INCAP

ANNUAL REPORT

2021

INCAP IN BRIEF

We are a trusted partner and a full-service provider in Electronics Manufacturing Services.

As a global EMS company, we support customers ranging from large multinationals and mid-sized companies to small start-ups in their complete manufacturing value chain.

We offer state-of-the-art technology backed up by our entrepreneurial culture and highly qualified personnel. Our services include material procurement, prototyping, production ramp-up, serial production, final assembly, testing and logistics.

We have operations in Finland, Estonia, India, the United Kingdom, Slovakia, and Hong Kong and we employ approximately 2,500 people.

Incap's share has been listed on Helsinki Stock Exchange since 1997.

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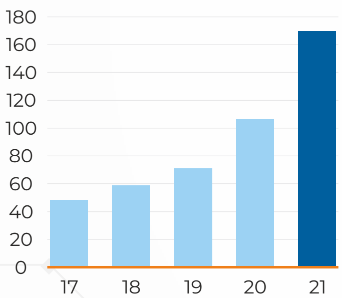
2021
STRONG GROWTH AND PROFITABILITY CONTINUED

Incap's revenue grew 59% year on year and amounted to EUR 169.8 million (2020: EUR 106.5 million). The revenue growth was driven by the high Electronics Manufacturing Services market demand. Growth was enabled by the timely finalisation of our capacity expansions at our Indian factories.

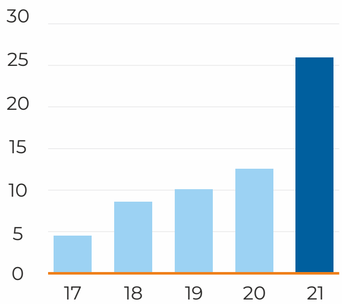
Profitability remained solid. Adjusted operating profit (EBIT) was EUR 26.8 million (EUR 14.6 million) or 15.8% of revenue (13.7%). Relative profitability increased especially due to a favourable product mix and the growing share of services as customers increased the outsourcing of their operations. Synergy effects in common functions supported the positive development of profitability as well.

During 2021, Incap focused strongly on the further expansion of its factory in India. Incap continues to increase the capacity in India and estimates that the third factory under construction will be fully finalised by the end of 2022.

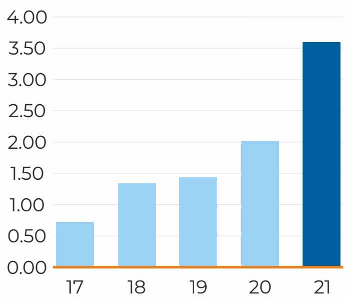
REVENUE, EUR MILLION



OPERATING PROFIT (EBIT), EUR MILLION



EARNINGS PER SHARE (EPS), EUR



KEY FIGURES (IFRS)		2021	2020
Revenue	EUR million	169.8	106.5
Operating profit (EBIT)	EUR million	26.0	12.6
share of revenue	%	15.3	11.8
Operating profit before tax	EUR million	25.7	11.5
Profit for the period	EUR million	21.1	9.2
Earnings per share (EPS)	EUR	3.60	2.02
Return on investment (ROI)	%	43.8	34.8
Equity ratio	%	51.9	50.5
Investments	EUR million	5.2	9.5
Personnel at year end		2,523	1,902

> Our order book is at an all-time high level, and we are increasing our capacity to meet the growing demand.

CEO'S REVIEW

A STRONG YEAR UNDER DIFFICULT CIRCUMSTANCES

OTTO PUKK

President and CEO

2021 was a strong year under difficult circumstances. Worsening component availability and factory close-downs in India required a lot more planning than usual, but our team showed their commitment and stepped up to the challenge. I would like to extend my warmest thanks to all Incap employees.

The last quarter of 2021 was once again a great one with revenue reaching an all-time high, EUR 51.4 million, even with some material availability issues. Our full year revenue amounted to EUR 169.8 million which is 59% more than in 2020.

High market demand and the capacity expansions at our Indian factories contributed to the growth. We are continuing to increase the capacity in India and estimate now that the third factory under construction will be fully finalised by the end of this year.

In line with revenue development, our full-year EBIT grew 106% and amounted to EUR 26.0 million. Increased relative profitability is partly due to synergy effects in common functions, but above all due to a favourable product mix. The share of services in the mix has grown as customers increased the outsourcing of their operations.

Activity in the market continued on a high level in 2021. The growing need for electronics manufacturing services is driven by, for instance, the growth of sustainable energy solutions, the proliferation of electric vehicles and the related government investments in green energy and vehicle charging infrastructure.

In 2021, our corporate responsibility actions concentrated on our key social, environmental, and economic themes. We pay special attention to the energy efficiency of our factories, and in India, also water management is in focus. One of the key themes is the wellbeing of our employees and in 2021, we put a lot of effort in protecting our employees from the coronavirus by for instance offering vaccinations. To strengthen our commitment for sustainable development, we also joined the UN Global Compact initiative in 2021.

Looking forward, the component availability situation is still difficult, which makes planning increasingly challenging and requires a lot of extra effort. Tight component availability is forcing us to keep our inventory levels high, which may impact our working capital needs.

Having said that, we estimate that we can continue on our growth path in 2022. Our order book is at an all-time high level, and we are increasing our capacity to meet the growing demand. We also continue to evaluate M&A opportunities, concentrating in companies with a strong cultural fit and good profitability.

In addition to our employees, I want to warmly thank our customers, partners, and shareholders for their trust in Incap.

OPERATING ENVIRONMENT

In 2021, market activity continued on a good level despite the pandemic. In the longer term, the growth in electronics manufacturing services is driven by the growing use of electronics supported with megatrends such as digitalisation.

The overall demand and market activity in the electronics manufacturing services (EMS) industry continued at a good level despite the coronavirus pandemic and its negative impact on certain industries and customer segments.

Component availability situation in the market continues to be challenging, and the energy crisis in China as well as increased geopolitical tensions in Eastern Europe might make the development more difficult to foresee. Incap is working closely with its suppliers and customers to keep adequate inventory levels to mitigate the risks.

In the electronics manufacturing services industry, customers continue to be very price-conscious and expect that their manufacturing partners continuously increase their efficiency and stay competitive. Incap sees that the ability to quickly adapt to changes is a key success factor in the electronics industry today and in the future. That ability is necessary in developing and implementing new products, production methods and ideas. The company estimates that long-term market development will be positive because electronics is increasingly used in new types of products such as light vehicles and other everyday items.

In the longer term, the growth in electronics manufacturing services is driven by the growing use of electronics supported with megatrends such as digitalisation. The increasing need for sustainable energy solutions, medical equipment, emerging 5G and IoT ecosystems and the proliferation of electric vehicles contribute to the demand growth. Population growth and aging population will also create opportunities in for instance health care technology. The EMS industry is highly fragmented and offers potential for consolidation.

BUSINESS REVIEW

Revenue grew 59% year on year and amounted to EUR 169.8 million (2020: EUR 106.5 million). The revenue growth was mainly related to demand growth. Adjusted operating profit (EBIT) was EUR 26.8 million (EUR 14.6 million) or 15.8% of revenue (13.7%).

At the end of 2021, the number of personnel in Incap Group was 2,523 (1,902). Of the personnel 78.7% (71.2%) worked in India, 4.3% (5.1%) in Estonia, 7.3% (10.8%) in the United Kingdom, 9.6% (12.8%) in Slovakia and 0.1% (0.1%) in Finland.

ESTONIAN FACTORY

Incap's factory in Kuressaare, Estonia focuses on versatile, technologically advanced, cost-efficient production. The factory is located close to the European markets, serving the company's global customer base.

The factory specialises in prototypes and pre-series, printed circuit board (PCB) assembly, volume production, final assembly, as well as after-sales services. The services include also controlled production ramp-ups and sourcing and purchasing.

Incap's Estonian factory has been operating since 2000 and covers 7,300 square metres. On 31 December 2021, the factory employed 108 persons.

INDIAN FACTORY

Incap's Tumkur factory in India specialises in the manufacturing of electronics and box-build products. The focus is on industrial customers such as automation, power generation and telecommunications companies. Customers represent mainly globally operating electronic device manufacturers, who may be established in Europe but have production facilities in Asia. In addition to the international customers, Tumkur also serves the Indian market.

The factory produces inverters, UPS devices and PCBs for fuel dispensers and sustainable energy products. Its services include PCB assembly and mass production, final assembly, design and production of prototypes, Design For Manufacturing feedback, testing, magnetic assemblies as well as cable harnesses.

Incap started EMS operations in India in 2007. On 31 December 2021, 1,986 people worked in the company's Indian factory. Incap has continued to expand the production capacity of its factory in Tumkur. After the latest expansion, the factory premises are now close to 18,000 square meters, and the third factory currently under construction will add approximately 8,500 square metres. The project is scheduled to be completed by the end of 2022.

FACTORY IN THE UNITED KINGDOM

Incap's factory in Newcastle-under-Lyme in the United Kingdom has been serving the defense, security and space industries for over 20 years. The customers include global companies operating in Europe, Asia and North America.

The factory's services include PCB assembly, electromechanical assembly as well as cable and wire harness assemblies. The offering also includes maintenance, repair and overhaul services. The factory has also a separate unit specialising on quick manufacturing of prototypes and pre-series.

The factory has been operational since 1974 and it covers 4,400 square metres. On 31 December 2021, the factory employed 185 people.

SLOVAKIAN FACTORY

The customers of Incap's factory in Námestovo, Slovakia, are global companies operating in Europe and North America. Its geographical location enables effective service and deliveries to Western and Central European markets.

The factory's services include special PCB assembly, electromechanical assembly as well as cable and wire harness assembly. The factory also has volume production capacity and a dedicated hall for automotive business.

The Slovakian factory has experience of electronics manufacturing since 2008. The factory covers 5,200 square meters, and on 31 December 2021, the factory employed 242 people.

" Full year revenue amounted to EUR 169.8 million which is 59% more than in 2020.

REPORT OF THE BOARD OF DIRECTORS FOR 2021

Incap Group is a trusted partner and full service provider in Electronics Manufacturing Services. As a global EMS company Incap supports customers ranging from large multinationals and mid-sized companies to small start-ups in their complete manufacturing value chain. Incap offers state-of-the-art technology backed up by an entrepreneurial culture and highly qualified personnel. At the end of 2021, Incap had operations in Finland, Estonia, India, the United Kingdom, Slovakia and Hong Kong. The company's revenue in 2021 was EUR 169.8 million, and at the end of 2021, the company employed 2,523 people.

BUSINESS ENVIRONMENT

In 2021, market activity continued on a good level despite the pandemic. In the longer term, the growth in electronics manufacturing services is driven by the growing use of electronics supported with megatrends such as digitalisation.

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In the electronics manufacturing services industry, customers continue to be very price-conscious and expect that their manufacturing partners continuously increase their efficiency and stay competitive. Incap sees that the ability to quickly adapt to changes is a key success factor in the electronics industry today and in the future. That ability is necessary in developing and implementing new products, production methods and ideas. The company estimates that long-term market development will be positive because electronics is increasingly used in new types of products such as light vehicles and other everyday items.

In the longer term, the growth in electronics manufacturing services is driven by the growing use of electronics supported with megatrends such as digitalisation. The increasing need for sustainable energy solutions, medical equipment, emerging 5G and IoT ecosystems and the proliferation of electric vehicles contribute to the demand growth. Population growth and aging population will also create opportunities in for instance health care technology. The EMS industry is highly fragmented and offers potential for consolidation.

REVENUE AND EARNINGS

Incap's financial performance developed well in 2021. The strong revenue growth was mainly driven by increased demand. In 2021, Incap's revenue increased 59% compared to 2020, amounting to EUR 169.8 million (EUR 106.5 million).

Full year 2021 operating profit (EBIT) was EUR 26.0 million (EUR 12.6 million). Purchase price allocation amortisation and the acquisition related non-recurring costs amounted to EUR 0.8 million (EUR 2.0 million).

Adjusted operating profit (EBIT) was EUR 26.8 million (EUR 14.6 million) or 15.8% of revenue (13.7%).

Personnel expenses grew 22% year on year, amounting to EUR 17.4 million or 10.2% of revenue (EUR 14.3 million, 13.4% of revenue).

Other business expenses amounted to EUR 6.5 million (EUR 4.4 million). Material expenses increased due to increased revenue and amounted to EUR 127.0 million or 74.8% of revenue (EUR 73.6 million equalling 69.1% of revenue).

Net financial expenses amounted to EUR 0.3 million (EUR 1.1 million). Depreciation amounted to EUR 3.3 million (EUR 3.3 million).

Net profit for the period totalled EUR 21.1 million (EUR 9.2 million). Earnings per share were EUR 3.60 (EUR 2.02).

INVESTMENTS

Factory-related investments in 2021 totalled EUR 4.5 million (EUR 2.8 million) and related mainly to the ongoing expansion of the factory in India.

RESEARCH AND DEVELOPMENT

The development of services and products takes place during the ordinary course of business and is accounted for as an operating expense.

As a contract manufacturer Incap manufactures and developes its customers' products.

BALANCE SHEET, FINANCING AND CASH FLOW

Total assets in the balance sheet on 31 December 2021 stood at EUR 129.5 million (EUR 76.4 million). The Group's equity at the end of the financial period was EUR 62.9 million (EUR 38.6 million).

Liabilities increased to EUR 66.6 million from previous year (EUR 37.8 million). EUR 11.3 million (EUR 9.8 million) were interest-bearing liabilities. Liabilities increased from the previous year mainly due to trade payables related to material purchases. Interest-bearing net debt was EUR 2.0 million (EUR 5.9 million).

The Group's non-current interest-bearing liabilities amounted to EUR 4.0 million (EUR 6.1 million) and non-interest-bearing liabilities to EUR 1.6 million (EUR 1.6 million). Current interest-bearing liabilities were EUR 7.2 million (EUR 3.7 million). Out of the interest-bearing liabilities EUR 4.6 million (EUR 1.8 million) are related to the Indian subsidiary. Other interest-bearing liabilities include EUR 2.9 million (EUR 3.0 million) of bank loans and limits granted by the company's Finnish bank.

The main covenants of the Group's loans include equity ratio and the Group's interest-bearing debt in relation to EBITDA, and their status is reviewed every six months. In the review on 31 December 2021, the target level of interest-bearing debt in relation to EBITDA was below 3.0 and that of the equity ratio more than 30%. The company met these covenants, as the actual figure for interest-bearing debt/EBITDA on the review date was 0.4 and the equity ratio 51.9%.

As for the loans granted by the Indian bank, the company has committed to follow ordinary covenants and the bank's general loan conditions.

At the end of 2021, the company's financial position was strong. Equity ratio increased to 51.9% (50.5%) mainly due to solid profitability. Net gearing was 3.2% (15.3%).

Deferred tax assets include EUR 0.4 million (EUR 0.3 million) which is related to the parent company's historical confirmed losses and EUR 0.0 million (EUR 0.1 million) related to the transaction costs of the rights issue.

The Group's cash position during the reporting period was good. On 31 December 2021, the Group's cash and cash equivalents totalled EUR 9.2 million (EUR 3.9 million) and the company had an unutilised bank facility and credit line amounting to EUR 9.4 million.

The Group's quick ratio was 0.8 (1.0), and the current ratio was 1.7 (1.8).

Inventories at end of the year totalled EUR 59.5 million (EUR 24.2 million).

Cash flow from operations was EUR 9.7 million (EUR 4.7 million). Cash flow was positively impacted by the strong growth of revenue and profitability.

PERSONNEL

At the end of 2021, the number of personnel in Incap Group was 2,523 (1,902). Of the personnel 78.7% (71.2%) worked in India, 4.3% (5.1%) in Estonia, 7.3% (10.8%) in the United Kingdom, 9.6% (12.8%) in Slovakia and 0.1% (0.1%) in Finland.

At the end of the year, of Incap's personnel 554 were women (444) and 1,969 were men (1,458). The average age of the personnel was 30 years (32). The average number of personnel was 2,165 (1,424). The number of permanent personnel totalled 709 (667), and the number of fixed-term contracts were 1,814 (1,235).

MANAGEMENT AND ORGANISATION

At the end of 2021, Incap's Management Team consisted of President & CEO, Otto Pukk; Director of Operations, India and Sales APAC, Murthy Munipalli; CFO Antti Pynnönen; Director of Operations, Estonia, Greg Grace; and Jamie Maughan, Director of Operations, U.K. & Slovakia.

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

QUALITY ASSURANCE AND ENVIRONMENTAL ISSUES

Incap Group's all business units have environmental management and quality assurance systems. Environmental management system in all business units complies with ISO 14001:2015, and the quality assurance system complies with ISO 9001:2015. All business units have also the ISO 13485/2016 quality certification for the manufacture of medical devices. The Estonian and Slovakian units also comply with the Occupational health and safety management system ISO 45001:2018.

ANNUAL GENERAL MEETING 2020

The Annual General Meeting of Incap Corporation held in Helsinki on 27 April 2021 adopted the annual accounts for the financial period ending on 31 December 2020 and resolved to discharge the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting resolved in accordance with the Board's proposal that no dividend will be paid from the profits of the financial year 2020 and that the profit for the financial period be recognised in equity.

The Annual General Meeting resolved to authorise the Board of

Directors to decide to issue new shares and other special rights entitling to new shares of the company in accordance with the proposal of the Board of Directors. The authorisation entitles to a maximum quantity of 584,932 new shares, which represents approximately 10 per cent of the current number of shares.

The new shares may be issued to the company's shareholders in proportion to their current shareholdings in the company or deviating from the shareholders' pre-emptive right through one or more directed share issue, if the company has a weighty financial reason to do so, such as developing the company's equity structure, implementing mergers and acquisitions or other restructuring measures aimed at developing the company's business, financing of investments and operations or using the shares as a part of the company's remuneration and compensation system. The Board of Directors would decide upon terms and scope related to share issues.

Based on the authorisation, the Board of Directors can, pursuant to chapter 10, section 1, of the Companies Act also decide on issuing other special rights, either against payment or without payment, entitling to new shares of the Company. The subscription price of the new shares can be recorded partly or fully to the invested unrestricted equity reserves or to equity according to the decision of the Board of Directors. The Board of Directors is further entitled to decide on conditions regarding the issuance of shares as well as the issuance of other special rights entitling to shares.

The resolutions are valid for one year from the Annual General Meeting.

The resolutions of the Annual General Meeting are available in full on the company's website at https://incapcorp.com/annual-general-meeting/

BOARD OF DIRECTORS AND AUDITOR

The Annual General Meeting held on 27 April 2021 resolved that the number of members of the Board of Directors shall be four (4). The Annual General Meeting resolved that the present members of the Board, Carl-Gustaf von Troil, Päivi Jokinen, Ville Vuori and Kaisa Kokkonen are elected as members of the Board of Directors. In its constitutive meeting after the Annual General Meeting, the Board selected Ville Vuori as the Chairman of the Board.

In 2021, the Board convened 17 times and all Board members attended in all of the meetings.

The firm of independent accountants Ernst & Young Oy was elected to continue to act as the company's auditor, with Bengt Nyholm, Authorised Public Accountant, as the principal auditor.

