

CAPNOR WEASEL BIDCO OYJ

Half Year Financial Report
January – June 2023



Half Year Financial Report 2023

Second quarter highlights

- Revenue increased by 1% to MEUR 29.1 (28.8)
- EBITDA decreased to MEUR 2.8 (4.7), corresponding to a 10% (16%) EBITDA margin
- EBIT decreased to MEUR 0.3 (2.4), corresponding to a 1% (8%) EBIT margin
- Operational Cash Flow was negative at MEUR -6.9 (+0.4)

Significant events during the quarter

- Market entry to the US is on schedule and progressing as planned
- iLOQ to partner up with Genetec to create secure and streamlined access management solutions
- iLOQ announced that Tierps Energi och Miljö AB chose iLOQ's mobile-phone-based S50 system to increase critical infrastructure security and improve access management
- iLOQ announced that its mobile phone-based access management system is used for the first time in apartment buildings in Sweden
- Waveconn, a specialist developer and investor in telecommunications infrastructure in Australia, selected iLOQ as its smart-locking partner after the review period in July 2023

| EUR thousand | Change | | | Change | | | |
|----------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|----------------|
| | Q2 2023 | Q2 2022 | in % | H1 2023 | H1 2022 | in % | FY 2022 |
| Revenue | 29,135 | 28,790 | 1 % | 61,135 | 54,506 | 12 % | 132,948 |
| EBITDA | 2,840 | 4,684 | -39 % | 8,900 | 10,052 | -11 % | 31,379 |
| EBITDA margin | 10 % | 16 % | | 15 % | 18 % | | 24 % |
| EBIT | 305 | 2,405 | -87 % | 3,847 | 5,487 | -30 % | 21,853 |
| EBIT margin | 1 % | 8 % | | 6 % | 10 % | | 16 % |
| Operational Cash Flow | -6,893 | 442 | -1659 % | 861 | 3,893 | -78 % | 8,568 |
| Operational Cash Flow % | -24 % | 2 % | | 1 % | 7 % | | 6 % |
| Adjusted EBITDA* | 2,840 | 5,172 | -45 % | 9,278 | 10,540 | -12 % | 31,867 |
| Adjusted EBITDA margin* | 10 % | 18 % | | 15 % | 19 % | | 24 % |
| Adjusted EBIT | 305 | 2,893 | -89 % | 4,225 | 5,976 | -29 % | 22,342 |
| Adjusted EBIT margin | 1 % | 10 % | | 7 % | 11 % | | 17 % |
| Adjusted Operational Cash Flow | -6,893 | 930 | -841 % | 1,239 | 4,381 | -72 % | 9,056 |
| Adjusted Operational Cash Flow % | -24 % | 3 % | | 2 % | 8 % | | 7 % |

* H1 2023, H1 2022 and Q2 2022 and year 2022 EBITDA, EBIT & Operational Cash Flow included an impact from a brand renewal project and a market study conducted with external companies, which have been treated as items affecting comparability. The adjustment related to brand renewal in Q1 2023 was 378 thousand euros and in FY 2022 market study 488 thousand euros. These costs have been excluded in the Adjusted EBITDA, EBIT and Operational Cash Flow figures above.

Management overview of the second quarter

Following a strong start of the year iLOQ Group's revenue growth slowed down due to very low activity in the multi-residential new construction and renovation market in the Nordics. Revenue growth was 1% compared to the same period in the previous year. Revenue declined 14% compared to Q2 2022 in the Nordics. Strong performance continued in the rest of the world with revenue growth of 33% compared to the same period in the previous year.

Prevailing geopolitical risks related to Russia's invasion of Ukraine and the resulting rise in energy prices, together with an increasing interest rate environment have had a negative impact on the real estate sector. Especially the new construction market has been affected, which constitutes only a small part of iLOQ's revenue base. However, postponement in decision making in the renovation market has also affected overall demand in the second quarter. Management is confident that the long-term growth potential and drivers in the market remain intact despite a short-term slowdown due to delayed investments by customers and that iLOQ is well positioned to continue to outgrow the market also during periods of softer market activity.

iLOQ continues to invest in future growth and the market entry to the US is on schedule and progressing as planned. iLOQ has a local sales organization in place which has already generated a solid pipeline and leads. Logistic channels and partner network are being built and final steps of the ANSI cylinder product development are being completed. Management expects the market entry for the US built environment market to take place during the fourth quarter of the year.

iLOQ has been able to successfully mitigate supply-chain disruptions in the market to be able to meet customer demand. As there are signs of improving availability of materials and electronic components, iLOQ destocked its electronic components inventory during the second quarter, which had a negative impact on the gross margin. However inventory levels remained high despite the destocking as the company is simultaneously preparing its end-product inventory for the normal seasonal volume growth and to meet delivery capability for the current strong pipeline in the critical infrastructure segment. The increase in working capital had a negative effect on the Group's cashflow in the second quarter.

