

# CAPNOR WEASEL BIDCO OYJ

Financial Statement Bulletin  
January – December 2022



## Financial Statement Bulletin 2022

### Fourth quarter highlights

- Revenue increased to MEUR 51.0 (39.4), a growth of 29% Y/Y
- EBITDA was MEUR 16.6 (11.8), corresponding to a 33% (30%) EBITDA margin. EBITDA growth was 41%
- EBIT was MEUR 14.0 (9.8), corresponding to a 27% (25%) EBIT margin
- Operational Cash Flow was MEUR 16.6 (10.1), a growth of 41% Y/Y

### Significant events during the quarter

- iLOQ executed its largest order to date in Sweden as Gothenburg's elementary school administration acquired an access management system for 15,500 doors
- iLOQ reached a new S50 delivery record with 12,000 pieces delivered in November
- In order to continue its holistic 360° approach to sustainability, iLOQ introduced new eco-friendly packaging solutions. iLOQ also centralized its waste management activities to commit to carbon-neutral waste management

EUR thousand	Q4 2022	Q4 2021	Change in %	FY 2022	FY 2021	Change in %
<b>Revenue</b>	<b>51,003</b>	<b>39,424</b>	<b>29 %</b>	<b>132,948</b>	<b>102,921</b>	<b>29 %</b>
EBITDA	16,625	11,818	41 %	31,379	22,589	39 %
EBITDA margin	33 %	30 %		24 %	22 %	
EBIT	13,952	9,758	43 %	21,853	14,382	52 %
EBIT margin	27 %	25 %		16.4 %	14.0 %	
Operational Cash Flow	16,625	10,114	64 %	8,568	7,339	17 %
Operational Cash Flow %	33 %	26 %		6 %	7 %	
<b>Adjusted EBITDA*</b>	<b>16,625</b>	<b>11,818</b>	<b>41 %</b>	<b>31,867</b>	<b>22,589</b>	<b>41 %</b>
<b>Adjusted EBITDA margin*</b>	<b>33 %</b>	<b>30 %</b>		<b>24 %</b>	<b>22 %</b>	
Adjusted EBIT	13,952	9,758	43 %	22,342	14,382	55 %
Adjusted EBIT margin	27 %	25 %		17 %	14 %	
Adjusted Operational Cash Flow	16,625	10,114	64 %	9,056	7,339	23 %
Adjusted Operational Cash Flow %	33 %	26 %		7 %	7 %	

\* Q2 2022 EBITDA, EBIT & Operational Cash Flow included an impact from a market study conducted with an external company, which is an item affecting comparability. The impact of this study included in EBITDA, EBIT and Operational Cash Flow was 488 thousand euros and is not a recurring item. This cost has been excluded in the Adjusted EBITDA, EBIT and Operational Cash Flow figures above.

## Management overview of the fourth quarter

After a strong first nine months of the year, the strong performance continued also in the fourth quarter of the year 2022. iLOQ Group's revenue growth was 29% compared to the same period in the previous year with strong performance across all regions and segments.

iLOQ Group continued its successful actions to mitigate potential supply-chain disruptions due to the global electronics component shortages also in the fourth quarter of 2022. Management continued measures to successfully secure delivery capability and to mitigate possible unforeseen supply-chain disruptions in the fourth quarter to be able to meet customer demand. These actions continued the trend of higher inventory levels compared to the same period in the previous year. The company is still likely to continue to hold higher than normal inventory levels in the coming quarters to mitigate any possible supply-chain disruption coming from the global component shortage. Increase in working capital had a material negative effect on the Group's cash situation, but management continues to hold the view that, by strategically prioritizing delivery capability, the Group has been able to continue gaining market share in 2022.

