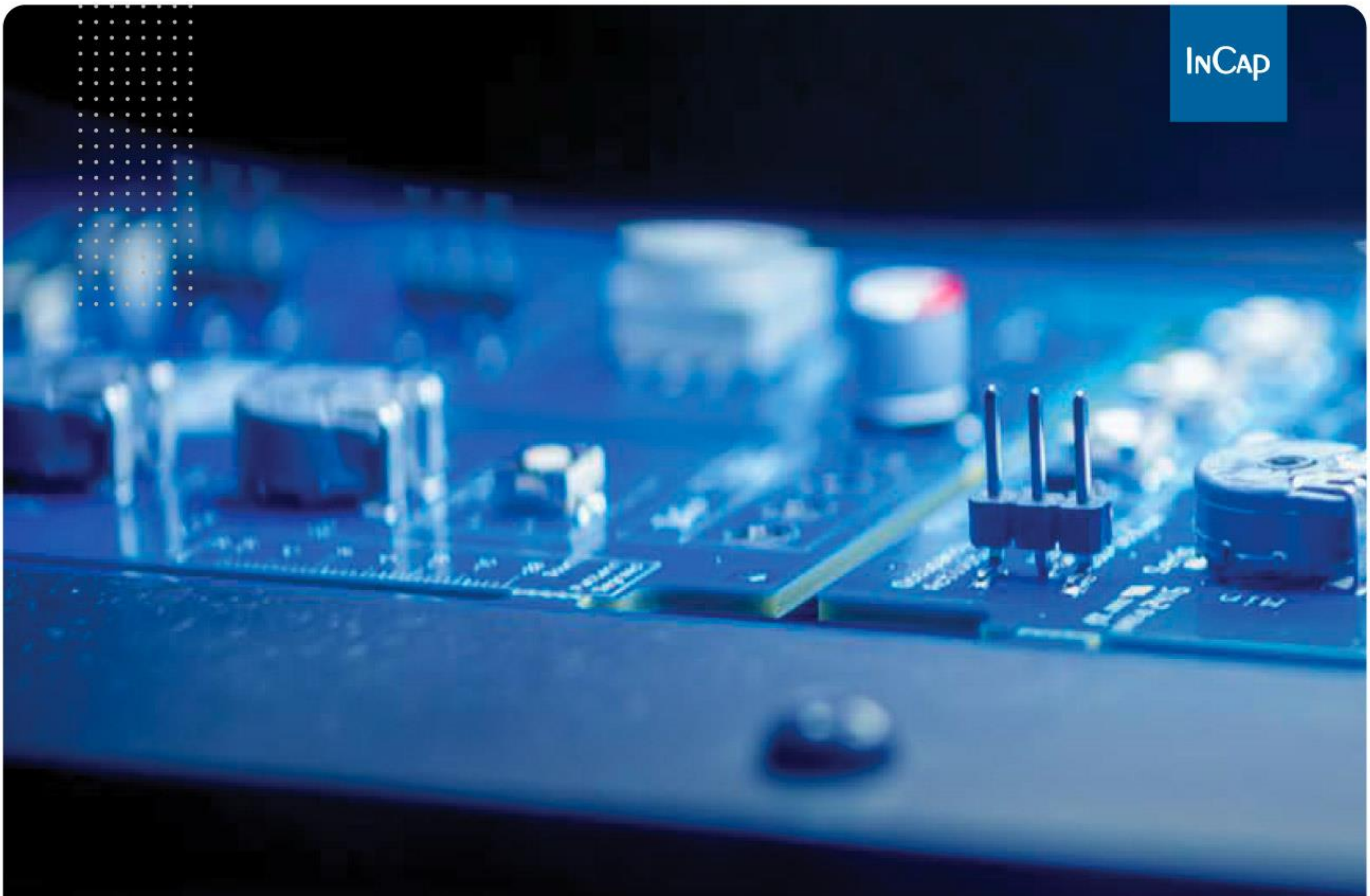

INCAP GROUP

Business review
January–September 2025

Content

Incap Group’s business review for January–September 2025 (unaudited)

