

A black and white photograph of a printed circuit board (PCB) with various electronic components, including several large electrolytic capacitors, serving as the background for the report cover.

INCap

ANNUAL REPORT

2014

## INCAP IN BRIEF

We are an Electronics Manufacturing Services (EMS) company. In EMS marketplace, Incap has a long history and reputation of high quality. This we want to nurture and take even further. Smart utilisation of our existing capacity is the main source to cost efficiency and profitability. This also allows us to produce higher volumes without any significant capital investment. Our short term growth plan is organic, driven by sales.

Flexible, agile and efficient Incap. That is our orientation and promise to the EMS marketplace. Over the years we have learned that alongside with the core EMS market demand of On Time Delivery, Quality and Cost efficiency, our customers expect their partners to be able to adjust into continuous change. That is how we develop and run our operations.

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## YEAR 2014

Profitability reached a clear turning point and both the operating profit and net profit for the full year were positive. Financing position improved but the sufficiency of working capital still is a challenge.

The revenue of the continuing operations of Incap Group – excluding the divested operations of the Vaasa factory – was approximately 28% lower year-on-year. The decrease of revenue was a result of lower manufacturing volumes especially in the company's factory in Estonia. The revenue in Estonia was further decreased by the arrangement in which some customers purchase the materials needed in production.

Despite of the decrease in revenue, the profitability of Incap Group was improved clearly and the full-year operating profit and net result were in the black figures. The improvement in profitability was mainly due to the measures aimed at increased cost efficiency. Significant personnel cuts were implemented in Estonia and Finland, the offices in Tallinn and Helsinki were closed down and other fixed costs were trimmed as well. The profitability of Indian operations

continued its strong development and the profit increased year-on-year.

After the end of the comprehensive Turnaround program the company focused on stabilising its operations and financial position. Especially the key areas of production, which contribute especially to the customer satisfaction, i.e. delivery accuracy and quality, were developed further. The company renegotiated the rental contract for the factory premises in Estonia, which is further decreasing the company's costs and improves profitability in long term.

In December 2014 Incap sold the business operations of its mechanics factory in Vaasa to the local management and the operations together with related personnel were transferred to the buyer on 31 December 2014. The transaction price amounted to approximately EUR 1 million. The Group reports in the financial statements the continuing operations without the factory in Vaasa, and also the comparison figures for 2013 have been adjusted to refer to continuing operations only.

The financial position of the company improved during the latter half of the year. The loan instalment plan, which was renegotiated in spring, together with other financing arrangements lowered the financing expenses during the second half of the year.

KEY FIGURES (IFRS)		2014	2013
Revenue	EUR million	18.5	25.8
Operating profit/loss (EBIT)	EUR million	1.1	-6.2
share of revenue	%	6	-24
Operating profit/loss before tax	EUR million	0.3	-8.3
Profit/loss for the period	EUR million	0.2	-8.8
Earnings per share (EPS)	EUR million	0.00	-0.15
Return on investment (ROI)	%	11.2	-33.6
Equity ratio	%	9.9	3.4
Investments	EUR million	0.2	0.3
Personnel at year end		423	469



TURN CAME TRUE:  
**LOSS TO PROFITS,  
MANUFACTURING  
VOLUMES TO GROWTH**

## REVENUE CURVE TURNED UP

The revenue of Incap Group changed to growth tract in the second half of the year. Full-year revenue of continuing operations amounted to EUR 18.5 million. The positive turn took place in the electronics production whereas the demand for mechanics manufacturing continued on a low level during the year. When taking into account also the Vaasa operations which were divested in December, our full-year revenue amounted to EUR 24.2 million which is slightly over the budgeted level.

The operations in India continued their strong performance. Despite the slight decrease in revenue their profitability improved further year-on-year. The manufacturing volumes in the Kuressaare factory turned to growth and the order intake has proceeded very positively.

## REMARKABLE IMPROVEMENT IN PROFITABILITY

We completed during 2014 the structural changes outlined in the Turnaround program. The company's overhead cost load has thereby decreased remarkably while the productivity and delivery reliability remained on the targeted levels. This is reflected in the profitability of the company, which has improved significantly. Our profitability turned from red figures to black during the third quarter, and the full-year operating profit amounted to EUR 1.1 million. Also the profit/loss for the year was in the black for the first time in eight years.

## FOCUSING OUR OPERATIONS THROUGH DIVESTMENT OF MECHANICS MANUFACTURING

Our target has been to highlight the company's special expertise and competence, and to allocate resources on them. As a part of this process we decided to divest the mechanics manufacturing and sold the mechanics factory in Vaasa at the end of the year. We are now concentrating on electronics manufacturing and related assembly only. Thanks to the focus on core competence we can serve our customers even better than before, implement a management model which promotes the growth



with greatest efficiency and put more effort on sales to drive the organic growth.

## EFFICIENT OPERATIONS ENSURE COMPETITIVE EDGE

Incap has streamlined its operations remarkably during the years 2013 and 2014, and this has called for target-oriented and even hard measures. The core of our operations is now near the customers, in the factories operating as independent cost centres. Value-added to the customers is created in production and operations closely connected with it. Low overall costs enable profitable operations and competitive edge.

We will continue increasing the efficiency of our operations. We have already renegotiated the rental contract for the factory premises in Estonia, resulting in lower costs and improved profitability in long term. We have further started expanding the ERP system of our Indian factory to our Estonian factory. This will improve the operational efficiency and increase synergies between the factories.

## FINANCING CONTINUES TO BE A CHALLENGE

Even though our financing position is significantly better than this time last year, the sufficiency of working capital still is a challenge. As additional capital is needed especially in the European operations we have drafted a plan to repatriate the profits from India to the parent company. We expect positive development in the cash flow, as we have been successful in new customer acquisition. The Board is further planning a share issue for strengthening the equity.

## NEW START FOR GROWTH

This year we are focusing on increasing the sales and operational efficiency. Through the divestment of mechanics we have focused our operations. We now have an explicit clear peer group, EMS, so that our business is transparent and easy to understand to customers, investors and financiers.

The company structure is clear and streamlined. We have smoothly operating factories with state-of-the-art technology in Estonia and India. The operations in both factories are on high-class level as to quality and have been approved by globally operating customers. The personnel are highly committed and professional. We trust that we can offer a very competitive, high-quality and flexible service both to our present and new customers.

Increasing the revenue by enhancing the sales and marketing is one of the most important targets in 2015. The financial uncertainty and difficult financing position of the company have weakened the customer relationships during the past years. The focus on providing good service for the customers in production has made it possible to regain the customers' confidence. Also the new customer acquisition is proceeding well.

I wish to thank our customers for their trust, our shareholders for their long-term perspective, our personnel for their commitment and persistence. Our operations are now profitable and on growth track. This is a good basis to go forward.

**Ville Vuori**  
President and CEO

# REPORT OF THE BOARD OF DIRECTORS

FOR 2014



*(As Incap sold the business of its mechanics factory in Vaasa to the local management of the factory on 31 December 2014, the figures in the Report of the Board of Directors refer to the continuing operations of Incap Group, i.e. the business operations of the factories in Estonia and in India as well as the parent company without the business operations of the factory in Vaasa. The comparison figures for 2013 have been adjusted to describe the continuing operations of the company only.)*

## BUSINESS ENVIRONMENT

The business environment of Incap Group continued challenging. The on-going recession in Europe caused uncertainty in the market and kept the demand in low level. The competition in global markets continued fierce.

There were no elementary changes in general cost level in countries where Incap has operations. The component market worldwide remained rather steady in 2014.