In addition to the global electronics component shortages, increased geopolitical risks related to the crisis in Ukraine and rising inflation especially in building materials are continuing to have a material impact on global supply chains. Despite the above-mentioned uncertainties, iLOQ has been able to continue its strong growth trajectory and management continues to take necessary mitigation actions to secure delivery capability. Management continues to follow and evaluate potential negative impacts that rising energy costs and higher interest rates may have on the real estate sector and therefore on iLOQ's customers.

Fourth quarter of 2022 included multiple significant events for iLOQ:

iLOQ executed its largest order to date in Sweden – Gothenburg's elementary school administration invested in an access management system for 15,500 doors. All doors of all public schools in Gothenburg will be equipped with iLOQ's S5 access management system. Installations will be done during the first half of 2023. iLOQ S5 access management system was introduced in 2019 and is battery- and cable-free, just like iLOQ's other digital and mobile access management systems. The energy needed to confirm the authorization and unlocking of doors comes from the kinetic energy generated when the key is inserted into the lock. S5 access management system also minimizes costs and administration when it comes to key management. The administrator can update access to the schools' doors in real time and members of staff only need one physical key in their hand to access them.

iLOQ uses materials made from recyclable raw materials in our packaging, like cardboard postal boxes and recycled packaging materials such as biodegradable filler materials. In November, one step even further was taken by ensuring that the tape that secures iLOQ's shipments also supports its vision for a greener future. New paper tape used in packaging is biodegradable, compostable and 100% recyclable, meaning that it doesn't need to be removed from packages when they're ready to be recycled.

iLOQ also centralized its waste management activities. New goals were set to improve recycling methods, reduce the workload by streamlining actions and find more effective ways to get the latest information on changing requirements, for example, legislation and reporting. To help iLOQ to fulfill these goals, a new partner Lassila & Tikanoja (L&T) was chosen. L&T is a major player in Finland and a pioneer in sustainability and carbon-neutral waste management.

iLOQ reached a new S50 delivery record surpassing 12,000 pieces delivered in November. iLOQ's battery-free and keyless S50 locks give critical infrastructure customers a credible security product that is the most sustainable and future-proof in the market. For convenience, access rights are sent in real time and remotely to site workers' smartphones. For added security, these access rights can be quickly and easily updated and cancelled to ensure only the right people have access to the right sites at the right times. Audit trails help prevent unauthorized access by showing exactly who has accessed a site and when.

## Fourth quarter 2022

Total revenue grew 29% compared to Q4 2021, driven by strong sales across all regions and segments. iLOQ continues to rapidly gain market share with its leading self-powered digital solutions. To date, iLOQ has had no delivery issues despite the negative supply-chain disruptions affecting the access management industry.

EBITDA amounted to MEUR 16.6 (11.8), corresponding to a 33% (30%) EBITDA margin. The increase in EBITDA was mainly driven by the increased volumes and related operational gearing.

EBIT amounted to MEUR 14.0 (9.8), corresponding to a 27% (25%) EBIT margin.

Operational Cash Flow was MEUR 16.6 (10.1). The strategic decision to continue having increased inventories to mitigate any possible global component shortage situation continued to have a material negative impact on the Operational Cash Flow in the fourth quarter of 2022. The company is expected to continue having higher than normal inventories until the global component situation improves to guarantee its ability to produce and ship iLOQ products to customers.

## Full year 2022

Total revenue was MEUR 133 (103) corresponding to a growth of 29% Y/Y. Strong sales growth continued across all regions and segments. In addition to iLOQ's strong solutions offering, the strong revenue and delivery performance can be partly credited to management's decision to strategically increase short-term inventory levels to mitigate any possible supply-chain disruptions and therefore be able to gain market share due to high delivery capability. In the fiscal year 2022 iLOQ acquired IT-Salonen Ltd's share capital to further strengthen its software development capabilities.

Adjusted EBITDA amounted to MEUR 31.9 (22.6), corresponding to a 24% (22%) adjusted EBITDA margin. The increase in the adjusted EBITDA was mainly driven by the increased volumes and related operational gearing.

