

# CAPNOR WEASEL BIDCO OYJ

Interim report  
January – March 2025



## Interim Report for the first quarter of 2025

### First quarter highlights

- Revenue increased by 17% to MEUR 23.8 (20.3)
- EBITDA increased to MEUR 1.8 (-3.1), corresponding to 8% (-15%) EBITDA margin
- EBIT increased to MEUR -1.8 (-5.8), corresponding to -8% (-29%) EBIT margin
- Operational Cash Flow decreased to MEUR 4.0 (10.4)

### Significant events during and after the quarter

- iLOQ announced that Wesco, a leading provider of business-to-business distribution, logistics services and supply chain solutions, will become iLOQ's premier distribution partner in North America.
- iLOQ showcased its entire smart-locking ecosystem at ISC West, the leading security trade event in the U.S.
- In current macroeconomic and geopolitical situation, iLOQ is taking measures including also change negotiations to secure its future growth and competitiveness. Said change negotiations are expected to be completed soon.

EUR thousand	Q1 2025	Q1 2024	Change in %	FY 2024
<b>Revenue</b>	<b>23,820</b>	<b>20,288</b>	17 %	<b>128,746</b>
EBITDA	1,815	-3,098	159 %	19,614
EBITDA margin	8 %	-15 %		15 %
EBIT	-1,826	-5,835	69 %	7,212
EBIT margin	-8 %	-29 %		6 %
Operational Cash Flow	3,971	10,433	-62 %	20,298
Operational Cash Flow %	17 %	51 %		16 %
<b>Adjusted EBITDA*</b>	<b>1,815</b>	<b>-3,098</b>	159 %	<b>21,413</b>
<b>Adjusted EBITDA margin*</b>	<b>8 %</b>	<b>-15 %</b>		<b>17 %</b>
Adjusted EBIT	-1,826	-5,835	69 %	9,011
Adjusted EBIT margin	-8 %	-29 %		7 %
Adjusted Operational Cash Flow	3,971	10,433	-62 %	22,097
Adjusted Operational Cash Flow %	17 %	51 %		17 %

\* FY 2024 included MEUR 1.8 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 first quarter

During the first quarter of 2025, iLOQ Group's revenue increased by 17% compared to the corresponding period of the previous year; however, when excluding some material delivery related sales to external manufacturing partners, the revenue growth was 21% (Q1/2025 vs. Q1/2024.) Even though there are major geopolitical and economic uncertainties, clear signs of gradual recovery have been seen especially in Sweden and Finland. Also, demand in the public sector and rental housing segment has been solid. In the US, sales fell short of expectations as certain major projects scheduled for Q1 were postponed to Q2, with customers hesitating in their decision making as the signs of growing trade barriers such as tariffs have increased uncertainty. Still, sales in the US were materially above last year. Similarly, in S50 Critical Infrastructure segment, decision making has been delayed to some extent. Despite improved profitability quarterly operational cash flow decreased compared to the same period of the previous year mainly due to short-term working capital changes and somewhat higher investments.

Key quarterly performance metrics for the reporting period:

- EBITDA amounted to MEUR 1.8 (-3.1), corresponding to 8% (-15%) EBITDA margin.
- EBIT amounted to MEUR -1.8 (-5.8), corresponding to -8% (-29%) EBIT margin.
- Operational cashflow was MEUR 4.0 (10.4).

In current macroeconomic and geopolitical challenges, iLOQ Ltd, a subsidiary of Capnor Weasel Bidco Oyj, is taking measures to secure its growth and competitiveness. As part of such measures, iLOQ Ltd has launched change negotiations within the Group to adapt its organizations and staffing to the current market conditions and to prepare for the future. Today, the Group employs approximately 330 persons. The planned organizational changes are expected to lead to a permanent reduction of approximately 45 positions globally and the change negotiations are expected to be completed soon.