## REVENUE AND EARNINGS IN 2014

Revenue of the Group's continuing operations, excluding the operations of the Vaasa factory divested in December 2014, amounted in the financial period to approximately EUR 18.5 million, down approximately 28% year-on-year (1–12/2013: EUR 25.8 million). The decrease in revenue was a result of decreased manufacturing volumes especially in the company's factory in Estonia. The arrangement – adopted already in 2013 – in which some customers purchase the materials for production also contributed to the decrease in revenue in Estonia, because the materials were no longer included in the revenue with these customers.

The revenue in the Indian operations decreased year-on-year by 6% and amounted to approximately EUR 15.8 million (EUR 17.0 million). The operating profit (EBIT), however, increased from previous year amounting to approximately EUR 2.1 million (EUR 1.9 million).

Despite of the decrease in revenue, the profitability of Incap Group was improved clearly and the full-year operating profit (EBIT) was in the black figures, amounting to approximately EUR 1.1 million (EUR -6.2 million). Approximately EUR 0.5 million of the operating profit was non-recurring items

connected with the dissolution of provision for rents in the Kuressaare factory. In the comparison period 2013, the profit included a total of EUR 2.7 million of provisions and write-offs.

The operational result improved remarkably thanks to the measures aimed at increased cost efficiency. Significant personnel cuts were implemented in Estonia and Finland, the offices in Tallinn and Helsinki were closed down and other fixed costs were trimmed as well.

In December 2014, the company sold the business operations in its mechanics factory in Vaasa to the local management and the operations were transferred to the buyer on 31 December 2014. The personnel of the factory – a total of 58 persons – were transferred over to the buyer as old employees.

Incap renegotiated in the financial period the rental contract for the factory premises in Kuressaare. The remaining provision for the rents for the premises in Kuressaare, amounting to approximately EUR 0.5 million, was released in the result for the year 2014. The new rental contract decreases the company's costs and improves thereby the profitability in long term. The new contract became valid in December 2014 and continues until October 2019. The continuation of the rental contract was supported by the positive outlook and increasing manufacturing volumes in the Kuressaare factory.

Personnel expenses in the reporting period amounted to approximately EUR 2.8 million, down by approximately 56% year-on-year (EUR 6.5 million). Fixed costs decreased by approximately 70% year-on-year. The value of inventories decreased by approximately EUR 0.9 million compared with the year-end 2013.

Net financial expenses amounted to EUR 0.7 million (EUR 2.1 million). The financial expenses in

the comparison period were increased by the costs of share issues and extensive financing arrangement.

Depreciation amounted to a total of EUR 0.3 million (EUR 1.0 million). Out of the depreciation in the comparison period EUR 0.4 million were due to the impairment loss for the sale of Vuokatti property.

Net profit for the period was EUR 0.2 million (loss EUR -8.8 million). Earnings per share were EUR 0.00 (EUR -0.15).

## MEASURES TO RETAIN PROFITABILITY

The main strategy of the Turnaround program which was launched in autumn 2013 and concluded in January 2014 was to focus on the actual core business and on securing the deliveries to customers while at the same time streamlining the tasks that were not creating any remarkable value-added to the customers. After the completion of the actual Turnaround program the company focused on stabilising its operations and financial position. In particular, the production key areas such as delivery accuracy and quality-related issues were enhanced further.

The measures resulted in desired outcome during the spring 2014: delivery reliability improved significantly, the efficiency of operations improved both in manufacturing units and in support functions, and production capacity was adjusted to the actual demand. The organisational structure was revised, the group organisation was reduced and the manufacturing units were given full responsibility for their own operations as well as for sales, in which systematic efforts were launched.

The personnel reductions and other cost cuts implemented in the program have been the most important factors behind the improvement of profitability. The effects of the program became more

visible in the latter half of the year, when the salaries for the notice periods no longer burdened the company's cash flow.

## INVESTMENTS

Investments in 2014 totalled EUR 0.2 million (EUR 0.3 million), consisting of replacement investments in the development of production in India.

## QUALITY ASSURANCE AND ENVIRONMENTAL ISSUES

Incap Group's both factories have environmental management and quality assurance systems certified by Det Norske Veritas. The systems are used as tools for continuous improvement. Incap's environmental management system complies with ISO 14001:2004, and its quality assurance system complies with ISO 9001:2008. In addition, the Kuressaare factory has ISO 13485:2003 quality certification for the manufacture of medical devices.

## STABILISATION OF THE COMPANY'S FINANCIAL POSITION

After having noted that the equity of the parent company in Incap Group had decreased below half of the share capital the Board of Directors of Incap convened the extraordinary general meeting and prepared an extraordinary financial statement for January-June 2014. The management presented to the extraordinary general meeting on 29 October 2014 the measures to improve profitability and to ensure financing, liquidity and sufficiency of working capital and to enhance new customer acquisition.

The company is in constant discussion with financing parties to improve the sufficiency of financing and to ensure the liquidity. Renegotiation of the program for loan repayments in spring 2014 resulted in a decrease of loan instalments by 50% during the second half of 2014. At the same time, the covenants related to the loan repayments were alleviated and the company met the target levels set for the year 2014.

The company's liquidity and cash flow have developed favourably in subsidiaries. In order to

improve the situation in the parent company, among others eventual means to repatriate profits from India to the parent company are studied.

The company has further enhanced measures to win new customers, and related efforts have proven to be successful both in India and in Europe. The Turnaround program and continued measures to improve the profitability were reflected positively in figures during the latter part of the year. The improvement of the financial position strengthens the competitive edge and creates opportunities to increase the revenue.

## POTENTIAL MERGER OF INCAP CORPORATION AND INISSION AB

Even though Inission AB did not use its option for the merger of operations of Incap and Inission by the end of 2013, it informed in January 2014 the Board of Directors that it still is interested in the consolidation. The Board of Directors of Incap then started evaluating the strategic alternatives for further development of the company's operations. For the assessment of potential strategic alliances Incap's Board of Directors engaged an investment bank as its advisor.

## INISSION AB'S PUBLIC TENDER OFFER ON INCAP SHARES

Inission AB acquired on 11 December 2014 a total of 4,522,948 Incap shares, and thereby its holdings in Incap increased from 28,500,000 shares to 33,022,948 shares. The holding represented approximately 30.27% of all Incap shares and votes, and thereby Inission became obliged to make a mandatory public tender offer for all other Incap shares and securities entitling to shares in line with the Securities Market Act, Chapter 11, Section 19. Inission further acquired on 22 December 2014 from Varma Mutual Pension Insurance 7,684,615 Incap shares, and after that Inission held a total of 40,707,564 shares, i.e. 37.31% of all shares and votes in Incap.

Inission published on 23 December 2014 a release concerning its mandatory public tender offer. The price offered in the tender offer was

EUR 0.03 in cash for each Incap share, for which the tender offer is validly accepted. The acceptance period of the tender offer started on 7 January 2015 at 9.30 am and ended on 30 January 2015 at 4 pm. Inission published the offer document on 2 January 2015.

After the end of the financial period on 16 January 2015 the Board of Directors of Incap announced in their statement according to Securities Market Act, Chapter 11, Section 13 that the price offered in the tender offer, i.e. EUR 0.03, is too low when taking into account the current share price of the company, the outlook for future of Incap and the Fairness Opinion by UB Capital Oy, and therefore, the tender offer is not fair from the perspective of the shareholders of the company. Based on this, the members of the Board of Directors of Incap who participated in the decision-making recommended unanimously the refusal of the tender offer.

