

# Opening a new chapter in the iLOQ success story



## CEO's review Heikki Hiltunen

iLOQ had a big year in 2019. The Company was able to continue on its path of successful growth, and the time was right to take a big leap forward. Under new ownership we look forward to a bright future ahead.

## Continuous growth

Strong organic growth continued in the 2019 financial year. Finland and the Nordic countries have remained our stronghold, but significant growth has been experienced across all European markets. France and Spain as new markets for us have both shown a great deal of promise. We will continue to defend our stronghold in the home markets and concentrate on Central European markets where we see a lot of potential for further growth and expansion.

We have been pleased to see that our more traditional mechanical lock and key competitors are also entering the digital access management space. We only view the competition as a positive thing, bringing more exposure and expanding the market as a whole. As a company that was born digital, we are carrying the torch for smart access management solutions, and we are committed to stay ahead of the game moving into the future. The slowly emerging competition only confirms that the path we chose some 16 years ago was the right one.



## International presence

In terms of building the iLOQ brand and the Company's international presence in 2019, it is impossible to not mention Kimi Räikkönen. iLOQ took a big risk and bold step in entering the world of Formula 1 by signing a personal sponsorship deal with perhaps the best-known Finnish sportsman on the international stage. Cooperation with Kimi has been a resounding success, not only bringing major visibility and recognition for the brand, but also translating into plenty of new contacts and leads. The activities around the sponsorship have acted as a great means of engaging customers, partners and staff alike. We are extremely grateful to Kimi for his personal interest and belief in iLOQ, and the work we do. We look forward to continuing our cooperation during the upcoming F1 season.

## Technology leadership

We, at iLOQ, are committed to continuous development and technological leadership. The naming of Timo Ainali as our new Chief Technology Officer (CTO) and Member of the iLOQ Executive Board was among our most important recruitments this past year. He brings a great deal of experience and knowhow to the table.

To further strengthen our position as the world's leading supplier of battery-free digital access management solutions, we are happy to say that our customers can look forward to a significant new development in terms of technology in the year ahead. We will be launching our new iLOQ S5 series, which is already available in the Nordics, across the rest of Europe with a DIN-standard lock and key within the first half of 2020. This unique solution delivers a new level of connectivity and ease-of-management, especially for customers with a large number of locks and keys to manage and spaces with various types of uses.

The successful launch of the iLOQ S50 mobile access management solution targeted at the industrial and utility business sector already proved that we are not just relying on one product and technology. And, with Apple finally opening its NFC (near field communications) capabilities to third-party vendors in its new iOS 13, the potential for even further development in terms of truly device-independent access management is now virtually unrestricted.



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*“The launch of the iLOQ S50 solution marked iLOQ's entry into the industrial and utility business sector.”*  
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The early results of the iLOQ S50 launch a little over a year ago are extremely encouraging, and interest in the solution has been widespread. We see this as being a truly global solution that will deliver considerable value to utility sector customers the world over. All in all, this new versatile platform has been well received on the market. The iLOQ S50 solution has even gained the KATARI certification for data security, making it eligible for police and defense contract projects within Finland.

