

INCAP GROUP

Business review
January-March 2026



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Incap Group's business review for January–March 2026 (unaudited)

January–March 2026 highlights

- Revenue for the first quarter 2026 amounted to EUR 56.0 million (1–3/2025: EUR 52.2 million). Year-on-year increase was 7.3%.
- The revenue was negatively impacted by the foreign exchange rates and component availability challenges. Organic growth was flat excluding the impact of the foreign exchange rates.
- The acquisition of Lacon Group was closed, and Lacon Group's financial figures have been consolidated into Incap Group's reporting as of 20 February 2026.
- Comparable EBITA amounted to EUR 5.2 million (EUR 6.0 million) or 9.2% of revenue (11.5%). Year-on-year decrease was 14.2%.
- Operating profit (EBIT) amounted to EUR 4.8 million (EUR 5.7 million) or 8.5% of revenue (11.0%). Year-on-year decrease was 16.7%.
- Net profit for the period was EUR 3.9 million (EUR 3.8 million).
- Earnings per share were EUR 0.13 (EUR 0.13).

2026 figures include Lacon Group as of 20 February, whereas 2025 figures are presented excluding Lacon Group. Unless otherwise stated, the comparison figures refer to the corresponding period in 2025. This business review is unaudited.

Key figures

EUR million	1–3/26	1–3/25	Change	10–12/25	Change	1–12/25
Revenue	56.0	52.2	7.3%	55.3	1.3%	214.6
Comparable EBITA*	5.2	6.0	-14.2%	8.0	-35.2%	26.1
Comparable EBITA, % of revenue	9.2%	11.5%		14.4%		12.1%
Operating profit (EBIT)	4.8	5.7	-16.7%	6.9	-31.0%	25.3
EBIT, % of revenue	8.5%	11.0%		12.5%		11.8%
Net profit for the period	3.9	3.8	2.1%	5.1	-24.3%	14.0
Equity ratio	54.7%	65.9%		67.9%		67.9%
Net gearing	6.2%	-23.1%		-39.1%		-39.0%

*Comparable EBITA is an alternative performance measure. Comparable EBITA excludes non-recurring items and purchase price allocation amortisation. Comparable EBITA provides comparable information between different financial years on EBITA.

Outlook for 2026

Incap estimates that the company's revenue and comparable EBITA in 2026 will be clearly higher than in 2025.

The estimates include the impact of Lacon's acquisition and are given provided that unexpected events impacting Incap's business environment do not occur.

CEO's comments

At the beginning of the year, our performance developed broadly in line with expectations and overall demand remained stable despite challenging market conditions. While the Lacon acquisition supported our revenue, due to some delayed component deliveries, certain orders were shifted into the second quarter. These component pushouts were mainly driven by increased demand in the AI and data centre segment, which has strained production capacity for components used in other segments and caused supply chain disturbances. In addition, foreign exchange rate movements impacted our result, and we are expecting to see increasing price pressure from component manufacturers going forward. Over time, we expect component availability to improve as manufacturers increase capacity, and we continue to work closely with our customers to identify alternative component solutions where needed.

Due to lower volumes and utilisation levels in Q1, our profitability was lower, but towards the end of the quarter, we saw volumes starting to recover, supporting a more positive development for the coming quarters.

The beginning of the year was also marked by the successful completion of the Lacon acquisition, and I am pleased to say that the integration is progressing well and according to plan, supported by strong collaboration and commitment across our teams.

Our order intake developed very positively during the quarter, laying an important foundation for the rest of the year. Order intake was particularly strong in the defence segment, where we achieved a record-high number of orders in the first quarter. As a result of successful sales activities, we have received larger defence orders for our new units in Germany and Romania, further strengthening our order book and visibility. Following the acquisition, we can already see a positive shift in our customer portfolio. Dependency on the largest customer is increasingly behind us as the share of other

customers grows, reducing overall customer concentration risk.

During the first quarter, we continued to prepare Incap for the next phase of growth. In addition to investments in machinery, we have started updating our strategy and organisation, to support the new larger Incap and taking our lean decentralized management model to the next stage. This includes internal development initiatives aimed at further modernising operations and tools, such as a data lake project, as well as refinements to the management structure to enable stronger focus on organic growth in mature markets and M&A-driven growth and expansion in selected growth markets. Further details on these updates will be communicated later this year.