The result of Inission AB's mandatory public tender offer was announced on 3 February 2015 when Inission informed that based on the trades in the tender offer its holding had increased by 3.54% to a total of 40.85% of all shares and votes of Incap. At the date of the publication of financial statements Inission AB holds 44,573,010 shares.

## BALANCE SHEET, FINANCING AND CASH FLOW

The balance sheet total on 31 December 2014 stood at EUR 14.4 million (EUR 15.8 million). The Group's equity at the close of the financial period was EUR 1.4 million (EUR 0.5 million). The parent company's equity totalled EUR 8.0 million, representing 39% of the share capital (EUR 10.6 million, 52%). The Group's equity ratio was 9.9 % (3.4%).

Liabilities decreased to EUR 12.7 million compared with previous year (EUR 15.2 million), of which EUR 9.3 million (EUR 9.7 million) were interest-bearing liabilities.

Interest-bearing net liabilities decreased from the comparison period and were EUR 7.5 million (EUR 8.3 million), and the gearing ratio was 524% (1,560%).

Approximately EUR 3.2 million of current financial liabilities concerns the Indian subsidiary. Factoring financing used by the parent company in Finland and Estonia is part of current liabilities. Other bank loans are included in current financial liabilities on the basis of the loan period.

Of the loans from credit institutions, EUR 5.7 million has been granted by a Finnish bank as bank loans and lines of credit in use. In order to secure the increasing purchases of components the company's credit line has been increased during the financial period by EUR 0.5 million. The credit line has been guaranteed by the shares of the Indian subsidiary owned by Incap Corporation.

For the Estonian subsidiary, a separate credit line was opened in an Estonian bank during the financial period, and EUR 0.2 million of it was in use on 31 December 2014. Of the Finnish bank's credit line and factoring credit line, EUR 2.0 million was in use on 31 December 2014. For operations in India and Estonia, the balances of bank loans and credit line totalled EUR 3.2 million, which includes Finnfund's investment of EUR 1.9 million in Incap's operations in India.

Of the OP Bank loan (previous convertible loan 2007), EUR 0.2 million was repaid on 30 June 2014. The rest of the loan, i.e. EUR 0.2 million, will expire on 30 June 2015.

At the end of the financial period, EUR 6.3 million of the loans were guaranteed, and the rest were unguaranteed. The securities for these loans are the EUR 12.1 million mortgages on company assets and a EUR 2.3 million mortgage on the production facilities in India.

The company renegotiated in April 2014 the instalments of loans and the related covenants. As a result of the negotiations, the loan instalments to be paid during the latter half of the year 2014 were decreased to 50% of the previous instalments. Also the covenants of the loans, credit line and factoring credit line were alleviated to include only EBITDA for the preceding six months. The company met the covenants in both reviews, i.e. on 30 June 2014 and on 31 December 2014. The target level of EBITDA at year end was approxi-

mately EUR 0.6 million while the actual was approximately EUR 1.8 million.

After the end of the financial period the company agreed with the bank upon new conditions and instalments. The covenants of the loans include EBITDA and equity ratio, and their status is reviewed every six months until 30 June 2018. The first review will take place on 30 June 2015, when the target level of EBITDA is EUR 0.5 million and of equity ratio 7.5%. EBITDA is calculated for the rolling 12 months except in the first review for the preceding 6 months. One condition for the new instalment schedule is that the company will have a share issue strengthening the equity. The bank has the right to terminate the contracts within a notice period of 45 days should the covenants not be met.

Incap's payment arrangement with the Finnish Tax Administration was concluded in accordance with the contract in August 2014. At the same time the company agreed on a new payment arrangement of EUR 0.3 million. According to the new arrangement the company is reducing the tax liabilities by at least EUR 20,500 monthly until February 2016. On 31 December 2014, the total amount of tax liabilities within the scope of this arrangement was EUR 0.3 million. According to the provisions of the agreement, if an instalment is late, the Finnish Tax Administration has the right to terminate the agreement with immediate effect.

The investment of Finnfund made in the year 2009 does not involve any specific covenants. As to the loans granted by the Indian bank the company has committed to follow ordinary covenants and the bank's general loan conditions.

On 31 December 2014, confirmed losses for which no deferred tax asset was recognised amounted to EUR 5.9 million. The confirmed tax losses will expire during years 2015-2024.

The equity of the Estonian subsidiary was strengthened by EUR 1 million by converting the parent company's non-current receivables to the share capital of the subsidiary. At the same time, EUR 1 million was written off in the value of the subsidiary's shares in the parent company.

The inventory value decreased during the financial period from EUR 4.3 million at the beginning of the year to EUR 3.4 million. The decrease was connected with the sale of the inventory in the Vaasa factory.

The Group's quick ratio was 0.6 (0.6), and the current ratio was 0.9 (0.9).

Cash flow from operations was negative EUR 0.7 million (negative EUR 0.3 million). On 31 December 2014, the Group's cash and cash equivalents totalled EUR 1.9 million (EUR 1.5 million). The change in cash and cash equivalents showed an increase of EUR 0.2 million (an increase of EUR 0.7 million).

## PERSONNEL

At the end of 2014, Incap Group had a payroll of 423 employees (469). 89% (66%) of the personnel worked in India, 9% (15%) in Estonia and 2% (19%) in Finland. The number of personnel declined by approximately 100 persons in Estonia and in Finland, whereas the number of personnel increased by 70 in India.

At the end of the financial year, on 31 December 2014, the number of personnel declined by 58 when the personnel of the Vaasa mechanics factory was transferred over to the employment of the new owner.

At the end of the year, 68 of Incap's employees were women (105) and 355 were men (364). Permanently employed staff totalled 167 (279) and the number of fixed-term employment contracts at the end of the period was 204 (190). The company had 52 part-time employment contracts at the end of the period (1). The average age of the personnel was 36 years (33).

## MANAGEMENT AND ORGANISATION

Until 22 June 2014, the duties of CEO of Incap were carried out by Fredrik Berghel (M.Sc. Eng., born 1967), who was appointed to the position on 20 September 2013. As from 23 June 2014, Ville Vuori (B.Sc. Eng., eMBA, born 1973) was appointed as the new President and CEO. Ville Vuori has previously been employed by Kumera Drives Oy and Skyhow

Ltd. as Managing Director and ABB Group in several managerial positions. Fredrik Berghel continued as a member of the Board of Directors.

As a part of the Turnaround program, a change in organisational structure was implemented and responsibilities were transferred over to local entities in factories. Group functions were reduced strongly and at the end of the financial year, the management team of the company consisted of Ville Vuori, President and CEO, Kirsti Parvi, CFO and Murthy Munipalli, head of Indian operations.

#### ANNUAL GENERAL MEETING 2014

The Annual General Meeting of Incap Corporation was held in Helsinki on 10 April 2014. A total of 21 shareholders participated in the meeting, representing approximately 61% of all shares and votes. The Annual General Meeting adopted the financial statements for the financial period ended on 31 December 2013 and decided, in accordance with the proposal of the Board of Directors, that no dividend be distributed for the financial period and that the loss for the financial period (EUR 6,979,595.95) be recognised in equity. The Annual General Meeting discharged the members of the Board of Directors and the President and CEO from liability.

#### EXTRAORDINARY GENERAL MEETING

Incap Corporation's Extraordinary General Meeting was held on 29 October 2014. A total of 13 shareholders participated in the meeting, representing a total of 28.3% of all shares and votes.

The Extraordinary General Meeting was convened to consider the financial position of the company according to the Limited Liability Companies Act, chapter 20, section 23, paragraph 3, because the equity of Incap Group's parent company had decreased to less than one half of the share capital.

