

Half-year financial report 26 August 2020 at 9.00 a.m. (EEST)

## **INCAP GROUP HALF-YEAR FINANCIAL REPORT FOR JANUARY–JUNE 2020: SATISFACTORY PERFORMANCE DESPITE THE COVID-19 PANDEMIC**

### **April–June 2020 highlights**

- Due to the COVID-19 pandemic and the related lockdowns, Incap's factory in India was closed at the end of March 2020 and restarted in May 2020.
- The closure of the factory and other effects of the pandemic had a negative impact on the organic revenue growth and the profitability.
- The overall market demand continued on a good level.
- The revenue of the second quarter amounted to EUR 22.6 million, showing an increase of 21% (4-6/2019: EUR 18.7 million).
- Excluding revenue from AWS Electronics Group acquired in January 2020, the revenue decreased organically by 31%.
- Adjusted EBIT was EUR 2.8 million (EUR 2.9 million), corresponding to 12.2% of revenue (15.5%).
- AWS Electronics Group acquisition related purchase price allocation (PPA) amortisation amounted to EUR 0.7 million (EUR 0.0 million) and non-recurring costs were EUR 0.0 million (EUR 0.0 million).
- Operating profit (EBIT) was EUR 2.1 million (EUR 2.9 million), a decrease of 27%, corresponding to 9.3% of revenue (15.5%).
- Net profit for the period was EUR 1.2 million (EUR 2.1 million), a decrease of 46%.

### **January–June 2020 highlights**

- Acquisition of AWS Electronics Group with production facilities in the UK and Slovakia was completed in January 2020.
- Revenue in January-June 2020 amounted to EUR 46.9 million, an increase of 26% (1–6/2019: EUR 37.2 million).
- Excluding revenue from AWS Electronics Group acquired in January 2020, the revenue decreased organically by 24%
- Adjusted EBIT was EUR 5.4 million (EUR 5.7 million), corresponding to 11.6% of revenue (15.5%).
- AWS Electronics Group acquisition related purchase price allocation (PPA) amortisation amounted to EUR 1.1 million (EUR 0.0 million) and non-recurring costs were EUR 0.1 million (EUR 0.0 million).
- The Group's operating profit (EBIT) was EUR 4.3 million (EUR 5.7 million), a decrease of 26%, corresponding to 9.1% of revenue (15.5%).
- Net profit for the report period was EUR 2.7 million (EUR 4.3 million), a decrease of 37%.
- Earnings per share were EUR 0.62 (EUR 0.99).

Unless otherwise stated, the comparison figures refer to the corresponding period in 2019. This half-year financial report is unaudited.

## Key figures

EUR million	4–6/2020	4–6/2019	Change	1–6/2020	1–6/2019	Change	2019
Revenue	22.6	18.7	21%	46.9	37.2	26%	71.0
Operating profit (EBIT)	2.1	2.9	-27%	4.3	5.7	-26%	10.1
EBIT, % of revenue	9.3%	15.5%		9.1%	15.5%		14.2%
Adjusted EBIT*	2.8	2.9	-5%	5.4	5.7	-7%	10.8
Adjusted EBIT*, % of revenue	12.2%	15.5%		11.6%	15.5%		15.2%
Net profit for the period	1.2	2.1	-46%	2.7	4.3	-37%	6.3

\*Adjusted EBIT is an alternative performance measure. Adjusted EBIT excludes the non-recurring items and the purchase price allocation amortisation.

## Outlook for 2020

As a result of uncertainty relating to the COVID-19 pandemic, Incap withdrew its outlook for 2020 on 24 March 2020. Incap has now updated its outlook for 2020:

Following the acquisition of AWS Electronics Group in January 2020, Incap estimates the revenue for 2020 to be significantly higher than in 2019. Considering the impact from the acquisition of AWS Electronics Group, the one-time integration and transaction costs, the PPA amortization, as well as the pandemic related factory closure, the operating profit (EBIT) is estimated to be approximately on the same level as in 2019.