CORPORATE GOVERNANCE

Incap Corporation is complying with the Corporate Governance Code of Securities Market Association. The company has released a report on the company's corporate governance in compliance with the Securities Market Act as a separate document. The report is also available at the company's website.

The Corporate Governance Code of Securities Market Association is publicly available at the website of Securities Market Association at www.cgfinland.fi.

SHARES AND SHAREHOLDERS

Incap Corporation has one series of shares, and the number of shares at the end of the period was 5,849,327 (31 December 2020: 5,820,224).

In 2021, the share price varied between EUR 17.20 and 80.60 (EUR 8.51 and 19.20). The closing price on 30 December 2021 was EUR 78.50 (18.45). The market capitalisation on 31 December 2021 was EUR 459.2 million (107.4). At the end of the year, the company had 4,605 shareholders (3,931). Nominee-registered owners held 20.4% (9.0%) and foreign owners 8.2% (0.7%) of all shares. The company does not hold any of its own shares.

At the end of 2021, the members of Incap Corporation's Board of Directors and the President and CEO and their interest parties owned a total of 55,638 shares or 1.0% of the company's shares outstanding (55,638 or 1.0%).

FLAGGING NOTIFICATIONS

In 2021, the company did not receive any shareholder announcements in accordance with Section 10 of Chapter 9 of the Securities Market Act.

RELATED-PARTY TRANSACTIONS

In 2021, there were no significant related-party transactions.

SHARE-BASED INCENTIVES

In May 2020, Incap's Board of Directors resolved to implement a long-term share-based incentive scheme for the company's CEO, Otto Pukk. The incentive scheme's purpose is to support Incap's strategy and incentivise the CEO in the effective implementation of the post-acquisition integration of AWS Electronics Group. The company has not previously had a share-based incentive scheme for CEO Otto Pukk. Any reward payable based on the incentive scheme is paid out entirely as Incap's new shares.

The earnings period for the CEO's incentive scheme included the then ongoing and next financial period of the company so that it ended on 31 December 2021. During the earnings period, the CEO may earn a performance-based reward amounting up to 5,730 new shares of the company based on the development of the company's EBIT provided that the CEO is still in a service relationship with the company at the date of the reward's payment. Possible reward based on the incentive scheme shall be paid after the company's Annual General Meeting in 2022 has approved the company's annual accounts for the financial year 1 January 2021–31 December 2021. The shares paid as reward shall not be transferred during a 12-month lock-up period, which begins from the reward payment.

For the execution of the incentive scheme, the company's Board of Directors resolved on the directed share issue to the CEO of the company without consideration based on the authorisation granted to the company's Board of Directors on the issuance of shares by the Annual General Meeting of the company on 20 April 2020. The shares are issued subject to meeting the conditions of the incentive scheme.

If the company decides after the beginning of the performance period and before paying the reward on issue of company's shares or on issue option rights or other special rights entitled to company's shares so that the shareholders have a pre-emptive subscription right, the amount of the reward shall be increased by multiplying the number of earned shares by the share issue multiplier, or in a way resolved by the Board.

NON-FINANCIAL INFORMATION

This non-financial information section of the Report of the Board of Directors is based on Incap's corporate responsibility program, which is described in more details in Incap's Corporate Responsibility Report published in connection with its Annual Report 2021.

Incap's corporate responsibility concerns responsibility for its economic, social and environmental impacts. For Incap, corporate responsibility means that the company exceeds legal requirements and considers the needs and expectations of its stakeholders.

As a basis for its corporate responsibility programme, the company has defined a Code of Conduct that concerns all its employees and suppliers. The implementation of corporate responsibility actions is supported by the company's quality assurance and environmental management systems.

Description of business operations

Incap provides contract manufacturing services for electronics through its factories and organisation. Incap's services include procurement of materials, prototyping, production ramp-up, serial production, final assembly, testing and logistics. The company's manufacturing expertise also covers the final assembly into a finished product.

Incap's business covers the markets of Europe, North America, and the Asia-Pacific region. The company has factories in Estonia, India, Slovakia, and the United Kingdom, as well as sourcing operations in Hong Kong. In addition to the actual from order to delivery process, Incap's factories are also responsible for making offers and pricing according to the Group's instructions. Group management also coordinates sales and procurement. Incap's efficient operating model is based on a decentralised organisation, where the manufacturing units operate independently and in an entrepreneurial spirit. The operating model enables faster decision-making, taking responsibility and agile response to customer needs and shorter lead times for customer products.

Respect for human rights and anti-corruption measures

Incap complies with the UN Universal Declaration of Human Rights, the UN Global Compact, the International Labour Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work and OECD's Guidelines for Multinational Enterprises.

Incap does not use forced or child labour and the company promote equal opportunities and diversity. Incap respects the freedom of engagement, and the company does not tolerate any kind of harassment or bullying. Incap's business ethics focus on fair competition, zero-tolerance for corruption and bribery and prevention of money-laundering.

As part of Incap's support and respect for human rights, the company has also implemented a Conflict Mineral Policy. Incap is committed to ensure that its products and processes do not contain Conflict Minerals as defined by EU's Conflict Minerals Regulation and Section 1502 of the US Dodd-Frank Act regarding Conflict Minerals.

In 2021, there were no reported incidents of violation of the above-mentioned laws, regulations or principles.

Respect for human and labour rights as well as anti-corruption principles are included in the Code of Conduct. All Incap's employees received Code of Conduct training during 2021. Incap also requires its suppliers to adhere to the principles described in Incap's Supplier Code of Conduct.

Social responsibility

Incap's social responsibility emphasises the well-being of employees and fair and ethical behaviour towards all stakeholders. Incap provides its employees equal opportunities and possibilities for further development. Incap wants to actively contribute to the sustainable development of its local communities.

Incap's Code of Conduct defines the ethical practices as well as fundamentals for fair treatment and conditions both internally and towards external stakeholders. It outlines how Incap's employees are expected to behave in their daily work and sets out the principles that help them make ethically sound decisions.

Incap strives to provide a safe and healthy workplace for all employees and takes adequate steps to prevent accidents and injuries. Incap expects everyone to respect and follow health and safety laws and regulations and to report all incidents, near miss cases, or health and safety risks. The goal is zero hazards. In 2021, there was one reported work-related injury at Incap's factories (2020:0).

In 2021, 100% of our workers in Estonia and Slovakia were covered by the Occupational Health and Safety management system certified according to the ISO 45001 Standard. Our Indian and UK factory operations are in the process of being certified, and our target is to have these units certified during 2022.

Developing personnel, promoting career paths and providing training opportunities play an important role in ensuring motivation and wellbeing of Incap's employees. Incap arranges a broad range of training opportunities for its employees ranging from introductory training to process improvement and management related training. Due to the coronavirus pandemic, the opportunities for training continued to be partly limited in 2021.

Environmental responsibility

Incap is committed to operating in an environmentally friendly and responsible manner. In its operations, Incap focuses on efficient and sustainable use of resources and materials, which is achieved through continuous improvements of recycling rates, waste management and energy intensity.

To meet this commitment, Incap has implemented an Environmental Management System (EMS) certified in accordance with ISO 14001 requirements. Incap also complies with all relevant legal requirements to prevent pollution and reduce consumption of natural resources and materials. Incap's aim is to continuously develop and improve its processes to protect and preserve the environment.

In 2021, no violations of environmental laws or regulations were identified in Incap's operations.

To ensure efficient use of resources and minimise waste, Incap optimises the use of all raw materials as part of its manufacturing. The focus is on improving recycling rates and waste management, which can be achieved by reducing waste of raw materials and line rejections. The recycling rate for hazardous waste in 2021 was 40%, and the recycling rate for non-hazardous waste improved from the previous year.

Incap strives to improve its energy intensity by reducing its energy consumption. This can be achieved by using modern technology and data, energy-efficient equipment, and through smart material flow and logistics. In 2021, the energy intensity of Incap's operations decreased and was 43 MWh/MEUR (52 in 2020).

DISCLOSURE ACCORDING TO THE EU TAXONOMY REGULATION

The EU Taxonomy Regulation, which will progress in phases, partially entered into force in 2021. The first delegated act, the Climate Delegated Act, was introduced in 2021 and covers the first two of the six environmental objectives: climate change mitigation and adaptation. In 2022, another delegated act will be published, the Environmental Delegated Act, which addresses four other environmental objectives.

In the reporting for 2021, the share of turnover, capital expenditure and operational expenditure that is taxonomy-eligible, i.e. in accordance with the Climate Delegated Act are published. For 2021, no assessment of Taxonomy alignment with detailed technical screening criteria is required.

As the Taxonomy Regulation is still under development, it is worthwhile noticing that the current regulation does not cover all sustainable activities on the market. In 2022 Incap continues the work with EU's taxonomy-related reporting requirements on climate change mitigation and adoption.

Taxonomy Eligible Activities

Incap has assessed the taxonomy-eligibility of Incap's business based on the descriptions in Annex I (climate change mitigation) and Annex II (climate change adaptation) of the Climate Delegated Act as well as NACE codes. The EU Taxonomy Regulation will enter into force in stages and is therefore still unfinished. Incap's assessment of the taxonomy-eligibility of its operations may change with the new guidelines and regulations entering into force.

Incap is a full-service provider in Electronics Manufacturing Services providing material procurement, prototyping, production ramp-up, serial production, final assembly, testing and logistics. Further Incap's services include printed circuit board (PCB) assembly, box-build final assembly, electromechanical assembly and cable and wire harness assembly, among other things. Taxonomy eligibility of Incap's activities is assessed based on the final product to which Incap has delivered a specific solution.

Incap has identified Taxonomy eligible activities contributing to climate change mitigation and climate change adaption as following:

- 3.1 Manufacture of renewable energy technologies
- 3.3 Manufacture of low carbon technologies for transport
- 3.5 Manufacture of energy efficiency equipment for buildings
- 4.10 Storage of electricity
- 6.14 Infrastructure for rail transport
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 8.1 Data processing, hosting and related activities

Turnover, CapEx and OpEx

The Taxonomy states that undertakings should explain how they have avoided double counting in the allocation of the amounts of Taxonomy-eligible turnover, CapEx and OpEx in the numerator of the relevant KPIs. Incap has classified turnover into separate eligible activities once. Turnover allocation has also been used as a basis on calculating OpEx and CapEx.

Turnover denominator includes the total external revenue of Incap Group companies. The turnover KPI numerator includes external sales of taxonomy eligible activities. CapEx denominator covers additions to tangible and intangible assets before depreciations, amortizations and re-measurements or impairments and excluding goodwill. The CapEx numerator is the Taxonomy-eligible additions included in the denominator and calculated based on the external turnover, separately for each eligible activity.

OpEx denominator covers non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning on such assets. OpEx excludes overheads, raw materials, cost of employees operating the machine, cost of managing research and development projects, electricity, fluids or reagents needed to operate property, plant and equipment. The numerator includes Taxonomy-eligible operating expenditure included in the denominator and maintenance material, cost of employees repairing machine, cost of employees cleaning machine and IT dedicated to maintenance. Taxonomy-eligible OpEx is calculated based on the external revenue, separately for each eligible activity.

Proportion of Taxonomy-eligible activities

1,000 euros	Eligible Activities	Non-eligible Activities	Total
Turnover	138,633	31,153	169,787
% of total turnover	81.7 %	18.3 %	100.0 %
CapEx	2,907	622	3,529
% of total CapEx	82.4 %	17.6 %	100.0 %
OpEx	1,222	185	1,407
% of total OpEx	86.9 %	13.1 %	100.0 %

RISK MANAGEMENT

The Risk Management Policy approved by the Board of Incap Corporation classifies risks as risks connected to the operating environment, operational risks and damage and funding risks. The company's risk management is mainly focused on risks that threaten the company's business objectives and continuity of operations. In order to improve its business opportunities, the company is willing to take on managed risks within the scope of the Group's risk management capabilities. The company regularly reviews its insurance policies as part of its risk management system.

SHORT-TERM RISKS AND UNCERTAINTIES

General risks related to the company's business operations and sector include the development of the geopolitical situation and customer demand, price competition in contract manufacturing, success in new customer acquisition, availability and price development of raw materials and components, sufficiency of funding, liquidity and exchange rate fluctuations.

Coronavirus pandemic related risks

Development of the coronavirus pandemic and measures taken to contain it may have a negative impact on Incap's performance in the short-term. The lockdowns in countries where Incap operates have been lifted and Incap's factories are fully operational with strict safety measures followed to protect the safety and health of the personnel. However, as the circumstances may change rapidly with the pandemic, there may still present a short-term risk on Incap's business activities through the general economic development and development in different industries the company's customers operate in, the supply chain and logistics as well as the health and availability of the personnel.

Risks related to the geopolitical situation

Developments in the geopolitical situation in Ukraine are expected to lead to increased uncertainty, a slowdown in economic development and postponement of investment decisions, as well as disturbances in supply chains and energy availability and to pose risks to Incap's operations. Incap does not have any gas intensive operations.

Customer risks

Demand for Incap's services and the company's financial position are affected by global economic trends and the fluctuation among customer industries. The risks connected with the customer demand and the solvency of customers are monitored and evaluated separately for each customer. The management considers customer relationship management to be of utmost importance and is paying special attention to it.

The company's sales is spread over several customer segments balancing out the impact of the economic fluctuation in different industrial sectors. In 2021, four biggest customers contributed to 69.1% (56.3%) of revenue. Out of the total revenue in 2021, 21 customers (18) exceeded EUR 1 million revenue.

Electronics manufacturing services is a highly competitive industry, with continuous pressure on cost level management. Incap has succeeded in increasing the efficiency of its operations and managing the costs.

Financial risks

The financial position of the company is good and the sufficiency of financing and working capital does not pose a significant risk. The company did not record any credit losses in 2021.

The value of the shares in subsidiaries in the parent group has a significant impact on the parent company's equity and therefore on, for example, equity ratio. Based on the impairment calculations in connection with the financial statements for 2021, there is no need for any write-down of the value of the shares in subsidiaries.

Main currencies used in Incap's operations are Indian Rupee, British Pound and US Dollar. The changes in the exchange rates between the currencies and the Euro may have a negative impact on Incap's revenue, result and financial position.

In a tax audit conducted by Indian tax authorities in 2018 regarding financial period 2015-2016, the deductibility of group costs is being investigated. At the end of 2021, the Group had recorded a provision of EUR 1.6 million in accordance with IFRIC 23 (evaluation of uncertain tax positions). The case is still under preliminary investigation, and if an agreement cannot be settled with a local tax authority, the company will take the matter to the next level of authority. Based on the company´s judgment, current level of provision covers possible tax risk.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

There have been no significant events after the reporting period.

STRATEGY AND TARGETS

Incap's growth strategy is based on its entrepreneurial and customer-driven culture, flexible operational model and its deep-rooted cost management mindset. The company wants to drive industry consolidation, benefiting from the growth potential of the industry while maintaining its cost efficiency and long-term profitability. To continue its strong track record, the company is focusing on three strategic cornerstones: growth, profitability and operational excellence.

OUTLOOK FOR 2022

Incap estimates that its revenue, operating profit (EBIT) and adjusted operating profit (EBIT) for 2022 will be higher than in 2021.

The estimates are given provided that there are no major negative changes in the geopolitical or coronavirus pandemic situation, currency exchange rates or in component availability. The estimates are based on both improved visibility of Incap's customers' forecasts and the company's own assessments of the business development.

BOARD OF DIRECTORS' PROPOSAL FOR MEASURES RELATED TO PROFIT

The parent company's profit for the financial period totals EUR 6,877,283.91. To secure funds for the execution of the growth strategy of Incap and due to uncertainties in the global economy and geopolitical situation, the Board of Directors of Incap Corporation proposes that the Annual General Meeting to be held on 29 April 2022 authorises the Board of Directors to decide on a distribution of dividend of a maximum of EUR 0.80 per share from the profits in accordance with the adopted financial statements of the financial year 1 January 2021 to 31 December 2021, to be distributed in one or several instalments at a later stage based on the Board of Director's assessment. The authorisation shall be valid until the commencement of the next Annual General Meeting.

If the Board of Directors decides to exercise the authorisation, the company will publish the possible decision on the amount of the dividend to be distributed separately, and at the same time confirm the pertinent record and payment dates of the dividend payment.

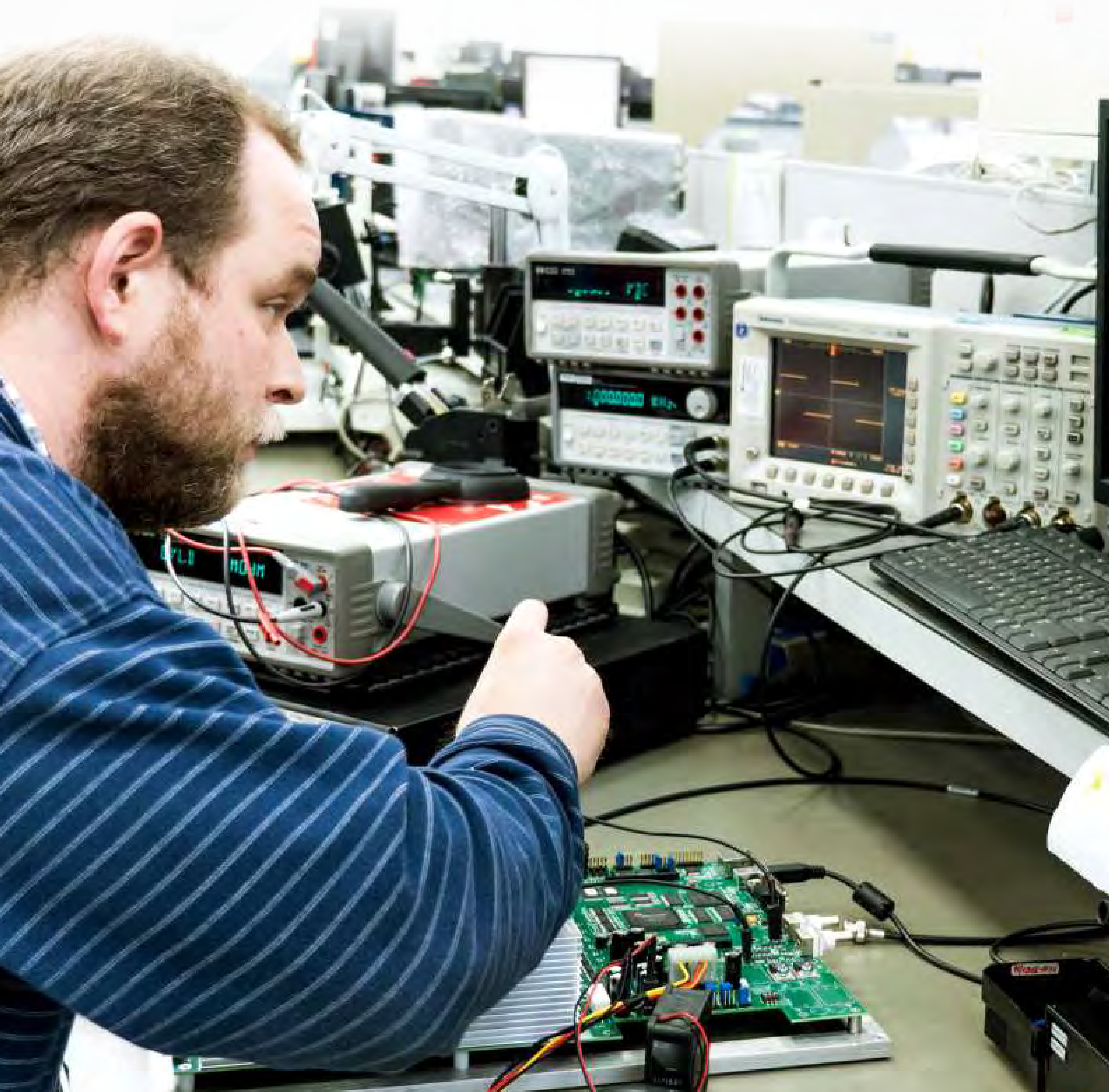
Distributable funds as of 31 December 2021 amounted to EUR 34,698,670.00 and the number of shares amounted to 5,849,327. Thus, the maximum amount of dividends to be distributed amount to EUR 4,679,461.60.

ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Incap Corporation is scheduled to be held on Friday, 29 April 2022 in Helsinki. The notice to the Annual General Meeting will be published at a later date.

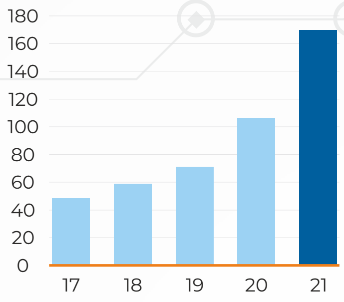
In Helsinki, 25 March 2022

Incap Corporation
Board of Directors

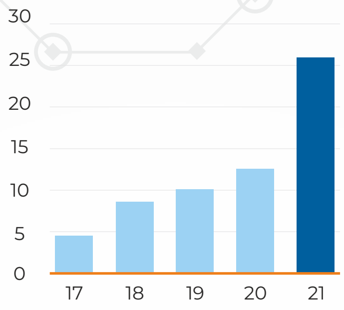


KEY FIGURES

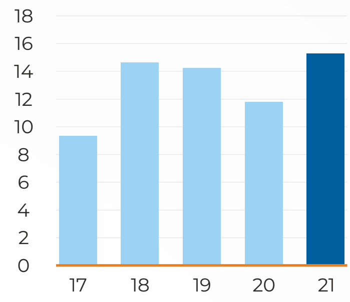
REVENUE, EUR MILLION



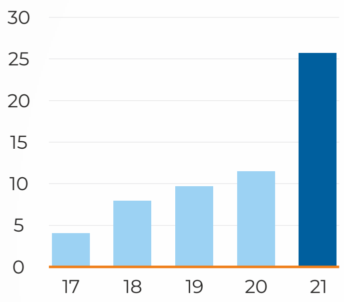
OPERATING PROFIT (EBIT), EUR MILLION



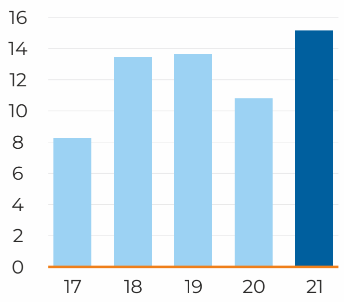
OPERATING PROFIT (EBIT), % OF REVENUE



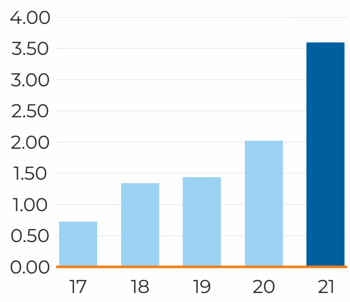
PROFIT BEFORE TAX, EUR MILLION



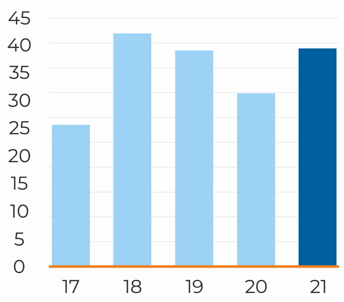
PROFIT BEFORE TAX, % OF REVENUE



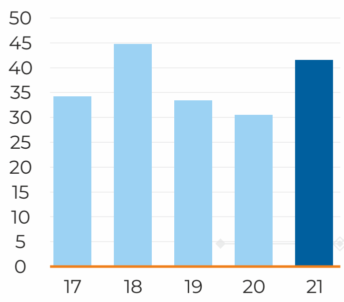
EARNINGS PER SHARE (EPS), EUR



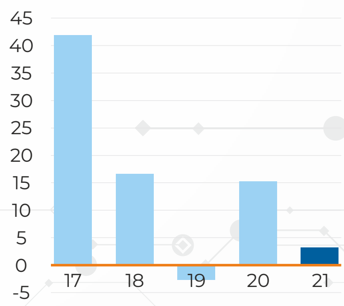
RETURN ON INVESTMENT (ROI), %



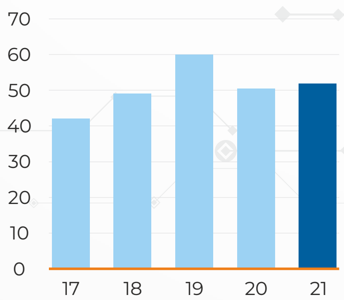
RETURN ON EQUITY (ROE), %



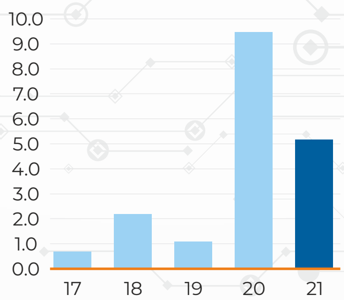
NET GEARING, %



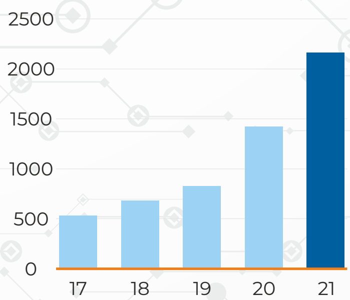
EQUITY RATIO, %



INVESTMENTS, EUR MILLION



AVERAGE NUMBER OF PERSONNEL



CONSOLIDATED INCOME STATEMENT

1,000 euros	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Revenue	3	169,787	106,494
Other operating income	4	200	1,062
Changes in inventories of finished goods and work in progress	5	10,232	723
Raw materials and consumables used	5	127,032	73,617
Personnel expenses	8	17,404	14,315
Depreciation and amortisation	7	3,286	3,347
Other operating expenses	6	6,524	4,406
Operating profit		**25,974**	**12,594**
Financial income and expenses	9	-253	-1,086
Profit before tax		**25,721**	**11,508**
Income tax	10	-4,662	-2,290
Profit for the year		**21,059**	**9,218**
Consolidated statement of comprehensive income			
Other comprehensive income:			
Items that are not transferred to the statement of income			
Revaluation of employee benefits		15	-14
Items that may be reclassified subsequently to profit or loss			
Translation differences from foreign units		2,470	-2,965
Other comprehensive income, net		**2,485**	**-2,980**
Total comprehensive income		**23,544**	**6,239**
Total comprehensive income attributable to:			
Equity holders of the parent company		23,544	6,239
Earnings per share from profit for the year attributable to equity holders of the parent			
Basic earnings per share	11		
Earnings per share		3.60	2.02
Diluted earnings per share	11		
Earnings per share		3.59	2.02
Average number of shares:			
basic		5,850,810	4,565,015
diluted		5,858,450	4,570,745

CONSOLIDATED BALANCE SHEET

1,000 euros	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Property, plant and equipment	12	10,115	6,825
Right-of-use assets	12	3,736	4,584
Goodwill	13	7,547	7,086
Other intangible assets	13	4,517	4,640
Other financial assets	14	4	4
Deferred tax assets	15	852	744
Other receivables	17	346	205
Total non-current assets		**27,117**	**24,087**
Current assets			
Inventories	16	59,467	24,176
Trade and other receivables	17	33,654	24,202
Cash and cash equivalents	18	9,249	3,899
Total current assets		**102,371**	**52,278**
Total assets		**129,488**	**76,365**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	19		
Share capital		1,000	1,000
Exchange differences		-2,159	-4,629
Unrestricted equity reserve		22,185	21,491
Retained earnings		41,867	20,719
Total equity		**62,893**	**38,580**
Non-current liabilities			
Non-Interest-bearing liabilities	24	1,619	1,619
Interest-bearing liabilities	23	4,026	6,103
Deferred tax liabilities	15	851	881
Current liabilities			
Trade and other payables	24	52,862	25,494
Interest-bearing loans and borrowings	23	7,238	3,687
Total liabilities		**66,595**	**37,785**
Total equity and liabilities		**129,488**	**76,365**

CONSOLIDATED CASH FLOW STATEMENT

1,000 euros	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Cash flow from operations			
Operating profit, in total		25,974	12,594
Adjustmets to operating profit	27	4,530	3,667
Change in working capital		-15,757	-7,850
Interest paid		-557	-954
Interest received		9	5
Tax paid and tax refund		-4,530	-2,752
Cash flow from operations		**9,669**	**4,709**
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets		-4,520	-2,793
Acquisitions	2	-650	-6,679
Cash flow from investing activities		**-5,170**	**-9,471**
Cash flow from financing activities			
Share issue	19		10,913
Share issue transaction costs	19		-563
Drawdown of loans		6,886	14,456
Repayments of loans		-4,725	-20,693
Right-of-use asset payments	28	-1,356	-1,188
Cash flow from financing activities		**805**	**2,926**
Change in cash and cash equivalents		**5,304**	**-1,836**
Cash and cash equivalents at beginning of period		3,899	6,163
Effects of changes in exchange rates		46	-428
Cash and cash equivalents at end of period	18	**9,249**	**3,899**

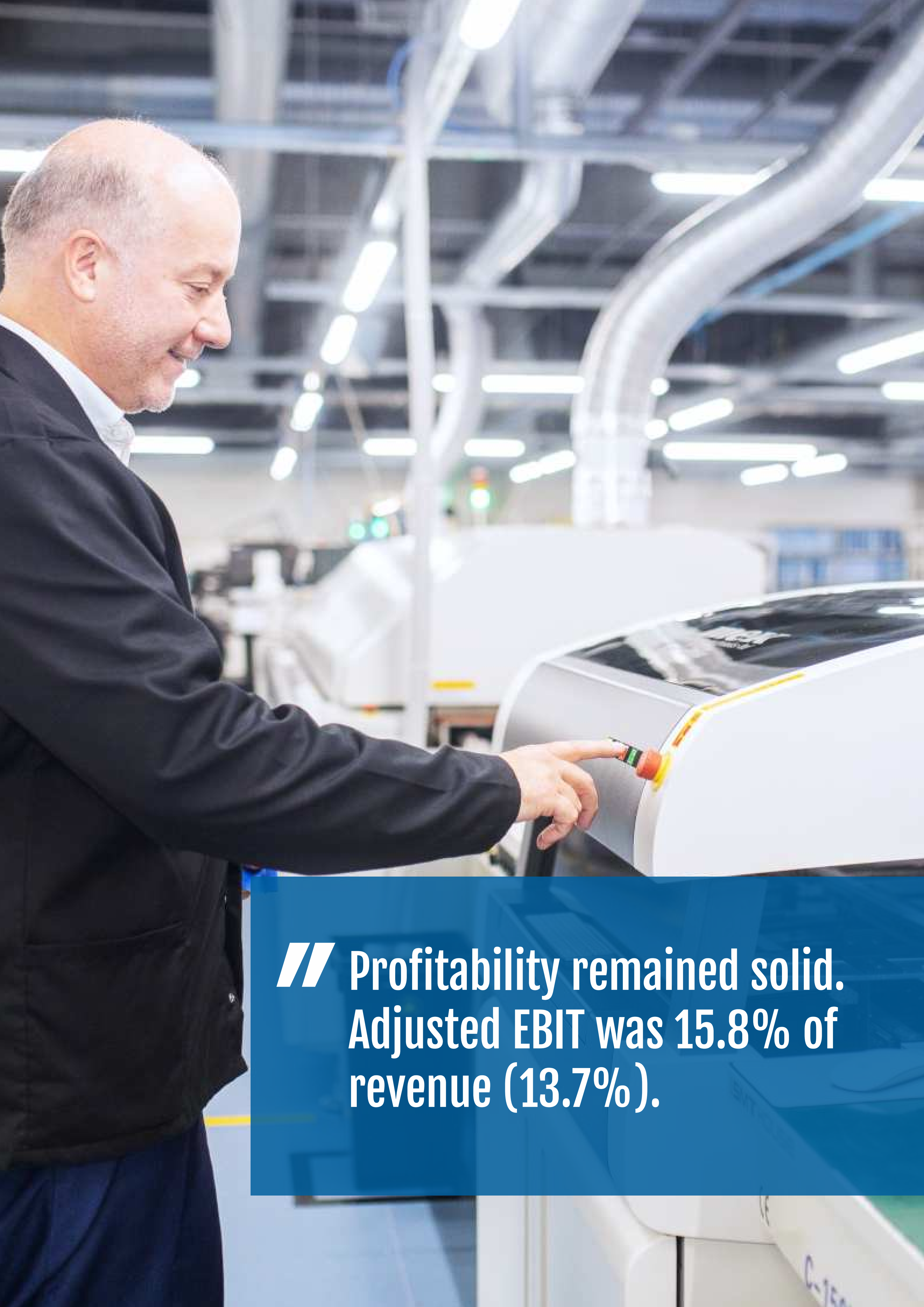
CONSOLIDATED STATEMENT IN CHANGES OF EQUITY

1,000 euros	Share capital	Unrestricted equity reserve	Translation differences	Retained earnings	Total equity
Equity at 1 January 2021	**1,000**	**21,491**	**-4,629**	**20,719**	**38,580**
Total comprehensive income				21,059	21,059
Currency translation differences			2,470		2,470
Transactions with the owners[1]		694		81	775
Other changes[2]				9	9
Equity at 31 December 2021	**1,000**	**22,185**	**-2,159**	**41,867**	**62,893**

1,000 euros	Share capital	Unrestricted equity reserve	Translation differences	Retained earnings	Total equity
Equity at 1 January 2020	**1,000**	**11,028**	**-1,664**	**11,519**	**21,883**
Total comprehensive income				9,218	9,218
Currency translation differences			-2,965		-2,965
Transactions with the owners[1]		10,463		32	10,494
Other changes[2]				-51	-51
Equity at 31 December 2020	**1,000**	**21,491**	**-4,629**	**20,719**	**38,580**

[1] Information on transactions with the owners is presented in Note 19

[2] Information on Other changes is presented in Note 19


Profitability remained solid. Adjusted EBIT was 15.8% of revenue (13.7%).

> At the end of 2021 the number of employees at Incap Group was 2,523 (1,902)

ACCOUNTING PRINCIPLES APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

Incap Group financial statements have been prepared in accordance with International Financial Reporting Standards in conformity with the IAS and IFRS standards and SIC and IFRIC interpretations in force at the balance sheet date, 31 December 2021. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

The financial statements in the official compiled version are presented in unabbreviated form to an accuracy of two decimals. In the Annual Report, the financial statement data is presented in thousands of euros.

The preparation of financial statements in accordance with IFRS standards requires certain estimates by Group management as well as for management's judgement in applying accounting policies. Estimates with greatest impact on the financial statement figures are presented in the note "Accounting policies requiring management's judgement and key sources of estimation uncertainty."

ACQUIRED BUSINESSES

Business combinations are accounted by applying the acquisition method. The acquisition costs are recognised as an aggregate of the consideration transferred measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination the group selects, whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognised in profit or loss in the periods in which they are incurred, and the services are received.

When the Group acquires a business, it classifies and designates the liquid assets and liabilities assumed based on the contractual terms, economic conditions and other pertinent conditions as they exist at the acquisition date.

A potential contingent consideration is recognised at the acquisition date fair value. The contingent consideration classified as an asset or a liability, meeting the criteria of a financial instrument in accordance with IFRS 9, is measured at fair value at each reporting date and changes are recognised in profit or loss. If the contingent consideration is not within the scope of IFRS 3, it is measured in accordance with other applicable IFRS standard. A contingent consideration classified as an equity instrument is not to be remeasured and its subsequent measurement will be accounted for within equity.

Goodwill is initially measured at acquisition cost, which is proportionate to the amount, for which the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree exceed the proportionate share of the recognised identifiable net amount of the acquired assets and liabilities assumed. If the fair value of the acquired identifiable net assets exceeds the aggregate consideration transferred, the group reassesses whether it has correctly identified all of the acquired assets and liabilities assumed, and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the fair value of the net assets, even after reassessment, exceeds the aggregate consideration transferred, the profit is recognised in profit or loss.

After the initial recognition, goodwill is measured at amortised cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

When goodwill is allocated to the cash-generating unit and a portion of the unit's business is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. In these situations, the goodwill is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

TRANSLATION OF ITEMS DENOMINATED IN FOREIGN CURRENCY

Separate companies

Transactions denominated in foreign currency are recorded in the functional currency using the exchange rate on the date of the transaction. Balance sheet items denominated in foreign currency are translated to the functional currency using the exchange rates at the balance sheet date.

Gains and losses resulting from transactions denominated in foreign currency and the translation of balance sheet items are recorded in the income statement. Exchange gains and losses resulting from operations are recorded under the corresponding items above operating profit. Exchange gains and losses resulting from loans denominated in foreign currency are recorded under financial income and expenses.

Group

Figures relating to the profit and financial position of Group units are measured in the main functional currency of each unit. Incap Group's financial statements are presented in euros, which is the functional and presentation currency of the Group's parent company.

The income and expense items in the income statements of foreign Group companies have been translated to euros using the average exchange rate during the year, and their balance sheets using the exchange rates at the balance sheet date. The translation of the profit for the financial year using different exchange rates in the income statement and the balance sheet results in an exchange difference, which is recorded as translation differences in the consolidated statement of comprehensive income. The exchange differences arising from the elimination of the acquisition cost of foreign subsidiaries and equity items accumulated after the acquisition are recorded as translation differences in the consolidated statement of comprehensive income.

Currency rates used in financial statements 2021

31 Dec 2021	EUR/INR	USD/INR	EUR/HKD	EUR/USD	EUR/GBP
Average rate	87.4898	73.9183	9.1988	1.1835	0.8600
Year-end rate	84.2292	74.3025	8.8333	1.1326	0.8403

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at original cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated using the straight-line method over their estimated useful life. The estimated useful lives of assets are the following:

- Buildings 18–24 years
- Machinery and Equipment 3–10 years
- Motor Vehicles 3–5 years

According to the IFRS16 Leases standard, right-of-use assets are depreciated on a case by case basis based on the length of each lease contract period.

The residual value of assets and their useful lives are reviewed at each balance sheet date and, if necessary, are adjusted to reflect changes that have occurred in the expectations for an asset's economic benefits.

Subsequent costs are included in the carrying amount of an item of property, plant and equipment only when it is probable that future economic benefits from the asset will flow to the Group. Other repair and maintenance expenses are recognised as an expense as they arise.