We finalised our Annual and Sustainability Report in the early part of the year and set our key sustainability targets for the year. Sustainability remains a core value and an integral part of how we run our business, supporting our operations, our customers and long-term value creation.

None of this would be possible without our people. As always, I would like to sincerely thank all our employees for their dedication, flexibility and teamwork during a demanding start to the year and throughout the integration of Lacon.

Our key priority continues to be the successful integration of Lacon into Incap and the focused development of the strengths and opportunities created by the combined business targeting organic growth.

With enhanced engineering capabilities, a strengthened order book and increasing exposure to selected high-growth segments, Incap is well positioned to continue executing its long-term growth strategy and creating value for its shareholders.

Otto Pukk, President and CEO of Incap Corporation

Financial performance

January–March 2026

In January–March 2026, revenue increased 7.3% year-on-year and amounted to EUR 56.0 million (EUR 52.2 million). The Lacon acquisition, which was closed on February 20, 2026, performed according to expectations.

Revenue was negatively impacted by foreign exchange rate movements and component delivery delays.

January–March comparable EBITA amounted to EUR 5.2 million (EUR 6.0 million). Comparable EBITA margin was 9.2% (11.5%) of revenue.

January–March operating profit (EBIT) decreased 16.7% year-on-year and amounted to EUR 4.8 million (EUR 5.7 million).

In January–March 2026, Incap did not record material credit losses or inventory write-offs.

Net profit for the period increased 2.1% year-on-year and totalled EUR 3.9 million (EUR 3.8 million). Earnings per share were EUR 0.13 (EUR 0.13).

Balance sheet and financing

Total assets in the Group's balance sheet on 31 March 2026 stood at EUR 262.7 million (EUR 208.5 million). The Group's equity was EUR 138.3 million (EUR 133.8 million). The year-on-year increase in the balance sheet was primarily driven by the Lacon Group acquisition completed during the reporting period.

Liabilities were EUR 124.4 million (EUR 74.8 million). EUR 61.7 million thereof (EUR 30.4 million) were interest-bearing liabilities. Interest-bearing net debt was EUR 8.6 million (EUR -30.9 million).

The Group's non-current interest-bearing liabilities amounted to EUR 55.5 million (EUR 26.7 million) and non-current non-interest-bearing liabilities to EUR 11.9 million (EUR 4.4 million). The non-current interest-bearing liabilities included a loan of EUR 46.5 million (EUR 20.5 million) granted by the company's Finnish bank. Current interest-bearing liabilities were EUR 6.2 million (EUR 3.8 million).

At the end of March 2026, the company's financial position was strong. Equity ratio decreased to 54.7% (65.9%), and net gearing was 6.2% (-23.1%).

The Group's cash position during the reporting period was good. On 31 March 2026, the Group's cash and cash equivalents totalled EUR 53.0 million (EUR 61.4 million) and the company had unutilised credit lines amounting to EUR 8.0 million (EUR 8.0 million).

Cash flow from operating activities was EUR -12.3 million (EUR -5.0 million). Cash flow from operating activities was affected negatively by the changes in working capital items.

The Group's quick ratio was 1.9 (2.5), and current ratio was 3.0 (3.7).

Inventory at end of March 2026 totalled EUR 78.9 million (EUR 64.9 million).

Management and organisation

Ralf Hasler, Managing Director of Incap Electronics Germany, was appointed member of Incap Group's Management Team and Director of Operations, Germany and Romania, as of 25 February 2026.

Jamie Maughan, Director of Operations, UK and Managing Director of Incap Electronics UK Ltd., has resigned to take up a new position at another company. He will continue in his current role throughout his notice period and is expected to leave Incap no later than the third quarter of 2026.

As of the end of March 2026, Incap's Management Team consisted of President and CEO, Otto Pukk; CFO Antti Pynnönen; Director of Operations, India and Sales APAC, and Managing Director of Incap India, Murthy

Munipalli; Director of Operations, Estonia, and Managing Director of Incap Estonia, Margus Jakobson; Director of Operations, Slovakia, and Managing Director of Incap Slovakia, Miroslav Michalik; Director of Operations, UK, and Managing Director of Incap UK, Jamie Maughan; Director of Operations, US, and Managing Director of Incap US, David Spehar; and Director of Operations, Germany and Romania, and Managing Director of Incap Germany, Ralf Hasler.