Adjusted EBIT amounted to MEUR 22.3 (14.4), corresponding to a 17% (14%) adjusted EBIT margin.

Adjusted Operational Cash Flow was MEUR 9.1 (7.3). The increase was mainly driven by increased profitability, partly offset by the continued higher inventory levels.

## Events after the reporting period

In January 2023, iLOQ announced a new collaboration to provide a smart and secure access management solution for swing handles used with outdoor housings and telecom cabinets together with EMKA Group, one of the world's market leaders for locks, latches, hinges and seals used in switch and control cabinets. The solution is using iLOQ's S50 half cylinder lock that is fully integrated into the swing handle. The lock is opened using the power from an NFC-enabled smartphone making it a battery-free solution. Access rights to open the lock are sent to an app running on a smartphone. They can be updated and cancelled remotely and in real time. This keyless solution eliminates the risks related to lost or stolen physical keys, provides optimal protection against weather conditions and vandalism, and ensures that only the right people have access to the right sites at the right time.

## Quarterly Information

QUARTERLY INFORMATION	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Revenue	19,043	23,172	21,282	39,424	25,716	28,790	27,439	51,003
EBITDA	2,494	4,291	3,986	11,818	5,368	4,684	4,701	16,625
EBITDA margin	13 %	19 %	19 %	30 %	21 %	16 %	17 %	33 %
EBIT	492	2,230	1,902	9,758	3,083	2,405	2,414	13,952
EBIT margin	3 %	10 %	9 %	25 %	12 %	8 %	9 %	27 %
Operational Cash Flow	-3,194	1,277	-859	10,114	3,451	442	-2,372	7,048
Operational Cash Flow %	-17 %	6 %	-4 %	26 %	13 %	2 %	-9 %	14 %
Adjusted EBITDA	2,494	4,291	3,986	11,818	5,368	5,172	4,701	16,625
Adjusted EBITDA margin	13 %	19 %	19 %	30 %	21 %	18 %	17 %	33 %

## 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 year of 2022.

Espoo February 14, 2023

Heikki Hiltunen

President and CEO

Karl Petersson

Member of the Board

## INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT, IFRS				
EUR Thousand	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Revenue</b>	51,003	39,424	132,948	102,921
Other income	0	0	0	0
Materials and services	-20,899	-16,332	-56,846	-44,459
Employee benefit expenses	-7,279	-6,616	-26,191	-22,072
Depreciation, amortisation and impairment losses	-2,674	-2,060	-9,525	-8,207
Other operating expenses	-6,200	-4,659	-18,533	-13,802
<b>Operating profit</b>	<b>13,952</b>	<b>9,758</b>	<b>21,853</b>	<b>14,382</b>
Finance income	12	35	122	73
Finance cost	-1,291	-1,055	-4,599	-3,947
<b>Net financial expenses</b>	<b>-1,279</b>	<b>-1,020</b>	<b>-4,478</b>	<b>-3,874</b>
<b>Profit (-loss) before taxes</b>	<b>12,673</b>	<b>8,738</b>	<b>17,376</b>	<b>10,507</b>
Income taxes	-2,060	-1,252	-3,648	-2,014
<b>Profit (loss) for the financial period</b>	<b>10,613</b>	<b>7,486</b>	<b>13,728</b>	<b>8,493</b>
<b>Items that may be subsequently reclassified to profit or loss</b>				
Translation differences	-7	-16	12	-19
<b>Total comprehensive income</b>	<b>10,606</b>	<b>7,470</b>	<b>13,740</b>	<b>8,474</b>
<b>Earnings per share, undiluted (EUR)</b>	<b>106,055</b>	<b>75,856</b>	<b>137,398</b>	<b>84,933</b>
<b>Earnings per share, diluted (EUR)</b>	<b>106,055</b>	<b>75,856</b>	<b>137,398</b>	<b>84,933</b>