Depreciation of an item of property, plant and equipment ceases when the asset is classified as for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Non-current assets held for sale are measured at the lower by carrying amount or by the fair value less the selling expenses. Depreciations on assets held for sale have been ceased at the date of classification.

Capital gains and losses on the retirements and disposals of property, plant and equipment are recorded either in other operating income or expenses.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant is received and that the Group will comply with the attached conditions. Government grants are recognised in profit or loss on a systematic basis over the periods that the related costs, for which they are intended to compensate, are expensed. When the grant relates to an asset, it is recognised in profit or loss on a straight-line basis over the useful life of the asset.

INTANGIBLE ASSETS

Goodwill is the proportion of the acquisition cost which exceeds the Group's share of the fair value of the net asset value of a company at the date of acquisition. Other costs directly attributable to an acquisition are also included in the acquisition cost.

Goodwill and other intangible assets with an indefinite useful life are not amortised but are tested annually for any impairment. The testing involves the allocation of goodwill to units generating cash flow and the measurement at cost less impairment losses. Research and development expenditure is recorded as an expense in the income statement.

An intangible asset is recorded in the balance sheet only if the cost of the asset can be determined reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity. Intangible assets are recorded in the balance sheet at cost and amortised in the income statement over their known or estimated useful life.

Incap Group's purchase price allocation related intangible assets are amortised in the following way: customer relationships over 12 years, orderbook in 1 year and inventory in 6 months.

INVENTORIES

Inventories are measured at the lower of acquisition cost or net realisable value. Cost is determined using the weighted average cost method. The cost of finished and semi-finished products comprises raw materials, direct labour expenses, other direct expenses as well as fixed and variable production overheads, based on the normal capacity of the production facilities.

The net realisable value is the estimated selling price of the asset less the estimated costs incurred in bringing the product to its present condition and selling expenses. The company evaluates annually the inventory realisable and usable value and makes write-downs if required.

LEASES

The Group as lessee

Incap is operating as a lessee. The group leases e.g. office premises and production machinery. The lease contracts are mainly fixed-term agreements for which the lease-term ends within 5 years of the date of the initial application. For the lease agreements for which the lease-term can be terminated within 12 months of the date of the initial application, the Group applies the exceptions in the IFRS 16 standard relating to short-term leases.

Many of the Group's lease contracts include extension and termination options. In assessing whether to exercise these options, the Group applies judgements by considering all the factors, which have an impact on the economic benefit received by the Group from extension or termination of a contract. Fixed-term contracts, which have an extension option to continue on current contract terms without separate notification from the lessee, are assessed to end at the end-date of the initial fixed lease term.

The group recognises a right-of-use asset from the lease contracts and a lease liability from the lease payments. The group utilises the short-term and low value lease exemptions for lease contracts and recognises these as expenses in other operating expenses. The lease contracts as presented as depreciation and interest expense in profit or loss.

IMPAIRMENT

At each balance sheet date, Incap Group assesses whether there is any indication that the value of an asset item may be impaired. If any such indication exists, the asset item is tested for impairment to assess its recoverable amount. Impairment testing is done at the lowest possible unit level which is independent of other units and whose cash flows can be distinguished from the other cash flows of the entity.

An impairment loss is recorded when the carrying amount of an asset item is greater than its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. Value in use refers to the estimated discounted cash flows obtainable from referred asset item or cash-generating unit.

An impairment loss is recognised in profit or loss. If an impairment loss is allocated to a cash-generating unit, it is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and thereafter to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss is reversed if the recoverable amount of the asset has changed since the last impairment loss was recognised. An impairment loss is not, however, reversed to an extent greater than what the carrying amount of the asset would have been without the recording of the impairment loss.

Incap Group's goodwill is tested annually. An impairment loss recorded on goodwill is not reversed under any circumstances.

EMPLOYEE BENEFITS

Pension obligations

Incap Group's pension plans are classified as defined-benefit and defined-contribution plans. Payments made for defined contribution plans are recognised as an expense in the income statement for the period which the debit concerns. The obligations of defined-benefit plans concerning the Indian unit are calculated separately for each plan using the projected unit credit method. Pension costs are recorded as an expense for the duration of employees' period of service on the basis of actuarial calculations carried out by authorised actuaries.

SHARE-BASED PAYMENTS

Incap Group has applied IFRS 2 Share-based payments to all share-based payments. Share-based payments are measured at fair value at the time they are granted and entered as an expense in the income statement in even instalments during the vesting period. The expense determined at the moment of granting the share-based payments is based on Incap Group's estimate of the number of shares that will vest at the end of the vesting period.

Incap Group updates the estimate of the final share-based payment at each balance sheet date. Changes in the estimates are recorded in the income statement. When share-based payments are paid, the cash payments received on the basis of share subscriptions (adjusted for any transaction expenses) are recognised in equity and invested non-restricted equity reserve.

The expense from equity-settled share-based payment transactions is measured with a grant date fair value for rewards by using an appropriate model. The expense is recognised as an employee benefit expense and as a corresponding increase in the equity (other equity funds) within the period when the service is received, and if applicable, when the settlement conditions are fulfilled (within the vesting period). The cumulative expense of the equity-settled share-based payment transactions at each reporting date, within the vesting period, reflects the amount that is based on the Group's best estimate of the share-based payment arrangements that existed at any time during the reporting period and are expected to vest. The expense during the reporting period is recognised in profit or loss, and it reflects the amount of cumulative change between the beginning and the end of the period.

Service conditions or non-market performance conditions are not recognised in the grant date fair value, but the probability of meeting the vesting conditions is assessed based on the best available estimate of the total number of equity instruments that will vest. Market conditions are taken into account in the grant date fair value. All other terms and conditions, which relate to the share-based payment, but which do not include a performance condition, are considered as non-vesting conditions. Non-vesting conditions are included the fair value of the share-based payment and are recognised immediately as expenses, unless they include an additional service or performance condition.

The expense is not recognised, if the share-based payment does not vest due to a failure to fulfil non-market vesting conditions. When the payment involves a market condition or non-vesting condition, the transactions and rights are considered to be vested regardless of the fact, whether the market conditions or no-vesting conditions are fulfilled if all other vesting conditions and/or performance conditions are satisfied.

If the terms of equity-settled share-based payments are modified, the minimum recognised expense comprises of grant date fair value based on unmodified terms, provided the specified vesting conditions of the original terms are met. An additional expense, that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, is recorded at the date of the modification. If the share-based payment transaction is cancelled, the net fair value of the cancellation or settlement is recognised immediately.

PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that a payment obligation will be realised, and the amount of the obligation can be estimated reliably. Provisions are measured at the present value of the obligation.

INCOME TAXES

Income tax in the income statement comprises taxes on taxable income for the period and deferred taxes. Taxes on the profit for the financial year are calculated on taxable income on the basis of the tax rate in force in each country. Taxes are adjusted for taxes for previous periods.

Deferred taxes have been calculated by applying the tax rates in force by the balance sheet date.

A tax asset is recognised to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.

REVENUE RECOGNITION

Revenue recognition from the sale of goods is recorded according to the IRFS 15 standard when the customer obtains control of the goods in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. The company has identified only one type of revenue flow. Existing customer contracts have no obligations of after marketing, installation, maintenance, or any other performance obligations that customer could benefit on stand-alone basis.

DISCONTINUED OPERATIONS

There were no discontinued operations in the financial years 2021 and 2020.

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Incap's financial assets are classified to financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. The classification is based on the Group's business model for holding the financial assets and on the contractual cash flows characteristics of the financial assets. Transaction costs are included to the initial recognition value of the financial assets, when the financial instrument is not classified to be measured at fair value through profit or loss. All transactions in relation to financial assets are recognised at trade date.

Financial asset is classified to be measured at amortised cost, if the business model of holding the financial asset is for collection of contractual cash flows, and the cash flows from financial asset occur on specific dates as specified by the contract terms and conditions, which are solely payments of principal and interest for remaining principal. Financial assets classified at amortised cost by the Group include loan receivables, trade and other receivables, deposits and cash and cash equivalents. Trade receivables do not include significant financing components and they are measured at transaction cost in accordance with IFRS 15.

Financial assets are de-recognised, when the Group's rights to contractual cash flows expire or when it has transferred substantially all of the risks and rewards of the ownership of the financial asset outside the Group.

The Group does not have financial instruments classified to be measured at fair value.

The Group's financial liabilities are mainly relating to consideration payable for business acquisitions, trade and other payables, and bank loans. Financial liabilities are initially recognised at fair value, which is the amount of cash received less any directly attributable transaction costs. After initial recognition, the financial liabilities are subsequently measured at amortised cost. Financial liabilities are included to both long-term and short-term liabilities, and they can be interest-bearing or non-interest-bearing liabilities.

Financial liabilities are de-recognised, when the contractual obligation is discharged, cancelled or it expires.

Cash and cash equivalents consist of cash, bank deposits that can be drawn on demand and other short-term, highly liquid investments. Items classified as cash and cash equivalents have a maximum maturity of three months from the date of acquisition.

Financial liabilities are initially recognised at fair value based on the consideration received.

IMPAIRMENT OF FINANCIAL ASSETS

The increase of credit risk is assessed at each reporting date for financial assets at amortised cost. The applied method is determined based on a potential increase in the credit risk. When credit risk has not notably increased, the credit loss provision is based on a 12-month expected credit losses.

The Group estimates on a case-by-case basis at each reporting date, whether there is any objective evidence that its financial asset or a class of financial asset is impaired. The factors causing impairment may include i.e. counterparty's economic difficulties.

The assessment of the Group's credit loss provision is based on a lifetime expected credit losses from trade receivables in accordance with IFRS 9. The Group has not previously recognised material credit losses. The recognition of expected credit losses from trade receivables is based on historical credit losses. The expected credit losses are measured by multiplying the balance of unpaid trade receivables by the expected credit loss rate for each ageing category.

ACCOUNTING POLICIES REQUIRING MANAGEMENT'S JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When financial statements are prepared, future scenarios and assumptions have to be made, the outcomes of which may differ from the original scenarios and assumptions. Judgement is also used in applying the accounting policies. In the consolidation of business operations, the Group has used external consultants when assessing the fair values of property, plant and equipment and intangible assets. Concerning property, plant and equipment, Incap has made comparisons with the market prices of similar products and assessed any impairment resulting from the age and wear of the assets and other similar factors affecting them. The determination of the fair value of intangible assets is based on estimates of cash flows related to the assets. It is the view of the management that the estimates and assumptions used are sufficiently accurate as a basis for the determination of fair value. The Group furthermore examines any indications of impairment on property, plant and equipment and intangible assets at least at every balance sheet date.

Estimates made in connection with the preparation of the financial statements are based on the management's best knowledge at the balance sheet date. The estimates take into account previous experiences and assumptions which concern the future, are considered the most probable at the balance sheet date and are related to the expected development of the Group's financial operating environment in terms of sales and cost levels. The management's judgement and estimates have been used when testing goodwill and deferred tax assets. Changes are monitored on a regular basis using internal and external information sources, and potential changes in estimates and assumptions are recorded during the financial year when they are revised, and during all financial years thereafter.

The Group continuously assesses and monitors the amount of financing required for business operations so that the Group would have sufficient liquid assets to finance its operations and repay loans that mature. The aim is to guarantee the availability and flexibility of financing through overdraft facilities and other forms of financing.

In order to evaluate liquidity, Incap has prepared a 12-month cash flow estimate that is based on the Group's budget for 2022. Based on the cash flow estimate Incap does have sufficient working capital for the company's needs for the forthcoming 12 months.

Because the forecasts that form the basis of the cash flow calculation have previously deviated from the forecasts, there is an element of uncertainty associated with them.

Impairment testing

Incap Group tests goodwill for impairment annually. The testing is based on a cash flow estimate prepared on the basis of the budget and the business plan for forthcoming four-year period ratified by the management. Discount rate after taxes, forecast operating profit before depreciation and change in working capital are used as the key factors. The discount rate is comprised of industry risk, interest on liabilities and country-specific risk. The discount rate factors are updated annually in connection with the testing using information received from the market. On the basis of the calculations, there are no indications of impairment of goodwill and other intangible assets with an indefinite useful life. This has been verified in calculations concerning recoverable amount.

The recoverable amounts used in the impairment test calculations are determined on the basis of value in use. The cash flow forecasts are based on the budget for the next financial period and four-year business plan prepared by the management and approved by the Board of Directors.

The impairment of other assets is evaluated annually as described above under Impairment. The recoverable amounts of cash-generating units have been determined by way of calculations based on the value in use. These calculations require the use of estimates.

Deferred tax asset

Deferred tax assets and liabilities are recognised using the liability method for all temporary differences arising from the difference between the tax basis of assets and liabilities and their carrying values. Deferred tax is not recognised for non-deductible goodwill and for differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax assets have been recognised to the extent that is considered to be possible to utilise against future taxable income. The deferred tax asset is based on the Board of Directors' estimate of the company's future development during the next five years and the resulting imputed taxable profit.

Segment information

Incap Group does not have business or geographical segments which should be reported according to IFRS 8. The risks and profitability related to the Group's different business and geographical areas do not differ significantly from each other. The company's management regularly assesses future changes and, consequently, the possible formation of segments.

Application of new or amended IFRS standards

The Group has taken into consideration the new standards and interpretations published during the reporting period by the IASB and will introduce them in future accounting periods as they enter into force. The Group estimates that the new standards and interpretations will not have a material effect on the Group's financial statements in coming years.

> The year 2021 was marked by high market demand and the capacity expansions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. DIVESTED BUSINESSES

The Group had no divested businesses in 2021 and 2020.

2. ACQUIRED BUSINESSES

There were no acquired businesses in 2021.

Incap signed an agreement to acquire the entire share capital of AWS Electronics Group. The company's figures have been included in Incap Group's reporting as of 23 January 2020.

AWS Electronics Group is a contract manufacturer of high complexity electronics and the company has production facilities in the UK and Slovakia. The headquarters is based in the U.K. and the company has been privately owned. The number of personnel was 436 In the financial year ended on June 30, 2019. The former owners of the company, Paul Deehan and Adrian Keane, are committed to support Incap over the transition period.

The acquisition balances Incap's customer portfolio both in numbers and industrial segments. New strategic foothold is gained especially in the U.K. markets and Central Europe and position strengthened further in the USA and South-East Asia.

The debt-free purchase price was EUR 15.9 million, and the possible earn-out will not exceed EUR 1.5 million which is based on 2020 EBITDA of AWS. In connection with the acquisition, Incap paid AWS Electronics Group's debts and a warrant. The acquisition was financed with a loan of EUR 13 million and paid in cash, with the exception of an instalment of EUR 0.7 million to be paid in Incap shares. The consideration paid for the transaction consists of a EUR 6.7 million cash consideration, the instalment paid in shares and realised earnout of EUR 0.6 million. The earn-out and the instalment which will be paid in Incap shares, are booked in parent company´s balance sheet as current non-interest-bearing loan.

The purchase price has been allocated to identified net assets that include customer relationships, the order book and the estimated share of work not included in the balance sheet value of inventories, based on AWS Electronics Group's EBITDA. Acquired customer relationships will be amortised over 12 years, the order book over 12 months and inventories over 6 months. In the initial calculations, earn-out was estimated to realize in EUR 0.6 million. The residual value of EUR 6.6 million remaining from the preliminary acquisition calculation has been recognised as goodwill. The goodwill is generated by expected synergies in, for example, opportunities related to materials purchases and cross-selling. None of the items recognised as goodwill are expected to be tax deductible. Leases were taken into account in accordance with IFRS 16 in the calculation of acquired assets and liabilities, and the discounted lease payments remaining at the me of acquisition were recognised in interest-bearing loans, while corresponding assets were recognised in right-of-use assets. Incap has booked EUR 0.1 million transaction costs as non-recurring items.

AWS Electronics Group generated EUR 35.2 million in net sales and a net profit of EUR 0.8 million from 23 January to 31 December 2020. AWS Electronics Group's pre-acquisition, unconsolidated net sales for 1–22 January 2020 amounted to EUR 2.6 million, and AWS Electronics Group would have posted a loss of EUR 0.4 million in the same period, taking into account the planned amortization of recognized items for the period.

Assets acquired and liabilities assumed at fair value on the acquisition date, acquisition calculation:

Purchase price consideration (1,000 euros):	
Paid in cash	6,679
Instalment in shares	711
Earn-out	643
Total	**8,032**
ASSETS	
Non-current assets	
Property, plant and equipment	1,174
Right-of-use assets	1,439
Other intangible assets: customer relationships	5,214
Other intangible assets: orderbook	581
Other intangible assets: other	71
Total non-current assets	**8,479**
Current assets	
Inventories	7,827
Trade and other receivables	7,809
Total current assets	**15,635**
Total assets	**24,114**
Non-current liabilities	
Interest-bearing loans and borrowings	1,330
Interest-bearing loans and borrowings, group	6,110
Deferred tax liabilities	1,131
Total non-current liabilities	**8,572**
Current liabilities	
Trade and other payables	10,918
Current interest-bearing loans and borrowings	3,166
Total current liabilities	**14,084**
Total liabilities	**22,656**
Total identifiable net assets	1,459
Goodwill	6,643
Acquired net assets	**8,102**

AWS Electronics Group's financial reporting is based on The Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102). Based on the estimate made in connection with the acquisition, with the exception of the accounting of leases, there are no such differences between the applied accounting standard and IFRS standards that would cause significant discrepancies in the financial information reported.

A part of the purchase price

The Board of Directors of the Company has on 26 February 2021 resolved, that the sellers of AWS will be paid an equivalent of 600,000 pounds in new shares of the Company in a directed share issue with payment. The Share Issue will be consummated on 26 February 2021, by offering a total of 29,103 new shares in the Company to be subscribed by the sellers of AWS. In the Share Issue, the subscription price of one new Incap share is EUR 23.86 and the total subscription price of the Share Issue is thus EUR 694,380 (600,000 pounds). The subscription price per share is based on the acquisition agreement of AWS' shares and corresponds to the average closing Bid and Ask price levels of Incap's share at the end each transaction date on Nasdaq Helsinki during the period 19 – 25 February 2021.

The total subscription price of the Share Issue shall be recorded in its entirety to the reserve for invested unrestricted equity of the Company.

The acquisition of AWS was and is still aligned with the Company's strategy and as the Share Issue relates to the payment of a part of the purchase price agreed earlier, therefore the Company has a weighty financial reason to deviate in the Share Issue from the Company's shareholders' pre-emptive subscription right, in accordance with

Analysis of acquistion cash flows	2021	2020
Cash payment (cashflow from investing activities)		6,679
Acquisition transaction costs in 2019 (cash flow from operations)		690
Acquisition transaction costs in 2020 (cash flow from operations)		14
Acquisition transaction costs (cash flow from financing activities)		37
Transaction costs arising from share issue (cash flow from financing activities)	16	

Chapter 9, Section 4, Subsection 1 of the Finnish Limited Liability Companies Act (624/2006, as amended).

The Board of Directors of the Company decided on the Share Issue based on the authorization granted to it by the Annual General Meeting of 20 April 2020.The number of Incap shares will increase from 5,820,224 shares to 5,849,327 shares after the registration of the new shares. The new shares of the Company will be applied for trading together with the other shares of the Company on Nasdaq Helsinki on 18 March 2021.