The extraordinary financial statement of Incap Group and the report of the Board of Directors for the period from 1 January to 30 June 2014 as well as the actions to improve the financial position of the company were presented to the Extraordinary General Meeting. The management of the company

informed that it will continue with the already started measures to improve profitability, to ensure the financing and liquidity as well as the sufficiency of working capital, and to develop the new customer acquisition.

#### AUTHORISATION OF THE BOARD OF DIRECTORS

In the beginning of the financial year the Board of Directors had unused authorisation for a total of 220,544,426 shares given in the Annual General Meeting in 2013. The Board did not exercise the authorisation, which became void in the Annual General Meeting on 10 April 2014.

#### BOARD OF DIRECTORS AND AUDITOR

The Annual General Meeting held on 10 April 2014 re-elected Fredrik Berghel, Raimo Helasmäki, Olle Hulteborg, Susanna Miekko-oja and Lassi Noponen as members of the Board of Directors. From among its members, the Board elected Lassi Noponen to the Chairman of the Board.

The Board convened 27 times in 2014 and the average attendance rate of Board members was 88.1%.

The firm of independent accountants Ernst & Young Oy acted as the company's auditor, with Jari Karppinen, Authorised Public Accountant, as the principal auditor.

#### REPORT ON CORPORATE GOVERNANCE

Incap will release a report on the company's corporate governance in compliance with the Securities Market Act as a separate document in connection with the publication of the Report of the Board of Directors and the Annual Report in week 11/2015.

#### SHARES AND SHAREHOLDERS

Incap Corporation has one series of shares, and the number of shares at the end of the period was 109,114,035 (31 December 2013: 109,114,035).

During the financial period, the share price varied between EUR 0.04 and 0.11 (EUR 0.10 and 0.25). The closing price for the period was EUR 0.06 (EUR 0.11). The trading volume during the financial

period was 40,584,525 shares, or 37.2% of outstanding shares (7,065,282 shares, or 6.5% of outstanding shares). The market capitalisation on 31 December 2014 was EUR 6.5 million (EUR 12.0 million). At the end of financial period, Incap had 1,634 shareholders (1,409). Nominee-registered owners held 26.3% (27.3%) of all shares. The company does not hold any of its own shares.

After the end of the financial period, the holding of Inission AB increased as the result of a public tender offer to 44,573,010 shares, i.e. to approximately 40.85% of all shares and votes.

At the end of the financial period 2014, the members of Incap Corporation's Board of Directors and the President and CEO and their interest parties owned a total of 41,552,421 shares or approximately 38.1% of the company's shares outstanding.

#### SHARE-BASED INCENTIVE SYSTEM 2009

The option scheme implemented in 2009 closed on 31 January 2014 when the subscription period ended. No options were used for the subscription of shares. At the end of the financial period Incap Group had no share-based incentive systems.

#### ANNOUNCEMENTS IN ACCORDANCE WITH SECTION 10 OF CHAPTER 9 OF THE SECURITIES MARKET ACT ON A CHANGE IN HOLDINGS

On 22 January 2014 Oy Ingman Finance Ab's holding in Incap shares and votes decreased to 5,441,725 shares or to 4.99%.

On 24 January 2014, Finnvera Plc's holding in Incap shares and votes decreased to 5,434,045 shares or to 4.98%.

After Inission AB had announced the tender offer concerning Incap Corporation's shares, Varma Mutual Pension Insurance Company informed on 12 December 2014 that in case of the realisation of the tender offer, its holding of Incap Corporation's shares and votes would decline below 1/20 and Varma would no longer own any shares of Incap. Varma had on 5 December 2014 given Inission a preliminary consent to accept the tender offer as to the shares of Incap in its possession. The holding

of Varma at that time was 7,684,615 shares and votes, i.e. 7.04% of all shares and voting rights.

On 22 December 2014 Varma Mutual Pension Insurance Company informed to have sold all the shares of Incap in its possession to Inission AB, in accordance with its preliminary commitment, and after that Varma holds no shares in Incap.

As a result of the very same trade, the holding of Inission AB in Incap Corporation increased to 40,707,563 shares, representing approximately 37.31% of all shares and votes of Incap. The previous holding of Inission AB was 33,022,948 shares, i.e. approximately 30.27%.

After the end of the financial period Inission AB informed that based on the mandatory public tender offer its holding had increased by 3.54% to 40.85% of all shares and votes of Incap. At the date of the financial statement Inission AB holds 44,573,010 shares.

## RISK MANAGEMENT

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

## SHORT-TERM RISKS AND FACTORS OF UNCERTAINTY CONCERNING OPERATIONS

General risks related to the company's business operations and sector include the development of customer demand, price competition in contract manufacturing, successful acquisition of new customers, availability and price development of raw material and components, sufficiency of funding, liquidity and exchange rate fluctuations. Of these, the most significant risks at the moment are the development of revenue, liquidity and sufficiency of funding.

Based on the cash flow estimate prepared in connection with the financial statement, Incap estimates that the company's working capital will not cover the requirement for the next 12 months. According to the company's estimate, approximately EUR 1.5-2 million of additional working capital is needed and the need for working capital concerns the company's European functions. However, the working capital will be sufficient for the next 12 months if the following criteria are met:

- Repatriation of profits from India to the parent company succeeds as planned and/or
- The company succeeds in acquiring new customers and the company's cash flow from operations develops positively and/or
- The intended share issue is realised according to plan.

After the end of the financial period in February 2015 the company has agreed with the bank upon new conditions and instalments of the loans. The covenants include EBITDA and equity, which will be reviewed from 30 June 2015 onwards every six months until 30 June 2018. One condition for the new instalment schedule is that the company strengthens its equity by a share issue.

Incap's management is confident that the cash flow from operations will develop positively and that the share issue is realised in the way that the company is able to fulfil its obligations.

The parent company's equity at the end of the financial period 2014 is approximately EUR 8.0 million or 38.8% of share capital.

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. In connection with the financial statement for 2013 the value of the shares of the Estonian subsidiary was decreased by approximately EUR 4.0 million. The equity of the Estonian subsidiary has in 2014 been strengthened by EUR 1 million by converting the parent company's non-current receivables to the share capital of the subsidiary. In the parent company, the corresponding value (EUR 1.0 million) has been written off since

according to the evaluation of the Board of Directors and the management the income from subsidiary's shares will probably be lower than the acquisition cost after conversion in the future. Therefore, there is an element of uncertainty associated with the value of the subsidiary's shares due to its unprofitability in the past. The business development of the Indian subsidiary has been favourable and there are no indications of impairment of its shares.

Demand for Incap's services and the company's financial position are affected by global economic trends and the fluctuation among Incap's customer industries. In 2015, the business environment is estimated to continue challenging, but the general financial development is estimated to have no remarkable negative effect on the demand or the solvency of the company's customers. The customer relationship management is of utmost importance in a challenging market situation and the management is paying special attention to this.

The company's sales are spread over several customer sectors balancing out the impact of the economic fluctuation in different industrial sectors. In 2014, the largest single customer's share of the Group revenue was 42%.

The company's operating segment, contract manufacturing, is highly competitive and there are major pressures on cost level management. The company has succeeded in increasing the efficiency of its operations and in lowering the costs remarkably during 2013 and 2014. Furthermore, the company's production is located in countries with competitive levels of wage and general costs.

