

Capnor Weasel Bidco Oyj

Financial Statements and Annual Report
1 January 2025 - 31 December 2025

Contents

ANNUAL REPORT OF THE BOARD OF DIRECTORS

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

- Note 1 Basic information about the Group
- Note 2 Basis for preparing the financial statements
- Note 3 Accounting policies to the consolidated financial statements
- Note 4 Revenue and segment reporting
- Note 5 Group structure and business combinations
- Note 6 Materials and services
- Note 7 Employee benefit expenses
- Note 8 Depreciation and amortisation
- Note 9 Other expenses
- Note 10 Financial income and expenses
- Note 11 Income taxes
- Note 12 Intangible assets and goodwill
- Note 13 Property, plant and equipment
- Note 14 Inventories
- Note 15 Trade and other receivables
- Note 16 Cash and cash equivalents
- Note 17 Notes relating to equity
- Note 18 Classification of financial assets and liabilities
- Note 19 Financial liabilities
- Note 20 Account payables and other liabilities
- Note 21 Financial risk management
- Note 22 Maturity of lease liability
- Note 23 Provisions
- Note 24 Contingent liabilities and commitments
- Note 25 Related party transactions
- Note 26 Subsequent events

PARENT COMPANY INCOME STATEMENT (FAS)

PARENT COMPANY BALANCE SHEET (FAS)

PARENT COMPANY CASH FLOW STATEMENT (FAS)

- Note 1 Accounting principles for the financial statements of the parent company
- Note 2 Investments
- Note 3 Long-term and short-term receivables
- Note 4 Equity and calculation of distributable equity
- Note 5 Liabilities
- Note 6 Liabilities and collateral
- Note 7 Related party transactions

REPORT OF THE BOARD OF DIRECTORS 2025

Capnor Weasel Bidco Oyj was established in 2019. It is a limited liability company domiciled in Helsinki, Finland, and its main business area is management consultancy. The company employs one person.

The technological solutions of the company's subsidiary iLOQ Oy enable electro-mechanical locking without batteries or cables. iLOQ's products are mainly sold through iLOQ's distribution channel providing professional installation and maintenance services. iLOQ sells its solutions to dozens of countries. The iLOQ 5 Series locking system allows the user to choose the type of key they want to use: a physical iLOQ S5 key, an NFC-enabled iLOQ S50 smartphone key (iOS or Android), an iLOQ S50 fob, an iLOQ S5 RFID or a pin code. No batteries or additional cabling are required. Both solutions, whether based on physical smart keys or smartphones, are managed through a single, flexible, customizable and easy-to-use platform. With all devices utilizing two-way communication every time before the opening decision, it ensures that security is maximized and management costs are minimized. Any lost, stolen or unreturned keys can easily be removed from the system or reset. During the financial year 2025, iLOQ launched its new cloud-based 5 Series+ platform, which will initially be rolled out in North America and Australia, with plans to expand to other regions later. At the end of the financial year 2025, iLOQ also published its first Environmental Product Declaration (EPD) for the Oval locks, accompanied by a Life Cycle Assessment (LCA) that demonstrated how iLOQ's solutions reduce customers' life cycle costs and environmental impact.

The Capnor Weasel Bidco Group's revenue grew by 17 percent compared to the same period the previous year. Despite geopolitical uncertainties and the weak situation in the Finnish and Swedish construction markets, the Group's revenue grew in all market regions. Demand for iLOQ's solutions has been strong among critical infrastructure customers in North America and Europe, and in addition, in the student housing market in Germany, for example, a significant customer order was secured toward the end of 2025. Revenue in North America grew very strongly from the previous year through several new customer contracts, proving the competitiveness of iLOQ's product and service offering. iLOQ delivered lock solutions to, among others, the iconic Empire State Building in New York and to a wide range of wind and solar power operators and entered a partnership with Amazon.

In 2025, iLOQ launched a global partner program for its distributors and resellers supporting the Group's future growth targets. To support sales, three regional business units were established: the Nordic countries, Europe and Emerging Markets, and North America. A new position of Chief Revenue Officer was added to the Group's Executive Management Team to develop customer relationships and revenue, and a new CFO and Head of Supply Chain joined the Executive Management Team during the year. iLOQ is well-positioned to continue growing faster than the market by leveraging its strong project pipeline, long-term customer relationships, and focus on innovation. During the financial year 2025, operational efficiency measures were implemented to ensure future competitiveness, resulting in personnel reductions in certain selected functions and savings in other costs.

The Group's operational cash flow remained at the previous year's level despite strong growth and the working capital it required, but total cash flow was positive and improved significantly.

The manufacturing of iLOQ's products is based on outsourced, flexibly scalable production, and the products are distributed by the iLOQ-managed distribution centres in Oulu in Finland and in Dallas in the USA. In addition, the company has a small-scale production unit in Oulu to support product development needs.

During the financial year, the company's previously issued EUR 55 million secured floating-rate bond was listed on the Nasdaq Stockholm stock exchange. The loan term is five years, and the floating-rate coupon on the bonds is 3-month EURIBOR + 4.00 percent per annum, with a final maturity in March 2029.

THE GROUP'S BUSINESS ACTIVITIES DURING THE FINANCIAL YEAR

This was the sixth 12-month financial year for Capnor Weasel Bidco Oyj. During the financial year from January 1, 2025, to December 31, 2025, revenue grew by approximately 17%, and profitability improved significantly both in absolute and relative terms.

Capnor Weasel Bidco Oyj's subsidiary iLOQ Oy achieved again a positive result despite the difficult market situation and significant investments made in international expansion, most importantly the expansion in the US market and the launch of the new 5 Series+ platform.

The Capnor Weasel Bidco Group's revenue for the financial year 2025 was EUR 150.0 million (2024: EUR 128.7 million). Sales increased across the board in the Nordic countries and the United States, as well as in various market segments. EBITDA totalled EUR 36.7 (19.6) million. Operating profit (EBIT) totalled EUR 21.6 (7.2) million. In addition to growth in revenue and sales volumes, the positive development in the Group's EBITDA and EBIT was driven by cost savings and efficiency measures, which resulted in some non-recurring expenses.

In the financial year 2025, operational cash flow was EUR 18.9 million (EUR 20.3 million in 2024).

FINANCIAL INDICATORS OF THE CAPNOR WEASEL BIDCO GROUP

EUR 1,000 unless otherwise indicated	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Financial indicators			
Revenue	150,046	128,746	141,318
Operating profit (EBIT)	21,627	7,212	20,493
Operating profit (EBIT), %	14.4%	5.6%	14.5%
Return on equity (ROE), %	7.3%	neg.	6.7 %
Equity ratio, %	64.2%	63.2%	62.2%
Adjusted EBITDA*	38,669	21,413	32,673
Operational EBIT	27,459	13,044	26,325
Personnel expenses			
Wages and salaries	24,556	23,750	21,804
Pension expenses	3,541	3,232	3,481
Other indirect personnel expenses	2,711	2,487	1,623
Total	30,808	29,470	26,908
Average number of employees in the financial year	325	326	302

*) Adjustments in financial year 2025 are related to growth and competitiveness boosting actions and some legal costs. Adjustments in 2024 are related to strategic analysis of iLOQ's full sales potential together with restructuring costs.

FINANCIAL INDICATORS OF CAPNOR WEASEL BIDCO OYJ (FAS)

EUR 1,000 unless otherwise indicated	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Financial indicators			
Revenue	685	594	619
Operating profit	-148	-101	-16
Equity ratio, %	68.7%	69.3%	71.0%

REPORT ON THE SCOPE OF RESEARCH AND DEVELOPMENT ACTIVITIES

The company has no research and development activities of its own, but the Group's subsidiary iLOQ has invested in the development of new products and further development of the properties and manufacturing methods of existing products. The focus of product development in 2025 was on expanding the digital access control ecosystem and strengthening the technological leadership. The most significant project of the year was the launch of the new generation 5Series+ access control system. In addition, iLOQ expanded its offering by adding the Australian oval cylinder to the S50 product family. The competitiveness of the product portfolio was maintained throughout the year with several improvements and additions to lock cylinders and software, which streamlined the use and management of the systems.

During the completed financial year, research and development expenses totalled EUR 11.4 million (9.2 million), and their relative share of total operating expenses was 10.1% (8.4%). Of research and development activities, a total of EUR 1.8 million (1.5 million) has been recognized in profit, and a total of EUR 9.6 million (7.7 million) has been activated in the balance sheet. During the two years presented, the relative proportion of R&D expenses of total operating expenses did not deviate substantially from the company's relative amount in previous years.

SUSTAINABILITY

The Group's sustainability initiatives are presented in more detail in a separate sustainability report, which will be published on April 17, 2026.

THE COMPANY'S FINANCIAL POSITION

At the end of financial year 2025, the company's liquidity and financial position were good. Consolidated balance sheet total at the end of the reporting period was EUR 288.8 million (273.3 million) and equity ratio was 64.2% (63.2%).

FINANCIAL ARRANGEMENTS AND SPECIAL RIGHTS

In March 2024, Capnor Weasel Bidco Oyj successfully issued a EUR 55 million secured variable interest rate bond with a maturity of five years. The bond was listed on the Nasdaq Stockholm stock exchange in 2025. The new loan has a floating rate coupon of 3 months Euribor + 4.00% per year and final maturity in March 2029.

RESTRUCTURING

There were no restructuring measures within the Group during the financial year. iLOQ Belgie, a subsidiary of iLOQ Oy, commenced operations on January 1, 2025. In addition, during 2025, the business model of iLOQ Poland was changed, and the company will continue its operations without own employees, through external distributors.

LOANS TO RELATED PARTIES AND RESPONSIBILITIES

During the financial year 2025, Capnor Weasel Bidco Oyj received a group contribution from its subsidiary iLOQ Oy worth EUR 3,146,913 (EUR 3,100,919 in 2024). In addition, during the

financial year 2025, Capnor Weasel Bidco Oyj invoiced administrative services from its subsidiary iLOQ Oy worth EUR 685,143 (593,705). At the end of the financial year, the company had a related party loan of EUR 5.4 million from its subsidiary iLOQ Oy.

The subsidiary iLOQ Oy is the guarantor of the EUR 55 million bond issued by the company. In addition, iLOQ Oy is jointly and severally guarantor of the company's EUR 30 million credit line. The credit line was not in use at the end of the financial year on 31 December 2025.

ESTIMATE OF LIKELY FUTURE DEVELOPMENT

The company's management expects that group revenue will continue to grow faster than the average market growth rate in the current market areas also in 2026 due to growth accelerating development measures. Profitability is expected to remain good despite growth investments. The company's management estimates that the weak activity of the construction market in the Nordic countries will continue in 2026.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

There were no significant events for the Group after the end of the financial year.

BUSINESS RISKS

Strategic risks

Economic cycles and especially the level of activity in the renovation market affect the demand for iLOQ's products and services. Northern European countries account for a significant share of the Group's revenue, which is why a prolonged decrease in the Northern European renovation market, in particular, could have a negative impact on iLOQ's growth and profitability. In addition, expanding into new markets requires resources and investments in product development, marketing, and staffing, which may affect profitability in the short term.

Technical failure to meet the requirements of end customers, unexpected changes in competitors' offering or regulatory provisions, and significant consolidation of iLOQ's distributors could also have a negative impact on iLOQ's competitiveness.

iLOQ's offering consists of product and service packages that include application and IT solutions, and the associated information security and other cyber risks are significant to the Group's operations. Although the company has several active measures in place to mitigate these risks, materialization of a potential information security risk could result in significant costs, operational challenges, or delays for the Group's products or services, and could also have a negative impact on the brand and reputation.

Operational risks

The Group operates with a network business model in the manufacture and distribution of products. The aim is to prevent business risks by identifying risks. In 2020–2025, particular focus has been on ensuring the availability of components to secure the company's delivery capability.