The consideration was decreased on 31 December 2020 to an amount corresponding the EBITDA conditions for the purchase. The gain amounted to EUR 38,082.65 and was recognized as financial income in 2020. The actual consideration paid in 2021 amounted to EUR 649,766.81 and the loss amounted to EUR 52,482.56 and was recognized as financial expense in profit or loss.

3. REVENUE

	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Revenue from the sale of goods	169,787	106,494
	169,787	**106,494**

Geographic division of external customers' revenue	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Europe	114,616	78,418
North-America	32,363	10,574
South-America	0	15
Asia	8,146	8,297
Africa	6,985	4,849
Australia	7,678	4,342
	169,786	**106,494**

The Group has one customer, whose revenue exceeds 10% of the Group's revenue. The combined share of the customer out of the Group's revenue is approximately 61%.

4. OTHER OPERATING INCOME

	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Export incentive from Indian government	26	819
Grants	135	159
Net gains on the disposal of property, plant and equipment	1	6
Unrealized unemployment security deductible		51
Other income	38	27
	200	**1,062**

5. RAW MATERIALS AND SERVICES

Raw materials and consumables	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Purchases during the financial year	148,030	79,129
Change in inventories	-21,056	-5,537
	126,974	**73,592**
External services	58	26
	127,032	**73,617**

6. OTHER OPERATING EXPENSES

	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Lease expenses	154	121
Operating and maintenance expenses for property and machinery	843	376
Other expenses	5,528	3,908
	6,524	**4,406**

Auditors' fees	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Auditing fees, EY	143	123
Auditing fees, non EY	92	67
Certificates and statements	22	12
Tax advice	1	1
Other services	1	127
	258	**330**

7. DEPRECIATION AND AMORTISATION

Depreciation and amortisation by assets class	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Intangible assets		
Other capitalised expenditure	5	6
Other intangibles	508	925
	512	**931**
Tangible assets		
Buildings	127	122
Right-of-use assets, building	794	785
Machinery and equipment	1,160	933
Right-of-use assets, machinery	635	528
Other tangible assets	58	47
	2,774	**2,415**
Total depreciation, amortisation and write-downs	**3,286**	**3,347**

8. EMPLOYEE BENEFITS EXPENSE

	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Wages and salaries	14,925	12,161
Pension costs - defined contribution plans	1,247	504
Pension costs - defined-benefit plans	52	81
Re-measurements on defined benefit pensions, actuarial calculation profit (+), loss (-)	15	-14
Stock options and share-based incentives	81	32
Other statutory employer expenses	1,084	1,551
	17,404	**14,315**
Average number of Group’s personnel during the period	2,165	1,424

Information on share-based payments is presented in Note 20 Share-based payments. Information on management's emloymeee benefits is presented in Note 31 Related party transactions.

9. FINANCIAL INCOME AND EXPENSES

Financial income	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Dividend income from available-for-sale financial assets	0	0
Interest income from other receivables	6	0
Foreign exchange gains on liabilities	832	549
Other financing income	6	43
	844	**592**

Financial expenses	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Interest expenses from financial liabilities measured at amortised cost	216	397
Right-of-use assets interests	145	178
Exchange rate losses	492	718
Other financial expenses	245	385
	1,098	**1,678**
Total financial income and expenses	**-254**	**-1,086**

10. INCOME TAX

Income tax in the income statement	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Income tax on profits for the year	-4,816	-2,967
Income tax on profits of previous periods	-22	
Income taxes for the financial period	**-4,838**	**-2,967**
Changes in deferred tax assets created this year	86	397
Current year change in deferred tax liabilities	89	280
Change in deferred taxes total	**176**	**677**
Income tax expense	**-4,662**	**-2,290**

Reconciliation of tax expenses in the income statement and taxes calculated on the basis of the 20% tax rate applicable in the Group’s home country	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Profit before taxes	25,721	11,508
Tax at the applicable rate in the home country	-5,144	-2,302
Divergent tax rates of foreign subsidiaries	-1,004	-365
Tax provision from previous year		
Tax from previous years	-22	
Foreign withholding tax		-195
Tax free income and non-deductable expenses	40	-80
Deferred tax assets for confirmed losses	434	338
Temporary differences booked in equity		113
Other temporary difference	111	58
Non-recorded deferred tax	922	143
Tax charge	**-4,662**	**-2,290**

Information on deferred taxes is presented in Note 15 Deferred tax assets and liabilities

IFRIC 23 specifies how to reflect uncertainty in accounting for income taxes. Implementation of IFRIC 23 standard had an impact on how Group evaluated uncertainties in years 2016-2019 arising from tax audit performed by Indian tax authories during 2018. In this case, the deductibility of group costs are being investigated. The case is still under preliminary investigation and if an agreement cannot be settled with a local tax authority, the company's point of view will be processed. The Group has recorded a provision of EUR 0.5 million in 2018 and based on a new evaluation the Group has made in 2019, an addional EUR 1.2 million provision was booked in accordance with IFRIC 23 (evaluation of uncertain tax positions). Therefore the total provision amounts to approximately EUR 1.6 million. Based on company´s judgment, current level of provision covers possible tax risk.

11. EARNINGS PER SHARE

Undiluted earnings per share is calculated by dividing parent company´s profit for the year with the period´s weighted average number of shares outstanding.

	2021	2020
Profit for the year attributable to equity holders of the parent	21,059	9,218
Weighted average number of shares during the period	5,850,810	4,565,015
Undiluted earnings per share, EUR/share	3.60	2.02

When calculating diluted earnings per share, share-based payments and convertible bonds are taken into account in the weighted average number of shares. Share-based payments have dilutive effect when their subscription price is lower than the fair value of the share. Fair value of a share is calculated as the average price of the shares during the period.

Continuing operations	**2021**	**2020**
Profit for the year attributable to equity holders of the parent, continuing operations	21,059	9,218
Weighted average number of shares during the period	5,850,810	4,565,015
Effect of share-based payments on number of shares	7,640	5,730
Weighted average number of shares used in calculating adjusted diluted earnings per share	5,858,450	4,570,745
Diluted earnings per share, EUR/share	3.59	2.02

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and advances	Machinery and Equipment	Other tangible assets	Total
Acquisition cost 1 Jan 2021	**334**	**2,550**	**8,536**	**788**	**12,207**
Increase	131	13	386		530
Decrease²			-10	-26	-36
Reclassifications between items		210	1,950	275	2,435
Exchange differences	22	170	546	53	791
Acquisition cost 31 Dec 2021	**486**	**2,944**	**11,408**	**1,090**	**15,928**
Accumulated depreciation and write-downs 1 Jan 2021		**-1,037**	**-5,470**	**-679**	**-7,186**
Depreciation		-132	-1,196	-60	-1,387
Cumulative depreciation on reclassifications and disposals			26	7	33
Exchange differences		-70	-353	-46	-468
Accumulated depreciation and write-downs 31 Dec 2021		**-1,239**	**-6,993**	**-777**	**-9,009**
Book value 1 Jan 2021	334	1,512	3,065	110	5,021
Book value 31 Dec 2021	486	1,705	4,415	313	6,919
Acquisition cost 1 Jan 2020	**375**	**2,063**	**5,356**	**522**	**8,316**
Increase		12	269		281
Combining businesses¹		472	3,220	735	4,427
Decrease²		-87	-142	-429	-659
Reclassifications between items		317	380	18	715
Exchange differences	-41	-228	-547	-58	-874
Acquisition cost 31 Dec 2020	**334**	**2,550**	**8,536**	**788**	**12,207**
Accumulated depreciation and write-downs 1 Jan 2020		**-666**	**-2,822**	**-435**	**-3,922**
Depreciation		-116	-893	-44	-1,053
Combining businesses¹		-418	-2,232	-675	-3,324
Reclassifications between items		0	43	-2	41
Cumulative depreciation on reclassifications and disposals		87	142	429	659
Exchange differences		73	291	48	413
Accumulated depreciation and write-downs 31 Dec 2020		**-1,037**	**-5,470**	**-679**	**-7,186**
Book value 1 Jan 2020	375	1,398	2,535	87	4,394
Book value 31 Dec 2020	334	1,513	3,065	110	5,021

¹ Information on combining businesses is presented in Notes 2 acquired operations.

² Decrease consist of fixed assets that have been disabled in the financial year or in previous years.

Right-of-use assets	**Buildings**	**Machinery and Equipment**	**Total**
Acquisition cost 1 Jan 2021	**3,768**	**2,651**	**6,420**
Increase		493	493
Exchange differences	104	41	145
Acquisition cost 31 Dec 2021	**3,872**	**3,185**	**7,057**
Accumulated depreciation and write-downs 1 Jan 2021	**-1,138**	**-697**	**-1,835**
Depreciation	-804	-640	-1,443
Cumulative depreciation on reclassifications and disposals		-4	-4
Exchange differences	-28	-11	-39
Accumulated depreciation and write-downs 31 Dec 2021	**-1,970**	**-1,352**	**-3,322**
Book value 1 Jan 2021	2,630	1,954	4,584
Book value 31 Dec 2021	1,902	1,833	3,736
Acquisition cost 1 Jan 2020	**2,195**	**815**	**3,010**
Increase	231	1,492	1,723
Combining businesses¹	1,295	151	1,447
Reclassifications between items	46	193	240
Acquisition cost 31 Dec 2020	**3,768**	**2,651**	**6,420**
Accumulated depreciation and write-downs 1 Jan 2020	**-310**	**-237**	**-547**
Depreciation	-781	-529	-1,310
Combining businesses¹	-28	-67	-95
Cumulatve depreciation on reclassifications and disposals	-20	136	117
Accumulated depreciation and write-downs 31 Dec 2020	**-1,138**	**-697**	**-1,835**
Book value 1 Jan 2020	1,886	577	2,463
Book value 31 Dec 2020	2,630	1,954	4,584

13. INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
Acquisition cost 1 Jan 2021	**7,086**	**6,466**	**13,552**
Increase		70	70
Reclassifications between items		7	7
Exchange differences	462	448	910
Acquisition cost 31 Dec 2021	**7,547**	**6,992**	**14,540**
Accumulated amortisation and write-downs 1 Jan 2021		**-1,826**	**-1,826**
Amortisation		-524	-524
Exchange differences		-124	-124
Accumulated amortisations and write-downs 31 Dec 2021		**-2,475**	**-2,475**
Book value 1 Jan 2021	7,086	4,640	11,726
Book value 31 Dec 2021	7,547	4,517	12,065
Acquisition cost 1 Jan 2020	**894**	**983**	**1,877**
Increase		34	34
Combining businesses[1]	6,240	5,837	12,077
Decrease[2]		-283	-283
Reclassifications between items		4	4
Exchange differences	-48	-109	-157
Acquisition cost 31 Dec 2020	**7,086**	**6,466**	**13,552**
Accumulated amortisation and write-downs 1 Jan 2020		**-970**	**-970**
Amortisation		-921	-921
Combining businesses[1]		-326	-326
Cumulative depreciation on reclassifications and disposals		284	284
Exchange differences		107	107
Accumulated amortisations and write-downs 31 Dec 2020		**-1,826**	**-1,826**
Book value 1 Jan 2020	894	13	907
Book value 31 Dec 2020	7,086	4,640	11,726

[1] Information on combining businesses is presented in Notes 2 acquired operations.
[2] Decrease consist of fixed assets that have been disabled in the financial year or in previous years.

IMPAIRMENT TEST

Recoverable amounts from cash generating units have been defined in calculations based on the value in use, and they involve the use of estimates.

Testing for impairment is based on a cash flow estimate prepared on the basis of the budget and the business plan for four forthcoming years approved by the management. According to the company's estimate there are no external or internal indications of the impairment of goodwill and other intangible assets with an indefinite useful life. This has been verified in calculations concerning recoverable amount.

The goodwill of approx. EUR 0.9 million in the consolidated balance sheet refers to the Indian subsidiary. In the cash flow estimates, the revenue in India is estimated to grow 10% annually and operating profit to be approximately 15%. Growth estimate of residual value is 2%. In the calculations of the financial year 2021 in India, a discount rate of 17.45% has been used (12.57% in 2020).

Should the operating profit used in the testing decrease by approximately 65.9% or should the discount rate increase by less than 59.46 percentage points, there would be no need for write-down. Revenue and profitability of the operations in India have developed favourably during the past few years and there is estimated to be no need or risk of any impairment.

In impairment testing of goodwill, the residual value of future cash flows is 62% of the cash flows in the calculations for value in use.

The goodwill of approximately EUR 6.5 million in the consolidated balance sheet refers to the subsidiaries in UK and Slovakia which was acquired in January 2020. In the cash flow estimates, the revenue of subsidiaries in UK and Slovakia is estimated to grow 5% annually and operating profit to be approximately 5%. Growth estimate of residual value is 2%. In the calculations of the financial year 2021, a discount rate of 16.08 % (12.94% in 2020) has been used.

Should the operating profit used in the testing decrease by approximately 33% or should the discount rate increase by less than 5.9 percentage points, there would be no need for write-down. In impairment testing of goodwill, the residual value of future cash flows is 65% of the cash flows in the calculations for value in use.

Testing of impairment is described also in the accounting principles applied in the Consolidated Financial Statements under Impairment of assets and Impairment testing.

14. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	2021	2020
Shares	4	4
Total available-for-sale investments at the end of the year	**4**	**4**

The fair value of publicly quoted investments in shares does not differ materially from their carrying amount.

15. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets	2021	2020
Tangible assets	125	94
Tax asset for losses	434	338
Employee benefits	213	177
Provisions	91	91
Impairment of fixed assets		51
Transaction costs of share issue		113
Other		4
Deferred tax assets total	**863**	**868**
Deduction according to netting principle	-10	-124
Net deferred tax assets	**852**	**744**

Changes	2021	2020
Accounted in Profit and Loss		
Tangible assets	22	12
Tax asset for losses	96	338
Employee benefits	23	25
Impairment of fixed assets	-52	46
Export incentive	118	-95
Provisions	-4	71
Transaction costs of share issue	-113	
Other	-4	
Total	**86**	**397**
Accounted in equity		
Transaction costs of share issue		113
		113

Deferred tax liabilities	2021	2020
Intangibles	748	777
Investments in subsidiaries	102	96
Export incentive	10	124
Other		9
Net deferred tax liabilities	**861**	**1,006**
Deduction according to netting principle	-10	-124
Net deferred tax liabilities	**851**	**881**

Changes	2021	2020
Accounted in Profit and Loss		
Intangibles	81	289
Other	9	-9
Total	**89**	**280**
Accounted in equity		
Investments in subsidiaries	6	96
Acquisition related		
Intangibles	-28	777

Deferred tax assets and liabilities are recognized for temporary differences between the taxable values of assets and liabilities and their book values according to the debt method. Deferred tax is not recognized on non-deductible goodwill and retained earnings of subsidiaries to the extent that the tax will not materialize in the foreseeable future.

Due to the change in estimate in the financial year 2020 in parent company´s historical losses, total deferred tax assets of EUR 0.34 million has been recognized in the income statement. Deferred tax assets calculations were based on the parent company's 2021 budgeted taxable income. Due to the change in estimate in the financial year 2021 in parent company´s historical losses, total deferred tax assets of EUR 0.43 million has been recognized in the income statement. Deferred tax assets calculations were based on the parent company's 2022 budgeted taxable income.

The parent company has confirmed losses as of December 31 2021 amounting to EUR 2.2 million which expire in 2024-2025.

Group has recognized a deferred tax liability of EUR 0.1 million related to EUR 1.0 million internal dividend payment from India budgeted in 2022. In other respects, no deferred tax liabilities have been recognized from the subsidiaries' profits.

16. INVENTORIES

	2021	2020
Raw materials and supplies	41,982	16,823
Work in progress	10,986	4,768
Finished goods	2,439	1,211
Advance payments	4,061	1,375
Total	**59,467**	**24,176**

17. TRADE AND OTHER RECEIVABLES

Trade and other receivables – non-current	2021	2020
Tax and other receivables from authorities in Indian subsidiary		93
Receivables on withholding tax	118	
Other non-current receivables	229	112
Total	**346**	**205**

Trade and other receivables – current	2021	2020
Trade receivables	27,591	20,941
Loan receivables	18	23
Prepaid expenses and accrued income	5,644	2,907
Other receivables	401	331
Total	**33,654**	**24,202**

The fair value of receivables do not differ from their book value and the receivables do not involve significant credit risks.

Aging structure of trade receivables and items recorded as credit losses	2021	2020
Not past due	24,578	17,041
Past due		
Less than 30 days	2,064	496
30–60 days	483	2,285
61–90 days	77	707
Over 90 days	389	412
Total	**27,591**	**20,941**

No significant credit loss provisions were booked in the Group in 2021 and 2020.

Distribution of current receivables by currency	2021	2020
GBP	6,262	4,970
USD	15,911	11,672
INR	6,410	3,887
EUR	5,072	3,673
Total	**33,654**	**24,202**

18. CASH AND CASH EQUIVALENTS

	2021	2020
Cash and bank accounts	9,249	3,899
Total	**9,249**	**3,899**

The cash and cash equivalents according to the cash flow statement comprise same items.

19. NOTES TO THE STATEMENT OF CHANGES IN EQUITY

	Number of shares	Equity	Total
31 Dec 2021	5,849,327	1,000	1,000
31 Dec 2020	5,820,224	1,000	1,000

Transactions with owners

Invested unrestricted equity fund	2021	2020
1 Jan	**21,491**	**11,028**
Investment in equity	694	10,913
Transaction costs		-563
Deferred tax		113
31 Dec	**22,185**	**21,491**
Retained earnings		
Personnel share-based incentive program-value of employee services	81	32

In November 2020, Incap Corporation carried out a rights issue offering 1,455,056 shares. Board of Directors approved on November 18, 2020 shareholders primary subscriptions made on the basis of the subscription rights and the secondary subscriptions in accordance with the terms of the share issue. The shares have been paid in full. The company received gross income of EUR 10,912,920 from the share issue, which was booked in equity (invested unrestricted equity fund).

The Board of Directors of the Company has on 26 February 2021 resolved, that the sellers of AWS will be paid an equivalent of 600,000 pounds in new shares of the Company in a directed share issue. The amount of EUR 694,397.56 has been recognized in equity (invested unrestricted equity). Information on the purchase price is presented in Note 2 Acquired businesses.

Other changes: Retained earnings	2021	2020
Revaluation of employee benefits	15	-14
Acquisition related		59
Deferred tax liability for internal dividend payment	-6	-96
Total	**9**	**-51**

20. SHARE-BASED PAYMENTS

SHARE BASED INCENTIVE PROGRAM

Incap Corporation's Board of Directors has resolved to implement a long-term share-based incentive scheme for the company's CEO, Otto Pukk. The incentive scheme's purpose is to support Incap's strategy and incentivize the CEO in the effective implementation of the post-acquisition integration of AWS Electronics Group. The company has not previously had a share-based incentive scheme for CEO Otto Pukk. Any reward payable based on the incentive scheme is paid out entirely as Incap's new shares.