## EVENTS AFTER THE END OF THE PERIOD

Incap announced on 9 January 2015 that the business transaction of Incap Corporation's factory in Vaasa had been completed and that the sales price has been paid to the company. Due to a change in inventory value in December the final sales price was determined to slightly more than EUR 1 million

Referring to the mandatory public tender offer of Inission AB Incap announced on 2 January 2015 that Inission AB had published the tender offer

document. On 16 January 2015 Incap Corporation's Boards of Directors announced as its statement that according to the opinion of the Board the price offered in the tender offer, i.e. EUR 0.03, is too low when taking into account the current share price of the company, the outlook for future of Incap and the Fairness Opinion by UB Capital Oy, and therefore, the tender offer is not fair from the perspective of the shareholders of the company.

Incap announced the preliminary result of the tender offer on 2 February 2015 and the final result on 4 February 2015. As a result of the tender offer, Inission AB's holdings increased to 40.85% of all shares and votes of Incap, and Inission AB today is holding a total of 44,573,010 shares.

After the end of the financial period in February 2015 the company agreed with the bank upon new conditions and instalments. The covenants of the loans include EBITDA and equity ratio, and their status is reviewed every six months starting on 30 June 2015 and ending on 30 June 2018.

## STRATEGY AND TARGETS

In 2015 Incap will focus on increasing the revenue and improving the operational efficiency further.

In line with focusing operations and divesting mechanics operations the company's core business is the contract manufacturing of electronics and the related assembly. The company has an explicit peer group, EMS, which is enhancing the company's brand and communication with stakeholders like customers and investors.

Incap has factories with state-of-the-art technology in Estonia and in India, i.e. in countries with competitive cost structure. The operations in both factories are on high-class level as to quality and have been approved by globally operating, well-known customers. In 2015, the factories will have a common enterprise resource planning platform, enabling synergies and efficient operations between the factories. The choice of manufacturing location and eventual transfer of production from a factory to another is for the customer even easier than before.

As to material sourcing and procurement, Incap relies on the sourcing office in Hong Kong, which is

ideally located near the component sources in Asia enabling competitive price levels in raw materials.

Increasing the revenue by enhancing the sales and marketing is one of the most important targets in 2015. The financial uncertainty and difficult financing position of the company have weakened the customer relationships during the past years. The focus on providing good service for the customers in production has made it possible to regain the customers' trust. Also the new customer acquisition is proceeding well. The order intake both in Estonia and in India has increased and the revenue is expected to develop favourably.

Incap has implemented a significant streamlining of its operations during the years 2013 and 2014. The corporate functions have been reduced strongly and the number of locations has been reduced to three. The very core of the operations is near the customers, in factories acting as independent costs centres. Low overall costs enable profitable operations and competitive edge.

The Board of Directors has since the beginning of 2014 assessed the strategic alternatives for further development of the company. Evaluation of potential strategic alliances continues. Today, after the financial situation has improved Incap is better positioned to negotiate on eventual alliances thereby ensuring the interests of all shareholders of the company.

## OUTLOOK FOR 2015

Incap's estimates for future business development are based both on its customers' forecasts and on the company's own assessments.

Due to the general economic uncertainty it is very hard to estimate the development of customer demand. Many customers are indicating growth in demand in 2015 but give reservations regarding their own volumes.

The electronics manufacturing volumes in Incap's factory in Kuressaare have grown steadily during the past six months. The development in Indian operations has been strong. Incap believes that the targets published by the Indian government for the improvement of enterprises' operational

environment will support Incap's growth targets on local markets.

The difficult financial situation of the company during the past years has challenged the continuity of customer relationships. Now when the situation has been stabilised and the operations are focused after the structural changes, the company has received positive feedback from customers and trusts that their confidence has recovered and will strengthen further. Thanks to the improved efficiency the profitability of the company is estimated to improve further in 2015.

The Group's revenue and operating profit (EBIT) in 2015 are estimated to be higher than in 2014, when the revenue was EUR 18.5 million and the operating profit (EBIT) EUR 1.1 million.

## BOARD OF DIRECTORS' PROPOSAL ON MEASURES RELATED TO THE RESULT

The parent company's loss for the financial period totalled EUR 2,677,306.56. The Board of Directors will propose to the Annual General Meeting on 31 March 2015 that no dividend be paid and the result for the financial period be recognised in equity.

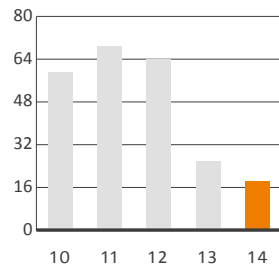
## ANNUAL GENERAL MEETING 2015

The Annual General Meeting will be held on Tuesday, 31 March 2015 at 3 pm. at BANK, Unioninkatu 20, 00130 Helsinki. Notice to the Annual General Meeting will be given on 9 March 2015.