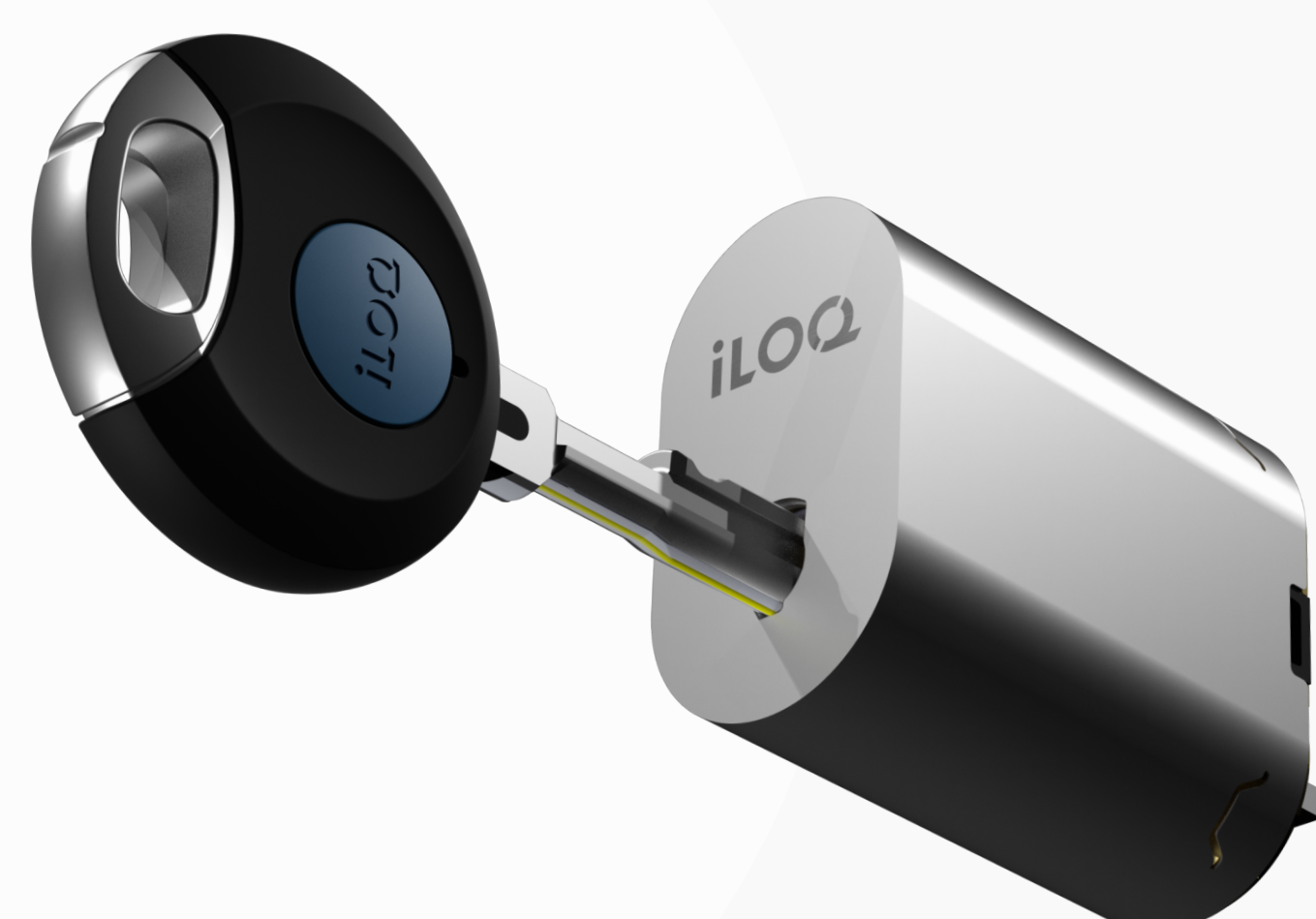
## Belief in people

But, regardless of all the technology, the held patents and the new contracts, our people continue to be our greatest asset. We are extremely pleased to see that we are able to attract and keep talented and dedicated people on our staff. In a recent employee satisfaction survey, 85% of our staff considered iLOQ the best place they have ever worked. For us to keep on succeeding in the future, it is these types of accolades that we must continue to collect. With the support of the new ownership, we are looking forward to continuing on this path of positive growth and ambitious development led by our committed team.

## New ownership

iLOQ began as a startup that entered the Nordic marketplace as a challenger and disruptor. Both the Company and the technology it leans on have proven themselves and facilitated growth in the home market as well as across Europe. The owners and the board felt that the time was right to start a new chapter in the history of the Company, and the sale of iLOQ to Nordic Capital Fund IX was announced on 15.10.2019.

The 190 M€ sale was finalized on 11.12.2019 after gaining all of the needed authority approvals. The new owners bring the needed knowhow and added muscle required to take the company to a new level. Nordic Capital is experienced at taking businesses global and supporting international growth. We see that, with the support of the new ownership, we will be able to continue to execute our strategy of international growth and continued development. We believe in the brand and solutions we have developed, and this sale is a strong indicator that the new owners share our belief and our vision of a battery-free and wireless world of digital access management.



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