July–September 2025 highlights

- Revenue for the third quarter of 2025 amounted to EUR 51.8 million (7–9/2024: EUR 61.8 million). Year-on-year decrease was 16.2%.
- Adjusted operating profit (EBIT) was EUR 5.8 million (EUR 8.1 million) or 11,1% of revenue (13.1%). Year-on-year decrease was 28,9%.
- Operating profit (EBIT) amounted to EUR 6.7 million (EUR 7.9 million) or 13.0% of revenue (12.8%). Year-on-year decrease was 14.7%.
- Net profit for the period was EUR 4.3 million (EUR 4.9 million).
- Earnings per share were EUR 0.14 (EUR 0.17).

January–September 2025 highlights

- Revenue amounted to EUR 159.3 million (1–9/2024: EUR 170.8 million). Year-on-year decrease was 6.7%.
- Adjusted operating profit (EBIT) amounted to EUR 18.1 million (EUR 21.3 million) or 11.4% of revenue (12.5%). Year-on-year decrease was 14.9%.
- Operating profit (EBIT) amounted to EUR 18.4 million (EUR 20.6 million) or 11.5% of revenue (12.1%). Year-on-year decrease was 10.8%.
- Net profit for the period was EUR 8.9 million (EUR 15.0 million).
- Earnings per share were EUR 0.30 (EUR 0.51).

Unless otherwise stated, the comparison figures refer to the corresponding period in 2024. This business review is unaudited.

Key figures

EUR million	7–9/25	7–9/24	Change	4–6/25	Change	1–9/25	1–9/24	Change	1–12/24
Revenue	51.8	61.8	-16.2%	55.3	-6.4%	159.3	170.8	-6.7%	230.1
Non-recurring items	-1.1	0.1		0.2		-0.7	0.2		0.4
Operating profit (EBIT)	6.7	7.9	-14.7%	6.0	12.8%	18.4	20.6	-10.8%	29.2
EBIT, % of revenue	13.0%	12.8%		10.8%		11.5%	12.1%		12.7%
Adjusted operating profit (EBIT)*	5.8	8.1	-28.9%	6.3	-13.5%	18.1	21.3	-14.9%	30.1
Adjusted EBIT*, % of revenue	11.1%	13.1%		11.5%		11.4%	12.5%		13.1%
Net profit for the period	4.3	4.9	-14.0%	0.9	387.4%	8.9	15.0	-40.4%	22.7
Equity ratio	67.2%	63.2%		66.2%		67.2%	63.2%		63.8%
Net gearing	-29.4%	-8.4%		-27.2%		-29.4%	-8.4%		-30.8%

*Adjusted operating profit (EBIT) is an alternative performance measure. Adjusted EBIT excludes non-recurring items and purchase price allocation amortisation. Adjusted EBIT provides comparable information between different financial years on operating profit.

Outlook for 2025

Incap estimates that its revenue for 2025 will be EUR 210–230 million and operating profit (EBIT) will be EUR 23–29 million.

The estimates are given provided that unexpected events impacting Incap's business environment do not occur, for example, in the availability of components.

CEO's comments

As expected, the third quarter reflected the full impact of the challenges we outlined earlier this year related to uncertainties in the markets – the impacts of tariffs, customer project delays, and currency rate fluctuations.

Our Q3 revenue reached EUR 51.8 million, which is below last year's level (EUR 61.8 million). Part of the decline in revenue was related to changes in the Indian rupee and the US dollar, but the postponements and lower demand from some customers also continued to affect our performance.

Thanks to our continued focus on operational efficiency and cost discipline, our profitability remained strong, with EBIT reaching 13.0 per cent of revenue and adjusted EBIT reaching 11.1 per cent of revenue. We have worked hard to defend our relative profitability and maintain it in double digits, even during slower periods in some of our units.

Throughout the quarter, our teams demonstrated resilience and commitment, which helped us navigate the softer demand environment. I want to sincerely thank all our employees for their dedication and teamwork during this challenging phase.