Due to the nature of the company's security products, product-related risks are prevented via thorough product testing – both internally and by external testing institutions – as well as high-quality operations at all stages of product development and manufacturing.

The above-mentioned and other business risks are also covered by insurance policies, in addition to the development of operational processes. The Board of Directors is unaware of any credit loss risks that would substantially affect the company's performance.

The current geopolitical situation may have a negative impact on the company's supply chain and product availability. Furthermore, the price and availability of components are affected by numerous factors beyond the Group's control. Such factors could include market conditions, the production capacity of suppliers on the markets in question, export restrictions, the level of import tariffs, currency exchange rates and trade barriers such as tariffs. While tariffs currently constitute a small cost for the Group, and increases in tariffs levels can be partially offset through price increases, significant increases in tariffs can significantly increase overall costs, among other things.

Financial risks

The main financial risks to which the Group is exposed are market risk (foreign exchange and interest rate risk), liquidity risk, and credit risk. The Group's management assesses the risks and acquires the necessary instruments for hedging risks. In its risk management, the Group uses credit insurance for sales receivables and, where appropriate, foreign exchange forwards. The Group has no financial risk concentration. In March 2024, the Group issued a bond with a nominal value of EUR 55 million. The loan includes performance and indebtedness covenant terms. The covenant conditions were met during the financial year which ended 31 December 2025.

Damage risks

iLOQ's business operations depend on the operational reliability, quality and reliability of suppliers as well as those of subcontractors, procurement channels and logistics processes. Potential damage to individuals or communities caused by uninterrupted functionality of iLOQ's products and their functionality may also have a negative impact on iLOQ's business. iLOQ's operations depend on the functioning of its own and third-party IT solutions; disruptions to these systems may result in service interruptions or additional costs. Potential fires in iLOQ's premises or in its subcontracting or supply chain, political extreme phenomena, exceptional weather conditions, or similar difficult to predict phenomena could also have negative impacts on the business of iLOQ or its suppliers. Any litigations with significant claims for compensation and other possible legal or regulatory events may also have a negative impact on iLOQ's business. In addition to normal risk management within the company, iLOQ is prepared for the risks presented above by means of general property, personnel and business interruption insurance programs tailored to the scope of the business. In addition to these, the company has special global insurance cover covering personal injuries and property damage caused by iLOQ's locks used by consumers, as well as personal injuries caused by locks in business use.

QUALITY AND ENVIRONMENT

iLOQ Oy has an ISO 27001 certificate for creating, implementing, maintaining and continuously improving information security. In addition, the company has a certified ISO 9001:2015 quality system and an ISO 14001:2015 environmental management system. The iLOQ S10/S50 SaaS services are produced by Fujitsu Services Oy and Amazon Web Services, whose information security management systems have been certified in accordance with ISO 27001:2013.

SHARES OF THE COMPANY

The company has only one class of shares, a total of 100. All shares have the same right to dividend and company assets.

OWN SHARES

The company does not hold any own shares.

BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

The distributable equity of Capnor Weasel Bidco Oyj on 31 December 2025 was EUR 134,099,882.28 of which the loss for the financial year was EUR 1,073,869.75. The company's distributable assets are divided into an invested unrestricted equity fund of EUR 142,980,221.00 and earnings of EUR -8,880,338.72.

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year 2025 be transferred to the profit and loss account and that no dividends be paid out.

Since the end of the financial year, there have been no material changes in the company's financial position. The company's liquidity is good.

AUDITING

The Company's auditor has been auditing firm KPMG Oy Ab, Authorised Public Accountants, with Juho Rautio, APA, as the principal auditor.

CALCULATION FORMULAS AND PURPOSES FOR ALTERNATIVE PERFORMANCE MEASURES

EBITDA

= Earnings before depreciation and amortization

→ EBITDA is an internal metric used by the Group to measure performance

Adjusted EBITDA

= EBITDA excluding the impact of non-recurring income and expenses

→ Adjusted EBITDA can be used alongside other financial metrics to assess the company's long-term comparable profitability trends

Adjusted operating profit (EBIT)

= Operating profit excluding the impact of non-recurring income and expenses

→ Adjusted operating profit (EBIT) can be used alongside other financial metrics to assess the company's long-term comparable profitability trends

Operative EBIT

= Operating profit excluding the impact of depreciation and impairment of assets capitalized through the allocation of the purchase price in connection with acquisitions

Operational cash flow

= EBITDA plus/minus change in receivables, change in inventory, change in debt, provisions and net cash flow from investments

Operational cash flow, %

= Operative cash flow / Revenue

→ Operational cash flow is used to track cash flow, by having a simplified measure when taking into account investments and changes in working capital in addition to EBITDA

Adjusted operational cash flow

= Operational cash flow with the cash flow effect of non-recurring income and expenses eliminated

Return on equity %

= Profit (loss) for the financial year (12 months) / Own capital in total (average of the period's start and end dates)

→ Measures the earnings of a financial year in relation to own capital; the indicator describes the company's ability to generate a return on the assets invested by the owners.

Equity ratio %

= Total equity / Total assets less received advances

→ Equity ratio helps indicate risk levels related to funding and describes the Group's relative capital in business operations in relation to the company's assets.

Reconciliation of Alternative Performance Measures in Income Statement

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Operating profit (EBIT)	21,627	7,212	20,493
M&A related depreciations	5,832	5,832	5,832
Operative EBIT	27,459	13,044	26,325
Other depreciations	9,252	6,570	5,041
EBITDA	36,711	19,614	31,367
Non-recurring items	1,958	1,799	1,306
Adjusted EBITDA	38,669	21,413	32,673
Operating profit	21,627	7,212	20,493
Non-recurring items	1,958	1,799	1,306
Adjusted operating profit	23,585	9,011	21,800

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
Revenue	4	150 046	128 746
Other income		11	18
Materials and services	6	-57 484	-53 956
Employee benefit expenses	7, 25	-30 808	-29 470
Depreciation and amortisation	8	-15 084	-12 402
Other expenses	9	-25 055	-25 724
Operating profit		21 627	7 212
Finance income	10	244	414
Finance expenses	10	-5 016	-7 004
Net financial expenses		-4 772	-6 590
Profit (loss) before taxes		16 855	622
Income taxes	11	-3 850	-821
Profit (loss) for the financial year		13 004	-199
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation differences		-372	-256
Other comprehensive income (-loss), net of tax		-372	-256
Total comprehensive income		12 632	-454

Total comprehensive income is distributed to parent company shareholders in full.

Earnings per share calculated on the profit to the owners of the parent company, EUR

Undiluted earnings per share (EUR)		130 041	-1 987
Dilution adjusted earnings per share (EUR)	17	130 041	-1 987

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Intangible assets	12	108 388	108 797
Goodwill	5.12	92 467	92 467
Property, plant and equipment	13	5 848	6 483
Deferred tax assets	11	478	587
Total non-current assets		207 180	208 334
Current assets			
Inventories	14	17 117	23 064
Trade and other receivables	15	45 054	30 848
Current tax receivables for the financial year	11	224	1 978
Cash and cash equivalents	16	19 206	9 066
Total current assets		81 601	64 955
Total assets		288 781	273 289
EQUITY			
Share capital	17	80	80
Invested unrestricted equity fund	17	143 240	143 240
Translation differences	17	-594	-222
Retained earnings	17	40 778	27 881
Total equity		183 504	170 979
LIABILITIES			
Non-current liabilities			
Financial liabilities	19	54 649	54 599
Non-current lease liabilities	22	1 779	1 833
Non-current provisions	23	892	949
Deferred tax liabilities	11	14 241	15 437
Total non-current liabilities		71 561	72 818
Current liabilities			
Account payables and other liabilities	20	29 402	26 493
Current lease liabilities	22	2 098	1 842
Current provisions	23	608	1 113
Tax liabilities based on taxable income for the financial year	11	1 608	45
Total current liabilities		33 717	29 492
Total liabilities		105 278	102 310
Total equity and liabilities		288 781	273 289

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Note	1 Jan - 31 Dec 2025	1 Jan - 31 Dec 2024
Cash flows from operating activities			
Profit (loss) for the financial year		13 004	-199
Adjustments:			
Depreciation and amortisation	8	15 084	12 402
Unrealised exchange gains and losses		35	189
Finance income	10	-244	-414
Finance expenses	10	5 016	7 004
Taxes	11	3 850	821
Other adjustments		0	476
Change in net working capital:			
Change in trade and other receivables	15	-14 207	5 893
Change in inventory	14	5 947	1 413
Change in trade and other payables	20	2 801	4 024
Change in provisions	23	-562	796
Interest paid		-3 864	-4 988
Interest received		124	91
Income taxes paid		-2 049	-5 220
Other financial items		-125	-1 522
Net cash flows from operating activities		24 811	20 768
Cash flows from investing activities			
Income from sale of property, plant and equipment		0	0
Investments in intangible non-current assets	12	-11 463	-10 843
Investments in property, plant and equipment	13	-315	-600
Net cash flows from investing activities		-11 778	-11 443
Cash flows from financing activities			
Proceeds from short-term liabilities		0	0
Payments of short-term liabilities		0	-5 000
Payments of lease liabilities	22	-2 157	-2 277
Proceeds from long-term liabilities	19	0	55 000
Payments of long-term liabilities		-62	-55 064
Net cash flows from financing activities		-2 219	-7 341
Change in cash flows		10 814	1 983
Cash and cash equivalents on 1 January		9 066	7 397
Net effect of changes in exchange rates on financial assets		-675	-314
Cash and cash equivalents on 31 December	16	19 206	9 066

Other adjustments relate to adjustments to the previous year's bonus and commission accruals, which have been adjusted through earnings retained from the previous financial years, and to intangible assets that have been incorrectly activated in previous years and that have been recognised as an expense in the expense category of their nature during the financial year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to shareholders of the parent company

EUR thousand	Note	Share capital	Invested unrestricted equity fund	Translation differences	Retained earnings	Total
Equity on 01 January 2025	17	80	143 240	-223	27 882	170 979
Adjustment for previous year's retained earnings					-107	-107
Comprehensive income						
Profit for the financial year					13 004	13 004
Translation differences				-372	0	-372
Total comprehensive income		0	0	-372	13 004	12 632
Equity on 31 December 2025	17	80	143 240	-594	40 778	183 504

The adjustment for previous year's retained earnings for the financial year 2025 is related to the adjustment for the previous year's errors in subsidiaries.

EUR thousand	Note	Share capital	Invested unrestricted equity fund	Translation differences	Retained earnings	Total
Equity on 01 January 2024	17	80	143 240	33	27 973	171 325
Adjustment for previous year's retained earnings					108	108
Comprehensive income						
Profit for the financial year					-199	-199
Translation differences				-256	0	-256
Total comprehensive income		0	0	-256	-199	-454
Equity on 31 December 2024	17	80	143 240	-223	27 882	170 979

The adjustment for previous year's retained earnings for the financial year 2024 is related to the adjustment for the previous year's bonus and commission accruals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basic information about the Group

Capnor Weasel Bidco Oyj (hereafter also "company") is a Finnish public limited company, which operates under Finnish law and whose bond is publicly traded in Sweden. Trade started on the Nasdaq Stockholm Stock Exchange List on 11 March 2025. In accordance with Chapter 7, Section 3 of the Securities Markets Act, the company has chosen Sweden as the home Member State for disclosure of periodic information. Since 11 December 2019, ILOQ Oy's parent company has been Capnor Weasel Bidco Oyj, which prepares consolidated financial statements. The parent company is based in Helsinki. A copy of the consolidated financial statements is available from ILOQ Oy headquarters at Elektriikkatie 10, FI-90590 Oulu, Finland. The company is part of the Capnor Weasel Topco Group, which compiles the FAS consolidated financial statements. FAS is short for Finnish Accounting Standards. The party exercising ultimate control over the company is Nordic Capital IX Limited.