The estimates and forecasts contain significant uncertainty related to the COVID-19 pandemic. The estimates are given provided that there are no major changes in currency exchange rates or in component availability and they are based both on Incap's customers' forecasts and the company's own assessments of the business development.

### Incap Group's CEO Otto Pukk:

As expected the COVID-19 pandemic had a negative impact on our operations in the second quarter of the year. Due to the lockdown and the factory close in India, our revenue decreased organically. However, I am satisfied that in the difficult circumstances the demand for our services continued on a good level and we managed to ramp up the operations at the Indian factory quickly after the lockdown was lifted. Despite our personnel working extra shifts to catch up with the backlog, part of the deliveries were delayed to the third quarter of the year.

Due to the pandemic and the related restrictions, our factory in the UK operated with somewhat reduced capacity during the second quarter. Our factory in Slovakia suffered from the decline in the automotive sector while our factory in Estonia has been operating in the second quarter almost normally. Excluding the effect from the AWS Electronics Group acquisition related purchase price allocation amortisations, our profitability continued on a good level, despite the negative impact from the closure of the factory in India and other pandemic related effects.

The overall demand for our services has continued on a good level, although the pandemic has put pressure on some customer segments. Especially the automotive sector was affected by the pandemic, but has since then started to slowly recover. We have been successful in new customer acquisition this year and have seen high activity among customers in Europe with a good number of requests for quotations. As a result of the pandemic, many customers are reviewing their manufacturing arrangements and we can see more interest moving manufacturing closer to the home markets and R&D activities. Despite the challenges caused by the pandemic for the global supply chain, we have managed to find solutions to secure the availability of components and ensure the smoothness of the logistics.

Following the AWS acquisition in January this year, the number of customers has increased significantly. Our four biggest customers contributed to 50.8% of revenue in the first half of 2020, while in 2019 their share was 80.6%. With this change, we can see also that the customer base is more balanced and the variations in the activity of different customers compensate each other well and smooth out our business.

After the acquisition and throughout the pandemic, we have focused on securing the business and serving customers well. Considering the circumstances, the business is developing well at the acquired units in UK and Slovakia. Integration of the acquired units continued according to plan during the second quarter, despite the COVID-19 pandemic. Our main focus in the integration has been on capturing synergies in cross-selling and sourcing.

The investment in new manufacturing capacity in India is also back on track after the slowdown caused by the pandemic and the lockdown. We expect the factory expansion to be finalised still this year.

My warmest thanks under these unusual times goes to our personnel who has shown great resilience and flexibility. We have taken very strict measures to protect our personnel from the spread of the virus and this has required special efforts from all our employees. It has been a tough time and uncertainty relating to recovery from the COVID-19 pandemic still remains high. However, following the AWS acquisition, we expect our revenue for 2020 to be significantly higher than in 2019. Considering the impact from the acquisition of AWS Electronics Group, the one-time integration and transaction costs, the PPA amortization, as well as the pandemic related factory closure, our operating profit (EBIT) is estimated to be approximately on the same level as in 2019.

## **Business environment**

The overall demand and market activity in the Electronics Manufacturing Services industry has continued on a good level despite the COVID-19 pandemic and its negative impact on certain industries and customer segments, such as the automotive industry. Due to the pandemic and measures taken to contain it, there has been some challenges in the operating environment. The lockdowns introduced resulted in the closure of the factory in India as well as a partial closure of the factory in the UK. The lockdowns and travel restrictions have challenged the global supply chains. However, Incap has not experienced major interruptions in component availability and logistics.

The impact of the pandemic on Incap's operating environment started to decrease towards the end of the first half of the year, as the lockdowns were lifted and travel restrictions were relaxed. The demand in the automotive industry also started to stabilize towards the end of the period.

In the electronics manufacturing services (EMS) industry, customers continue to be very price-conscious and expect that their manufacturing partners increase efficiency continuously and stay competitive. In the first half of the year, there were no major changes in the cost level of the components or price pressure.