Second quarter of 2023 included multiple significant events for iLOQ:

iLOQ announced in May a new partnership with Genetec to create secure and streamlined access management solutions. Genetec is a leading developer of open-platform software, hardware, and cloud-based services. Their access control system – Synergis™ – can now be integrated with iLOQ's solution to provide operational insights into security and to allow customers to make informed decisions and improve their operations.

iLOQ announced in June that Tierps Energi och Miljö AB chose iLOQ's mobile phone-based S50 system to increase critical infrastructure security and improve access management. Tierps Energi och Miljö AB replaces its mechanical locks with iLOQ's fully digital S50 system. Tierps Energi och Miljö has 120 locations for facilities with a total of about 180 cylinders and 150 padlocks. These will now be equipped with digital cylinders and padlocks from iLOQ, which allow access rights to be granted for each individual access point.

iLOQ announced in June that iLOQ's keyless locking system is used for the first time in an apartment building in Sweden. Property company Lindborg & Söner chose iLOQ's mobile phone-based access management system for the new apartment building in Salnecke Park in Örsundsbro outside Uppsala. Since the locking system is completely free of keys, cables and batteries, residents only need to use their smartphone to enter their properties.

iLOQ announced in June a new GPS functionality for iLOQ S50 audit trails. Real-time audit trail reports are an excellent tool to help prevent unauthorized access, or detect instances of misuse, by showing exactly who has accessed a site and when. Each time a lock is opened, or attempted to be opened, the iLOQ S50 app will send the GPS coordinates of the smartphone to the server. Administrators will be able see the coordinates on iLOQ Manager and pinpoint the exact event to provide even more information for site managers and administrators to further enhance site security.

Second quarter 2023

Total revenue grew 1% compared to Q2 2022. Revenue declined 14% compared to Q2 2022 in the Nordics. Strong performance continued in the rest of the world with revenue growth of 33% compared to the same period in the previous year.

EBITDA amounted to MEUR 2.8 (4.7), corresponding to a 10% (16%) EBITDA margin. EBITDA margin was negatively impacted by the destocking of the electronic components inventory, which had a negative impact on the gross margin. Gross margins in the ongoing operational business were unchanged at the historical healthy level. Continued investments in growth, including costs related to the US market entry also increased opex and impacted margins negatively in the quarter.

EBIT amounted to MEUR 0.3 (2.4), corresponding to a 1% (8%) EBIT margin.

Operational Cash Flow was MEUR -9.9 (0.4). As there are signs of improving availability of materials and electronic components, iLOQ destocked its electronic components inventory during the second quarter, decreasing net working capital. However inventory levels remained high despite the destocking as the company is simultaneously preparing its end product inventory for the normal seasonal volume growth and to meet delivery capability for the current strong pipeline in the critical infrastructure segment. This neutralized the positive impact of the destocking.

First half 2023

Total revenue grew 12% compared to H1 2022. Revenue declined 3% compared to H1 2022 in the Nordics. Strong performance continued in the rest of the world with revenue growth of 42% compared to the same period in the previous year.

EBITDA amounted to MEUR 8.9 (10.1), corresponding to a 15% (18%) EBITDA margin. EBITDA margin was negatively impacted by the destocking of the electronic components inventory. and continued opex investments in growth.

EBIT amounted to MEUR 3.8 (5.5), corresponding to a 6% (10%) EBIT margin.

Operational Cash Flow was MEUR -2.2 (3.9). As there are signs of improving availability of materials and electronic components, iLOQ destocked its electronic components inventory during the second quarter, decreasing net working capital. However inventory levels remained high despite the destocking as the company is simultaneously preparing its end product inventory for the normal seasonal volume growth and to meet delivery capability for the current strong pipeline in critical infrastructure segment. This neutralized the positive impact of the destocking

Events after the reporting period

Waveconn, a specialist developer and investor in telecommunications infrastructure in Australia, selected iLOQ as its smart-locking partner in July 2023.