The earnings period for the CEO's incentive scheme includes the ongoing and next financial period of the company so that it will end on 31 December 2021. During the earnings period, the CEO may earn a performance-based reward amounting up to 5,730 new shares of the company based on the development of the company's EBIT provided that the CEO is still in a service relationship with the Company at the date of the reward's payment. Possible reward based on the incentive scheme shall be paid after the company's Annual General Meeting in 2022 has approved the company's annual accounts for the financial year 1 January 2021 – 31 December 2021. The shares paid as reward shall not be transferred during a 12-month lock-up period, which begins from the reward payment.

For the execution of the incentive scheme the company's Board of Directors has resolved on the directed share issue to the CEO of the company without consideration based on the authorization granted to the company's Board of Directors on the issuance of shares by the Annual General Meeting of the company on 20 April 2020. The shares are issued subject to meeting the conditions of the incentive scheme.

If the company decides after the beginning of the performance period and before paying the reward on issue of company's shares, or on issue option rights or other special rights entitled to company's shares so that the shareholders have a pre-emptive subscription right, the amount of the reward shall be increased by multiplying the number of earned shares by the share issue multiplier, or in a way resolved by the Board. The maximum number of shares adjusted by the share issue in 2020 amounts to 7,640 shares.

Expenses from the share-based incentive plan are recognized during the earnings period and are presented as employee benefits expenses and retained earnings in equity. Expenses are based on the maximum number of shares adjusted by share issue, i.e. 7,640 and the market value of EUR 14.75 according to May 26, 2020 has been used as a multiple. Expenses for the period 26 May 2020 – 31 December 2021 amount to EUR 112,690.00 of which EUR 31,784.36 relate to 2020 and EUR 80,905.64 to 2021.

21. PENSION LIABILITIES

The Group has both defined-contribution and defined-benefit pension plans. Defined-benefit pension plans are only employed in the subsidiary in India. In defined-benefit pension plans, the amount of the pension benefit at the time of retirement is determined on the basis of certain factors, such as salary and years of employment.

Defined-benefit pension liability in the balance sheet is determined as follows	**2021**	**2020**
Present value of funded liabilities	787	744
Fair value of plan assets	-415	-385
Underfunding/overfunding	**371**	**359**
Amounts in the balance sheet:		
Liability	371	359
Liability, net	**371**	**359**

Defined-benefit pension expenses recognised in the income statement	**2021**	**2020**
Pension costs based on financial period's service	46	39
Benefit-related interest expense	51	48
Expected return on plan assets	-28	-24
Actuarial gains (+) and losses (-)	-16	13
Total	**54**	**76**

Actual return on plan assets was EUR 28 thousand in 2021 (EUR 24 thousand in 2020).

Changes in the present value of the defined benefit obliga	**2021**	**2020**
Defined benefit obligation at 1 Jan	744	724
Current service cost	46	39
Interest cost	51	48
Actuarial gains (+) and losses (-)	-17	13
Exchange differences	49	-80
Benefits paid	-86	
Defined benefit obligation at 31 Dec	**787**	**744**

Changes in the fair value of plan assets	**2021**	**2020**
Fair value of plan assets at 1 Jan	385	343
Expected return on plan assets	28	24
Actuarial gains (+) and losses (-)	-1	-1
Contributions by employer	65	56
Exchange differences	25	-38
Benefits paid	-86	
Fair value of plan assets at 31 December	**415**	**385**

Plan assets are comprised as follows:	**2021**	**2020**
Funds managed by insurer	415	385

The principal actuarial assumptions 31 Dec	**2021**	**2020**
Asia		
Discount rate	7.05%	6.40%
Expected return on plan assets	7.00%	7.00%
Future salary increases	10.0 %	10.0 %

Amounts for the current and previous two periods	**2021**	**2020**
Change from previous year	**5.76%**	**2.77%**
Present value of defined benefit obligation	787	744
Fair value of plan assets	415	385
Surplus (+) / deficit (-)	371	359
Experience adjustments on plan liabilities	25	-30
Experience adjustments on plan assets	-1	-1

The Group expects to contribute the defined benefit plan pensions EUR 0.06 million in 2021.

Assumptiond for pension plan	
Impact on defined benefit obligation	**2021**
Discount rate	
0.50% increase	757
0.50% decrease	819
Future salary increases	
0.50% increase	818
0.50% decrease	757

22. RESTRUCTURING PROVISION AND OTHER PROVISIONS

Expense provision	
1 Jan 2021	
Used provisions	
31 Dec 2021	
Expense provision	
1 Jan 2020	51
Used provisions	-51
31 Dec 2020	

The reserves consisted of the own risk for unemployment insurance funding which has been recognized in profit and Loss in 2020.

23. INTEREST-BEARING AND NON-INTEREST BEARING LIABILITIES

Non-current financial liabilities	**2021**	**2020**
Bank loans	1,363	2,425
Pension loans	312	303
Other liabilities	2,351	3,375
	4,026	**6,103**

Current financial liabilities	**2021**	**2020**
Bank loans	5,754	2,054
Other loans		214
Other liabilities	1,484	1,419
	7,238	**3,687**

Forthcoming payable interest and instalments of loans	**2021**	**2020**
Less than 6 months[1]	4,635	2,340
6–12 months	2,761	1,621
1–5 years	3,868	6,231
Over 5 years	13	
	11,277	**10,192**

The forthcoming instalments and interests have been calculated based on the present effective loan agreements.

[1] Includes India's current bank limit of EUR 3,659,068 and Incap Corporation current bank limit of EUR 578,688.

Distribution of interest-bearing liabilities by currency, 1,000 euros

Non-current liabilities	**2021**	**2020**
GBP	401	630
INR	575	429
EUR	3,050	5,044
	4,026	**6,103**

Current liabilities	**2021**	**2020**
GBP	314	423
USD	3,659	1,174
INR	316	180
EUR	2,948	1,910
	7,238	**3,687**

24. PROVISIONS, TRADE AND OTHER PAYABLES

	2021	2020
Non-current		
Other liabilities	1,619	1,619
Current		
Trade payables	38,932	20,279
Accrued liabilities	4,596	3,204
Short-term provisions	427	541
Advances received	8,225	
Other liabilities	681	1,469
	52,862	25,494
Total	**54,481**	**27,113**

Material items of accrued liabilities relate to discounts, re-debits, tax and payroll expenses.

Distribution of non-interest-bearing liabilities by currency, 1,000 euros

	2021	2020
USD	15,445	7,191
SEK	1	18
GBP	7,596	6,182
JPY	38	5
HKD	2	2
INR	18,860	6,885
EUR	10,920	5,211
	52,862	**25,494**

25. MANAGEMENT OF FINANCIAL RISKS

The nature of the Incap Group's business exposes the company to currency, interest rate, credit and liquidity risks. The objective of the Group's financial risk management policy is to minimize the adverse effects of changes in financial markets on its result and cash flow.

The company's finance administration identifies and assesses the risks, obtains the necessary instruments for hedging the risks and reports to the President and CEO and the Board of Directors on these risks and any changes in them. Hedging transactions are carried out in accordance with the principles approved by the Group's Board of Directors. Currency forward contracts, currency loans and interest rate swaps are used in risk management, whenever necessary. The financial structure of subsidiaries is planned, assessed and controlled with a view to the management of financial risks.

CURRENCY RISKS

Because the Incap Group operates in the euro zone and Asia, the company's business involves currency risk. In accordance with its risk management policy, the company aims to hedge itself from currency risks with currency options and currency forward contracts. In the Estonian company, a part of material purchases are made in USD. Significant proportion of the purchases India, UK and Slovakia are made in USD. The respective transaction position is taken into consideration when calculating the company-specific position and is hedged in accordance with the currency risk policy.

The short-term working capital financing liabilities of the Indian subsidiary are mainly USD-denominated, and the company additionally has an overdraft facility denominated in the Indian rupee.

Incap uses the subsidiary's home currency (Indian rupee, INR) in invoicing between the parent company and the subsidiary. Therefore, exposure to transaction risk concerns almost completely the Group's parent company and the foreign subsidiary is not exposed to substantial transaction risk. The risk exposure of the parent company's balance sheet is hedged with forward exchange agreements and options when necessary.

In line with the Group's currency risk policy the euro-denominated investment made in the subsidiary in India has not been hedged. Parent company acquired in 2020 AWS Electronics Group and the transaction was completed in British pounds which has not been hedged. Therefore, fluctuations of British pound have an impact on Group's balance sheet. The currency exchange differences arising from the investment are presented under exchange differences in the Group's non-restricted equity. Strengthening of INR exchange rate in relation to EUR by 15% increases the Group's equity by EUR 287,070 while weakening of INR exchange rate in relation to EUR by 15% decreases the Group's equity by EUR 388,388 compared with the exchange difference on 31 December 2021.

INTEREST RATE RISK

At the balance sheet date, interest-bearing liabilities in the consolidated balance sheet amounted to EUR 11.3 million (EUR 9.8 million).

Out of the total interest-bearing liabilities, EUR 3.7 million (EUR 4.8 million) is related to IFRS 16 Leases-standard. The weighted average duration of the interest-bearing non-current loan at the balance sheet date is 2.1 years (1.6 years). Bank overdrafts and factoring limits have been treated as bullet loans. The Group has not carried out special hedging measures against interest rate risks during the financial year.

The Group analyses its interest rate exposure by preparing calculations of the defined interest rate change on the company's result, when needed. Calculations are made only for the loans that have the largest impact on the overall interest rate exposure. A change of +1%/-1% in the market interest rates of variable rate loans would change the Group's annual interest rate expenses by EUR +/- 70 thousand on 31 December 2021.

CREDIT RISK

The principles and responsibilities of credit control are defined in the Group's documented operating methods. The Group has significant receivables from several large domestic and global customers. These customers are well-established, long-standing and creditworthy. When a new customer relationship is established, the company assesses the annual volume generated by the new business, its share in revenue and the customer's creditworthiness.

No credit losses were recorded during the financial year (no credit losses in 2020). Incap has not booked any material credit loss provisions. The Group analyzes constantly the creditworthiness of current and new customers. During the financial period the Group has renegotiated payment terms for receivables that would otherwise have been due according to payment terms. Due and renegotiated receivables have no material effect on the Group's financial position. The aging structure of trade receivables is presented in Note 17.

LIQUIDITY RISK

The Group continuously evaluates and monitors the amount of financing required by business operations, so that it has sufficient liquid funds to finance operations and repay due loans. The company strives to ensure the availability and flexibility of financing by using credit facilities and other forms of financing. Incap's main sources of financing are cash flow from operations, loans from financial institutions.

The company's non-current interest-bearing liabilities on 31 December 2021 amounted to EUR 4.0 million (6.1 million on 31 December 2020) and non-current non-interest-bearing liabilities to 1.6 million (EUR 1.6 million). Current interest-bearing liabilities amounted to EUR 7.2 million (EUR 3.7 million). Of this amount, EUR 4.6 million (EUR 1.8 million) were related to the Indian subsidiary. Other interest-bearing liabilities amounted to EUR 2.9 million (EUR 3.0 million) and were loans and credit limits of for the parent company.

Status of the company's financing Loans from credit institutions	Balance on 31 Dec 2021	Balance on 31 Dec 2020
1. Factoring limit		214
2. Bank loan/account with credit facility in Finland	2,879	3,000
3. Bank loan/account with credit facility in India	4,238	1,479
Total	**7,117**	**4,693**
Other loans		
Other accruals (tax provision India)	1,619	1,619
Right-of-use asset liabilities	3,834	4,794
Pension loans (India)	371	359
Total	**5,825**	**6,772**
All in total	**12,942**	**11,465**

In connection with the loan in 2020 the company has agreed with the bank that the covenants related to the loans, credit line and factoring credit line include equity ratio (more than 30.0%) and the Group's interest-bearing debt in relation to EBITDA (less than 3.0), which are reviewed every six months. Bank has the right to terminate the agreement if the covenant terms are not satisfied. EBITDA is calculated for the rolling 12 months.

The company met the covenant on both dates 30 June 2021 and on 31 December 2021.

	31 Dec 2021	30 Jun 2021
Interest bearing debt/EBITDA (<3,0)	0.4	0.4
Equity ratio (>30%)	51.9%	55.3%

Forthcoming instalments and interests are described in the Note 22.

Based on the cash flow estimate prepared in connection with the financial statements, the company estimates that the company's financing will cover the requirement for the next 12 months.

CAPITAL MANAGEMENT

The aim of the Group's capital management activities is to support business operations with an optimal capital structure and increasing shareholder value with the goal of generating the best possible return. An optimal capital structure also guarantees smaller costs of capital.

The trend in the Group's capital structure is constantly tracked with net gearing. On 31 December 2021 the Group's interest-bearing net debt was 2.0 million (EUR 5.9 million at 31 Dec 2020) and the net gearing was 3.2% (15.3% at 31 Dec 2020). Net gearing is calculated by dividing net debt by equity. Interest-bearing net debt equals liabilities less interest-bearing receivables and cash and bank accounts. On 31 December 2021, the equity ratio was 51.9% (50.5% at 31 Dec 2020).

26. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

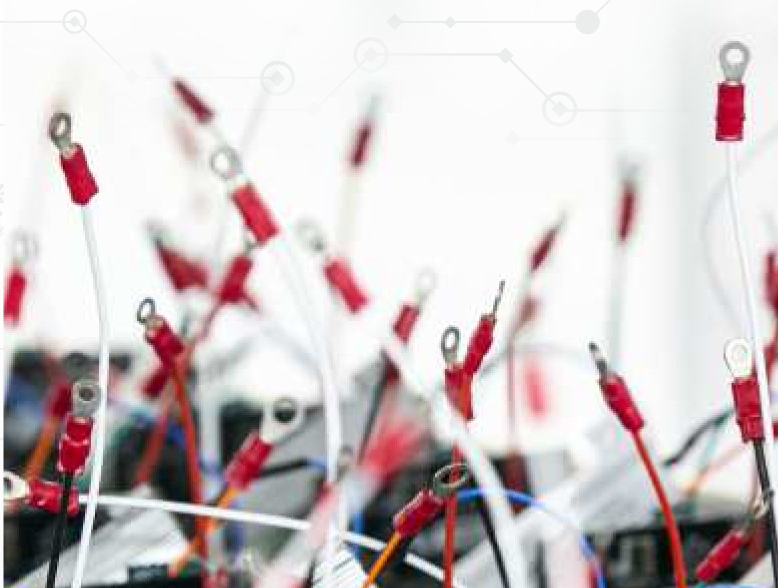
The fair value of current liabilities does not differ from their book value.

Financial liabilities	Book value 2021	Fair value 2021	Book value 2020	Fair value 2020
Bank loans	7,117	7,117	4,693	4,693
Pension loans	371	371	359	359
Lease liabilities	3,834	3,834	4,794	4,794

The fair value of current liabilities do not differ materially from their book value.
At the balance sheet date, the company has no financial assets and liabilities at fair value through profit or loss.

27. ADJUSTMENTS TO CASH FLOWS FROM OPERATIONS

	2021	2020
Non-cash transactions	269	-541
Depreciation and write-downs	3,344	4,109
Employee benefits	96	18
Gains (-) and losses (+) of disposals of fixed assets and other non-current assets	-1	-6
Write-down of inventory	823	
Write-down of trade receivables		
Other items recognized in equity		89
	4,530	**3,667**



28. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 Jan 2021	Cash flow	Reclassified	Foreign exchange movements	New lease liabilities	Other	31 Dec 2021
Current interest-bearing loans and borrowings	2,324	3,297		193			5,813
Lease liabilities	4,794	-1,356		113	284		3,834
Non-current interest-bearing loans and borrowings	2,729	-1,136		28		54	1,675
Total	**9,846**	**805**		**334**	**284**	**54**	**11,323**

	1 Jan 2020	Cash flow	Reclassified	Foreign exchange movements	New lease liabilities	Other	31 Dec 2020
Current interest-bearing loans and borrowings	2,629	-2,659	2	-91		2,444	2,324
Lease liabilities	2,449	-1,188			1,645	1,888	4,794
Non-current interest-bearing loans and borrowings	553	2,162	-2	-61		76	2,729
Total	**5,630**	**-1,685**		**-152**	**1,645**	**4,408**	**9,846**

29. OPERATING LEASES

The Group has leased production facilities in Estonia, the United Kingdom and Slovakia, as well as office space in Helsinki, Tallinn, Bangalore, Namestovo and Newcastle Under Lyme. Some leases that expire on the due date include the option to extend the lease beyond the original expiration date. The index, renewal and other terms of the agreements differ from each other.

The Group as lessee

Minimun lease payments under non-cancellable operating leases, excluding value added tax.

	2021	2020
Less than one year	39	11
More than one year and maximum of five years	45	
	83	**11**

Expiration of lease liabilities	**2021**	**2020**
Lease liabilities – total of minimum leasing costs		
Less than 3 months	393	376
3 - 12 months	1,178	1,118
1–5 years	2,416	3,604
Over 5 years	13	
	4,000	**5,099**
Present value of minimum lease liabilities		
Less than 3 months	370	365
3 - 12 months	1,110	1,019
1–5 years	2,172	3,431
Over 5 years	12	
	3,664	**4,814**
Internal interests expenses in the future	336	284
Total of lease liabilities	**4,000**	**5,099**
Recognized through Profit and loss:		
Depreciations on right-of-use assets	1,430	1,313
Interest expense on right-of-use liabilities	145	178
Expenses relating to short-term leases	61	39
Expenses relating to lease contracts of low value	11	20
	1,647	**1,551**

30. CONTINGENT LIABILITY, ASSETS AND RESPONSIBILITIES

	2021	2020
Bank loans with collaterals given	6,672	4,384
Collateral given on behalf of own commitments		
Mortgages	3,794	1,384
Business mortgages	20,113	20,113

In addition OP Yrityspankki Oyj credit facility that was raised to EUR 5.0 million (EUR 3.0 million in 2020) and was utilized in 2021 to an amount of EUR 578.687,96 had business mortgage as collateral. Utilized amount is included in bank loans. Credit facility was not in use as of 31 December 2020.

Trade receivables with recourse right sold to finance companies		214
Rent security deposit for Group office	3	3
Other liabilities		
Other off balance sheet items	661	582

31. RELATED-PARTY TRANSACTIONS

Management's employee benefits	**2021**	**2020**
Salaries and other current employee benefits	914	614
Post-employment benefit	161	27
Share-based payments	81	32
Total	**1,155**	**673**

During the year, as the company's President & CEO acted Otto Pukk. The pension benefits of the CEO and other members of the management team are determined in accordance with the Employment Pensions Act.

Wages and salaries	**2021**	**2020**
President and CEO	245	199
Government		
Carl-Gustav von Troil	23	20
Päivi Jokinen	23	20
Ville Vuori	45	40
Kaisa Kokkonen	23	13

At the end of the financial period of 2021, the members of the Board and the President and CEO and their related parties held a total of 55,638 shares, i.e. 0.95% of all shares and votes.

32. Significant events after the end of the period

There have been no significant events after the reporting period.