In the longer term, the growth in electronics manufacturing services is driven by the growing use of electronics supported with megatrends such as digitalization. The transition to Industry 4.0 and 5G technologies and the growing environmental technology sector will offer new market opportunities for the EMS industry. The EMS industry is highly fragmented and offers potential for consolidation.

### Financial performance April–June 2020

In April–June 2020, the revenue grew 21% due to the acquisition of the AWS Electronics Group acquisition finalized in January 2020. Due to the factory closure in India and other effects of the pandemic, organically the net sales decreased by 31%. As a result of the acquisition of AWS Electronics Group, the one-time integration and transaction costs, the PPA amortization, as well as the pandemic related factory closure and other effects, the profitability decreased compared to the previous year. Excluding the impact of the acquisition related amortizations, the profitability remained on a good level.

The revenue of the second quarter amounted to EUR 22.6 million (4-6/2019: EUR 18.7 million). Operating profit (EBIT) was EUR 2.1 million (EUR 2.9 million). Adjusted EBIT was EUR 2.8 million (EUR 2.9 million). The net profit for the period totalled EUR 1.2 million (EUR 2.1 million). Operating profit (EBIT) decreased by 27%, adjusted EBIT by 5% and net profit for the period by 46%. The operating profit margin was 9.3% (15.5%) and the adjusted operating profit margin was 12.2% (15.5%). The purchase price allocation amortisation relating to the AWS acquisition and the acquisition related non-recurring costs amounted to EUR 0.7 million (EUR 0.0 million).

### Financial performance January–June 2020

Revenue for January–June amounted to EUR 46.9 million, showing an increase of 26% compared to the previous year (1-6/2019: EUR 37.2 million). The revenue increased due to the acquisition of AWS Electronics Group in January 2020.

The profitability of the Incap Group remained on a good level despite the negative impact of AWS Electronics Group related one-time integration, transaction costs and the PPA amortization, as well as the pandemic related factory closure and other effects. The operating profit (EBIT) for January–June amounted to EUR 4.3 million (EUR 5.7 million) which was 9.1% of revenue (15.5%). Adjusted EBIT was EUR 5.4 million (EUR 5.7 million), corresponding to 11.6% (15.5%) of revenue.

As a result of the AWS Electronics Group acquisition and their more complex product mix, the personnel expenses in the report period increased to EUR 6.7 million (EUR 2.7 million). Other business costs increased to EUR 2.3 million (EUR 1.7 million). The material costs increased to EUR 32.1 million (EUR 26.5 million).

Depreciation amounted to EUR 1.6 million (EUR 0.7 million). The increase of EUR 0.9 million is due to IFRS 16 and the AWS acquisition related PPA amortization. Net financial expenses amounted to EUR 0.6 million (EUR 0.3 million). The increase was related to the financing of the AWS acquisition.

Net profit for the period was EUR 2.7 million (EUR 4.3 million). Earnings per share were EUR 0.62 (EUR 0.99).

### Balance sheet, financing and cash flow

The balance sheet on 30 June 2020 totalled EUR 68.7 million (EUR 35.6 million) and the Group's equity was EUR 22.8 million (EUR 20.3 million). The equity ratio was 33.2% (57.1%) and net gearing was 61.2% (4.2%). The changes were mainly related to the AWS acquisition related increase in indebtedness.

As a result of the AWS Electronics Group acquisition, liabilities increased to EUR 45.8 million (EUR 15.3 million), of which EUR 22.5 million (EUR 5.6 million) were interest-bearing liabilities. Interest-bearing net debt increased to EUR 14.0 million (EUR 0.8 million). The AWS acquisition related bullet loan was converted into a long-term loan in June 2020.