Quarterly Information

| QUARTERLY INFORMATION | Q2/21 | Q3/21 | Q4/21 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | Q1/23 | Q2/23 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 23,172 | 21,282 | 39,424 | 25,716 | 28,790 | 27,439 | 51,003 | 32,000 | 29,135 |
| EBITDA | 4,291 | 3,986 | 11,818 | 5,368 | 4,684 | 4,701 | 16,625 | 6,060 | 2,840 |
| EBITDA margin | 19 % | 19 % | 30 % | 21 % | 16 % | 17 % | 33 % | 19 % | 10 % |
| EBIT | 2,230 | 1,902 | 9,758 | 3,083 | 2,405 | 2,414 | 13,952 | 3,542 | 305 |
| EBIT margin | 10 % | 9 % | 25 % | 12 % | 8 % | 9 % | 27 % | 11 % | 1 % |
| Operational Cash Flow | 1,277 | -859 | 10,114 | 3,451 | 442 | -2,372 | 7,048 | 7,753 | -9,947 |
| Operational Cash Flow % | 6 % | -4 % | 26 % | 13 % | 2 % | -9 % | 14 % | 24 % | -34 % |
| Adjusted EBITDA | 4,291 | 3,986 | 11,818 | 5,368 | 5,172 | 4,701 | 16,625 | 6,438 | 2,840 |
| Adjusted EBITDA margin | 19 % | 19 % | 30 % | 21 % | 18 % | 17 % | 33 % | 20 % | 10 % |

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 first six months of 2023.

Espoo August 14, 2023

Heikki Hiltunen

President and CEO

Karl Petersson

Member of the Board

INCOME STATEMENT

| CONSOLIDATED INCOME STATEMENT, IFRS | | | | | |
|--|---------------|---------------|---------------|---------------|----------------|
| EUR Thousand | Q2 2023 | Q2 2022 | H1 2023 | H1 2022 | FY 2022 |
| Revenue | 29,135 | 28,790 | 61,135 | 54,506 | 132,948 |
| Other income | 0 | 0 | 0 | 0 | 0 |
| | 0 | | | | |
| Materials and services | -14,228 | -12,345 | -27,399 | -23,479 | -56,846 |
| Employee benefit expenses | -6,299 | -6,928 | -13,847 | -12,985 | -26,191 |
| Depreciation, amortisation and impairment losses | -2,536 | -2,279 | -5,054 | -4,564 | -9,525 |
| Other operating expenses | -5,767 | -4,833 | -10,988 | -7,990 | -18,533 |
| Operating profit | 305 | 2,405 | 3,847 | 5,487 | 21,853 |
| Finance income | 4 | 5 | 84 | 10 | 122 |
| Finance cost | -1,226 | -1,089 | -2,659 | -2,162 | -4,599 |
| Net financial expenses | -1,221 | -1,084 | -2,575 | -2,152 | -4,478 |
| Profit (-loss) before taxes | -916 | 1,321 | 1,271 | 3,335 | 17,376 |
| Income taxes | 12 | -512 | -467 | -1,077 | -3,648 |
| Profit (loss) for the financial period | -905 | 809 | 804 | 2,258 | 13,728 |
| Items that may be subsequently reclassified to profit or loss | | | | | |
| Translation differences | -1 | 15 | 9 | 12 | 12 |
| Total comprehensive income | -906 | 824 | 813 | 2,270 | 13,740 |
| Earnings per share, undiluted (EUR) | -9,049 | 8,089 | 8,041 | 22,581 | 137,280 |
| Earnings per share, diluted (EUR) | -9,049 | 8,089 | 8,041 | 22,581 | 137,280 |