On 11 December 2019, Capnor Weasel Bidco Oyj acquired ownership of the iLOQ Group and Hailuoto Development Oy. Hailuoto Development Oy merged with iLOQ Oy on 1 November 2020. In addition, on 30 November 2021, Capnor Weasel Topco Oy's subsidiary Axtuator Oy merged with ILOQ Oy. On 8 July 2022, iLOQ Oy acquired IT-Salonen Oy.

The industrial business is concentrated in the iLOQ Group, which offers electronic locking solutions. The iLOQ Group operates with a network business model in the manufacture and distribution of products. The iLOQ Group's products are sold through the iLOQ retail channel providing professional installation, repair and maintenance services, and to direct customers of the infrastructure segment. The iLOQ Group's regional subsidiaries are located in Sweden, Denmark, Norway, Germany, the Netherlands, France, Spain, the United Kingdom, Poland, Canada, the United States, Australia, United Arab Emirates, Singapore and Belgium.

At its meeting of 16 April 2026, the Board of Directors of Capnor Weasel Bidco Oyj approved the financial statements for publication. In accordance with the Finnish Limited Liability Companies Act, shareholders have the opportunity to accept or reject the financial statements at an Annual General Meeting to be held after the statements have been published. The Annual General Meeting can also vote to alter the financial statements.

2. Basis for preparing the financial statements

The consolidated financial statements for the 2025 financial periods have been prepared in compliance with the International Financial Reporting Standards (IFRS), adhering to the IAS and IFRS standards and SIC and IFRIC interpretations valid on 31 December 2025 for application in the EU. 'International financial reporting standards' refers to the standards approved for application in the Finnish Accounting Act and the provisions laid down pursuant to the Act in accordance with the procedures laid down in Regulation (EC) No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards, as well as the interpretations of these standards. The notes to the consolidated financial statements also conform to the Finnish accounting and company legislation supplementing the IFRS standards.

The standard changes that entered into force at the beginning of 2025 have had no impact on the Group's financial statements. The financial statements of the parent company and its subsidiaries (together the 'Group') have been consolidated into the consolidated financial statements for financial year 2025. These are the third consolidated financial statements for a complete financial year. In addition to the parent company, the group includes 15 subsidiaries.

3. Accounting policies to the consolidated financial statements

The figures presented in the financial statements are rounded to the nearest thousand euros unless otherwise stated. For this reason, the sums of individual figures may differ from the totals stated. The figures in parentheses refer to the corresponding date or period in 2024, unless stated otherwise.

3.1 Accounting policies requiring management discretion

Preparing consolidated financial statements in accordance with IFRS requires the company's management to exercise discretion, use estimates and make assumptions that affect the application of the accounting policies, the reporting of assets and liabilities, and the amounts of income and expenses. These estimates are based on the management's best insight at the present time, but it is possible that actual results may ultimately deviate from the estimates made.

The Group regularly monitors the realisation of estimates and assumptions, as well as the changes occurring in the background. Changes in the estimates and assumptions are entered into the accounts in the financial period during which the changes occur, as well as in all subsequent periods.

Uncertainty factors relating to estimates

The most significant situations involving management discretion and estimates relate to the following parts of the financial statements:

- estimates of future business development and the assumptions used for impairment testing on uncompleted development projects (Note 12 and annual report),
- recognition and measurement of assets arising from the acquisition of businesses (Note 12)
- the depreciation periods for tangible and intangible assets (Note 8)
- estimates of the amount of warranty provisions (Note 23), and

definition of a lease agreement term: As regards lease agreements in which the term has been defined to be until further notice, the expected lease term based on the consideration of the management is applied. When determining the expected lease term, the impact of the sanctions included in the lease agreement relating, for example, to a premature termination of the agreement, are also considered.

3.2 Consolidation principles behind the consolidated financial statements

Subsidiaries

The consolidated financial statements include the parent company and all of the subsidiaries under the control of the Group's parent company. Control arises when the Group's participation in the entity exposes the Group to the entity's variable income or entitles it to variable income, and the Group is able to influence this income by exercising its control over the entity. The Group's control over an entity is based on voting rights. All of the subsidiaries included in the consolidated financial statements are wholly owned.

Subsidiaries are consolidated from the date of acquisition until the date when the parent company no longer has control over the subsidiary.

Intra-Group transactions, receivables, liabilities, unrealised profits and internal distribution of profit are eliminated in the consolidated financial statements.

During consolidation, the accounting policies applied to the subsidiaries are altered if necessary to correspond to the accounting policies used for the consolidated financial statements.

Depreciation of business values is not recorded but tested for possible impairment on an annual basis and whenever there is any indication that the value may be impaired.

3.3 Consolidation of businesses

Acquisitions of business functions are handled using the acquisition method. Goodwill arising from business combinations is recognised in the amount by which the consideration disposed of, the share of non-controlling interests in the acquiree and the previously held interest, summed up, exceed the fair value of the net assets acquired. Acquisition costs, such as expert fees, excluding those arising from the issue of debt or equity securities, shall be recognised as expenses. For the purpose of impairment testing, goodwill is allocated to those cash-generating entities or groups of entities in the Group that are expected to benefit from business combinations. In Capnor Weasel Bidco, the goodwill is mainly attributed to the iLOQ group. The cash-generating entity shall be subject to the impairment tests on an annual basis, or more frequently if there are indications of impairment. If the recoverable amount of the cash-generating entity is below its carrying amount, the impairment is recognised first in goodwill and then in accordance with the relative carrying amount of the other assets of the cash-generating entity. The impairment of goodwill is recognised in profit or loss. The impairment loss recognised in goodwill shall not be reversed in subsequent financial years. The recoverable amount is the fair value of the asset less costs of disposal or the value of use, whichever is higher. Use value refers to the estimated future net cash flows available from the asset or cash generating unit and discounted to its present value.

3.4 Conversion of items denominated in foreign currencies

The figures for the income and financial position of the Group's units are given in the currency primarily used in the company's operating environment (the 'operating currency'). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

Foreign-currency denominated transactions

Transactions in foreign currencies are recognised in each company's operating currencies at the exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the operating currency at the exchange rates of the final day of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are converted to the operating currency at the exchange rates prevailing on the measurement date. Non-financial items denominated in foreign currencies and valued at original acquisition cost are translated using the exchange rates prevailing on the date of transaction.

The gains and losses arising from translations of transactions and monetary items denominated in foreign currencies are recognised through profit or loss.

Financial statements of foreign subsidiaries

The assets and liabilities of foreign subsidiaries are converted to euros at the exchange rates prevailing on the final day of the reporting period. Exchange rate gains or losses from the conversion of assets and liabilities denominated in foreign currencies are recognised on the consolidated statement of comprehensive income as items affecting operating profit for items related to business operations, whilst financial items are recognised on the consolidated statement of comprehensive income under financial income and expenses.

The income and expense items on the statements of comprehensive income of the Group subsidiaries that operate in currencies other than the euro are converted into euros at the average exchange rate of the reporting period.

Converting the income for the financial period and the comprehensive income at different exchange rates on the balance sheet gives rise to a translation difference recognised under equity, and changes to the translation difference are recognised under other items of comprehensive income.

3.5 Principles of revenue recognition

Sales revenues are recognised in the amount that the Group expects to be entitled to receive on the basis of contracts with customers. The Group's sales revenues accrue from digital locking and access management systems, and they are recognised when control over the goods or services is transferred to the customer.

The customers of the Group are retailers and direct customers of the infrastructure segment. Customer contracts typically consist of a partnership agreement and each confirmed product order.

The contracts identify the separate performance obligations, which consist of supplied locks, as well as lock operation and maintenance services. The warranties related to the locks are identified as ordinary warranties that do not constitute a separate performance obligation. Instead, a warranty provision is made for them in accordance with the IAS 37 standard.

For locks, the transaction price consists of the price as per the price list, less estimated variable charges, which are any applicable annual discounts. The operation and maintenance agreement specifies the maintenance fees for the locking service. The total price of the service depends on the number of locks and the services selected by the customer. The agreements do not include significant financing components.

The capitalisation of lock deliveries does not meet the criteria for capitalisation over time, so they are capitalised at a singular time when control is transferred on the basis of the delivery, when the risks and benefits have been transferred to retailers. Operation and maintenance agreements are capitalised over time as sales of services, because the end customer receives the benefit of the service when it has been provided.

3.6 Employee benefits

Short-term employee benefits

Salaries, wages and fees, as well as benefits, annual leave and bonuses are included in short-term employee benefits. They are recognised in the period when the work in question is performed.

Pension obligations

Pension schemes are classed as defined-benefit or defined-contribution schemes. Under defined-contribution schemes, the Group pays fixed fees to a separate unit and the Group has no legal or actual obligations to make further payments. The contributions paid into defined-contribution schemes are recognised through profit or loss as charges arising from employee benefits in the period to which the contribution applies. The Group's pension schemes are classed as defined-contribution pension schemes.

3.7 Operating profit

Operating profit consists of revenues and other operating income minus the costs of materials and services adjusted for change in inventories, the costs of employee benefits and other operating costs, as well as depreciation and impairment losses.

3.8 Taxes based on taxable income for the financial year and deferred taxes

Income taxes consist of taxes based on the taxable income for the financial period, adjustments related to prior financial periods, and deferred taxes. The taxes based on taxable income for the period are calculated from the taxable income at the applicable tax rate in each country or at the tax rate that was approved in practice by the reporting date. The Group offsets the tax assets and liabilities based on the taxable income for the period against each other only when the Group has a legally enforceable entitlement to offset the tax assets and liabilities based on the taxable income for the period against each other, and it intends either to make the payment on a net basis or realise an asset item and settle the liabilities simultaneously.

Deferred taxes are calculated from the temporary differences between the carrying value and the taxable value using the tax rates enacted or approved in practice by the reporting date.

Deferred tax liabilities are recognised for all temporary differences between the carrying value and the taxable value. Deferred tax assets are recognised for all deductible temporary differences and tax deductible losses, unused tax losses and unused tax-related refunds up to the probable amount of taxable income in the future against which the temporary difference can be utilised. The criteria for recognising deferred tax assets are estimated on the final day of each reporting period.

The Group offsets deferred tax assets and liabilities against each other only when the Group has a legally enforceable right to offset the tax assets and liabilities based on the taxable income for the period and when the deferred tax assets and liabilities relate to the income tax levied by the same tax authority on the same entity or different entities, which either intend to offset tax assets and liabilities based on taxable income for the period or to settle them simultaneously.

3.9 Intangible assets and goodwill

Intangible assets are recognised on the balance sheet only if the item fulfils the definition of intangible asset, the acquisition cost can be reliably determined and it is likely that the financial benefit derived from the asset will accrue to the Group.

Research and development expenditure

Research and development expenditure is recognised as a cost in the period during which it arises.

Development costs are recognised only if the unfinished asset fulfils development cost capitalisation requirements. Development costs will be eliminated during the period of economic impact in 5–10 years. The technology acquired in connection with the acquisition of the iLOQ Group will be eliminated in 20 years. Depreciation of a commodity is recognised as soon as the product development project has been completed and the commodity resulting from the development is ready for use or sale. Other research and development expenditure is recognised as a cost. Research and development expenditure that has previously been recognised as a cost cannot be capitalised in later periods.

Research and development expenditure recognised as a cost is included in the consolidated statement of comprehensive income under other operating costs.

Goodwill

On 11 December 2019, the company acquired the entire stock of iLOQ Oy and Hailuoto Development Oy. During the financial year 2022, iLOQ Oy acquired the entire share capital of IT-Salonen Oy. Procurements are processed according to the procurement method. The goodwill represents the amount at which the acquisition cost exceeds the fair value of the identifiable assets and liabilities of the acquired companies at the time of acquisition. Business value typically reflects the value of acquired market share, business skills and synergies. The book value of the goodwill is tested by impairment tests.