The Group's non-current interest-bearing liabilities amounted to EUR 15.1 million (EUR 3.2 million) and non-interest-bearing liabilities amounted to EUR 2.9 million (EUR 0.5 million). The current interest-bearing

liabilities were EUR 7.4 million (EUR 2.4 million). Liabilities include EUR 13.0 million of bank loans and limits granted by the company's Finnish bank (EUR 0.7 million) and EUR 0.5 million of factoring financing used in Estonia (EUR 0.8 million).

The main covenants of the company's loans are 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 30 June 2020, the target level of interest-bearing debt in relation to EBITDA was to be below 3.0 and the target for equity ratio to be above 30.0%. The company met these covenants as the actual interest-bearing debt/EBITDA on the review date was 1.9 and the equity ratio 33.2%.

The Group's cash position during the report period was solid. The Group's quick ratio was 0.9 (1.4), and the current ratio was 1.5 (2.3).

Cash flow from operations was EUR 4.2 million (EUR 5.5 million). On 30 June 2020, the Group's cash and cash equivalents totalled EUR 8.5 million (EUR 4.8 million). The value of inventories was EUR 17.5 million at the end of the reporting period (EUR 10.5 million).

### **Investments**

Investments in tangible and intangible assets in January–June totalled EUR 0.9 million (EUR 0.5 million) and were related to the ongoing expansion of the factory in India and investments in new machinery in Slovakia. Investments in the shares in the subsidiaries totalled EUR 6.7 million (EUR 0.0 million) and were related to AWS Electronics Group acquisition.

### **Acquisitions**

The acquisition of AWS Electronics Group, with production facilities in the UK and Slovakia, was completed in January 2020. Through the acquisition Incap has extended its strategic foothold into the UK and Central Europe and further strengthened its position in the USA and South-East Asia. As a result of the acquisition, Incap has been able to broaden the product offering to existing customers and enter into new market segments. The acquisition has also widened Incap's customer portfolio both in numbers and industrial segments and in the long-term, the acquisition is expected to bring synergy benefits in e.g. material purchasing and cross-selling opportunities.

AWS Electronics Group acquisition related purchase price allocation (PPA) amortisation in January-June amounted to EUR 1.1 million and non-recurring costs were EUR 0.1 million.

### **Personnel**

At the end of June 2020, Incap Group had 1,297 employees (830). The average number of personnel during January–June 2020 was 1,293 (815).

58.1% (89.3%) of the personnel were located in India, 23.9% (0.0 %) in Slovakia, 16.4% (0.0%) in the U.K., 7.0% (10.5%) in Estonia and 0.1% (0.2%) in Finland.

### **Management and organization**

Incap Group's President and CEO is Otto Pukk. The other members of the management team are Murthy Munipalli, Managing Director India, Greg Grace, Managing Director Estonia and Antti Pynnönen, CFO.

Incap has manufacturing units Estonia, India, Slovakia and the UK. Finance and administration, sourcing, sales, IT and communications are coordinated by the corporate office with headquarters in Finland.

## Annual General Meeting 2020

Incap Corporation's Annual General Meeting was held on 20 April 2020 in Helsinki. The Annual General Meeting adopted the annual accounts for the financial period ending on 31 December 2019 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 to authorize the Board of Directors to decide on a dividend payment of a maximum of EUR 0.35 per share from the profits of the financial year January 1, 2019 to December 31, 2019, to be distributed in one or several instalments at a later stage based on the Board of Directors' assessment. The authorization is valid until the next Annual General Meeting.

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

The Annual General Meeting resolved that the number of members of the Board of Directors is four (4). The Annual General Meeting re-elected Ville Vuori, Carl-Gustaf von Troil and Päivi Jokinen as members to the Board of Directors, and Kaisa Kokkonen was elected as a new member to the Board of Directors. The Board of Directors elected amongst its members Ville Vuori as the Chairman of the Board.

The Annual General Meeting re-elected the firm of independent accountants Ernst & Young Oy as the company's auditor. The auditing firm has informed that Bengt Nyholm, Authorised Public Accountant, will continue as the principal auditor.

