



INCAP

INCAP GROUP

HALF-YEAR
FINANCIAL REPORT

JANUARY-JUNE 2021

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Incap Group's half-year financial report for January–June 2021: Strong revenue and profitability growth continued

April–June 2021 highlights

- Revenue for the second quarter 2021 amounted to EUR 33.6 million (4–6/2020: EUR 22.6 million), showing an increase of 49%.
- Adjusted operating profit (EBIT) grew 63%, amounting to EUR 4.5 million (EUR 2.8 million) or 13.4% of revenue (12.2%).
- Acquisition related purchase price allocation (PPA) amortisation amounted to EUR 0.1 million (EUR 0.7 million) and non-recurring costs were EUR 0.1 million (EUR 0.0 million).
- Operating profit (EBIT) grew 103%, amounting to EUR 4.3 million (EUR 2.1 million) or 12.7% of revenue (9.3%).
- Net profit for the period was EUR 3.2 million (EUR 1.2 million).
- The closure of the factory in India in May–June 2021 and other effects of the coronavirus pandemic had a negative impact on revenue growth and profitability.

January–June 2021 highlights

- Revenue grew 52% and amounted to EUR 71.3 million (1–6/2020: EUR 46.9 million).
- Adjusted operating profit (EBIT) grew 89%, amounting to EUR 10.2 million (EUR 5.4 million) or 14.3% of revenue (11.6%).
- Acquisition related purchase price allocation (PPA) amortisation amounted to EUR 0.3 million (EUR 1.1 million) and non-recurring costs were EUR 0.2 million (EUR 0.1 million).
- Operating profit (EBIT) grew 130%, amounting to EUR 9.8 million (EUR 4.3 million) or 13.7% of revenue (9.1%).
- Net profit for the period was EUR 7.8 million (EUR 2.7 million).
- Earnings per share were EUR 1.33 (EUR 0.62).

Unless otherwise stated, the comparison figures refer to the corresponding period in 2020. This half-year financial report is unaudited.

Key figures

EUR million	4-6/21	4-6/20	Change	1-6/21	1-6/20	Change	1-12/20
Revenue	33.6	22.6	49%	71.3	46.9	52%	106.5
Non-recurring items	0.1	0.0		0.2	0.1	300%	0.1
Operating profit (EBIT)	4.3	2.1	103%	9.8	4.3	130%	12.6
EBIT, % of revenue	12.7%	9.3%		13.7%	9.1%		11.8%
Adjusted operating profit (EBIT)*	4.5	2.8	63%	10.2	5.4	89%	14.6
Adjusted EBIT*, % of revenue	13.4%	12.2%		14.3%	11.6%		13.7%
Net profit for the period	3.2	1.2	175%	7.8	2.7	186%	9.2

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

Outlook for 2021

Incap estimates that its revenue, operating profit (EBIT) and adjusted operating profit (EBIT) for 2021 will be clearly higher than in 2020.

The estimates are given provided that there are no major negative changes in the coronavirus

pandemic situation, 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.

CEO's comments

Our result despite the pandemic situation shows a solid performance by our personnel and is yet another proof of our strong business model, entrepreneurial culture and team spirit – my big thanks to the entire Incap team.

The strong revenue growth is due to growing use of electronics supported with megatrends such as digitalisation and IoT. Additionally, we have seen bigger interest in European manufacturing.

In May–June, due to the coronavirus situation in India, we first had to close our factories there for a short period of time, then later we were granted permission to resume operations partially to support the manufacturing of critical electronic equipment including applications for healthcare. The restrictions were further relaxed for export industries in general.

Our profitability improved further due to our operational excellence based on high cost awareness and strong corporate culture.

In April, we increased our revenue and operating profit estimate for 2021. Despite the partial operations at the factories in India during May–June, our estimate is that our revenue, operating profit (EBIT) and adjusted operating profit (EBIT) for 2021 will be clearly higher than in 2020.

The global component availability situation is still challenging due to the growing demand, albeit as an EMS supplier Incap is less dependent on single component types. We are nevertheless already seeing early signals of the component situation improving towards the end of the year and early next year.

In May, we decided to make an investment in a third factory in Tumkur, Karnataka, India. The construction project is planned to start in the third quarter, and the opening of the new factory is

estimated to take place in the second quarter of 2022. Through the new capacity expansion, we will be able to respond to the increasing demand and serve our customers even better.