The Group has factories in India, Estonia, Slovakia, the United Kingdom, the United States, Germany, and Romania, and sourcing operations in Hong Kong. Finance and administration, sourcing, sales, IT, and communications are centrally coordinated by the headquarters in Finland.

Share-based incentives

On 30 March 2026, the Board of Directors of Incap Corporation decided to establish a new share-based incentive plan for the Group's key employees. The CEO, Group Management team and other key members of Incap Group form the target group of the incentive plan. The aim is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term, to retain the key employees at the company, and to offer them competitive reward plan based on earning and accumulating the company's shares.

In the plan, the target group is given an opportunity to earn Incap Corporation shares based on performance. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of each performance period. The potential rewards based on the plan will be paid after the end of each performance period.

The performance period of the new incentive plan is 2026–2028, and the rewards are based on the group's cumulative operating profit (EBIT) and for the CEO and CFO, also total

shareholder return (TSR). The rewards to be paid on the basis of the performance period 2026–2028 correspond to the value of an approximate maximum total of 184,024 Incap Corporation shares, including also the proportion to be paid in cash.

The rewards will be paid partly in the company's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to a participant. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

A member of the target group is obliged to hold 50 per cent of the received net reward shares, until the total value of the member's shareholding in Incap Corporation equals to 50 per cent of their annual base salary of the preceding year. Such number of Incap Corporation shares must be held as long as the position held by the member in the company is part of the target group.

Key terms and conditions of Incap's incentive plans are available at company's website.

Significant events after the end of the reporting period

There were no significant events after the reporting period.

Financial reporting in 2026

In 2026, Incap will publish the following financial reports:

- Half-year report for January–June 30 July 2026
- Business review for January–September 29 October 2026

In Helsinki, 30 April 2026

INCAP CORPORATION

Board of Directors

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www.incapcorp.com

Accounting principles for the business review

This business review has been prepared in accordance with IFRS recognition and measurement principles, although not all requirements of the IAS 34 Interim Financial Reporting standard have been followed. When

preparing the review, the same principles have been used as in the 2025 financial statements. Unless otherwise stated, the comparison figures refer to the same period in the previous year. This business review is unaudited.

Consolidated statement of comprehensive income

(EUR thousands)	1-3/2026	1-3/2025	1-12/2025
REVENUE	56,026	52,211	214,592
Other operating income	331	274	2,364
Change in inventories of finished goods and work in progress	3,587	2,236	2,722
Raw materials and consumables used	-38,960	-36,173	-143,216
Personnel expenses	-10,351	-7,971	-29,642
Depreciation and amortisation	-1,974	-1,453	-5,980
Other operating expenses	-3,895	-3,404	-15,546
OPERATING PROFIT	4,764	5,721	25,294
Financial income	1,025	1,340	3,374
Financial expenses	-653	-2,053	-6,356
PROFIT BEFORE TAX	5,136	5,008	22,311
Income tax	-1,274	-1,225	-8,342
PROFIT FOR THE PERIOD	3,863	3,783	13,969
Earnings per share, EUR	0.13	0.13	0.47

OTHER COMPREHENSIVE INCOME	1-3/2026	1-3/2025	1-12/2025
Items that will not be transferred to P&L (revaluation of employee benefits)	0	0	0
Items that may be recognised in profit or loss at a later date:			
Translation differences from foreign units	-1,050	-3,003	-11,550
Other comprehensive income, net	-1,050	-3,003	-11,550
TOTAL COMPREHENSIVE INCOME	2,812	780	2,419
Attributable to:			
Shareholders of the parent company	2,812	780	2,419