## BALANCE SHEET

CONSOLIDATED BALANCE SHEET, IFRS		
EUR Thousand	Dec 2022	Dec 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	102,774	101,313
Goodwill	92,412	91,672
Property, plant and equipment	7,334	4,983
Deferred tax assets	447	494
<b>Total non-current assets</b>	<b>202,967</b>	<b>198,461</b>
Inventories	26,117	19,804
Trade and other receivables	30,073	16,826
Cash and cash equivalents	4,087	7,536
<b>Total current assets</b>	<b>60,277</b>	<b>44,165</b>
<b>Total assets</b>	<b>263,245</b>	<b>242,626</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Share capital	80	80
Invested unrestricted equity fund	143,240	143,240
Translation difference	7	-5
Retained earnings	17,658	3,949
<b>Total equity</b>	<b>160,986</b>	<b>147,264</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities	54,899	54,400
Non-current lease liabilities	1,499	680
Non-current provisions	574	807
Deferred tax liabilities	17,246	17,919
<b>Total non-current liabilities</b>	<b>74,219</b>	<b>73,805</b>
<b>Current liabilities</b>		
Short-term interest-bearing liabilities	0	0
Account payables and other liabilities	24,185	18,132
Current lease liabilities	1,559	933
Current provisions	704	1,009
Current tax liabilities	1,593	1,484
<b>Total current liabilities</b>	<b>28,040</b>	<b>21,557</b>
<b>Total liabilities</b>	<b>102,259</b>	<b>95,362</b>
<b>Total equity and liabilities</b>	<b>263,245</b>	<b>242,626</b>

## STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS EUR Thousand	FY 2022	FY 2021
<b>CASH FLOW FORM OPERATING ACTIVITIES</b>		
Profit (Loss) for the financial period	13,728	8,493
Adjustments:		
Depreciation and amortization	9,525	8,207
Unrealized exchange rate gains and losses	38	9
Financial Income	-122	-73
Financial Expense	4,599	3,947
Taxes	3,648	2,014
Other adjustments	0	0
<b>Change in Working Capital:</b>		
Change in trade and other receivables	-13,341	-4,651
Change in inventory	-6,303	-9,557
Change in trade and other payables	6,057	4,528
Change in provisions	-537	330
Interest paid	-3,356	-3,181
Interest received	0	12
Income tax paid	-4,341	-2,868
Other financial items	-294	-200
<b>Net cash flow from operating activities (A)</b>	<b>9,302</b>	<b>7,012</b>
<b>Cash flow from investing activities</b>		
Payments from tangible assets sales	31	
Investments in intangible assets	-6,937	-4,406
Investments in tangible assets	-1,750	-1,495
Business acquisitions	-1,716	0
<b>Net cash flow from investing activities (B)</b>	<b>-10,371</b>	<b>-5,900</b>
<b>Cash flow from financing activities</b>		
Common control merger	0	6
Payments of lease liabilities	-1,697	-1,204
Proceeds from short-term liabilities	0	0
Payments of short-tem liabilities	-6	0
<b>Net cash flow from financing activities (C)</b>	<b>-1,703</b>	<b>-1,198</b>
<b>CHANGE IN CASH AND EQUIVALENTS (A+B+C)</b>	<b>-2,772</b>	<b>-87</b>
<b>Cash and cash equivalents, in the beginning of period</b>	<b>7,536</b>	<b>8,013</b>
Net effect of exchange rate changes on cash and cash equivalents	-677	-391
<b>Cash and cash equivalents, at the end of period</b>	<b>4,087</b>	<b>7,536</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium reserve	Reserve for invested non-restricted equity	Translation reserve	Retained earnings	Total
<b>EUR thousand</b>						
<b>Equity on Jan 1, 2022</b>	<b>80</b>	<b>0</b>	<b>143,240</b>	<b>-4</b>	<b>3,949</b>	<b>147,265</b>
Adjustment for previous year's retained earnings					-18	-18
<b>Comprehensive income</b>						
Profit for the financial year	0	0	0	12	13,728	13,740
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>13,728</b>	<b>13,740</b>
<b>Equity on Dec 31, 2022</b>	<b>80</b>	<b>0</b>	<b>143,240</b>	<b>8</b>	<b>17,658</b>	<b>160,986</b>