The Group assesses the book value of goodwill annually or more frequently if there are indications of a possible impairment. The cash flow present value of the acquired assets is determined by calculating the discounted present value of the forecasted cash flows. The forecasted cash flows are based on management estimates, mainly the confirmed five-year strategy. The parameters

of the risk-free interest rate, the risk factor (Beta) and the risk premium used to determine the discount rate are based on market data. Any impairment loss on goodwill is immediately recognised in the comprehensive income statement. The previously recognised goodwill impairment loss is not refunded.

Other intangible assets

Other intangible assets are recognised on the balance sheet at acquisition cost. In subsequent financial years, other intangible assets are measured at acquisition cost minus recognised depreciation and impairment. The original acquisition cost includes the immediate expenses due to the acquisition of the asset.

Other tangible assets with a finite useful life are depreciated on a straight-line basis over the estimated useful life of the asset. Changes to the useful life of an asset and the method of depreciation are treated as changes in an accounting estimate.

Cloud service arrangements

The accounting procedure of cloud service arrangements depends on whether the cloud service-based software is a service contract or an intangible asset. The user right payments related to cloud service-based software are recognised in other expenditures only if it is a service contract, and it will be activated as an intangible asset only if the company has control of the software. If the configuration and tailoring services related to cloud service arrangements are performed by the cloud service provider and are inseparable from the cloud service, the configuration and tailoring expenditure is recognised in the same way as the cloud service user right payments. As regards configuration and tailoring expenditure that is separable from the cloud service arrangements, an examination will be conducted to determine whether the company has control over the configuration and tailoring arrangements, and whether they thus form intangible assets for the company. If the configuration and tailoring expenditures separable from the cloud service form an intangible asset, the expenditure will be activated in the balance sheet. If not, the configuration and tailoring expenditure will be recognised as other expenses when the company receives the services.

The estimated useful lives of assets are as follows:

- Technology 5-20 years
- Intangible rights: 5–10 years
- Other intangible assets: 5–10 years
- Brand 15 years
- Customer relations 15 years

The useful lives of assets and methods of depreciation are examined at the end of each reporting period and adjusted if necessary.

Gains on disposals of intangible assets are recognised on the statement of comprehensive income under other operating income and losses are recognised under other operating costs.

3.10 Property, plant and equipment

Property, plant and equipment are recognised on the balance sheet only when it is likely that the Group will enjoy future financial benefits derived from the asset and the acquisition cost can be reliably determined.

Property, plant and equipment are measured at acquisition cost minus accumulated depreciation and impairment. Acquisition cost includes the costs directly incurred in acquiring the property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the estimated service life of each asset.

The estimated useful lives of assets are as follows:

- Machinery and equipment: five (5) years
- Furnishings and other moveable property: five (5) years
- Other tangible assets: five (5) years

The useful lives and methods of depreciation are evaluated at the end of each reporting period and adjusted if necessary to reflect changes in the expected economic benefit.

Property, plant and equipment are derecognised from the balance sheet when they are disposed of or when no future financial benefits can be expected from the use or disposal of the asset. Gains and losses on disposals of property, plant and equipment are recognised through profit or loss and presented under other operating income or costs.

3.11 Leases – the Group as the lessee

An evaluation is made at the start of a lease agreement as to whether the agreement is a lease agreement or whether it includes a lease agreement. A lease agreement is an agreement or part of an agreement that grants the right to control the use of a specified asset for a specific period of time against compensation. At the time the agreement enters into force, the Group separates the lease agreement and the non-lease component.

At the start of the lease agreement, the lessee recognises the leased asset on its balance sheet as a property, plant and equipment item. The right-of-use asset is originally valued at acquisition cost. This corresponds to the original amount of the lease agreement liability adjusted by lease payments made in advance, lease incentives, direct expenses at the initial phase, as well as by the estimated expenses that the lessee incurs as a result of reverting the asset to the conditions required under the terms and conditions of the lease agreement. Depreciation of the property, plant and equipment item is recognised over the term of the lease.

The lease liability is recognised at originally the unpaid lease payments at the time the agreement enters into force discounted by the internal interest of the lease agreement, or if this cannot be determined, by the interest rate of the lessee's additional interest. When determining the lease

agreement-specific discount interest rate, the criteria used are asset class, geographical location, currency, maturity of risk-free interest, as well as the lessee's credit risk premium.

The lease agreement liabilities are measured at amortised cost using the effective interest method. The lease payments included in lease liabilities are fixed or variable payments that depend on an index or an interest rate. Options relating to continuation periods are included in the term of the lease if it is relatively certain that they will be exercised. The lease agreements in force until further notice are included for the period during which in the management's estimation it is relatively certain that the agreement will not be terminated.

The Group applies two exemptions allowed by the Standard, i.e., assets with lease terms not exceeding 12 months, or assets with minor value, are not recognised on the balance sheet. These charges are recognised as expenses in the statement of comprehensive income over the term of the lease.

3.12 Inventories

Inventories are measured in accordance with the average price principle at either the determined acquisition cost or the net realisation value, whichever is lower. The net realisation value is the estimated sales price that could be received for the sale of the inventory under normal business operations minus estimated necessary expenses to realise the sale.

The acquisition cost includes the direct costs of acquiring the asset incurred by transferring the inventory to the location and state that it was in when reviewed.

3.13 Financial assets and liabilities

Recognition and classification of financial assets and liabilities

Financial assets

The Group's financial assets are classified as follows:

- liabilities measured at amortised cost, and
- assets measured at fair value through profit or loss.

Classification is performed on the basis of the goal of the business model and the contractual cash flows of investments, or by applying the fair value alternative in conjunction with the original acquisition.

Transaction costs are included in the original carrying value of financial assets for items that are not measured at fair value through profit or loss. All purchases and sales of financial assets are recognised on the transaction date.

The Financial assets carried at amortised cost group is for trade receivables, loan receivables, and other receivables that are not included in derivative assets. The assets classified in this group are measured at amortised cost using the effective interest method. The book value of trade receivables and other receivables is assumed to essentially correspond to their fair value. For expected credit losses, the Group recognises a deduction item from the asset item belonging to

financial assets, and this is measured at amortised cost.

For trade receivables, the Group estimates its expected credit losses using the so-called simplified approach, whereby credit losses are recognised in an amount corresponding to the expected credit losses throughout the entire period of validity. The credit losses that are recognised are based on historical information about the failure to pay receivables.

The category of financial assets recognised at fair value through profit or loss includes financial asset items that were acquired to be held for trading or that are classified as assets recognised at fair value through profit or loss when they were originally recognised. Financial assets held for trading were primarily acquired with a view to profiting over the short or long term, and they are presented under either current or non-current financial assets.

Financial liabilities

The Group's financial liabilities are classified as follows:

- liabilities measured at amortised cost, and
- liabilities measured at fair value through profit or loss

At the end of the reporting period 2025 or 2024, the Group had no financial liabilities measured at fair value through profit or loss.

Financial liabilities are initially recognised at fair value. Transaction costs are included in the original carrying value of the financial liabilities. Subsequently, all financial liabilities of the Group are measured at amortised cost using the effective interest method. Items measured at amortised cost can include current and non-current liabilities, accounts payable, and other liabilities. Loans maturing in under 12 months are presented under current liabilities.

3.14 Impairments and impairment testing

Assets not belonging to financial assets

On the final day of each reporting period, the Group assesses whether there is any indication that the value of an asset item not belonging to financial assets has decreased. If such an indication is found, the recoverable amount of cash for the asset in question is estimated.

Annual impairment testing is conducted on research and development projects in progress. In addition, the company monitors internal and external indications of asset impairment. If any internal or external indications are found, the company conducts an impairment test by estimating the recoverable amount of an asset item.

The recoverable amount of a non-current asset is the asset's fair value less sales costs or its value in use, whichever is greater. The value in use is determined by discounting the estimated future cash flows generated by the asset.

An impairment loss is recognised through profit or loss when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are reversed if the estimates used to determine the recoverable amount from the asset have changed. However, impairment losses are not reversed by more than the carrying value that the asset would have had without the recognition of the impairment loss. The impairment loss recognised in goodwill is not reversed.

3.15 Provisions and contingent liabilities

Provisions are recognised when the Group has, due to a past event, a legal or constructive obligation and it is probable that resources providing a financial benefit will need to be transferred out of the company in the future to settle the obligation and when the amount of the obligation can be reliably estimated.

If the time value of money has a substantial effect, the amount of the provision is the present value of the expenses that are expected to be required to fulfil the obligation.

A provision is recognised for future warranty obligations based on the warranty costs that have previously been realised.

The amount of provisions is evaluated on every balance sheet date and the amount is adjusted to represent the best estimate at the time of review. Changes in provisions are entered into the statement of comprehensive income under other operating expenses.

Contingent liabilities are potential obligations arising due to prior events, and the existence of these obligations can only be confirmed upon the realisation of an uncertain event that is beyond the control of the Group. Contingent obligations also include existing obligations that are not likely to require the fulfilment of a payment obligation or that are of a magnitude that cannot be reliably determined. Contingent liabilities are presented in the notes to the financial statements.

3.16 Public grants

Public grants are recognised when it is reasonably certain that they will be received and that the Group meets the conditions for receiving a grant.

Public grants related to costs are recognised systematically through profit or loss in the periods when the entity recognises a cost item for expenditure that is covered by the intended purpose of the grant. Public grants related to acquisitions of property, plant and equipment are recognised as deductions in the asset's acquisition cost and they are capitalised in the form of lower depreciation charges over the asset's service life. The Group has received a public grant from Business Finland for research activities during the 2025 reporting period in connection with a project that will continue into the 2026 financial year.

3.17 Equity

The Group classifies financial instruments under equity when the instruments are issued by the Group and do not include a contractual obligation to transfer cash or cash equivalents to another entity or to exchange financial assets or liabilities with another entity in the event of circumstances that are unfavourable to the issuer, and when the instruments indicate an entitlement to a share of the Group's assets after all of its liabilities have been deducted. The share capital consists of ordinary shares. If the Group buys back its equity instruments, the acquisition cost is deducted from equity.

3.18 New and updated standards and interpretations for application at a later date

The Group will adopt the new and updated standards and interpretations published by IASB as of the effective date of each standard and interpretation or, if the effective date is other than the first day of the financial period, as of the beginning of the financial period following the effective date.

The new and amended standards or interpretations published are not expected to affect the consolidated financial statements at the effective date. The company has begun preparing for changes to the presentation of financial statements and notes required by the IFRS 18 financial reporting standard.

Note 4 Revenue and segment reporting

Segment reporting

The Capnor Weasel Bidco group is a Finnish group comprising the parent company Capnor Weasel Bidco Corporation and the iLOQ group. The business operations of Capnor Weasel Bidco Oyj consist of providing internal administration services in the Group. Industrial business is concentrated in the iLOQ Group, which offers electronic locking solutions. The iLOQ Group operates with a network business model in the manufacture and distribution of products. The iLOQ Group's products are sold through the iLOQ retail channel, which provides professional installation, service and maintenance services. The iLOQ Group's regional subsidiaries are located in Sweden, Denmark, Norway, Germany, the Netherlands, France, Spain, Poland, the United Kingdom, Singapore, United Arab Emirates, Canada, the United States and Belgium.

The Group's business operations are managed and monitored as one entirety. Country companies are sales companies whose turnover consists of commission charges from the parent companies of the iLOQ group. Based on the similarity of business operations, products, services and production process, the Group has only one operating segment. The Executive Board is the chief operative decision-maker of the iLOQ Group. The Group's Executive Board evaluates the performance of the company and the use of resources as a whole.

Composition of Group's turnover and geographical distribution is presented with the notes related to turnover. The Group does not have any single clients, the revenue wherefrom exceeds 10 per cent of the income of the company. The Group's most significant non-current assets are located in the domicile state of the parent company.