BALANCE SHEET

| CONSOLIDATED BALANCE SHEET, IFRS | | | |
|--|----------------|----------------|----------------|
| EUR Thousand | June 2023 | June 2022 | Dec 2022 |
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 105,301 | 101,024 | 102,774 |
| Goodwill | 92,467 | 91,672 | 92,412 |
| Property, plant and equipment | 7,064 | 6,416 | 7,334 |
| Deferred tax assets | 409 | 411 | 447 |
| Total non-current assets | 205,241 | 199,523 | 202,967 |
| Inventories | 32,079 | 22,876 | 26,117 |
| Trade and other receivables | 21,103 | 17,240 | 30,022 |
| Current tax receivables for the financial year | 670 | | 51 |
| Cash and cash equivalents | 2,350 | 6,297 | 4,087 |
| Total current assets | 56,202 | 46,413 | 60,277 |
| Total assets | 261,444 | 245,936 | 263,245 |
| EQUITY & LIABILITIES | | | |
| Equity | | | |
| Share capital | 80 | 80 | 80 |
| Invested unrestricted equity fund | 143,240 | 143,240 | 143,240 |
| Translation difference | -2 | 8 | 7 |
| Retained earnings | 17,741 | 6,187 | 17,658 |
| Total equity | 161,060 | 149,515 | 160,986 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | 54,938 | 54,495 | 54,899 |
| Non-current lease liabilities | 847 | 1,469 | 1,499 |
| Non-current provisions | 1,057 | 263 | 574 |
| Deferred tax liabilities | 16,816 | 17,505 | 17,246 |
| Total non-current liabilities | 73,658 | 73,732 | 74,219 |
| Current liabilities | | | |
| Short-term interest-bearing liabilities | 4,003 | 0 | 0 |
| Account payables and other liabilities | 21,137 | 19,799 | 24,185 |
| Current lease liabilities | 1,447 | 1,398 | 1,559 |
| Current provisions | 100 | 920 | 704 |
| Current tax liabilities | 38 | 573 | 1,593 |
| Total current liabilities | 26,725 | 22,688 | 28,040 |
| Total liabilities | 100,384 | 96,421 | 102,259 |
| Total equity and liabilities | 261,444 | 245,936 | 263,245 |

STATEMENT OF CASH FLOWS

| CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS | | | |
|--|----------------|----------------|----------------|
| EUR Thousand | H1 2023 | H1 2022 | FY2022 |
| CASH FLOW FORM OPERATING ACTIVITIES | | | |
| Profit (Loss) for the financial period | 804 | 2,258 | 13,728 |
| Adjustments: | | | |
| Depreciation and amortization | 5,054 | 4,564 | 9,525 |
| Unrealized exchange rate gains and losses | 0 | 0 | 38 |
| Financial Income | -84 | -10 | -122 |
| Financial Expense | 2,659 | 2,162 | 4,599 |
| Taxes | 467 | 1,077 | 3,648 |
| Other adjustments | 0 | 0 | 0 |
| Change in Working Capital: | | | |
| Change in trade and other receivables | 8,919 | -316 | -13,341 |
| Change in inventory | -5,962 | -3,072 | -6,303 |
| Change in trade and other payables | -3,634 | 1,681 | 6,057 |
| Change in provisions | -121 | -633 | -537 |
| Interest paid | -2,222 | -1,525 | -3,356 |
| Interest received | 0 | 0 | 0 |
| Income tax paid | -3,025 | -2,313 | -4,341 |
| Other financial items | -91 | -106 | -294 |
| Net cash flow from operating activities (A) | 2,765 | 3,767 | 9,302 |
| Cash flow from investing activities | | | |
| Payments from tangible assets sales | 18 | 0 | 31.4 |
| Investments in intangible assets | -6,147 | -3,075 | -6,937 |
| Investments in tangible assets | -1,113 | -744 | -1,750 |
| Business acquisitions | 0 | 0 | -1,716 |
| Net cash flow from investing activities (B) | -7,242 | -3,819 | -10,371 |
| Cash flow from financing activities | | | |
| Common control merger | 0 | 0 | |
| Payments of lease liabilities | -880 | -811 | -1,697 |
| Withdrawals of short-term loans | 3,942 | 0 | 0 |
| Proceeds from short-term liabilities | 0 | 0 | -6 |
| Payments of short-tem liabilities | 0 | 0 | |
| Net cash flow from financing activities (C) | 3,062 | -811 | -1,703 |
| CHANGE IN CASH AND EQUIVALENTS (A+B+C) | -1,416 | -863 | -2,772 |
| Cash and cash equivalents, in the beginning of period | 4,087 | 7,536 | 7,536 |
| Net effect of exchange rate changes on cash and cash equivalents | -321 | -376 | -677 |
| Cash and cash equivalents, at the end of period | 2,350 | 6,297 | 4,087 |

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, 2023 | 80 | 0 | 143,240 | 7 | 17,658 | 160,986 |
| Adjustment for previous year's retained earnings | 0 | 0 | 0 | 0 | -722 | -722 |
| Comprehensive income | | | | | | |
| Profit for the financial year | 0 | 0 | 0 | -9 | 804 | 795 |
| Total comprehensive income | 80 | 0 | 143,240 | -2 | 17,741 | 161,060 |
| Equity on Jun 30, 2023 | 80 | 0 | 143,240 | -2 | 17,741 | 161,060 |