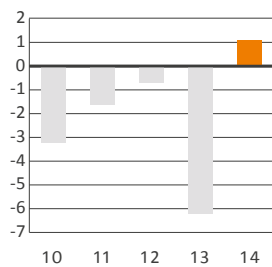
In Helsinki, 18 February 2015

INCAP CORPORATION  
Board of Directors

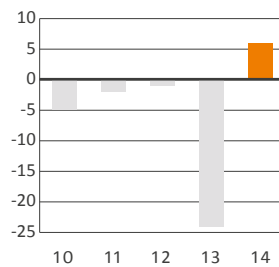
REVENUE, EUR MILLION



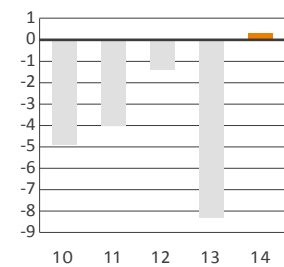
OPERATING PROFIT, EUR MILLION



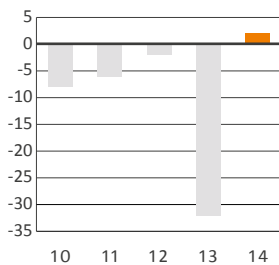
OPERATING PROFIT, % OF REVENUE



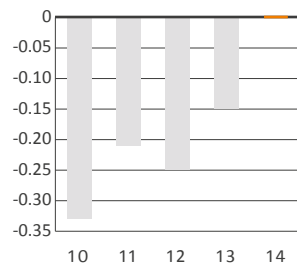
PROFIT/LOSS BEFORE TAX, EUR MILLION



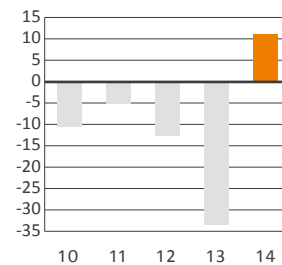
PROFIT/LOSS BEFORE TAX, % OF REVENUE



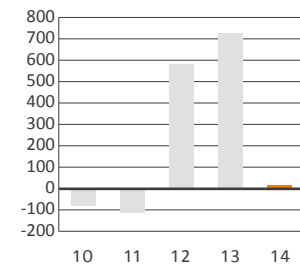
EARNINGS PER SHARE (EPS), EUR



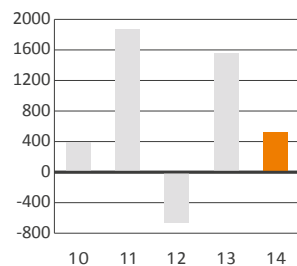
RETURN ON INVESTMENTS (ROI), %



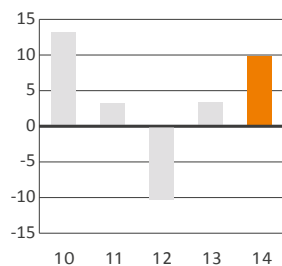
RETURN ON EQUITY (ROE), %



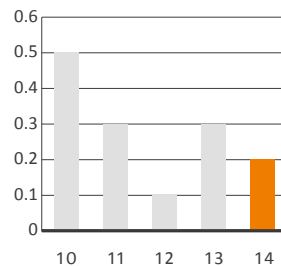
GEARING, %



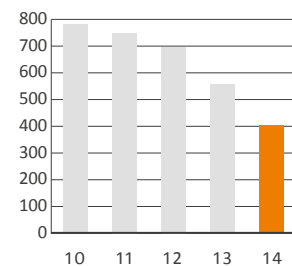
EQUITY RATIO, %



INVESTMENTS, EUR MILLION



AVERAGE NUMBER OF EMPLOYEES



## Consolidated Income Statement

1,000 euros	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>CONTINUING OPERATIONS</b>			
Revenue	3	18,499	25,772
Other operating income	4	280	62
Changes in inventories of finished goods and work in progress	5	-159	-1,047
Work performed by the enterprise and capitalised		0	0
Raw materials and consumables used	5	12,665	17,715
Personnel expenses	8	2,841	6,456
Depreciation and amortisation	7	314	1,016
Other operating expenses	6	1,738	5,754
<b>Operating profit/loss</b>		<b>1,061</b>	<b>-6,154</b>
Financing income and expenses	10	-747	-2,108
<b>Profit/loss before tax</b>		<b>314</b>	<b>-8,262</b>
Income tax expense	11	-163	-560
<b>Profit/loss for the year, continuing operations</b>		<b>151</b>	<b>-8,822</b>
<b>Discontinued operations</b>			
<b>Profit/loss for the year, discontinued operations</b>	33	<b>396</b>	<b>295</b>
<b>Profit/loss for the year</b>		<b>548</b>	<b>-8,527</b>

1,000 euros	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit and loss			
Translation differences from foreign units		370	-341
Other comprehensive income, net		370	-341
<b>Total comprehensive income, total</b>		<b>917</b>	<b>-8,867</b>
<b>Profit/loss for the year, attributable to:</b>			
Equity holders of the parent company		548	-8,527
Non-controlling interests			
		<b>548</b>	<b>-8,527</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent company		917	-8,867
Non-controlling interests			
		<b>917</b>	<b>-8,867</b>
<b>Earnings per share from profit/loss for the year attributable to equity holders of the parent</b>			
Basic earnings per share	12		
Earnings per share for continuing operations		0.00	-0.15
Earnings per share for discontinued operations		0.00	0.00
Earnings per share for continuing and discontinued operations		0.01	-0.15
Diluted earnings per share	12		
Earnings per share for continuing operations		0.00	-0.15
Earnings per share for discontinued operations		0.00	0.00
Earnings per share for continuing and discontinued operations		0.01	-0.15
Average number of shares			
basic		109,114,035	60,117,106
diluted		109,114,035	60,117,106

## Consolidated Balance Sheet

1,000 euros	Note	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	1,519	1,791
Goodwill	14	910	866
Other intangible assets	14	56	80
Other financial assets	15	174	311
Deferred tax assets	16	0	0
Other receivables	18	906	699
<b>Total Non-current Assets</b>		<b>3,565</b>	<b>3,746</b>
<b>Current assets</b>			
Inventories	17	3,371	4,304
Trade and other receivables	18	5,585	6,225
Cash and cash equivalents	19	1,873	1,507
<b>Total Current Assets</b>		<b>10,829</b>	<b>12,036</b>
<b>Total Assets</b>		<b>14,394</b>	<b>15,782</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent	20		
Share capital		20,487	20,487
Share premium account		44	44
Exchange differences		-888	-1,258
Reserve for invested unrestricted equity		17,471	17,471
Retained earnings		-35,687	-36,209
<b>Total equity</b>		<b>1,427</b>	<b>535</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	16	0	0
Interest-bearing and non-interest-bearing liabilities	24	256	2,054
<b>Current liabilities</b>			
Trade and other payables	25	3,617	5,397
Interest-bearing loans and borrowings	24	9,093	7,797
<b>Total liabilities</b>		<b>12,967</b>	<b>15,247</b>
<b>Total equity and liabilities</b>		<b>14,394</b>	<b>15,782</b>

## Consolidated Cash Flow Statement

1,000 euros	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>Cash flow from operating activities</b>			
Operating profit, continuing operations		1,061	-6,153
Operating profit, discontinued operations		396	295
Operating profit, in total		1,457	-5,858
Adjustments to operating profit	28	-528	3,581
Change in working capital		-1,164	3,157
Interest paid		-699	-1,195
Interest received		11	14
Tax paid and tax refund		182	
<b>Cash flow from operating activities</b>		<b>-741</b>	<b>-6,159</b>
<b>Cash flow from investing activities</b>			
Capital expenditure on tangible and intangible assets		-201	-280
Proceeds from sales of tangible and intangible assets		229	1,496
Other investments		0	0
Loans granted		0	0
Sold shares of subsidiaries		0	0
Repayments of loan assets		0	0
<b>Cash flow from investing activities</b>		<b>28</b>	<b>1,216</b>
<b>Cash flow from financing activities</b>			
Proceeds from share issue		0	4,282
Drawdown of loans		2,381	2,044
Repayments of borrowings		-1,434	-6,438
Repayments of obligations under finance leases		-26	-70
<b>Cash flow from financing activities</b>		<b>920</b>	<b>-182</b>
<b>Change in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		1,507	613
Effects of changes in exchange rates		158	177
Changes in fair value (cash and cash equivalents)		0	-16
<b>Cash and cash equivalents at end of period</b>		<b>1,872</b>	<b>-4,351</b>

# Consolidated Statement of Changes in Equity

1,000 euros	Share capital	Share premium account	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total equity
<b>Equity at 1 January 2014</b>	20,487	44	17,471	-1,258	-36,057	687
Total comprehensive income					548	548
Currency translation differences				370		370
Transactions with shareholders						
Directed share issue			0		0	
Imputed financing income of share issue (IAS 32 ja 39, IFRIC 19)			0			
Transaction costs for equity			0			
Other changes					-177	-177
<b>Equity at 31 December 2014</b>	<b>20,487</b>	<b>44</b>	<b>17,471</b>	<b>-888</b>	<b>-35,687</b>	<b>1,427</b>

1,000 euros	Share capital	Share premium account	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total equity
<b>Equity at 1 January 2013</b>	20,487	44	4,818	-917	-27,440	-3,008
Total comprehensive income					-8,527	-8,527
Currency translation differences				-341	0	-341
Transactions with shareholders						
Directed share issue			9,703			9,703
Imputed financing income on share issue (IAS 32 and 39, IFRIC 19)			3,235			3,235
Transaction costs for equity			-286			-286
Other changes					-90	-90
<b>Equity at 31 December 2013</b>	<b>20,487</b>	<b>44</b>	<b>17,471</b>	<b>-1,258</b>	<b>-36,057</b>	<b>687</b>

# Notes to the Consolidated Financial Statements

## CORPORATE INFORMATION

Incap Corporation is a Finnish public listed company under Finnish law which is domiciled in Helsinki and whose registered address is Keilaranta 4, 02150 Espoo. The company is an internationally operating contract manufacturer whose comprehensive services cover the entire life-cycle of electromechanical products, from design and manufacture to repair and maintenance services.