	Share capital	Share premium reserve	Reserve for invested non-restricted equity	Translation reserve	Retained earnings	Total
<b>EUR thousand</b>						
<b>Equity on Jan 1, 2021</b>	<b>80</b>	<b>0</b>	<b>142,980</b>	<b>15</b>	<b>-4,568</b>	<b>138,507</b>
Adjustment for previous year's retained earnings	0	0	0	0	0	0
<b>Comprehensive income</b>						
Profit for the financial year	0	0	0	1	401	401
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>401</b>	<b>401</b>
<b>Equity on Jun 30, 2021</b>	<b>80</b>	<b>0</b>	<b>142,980</b>	<b>16</b>	<b>-4,167</b>	<b>138,908</b>

# 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 which ended on December 31, 2022 comprise the Company and its subsidiaries (together referred to as the 'Group')

## 2. Accounting Principles

The Group's Financial Statement Bulletin for January–December 2022 has been prepared in line with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with the Group's financial statements for 2022, which will be published on week 11, 2023. The Group has applied the same accounting principles in the preparation of this Interim Report as in its Financial Statements for 2022.

## 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, Benelux, France, Spain, the United Kingdom, Canada, Poland and Singapore.

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 processes, 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 one external customer 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, software as well as lock operation and maintenance services. The Group's main customers are retailers and partners of locking products and major end-customers in the Critical Infrastructure segment with a signed frame agreement.

Revenue is recognized when control over the goods or the service is transferred to the customer. Product 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 few significant customers, 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.

<b>REVENUE BY GEOGRAPHY</b>				
<b>EUR thousand</b>	<b>2022</b>	<b>% of REV</b>	<b>2021</b>	<b>% of REV</b>
Finland	51,219	39 %	44,859	44 %
Northern Europe excl Finland	42,109	32 %	34,218	33 %
Rest of the World	39,620	30 %	23,844	23 %
<b>Total Sales</b>	<b>132,948</b>	<b>100 %</b>	<b>102,921</b>	<b>100 %</b>

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

<b>REVENUE</b>				
<b>EUR thousand</b>	<b>2022</b>	<b>% of REV</b>	<b>2021</b>	<b>% of REV</b>
Revenue is recognized at point in time	130,369	98 %	101,250	98 %
Revenue is recognized over time	2,579	2 %	1,671	2 %
<b>Total Sales</b>	<b>132,948</b>	<b>100 %</b>	<b>102,921</b>	<b>100 %</b>

## INTANGIBLE ASSETS AND GOODWILL

	Technology	Intangible Rights	Brand	Goodwill	Other Intangible assets	Customer relations	Work in progress	Total
<b>EUR thousand</b>								
<b>Acquisition cost, Jan 1, 2022</b>	<b>80,423</b>	<b>1,347</b>	<b>12,865</b>	<b>91,672</b>	<b>851</b>	<b>12,142</b>	<b>6,013</b>	<b>205,312</b>
Additions in acquisition	1,160	0	0	740	8	0	0	1,908
Transfer between items	752	0	0	0	1,002	0	-1,754	0
Additions	731	381	0	0	906	0	4,987	7,005
<b>Acquisition cost, Dec 31, 2022</b>	<b>83,066</b>	<b>1,728</b>	<b>12,865</b>	<b>92,412</b>	<b>2,767</b>	<b>12,142</b>	<b>9,246</b>	<b>214,224</b>
<b>Accumulated depreciations and impairment Jan 1, 2022</b>	<b>8,330</b>	<b>209</b>	<b>1,764</b>	<b>0</b>	<b>361</b>	<b>1,663</b>	<b>0</b>	<b>12,327</b>
Amortisation	4,304	252	858	0	488	809	0	6,711
<b>Accumulated depreciations and impairment Dec 31, 2022</b>	<b>12,634</b>	<b>461</b>	<b>2,622</b>	<b>0</b>	<b>849</b>	<b>2,472</b>	<b>0</b>	<b>19,039</b>
<b>Carrying amount Jan 1, 2022</b>	<b>72,094</b>	<b>1,138</b>	<b>11,101</b>	<b>91,672</b>	<b>490</b>	<b>10,479</b>	<b>6,013</b>	<b>192,986</b>
<b>Carrying amount Dec 31, 2022</b>	<b>70,433</b>	<b>1,267</b>	<b>10,243</b>	<b>92,412</b>	<b>1,918</b>	<b>9,670</b>	<b>9,246</b>	<b>195,186</b>