Looking ahead, we are seeing signs of improvement in our business. Our Q4 pipeline looks promising, and we expect some improvements in the coming months. We will continue to monitor global developments closely and respond with agility.

Across our global operations, we continued to invest in new technology and capacity. Incap India made a decision to invest in a new flying probe test system and a full SMT (Surface-Mount Technology) line upgrade. The investment will increase production capacity and improve operational efficiency. Incap Slovakia completed a major digitalization milestone with the rollout of ERP and MES platform, improving traceability, increasing inventory accuracy, and reducing material errors.

Key initiatives to strengthen the sustainability of our operations included the installation of solar panels and the decision to invest further in solar power. The rooftop solar panels installed in the UK are expected to supply nearly half of the unit's electricity needs. Incap US advanced its sustainability agenda with a decision to invest in on-site solar power plant, using the support from federal clean energy tax incentives and aiming to transition fully to renewable electricity at Incap US operations.

Additionally, Incap US is finalizing new ISO certifications, aligning its environmental and safety standards with the rest of our group. We also progressed in our sustainability work with internal and external audits and finalizing our annual review of Double Materiality Assessment. These initiatives reflect our commitment to responsible operations and long-term competitiveness.

We remain committed to delivering long-term value to our shareholders and continue to explore M&A opportunities. As a part of this commitment, we have further elaborated our M&A strategy. We currently see more activity in the M&A market with many interesting targets in new markets and segments that would support our longer-term ambitions. With a solid financial foundation and a clear vision, we are well-positioned to pursue growth both organically and through carefully considered strategic acquisitions.

Otto Pukk, President and CEO of Incap Corporation

Financial performance

July–September 2025

In July–September 2025, revenue decreased 16.2% year-on-year and amounted to EUR 51.8 million (EUR 61.8 million). The decrease was mainly due to the impacts of tariffs, customer project delays, and currency rate fluctuations.

July–September operating profit (EBIT) decreased 14.7% year-on-year and amounted to EUR 6.7 million (EUR 7.9 million). EBIT was positively impacted by net insurance proceeds of EUR 1.5 million, which related to the repairing of the US factory roof. Adjusted operating profit (EBIT) was EUR 5.8 million (EUR 8.1 million). Year-on-year decrease was 28.9%. Adjusted operating profit margin was 11.1% (13.1%).

In July-September 2025, Incap did not record any material credit losses or inventory write-offs.

Net profit for the period decreased 14.0% year-on-year and totalled EUR 4.3 million (EUR 4.9 million). Earnings per share were EUR 0.14 (EUR 0.17).

January–September 2025

In January–September 2025, revenue decreased 6.7% year-on-year and amounted to EUR 159.3 million (EUR 170.8 million). The decrease was mainly due to currency rate fluctuations, customer project delays, and the impacts of tariffs.

January–September operating profit (EBIT) decreased 10.8% year on year and amounted to EUR 18.4 million (EUR 20.6 million). EBIT was positively impacted by net insurance proceeds of EUR 1.5 million, which related to the repairing of the US factory roof. Adjusted operating profit (EBIT) was EUR 18.1 million (EUR 21.3 million). Year-on-year decrease was 14.9%. Adjusted operating profit margin was 11.4% (12.5%).

In January–September 2025, Incap did not record any material credit losses or inventory write-offs.

Net profit for the period decreased 40.4% year-on-year and totalled EUR 8.9 million (EUR 15.0 million). The net profit was particularly affected by a EUR 2.5 million withholding tax arising from intra-group dividend distribution to the parent company. Earnings per share were EUR 0.30 (EUR 0.51).

Balance sheet and financing

Total assets in the Group's balance sheet on 30 September 2025 stood at EUR 199.7 million (EUR 196.5 million). The Group's equity at the end of the financial period was EUR 130.8 million (EUR 120.8 million).

Liabilities were EUR 69.0 million (EUR 75.6 million). EUR 28.7 million thereof (EUR 32.1 million) were interest-bearing liabilities. Liabilities decreased from the comparison period due to the repayment of a loan, and a decrease in lease liabilities and trade payables.