Revenue

The revenue of iLOQ consists of digital locking and access management systems. The Group's products and services consist of supplied locks and software as well as lock operation and maintenance services. Provided locking systems are capitalised at the moment of delivery, but the operation and maintenance services are capitalised over time. The Group's customers are locking product resellers and partners and direct customers of the infrastructure business.

Revenue is recognised when control over the goods or the service is transferred to the customer. Lock deliveries are capitalised when control is transferred on the basis of the delivery of the products, when the risks and benefits have been transferred to retailers. As a rule, the delivery of products complies with the Carriage and Insurance Paid To (CIP) delivery terms, in some cases the Delivered Duty Paid delivery terms. Operation and maintenance services are capitalised over time, because the end customer receives the benefit of the service when it has been provided.

Sales contracts are made with the regular payment terms. A yearly discount can be granted to customers for products sold. Revenue recognition principles are presented in note 3 *Accounting policies for the consolidated financial statements*. Warranty clauses related to the products sold are presented in note 23 *Provisions*.

The Group's revenue by customer geographical location is presented below.

EUR thousand	2025		2024	
Nordics	94 045	63 %	82 768	64 %
Europe and Emerging Markets	47 470	32 %	43 672	34 %
North America	8 531	6 %	2 306	2 %
Total	150 046	100 %	128 746	100 %

Revenue from Finland for the 2025 financial year was 50,462 thousand euros (2024: 43,884)

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

EUR thousand	2025		2024	
Revenue is recognised at a point in time	142 664	95 %	122 876	95 %
Revenue is recognised over time	7 382	5 %	5 870	5 %
Total	150 046	100 %	128 746	100 %

Revenue recognized in a single period is derived from the delivery of locking systems. Revenue recognized over time is derived from operation and maintenance services.

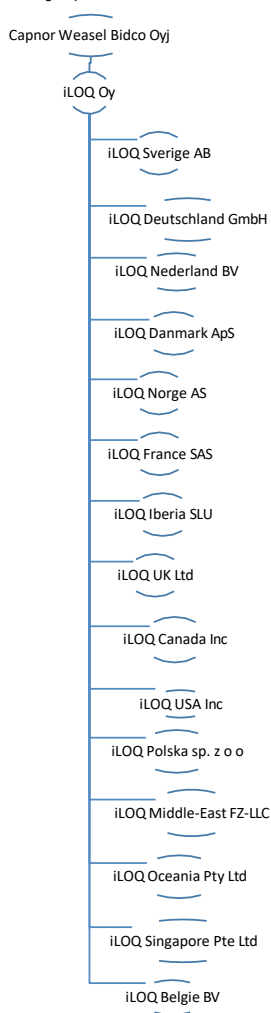
The amount of debt recognised over time in customer contracts is presented in Note 20 in line "Advances received for operation and maintenance contracts".

Credit losses recognised during the financial year and a description of the trade receivables are presented in Note 15.

Note 5

Group structure and business combinations

The group structure of the Capnor Weasel Bidco group is described below:



Subsidiaries included in the consolidated financial statements:

Name of the subsidiary:	Domicile	Shareholding %
iLOQ Oy	Finland	100
iLOQ Sverige AB	Sweden	100
iLOQ Deutschland GmbH	Germany	100
iLOQ Nederland BV	Netherlands	100
iLOQ Denmark ApS	Denmark	100
iLOQ Norge AS	Norway	100
iLOQ France SAS	France	100
iLOQ Iberia SLU	Spain	100
iLOQ UK Ltd	UK	100
iLOQ Canada Inc	Canada	100
iLOQ USA Inc	United States	100
iLOQ Polska sp. z o o	Poland	100
iLOQ Middle-East FZ-LLC	United Arab Emirates	100
iLOQ Oceania Pty Ltd	Australia	100
iLOQ Singapore Pte Ltd	Singapore	100
iLOQ Belgie BV	Belgium	100

During the financial year 2025, the Group did not establish new subsidiaries. During the financial year 2024, subsidiary iLOQ Belgie BV was established. There were no changes in the shareholding of the subsidiaries in 2025.

Business acquisitions

The Group did not make business acquisitions in 2025 and 2024.

Note 6 Materials and services

EUR thousand	2025	2024
Purchases of materials and services	45 970	47 720
Change in inventories	6 171	1 026
Warranties	320	1 273
External services	5 023	3 937
Total	57 484	53 956

Note 7 Employee benefit expenses

EUR thousand	2025	2024
Salaries and wages	24 596	23 750
Pension costs – defined-contribution schemes	3 541	3 232
Other personnel expenses	2 711	2 487
Total	30 808	29 470

	2025	2024
Average number of employees for the financial year:	325	326
Number of employees at the end financial year:	310	329

In both tables, part-time employees have been converted into full-time employees.

Information concerning key management's employment benefits is presented in note 25 *Related party transactions*.

Note 8 Depreciation and amortisation

Depreciation, amortisation and impairment by asset category

Depreciation by asset category

Intangible assets

EUR thousand	2025	2024
Intangible rights	1 117	1 152
Development expenses and other intangible assets	10 778	7 424
Total	11 895	8 576

Property, plant and equipment

EUR thousand	2025	2024
Machinery and equipment	1 068	1 198
Other property, plant and equipment	69	70
Fixed Assets	2 052	2 130
Total	3 189	3 397

Impairment

EUR thousand	2025	2024
Intangible assets	0	429
Total	0	429

	2025	2024
Total depreciation and impairment	15 084	12 402

Note 9 Other expenses

EUR thousand	2025	2024
Expenses relating to office premises and vehicles	2 386	1 873
Computer and program expenses	5 012	5 484
Machinery and equipment expenses	334	424
Sales and marketing expenses	6 357	6 050
Research and development expenses	1 815	1 515
Administrative expenses	6 862	8 432
Other expenses	2 289	1 946
Total	25 055	25 724

The Group applies exemptions allowed by the Standard IFRS16, i.e., lease agreements with lease terms not exceeding 12 months, or lease agreements with minor value, are not recognised on the balance sheet. In 2025, expenses relating to office premises and vehicles include short-term (less than 12 months) lease expenses in the amount of EUR 66 thousand (EUR 60 thousand in 2024) and EUR 42 thousand (EUR 33 thousand in 2024) of minor lease expenses. Computer and program expenses include EUR 7 thousand of minor lease expenses in the financial year 2024 (EUR 5 thousand in 2024).

Auditor's fees

EUR thousand	2025	2024
Audit	173	223
Tax services	50	56
Other services	14	0
Total	236	279

KPMG Oy Ab's fees are divided as follows:	2025	2024
Audit	128	111
Tax services	50	42
Other services	14	0
Total	191	152

Note 10**Financial income and expenses****Recognised through profit or loss****Finance income**

EUR thousand	2025	2024
Other finance income	244	414
Total	244	414

Finance expenses

EUR thousand	2025	2024
Interest expenses on lease liabilities	-120	-175
Other interest expenses	-3 975	-4 673
Other finance expenses	-921	-2 155
Total	-5 016	-7 004
Net financial expenses	-4 772	-6 590

Arrangement fees of EUR 1.1 million related to the new bond agreement, as well as arrangement fees of EUR 0.3 million for the old and new bonds, amortized using the effective interest method, are presented under "Other financial expenses" for the 2024 financial year.

The amount of lease liabilities is presented in Note 18 and the maturity in Note 22.

Note 11 Income taxes

Current tax for the reporting year

EUR thousand	2025	2024
Current tax for the reporting year	4 888	1 858
Current tax adjustments for prior years	49	34
Change in deferred taxes	-1 086	-1 071
Total	3 850	821

Reconciliation between income tax expense in profit or loss and tax expense calculated by the Finnish tax rate.

EUR thousand	2025	2024
Profit before tax	16 855	622
Tax calculated using Finnish tax rate (20%)	-3 371	-125
Derogating tax rates of foreign subsidiaries	151	91
Unrecognised deferred tax assets on tax losses	0	0
Non-deductible expenses	-373	-810
Current tax adjustments for prior years	0	0
Other differences	-258	22
Income taxes in the statement of comprehensive income	-3 850	-821

Taxes are not recognised in other comprehensive income.

Change in deferred tax

2025

EUR thousand	01 January 2025	Recognised through profit or loss	31 December 2025
Deferred tax assets			
Deprecation not deducted in taxation	0	0	0
Tax losses carried forward	0	0	0
Expected credit losses	59	20	80
Provisions	412	-112	299
Lease liabilities	735	40	775
Fixed Assets	-717	-37	-754
Total leases	15	3	18
Other temporary differences	97	-20	77
Total	587	-109	477

2024

EUR thousand	01 January 2024	Recognised through profit or loss	31 December 2024
Deferred tax assets			
Deprecation not deducted in taxation	0	0	0
Tax losses carried forward	0	0	0
Expected credit losses	34	25	59
Provisions	253	159	412
Lease liabilities	663	72	735
Fixed Assets	-650	-67	-717
Total leases	13	2	15
Other temporary differences	95	2	97
Total	395	192	587

2025

EUR thousand	01 January 2025	Recognised through profit or loss	31 December 2025
Deferred tax liabilities			
Valuation of intangible assets at their fair value	15 228	-1 169	14 059
Other temporary differences	207	-25	181
Total	15 436	-1 194	14 241

2024

EUR thousand	01 January 2024	Recognised through profit or loss	31 December 2024
Deferred tax liabilities			
Valuation of intangible assets at their fair value	16 232	-1 004	15 228
Other temporary differences	84	124	207
Total	16 316	-880	15 436

Note 12 Intangible assets

Intangible assets 2025

EUR thousand	Technology	Intangible rights	Brand	Goodwill	Other intangible assets	Customer relations	Unfinished intangible assets	Total
Acquisition cost on 01 January 2025	95 200	2 635	12 865	92 467	4 082	12 142	17 832	237 222
Additions	56	317	0	0	28	0	11 118	11 519
Reductions	0	-33	0	0	0	0	0	-33
Transfers	15 696	0	0	0	3 419	0	-19 115	0
Acquisition cost on 31 December 2025	110 952	2 919	12 865	92 467	7 529	12 142	9 834	248 708
Accumulated depreciation and impairment on 01 January 2025	23 539	1 016	4 338	0	2 546	4 090	429	35 958
Depreciation for the financial year	8 656	259	858	0	1 313	809	0	11 895
Impairments	0	0	0	0	0	0	0	0
Accumulated depreciation and impairment on 31 December 2025	32 194	1 275	5 196	0	3 859	4 899	429	47 853
Book value on 01 January 2025	71 661	1 619	8 527	92 467	1 536	8 052	17 403	201 265
Book value on 31 December 2025	78 757	1 644	7 669	92 467	3 670	7 243	9 405	200 855

EUR thousand	Technology	Intangible rights	Brand	Goodwill	Other intangible assets	Customer relations	Unfinished intangible assets	Total
Acquisition cost on 01 January 2024	85 742	2 253	12 865	92 467	4 200	12 142	17 501	227 170
Additions		458	0			0	10 385	10 844
Reductions	-42	-76			-154		-519	-791
Transfers	9 499	0	0	0	36	0	-9 536	0
Acquisition cost on 31 December 2024	95 200	2 635	12 865	92 467	4 082	12 142	17 832	237 222
Accumulated depreciation and impairment on 01 January 2024	17 733	722	3 480	0	1 737	3 281	0	26 953
Depreciation for the financial year	5 806	294	858	0	809	809	0	8 576
Impairments	0	0	0	0	0	0	429	429
Accumulated depreciation and impairment on 31 December 2024	23 539	1 016	4 338	0	2 546	4 090	429	35 958
Book value on 01 January 2024	68 009	1 531	9 385	92 467	2 463	8 861	17 501	200 217
Book value on 31 December 2024	71 661	1 619	8 527	92 467	1 536	8 052	17 403	201 264

Group's intangible rights consist of patents and licenses related to IT software.