	Technology	Intangible Rights	Brand	Goodwill	Other Intangible assets	Customer relations	Work in progress	Total
<b>EUR thousand</b>								
<b>Acquisition cost, Jan 1, 2021</b>	<b>79,698</b>	<b>772</b>	<b>12,865</b>	<b>91,672</b>	<b>288</b>	<b>12,142</b>	<b>3,103</b>	<b>200,540</b>
Transfer between items	91	463	0	0	541	0	-1,094	0
Merger	366	0	0	0	0	0	0	366
Additions	268	112	0	0	22	0	4,004	4,406
<b>Acquisition cost, Dec 31, 2021</b>	<b>80,423</b>	<b>1,347</b>	<b>12,865</b>	<b>91,672</b>	<b>851</b>	<b>12,142</b>	<b>6,013</b>	<b>205,312</b>
<b>Accumulated depreciations and impairment Jan 1, 2021</b>	<b>4,251</b>	<b>46</b>	<b>906</b>	<b>0</b>	<b>162</b>	<b>854</b>	<b>0</b>	<b>6,219</b>
Amortisation	4,079	163	858	0	199	809	0	6,111
<b>Accumulated depreciations and impairment Dec 31, 2021</b>	<b>8,330</b>	<b>209</b>	<b>1,764</b>	<b>0</b>	<b>361</b>	<b>1,663</b>	<b>0</b>	<b>12,327</b>
<b>Carrying amount Jan 1, 2021</b>	<b>75,447</b>	<b>726</b>	<b>11,959</b>	<b>91,672</b>	<b>126</b>	<b>11,288</b>	<b>3,103</b>	<b>194,321</b>
<b>Carrying amount Dec 31, 2021</b>	<b>72,094</b>	<b>1,138</b>	<b>11,101</b>	<b>91,672</b>	<b>490</b>	<b>10,479</b>	<b>6,013</b>	<b>192,986</b>

## 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
<b>EUR thousand</b>						
<b>Acquisition cost, Jan 1, 2022</b>	<b>4,194</b>	<b>586</b>	<b>195</b>	<b>1,869</b>	<b>2,012</b>	<b>8,857</b>
Additions in acquisition	297	0	0	0	0	297
Transfer between items	689	-806	2	0	0	-115
Additions	681	1,090	241	718	2,313	5,043
Deductions	0	-60	0	0	0	-60
<b>Acquisition cost, Dec 31, 2022</b>	<b>5,862</b>	<b>811</b>	<b>438</b>	<b>2,587</b>	<b>4,325</b>	<b>14,022</b>
<b>Accumulated depreciations and impairment Jan 1, 2022</b>	<b>1,482</b>	<b>0</b>	<b>85</b>	<b>1,041</b>	<b>1,267</b>	<b>3,875</b>
Amortisation	1,109	0	103	610	993	2,814
<b>Accumulated depreciations and impairment Dec 31, 2022</b>	<b>2,591</b>	<b>0</b>	<b>188</b>	<b>1,650</b>	<b>2,260</b>	<b>6,688</b>
<b>Carrying amount Jan 1, 2022</b>	<b>2,712</b>	<b>586</b>	<b>110</b>	<b>828</b>	<b>745</b>	<b>4,982</b>
<b>Carrying amount Dec 31, 2022</b>	<b>3,271</b>	<b>811</b>	<b>250</b>	<b>937</b>	<b>2,065</b>	<b>7,334</b>