The Group's non-current interest-bearing liabilities amounted to EUR 25.3 million (EUR 28.9 million) and non-current non-interest-bearing liabilities to EUR 4.1 million (EUR 2.8 million). Current interest-bearing liabilities were EUR 3.3 million (EUR 3.2 million). The non-current interest-bearing liabilities included a loan of EUR 22.6 million (EUR 21.5 million) granted by the company's Finnish bank.

At the end of September 2025, the company's financial position remained strong. Equity ratio increased to 67.2% (63.2%). Net gearing was -29.4% (-8.4%).

The Group's cash position during the reporting period was good. On 30 September 2025, the Group's cash and cash equivalents totalled EUR 67.2 million (EUR 42.2 million) and the company had unutilised credit lines amounting to EUR 8.0 million (EUR 7.8 million). Change in trade receivables had a positive impact in cash position.

The Group's quick ratio was 2.5 (2.3), and current ratio was 4.0 (3.5).

Inventory at end of September 2025 totalled EUR 59.3 million (EUR 63.9 million). Inventory decreased mainly due to improved material availability and therefore improved efficiency in the production. Decrease of trade receivables was mainly due to lower volumes compared to previous year and decrease of trade payables was in line with the normal business fluctuation.

Management and organisation

At the end of September 2025, Incap's Management Team consisted of President & 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 and Director of Operations, US, and Managing Director of Incap US David Spehar.

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

Significant events after the end of the reporting period

There were no significant events after the reporting period.

Financial reporting in 2026

Incap will publish its financial reporting schedule for 2026 in December 2025.

In Helsinki, 24 October 2025

INCAP CORPORATION
Board of Directors

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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 2024 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)	1–9/2025	1–9/2024	1–12/2024
REVENUE	**159 280**	**170,769**	**230,056**
Other operating income	2,098	1,166	1,631
Change in inventories of finished goods and work in progress	4,341	-3,613	-4,616
Raw materials and consumables used	-109,720	-110,881	-148,046
Personnel expenses	-22,028	-23,429	-31,263
Depreciation and amortisation	-4,457	-4,192	-5,628
Other operating expenses	-11,120	-9,193	-12,947
OPERATING PROFIT	**18,393**	**20,627**	**29,186**
Financial income	2,608	1,315	3,717
Financial expenses	-5,651	-2,363	-2,825
PROFIT BEFORE TAX	**15,350**	**19,578**	**30,078**
Income tax	-6,441*	-4,625	-7,351
PROFIT FOR THE PERIOD	**8,910**	**14,954**	**22,727**
Earnings per share, EUR	0.30	0.51	0.77

* The net profit was particularly affected by a EUR 2.5 million withholding tax arising from intra-group dividend distribution to the parent company.

OTHER COMPREHENSIVE INCOME	1–9/2025	1–9/2024	1–12/2024
Items that will not be transferred to P&L (revaluation of employee benefits)	0	-1	-2
Items that may be recognised in profit or loss at a later date:			
Translation differences from foreign units	-10,766	-1,212	2,804
Other comprehensive income, net	-10,766	-1,213	2,802
TOTAL COMPREHENSIVE INCOME	**-1,856**	**13,741**	**25,529**
Attributable to:			
Shareholders of the parent company	-1,856	13,741	25,529