The Group comprises the parent company, Incap Corporation, and the parent company's wholly-owned subsidiaries: Incap Electronics Estonia OÜ, Kuressaare, Estonia; Euro-ketju Oy, Helsinki, Finland; Incap Hong Kong Ltd., Hong Kong and Incap Contract Manufacturing Services Pvt. Ltd., Bangalore, India, which is owned by the parent company by 77.5%. Incap CMS Pvt. Ltd. is however combined by 100% in the consolidated financial statements, because the control of the subsidiary stays in the parent company.

## ACCOUNTING POLICIES APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

### BASIS OF PREPARATION

These 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 2014. 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 calls for the making of certain estimates by Group management as well as for management's judgement in applying accounting policies. The estimates having the greatest effect on the financial statement figures are presented in the note "Accounting policies requiring management's judgement and key sources of estimation uncertainty."

### SUBSIDIARIES

The consolidated financial statements include the parent company, Incap Corporation, and its subsidiaries Incap Electronics Estonia OÜ, Incap Hong Kong Ltd., Incap Contract Manufacturing Services Pvt. Ltd. and Euro-ketju Oy.

Finnfund is owning 22.55% of Incap Corporation's Indian subsidiary Incap Contract Manufacturing Services Pvt. Ltd., whose major location is in Tumkur, India, and Finnfund has voting rights in the company corresponding its share of ownership. In the financial year 2014, no profit or loss have been attributed to Finnfund and it has no control in the operations or cash flow of the company as stated in IFRS 12.

In the consolidated financial statements the minority holding of the Indian subsidiary has not been separated, because based on the contract conditions of the investment, Finnfund's investment has at the date of the contract been interpreted in the IFRS financial statements as debt and the holding of the shares has been granted as a security to the loan. The company is presenting the Finnfund's loan in current debt items. The loan expires for payment on 22 July 2015.

Intra-Group share ownership has been eliminated by means of the purchase method. Acquired subsidiaries are included in the consolidated financial statements from the time when the Group has obtained control, and divested subsidiaries up to the time when control ceases. All intra-Group transactions, receivables, liabilities, unrealised gains and internal distribution of profits are eliminated when preparing the consolidated financial statements.

## 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. The 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 in equity. The exchange differences arising from the elimination of the acquisition cost of foreign subsidiaries and equity items accumulated after the acquisition are recorded in equity.

## 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.

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 of these assets 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.

The loan interest of the capital loan is recognised as an expense on a time apportionment basis. In the consolidated IFRS financial statements, the accumulated interest of the capital loan is recognised as an expense for the financial period.

Transaction expenses directly attributable to the obtaining of convertible debt are included in the original cost of the debt and amortised over the debt period using the effective interest method.

## GOVERNMENT GRANTS

Government grants are recorded on a net basis as a deduction from property, plant and equipment, whereby the grants are recognised as income in the form of smaller depreciation charges over the useful life of an asset.

## INTANGIBLE ASSETS

Goodwill is the proportion of the acquisition cost which exceeds the Group's share of the fair value, at the date of acquisition, of the net asset value of a company acquired after 1 January 2004. Other costs directly attributable to an acquisition, such as experts' fees, are also included in the acquisition cost.

Goodwill and other intangible assets with an indefinite useful life, such as the value of customer relationships, 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.

The Incap Group's intangible assets are amortised over 3–5 years.

## INVENTORIES

Inventories are measured at the lower of cost or net realisable value. Cost is determined using the fifo 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.

## LEASES

### The Group as lessee

Leases of property, plant and equipment where the lessee bears the risks and rewards of ownership are classified as finance leases. An asset obtained on a finance lease is recorded in the lessee's balance sheet at the start of the lease period at the lower of the fair value of the leased property and the present value of the minimum lease payment. An asset obtained on a finance lease is depreciated over the shorter of the useful life of the asset and the lease term. Lease payments for items of property, plant and equipment are split between financial expenses and a reduction in lease liabilities for the period of the lease finance agreement. Finance lease liabilities are included in the Incap Group's interest-bearing liabilities.

When the lessor retains the risks and rewards of ownership, the agreement is treated as an operating lease. Lease payments paid on operating leases are recorded as an expense in the income statement.

## IMPAIRMENT OF ASSETS

At each balance sheet date, the 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 said 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.

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

## EMPLOYEE BENEFITS

### Pension obligations

The 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 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 calculations carried out by authorised actuaries.

## SHARE-BASED PAYMENT

The Incap Group has applied IFRS 2 Share-based Payment to all share option plans. Warrants 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 options is based on the Incap Group's estimate of the number of options that will vest at the end of the vesting period. The fair value is determined on the basis of the Black-Scholes pricing model for share options.

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

## 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 Finland. Taxes are adjusted for taxes for previous periods.

Deferred taxes are calculated on all temporary differences between the carrying amount of an asset or liability and its tax base. In the Incap Group the largest temporary differences arise from finance leases, depreciation of buildings and other property, plant and equipment as well as unused tax losses.

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.

Legislation concerning limited liability companies in India has been renewed in 2013 and new regulation is valid as from 2014. According to the new law, there are certain restrictions in distribution of dividends for the financial period 2014 when the company has losses that can be utilized in future.

## REVENUE RECOGNITION

### Goods sold and services rendered

Revenue from the sale of goods is booked when significant risks and benefits connected with the ownership of the goods have been transferred from the seller to the purchaser. In calculating revenue, sales income has been adjusted for indirect taxes and discounts. Revenue from services is recorded when the service has been rendered.

### Non-current assets held for sale and discontinued operations

Non-current assets and assets related to the discontinued operations and liabilities are classified as held for sale if their carrying amount will be recovered principally through their disposal rather than through their continuing use. The prerequisites for the classification as held for sale are considered to be fulfilled when the sale is very probable and the assets can be sold immediately in their present condition at common and ordinary terms, when the management is committed to the sale and the sale is expected to take place within a year from the classification.

Before the classification of assets as held for sale, the assets or assets and liabilities of a disposal group are measured according to the appropriate IFRS standards. As from the date of classification the assets as held for sale are measured at their carrying amount or at the lower rate of the carrying amount of fair value net of costs to sell. Depreciations of these assets have been ceased at the date of classification.

The result of discontinued operations is presented as a separate item in the consolidated income statement. The assets for sale and the related items recorded directly in equity as well as the debt for the disposal group are presented in the balance sheet separately from other asset items.

The comparative information in the income statement is adjusted for operations classified as discontinued. Consequently, the result of discontinued operations is presented as a separate line item also for the comparatives.

The sale of the operations in the Vaasa factory on 31 December 2014 has been classified in the financial statements as discontinued operations. In the financial year 2013, the Group had no discontinued operations.

## FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Incap Group's financial assets have been classified in accordance with the IAS 39 standard in the following groups: financial assets at fair value through profit or loss, held-to-maturity investments, loans and other receivables and available-for-sale financial assets. The classification is made on the basis of the purpose for which the financial assets were acquired at the time they were originally acquired. Other financial assets presented in the financial statements are classified as available-for-sale financial assets. Available-for-sale financial assets consist mainly of unquoted shares and other shares that are not entered in the balance sheet at fair value because their fair value cannot be determined reliably.

Cash and cash equivalents consist of cash on hand, demand deposits and other short-term, highly liquid investments. Items classified as cash and cash equivalents have a maximum of a three-month maturity from the time of acquisition.

Financial liabilities are originally entered in the accounts at fair value on the basis of the consideration received. The transaction expenses of convertible bonds are included in the original carrying amount of the bonds. The fair value of the debt component of convertible bonds has been determined using the market interest rate on similar debt at the time of issuance. The debt component is recorded at amortised cost until it is extinguished by converting the bonds to shares or by repayment of the bonds. Because the equity component of convertible bonds is not material, it has not been recorded separately in the invested non-restricted equity reserve.