Adjustment for the previous year's retained earnings was 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, 2022 | 80 | 0 | 143,240 | -4 | 3,949 | 147,265 |
| Adjustment for previous year's retained earnings | 0 | 0 | 0 | 0 | -20 | -20 |
| Comprehensive income | | | | | | |
| Profit for the financial year | 0 | 0 | 0 | 12 | 2,258 | 2,270 |
| Total comprehensive income | 80 | 0 | 143,240 | 8 | 6,187 | 149,515 |
| Equity on Jun 30, 2022 | 80 | 0 | 143,240 | 8 | 6,187 | 149,515 |

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 June 30, 2023 comprise the Company and its subsidiaries (together referred to as the 'Group')

2. Accounting Principles

The Group's Interim Report for January-June 2023 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, published on March 16, 2023. The Group has applied the same accounting principles in the preparation of this Interim Report as in its Financial Statements for 2022. 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, France, Spain, Poland, Great Britain, Canada 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 | Q2 | % of | Q2 | % of | H1 | % of | H1 | % of |
|------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| EUR thousand | 2023 | REV | 2022 | REV | 2023 | REV | 2022 | REV |
| Finland | 8,910 | 31 % | 10,195 | 35 % | 18,640 | 30 % | 19,759 | 36 % |
| Northern Europe excl Finland | 7,548 | 26 % | 9,037 | 31 % | 16,365 | 27 % | 16,360 | 30 % |
| Rest of the World | 12,676 | 44 % | 9,559 | 33 % | 26,130 | 43 % | 18,387 | 34 % |
| Total Sales | 29,135 | 100 % | 28,790 | 100 % | 61,135 | 100 % | 54,506 | 100 % |

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

| REVENUE | Q2 | % of | Q2 | % of | H1 | % of | H1 | % of |
|--|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| EUR thousand | 2023 | REV | 2022 | REV | 2023 | REV | 2022 | REV |
| Revenue is recognized at point in time | 28,167 | 97 % | 28,170 | 98 % | 59,310 | 97.0 % | 53,336 | 97.9 % |
| Revenue is recognized over time | 968 | 3 % | 620 | 2 % | 1,824 | 3.0 % | 1,170 | 2.1 % |
| Total Sales | 29,135 | 100 % | 28,790 | 100 % | 61,135 | 100 % | 54,506 | 100 % |

INTANGIBLE ASSETS

| 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 |
| Adjustments for previous financial periods | | | | 55 | | | | 55 |
| Transfer between items | 1,470 | | | | 687 | | -2,157 | 0 |
| Additions | 1,039 | 152 | | | 149 | | 4,811 | 6,151 |
| Acquisition cost, Jun 30, 2023 | 85,575 | 1,880 | 12,865 | 92,467 | 3,603 | 12,142 | 11,900 | 220,432 |
| Accumulated depreciations and impairment Jan 1, 2023 | 12,634 | 461 | 2,622 | 0 | 849 | 2,472 | 0 | 19,039 |
| Amortisation | 2,361 | 119 | 429 | 0 | 312 | 405 | 0 | 3,626 |
| Accumulated depreciations and impairment Jun 30, 2023 | 14,995 | 580 | 3,051 | 0 | 1,161 | 2,877 | 0 | 22,664 |
| Carrying amount Jan 1, 2023 | 70,433 | 1,267 | 10,243 | 92,412 | 1,918 | 9,670 | 9,246 | 195,186 |
| Carrying amount Jun 30, 2023 | 70,580 | 1,300 | 9,814 | 92,467 | 2,442 | 9,265 | 11,900 | 197,768 |