Consolidated balance sheet

(EUR thousands)	31 Mar 2026	31 Mar 2025	31 Dec 2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	29,188	25,637	26,163
Right-of-use assets	9,010	6,286	5,066
Goodwill	30,798	8,528	8,184
Other intangible assets	23,974	5,361	4,685
Other financial assets	4	4	4
Deferred tax assets	745	969	673
Other receivables	388	392	377
TOTAL NON-CURRENT ASSETS	94,106	47,177	45,153
CURRENT ASSETS			
Inventories	78,946	64,869	52,101
Trade and other receivables	35,401	34,116	27,765
Tax receivables	1,203	1,009	1,782
Cash and cash equivalents	53,046	61,361	80,755
TOTAL CURRENT ASSETS	168,596	161,355	162,403
TOTAL ASSETS	262,703	208,532	207,557
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	1,000	1,000	1,000
Reserve for invested unrestricted equity	23,684	23,779	23,652
Exchange differences	-17,628	-8,031	-16,577
Retained earnings	131,219	117,026	127,160
TOTAL EQUITY	138,275	133,773	135,235
NON-CURRENT LIABILITIES			
Borrowings	47,146	21,240	19,593
Lease liabilities	7,901	5,181	3,767
Deferred tax liabilities	7,380	1,626	2,068
Employee benefit obligations	424	250	420
Deferred income	2,846	1,160	335
Other liabilities	1,693	1,619	1,693
TOTAL NON-CURRENT LIABILITIES	67,389	31,076	27,876
CURRENT LIABILITIES			
Trade and other payables	46,544	39,135	39,378
Borrowings	4,646	2,289	2,286
Lease liabilities	1,537	1,465	1,806
Employee benefit obligations	46	54	47

Tax liabilities	780	269	401
Other liabilities	3,485	471	528
TOTAL CURRENT LIABILITIES	57,038	43,682	44,446
TOTAL LIABILITIES	124,428	74,758	72,322
TOTAL EQUITY AND LIABILITIES	262,703	208,532	207,557

Consolidated cash flow statement

(EUR thousands)	1-3/2026	1-3/2025	1-12/2025
Cash flow from operating activities			
Operating profit	4,764	5,721	25,294
Adjustments to operating profit	1,662	2,553	8,811
Change in working capital			
Change in current receivables	-4,008	-1,182	2,508
Change in inventories	-9,318	-5,618	245
Change in current liabilities	-3,878	-4,239	-394
Interest and charges paid	-628	-807	-1,892
Interest received	150	40	579
Paid tax and tax refund	-1,003	-1,470	-8,142
Cash flow from operating activities	-12,258	-5,000	27,007
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets	-1,105	-2,984	-8,747
Proceeds from sales of tangible and intangible assets	7	29	190
Proceeds from insurance claims	0	0	0
Acquisition of a subsidiary less cash acquired	-46,010	0	0
Cash flow from investing activities	-47,108	-2,955	-8,557
Cash flow from financing activities			
Drawdown of borrowings	30,069	246	303
Repayments of borrowings	-698	-630	-2,265
Lease liability payments	-652	-580	-1,802
Cash flow from financing activities	28,719	-964	-3,764
Change in cash and cash equivalents	-30,647	-8,919	14,686
Cash and cash equivalents at beginning of reporting period	80,755	72,172	72,172
Effect of changes in exchange rates	2,938	-1,892	-6,103
Cash and cash equivalents at end of reporting period	53,046	61,361	80,755

Consolidated statement of changes in equity

(EUR thousands)	Share capital	Unrestricted equity reserve	Translation differences	Retained earnings	Total equity
Equity on 1 January 2026	1,000	23,652	-16,577	127,160	135,235
Profit for the reporting period				3,863	3,863
Other comprehensive income			-1,050		-1,050
Total comprehensive income			-1,050	3,863	2,812
Other changes				-3	-3
Transactions with the owners					
Capital investments		32			32
Employee share schemes – value of employee services				199	199
Equity on 31 March 2026	1,000	23,684	-17,628	131,219	138,275
Equity on 1 January 2025	1,000	23,844	-5,027	113,152	132,968
Profit for the reporting period				3,783	3,783
Other comprehensive income			-3,003		-3,003
Total comprehensive income			-3,003	3,783	780
Other changes				-10	-10
Transactions with the owners					
Capital investments		-65			-65
Employee share schemes – value of employee services				100	100
Equity on 31 March 2025	1,000	23,779	-8,031	117,026	133,773

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