Delays in customer 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 has 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 to be rolled out during 2025. The R&D investments are expected to normalize after the previous years' large development programs being soon finalized and new products launched onto the markets. The long-term prospects remain strong as digital solutions continue to outgrow mechanical locking systems.

## Quarterly Information

QUARTERLY INFORMATION	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Revenue	32,000	29,135	22,905	57,278	20,288	28,352	27,828	52,278	23,820
EBITDA	6,060	2,840	1,679	20,786	-3,098	4,027	2,507	16,178	1,815
EBITDA margin	19 %	10 %	7 %	36 %	-15 %	14 %	9 %	31 %	8 %
EBIT	3,542	305	-948	17,594	-5,835	963	-681	12,765	-1,826
EBIT margin	11 %	1 %	-4 %	31 %	-29 %	3 %	-2 %	24 %	-8 %
Operational Cash Flow	7,753	-6,893	-3,639	12,295	10,433	-532	1,149	9,248	3,971
Operational Cash Flow %	24 %	-24 %	-16 %	21 %	51 %	-2 %	4 %	18 %	17 %
Adjusted EBITDA	6,438	2,840	2,609	20,786	-3,098	4,027	2,507	17,977	1,815
Adjusted EBITDA margin	20 %	10 %	11 %	36 %	-15 %	14 %	9 %	34 %	8 %

## Declaration of the Board

We confirm that, to the best of our knowledge, the condensed unaudited 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 quarter of 2025.

Espoo, May 15, 2025

Heikki Hiltunen

President and CEO

Magnus Hammarström

Member of the Board

## INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT, IFRS			
EUR Thousand	Q1 2025	Q1 2024	FY 2024
<b>Revenue</b>	23,820	20,288	128,746
Other income	5	5	18
Materials and services	-8,700	-9,303	-53,956
Employee benefit expenses	-8,245	-9,027	-29,469
Depreciation, amortisation and impairment losses	-3,641	-2,738	-12,402
Other operating expenses	-5,065	-5,061	-25,724
<b>Operating profit</b>	<b>-1,826</b>	<b>-5,835</b>	<b>7,212</b>
Finance income	61	163	414
Finance cost	-1,291	-3,248	-7,004
<b>Net financial expenses</b>	<b>-1,230</b>	<b>-3,085</b>	<b>-6,590</b>
<b>Profit (-loss) before taxes</b>	<b>-3,056</b>	<b>-8,921</b>	<b>622</b>
Income taxes	228	259	-821
<b>Profit (loss) for the financial period</b>	<b>-2,828</b>	<b>-8,662</b>	<b>-199</b>
<b>Items that may be subsequently reclassified to profit or loss</b>			
Translation differences	499	-47	-256
<b>Total comprehensive income</b>	<b>-2,328</b>	<b>-8,710</b>	<b>-454</b>

## BALANCE SHEET

<b>CONSOLIDATED BALANCE SHEET, IFRS</b>			
<b>EUR Thousand</b>	<b>Mar 2025</b>	<b>Mar 2024</b>	<b>Dec 2024</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	108,971	107,949	108,797
Goodwill	92,467	92,467	92,467
Property, plant and equipment	6,150	6,285	6,483
Deferred tax assets	573	400	587
<b>Total non-current assets</b>	<b>208,161</b>	<b>207,102</b>	<b>208,334</b>
Inventories	24,442	25,972	23,064
Trade and other receivables	18,191	17,722	30,848
Current tax receivables for the financial year	2,318	828	1,978
Cash and cash equivalents	10,038	6,832	9,066
<b>Total current assets</b>	<b>54,990</b>	<b>51,354</b>	<b>64,955</b>
<b>Total assets</b>	<b>263,151</b>	<b>258,456</b>	<b>273,289</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital	80	80	80
Invested unrestricted equity fund	143,240	143,240	143,240
Translation difference	277	-14	-222
Retained earnings	24,277	19,002	27,881
<b>Total equity</b>	<b>167,874</b>	<b>162,307</b>	<b>170,979</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities	54,572	55,187	54,599
Non-current lease liabilities	1,582	1,426	1,833
Non-current provisions	991	751	949
Deferred tax liabilities	15,149	16,051	15,437
<b>Total non-current liabilities</b>	<b>72,294</b>	<b>73,414</b>	<b>72,818</b>
<b>Current liabilities</b>			
Short-term interest-bearing liabilities	62	62	62
Account payables and other liabilities	19,705	20,484	26,431
Current lease liabilities	2,085	1,497	1,842
Current provisions	982	494	1,113
Current tax liabilities	149	198	45
<b>Total current liabilities</b>	<b>22,982</b>	<b>22,735</b>	<b>29,492</b>
<b>Total liabilities</b>	<b>95,277</b>	<b>96,149</b>	<b>102,310</b>
<b>Total equity and liabilities</b>	<b>263,151</b>	<b>258,456</b>	<b>273,289</b>

## STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS EUR Thousand	Q1 2025	Q1 2024	FY 2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit (Loss) for the financial period	-2,828	-8,662	-199
Adjustments:			
Depreciation and amortisation	3,641	2,738	12,402
Unrealised exchange rate gains and losses	0	0	189
Financial Income	-61	-163	-414
Financial Expense	1,291	3,248	7,004
Taxes	-228	-259	821
Other adjustments	0	-370	476
<b>Change in Working Capital:</b>			
Change in trade and other receivables	12,656	19,185	5,893
Change in inventory	-1,378	-1,495	1,413
Change in trade and other payables	-6,109	-1,907	4,024
Change in provisions	-89	-21	796
Interest paid	-1,039	-2,804	-4,988
Interest received	12	1	91
Income tax paid	-1,176	-2,334	-5,220
Other financial items	-32	-23	-1,522
<b>Net cash flow from operating activities (A)</b>	<b>4,661</b>	<b>7,135</b>	<b>20,768</b>
<b>Cash flow from investing activities</b>			
Investments in intangible assets	-2,924	-2,225	-10,843
Investments in tangible assets	-1	-7	-600
<b>Net cash flow from investing activities (B)</b>	<b>-2,925</b>	<b>-2,232</b>	<b>-11,443</b>
<b>Cash flow from financing activities</b>			
Payments of lease liabilities	-626	-448	-2,277
Proceeds from short-term liabilities	0	-5,000	-5,000
Withdrawals of long-term loans	0	55,000	55,000
Payments of long-term liabilities	0	-55,000	-55,064
<b>Net cash flow from financing activities (C)</b>	<b>-626</b>	<b>-5,448</b>	<b>-7,341</b>
<b>CHANGE IN CASH AND EQUIVALENTS (A+B+C)</b>	<b>1,110</b>	<b>-545</b>	<b>1,983</b>
<b>Cash and cash equivalents, in the beginning of period</b>	<b>9,066</b>	<b>7,397</b>	<b>7,397</b>
Net effect of exchange rate changes on cash and cash equivalents	-138	-20	-314
<b>Cash and cash equivalents, at the end of period</b>	<b>10,038</b>	<b>6,832</b>	<b>9,066</b>

## Definitions of alternative performance measures

1. **EBITDA** = EBIT before depreciation, amortisation 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 changes in working capital
3. **Operational Cash Flow %** = Operational Cash Flow / Revenue
4. **Adjusted EBITDA, Adjusted EBIT and Adjusted Operational Cash Flow** = Same as above but excluding an impact of MEUR 1.8 adjustments related to strategic analysis of iLOQ's full sales potential together with restructuring costs. These costs have been excluded in the Adjusted EBITDA, Adjusted EBIT and Adjusted Operational Cash Flow figures above.

## CONTACT

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

For questions concerning this report please contact:

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

Jukka Havia  
CFO  
[Jukka.Havia@ilq.com](mailto:Jukka.Havia@ilq.com)