PARENT COMPANY INCOME STATEMENT (FAS)

1,000 euros	Note	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Revenue	1	8,085	2,959
Other operating income	2	14	51
Personnel expenses	3	415	238
Other operating expenses	4	1,526	1,056
Operating profit/loss		**6,158**	**1,715**
Financial income and expenses	5	720	982
Profit/loss before extraordinary items		**6,877**	**2,698**
Income taxes	6		-195
Profit/loss for the financial year		**6,877**	**2,503**

PARENT COMPANY BALANCE SHEET (FAS)

1,000 euros	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Tangible assets	7		
Advance payments and work in process			
Investments	8		
Holdings in Group companies		21,133	21,059
Other investments		4	4
Total non-current assets		**21,137**	**21,063**
Current assets			
Non-current receivables	9	5,455	5,840
Current receivables	9	11,996	3,929
Cash in hand and at bank		295	1,839
Total current assets		**17,746**	**11,608**
Total assets		**38,883**	**32,671**
LIABILITIES			
Equity	10		
Share capital		1,000	1,000
Unrestricted equity reserve		19,975	19,281
Retained earnings		7,846	5,343
Profit for the financial year		6,877	2,503
Total equity		**35,699**	**28,127**
Liabilities			
Non-current liabilities	11	1,100	2,300
Current liabilities	12	2,084	2,244
Total liabilities		**3,184**	**4,544**
Total equity and liabilities		**38,883**	**32,671**

PARENT COMPANY CASH FLOW STATEMENT (FAS)

1,000 euros	1 Jan-31 Dec 2021	1 Jan-31 Dec 2020
Cash flow from operations		
Operating profit	6,158	1,715
Adjustments to operating profit	-303	-36
Change in working capital	-4,856	-1,225
Interest paid	-100	-418
Dividends received	962	989
Interests	3	158
Taxes	-96	-99
Cash flow from operations	**1,767**	**1,084**
Cash flows from investing activities		
Acquisitions	-650	-6,729
Cash flows from investing activities	**-650**	**-6,729**
Cash flows from financing activities		
Share issue		10,913
Share issue transaction costs	-16	-563
Granted loans	-3,850	-7,408
Repayment of loan receivables	1,321	700
Withdrawal of loans	579	13,000
Repayment of non-current loans	-700	-10,000
Cash flows from financing activities	**-2,666**	**6,642**
Exchange rate change in cash and cash equivalents	4	-1
Change in cash and cash equivalents	**-1,544**	**996**
Cash and cash equivalents at the beginning of the financial year	1,839	844
Cash and cash equivalents at the end of the financial year	**295**	**1,839**
Change in working capital		
Change in current trade receivables	-4,945	-834
Change in current liabilities	90	-391
	-4,856	**-1,225**

PARENT COMPANY ACCOUNTING POLICIES

PRINCIPLES OF MEASUREMENT AND PERIODISATION

NON-CURRENT ASSETS

Non-current tangible and intangible assets are recorded in the balance sheet at historical cost less depreciation according to plan and amortisation. Investment grants received have been entered as a credit to the respective asset item. Depreciation according to plan has been calculated according to the straight-line method on the basis of the useful life of the assets.

Intangible assets

- Goodwill 5–6 years
- Other intangible rights 3–5 years

IMPAIRMENT TESTING OF SHARES IN SUBSIDIARIES

The value of subsidiaries in the parent group is the acquisition cost plus subsequent investments to strengthen the equity of the subsidiaries. The value of the shares has a significant impact on the parent company's equity and therefore for example on equity ratio.

The impairment testing of shares in subsidiaries has been carried out on the basis of the situation at the end of December 2021. The recoverable amounts are determined in calculations on the basis of the value in use, and the preparation of these calculations requires the use of judgement.

FINANCIAL ASSETS AND MANAGEMENT OF FINANCIAL RISKS

Trade receivables and payables are not exposed to significant interest rate or foreign currency risks.

FOREIGN CURRENCY TRANSACTIONS

Items denominated in foreign currency have been translated at the average rate stated by the European Central Bank at the balance sheet date. Exchange differences between sales and purchases have been allocated as a credit or debit to respective items.

LEASES

In the parent company's financial statements, lease payments for property, plant and equipment obtained on a finance lease are included as lease expenses in other operating expenses. Parent company lease contracts are either of low value or short-term.

PERIODISATION OF PENSION EXPENSES

Employees' pension security including supplementary benefits has been insured with pension insurance companies. Pension expenses are recognized as an expense during their year of accrual.

"

We are continuing to increase the capacity in India and estimate now that the third factory under construction will be fully finalised by the end of this year.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The financial statements of Incap Corporation have been prepared in accordance with the Finnish accounting standards (FAS).

1. REVENUE

Revenue by market area	2021	2020
Europe	996	398
Other	7,089	2,561
	8,085	**2,959**

2. OTHER OPERATING INCOME

	2021	2020
Unrealized unemployment security deductible		51
Other	14	
	14	**51**

3. PERSONNELL EXPENSES AND NUMBER OF PERSONNEL

	2021	2020
Average number of employees	**2**	**1**
Personnel expenses		
Wages and salaries	371	247
Pension expenses	37	-13
Other social security expenses	7	5
	415	**238**
Salaries and bonus of the management		
CEO and the Board	113	93
	113	**93**

4. OTHER OPERATING EXPENSES

	2021	2020
Lease payments	29	29
Maintenance expenses for machinery and properties	24	22
Other expenses	1,472	1,006
	1,526	**1,056**
Auditors fees		
Authorised Public Accountant Firm Ernst & Young Oy	81	69
Other services		88
	81	**157**

5. FINANCIAL INCOME AND EXPENSES

	2021	2020
Dividend income		
From Group companies		1,948
From other companies	0	0
Other interest and financial income		
From Group companies	318	204
From other companies	557	129
Interest paid and other financial expenses		
To other companies	155	1,299
	720	**982**

6. INCOME TAX

	2021	2020
Withholding tax		195

The parent company has confirmed losses amounting to EUR 2.2 million as of 31 December 2021. A deferred tax asset amounting to apporximately EUR 0.4 million has not been recognized in parent company balance sheet. Remaining confirmed losses expire in 2024-2025.

7. INTANGIBLE AND TANGIBLE ASSETS

Tangible assets	Advanced payments and work in process	Total
Acquisition cost 1 Jan 2021		
Acquisition cost 31 Dec 2021		
Accumulated depreciation and write-downs 1 Jan 2021		
Accumulated depreciation and write-downs 31 Dec 2021		
Book value 31 Jan 2021		
Book value 31 Dec 2021		

Tangible assets	Advanced payments and work in process	Total
Acquisition cost 1 Jan 2020	690	690
Reclassifications between items	-690	-690
Acquisition cost 31 Dec 2020		
Accumulated depreciation and write-downs 1 Jan 2020		
Accumulated depreciation and write-downs 31 Dec 2020		
Book value 31 Jan 2020		
Book value 31 Dec 2020		

Reclassifications in 2020 relate to transaction costs of AWS Electronics acquisition

8. SHARES

	Shares in subsidiaries	Other investments	Total
Acquisition cost, 1 Jan	21,059	4	21,063
Additions	74		74
Acquisition cost, 31 Dec	**21,133**	**4**	**21,137**
Book value, 31 Dec 2021	21,133	4	21,137
Book value, 31 Dec 2020	21,059	4	21,063

Additions during 2021 relate to the acquisition of AWS Electronics.

FINANCIAL STATEMENTS 31 DECEMBER 2021

The Group's equity at the close of the financial period was EUR 62.9 million (EUR 38.6 million in 2020) and the parent company's equity was EUR 35.7 million (EUR 28.1 million in 2020).

The value of shares in subsidiaries in the parent company is the acquisition cost plus subsequent investments to strengthen the equity of the subsidiaries. In the financial statements of the parent company, the value of the Indian subsidiary's shares in the balance sheet is approximately EUR 8.2 million, the value of the Estonian subsidiary approximately EUR 4.1 million and the value of the UK and Slovakia subsidiaries approximately EUR 8.8 million. The value of the shares in subsidiaries has a significant impact on the parent company's equity and accordingly on equity ratio, among others. The impairment testing of subsidiaries has been carried out based on the situation at the close of the financial period 2021. The recoverable amounts used in the impairment test calculations are determined on the basis of use value.

The cash flow forecasts are based on the budget for next financial period and the business plan prepared for the four forthcoming years by the management and approved by the Board. In cash flow estimates, the revenue in India is estimated to grow by 10% annually and EBIT is approximately 15%. In cash flow estimates, the revenue in Estonia is estimated to grow by 5% annually and EBIT is 5%. In cash flow estimates, the revenue in UK and Slovakia subsidiaries which were acquired in January 2020 is estimated to grow by 5% annually and EBIT is 5%. The residual value is estimated to grow by 2%.

The discount rate is comprised of industry risk, interest on liabilities and country-specific risk. The discount rate factors are updated annually in connection with the testing using information received from the market. In the calculations for the financial period 2021, the discount rate of 12.88% has been used in India, 9.28% in Estonia and 13.49% in UK and Slovakia.

Should the EBIT used in the testing decrease by approximately 75% in India, 47% in Estonia or 11% in UK and Slovakia, or should the discount rate increase by less than 8.6 percentage points in Estonia, 231.1 percentage points in India or 1.28% in UK and Slovakia, there would be no need for write-down of shares.

The profitability of the Indian subsidiary is at a good level, thus there is no need for write-down of shares nor the risk. 67% of the Estonian subsidiary valuation consists of residual value.

GROUP COMPANIES

- Incap Electronics Estonia OÜ, Kuressaare, Estonia
- Incap Contract Manufacturing Services Pvt. Ltd., Bangalore, India
- Incap Holdings UK Ltd, Newcastle-under-Lyme, UK
- Incap Electronics Group Ltd, Newcastle-under-Lyme, UK
- Incap Electronics UK Ltd, Newcastle-under-Lyme, UK
- Incap Electronics Slovakia, Namestovo, Slovakia
- Euro-ketju Oy, Helsinki, Finland (dormant)
- Incap Hong Kong Limited, Hong Kong

Incap Corporation owns 100% of group companies and all companies are combined in the parent company consolidated financial statements.

9. RECEIVABLES

	2021	2020
Current		
Amount owed by Group companies		
Loan receivables	5,337	5,840
Non-current		
Amount owed by Group companies		
Trade receivables	6,260	1,110
Interest receivables	516	195
Other receivables	5,188	2,569
	11,964	**3,874**
Other receivables	20	40
Prepaid expenses and accrued income	12	15
Total receivables	**17,333**	**9,768**

10. EQUITY

	2021	2020
Share capital, 1 Jan	1,000	1,000
Share capital, 31 Dec	1,000	1,000
Total restricted equity	**1,000**	**1,000**
Unrestricted equity reserve 1 Jan	19,281	8,368
Share issue	694	10,913
Unrestricted equity reserve 31 Dec	19,975	19,281
Retained earnings, 1 Jan	7,846	5,343
Retained earnings, 31 Dec	7,846	5,343
Profit for the financial year	6,877	2,503
Total non-restricted equity	**34,699**	**27,127**
Total equity	**35,699**	**28,127**
Distributable funds according to the Companies Act, Chapter 13, § 5		
Unrestricted equity reserve	19,975	19,281
Retained earnings	7,846	5,343
Profit/loss for the financial year	6,877	2,503
Total distributable funds	**34,699**	**27,127**

11. NON-CURRENT LIABILITIES

	2021	2020
Loans from credit institutions	1,100	2,300
	1,100	**2,300**

All liabilities are falling due within five years.

12. CURRENT LIABILITIES

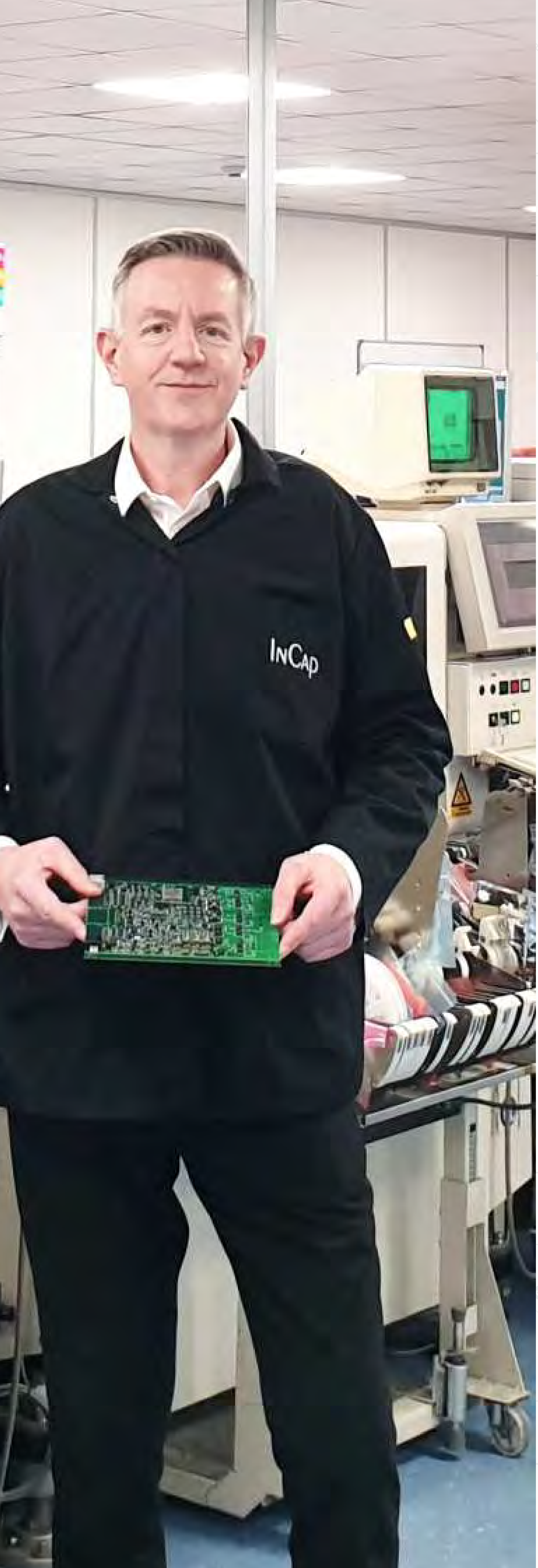
	2021	2020
Loans from credit institutions	1,779	700
Trade payables	89	67
Amount owed to Group companies		
Trade payables	44	43
	44	**43**
Other liabilities	15	1,246
Accruals and deferred income	157	188
Total liabilities	**2,084**	**2,244**
Total interest-bearing liabilities	2,879	3,000
Material items in accruals and deferred income		
Wages and salaries, incl. social costs	82	50
Interest	2	6
Expense reserve		
Withholding tax		96
Other	73	36
	157	**188**
Other current liabilities		
Earn-out payment related to AWS Electronics Group acquisition		567
AWS Electronics Group purchase price paid in shares		667
Others	15	12
	15	**1,246**

13. OTHER NOTES TO THE ACCOUNTS

Collateral	2021	2020
Loans for which real-estate has been mortgaged as collateral		
Loans from credit institutions	2,879	3,000
Mortgages	20,113	20,113

In addition OP Yrityspankki Oyj credit facility that was raised to EUR 5.0 million (EUR 3.0 million in 2020) and was utilized to an amount of EUR 578.687,96 had business mortgage as collateral. Utilized amount is included in bank loans. Credit facility was not in use as of 31 December 2020.

Loans for which business mortgages have been given as collateral		
Rental guarantee	1,271	2,637
Guarantee on recourse right of trade receivables		10
Contingent and other liabilities		
Lease liabilities, net of VAT		
Liabilities falling due next financial year	11	11



BOARD OF DIRECTORS' PROPOSAL ON MEASURES RELATED TO THE RESULT

The parent company's profit for the financial period totals EUR 6,877,283.91. To secure funds for the execution of the growth strategy of Incap and due to uncertainties in the global economy and geopolitical situation, the Board of Directors of Incap Corporation proposes that the Annual General Meeting to be held on 29 April 2022 authorises the Board of Directors to decide on a distribution of dividend of a maximum of EUR 0.80 per share from the profits in accordance with the adopted financial statements of the financial year 1 January 2021 to 31 December 2021, to be distributed in one or several instalments at a later stage based on the Board of Director's assessment. The authorisation shall be valid until the commencement of the next Annual General Meeting.

If the Board of Directors decides to exercise the authorisation, the company will publish the possible decision on the amount of the dividend to be distributed separately, and at the same time confirm the pertinent record and payment dates of the dividend payment.

Distributable funds as of 31 December 2021 amounted to EUR 34,698,670.00 and the number of shares amounted to 5,849,327. Thus, the maximum amount of dividends to be distributed amount to EUR 4,679,461.60.

Helsinki, 25 March 2022

Ville Vuori
Chairman of the Board

Carl-Gustaf von Troil
Board Member

Päivi Jokinen
Board Member

Kaisa Kokkonen
Board Member

Otto Pukk
President and CEO

" In the longer term, the growth in electronics manufacturing services is driven by the growing use of electronics supported with megatrends such as digitalisation.

AUDITOR'S REPORT

To the Annual General Meeting of Incap Oyj

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Incap Oyj (business identity code 0608849-6) for the year ended 31 December, 2021. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6 to the consolidated financial statements and in note 4 to the parent company's financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
Revenue recognition
We refer to the Group's accounting policies and the note 3
The Group's business consists of contract manufacturing of electronics in the Group's factories. Revenues from the sale of goods is recognized when the customer obtains control of goods at a point in time.
Revenue recognition was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10 (2) due to the risk associated with the timely and accurate recognition of the revenue.
</td><td>
Our audit procedures to address the risk of material misstatement in respect of correct timing of revenue recognition included among others the review of the Group's accounting policies over revenue recognition and comparison to IFRS standards. We tested Group's internal controls, where applicable, over proper timing and amount of revenue recognized. We examined Group's sales contracts throughout the financial year and in connection with the year-end audit. We tested the proper timing of revenue recognition at year-end.
We evaluated the disclosures in respect of revenue.
</td></tr>
<tr><td>
Valuation of inventory
We refer to the Group's accounting policies and the note 16
The value of inventories at 31 December 2021 was 59 million euros comprising 46 % of total assets. Inventory valuation was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2) because the valuation of inventory involves the use of management judgement related to the risk of obsolescence inventory and because the value of inventories is significant to the financial statements.
</td><td>
Our audit procedures to address the risk of material misstatement in respect of inventory valuation included evaluation of the processes related to valuation of inventories. We compared the inventory valuation principles to IFRS standards. We tested the valuation of inventories on a sample basis at year-end. In our audit procedures to address the risk of obsolete inventory, we evaluated and tested management's assumptions and calculations related to valuation. We evaluated the disclosures in respect of inventory.
</td></tr>
<tr><td>
Valuation of goodwill
We refer to the Group's accounting policies and the note 13.
At the balance sheet date, 31 December 2021, the amount of goodwill was 7.5 million euros comprising 6 % of total assets and 12 % of equity. The valuation of goodwill was a key audit matter because

goodwill impairment testing is complex and involves judgements,
impairment testing is based on future market and economic growth assumptions; and
the goodwill is material to the financial statements.