The Annual General Meeting authorised the Board of Directors to decide to issue new shares either against payment or without payment. The authorisation entitles to a maximum quantity of 436,516 new 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 authorisation is valid for one year from the Annual General Meeting.

## Shares and shareholders

Incap Corporation has one series of shares, and the number of shares at the end of the period was 4,365,168 (30 June 2019: 4,365,168).

In January–June 2020, the average number of shares adjusted for a share issue was 4,403,172. The adjustment is related to the acquisition price of AWS Electronics Group acquired at the end of January 2020, of which approximately EUR 0.7 million will be paid in Incap's shares on or before 28 February 2021. Based on the share price of the company on 30 June 2020 (15.35 euros), the number of shares to be issued is 42,841.

The Annual General Meeting 2020 authorised the Board of Directors to decide to issue new shares. The authorisation entitles to a maximum quantity of 436,516 new shares.

In January–June 2020, the share price varied between EUR 9.94 and 21.20 (EUR 7.18 and 15.05). The closing price for the period was EUR 15.35 (EUR 13.35). The market capitalisation on 30 June 2020 was EUR 67.0 million (EUR 58.3 million).

At the end of report period, the company had 3,917 shareholders (2,707). Nominee-registered or foreign owners held 7.5% (4.5%) of all shares. The company does not hold any of its own shares.

### Largest shareholders

30 June 2020	Shares, pcs	Holding, %
Oy Etra Invest Ab	853,000	19.54
Nordea Life Insurance Finland	581,260	13.32
Joensuun Kauppa ja Kone	393,422	9.01
Laakkonen Mikko	218,257	5.00
Ilmarinen Mutual Pension Insurance Company	195,981	4.49
Danske Bank a/s Helsinki branch	164,563	3.77
Mandatum Life Insurance Company Limited	150,104	3.44
K22 Finance Oy	134,100	3.07
Kakkonen Kari	100,000	2.29
Skandinaviska Enskilda Banken Ab (Publ.) Helsinki branch	84,062	1.93
<b>10 largest shareholders in total</b>	<b>2,874,749</b>	<b>65.86</b>

### Flagging notifications

During the period January–June 2020, Incap was informed of the following changes in ownership:

On 27 January 2020, Incap received an announcement in accordance with the Securities Market Act, according to which the total holdings of shares and votes of Ilmarinen Mutual Pension Company in Incap Corporation had fallen below 5 percent threshold.

### 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 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.

### **Short-term risks and uncertainties**

General risks related to the company's business operations and sector include the development of 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.

#### COVID-19 risks

Development of the COVID-19 pandemic and measures taken to contain it may have a negative impact on Incap's performance in the short-term. The lock-downs 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.

#### 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 the 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. Four biggest customers contributed to 50.8% (80.6%) of revenue in January–June 2020. Out of the total revenue in first half of 2020, 11 customers (7) 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 significant risk. The company did not record any credit losses in the first half of 2020.

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.



The 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 tax audit conducted by Indian tax authorities in 2018 regarding financial period 2015-2016, the deductibility of group costs is being investigated. 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 additional EUR 1.2 million provision was booked 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.

## Strategy

The future growth of InCap builds on the entrepreneurial, agile and customer driven culture of its employees, flexible operational model as well the deeply engrained cost management mindset. InCap wants to drive consolidation in the industry to benefit from the industry growth potential and to maintain its cost efficiency and long-term profitability in a sustainable way. To continue the strong track record, InCap focuses on three key strategic cornerstones: growth, profitability and operational excellence.

Growth is driven by the growing use of electronics and global trends in outsourcing. Maintaining InCap's unique and efficient business model is a key element of the strategy and helps reaching profitability targets. InCap's investments in operational excellence include high quality technology and the know-how of InCap's employees. Decentralized way of working motivates personnel and brings value to InCap's customers.

## Financial calendar for 2020

InCap Group's business review for January–September 2020 will be published on 25 November 2020.