In the spring, we continued our strong commitment to corporate responsibility and joined the UN Global Compact initiative, and I am extremely proud of the team who made it happen. Acting in a responsible and trustful way is an integral part of our mission, strategy and operations.

The EMS market demand has continued strong despite the current short term coronavirus pandemic related challenges, and we see the strong trend continuing. The increasing need for green energy, medical equipment, emerging 5G and IoT ecosystems and the proliferation of electric vehicles contribute to the demand growth.

Consolidation in the EMS market still continues. After our rights issue last autumn, we are in a solid financial position should a good M&A opportunity arise. We are actively evaluating potential M&A opportunities with a strong cultural fit and potential for geographical expansion.

Looking at the remainder of the year, we see a lot of positive development as many of our existing and potential customers' businesses are growing in sectors supported with megatrends. Incap has a strong role in enabling our customers to achieve their targets. We are thankful that Incap is well positioned in the market, has a strong market share and is able to support our customers' growing businesses.

Otto Pukk, President and CEO of Incap Corporation

Business environment

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. Due to the pandemic and measures taken to contain it, there were some challenges in the operating environment. The lockdowns introduced resulted first in the closure and later in partial operations of the factories in India in May–June.

There are still disruptions in the global supply chains. Challenges in component and material availability are mainly caused by high demand of electronics. Incap has a diverse customer portfolio and product mix, which alleviates these challenges and makes Incap less vulnerable than a company only manufacturing a single product or a few products.

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 believes 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 believes 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 transition to Industry 4.0 and 5G technologies and the growing environmental technology sector will offer new market opportunities for the EMS industry. 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.

Financial performance

April–June 2021

In April–June 2021, revenue grew 49 per cent year on year and amounted to EUR 33.6 million (EUR 22.6 million). The strong growth was driven mainly by the positive development at Incap's Indian factories.

Second quarter operating profit (EBIT) grew 103% year on year and amounted to EUR 4.3 million

(EUR 2.1 million). April–June adjusted operating profit (EBIT) was EUR 4.5 million (EUR 2.8 million). Year-on-year growth was 63%. Adjusted operating profit margin was 13.4% (12.2%). Net profit for the period almost tripled year on year and totalled EUR 3.2 million (EUR 1.2 million).

January–June 2021

In January–June 2021, revenue grew 52 per cent year on year and amounted to EUR 71.3 million (EUR 46.9 million). The strong growth was driven mainly by the positive development at Incap's Indian factories.

January–June operating profit (EBIT) grew 130% year on year and amounted to EUR 9.8 million (EUR 4.3 million). Adjusted operating profit (EBIT) was EUR 10.2 million (EUR 5.4 million). Year-on-

year growth was 89%. Adjusted operating profit margin was 14.3% (11.6%).

Personnel expenses were EUR 8.2 million (EUR 6.7 million), other operating expenses were EUR 2.9 million (EUR 2.3 million) and depreciation and amortisation were EUR 1.6 million (EUR 1.6 million).

Net profit for the period almost tripled year on year and totalled EUR 7.8 million (EUR 2.7 million).

Balance sheet, financing and cash flow

Total assets in the balance sheet on 30 June 2021 stood at EUR 86.9 million (EUR 68.7 million). The Group's equity at the end of the financial period was EUR 47.8 million (EUR 22.8 million).

Liabilities decreased from the comparison period to EUR 39.1 million (EUR 45.8 million). EUR 9.7 million thereof (EUR 22.5 million) were interest-bearing liabilities. Liabilities decreased from the previous year mainly due to parent company's loan amortisation of EUR 10 million which took place in December 2020. Interest-bearing net debt was EUR 5.7 million (EUR 14.0 million).

The Group's non-current interest-bearing liabilities amounted to EUR 5.7 million (EUR 15.1 million) and non-current non-interest-bearing liabilities to EUR 1.6 million (EUR 1.6 million). Current interest-bearing liabilities were EUR 4.0 million (EUR 7.4 million). Out of the interest-bearing liabilities EUR 2.2 million (EUR 1.0 million) are related to the Indian subsidiary. Other interest-bearing liabilities include EUR 2.7 million (EUR 13.0 million) of bank loans and limits granted by the company's Finnish bank.