The recoverable amount of the Group's cash-generating units has been determined based on value in use calculations, the result of which may vary significantly as the assumptions included in the calculations change. The determination of value in use is affected by several assumptions, such as revenue growth, EBITDA and the discount rate used in discounting cash flows.
Changes in these assumptions may result in impairment of goodwill.
</td><td>
As part of our audit procedures related to goodwill, we utilized our valuation experts to assist us in assessing the appropriateness of the assumptions and methods used by management.
Our procedures included particularly a comparison of the assumptions used by management with information obtained from external data sources and our own expectations regarding the average cost of capital used in discounting cash flows.
In addition, we tested the appropriateness of the calculations made by management and the future projections with the budget approved by the Board. We also compared the results of goodwill impairment tests with the company's market value.
In addition, we assessed the adequacy of the disclosures presented in note 13, such as the sensitivity analysis, and whether somewhat possible change in the key assumption could result in impairment of goodwill.
</td></tr>
</table>

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Annual General Meeting on 21 March 2002 and our appointment represents a total period of uninterrupted engagement of 20 years.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In Helsinki 28th of March, 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Bengt Nyholm
Authorized Public Accountant

" Incap's corporate responsibility is supported with quality and environmental management systems.

FIVE-YEAR KEY FIGURES

IFRS		2021	2020	2019	2018	2017
Revenue	EUR million	169.8	106.5	71.0	59.0	48.5
Growth/change	%	59.4	49.9	20.5	21.5	25.8
Operating profit/loss	EUR million	26.0	12.6	10.1	8.6	4.5
Share of revenue	%	15.3	11.8	14.2	14.6	9.4
Profit/loss before tax	EUR million	25.7	11.5	9.7	7.9	4.0
Share of revenue	%	15.1	10.8	13.6	13.5	8.2
Return on equity (ROE)	%	41.5	30.5	33.4	44.7	34.2
Return on investment (ROI)	%	43.8	34.8	43.4	46.8	28.4
Total assets	EUR million	129.5	76.4	36.5	32.1	24.8
Equity ratio	%	51.9	50.5	60.0	49.1	42.0
Net gearing	%	3.2	15.3	-2.7	16.6	41.9
Interest-bearing net debt	EUR million	2.0	5.9	-0.6	2.6	4.4
Quick ratio		0.8	1.0	1.6	1.0	1.0
Current ratio		1.7	1.8	2.6	1.8	1.6
Investments	EUR million	5.2	9.5	1.1	2.2	0.7
Share of revenue	%	3.1	8.9	1.6	3.7	1.4
R&D expenditure	EUR million	0	0	0	0	0
Share of revenue	%	0	0	0	0	0
Average number of employees		2,165	1,424	830	684	535
Dividends	EUR million[1]	0	0	0	0	0
Per-share data						
Earnings per share	EUR[2]	3.60	2.02	1.44	1.34	0.72
Equity per share	EUR[2]	10.75	6.59	5.01	3.61	2.39
Dividend per share	EUR[2]	0.00	0.00	0.00	0.00	0.00
Dividend out of profit	%[1]	0	0	0	0	0
Effective dividend yield	%[1]	0	0	0	0	0
P/E ratio		21.8	9.1	11.8	5.4	8.6
Trend in share price						
Minimum price during year	EUR	17.20	8.51	7.18	5.60	5.25
Maximum price during year	EUR	80.60	19.20	23.00	8.22	7.20
Average price during year	EUR	42.30	13.92	14.83	6.02	5.93
Closing price at end of year	EUR	78.50	18.45	16.90	7.26	6.19
Total market capitalisation at 31 Dec	EUR million	459.2	107.4	73.8	31.7	27.0
Trade volume	no. of shares	2,740,717	1,911,231	1,564,055	2,891,606	2,009,629
Trade volume	%	47	33	36	66	46
Average during the financial period[3]		5,850,810	4,565,015	4,365,168	4,365,168	4,365,168
In the end of financial period[3]		5,849,327	5,856,398	4,365,168	4,365,168	4,365,168

[1] The Board of Directors of Incap Corporation proposes that the Annual General Meeting authorises the Board of Directors to decide on a distribution of dividend of a maximum of EUR 0.80 per share from the profits in accordance with the adopted financial statements of the financial year 1 January 2021 to 31 December 2021, to be distributed in one or several instalments at a later stage based on the Board of Director's assessment. The authorisation shall be valid until the commencement of the next Annual General Meeting. If the Board of Directors decides to exercise the authorisation, the company will publish the possible decision on the amount of the dividend to be distributed separately, and at the same time confirm the pertinent record and payment dates of the dividend payment.

[2] Number of shares increased in 2020 due to the acquisiton of AWS Electronics Group that was partially paid in shares and due to the share issue in November. In 2021 the number of shares decreased due to the actual realized pruchase price paid in shares relating to AWS acquisition.

[3] Share issued adjusted number of shares in 2020 based on purchase price in shares relating to AWS acquisiton and share issue in November 2020. Share issue adjusted number of shares in 2021 based on the actual realized purchase price in shares relating to AWS acquisition.

> "Incap's growth strategy is based on its entrepreneurial and customer-driven culture and flexible operational model.

DEFINITIONS OF KEY FIGURES

Return on equity, %	=	$\frac{\text{100 x profit/loss for the period}}{\text{average equity during the financial period}}$
Return on investment, %	=	$\frac{\text{100 x (profit/loss + financial expenses + taxes)}}{\text{equity + interest-bearing financing loans}}$
Equity ratio, %	=	$\frac{\text{100 x equity}}{\text{balance sheet total - advances received}}$
Net gearing, %	=	$\frac{\text{100 x interest-bearing net debt}}{\text{equity}}$
Interest-bearing net debt	=	Interest-bearing debt - cash and bank accounts
Quick ratio	=	$\frac{\text{current assets}}{\text{short-term liabilities - short-term advances received}}$
Current ratio	=	$\frac{\text{current assets + inventories}}{\text{short-term liabilities}}$
Investments	=	VAT-exclusive working capital acquisitions, without deduction of investment subsidies
Average number of employees	=	average of personnel numbers at the end of each month

PER-SHARE DATA

Earnings per share	=	$\frac{\text{net profit/loss for the period}}{\text{average number of shares during the period, adjusted for share issues}}$
Equity per share	=	$\frac{\text{equity}}{\text{number of shares at the end of the period, adjusted for share issues}}$
Dividend per share	=	$\frac{\text{dividend during financial year}}{\text{number of dividend-earning shares at end of period, adjusted for share issue}}$
Dividend out of profit, %	=	$\frac{\text{100 x dividend per share}}{\text{earnings per share}}$
Effective dividend yield, %	=	$\frac{\text{100 x dividend per share}}{\text{closing price at balance sheet date}}$
Price per earnings (P/E) ratio	=	$\frac{\text{closing price at balance sheet date}}{\text{earnings per share}}$
Total market capitalisation	=	closing price for the period x number of shares available for public trading

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Return on investment, %

1,000 euros	2021	2020	2019
Net profit/loss for the period	21,059	9,218	6,274
Financial expenses	1,098	1,678	896
Taxes	4,662	2,290	3,390
Profit/loss for the period	**26,819**	**13,187**	**10,559**
Equity	62,893	38,580	21,883
Non-current interest-bearing financing loans	4,026	6,103	2,333
Current interest-bearing financing loans	7,238	3,687	3,234
Capital employed	**74,157**	**48,371**	**27,451**
Capital employed average at the end of the reporting period and the end of previous financial year	**61,264**	**37,911**	**24,346**
Return on investment, %	**43.8**	**34.8**	**43.4**

Return on equity, %

1,000 euros	2021	2020	2019
Net profit/loss for the period	21,059	9,218	6,274
Equity	62,893	38,580	21,883
Equity average at the end of the reporting period and the end of previous financial year	50,737	30,232	18,811
Return on equity, %	**41.5**	**30.5**	**33.4**

Equity ratio, %

1,000 euros	2021	2020	2019
Equity	62,893	38,580	21,883
Balance sheet total	129,488	76,365	36,475
Advances received	-8,225		
Equity ratio, %	**51.9**	**50.5**	**60.0**

Net gearing, %

1,000 euros	2021	2020	2019
Interest-bearing net debt	**2,014**	**5,891**	**-596**
Equity	62,893	38,580	21,883
Net gearing, %	**3.2**	**15.3**	**-2.7**

Interest-bearing net debt

1,000 euros	2021	2020	2019
Non-current interest-bearing financing loans	4,026	6,103	2,333
Current interest-bearing financing loans	7,238	3,687	3,234
Interest-bearing debt	**11,264**	**9,791**	**5,567**
Cash and bank accounts	-9,249	-3,899	-6,163
Interest-bearing net debt	**2,014**	**5,891**	**-596**

Current assets

1,000 euros	2021	2020	2019
Current receivables	33,654	24,202	10,891
Cash and bank accounts	9,249	3,899	6,163
Current assets	**42,904**	**28,101**	**17,054**

Quick ratio

1,000 euros	2021	2020	2019
Current assets	**42,904**	**28,101**	**17,054**
Short-term liabilities	60,099	29,181	10,639
Advances received	-8,225		
Current liabilities	**51,874**	**29,181**	**10,639**
Quick ratio	**0.8**	**1.0**	**1.6**

Current ratio

1,000 euros	2021	2020	2019
Current assets	**42,904**	**28,101**	**17,054**
Inventories	**59,467**	**24,176**	**10,845**
Short-term liabilities	60,099	29,181	10,639
Current liabilities	**60,099**	**29,181**	**10,639**
Current ratio	**1.7**	**1.8**	**2.6**

Investments

1,000 euros	2021	2020	2019
Capital expenditure on tangible and intangible assets	5,170	9,471	1,123
Investments	**5,170**	**9,471**	**1,123**

Adjusted operating profit

1,000 euros	2021	2020	2019
Operating profit	25,974	12,594	10,086
Non-recurring costs	331	74	690
Purchase price allocation (PPA) amortisation	474	1,906	
Adjusted operating profit	**26,780**	**14,573**	**10,776**

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measure		Calculation	Reference to reason to use the measure
Return on investment, %	=	100 x (Net profit/loss + financial expenses + taxes) / (Equity + interest-bearing debt (average at the end of the reporting period and the end of previous financial year))	The measure provides information on return on investment.
Return on equity, %	=	100 x Net profit/loss / Equity (average at the end of the reporting period and the end of previous financial year)	The measure provides information on return on equity.
Equity ratio, %	=	100 x Equity / Balance sheet total - advances received	The measure indicates how much of the Group's assets have been financed with debt.
Net gearing, %	=	100 x Interest-bearing net debt / Equity	The measure indicates the Group's indebtedness.
Interest-bearing net debt	=	Interest-bearing debt – cash and bank accounts	The measure indicates the total amount of the Group's external debt funding.
Current assets	=	Current receivables + cash and bank accounts	The component used for calculating Quick ratio illustrates the assets required for covering the Group's current expenses.
Quick ratio	=	Current assets / Short-term liabilities – short-term advances received	The measure provides information on the company's liquidity
Current ratio	=	Current assets + inventories / Short-term liabilities	The measure provides information on the company's liquidity
Investments	=	VAT-exclusive working capital aqcuisitions without deduction of investment subsidies	The measure provides information on the amount of investments recorded in the Group's balance sheet.
Adjusted operating profit	=	Operating profit before non-recurring costs and purchase price allocation (PPA) amortisation	The measure indicates operating profit less expenses related to the acquisition.

BOARD OF DIRECTORS

VILLE VUORI

Chairman of the Board as from 15 April 2019

B.Sc. (Eng.), eMBA, born 1973

A non-executive director, who is independent of the company and company's major shareholders.

CEO of Kemppi Oy. Ville Vuori has acted as President and CEO of Incap Group during 2014–2017. Before that he worked at Kumera Drives Oy and Skyhow Ltd. as Managing Director and at ABB Group in several managerial positions.

Board member as from 17 April 2018.

Incap shares (direct ownership and holding of interest parties): –

Options: –

PÄIVI JOKINEN

Board member

M. Sc. (Econ), born 1968

A non-executive director, who is independent of the company and its major shareholders.

Managing director and founding partner at Avant Advisors Oy since 2021.
Previously worked as Vice President in Stora Enso Consumer Board Division and member of the management team at Kemira and International Paper Europe.
Member of the Board at Enersense Oyj and European Women on Boards.
Member of the Advisory Council of the private equity company Bocap.

Board member since 17 April 2018.

Incap shares (direct ownership and holding of interest parties): –

Options: –

CARL-GUSTAF VON TROIL

Board member

B.Sc. (Eng.), born 1954

A non-executive director, who is independent of the company and its major shareholders.

Carl-Gustaf von Troil is a member of the Board at United Bankers and acts as a partner and asset manager at UB Wealth management. He has acted as Managing Director and Board member in several companies in banking, investment and property businesses. He is a member of the board at Oy Kontino Ab and in several companies in the United Bankers Group.

Board member as from 31 March 2015. Chairman of the Board 17 April 2018–15 April 2019. Board member since 15 April 2019.

Incap shares (direct ownership and holding of interest pares): 54,138 pcs

Options: –

KAISA KOKKONEN

Board member

M. Sc. (Econ.), HT-auditor, CBM, born 1962

A non-executive director, who is independent of the company and its major shareholders.

Kaisa Kokkonen is a finance professional and founder of Akeba Oy established in 2011. Earlier, she has worked as e.g. CFO at Talentum Oyj and Director of Finance at Hackman Oyj. She has extensive experience in financial management, corporate governance as well as mergers and acquisitions. She was also a member of the Board of The Finnish Business School Graduates 2015-2020.

Board member since 20 April 2020.

Incap shares (direct ownership and holding of interest parties): 1,500 pcs

Options: –

MANAGEMENT TEAM

OTTO PUKK
President and CEO of the Group
M.Sc.B.E., born 1978

With the company as from 2015, first as the director for Incap operations in Estonia. CEO of the Group as of 18 September 2018. He has served previously at Eesti Energia Technology Industries and ETAL Group, among others.

MURTHY MUNIPALLI
Director, Operations India & Sales Asia
M.Sc. (Eng.), MBA, born 1964

Joined the company in 2008, serving first as Sales Director and as Managing Director of the Indian subsidiary. He has worked previously at Spike Technologies Ltd (presently Qualcomm) and Tata Elxsi Ltd.

ANTTI PYNNÖNEN
CFO
M.Sc. (Econ.), born 1982

Joined the company in 2019. He has previously worked at ABB and at Wärtsilä.

GREG GRACE
Director, Operations Estonia
BA, born 1971

Joined the company 2018 serving as Director of Business Development of Incap Estonia. His previous work experience includes management positions in Skano Group, Coca-Cola HBC Baltics and NSB Kaubanduse AS.

JAMIE MAUGHAN
Director of Operations UK & Slovakia and
Managing Director of Incap Electronics UK Limited
HND, born 1972

Jamie joined Incap in January 2020 through the acquisition of AWS Electronics Group. Jamie started his career at Motorola. He has had various roles in electronic manufacturing and has run several sites.

SHARES AND SHAREHOLDERS

Incap Corporation has one series of shares, and the number of shares on 31 December 2021 was 5,849,327. The company's share capital registered in the trade registry was EUR 1,000,000 on 31 December 2021. The company does not hold any of its own shares.

Incap Corporation's shares are listed on the NASDAQ Helsinki since 5 May 1997. In the Nordic OMX List Incap belongs to the Mid Cap segment and the industry sector of Incap is Industrials/Industrial Goods & Services. The company code is ICP, and the book entry type code is ICP1V.

During the financial year, Incap Corporation's share price varied between EUR 17.20 and 80.60. The closing price on 31 December 2021 was EUR 78.50. The market capitalisation on 31 December 2021 was EUR 459.2 million. At the end of the reporting period, the company had 4,605 shareholders. Nominee-registered owners held 20.4% and foreign owners 8.2% of all shares.

SHAREHOLDER AGREEMENTS

The Board of Directors is not aware of any shareholder agreements concerning the ownership and voting rights of the company's shares.

SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND THE PRESIDENT

At the end of the reporting period, the members of Incap Corporation's Board of Directors and the President and CEO and their interest parties owned a total of 55,638 shares or approximately 1% of the company's shares and votes. Changes in the shareholdings of the Board of Directors, the President and the Group management team are announced as stock exchange releases available on the company's website at **www.incapcorp.com**, section Investors/News and Releases.

Development of share capital Date		Change 1,000 euros	Registered on	Share capital, 1,000 euros
31 January 1991	Merger	5,760	26 February 1992	7,862
28 April 1992	Increase	424	25 November 1992	8,286
30 September 1992	Decrease	4,972	02 December 1992	3,314
15 January 1993	Increase	32	11 August 1993	3,347
16 March 1994	Increase	563	21 December 1994	3,910
10 March 1997	Increase	978	21 March 1997	4,889
05 May 1997	Increase	975	05 May 1997	5,864
04 May 1998	Increase	40	04 May 1998	5,904
21 March 2002	Increase	14,583	24 April 2002	20,487
06 April 2016	Decrease	19,487	31 August 2016	1,000

Largest shareholders on 31 December 2021	Shares, pcs	Percentage of shares and votes, %
OY ETRA INVEST AB	1,137,333	19.44
JOENSUUN KAUPPA JA KONE OY	513,028	8.77
NORDEA LIFE INSURANCE FINLAND LTD.	512,060	8.75
ILMARINEN MUTUAL PENSION INSURANCE COMPANY	261,308	4.47
MANDATUM LIFE INSURANCE COMPANY LIMITED	187,492	3.21
LAAKKONEN MIKKO KALERVO	127,413	2.18
KAKKONEN KARI HEIKKI ILMARI	102,105	1.75
ETOLA ERKKI	100,000	1.71
ETOLA GROUP OY	90,000	1.54
K22 FINANCE OY	79,006	1.35
10 largest total	**3,109,745**	**53.16**

Nominee-registered holding is not included in the list.

Holding by sector on 31 December 2021	Shareholders, pcs	%	Shares and votes, pcs	%
Private enterprises	157	3.4	963,953	16.5
Financial institutions	11	0.2	2,634,740	45.0
Public sector entities	1	0.0	261,308	4.5
Households	4,418	95.9	1,506,345	25.8
Non-profit organizations	3	0.1	2,063	0.0
Foreign ownership	15	0.3	480,918	8.2
TOTAL	**4,605**	**100.0**	**5,849,327**	**100.0**
Nominee-registered	9		1,195,928	20.4

Holding by number of shares on 31 December 2021 Shares, pcs	Shareholders, pcs	%	Shares and votes, pcs	%
1 – 100	2,919	63.4	100,843	1.7
101 – 500	1,211	26.3	284,157	4.9
501 – 1000	234	5.1	165,818	2.8
1,001 – 5,000	181	3.9	361,627	6.2
5,001 – 10,000	24	0.5	160,089	2.7
10,001 – 50,000	20	0.4	441,205	7.5
50,001 – 100,000	5	0.1	407,999	7.0
100,001 – 500,000	8	0.2	1,765,168	30.2
500,001 –	3	0.1	2,162,421	37.0
TOTAL	**4,605**	**100.0**	**5,849,327**	**100.0**
of which nominee-registered	9		1,195,928	20.4

NOTES

> Incap estimates that its revenue, operating profit (EBIT) and adjusted operating profit (EBIT) for 2022 will be higher than in 2021.

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