| EUR thousand | Technology | Intangible Rights | Brand | Goodwill | Other Intangible assets | Customer relations | Work in progress | Total |
|--|---------------|-------------------|---------------|---------------|-------------------------|--------------------|------------------|----------------|
| Acquisition cost, Jan 1, 2022 | 80,424 | 1,346 | 12,865 | 91,672 | 851 | 12,142 | 6,013 | 205,312 |
| Transfer between items | 42 | | | | | | -154 | -112 |
| Merger | | | | | | | | 0 |
| Additions | 631 | 40 | | | 372 | | 2,032 | 3,075 |
| Acquisition cost, Jun 30, 2022 | 81,097 | 1,386 | 12,865 | 91,672 | 1,223 | 12,142 | 7,891 | 208,276 |
| Accumulated depreciations and impairment Jan 1, 2022 | 8,330 | 209 | 1,764 | 0 | 361 | 1,663 | 0 | 12,327 |
| Amortisation | 2,166 | 36 | 429 | 0 | 218 | 404 | 0 | 3,253 |
| Accumulated depreciations and impairment Jun 30, 2022 | 10,496 | 245 | 2,193 | 0 | 579 | 2,067 | 0 | 15,580 |
| Carrying amount Jan 1, 2022 | 72,094 | 1,138 | 11,101 | 91,672 | 490 | 10,479 | 6,013 | 192,987 |
| Carrying amount Jun 30, 2022 | 70,601 | 1,140 | 10,672 | 91,672 | 644 | 10,075 | 7,891 | 192,696 |

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, 2023 | 5,862 | 811 | 438 | 2,587 | 4,325 | 14,022 |
| Additions in acquisition | | | | | | 0 |
| Transfer between items | 245 | -245 | | | | 0 |
| Additions | 10 | 1,017 | 106 | 7 | 55 | 1,195 |
| Deductions | 0 | -20 | -15 | | | -35 |
| Acquisition cost, Jun 30, 2023 | 6,117 | 1,563 | 529 | 2,594 | 4,380 | 15,182 |
| Accumulated depreciations and impairment Jan 1, 2023 | 2,591 | 0 | 188 | 1,650 | 2,260 | 6,688 |
| Amortisation | 490 | | 110 | 263 | 566 | 1,428 |
| Accumulated depreciations and impairment Jun 30, 2023 | 3,081 | 0 | 298 | 1,914 | 2,826 | 8,118 |
| Carrying amount Jan 1, 2023 | 3,271 | 811 | 250 | 937 | 2,065 | 7,334 |
| Carrying amount Jun 30, 2023 | 3,036 | 1,563 | 231 | 680 | 1,554 | 7,064 |
| 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, 2022 | 4,194 | 586 | 195 | 1,869 | 2,012 | 8,857 |
| Transfer between items | 290 | -354 | 0 | 0 | 0 | -64 |
| Additions | 209 | 410 | 125 | 347 | 1,719 | 2,810 |
| Acquisition cost, Jun 30, 2022 | 4,693 | 641 | 320 | 2,216 | 3,731 | 11,602 |
| Accumulated depreciations and impairment Jan 1, 2022 | 1,482 | 0 | 85 | 1,041 | 1,267 | 3,875 |
| Amortisation | 430 | | 64 | 305 | 513 | 1,311 |
| Accumulated depreciations and impairment Jun 30, 2022 | 1,912 | 0 | 149 | 1,346 | 1,779 | 5,186 |
| Carrying amount Jan 1, 2022 | 2,712 | 586 | 110 | 828 | 745 | 4,983 |
| Carrying amount Jun 30, 2022 | 2,781 | 641 | 171 | 870 | 1,952 | 6,416 |

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.

CONTINGENT LIABILITIES

| COLLATERALS AND CONTINGENT LIABILITIES | | | |
|--|---------------|---------------|---------------|
| EUR thousand | H1 2023 | H1 2022 | FY 2022 |
| Contingent liabilities | | | |
| Credit facility | 15,000 | 15,000 | 15,000 |
| Lease guarantee | 235 | 281 | 249 |
| Delivery guarantee | 17 | 0 | 32 |
| Corporate credit card | 122 | 74 | 84 |
| Total | 15,374 | 15,355 | 15,365 |

Credit facility of EUR 5 000 000 has been used during period Jan 1 - Jun 30 2023.

| EUR thousand | H1 2023 | H1 2022 | FY 2022 |
|---|----------------|----------------|----------------|
| Collateral given for own commitments | 155,000 | 155,000 | 155,000 |
| Collateral given on behalf of others | | | |
| Collateral | 0 | 0 | 0 |
| Guarantee | 0 | 890 | 0 |
| Total | 155,000 | 155,890 | 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 a brand renewal project and a market study conducted with external companies, which have been treated as items affecting comparability. The adjustment related to brand renewal in Q1 2023 was 378 thousand euros and in FY 2022 market study 488 thousand euros. These costs have been excluded in the Adjusted EBITDA, EBIT and Operational Cash Flow figures above.

CONTACT

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

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