The 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 30 June 2021, the target level of interest-bearing debt in relation to EBITDA was below 3.0 and that of the equity ratio over 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 55%.

With regards to the loans granted by the Indian bank, the company is committed to follow ordinary covenants and the bank's general loan conditions.

At the end of June 2021, the company's financial position remained strong. Equity ratio increased to 55.0% (33.2%). The improvement was mainly due to solid profitability. Net gearing was 12.0% (61.2%).

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

The Group's cash position during the reporting period was good. On 30 June 2021, the Group's cash and cash equivalents totalled EUR 3.9 million (EUR 8.5 million) and the company had an unutilised bank facility and credit line amounting to EUR 6.0 million.

The Group's quick ratio was 0.9 (1.0), and the current ratio was 2.0 (1.6).

Inventories at end of period totalled EUR 32.8 million (EUR 17.5 million).

Cash flow from operations was EUR 3.7 million (EUR 4.2 million). Cash flow was impacted by the change in working capital EUR -5.5 million.

Investments

In January–June 2021, the Group's factory related investments totalled EUR 2.6 million (EUR 0.9 million) and consisted of the ongoing expansion of the factory in India, investments in new machinery in Slovakia as well as investments in assembly lines in Estonia.

In May, Incap announced that it had made a decision to make an investment in a third factory in Tumkur, Karnataka, India. The construction project is planned to start in the third quarter of 2021, and the opening of the new factory is estimated to take place in the second quarter of 2022.

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.

Personnel

At the end of June 2021, the number of personnel in Incap Group was 2,029 (1,297). Of the personnel 73.0% (58.1%) worked in India, 4.8% (7.0%) in Estonia, 9.8% (16.4%) in the United Kingdom, 12.3% (18.5%) in Slovakia and 0.1% (0.1%) in Finland.

At the end of June, 489 of Incap's personnel were women (381) and 1,540 were men (916). The average number of personnel in January–June was 1,905 (1,293).

Management and organisation

At the end of June 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.

Annual General Meeting 2021

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 and it is valid for one year from the Annual General Meeting.

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 of the AGM 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.

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

Shares and shareholders

Incap Corporation has one series of shares, and the number of shares on 30 June 2021 was 5,849,327 (31 December 2020: 5,820,224).

In January–June 2021, the share price varied between EUR 17.20 and EUR 43.00 (9.94 and 21.20). The closing price on 30 June 2021 was EUR

36.35 (31 December 2020: 18.45). The market capitalisation on 30 June 2021 was EUR 212.6 million (67.0). At the end of June, the company had 4,227 shareholders (3,917). Nominee-registered owners held 12.4% (7.5%) and foreign owners 2.9% (0.6%) of all shares. The company does not hold any of its own shares.

Largest shareholders 30 June 2021

	Number of shares	Holding, %
Oy Etra Invest Ab	1,137,333	19.44%
Nordea Life Insurance Finland Ltd.	566,810	9.69%
Joensuun Kauppa ja Kone Oy	539,603	9.23%
Laakkonen Mikko	291,009	4.98%
Danske Bank A/S Helsinki Branch	285,890	4.89%
Ilmarinen Mutual Pension Insurance Company	261,308	4.47%
Mandatum Life Insurance Company Limited	200,411	3.43%
Skandinaviska Enskilda Banken AB	169,633	2.90%
Kakkonen Kari	133,333	2.28%
K22 Finance Oy	132,312	2.26%
10 largest shareholders in total	3,717,642	63.57%

Flagging notifications

In January–June 2021, the company did not receive any shareholder announcements in

accordance with Section 10 of Chapter 9 of the Securities Market Act.

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 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, this 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 customer relationship management to be of utmost importance and is paying special attention to it.

sectors. In the first half of 2021, four biggest customers contributed to 62.6 % (50.8 %) of revenue. Out of the total revenue in the first half of the year, 10 customers (11) exceeded EUR 1 million revenue.

The company's sales is spread over several customer segments balancing out the impact of the economic fluctuation in different industrial

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 the first half of 2021 (31 June 2020: EUR 0.0 million)

Main currencies used in Incap's operations are euro, 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.

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 2020 there is no need for any write-down of the value of the shares in subsidiaries.

In a 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).

Therefore, total provision at the end of June 2021 amounted to approximately EUR 1.6 million. 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.