In Helsinki, 26 August 2020

INCAP CORPORATION

Board of Directors

For additional information, please contact:  
Otto Pukk, President and CEO, tel. +372 508 0798

Distribution:  
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Principal media  
[www.incapcorp.com](http://www.incapcorp.com)

## The accounting principles for the half-year report

This half-year report has been prepared in accordance with international financial reporting standards (IFRS) - IAS 34 Interim Financial Reporting standard. When preparing the release, the same principles have been used as in the 2019 financial statement except for the new standards applied in 2020. Unless otherwise stated, the comparison figures refer to the same period in the previous year. The information in this financial statement report is unaudited.

Annex 1

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(EUR thousands, unaudited)	1-6/2020	Change, %	1-6/2019	7-12/2019	1-12/2019
<b>REVENUE</b>	<b>46,858</b>	<b>26%</b>	<b>37,196</b>	<b>33,826</b>	<b>71,022</b>
Change in inventories of finished goods	-31	-90%	-314	-94	-408
Other operating income	168	-57%	394	611	1,004
Raw materials and consumables used	32,116	21%	26,500	24,487	50,987
Personnel expenses	6,706	152%	2,657	2,521	5,178
Depreciation, amortisation and impairment losses	1,576	133%	675	709	1,384
Other operating expenses	2,344	38%	1,694	2,289	3,983
<b>OPERATING PROFIT/LOSS</b>	<b>4,253</b>	<b>-26%</b>	<b>5,749</b>	<b>4,337</b>	<b>10,086</b>
Financing income and expenses	-604	122%	-271	-151	-422
<b>PROFIT/LOSS BEFORE TAX</b>	<b>3,649</b>	<b>-33%</b>	<b>5,477</b>	<b>4,186</b>	<b>9,664</b>
Income tax expenses	-935	-19%	-1,152	-2,238	-3,390
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>2,714</b>	<b>-37%</b>	<b>4,325</b>	<b>1,948</b>	<b>6,274</b>
Earnings per share	0.62	-38%	0.99	0.45	1.44

<b>OTHER COMPREHENSIVE INCOME</b>	1-6/2020	Change, %	1-6/2019	7-12/2019	1-12/2019
Items that will not be transferred to P&L (revaluation of employee benefits)	-40	9%	-36	3	-34
<b>OTHER COMPREHENSIVE INCOME:</b>					
Items that may be recognized in profit or loss at a later date:					
Translation differences from foreign units	-1,801	-704%	298	-393	-95
Other comprehensive income, net	-1,840	-803%	262	-390	-128
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>874</b>	<b>-81%</b>	<b>4,587</b>	<b>1,558</b>	<b>6,146</b>
Attributable to:					
Shareholders of the parent company	874	-81%	4,587	1,558	6,146
Non-controlling interest	0	0	0	0	0