Owned property, plant and equipment	Right-of-use assets					
	Machinery and equipment	Work in progress	Other tangible assets	Cars	Premises	Total
<b>EUR thousand</b>						
<b>Acquisition cost, Jan 1, 2021</b>	<b>3,052</b>	<b>286</b>	<b>143</b>	<b>1,527</b>	<b>1,288</b>	<b>6,296</b>
Transfer between items	669	-670	0	0	0	0
Additions	473	970	52	342	724	2,561
<b>Acquisition cost, Dec 31, 2021</b>	<b>4,194</b>	<b>586</b>	<b>195</b>	<b>1,869</b>	<b>2,012</b>	<b>8,857</b>
<b>Accumulated depreciations and impairment Jan 1, 2021</b>	<b>651</b>	<b>0</b>	<b>39</b>	<b>513</b>	<b>575</b>	<b>1,778</b>
Amortisation	831	0	46	528	692	2,097
<b>Accumulated depreciations and impairment Dec 31, 2021</b>	<b>1,482</b>	<b>0</b>	<b>85</b>	<b>1,041</b>	<b>1,267</b>	<b>3,875</b>
<b>Carrying amount Jan 1, 2021</b>	<b>2,401</b>	<b>287</b>	<b>104</b>	<b>1,014</b>	<b>713</b>	<b>4,519</b>
<b>Carrying amount Dec 31, 2021</b>	<b>2,712</b>	<b>586</b>	<b>110</b>	<b>828</b>	<b>745</b>	<b>4,982</b>

## 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. There were no related party transactions during the reported period.

## GROUP STRUCTURE AND ACQUISITIONS

In the fiscal year 2022, the group acquired IT-Salonen Oy and founded a subsidiary iLOQ Polska sp. z o o and started business in the subsidiary iLOQ USA Inc. During 2021, the group merged with iLOQ Oy of Axtuator Oy, a company under the same control. There have been no changes in the holdings of the subsidiaries during 2022.

## CONTINGENT LIABILITIES

COLLATERALS AND CONTINGENT LIABILITIES		
EUR thousand	FY 2022	FY 2021
<b>Contingent liabilities</b>		
Credit facility	15,000	15,000
Lease guarantee	249	225
Delivery guarantee	32	0
Corporate credit card	84	149
<b>Total</b>	<b>15,365</b>	<b>15,374</b>

Credit facility of EUR 15.000.000 was not in use at the end of the year, but it has been used during period Jan 1- Dec 31 2022.

EUR thousand	FY 2021	FY 2021
<b>Collateral given for own commitments</b>	155,000	155,000
<b>Total</b>	<b>155,000</b>	<b>155,000</b>

## 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 the impact from a market study conducted in Q2 2022 with an external company, which is an item affecting comparability. The impact of this study included in EBITDA, EBIT and Operational Cash Flow was 488 thousand euros and is not a recurring item.

## CONTACT

Additional information about the company can be found on the corporate website [www.iloq.com](http://www.iloq.com). The company can be contacted by e-mail, [info@iloq.com](mailto:info@iloq.com)

For questions concerning this report please contact:

Heikki Hiltunen  
*CEO and President*  
[Heikki.Hiltunen@iloq.com](mailto:Heikki.Hiltunen@iloq.com)

Timo Pirskanen  
*CFO*  
[Timo.Pirskanen@iloq.com](mailto:Timo.Pirskanen@iloq.com)