Financial reporting in 2021

Incap will publish the business review for January–September on 27 October 2021.

In Helsinki, 28 July 2021

INCAP CORPORATION
Board of Directors

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Accounting principles for the half-year financial report

This half-year financial 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 2020

financial statements. Unless otherwise stated, the comparison figures refer to the same period in the previous year. In this half-year financial report, the half-year figures are unaudited.

Consolidated statement of comprehensive income

(EUR thousands)	1-6/2021	1-6/2020	1-12/2020
REVENUE	71,306	46,858	106,494
Change in inventories of finished goods	2,979	-31	723
Other operating income	148	168	1,062
Raw materials and consumables used	-52,021	-32,116	-73,617
Personnel expenses	-8,185	-6,706	-14,315
Depreciation, amortisation and impairment losses	-1,566	-1,576	-3,347
Other operating expenses	-2,893	-2,344	-4,406
OPERATING PROFIT/LOSS	9,768	4,253	12,594
Financing income and expenses	-98	-604	-1,086
PROFIT/LOSS BEFORE TAX	9,670	3,649	11,508
Income tax expenses	-1,915	-935	-2,290
PROFIT/LOSS FOR THE PERIOD	7,756	2,714	9,218
Earnings per share, EUR	1.33	0.62	2.02

OTHER COMPREHENSIVE INCOME	1-6/2021	1-6/2020	1-12/2020
Items that will not be transferred to P&L (revaluation of employee benefits)	22	-40	-14
OTHER COMPREHENSIVE INCOME:			
Items that may be recognised in profit or loss at a later date:			
Translation differences from foreign units	663	-1,801	-2,965
Other comprehensive income, net	685	-1,840	-2,980
TOTAL COMPREHENSIVE INCOME	8,440	874	6,239
Attributable to:			
Shareholders of the parent company	8,440	874	6,239

Consolidated balance sheet

(EUR thousands)	30 June 2021	30 June 2020	31 Dec 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8,947	5,992	6,825
Right-of-use assets	4,171	4,603	4,584
Goodwill	7,390	6,993	7,086
Other intangible assets	4,620	5,039	4,640
Other financial assets	4	4	4
Deferred tax assets	752		744
Other receivables	231	332	205
TOTAL NON-CURRENT ASSETS	26,115	22,963	24,087
CURRENT ASSETS			
Inventories	32,755	17,490	24,176
Trade and other receivables	24,088	19,678	24,202
Cash and cash equivalents	3,911	8,530	3,899
TOTAL CURRENT ASSETS	60,754	45,698	52,278
TOTAL ASSETS	86,869	68,661	76,365
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	1,000	1,000	1,000
Reserve for invested unrestricted equity	23,751	11,028	21,491
Exchange differences	-3,966	-3,464	-4,629
Retained earnings	27,023	14,258	20,719
TOTAL EQUITY	47,807	22,822	38,580
NON-CURRENT LIABILITIES			
Non-interest-bearing loans and borrowings	1,619	1,619	1,619
Interest-bearing loans and borrowings	5,686	15,096	6,103
Deferred tax liabilities	865	868	881
TOTAL NON-CURRENT LIABILITIES	8,171	17,583	8,604
CURRENT LIABILITIES			
Trade and other payables	26,925	20,852	25,494
Current interest-bearing loans and borrowings	3,966	7,405	3,687
TOTAL CURRENT LIABILITIES	30,891	28,257	29,181
TOTAL LIABILITIES	39,061	45,840	37,785
TOTAL EQUITY AND LIABILITIES	86,869	68,661	76,365

Consolidated cash flow statement

(EUR thousands)	1-6/2021	1-6/2020	1-12/2020
Cash flow from operating activities			
Operating profit	9,768	4,253	12,594
Adjustments to operating profit	1,693	1,780	3,667
Change in working capital	-5,493	-332	-7,850
Interest and charges paid	-322	-481	-954
Interest received	0	2	5
Paid tax and tax refund	-1,962	-1,019	-2,752
Cash flow from operating activities	3,685	4,204	4,709
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets	-2,638	-871	-2,793
Acquisition of subsidiary less cash at the date of acquisition	-650	-6,679	-6,679
Cash flow from investing activities	-3,288	-7,550	-9,471
Cash flow from financing activities			
Share issue			10,913
Share issue transaction costs			-563
Drawdown of loans	2,102	13,961	14,456
Repayments of borrowings	-1,954	-7,681	-20,693
Right-of-use asset payments	-671	-557	-1,188
Cash flow from financing activities	-523	5,723	2,926
Change in cash and cash equivalents	-126	2,378	-1,836
Cash and cash equivalents at beginning of period	3,899	6,163	6,163
Effect of changes in exchange rates	138	-11	-428
Cash and cash equivalents at end of period	3,911	8,530	3,899