Consolidated balance sheet

(EUR thousands)	30 Sep 2025	30 Sep 2024	31 Dec 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	23,408	21,297	24,313
Right-of-use assets	5,447	7,195	6,626
Goodwill	8,185	8,478	8,621
Other intangible assets	4,850	5,454	5,518
Other financial assets	4	4	4
Deferred tax assets	727	958	997
Other receivables	364	397	416
TOTAL NON-CURRENT ASSETS	**42,985**	**43,783**	**46,495**
CURRENT ASSETS			
Inventories	59,317	63,876	61,403
Trade and other receivables	30,248	46,637	34,749
Cash and cash equivalents	67,158	42,166	72,172
TOTAL CURRENT ASSETS	**156,723**	**152,679**	**168,325**
TOTAL ASSETS	**199,707**	**196,462**	**214,820**
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	23,653	23,724	23,844
Exchange differences	-15,793	-9,043	-5,027
Retained earnings	121,897	105,144	113,152
TOTAL EQUITY	**130,758**	**120,825**	**132,968**
NON-CURRENT LIABILITIES			
Borrowings	20,221	22,029	21,611
Lease liabilities	4,848	6,588	5,424
Deferred tax liabilities	1,462	1,178	1,703
Employee benefit obligations	264	295	307
Deferred income	0	0	1,205
Other liabilities	2,591	1,619	1,619
TOTAL NON-CURRENT LIABILITIES	**29,387**	**31,709**	**31,869**
CURRENT LIABILITIES			
Trade and other payables	35,710	40,246	45,464
Borrowings	2,352	2,253	2,233
Lease liabilities	983	907	1,679
Employee benefit obligations	48	53	56
Other liabilities	471	468	550

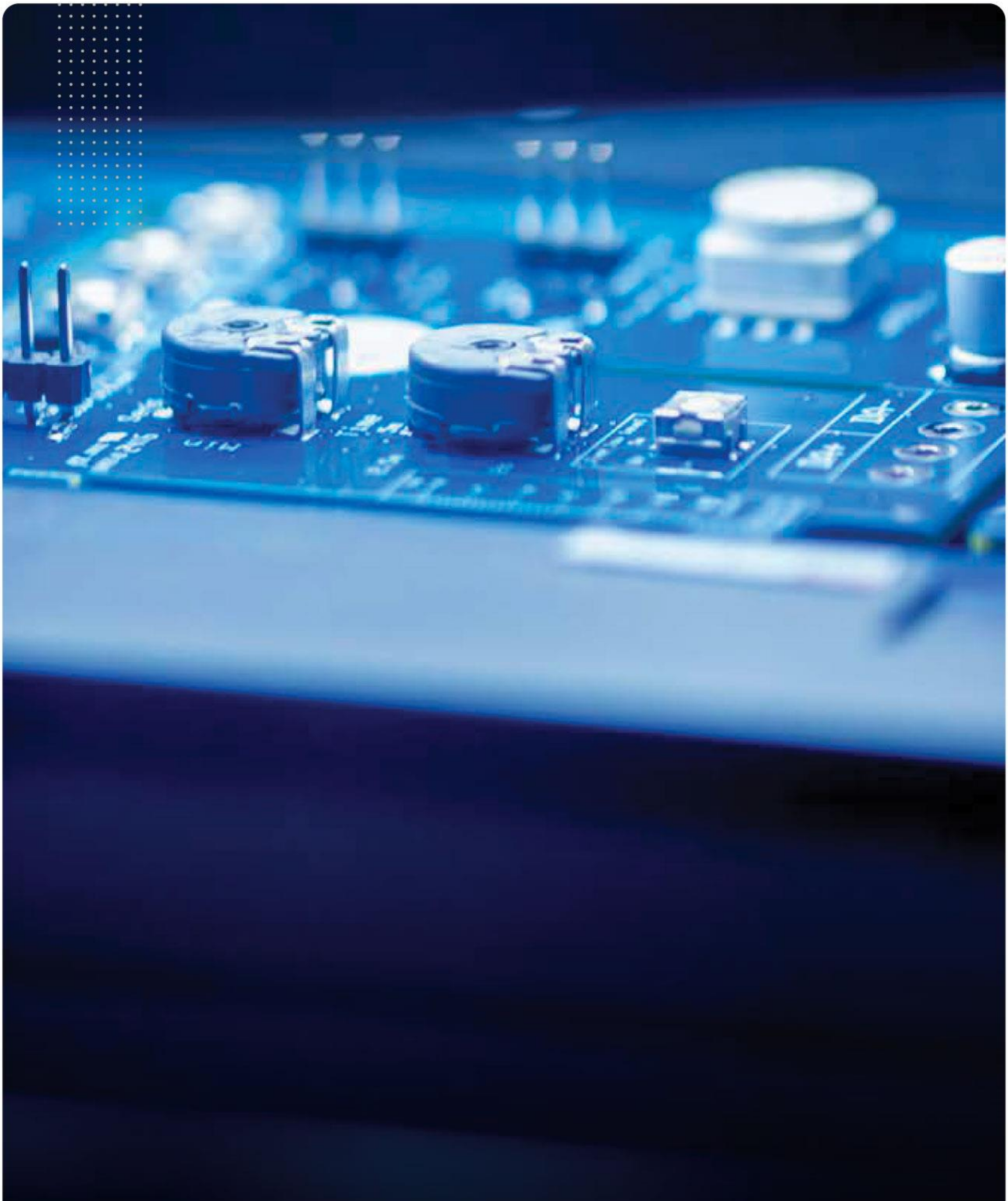
TOTAL CURRENT LIABILITIES	**39,563**	**43,927**	**49,983**
TOTAL LIABILITIES	**68,950**	**75,637**	**81,852**
TOTAL EQUITY AND LIABILITIES	**199,707**	**196,462**	**214,820**