The Group has invested in the development of new products and the further development of the features and manufacturing processes of existing products. The carrying amount of unfinished product development expenditure was EUR 6,683 thousand at the end of 2025 (EUR 12,764 thousand at the end of 2024). In 2025, an addition of EUR 9,614 thousand of product development expenditures was recognised on the balance sheet (EUR 7,250 thousand in 2024). Unfinished intangible assets include advance payments related to the development of systems, a total of EUR 2,722 thousand for the financial year 2025 (EUR 4,639 thousand in total in 2024).

The carrying amount of intangible assets related to business acquisitions totaled 70,261 thousand euros at the end of 2025 (75,897 thousand euros at the end of 2024), of which technology accounted for 55,349 thousand euros (59,318 thousand euros), brands 7,669 thousand euros (8,527 thousand euros), and customer relationships 7,243 thousand euros (8,052 thousand euros). These items are primarily related to the acquisition of the iLOQ Group in 2019.

Impairment testing for unfinished product development expenditures

The Group has carried out impairment testing for unfinished product development expenditures at 31 December 2025 and 31 December 2024. The test is a comparison between the carrying amount of the development cost and the recoverable amount, which is defined as the present value of the future cash flows expected to be generated from the asset. Based on the impairment test, the Group's management did not recognise any indication for a recognition of an impairment loss.

Impairment testing for goodwill

The Group assesses the recoverable amount of goodwill annually or more frequently if there are indications of a possible impairment. Impairment testing has tested goodwill created in iLOQ Group acquisitions and other assets transferred to the company, or a so-called carrying amount, which totalled, at the time of testing on 30 September 2025, EUR 233,214 (232,885) thousand. The cash flow present value of the acquired assets is determined by calculating the discounted present value of the forecasted cash flows. The use value calculation based on future cash flow estimates used in impairment testing is based on the iLOQ Group strategy approved by the Group's management. The cash flow estimates used are based on the next five years' financial plans for the iLOQ Group. The business growth assumptions used in the cash flow estimates and the assumptions for price and cost development are based on the company's management estimates of demand and market developments compared with external information sources. In the context of impairment testing, cash flows in later years or the so-called residual year have been carefully estimated at 1.7% growth assumption. The parameters of the risk-free interest rate, the risk factor (Beta) and the risk premium used to determine the discount rate are based on market data. The recoverable amount has been validated by comparing the result of the comparison with the market value obtained by the valuation factors of the listed comparison companies. On the basis of impairment testing, no impairment losses were recorded in the profit and loss account. A sensitivity analysis was carried out in connection with the impairment testing, in which the predicted gross margin level was reduced by 1–5 percentage points and the discount rates increased by 1–5 percentage points. On the basis of the sensitivity analysis, the management has estimated that any possible change in any of the key variables used in the calculations would not result in an impairment loss being recognised. The recoverable amount resulting from impairment testing was 2.0 times higher than the book value of the corresponding assets. The discount rate used to determine the recoverable amount of money (Pre-tax WACC) was 11.14% (10.19%)

Note 13 Property, plant and equipment

Owned property, plant and equipment in 2025	Right-of-use assets in 2025					
	Machinery and equipment	Work in progress	Other tangible assets	Cars	Premises	Total
EUR thousand						
Acquisition cost on 01 January 2025	7 331	341	487	4 677	6 690	19 527
Additions	315	0	0	1 178	1 061	2 553
Reductions	0	0	0	0	0	0
Transfer between items	244	-244	0	0	0	0
Acquisition cost on 31 December 2025	7 890	97	487	5 855	7 751	22 080
Accumulated depreciation and impairment on 01 January 2025	4 933	0	327	3 204	4 580	13 044
Depreciation for the financial year	1 068	0	69	983	1 068	3 189
Impairments	0	0	0	0	0	0
Accumulated depreciation and impairment on 31 December 2025	6 001	0	396	4 187	5 648	16 232
Book value on 01 January 2025	2 399	341	160	1 473	2 110	6 483
Book value on 31 December 2025	1 890	97	91	1 667	2 103	5 848

Owned property, plant and equipment in 2024	Right-of-use assets in 2024					
	Machinery and equipment	Work in progress	Other tangible assets	Cars	Premises	Total
EUR thousand						
Acquisition cost on 01 January 2024	6 501	773	458	3 063	5 840	16 635
Additions	383	187	29	1 614	850	3 063
Reductions	0	-171	0	0	0	-171
Transfer between items	447	-447	0	0	0	0
Acquisition cost on 31 December 2024	7 331	341	487	4 677	6 690	19 527
Accumulated depreciation and impairment on 01 January 2024	3 734	0	257	2 270	3 384	9 646
Depreciation for the financial year	1 198	0	70	934	1 196	3 397
Impairments	0	0	0	0	0	0
Accumulated depreciation and impairment on 31 December 2024	4 933	0	327	3 204	4 580	13 044
Book value on 01 January 2024	2 767	773	200	793	2 456	6 989
Book value on 31 December 2024	2 399	341	160	1 473	2 110	6 483

At the end of the financial year 2025, the amount of work in progress, EUR 97 thousand (EUR 341 thousand at the end of 2024), mainly consist of advance payments for the production equipment of the new locks. Expenditures related to short-term leases of low value (lease period of maximum 12 months) are presented in Note 9. Information about lease contract debts related to right-of-use assets is presented in Notes 18 and 22, and recognised interests of lease contract debts in Note 10.

Note 14 Inventories

EUR thousand	2025	2024
Products	16 283	20 772
Products in transit	834	2 291
Total	17 117	23 064

Inventory consist of products i.e. materials related to locking products.

Note 15 Trade and other receivables

Current receivables

EUR thousand	2025	2024
Current receivables from others		
Trade receivables	42 270	29 209
Other receivables	564	426
Accrued income	2 220	1 213
Total	45 054	30 848

The carrying amount of trade receivables and other receivables is a reasonable estimate of their fair value.

Age distribution of trade receivables

EUR thousand	2025	Expected credit losses %	2024	Expected credit losses %
Not past due	32 900	0,00 %	23 543	0,00 %
Past due				
Less than one month	3 255	0,00 %	3 653	0,00 %
One to three months	3 510	3,00 %	628	3,00 %
More than three months	2 605	15,00 %	1 386	20,00 %
Total past due	9 370		5 666	
Total	42 270		29 209	

Expected credit losses

The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses (ECL). Based on history details of actual credit losses and the Group's experiential estimate calculation, the expected credit losses are EUR 398 thousand in the financial year 2025 (EUR 296 in 2024). The calculation of expected credit losses is described in note 21.

The carrying amount of trade receivables represent the maximum credit exposure on the reporting date. The Group also holds credit insurance to cover potential credit losses. The Group considers the need for credit insurance coverage on a customer-specific basis and insures the receivables from customers based on this estimate. Historically, the amount of actual credit losses for iLOQ has been very low.

The Group's financial risk management and credit risk are presented in Note 21.

Note 16 Cash and cash equivalents

EUR thousand	2025	2024
Cash and cash equivalents	19 206	9 066
Cash on the balance sheet	19 206	9 066

At the end of financial year the Group has a withdrawable credit facility amounting to EUR 30 million.
The credit facility was not being used at the end of financial year on 31 December 2025.

Note 17 Notes relating to equity

Share capital

The share capital is EUR 80,000.

There is one set of shares. The shares have no nominal value. All shares have the same right to dividend and company assets.

The following table specifies changes in the numbers of shares and corresponding changes in Group's equity. The number of shares is presented as pieces and the total sums of invested non-restricted equity are presented in thousands of euros.

2025	Number of shares	Total shares	Share capital	Invested unrestricted equity fund
1 January	100	100	80	143 240
31 December	100	100	80	143 240

2024	Number of shares	Total shares	Share capital	Invested unrestricted equity fund
1 January	100	100	80	143 240
31 December	100	100	80	143 240

Dividends

The parent company's loss for the financial year, EUR 1,073,869.75, is recognised in the retained earnings account. The parent company's distributable assets per 31 December 2025 amount to a total of EUR 134,099,882.28 of which the amount of retained earnings is EUR - 8,880,338.72. The amount of distributable assets in the invested unrestricted equity fund is EUR 142,980,221.00.

The Board of Directors proposes to the Annual General Meeting that the profit for the financial year is transferred to the profit and loss account and that no dividends are paid out.

Invested unrestricted equity fund

Invested non-restricted equity fund includes other equity investments and the subscription price of shares, to the extent that it is not specifically decided to be recorded in share capital.

Translation differences

The reserve for translation differences comprises translation differences arising from the translation of financial statements of foreign operations.

The Group's capital management is presented in note 21 *Risk management*.

Earnings per share

Undiluted earnings per share are calculated by dividing the profit attributable to owners of the parent company by the average number of outstanding shares during the financial year.

	2025	2024
Profit attributable to owners of the parent company (EUR 1,000)	13 004	-199
Weighted average number of shares during the financial year	100	100
Earnings per share, undiluted (EUR/share)	130 041	-1 987

When calculating the diluted earnings per share, the dilutive effect of all dilutive potential ordinary shares is taken into account in the weighted average number of outstanding shares. The Group's dilutive potential ordinary shares consist of share-based incentive arrangements payable in shares.

Note 18 Classification of financial assets and liabilities

Classification and fair values

The table shows the classification and book values of financial assets and financial liabilities.

Fair values of financial assets and financial liabilities are not presented in the table, as far as the book value is a reasonable estimate of the fair value. In the financial years 2025 and 2024, all financial assets and liabilities of the Group have been measured at amortised cost using the effective interest method.

31/12/2025

EUR thousand	Note	Book value
Financial assets that are not measured at fair value		
Trade and other receivables	15	45 054
Cash and cash equivalents	16	19 206
Total		64 260
Financial liabilities that are not measured at fair value		
Bond	19	54 585
Product development loan		123
Lease obligations		3 876
Account payables and other liabilities	20	29 343
Total		87 927

31/12/2024

EUR thousand	Note	Book value
Financial assets that are not measured at fair value		
Trade and other receivables	15	30 848
Cash and cash equivalents	16	9 066
Total		39 914
Financial liabilities that are not measured at fair value		
Bond	19	54 473
Product development loan		185
Lease obligations		3 675
Account payables and other liabilities	20	26 434
Total		84 767

Fair value measurement

Fair value of financial assets and liabilities is the price that would be received for selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The management assessed that the fair values of cash and cash equivalents, trade receivables, other receivables, trade payables and other liabilities do not materially deviate from their fair values, due to the short-term maturities of these instruments.

Note 19 Financial liabilities

On 6 March 2024, Capnor Weasel Bidco Oyj announced refinancing. The company issued a new EUR 55,000 thousand secured variable interest rate bond. The loan will be paid variable interest on Euribor three (3) months + 4.00%. The capital will fall due in March 2029. The loan includes performance and indebtedness covenant terms. Covenant terms were fulfilled in the financial years ending 31 December 2025 and 31 December 2024. The loan is classified at the amortised acquisition price and the balance sheet value was EUR 54,585 thousand for the financial year ending 31 December 2025. In the financial year ending 31 December 2025, the Group also has a product development loan of EUR 123 thousand from the State Treasury.

Additional information on the Group's exposure to interest risks and credit risks are presented in note 21 *Financial risk management*. The Group's credit limits and related central covenant conditions are described in Note 24 *Contingent liabilities*.

Note 20 Account payables and other liabilities

Current liabilities to others

EUR thousand	2025	2024
Advances received for operation and maintenance contracts	3 317	2 480
Accounts payable	12 100	12 535
Other liabilities	4 040	3 168
Accrued expenses	9 945	8 310
Total	29 402	26 493

The carrying amounts of account payables and other liabilities correspond to their fair values.
Material items in accrued expenses are presented in the table below.