Consolidated statement of changes in equity

(EUR thousands)	Share capital	Unrestricted equity reserve	Translation differences	Retained earnings	Total equity
Equity on 1 January 2021	1,000	21,491	-4,629	20,719	38,580
Profit for the period				7,756	7,756
Currency translation differences			663		663
Transactions with owners ¹⁾		694		26	721
Other changes ²⁾		1,566		-1,478	88
Equity on 30 June 2021	1,000	23,751	-3,966	27,023	47,807
Equity on 1 January 2020	1,000	11,028	-1,664	11,519	21,883
Profit for the period				2,714	2,714
Currency translation differences			-1,801		-1,801
Other changes ¹⁾				24	24
Equity on 30 June 2020	1,000	11,028	-3,464	14,258	22,822

¹⁾ Directed share issue to former AWS Electronics Group owners as part of the purchase price and value of the personnel's service related to the share option scheme.

²⁾ Re-measurement of employee benefits, transfer of retained earnings in the balance sheet related to the U.K. and Slovakian units and adjustment in subsidiary purchase price.

Group key figures and contingent liabilities

	1-6/2021	1-6/2020	1-12/2020
Revenue, EUR million	71.3	46.9	106.5
Operating profit/loss, EUR million	9.8	4.3	12.6
% of revenue	13.7	9.1	11.8
Profit/loss before taxes, EUR million	9.7	3.6	11.5
% of revenue	13.6	7.8	10.8
Return on investment (ROI), %	39.0	26.1	34.8
Return on equity (ROE), %	35.9	24.3	30.5
Equity ratio, %	55.0	33.2	50.5
Net gearing, %	12.0	61.2	15.3
Interest-bearing net debt, EUR million	5.7	14.0	5.9
Quick ratio	0.9	1.0	1.0
Current ratio	2.0	1.6	1.8
Average nr of shares during the report period, adjusted for share issues*	5,852,292	4,403,172	4,565,015
Earnings per share (EPS), EUR	1.33	0.62	2.02
Equity per share, EUR	8.17	5.18	6.59
Dividend per share, EUR	0	0	0
Dividend out of profit, %	0	0	0
P/E ratio	27.4	24.9	9.1
Trend in share price			
Minimum price during the period, EUR	17.20	9.94	8.51
Maximum price during the period, EUR	43.00	21.20	19.20
Mean price during the period, EUR	30.00	15.04	13.92
Closing price at the end of the period, EUR	36.35	15.35	18.45
Total market capitalisation, EUR million	212.6	67.0	107.4
Trade volume, number of shares	1,574,237	1,280,184	1,911,231
Trade volume, %	26.9	29.3	32.8
Investments, EUR million	3.3	7.5	9.5
% of revenue	4.6	16.1	8.9
Average number of employees	1,905	1,293	1,424
Personnel at the end of period	2,029	1,297	1,902
CONTINGENT LIABILITIES, EUR million			
FOR OWN LIABILITIES			
Mortgages and pledges	22.4	20.4	21.5
Surrender liability of trade receivables sold to finance company		3.0	0.2
Off-balance sheet liabilities	0.2	0.7	0.6
Transactions with closely related parties			
The company has no transactions with closely related parties.			

*1) Number of shares grew due to payment of AWS Electronics Group in Incap's shares and the rights issue completed in November 2020.