Consolidated cash flow statement

(EUR thousands)	1–9/2025	1–9/2024	1–12/2024
Cash flow from operating activities			
Operating profit	18,393	20,627	29,186
Adjustments to operating profit	6,340	4,795	5,681
Change in working capital			
Change in current receivables	1,478	-22,084	-8,896
Change in inventories	-5,946	6,395	13,201
Change in current liabilities	-4,099	5,441	8,419
Interest and charges paid	-1,634	-1,849	-2,084
Interest received	103	543	1,087
Paid tax and tax refund	-6,439	-5,383	-7,958
Cash flow from operating activities	**8,196**	**8,485**	**38,636**
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets	-4,825	-2,905	-5,589
Proceeds from sales of tangible and intangible assets	215	3	1
Proceeds from insurance claims	0	0	1,767
Acquisition of a subsidiary less cash acquired	0	-2,680	-2,888
Cash flow from investing activities	**-4,610**	**-5,582**	**-6,710**
Cash flow from financing activities			
Drawdown of loans	302	0	174
Repayments of borrowings	-1,635	-1,734	-2,288
Right-of-use asset payments	-1,398	-1,188	-1,641
Cash flow from financing activities	**-2,731**	**-2,922**	**-3,755**
Change in cash and cash equivalents	**854**	**-19**	**28,172**
Cash and cash equivalents at beginning of reporting period	72,172	42,550	42,550
Effect of changes in exchange rates	-5,869	-365	1,451
Cash and cash equivalents at end of reporting period	**67,157**	**42,166**	**72,172**

Consolidated statement of changes in equity

(EUR thousands)	Share capital	Unrestricted equity reserve	Translation differences	Retained earnings	Total equity
Equity on 1 January 2025	**1,000**	**23,844**	**-5,027**	**113,152**	**132,968**
Profit for the period				8,910	**8,910**
Other comprehensive income			-10,766		**-10,766**
Total comprehensive income			**-10,766**	**8,910**	**-1,856**
Other changes				-10	**-10**
Transactions with the owners					
Capital investments		-191			**-191**
Employee share schemes – value of employee services				-154	**-154**
Equity on 30 September 2025	**1,000**	**23,653**	**-15,793**	**121,897**	**130,758**
Equity on 1 January 2024	**1,000**	**23,745**	**-7,831**	**89,846**	**106,760**
Profit for the period				14,954	**14,954**
Other comprehensive income			-1,212	-1	**-1,213**
Total comprehensive income			**-1,212**	**14,953**	**13,741**
Transactions with the owners					
Capital investments		-20			**-20**
Employee share schemes – value of employee services				345	**345**
Equity on 30 September 2024	**1,000**	**23,724**	**-9,043**	**105,144**	**120,825**



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