Annex 2

**CONSOLIDATED BALANCE SHEET**

(EUR thousands, unaudited)	30 June 2020	30 June 2019	Change, %	31 Dec 2019
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	5,992	4,719	27%	4,853
Right-of-use assets	4,603	2,774	66%	2,463
Goodwill	6,993	902	675%	894
Other intangible assets	5,039	17	29438%	13
Other financial assets	4	4	0%	4
Other receivables	332	397	-16%	350
<b>TOTAL NON-CURRENT ASSETS</b>	<b>22,963</b>	<b>8,813</b>	<b>161%</b>	<b>8,576</b>
<b>CURRENT ASSETS</b>				
Inventories	17,490	10,516	66%	10,845
Trade and other receivables	19,678	11,457	72%	10,891
Cash and cash equivalents	8,530	4,799	78%	6,163
<b>TOTAL CURRENT ASSETS</b>	<b>45,698</b>	<b>26,772</b>	<b>71%</b>	<b>27,899</b>
<b>TOTAL ASSETS</b>	<b>68,661</b>	<b>35,585</b>	<b>93%</b>	<b>36,475</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>				
Share capital	1,000	1,000	0%	1,000
Share premium account	0	0		0
Reserve for invested unrestricted equity	11,028	11,028	0%	11,028
Exchange differences	-3,464	-1,271	173%	-1,664
Retained earnings	14,258	9,568	49%	11,519
<b>TOTAL EQUITY</b>	<b>22,822</b>	<b>20,325</b>	<b>12%</b>	<b>21,883</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing loans and borrowings	2,872	468	514%	1,619
Interest-bearing and non-interest-bearing	15,096	3,229	367%	2,333
Deferred tax liabilities	868	0		0
<b>NON-CURRENT LIABILITIES</b>	<b>18,836</b>	<b>3,697</b>	<b>410%</b>	<b>3,952</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	19,599	9,146	114%	7,405
Current interest-bearing loans and borrowings	7,405	2,417	206%	3,234
<b>CURRENT LIABILITIES</b>	<b>27,004</b>	<b>11,563</b>	<b>134%</b>	<b>10,639</b>
<b>TOTAL LIABILITIES</b>	<b>45,840</b>	<b>15,260</b>	<b>200%</b>	<b>14,592</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,661</b>	<b>35,585</b>	<b>93%</b>	<b>36,475</b>

## Annex 3

**CONSOLIDATED CASH FLOW STATEMENT**

(EUR thousands, unaudited)	1-6/2020	1-6/2019	1-12/2019
<b>Cash flow from operating activities</b>			
Operating profit, continuing operations	4,253	5,749	10,086
Adjustments to operating profit	1,780	1,197	1,431
Change in working capital	-332	-186	-1,260
Interest and charges paid	-481	-177	-407
Interest received	2	2	2
Paid tax and tax refund	-1,019	-1,085	-2,537
<b>Cash flow from operating activities</b>	<b>4,204</b>	<b>5,499</b>	<b>7,315</b>
<b>Cash flow from investing activities</b>			
Capital expenditure on tangible and intangible assets	-871	-502	-1,123
Investments in shares in subsidiaries	-6,679	0	0
<b>Cash flow from investing activities</b>	<b>-7,550</b>	<b>-502</b>	<b>-1,123</b>
<b>Cash flow from financing activities</b>			
Drawdown of loans	13,961	1,407	3,507
Repayments of borrowings	-7,681	-4,187	-5,895
Right-of-use asset payments	-557	-272	-561
<b>Cash flow from financing activities</b>	<b>5,723</b>	<b>-3,052</b>	<b>-2,949</b>
Change in cash and cash equivalents	<b>2,378</b>	<b>1,945</b>	<b>3,243</b>
Cash and cash equivalents at beginning of period	6,163	2,894	2,894
Effect of changes in exchange rates	-11	-40	27
<b>Cash and cash equivalents at end of period</b>	<b>8,530</b>	<b>4,799</b>	<b>6,163</b>

## Annex 4

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(EUR thousands, unaudited)	Share capital	Share premium account	Reserve for invested unrestricted equity	Exchange differences	Retained earnings	Total
<b>Equity at 1 January 2020</b>	<b>1,000</b>	<b>0</b>	<b>11,028</b>	<b>-1,664</b>	<b>11,519</b>	<b>21,883</b>
Total comprehensive income					2,714	2,714
Currency translation differences				-1,801		-1,801
Other changes 1)					24	24
<b>Equity at 30 June 2020</b>	<b>1,000</b>	<b>0</b>	<b>11,028</b>	<b>-3,464</b>	<b>14,258</b>	<b>22,822</b>
<b>Equity at 1 January 2019</b>	<b>1,000</b>	<b>0</b>	<b>11,028</b>	<b>-1,569</b>	<b>5,279</b>	<b>15,738</b>
Total comprehensive income					4,325	4,325
Currency translation differences				298		298
Other changes					-36	-36
<b>Equity at 30 June 2019</b>	<b>1,000</b>	<b>0</b>	<b>11,028</b>	<b>-1,271</b>	<b>9,568</b>	<b>20,325</b>