Main items of accrued expenses

EUR thousand	2025	2024
<i>Accrued expenses</i>		
Accrual of personnel expenses	6 050	5 083
Other	3 895	3 227
Total	9 945	8 310

Note 21 Financial risk management

The objective of the Group's risk management is to identify and analyse the risks impacting the Group, to define appropriate risk levels and controls and to monitor the realisation of risks in relation to the risk levels. The objective of financial risk management is to decrease the volatility related to profit, financial positions and cash flows, as well as secure the Group's sufficient liquidity as well as efficient and competitive financing. The Board of Directors approve the general principles of risk management. The principles and policies of risk management are reviewed regularly to reflect changes in market conditions and the Group's operations.

The main financial risks to which the Group is exposed are market risk (foreign exchange and interest rate risk), liquidity risk, and credit risk. The Group's management assesses the risks and acquires the necessary instruments for hedging risks. For risk management, the Group uses currency forward contracts and credit insurance for trade receivables at its discretion. The Group has no financial risk concentration.

MARKET RISK

Currency risk

Currency risk refers to the uncertainty in cash flows, income or financial position caused by changes in foreign exchange rates. The Group operates internationally and is thus exposed to risks due to fluctuations in foreign exchange rates. In addition, the Group is exposed to translation risks when investments in foreign subsidiaries are converted to parent company's functional currency (Euro).

The objective of the Group's currency risk management is to manage and control uncertainty in cash flows, income and financial position caused by fluctuations in foreign exchange rates. The Group is exposed to currency risk in its business operations as, in addition to the parent company's operating currency, the Group's sales, purchases and other business transactions are carried out in the local currencies of its subsidiaries. The most significant foreign currencies for the Group are US dollar, Swedish krona, Danish krone and Norwegian krone. During the financial period 2025, 37.8% (33.0% in 2024) of the Group's sales were currency-denominated and of purchases, including variable and fixed costs, 62.4% (49.3% in 2024).

The transaction risk exposure by currency and the Group's sensitivity to changes in the exchange rates are described in the following table.

Transaction risk exposure by currency 31/12/2025

EUR thousand	SEK	DKK	NOK	USD	GBP	CAD	PLN	AUD	SGD
Trade receivables	5 083	1 321	1 495	5 038	1 138	475	26	250	164
Cash and cash equivalents	2 361	2 038	295	875	97	82	10	35	62
Accounts payable	256	24	9	6 308	32	39	0	0	0
Net balance sheet exposure	7 188	3 335	1 781	-394	1 203	517	36	285	225
Net exposure	7 188	3 335	1 781	-394	1 203	517	36	285	225

Sensitivity analysis by currency 31/12/2025

EUR thousand	SEK	DKK	NOK	USD	GBP	CAD	PLN	AUD	SGD
+ 10% movement	653	303	162	-36	109	47	3	26	20
- 10% movement	-799	-371	-198	44	-134	-57	-4	-32	-25

31/12/2024

EUR thousand	SEK	DKK	NOK	USD	GBP	CAD	PLN	AUD	SGD
Trade receivables	3 994	1 347	1 575	1 453	59	162	31	25	8
Cash and cash equivalents	1 417	576	290	335	204	95	96	57	60
Accounts payable	64	7	15	4 626	2	0	14	0	0
Net balance sheet exposure	5 347	1 916	1 849	-2 838	261	257	114	83	68
Net exposure	5 347	1 916	1 849	-2 838	261	257	114	83	68

Sensitivity analysis by currency 31/12/2024

EUR thousand	SEK	DKK	NOK	USD	GBP	CAD	PLN	AUD	SGD
+ 10% movement	486	174	168	-258	24	23	10	8	6
- 10% movement	-594	-213	-205	315	-29	-29	-13	-9	-8

In addition, the Group is exposed to currency risk through net investments in foreign subsidiaries (translation risk). Foreign net investments are converted into the functional currency (Euro) of the Group's parent company. The Group's risk management principle is not to hedge against foreign exchange risk through net investments in foreign subsidiaries, because the risk exposure is considered of minor importance.

INTEREST RATE RISK

The Group generates interest rate risk from the Group's variable interest rate bond. At the end of the financial year 2025, the interest rate was 6.049%. If interest rates were to increase by one (1) percentage point, interest expenses would increase by approximately 550 thousand euros after taxes. In addition, the Group has a product development loan with a fixed interest rate of 1%.

CREDIT RISK

Credit risk is a risk of financial loss if a counterparty to a financial instrument fails to meet his contractual obligations. The Group's credit risk arises principally from the Group's trade receivables from customers, which is determined by the open risk position and the counterparties' credit rating. The Group has no significant credit risk concentrations related to a certain client segment, because it has a broad clientele, which is geographically spread over a wide area.

The Group' credit risk policy defines the credit rating requirements for clients and other commercial contract parties. The Group regularly reviews clients' credit ratings and monitors its clients' payment behaviour. The credit risk is reduced and managed by taking out a credit insurance policy for trade receivables from customers. Credit insurance is used to prepare for possible credit loss risks on a customer-specific basis, and therefore the Group's financial management makes a customer-specific assessment on the need for credit insurance and insures the receivables from customers as based on this assessment. The age analysis of trade receivables is provided in note 15.

In addition, the Group is exposed to credit risk through its investment of cash in financial institutions. The credit risk is managed by contracting with well-established financial institutions in accordance with the Group's risk management policy.

Assessment of expected credit losses

The Group uses an allowance matrix, a simplified approach allowed by IFRS 9, to measure expected credit losses for trade receivables from customers. The loss allowance is measured at an amount equal to lifetime expected credit losses for trade receivables. In this case, the Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses (ECL).

The Group uses its previous credit losses and historical credit loss experience for trade receivables to estimate the lifetime expected credit losses on financial assets. In addition, the economic conditions and Group's assessment on future development are taken into account in the estimate. The Group updates its follow-up data based on historical information and future estimates at each reporting date. Expected credit losses are determined based on fixed provision rates, depending on the number of days that a trade receivable is past due. Expected credit losses are thus calculated by multiplying the gross carrying amount of trade receivables with the fixed provision rate determined for a class of trade receivables. Changes in expected credit losses are recognised in profit or loss under other operating expenses.

Expected credit losses are described in note 15.

Based on historical experience, the Group has an insignificant amount of realised credit losses. Based on the Group's assessment, the gross carrying amount of a trade receivable is written off when the management estimates that the Group has no reasonable expectation of recovering the payment. Realised credit losses are recognised in profit or loss under other operating expenses.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The objective of managing liquidity risk is to continuously maintain an adequate level of liquidity and ensure that it will have sufficient financing for working capital and investment costs. As stated in the Group's risk management policy, the amount of financing required for business activities and liquidity forecasts are monitored in the Group. The management has not identified liquidity risk concentrations in its financial assets or sources of finance.

The Group's management estimates that the Group's liquidity is at a good level. At the end of the financial year 2025, the Group had a bond with balance sheet value of EUR 54,585 thousand (EUR 54,473 thousand). At the end of the financial year 2025, the cash and cash equivalents of the Group totalled EUR 19,206 thousand (EUR 9,066 thousand). The Group aims to ensure the availability and flexibility of funding through an overdraft facility. On 31 December 2025, the Group maintains a credit facility of EUR 30 million, which was not in use at the end of the financial year. The credit facility was not used during the financial year 2025 but it was used during the financial year 2024.

The table below presents the maturity analysis of the financial liabilities of the Group. The amounts disclosed in the table are the contractual undiscounted cash flows that include both expected interests and repayments.

31/12/2025

EUR thousand	2026	2027	2028	2029	2030	2031
Non-derivative financial liabilities						
Liabilities from credit institutions	3 389	3 389	3 327	55 832	0	0
Account payables and other liabilities	26 024	0	0	0	0	0
Total	29 413	3 389	3 327	55 832	0	0

31/12/2024

EUR thousand	2025	2026	2027	2028	2029	2030
Non-derivative financial liabilities						
Liabilities from credit institutions	3 838	3 838	3 838	3 838	55 944	0
Account payables and other liabilities	23 952	0	0	0	0	0
Total	27 790	3 838	3 838	3 838	55 944	0

Observing covenant terms of the bond, the relationship of the net debt is compared to the profit of the financial year corrected with depreciation. According to the covenant terms, the ratio must be smaller than 4.5 at the end of the financial year on 31 December 2025. The covenant rule was clearly fulfilled in the financial year. The credit facility was not in use at the end of the financial year on 31 December 2025. The credit facility contract contains a financial covenant clause related to the equity ratio that the Group has fulfilled well in the financial year 2025.

On 6 March 2024, Capnor Weasel Bidco Oyj announced refinancing. The company issued a new EUR 55,000 thousand secured variable interest rate bond. The loan will be paid variable interest on Euribor three (3) months + 4.00%. The capital will fall due in March 2029.

CAPITAL MANAGEMENT

The Group's objective in capital management is to maintain optimum capital structure in order to secure normal operating conditions and to increase shareholder value in the long term. The equity is mainly influenced through dividend distribution or share issue. The Group is not subject to externally imposed capital requirements. The Group management and the Board of Directors of the parent company monitor the Group's capital structure and the development of liquidity. The objective of this monitoring is to ensure the Group's liquidity and the flexibility of capital structure to realise the growth strategy and positive development of shareholder value.

The Group monitors the development of its capital structure based on the ratio of equity to balance sheet total (equity ratio). The equity ratio was 64.2 % at the end of reporting period 2025 (63.2% in 2024).

Note 22 Maturity of lease liability

EUR thousand	2025	2024
Within 12 months	2 320	1 979
Within one to five years	2 041	1 896
Total	4 361	3 875

The amounts in the table present the undiscounted repayments related to the lease contracts. The discounted amount of lease liabilities is presented in Note 18 and the interest expenses recognised from lease contract debts in Note 10.

Note 23 Provisions

EUR thousand	2025	2024
Non-current provision	892	949
Current provision	608	1 113
Total	1 500	2 062

The Group grants a warranty on the iLOQ products it delivers. The Group incurs costs for the repair, replacement and maintenance of locking systems, which are carried out at the Group's expense. The Group recognises a warranty provision for these warranty repairs. The warranty provision is based on previous years' experience of defective products.

EUR thousand	Warranty provision
Warranty provision on 01 January 2025	2 062
Increase of warranty provision during the period	1 085
Increase of warranty provision (over 2 years)	-613
Realised warranty costs	-1 034
Warranty provision on 31 December 2025	1 500

EUR thousand	Warranty provision
Warranty provision on 01 January 2024	1 266
Increase of warranty provision during the period	1 849
Increase of warranty provision (over 2 years)	114
Realised warranty costs	-1 167
Warranty provision on 31 December 2024	2 062

Note 24 Contingent liabilities and commitments

Collaterals and contingent liabilities

EUR thousand	2025	2024
Credit facility	30 000	30 000
Lease guarantee	150	146
Delivery guarantee	600	600
Warranty guarantee	8	0
Corporate credit card	204	121
Total	30 961	30 867

The credit facility of EUR 30 million was not being used at the end of the financial year.

The following collaterals have been provided for the bond of Capnor Weasel Bidco Oyj's and the credit facility used by Capnor Weasel Bidco Oyj and iLOQ Oy. The credit line guarantee has been provided on a joint and several basis.

EUR thousand	2025	2024
Collateral given for own commitments (bearer bonds)	195 000	195 000
Special guarantees	30 000	30 000
Total	225 000	225 000
Collateral given for own commitments (shares given as security pcs, iLOQ Oy)	1,179,726 pcs	1,179,726 pcs

Legal proceedings

At the end of the reporting period, the Group had one pending legal proceeding.

