0	809	809	0	8,576
Impairment							429	429
Accumulated depreciations and impairment Dec 31, 2024	23,539	1,016	4,338	0	2,546	4,090	429	35,958
Carrying amount Jan 1, 2024	68,010	1,531	9,385	92,467	2,463	8,861	17,501	200,217
Carrying amount Dec 31, 2024	71,661	1,619	8,527	92,467	1,536	8,052	17,402	201,264

EUR thousand	Technology	Intangible Rights	Brand	Goodwill	Other Intangible assets	Customer relations	Work in progress	Total
Acquisition cost, Jan 1, 2023	83,066	1,728	12,865	92,412	2,767	12,142	9,246	214,224
Adjustment to previous year				56	39		-41	54
Transfer between items	1,437				1,394		-1,468	1,364
Additions	1,239	525	0	0	0	0	9,764	11,528
Acquisition cost, Dec 31, 2023	85,742	2,253	12,865	92,467	4,200	12,142	17,501	227,170
Accumulated depreciations and impairment Jan 1, 2023	12,634	461	2,622	0	849	2,472	0	19,039
Amortisation	5,099	260	858	0	888	809	0	7,914
Accumulated depreciations and impairment Dec 31, 2023	17,733	722	3,480	0	1,737	3,281	0	26,953
Carrying amount Jan 1, 2023	70,433	1,266	10,243	92,412	1,918	9,670	9,246	195,186
Carrying amount Dec 31, 2023	68,010	1,531	9,385	92,467	2,463	8,861	17,501	200,217

PROPERTY, PLANT AND EQUIPMENT

Owned property, plant and equipment				Right-of-use assets		
	Machinery and equipment	Work in progress	Other tangible assets	Cars	Premises	Total
EUR thousand						
Acquisition cost, Jan 1, 2024	6,501	773	458	3,063	5,840	16,635
Transfer between items	447	-447	0	0	0	0
Additions	383	187	29	1,614	850	3,063
Deductions	0	-171	0	0	0	-171
Acquisition cost, Jan 31, 2024	7,331	341	487	4,677	6,690	19,527
Accumulated depreciations and impairment Jan 1, 2024	3,734	0	257	2,270	3,384	9,646
Amortisation	1,198	0	70	934	1,196	3,397
Accumulated depreciations and impairment Jan 31, 2024	4,933	0	327	3,204	4,580	13,044
Carrying amount Jan 1, 2024	2,767	773	200	793	2,456	6,989
Carrying amount Jan 31, 2024	2,399	341	160	1,473	2,110	6,483

Owned property, plant and equipment				Right-of-use assets		
	Machinery and equipment	Work in progress	Other tangible assets	Cars	Premises	Total
EUR thousand						
Acquisition cost, Jan 1, 2023	5,862	811	438	2,587	4,325	14,022
Transfer between items	588	-1,964	0	0	0	-1,376
Additions	146	1,989	20	490	1,515	4,161
Deductions	-94	-64	0	-14	0	-172
Acquisition cost, Jan 31, 2023	6,501	773	458	3,063	5,840	16,635
Accumulated depreciations and impairment Jan 1, 2023	2,591	0	188	1,650	2,260	6,688
Amortisation	1,144	0	70	620	1,125	2,958
Accumulated depreciations and impairment Jan 31, 2023	3,734	0	257	2,270	3,384	9,646
Carrying amount Jan 1, 2023	3,271	811	250	937	2,065	7,334
Carrying amount Jan 31, 2023	2,767	773	200	793	2,456	6,989

RELATED PARTY TRANSACTIONS

The Group's related parties consist of parent company iLOQ Oy and its subsidiaries. In addition, related parties include iLOQ-Group's Board members as key management personnel, the CEO and members of the Group management, as well as entities that are under the control of key management personnel and their family members.

During the financial year 2024, Capnor Weasel Bidco Oyj received a group grant from its subsidiary iLOQ Oy worth EUR 3,100,919 (EUR 3,015,988 in 2023). In addition, during the financial year 2024, Capnor Weasel Bidco Oyj invoiced administrative services from its subsidiary iLOQ Oy worth EUR 593,705 (EUR 619,042 in 2022). At the end of the financial year, the company had a related party loan of EUR 4,627 thousand from its subsidiary iLOQ Oy.

CONTINGENT LIABILITIES

COLLATERALS AND CONTINGENT LIABILITIES		
EUR thousand	FY 2024	FY 2023
Contingent liabilities		
Credit facility	30,000	15,000
Lease guarantee	146	204
Delivery guarantee	600	664
Corporate credit card	121	140
Total	30,867	16,008

EUR thousand	FY 2024	FY 2023
Collateral given for own commitments	205,000	155,000
Total	205,000	155,000

Definitions of alternative performance measures

1. **EBITDA** = EBIT before depreciation, amortization and impairments
2. **Operational Cash Flow** = EBITDA + Change in trade and other receivables + Change in inventory + Change in trade and other payables + Change in provisions + Investments in intangible assets + Investments and Payments in tangible assets. Operational Cash Flow is used internally by the group to follow EBITDA which takes into account investments and change in working capital
3. **Operational Cash Flow %** = Operational Cash Flow / Revenue
4. **Adjusted EBITDA, Adjusted EBIT & Adjusted Operational Cash Flow** = Same as above but excluding an impact from the IT Salonen transaction, the brand renewal and the iLOQ 20 years anniversary events, which have been treated as items affecting comparability. Year 2023 EBITDA, EBIT & Operational Cash Flow included an impact from the IT Salonen transaction and the brand renewal together with costs related to iLOQ 20 years anniversary, which have been treated as items affecting comparability. The adjustment related to brand renewal in Q1 2023 was 378 thousand. The adjustment related to IT Salonen acquisition was 60 thousand and iLOQ 20 years anniversary events 870 thousand euros. Both took place in Q3 2023. Q4 2024 and FY 2024 included 1.8 MEUR adjustments related to strategic analysis of iLOQ's full sales potential together with restructuring costs. These costs have been excluded in the Adjusted EBITDA, EBIT and Operational Cash Flow figures.

CONTACT

Additional information about the company can be found on the corporate website www.ilq.com. The company can be contacted by e-mail, info@ilq.com

For questions concerning this report please contact:

Heikki Hiltunen
CEO and President
Heikki.Hiltunen@ilq.com

Timo Pirskanen
CFO
Timo.Pirskanen@ilq.com