1) Re-measurement of employee benefits

## Annex 5

**GROUP KEY FIGURES AND CONTINGENT LIABILITIES**

(unaudited)	1–6/2020	1–6/2019	1–12/2019
Revenue, EUR million	46.9	37.2	71.0
Operating profit/loss, EUR million	4.3	5.7	10.1
% of revenue	9.1	15.5	14.2
Profit/loss before taxes, EUR million	3.6	5.5	9.7
% of revenue	7.8	14.7	13.6
Return on investment (ROI), %	26.1	46.1	43.4
Return on equity (ROE), %	24.3	53.5	33.4
Equity ratio, %	33.2	57.1	60.0
Net gearing, %	61.2	4.2	-2.7
Net debt, EUR million	14.0	0.8	-0.6
Quick ratio	0.9	1.4	1.4
Current ratio	1.5	2.3	2.3
Number of shares	4,365,168	4,365,168	4,365,168
Average number of shares during the report period, adjusted for share issues*	4,403,172	4,365,168	4,365,168
Earnings per share (EPS), EUR	0.62	0.99	1.44
Equity per share, EUR	5.18	4.66	5.01
P/E ratio	24.9	13.5	11.8
Trend in share price			
Minimum price during the period, EUR	9.94	7.18	7.18
Maximum price during the period, EUR	21.20	15.05	23.00
Mean price during the period, EUR	15.04	9.30	14.83
Closing price at the end of the period, EUR	15.35	13.35	16.90
Total market capitalisation, EUR million	67.0	58.3	73.8
Trade volume, no. of shares	1,280,184	590,370	1,564,055
Trade volume, %	0.3	13.5	35.8
Investments, EUR million	7.5	0.5	1.1
% of revenue	16.1	1.4	1.6
Average number of employees	1,293	815	830
Personnel at the end of period	1,297	830	834
<b>CONTINGENT LIABILITIES, EUR million</b>			
<b>FOR OWN LIABILITIES</b>			
Mortgages and pledges	20.4	12.6	13.7
Surrender liability of trade receivables sold to finance company	3.0	0.8	1.2
Off-balance sheet liabilities	0.7	2.0	0.7
Transactions with closely-related parties			
The company has no transactions with closely-related parties			

\* The adjustment is related to the acquisition price of AWS Electronics Group acquired at the end of January 2020, of which approximately EUR 0.7 million will be paid in Incap's shares on or before 28 February 2021. Based on the share price of the company on 30 June 2020 (15.35 euros), the number of shares to be issued is 42,841.

**CALCULATION OF KEY FIGURES**

Return on investment, %	$\frac{100 \times (\text{profit/loss for the period} + \text{financial expenses} + \text{taxes})}{\text{equity} + \text{interest-bearing financing loans}}$
Return on equity, %	$\frac{100 \times \text{profit/loss for the period}}{\text{average equity during the financial period}}$
Equity ratio, %	$\frac{100 \times \text{equity}}{\text{balance sheet total} - \text{advances received}}$
Net gearing, %	$\frac{100 \times \text{net debt}}{\text{equity}}$
Net debt	interest-bearing debt - cash and cash equivalents
Quick ratio	$\frac{\text{current assets}}{\text{short-term liabilities} - \text{short-term advances received}}$
Current ratio	$\frac{\text{current assets} + \text{inventories}}{\text{short-term liabilities}}$
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	$\frac{\text{equity}}{\text{number of shares at the end of the period, adjusted for share issues}}$
Capital expenditure	VAT-exclusive working capital acquisitions, without deduction of investment subsidies
Average number of employees	Average of personnel numbers calculated at the end of each month
Total market capitalisation	Closing price for the period x number of shares available for public trading
Adjusted EBIT	EBIT excluding the non-recurring items and purchase price allocation amortization.