Note 25**Related party transactions**

Related parties include the Group's parent company Capnor Weasel Midco Oy, Capnor Weasel Midco Oy's parent company, Capnor Weasel Topco Oy and its subsidiaries. The subsidiaries are listed in note 5. Moreover, members of the Board of Directors of Capnor Weasel Topco Oy, Capnor Weasel Midco Oy and Capnor Weasel Bidco Oy, as well as members of the Board of Directors of the iLOQ Group, the Managing Director and the members of the Group Management Team, in addition to the entities controlled by the above-mentioned persons and their family members are included in the related parties. The party exercising ultimate control over the company is Nordic Capital IX Limited.

Employee benefits of the key management

Capnor Weasel Bidco Oyj has a CEO but no Group management. Decision-making related to the iLOQ Group is centralised to the Board of Capnor Weasel Bidco Oyj. The CEO, the Board of Capnor Weasel Topco Oy and the Group management have been paid the following salaries and payments including fringe benefits:

EUR thousand	2025	2024
Short-term employee benefits	2 880	2 170
Benefits paid after the end of employment relationship	555	361
Total	3 435	2 532

Short-term employee benefits are broken down as follows:

EUR thousand	2025	2024
Board fees	238	220
Chief Executive Officer	490	482
Other members of the management team, total	2151	1 469

The figures presented equal to costs expensed during the financial period.

The total compensation for the Group's key management consists of salaries, non-monetary benefits and pension expenses for defined contribution plans. The members of the Group management do not have defined benefit-based pension plans.

Note 26 Subsequent events

There were no significant events for the Group after the end of the financial year.

Capnor Weasel Bidco Oyj

EUR

PARENT COMPANY INCOME STATEMENT	Note	2025	2024
Revenue		685 143,00	593 705,00
Materials and services		-206,18	-5 744,71
Personnel expenses		-622 856,90	-539 731,75
Other expenses		-210 068,80	-149 566,19
Operating profit		-147 988,88	-101 337,65
Finance income		1 053,93	408,50
Finance expenses	1	-4 073 847,80	-6 309 792,64
Profit before extraordinary items		-4 220 782,75	-6 410 721,79
Profit before appropriations and taxes		-4 220 782,75	-6 410 721,79
Group contributions received		3 146 913,00	3 100 919,50
Profit for the financial period		-1 073 869,75	-3 309 802,29

Capnor Weasel Bidco Oyj
EUR

PARENT COMPANY BALANCE SHEET	Note	31 December 2025	31 December 2024
NON-CURRENT ASSETS			
Investments	2	195 107 331,39	195 107 331,39
Non-current assets, total		195 107 331,39	195 107 331,39
CURRENT ASSETS			
Current receivables	3	153 493,28	78 130,24
Cash at bank and in hand		76 733,38	60 119,05
Total current assets		230 226,66	138 249,29
TOTAL ASSETS		195 337 558,05	195 245 580,68
EQUITY AND LIABILITIES			
EQUITY			
	4		
Share capital		80 000,00	80 000,00
Invested unrestricted equity fund		142 980 221,00	142 980 221,00
Profit for the prior financial periods		-7 806 468,97	-4 496 666,68
Profit for the financial period		-1 073 869,75	-3 309 802,29
Total equity		134 179 882,28	135 253 752,03
LIABILITIES			
	5		
Long-term liabilities			
Interest-bearing liabilities		57 410 765,12	55 000 000,00
Short-term liabilities			
Interest-bearing liabilities		3 000 000,00	4 627 244,51
Interest-free liabilities		746 910,65	364 584,14
Total liabilities		61 157 675,77	59 991 828,65
EQUITY AND LIABILITIES, TOTAL		195 337 558,05	195 245 580,68

Capnor Weasel Bidco Oyj

EUR

PARENT COMPANY CASH FLOW STATEMENT	1.1.-31.12.2025	1.1.-31.12.2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before taxes	-4 220 783	-6 410 722
Adjustments:		
Financial income and expenses	4 072 794	6 309 384
Cash flow before change in working capital	-147 989	-101 338
Change in working capital:		
Increase (-)/decrease (+) in short-term interest-free trade receivables	-75 363	15 010
Increase (+)/decrease (-) in short-term interest-free liabilities	382 326	-63 031
Cash flow from operating activities before financial items and taxes	158 974	-149 359
Interest paid and payments on other financial expenses	-4 073 848	-6 309 793
Interest received from operating activities	1 054	409
Cash flow before extraordinary items	-3 913 819	-6 458 743
Cash flow from operating activities (A)	-3 913 819	-6 458 743
CASH FLOW FROM INVESTMENT ACTIVITIES		
Cash flow from investment activities (B)	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short-term liabilities	783 521	3 391 477
Group contributions received	3 146 913	3 100 920
Cash flow from financing activities (C)	3 930 434	6 492 396
CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	16 614	33 653
Cash and cash equivalents on 1 January	60 119	26 466
Cash and cash equivalents on 31 December	76 733	60 119

Note 1 Accounting principles for the financial statements of the parent company

The financial statements of Capnor Weasel Bidco Oyj have been prepared in accordance with Finnish Accounting Standards (FAS). The financial statement is presented in euros.

Notes to the income statement

Personnel expenses	2025	2024
Salaries and wages	512 418	451 216
Pension costs	95 882	78 158
Other personnel expenses	14 558	10 358
Total	622 857	539 732
Average number of personnel	1	1
Financial income and expenses	2 025	2 024
Finance expenses		
Interest expenses	4 046 333	4 875 662
Other finance expenses	27 515	1 434 130
	4 073 848	6 309 793

Valuation of Subsidiary Shares

Subsidiary shares are recorded on the balance sheet at cost. If a subsidiary's financial position has permanently deteriorated, an impairment loss is recognized at fair value in accordance with the provisions of the Accounting Act. The assessment of a subsidiary's financial position and total value is conducted comprehensively based on estimates of the present value of the subsidiary's projected future earnings and, in addition, on other sources of valuation information where applicable. An impairment loss is reversed if the basis for it ceases to exist, but only up to the original cost.

Note 2 Investments

EUR

Investments

2025

2024

Holdings in Group companies

Acquisition cost on 1 Jan	195 107 331	195 107 331
Acquisition cost on 31 Dec	195 107 331	195 107 331

Name of the subsidiary:	Domicile	Shareholding %
iLOQ Oy	Finland	100
iLOQ Sverige AB	Sweden	100
iLOQ Deutschland GmbH	Germany	100
iLOQ Nederland BV	Netherlands	100
iLOQ Denmark ApS	Denmark	100
iLOQ Norge AS	Norway	100
iLOQ France SAS	France	100
iLOQ Iberia SLU	Spain	100
iLOQ UK Ltd	UK	100
iLOQ Canada Inc	Canada	100
iLOQ USA Inc	United States	100
iLOQ Polska sp. z o o	Poland	100
	United Arab	
iLOQ Middle-East FZ-LLC	Emirates	100
iLOQ Oceania Pty Ltd	Australia	100
iLOQ Singapore Pte Ltd	Singapore	100
iLOQ Belgie BV	Belgium	100

The Group's ultimate parent company is Capnor Weasel Topco Oy, which is headquartered in Finland. All foreign subsidiaries are owned by iLOQ Oy.

Note 3 Long-term and short-term receivables

EUR

2025

2024

Current receivables

Short-term receivables from other companies

Accrued income	2 770	6 668
Total	<u>2 770</u>	<u>6 668</u>

Short-term receivables from Group companies

Trade receivables	150 723	71 462
Group accrued income	<u>0</u>	<u>0</u>
Total	<u>150 723</u>	<u>71 462</u>

Short-term receivables, total

<u>153 493</u>	<u>78 130</u>
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Note 4 Equity and calculation of distributable equity

EUR

EQUITY

	2025	2024
Restricted equity		
Share capital on 1 Jan	80 000,00	80 000,00
Share capital on 31 Dec	<u>80 000,00</u>	<u>80 000,00</u>
Restricted equity, total	<u>80 000,00</u>	<u>80 000,00</u>
Invested unrestricted equity fund on 1 Jan	<u>142 980 221,00</u>	<u>142 980 221,00</u>
Invested unrestricted equity fund on 31 Dec	142 980 221,00	142 980 221,00
Retained earnings on 1 Jan	-7 806 468,97	-4 496 666,68
Retained earnings on 31 Dec	-7 806 468,97	-4 496 666,68
Profit for the financial period	-1 073 869,75	-3 309 802,29
Total unrestricted equity	134 099 882,28	135 173 752,03
Total equity	<u>134 179 882,28</u>	<u>135 253 752,03</u>

Calculation of distributable equity

	2 025	2 024
Retained earnings	-7 806 468,97	-4 496 666,68
Profit for the financial period	-1 073 869,75	-3 309 802,29
Invested unrestricted equity fund	<u>142 980 221,00</u>	<u>142 980 221,00</u>
Total	134 099 882,28	135 173 752,03

Share capital

The company has a share capital of EUR 80,000, paid in full. The number of shares is 100.

Note 5 Liabilities

EUR

Long-term liabilities	2025	2024
Interest-bearing liabilities		
Long-term interest-bearing liabilities to others		
Bond	55 000 000	55 000 000
Long-term interest-bearing liabilities to group companies		
Other liabilities	2 410 765	0
Total non-current interest-bearing liabilities	57 410 765	55 000 000

In March 2024, Capnor Weasel Bidco Oyj issued a new bond worth EUR 55 million. The loan is secured. A coupon interest is paid to the loan, which is 3 months Euribor plus 4.00 percentage points, and the loan is due in March 2029. The bond can be redeemed before maturity. The covenants related to the bond are described in Note 24 to the consolidated financial statements.

Short-term liabilities	2025	2024
Short-term interest-bearing liabilities to Group companies		
Other liabilities	3 000 000	4 627 245
Short-term interest-bearing liabilities, total	3 000 000	4 627 245
Short-term interest-free liabilities to other companies		
Accounts payable	9 679	19 208
Other liabilities	71 656	43 437
Accrued expenses		
Interest expenses	111 008	125 803
Other	137 114	80 476
Total	329 457	268 924
Short-term interest-free liabilities to Group companies		
Other liabilities	417 454	95 660
Total	417 454	95 660
Short-term interest-free liabilities, total	746 911	364 584

Note 6 Liabilities and collateral

EUR	2025	2024
Contingent liabilities		
Credit facility	30 000 000	30 000 000
Total	30 000 000	30 000 000

The credit facility of EUR 30 million was not being used at the end of the financial year.

The following collaterals have been provided for the bond of Capnor Weasel Bidco Oyj's and the credit facility used by Capnor Weasel Bidco Oyj and iLOQ Oy.

EUR	2025	2024
Special guarantees	10 000 000	10 000 000
Total	10 000 000	10 000 000
Collateral given for own commitments (shares given as security pcs, iLOQ Oy)	1,179,726 pcs	1,179,726 pcs

The book value of the pledged shares is EUR 195,107,331.39.

Note 7 Related party transactions

During the financial year 2025, Capnor Weasel Bidco Oyj received a group contribution from its subsidiary iLOQ Oy worth EUR 3,146,913 (EUR 3,100,919 in 2024). In addition, during the financial year 2025, Capnor Weasel Bidco Oyj invoiced administrative services from its subsidiary iLOQ Oy worth EUR 685,143 (EUR 593,705 in 2024). At the end of the financial year, the company had a related party loan of EUR 5,410,765 from its subsidiary iLOQ Oy. The remuneration paid to the company's CEO was EUR 490,337. No remuneration was paid to the members of the company's Board of Directors.

Capnor Weasel Bidco Oyj

Confirmation of the Board of Directors and the CEO

We confirm that the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.

The management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

SIGNATURES ON THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT

in Oulu, 16 April 2026

Magnus Hammarström
Member of the Board

Heikki Hiltunen
Managing Director

STATEMENT OF ACCOUNTS

An audit report on the audit carried out has been submitted today.

KPMG Oy Ab
Auditing company
in Oulu, 16 April 2026

Juho Rautio
Authorised Public Accountant