Reconciliation of alternative performance measures

Return on investment, %

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Net profit/loss for the period	7,756	2,714	9,218
Comparable net profit/loss for the period	15,511	5,429	
Financial expenses	654	1,102	1,678
Comparable financial expenses	1,308	2,205	
Income taxes	1,915	935	2,290
Comparable income taxes	3,830	1,869	
Profit/loss for the period	20,649	9,503	13,187
Equity	47,807	22,822	38,580
Non-current interest-bearing financing loans	5,686	15,096	6,103
Current interest-bearing financing loans	3,966	7,405	3,687
Capital employed	57,459	45,323	48,371
Capital employed average at the end of the reporting period and the end of previous financial year	52,915	36,387	37,911
Return on investment, %	39.0	26.1	34.8

Return on equity, %

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Net profit/loss for the period	7,756	2,714	9,218
Comparable net profit/loss for the period	15,511	5,429	
Equity	47,807	22,822	38,580
Equity average at the end of the reporting period and the end of previous financial year	43,194	22,352	30,232
Return on equity, %	35.9	24.3	30.5

Equity ratio, %

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Equity	47,807	22,822	38,580
Balance sheet total	86,869	68,661	76,365
Equity ratio, %	55.0	33.2	50.5

Net gearing, %

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Interest-bearing net debt	5,741	13,971	5,891
Equity	47,807	22,822	38,580
Equity ratio, %	12.0	61.2	15.3

Interest-bearing net debt

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Non-current interest-bearing debt	5,686	15,096	6,103
Current interest-bearing debt	3,966	7,405	3,687
Interest-bearing debt	9,652	22,501	9,791
Cash and bank accounts	-3,911	-8,530	-3,899
Interest-bearing net debt	5,741	13,971	5,891

Current assets

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Current receivables	24,088	19,678	24,202
Cash and bank accounts	3,911	8,530	3,899
Current assets	27,999	28,208	28,101

Quick ratio

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Current assets	27,999	28,208	28,101
Trade and other payables	30,891	28,257	29,181
Current liabilities	30,891	28,257	29,181
Quick ratio	0.9	1.0	1.0

Current ratio

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Current assets	27,999	28,208	28,101
Inventories	32,755	17,490	24,176
Trade and other payables	30,891	28,257	29,181
Current liabilities	30,891	28,257	29,181
Current ratio	2.0	1.6	1.8

Investments

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Capital expenditure on tangible and intangible assets	3,288	7,550	9,471
Investments	3,288	7,550	9,471

Adjusted operating profit

EUR thousand	1-6/2021	1-6/2020	1-12/2020
Operating profit	9,768	4,253	12,594
Non-recurring costs	204	51	74
Purchase price allocation (PPA) amortisation	258	1,100	1,906
Adjusted operating profit	10,231	5,404	14,573

Calculation of key figures

Alternative performance measure	Calculation	Purpose
Comparable net profit/loss for the period	Half-year net profit/loss x 2	The measure is used for providing comparability to full-year figures.
Comparable financial expenses	Half-year financial expenses x 2	The measure is used for providing comparability to full-year figures.
Comparable income taxes	Half-year income taxes x 2	The measure is used for providing comparability to full-year figures.
Return on investment, %	$100 \times (\text{Net profit/loss} + \text{financial expenses} + \text{taxes}) / (\text{Equity} + \text{interest-bearing debt (average at the end of the reporting period and the end of previous financial year)})$	The measure provides information on return on investment.
Return on equity, %	$100 \times \text{Net profit/loss} / \text{Equity (average at the end of the reporting period and the end of previous financial year)}$	The measure provides information on return on equity.
Equity ratio, %	$100 \times \text{Equity} / (\text{Balance sheet total} - \text{advances received})$	The measure indicates how much of the Group's assets have been financed with debt.
Net gearing, %	$100 \times \text{Net debt} / \text{Equity}$	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	$\text{Current assets} / (\text{Short-term liabilities} - \text{short-term advances received})$	The measure provides information on the company's liquidity.
Current ratio	$\text{Current assets} + \text{inventories} / \text{Short-term liabilities}$	The measure provides information on the company's liquidity.
Investments	VAT-exclusive working capital acquisitions 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.

Other performance measure	Calculation
Earnings per share	Net profit/loss for the period / Average number of shares during the period, adjusted for share issues
Equity per share	Equity / Number of shares at the end of the period, adjusted for share issues
Dividend per share	Dividend for the accounting period / Number of shares on the balance sheet date, adjusted for share issues
Dividend out of profit	100 x dividend per share / Earnings per share
Total market capitalisation	Closing price for the period x number of shares available for public trading
Average number of employees	Average of personnel numbers calculated at the end of each month



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