## 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 management's best knowledge at the balance sheet date. The estimates take into account previous experience 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 exter-

nal 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 performance forecast for 2015 as well as on the actual turnover of sales receivables, accounts payable and inventories. Based on the cash flow estimate Incap does not have sufficient working capital for the company's needs for the forthcoming 12 months. The company estimates that the additionally needed working capital amounts to approximately EUR 1.5-2 million. The working capital need refers to the company's operations in Europe. The working capital is, however, sufficient for the forthcoming 12 months if the following provisions are met:

- Repatriation of profits from India to the parent company succeeds as planned and/or
- The company succeeds in acquiring new customers and the company's cash flow from operations develops positively and/or
- The intended share issue is realised according to plan.

Incap's management is confident that the cash flow from operations will develop positively and that the share issue is realised and trusts that the company is able to fulfil its obligations.

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 annually tests goodwill for impairment. The testing is based on a cash flow estimate prepared on the basis of the budget and four-year business plan 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 value of shares in subsidiaries in the parent company is the acquisition cost plus subsequent investments to strengthen the equity of the subsidiaries. The value of the shares in subsidiaries has a significant impact on the equity capital and therefore on, for example, equity ratio. The impairment testing of shares in subsidiaries has been carried out on the basis of the situation at the end of the financial period. 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 ratified by the Board of Directors.

The impairment of other assets is estimated 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.

Since the levels of revenue and operating profit before depreciation used in the impairment test calculations do not reflect the actual development during the preceding years, there is an element of remarkable uncertainty associated with them.

#### Deferred tax asset

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.

There are no deferred tax assets recorded in the balance sheet of the financial statements for 2013 and 2014.

#### Segment information

The 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 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 new standards, interpretations and contents are as follows:

##### Standards that will take effect on 1 January 2014 or later:

- Amendment IFRS 7 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Amendment IAS 32: Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements: replaces IAS 27 Separate Financial Statements; transition guidance
- IFRS 11 Joint Arrangements: replaces IAS 28 Associates and Joint Ventures –standard, transition guidance
- IFRS 12 Disclosures of Interests in Other Entities, transition guidance
- IFRS 10, IFRS 12 and IAS 27 regarding consolidation of investments entities. The amendment has no relevant impact on consolidated financial statements.
- Revised: IAS 19 Employee Benefits

- IAS 36 Impairment of assets (amendment); Recoverable Amount Disclosures for Non-Financial Assets.
- IAS 39 Financing instruments: recognition and measurement (amendment); Novation of Derivates and Continuation of Hedge Accounting.
- IFRIC 21 Levies
- Annual improvements to IFRS and IFRIC interpretations 2010–2012 and 2011–2013

##### Standards that will take effect in 2015 or later:

- IFRS 9 Financial Instruments: Classification and measurement. The amendment has no relevant impact on consolidated financial statements.
- IFRS 11 Joint arrangements, amendment to standard
- IFRS 14 Regulatory deferral accounts, amendment to standard
- IFRS 15 Revenue from contracts with customers, amendment to standard
- Annual improvements to IFRS and IFRIC interpretations 2012–2014

## 1. NON-CURRENT ASSETS HELD FOR SALE

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>Assets of disposal group classified as held for sale</b>		
Incap Corporation's Vuokatti plant property	0	0
<b>Liabilities of disposals group classified as held for sale</b>		
Other non-current liabilities to others, interest-bearing	0	0
Other current liabilities, interest-bearing	0	0
	<b>0</b>	<b>0</b>

The company sold its Vuokatti plant property in June 2013. EUR 0.2 million of the transaction price was due to be paid in tranches so that the last payment would take place on 31 March 2018. The buyer paid back the rest of the debt in June 2014 and the receivable no longer is in the balance sheet.

The company sold the operations of its mechanics factory in Vaasa on 31 December 2014, and the operations in the Vaasa factory have been interpreted to be discontinued operations.

There were no sales of business operations in the Group in 2013 and 2014.

## 2. ACQUIRED OPERATIONS

No business acquisitions were made during financial years 2013 and 2014. Of the increase of goodwill in 2014, the exchange difference amounts to EUR 44,331.48.

## 3. REVENUE

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Revenue from the sale of goods	18,496	25,757
Revenue from the services	4	15
	<b>18,499</b>	<b>25,772</b>
<b>Geographic division of external customers' revenue</b>		
Europe	12,062	18,690
North America	1,681	1,278
Asia	4,756	5,804
	<b>18,499</b>	<b>25,772</b>

The Group has three customers, whose revenue exceeds 10% of the Group's revenue. The combined share of these customers out of the Group's revenue is approximately 69%.

## 4. OTHER OPERATING INCOME

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Net gains on the disposal of property, plant and equipment	217	45
Lease income	0	0
Other income	63	17
	<b>280</b>	<b>62</b>

## 5. RAW MATERIALS AND SERVICES

Raw materials and consumables	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Purchases during the financial year	12,420	16,033
Change in inventories	359	2,711
	<b>12,778</b>	<b>18,743</b>
External services	47	18
	<b>12,825</b>	<b>18,762</b>

## 6. OTHER OPERATING EXPENSES

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Lease expenses	27	1,573
Operating and maintenance expenses for property and machinery	229	480
Other expenses	1,482	3,701
	1,738	5,754
<b>Auditors' fees</b>		
Auditing fees	91	78
Certificates and statements	0	0
Tax advice	0	2
Other services	8	161
	<b>99</b>	<b>242</b>

## 7. DEPRECIATION AND AMORTISATION

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>Depreciation and amortisation by assets class</b>		
Intangible assets		
Other capitalised expenditure	0	42
Other long-term expenditures	0	1
	<b>0</b>	<b>44</b>
Tangible assets		
Buildings	52	52
Machinery and equipment	232	384
Other tangible assets	30	89
	<b>314</b>	<b>525</b>
Impairment of the Vuokatti property	0	447
<b>Total depreciation, amortisation and impairment losses</b>	<b>314</b>	<b>1,016</b>

## 8. EMPLOYEE BENEFITS EXPENSE

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Wages and salaries	2,393	5,007
Pension costs – defined contribution plans	167	652
Pension costs – defined-benefit plans	72	46
Expense of share-based payments	0	0
Other statutory employer expenses	208	752
	<b>2,841</b>	<b>6,456</b>
<b>Average number of Group's personnel during the period</b>	<b>404</b>	<b>556</b>

Information on management's employee benefits is presented in Note 31 Related-party transactions. Information on share options granted is presented in Note 21 Share-based payment.

## 9. RESEARCH AND DEVELOPMENT COSTS

No research and development costs have been recorded as annual expense in the income statement in 2014 (EUR 0.1 million in 2013).

## 10. FINANCIAL INCOME AND EXPENSES

Financial income	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Dividend income from available-for-sale financial assets	2	1
Interest income from investments held until due date	0	0
Interest income from other deposits	10	3
Interest income from trade receivables	1	10
Interest income from loan receivables	0	0
Foreign exchange gains on liabilities	272	559
Other financing income	0	2,542
	<b>285</b>	<b>3,116</b>
<b>Financial expenses</b>	<b>1 Jan–31 Dec 2014</b>	<b>1 Jan–31 Dec 2013</b>
Interest expenses from financial liabilities measured at amortised cost	-286	-447
Interest expenses from OP-loan (previous convertible loan 2007)	-28	-40
Other interest expenses	-68	-246
Exchange rate losses	-145	-790
Other financial expenses	-505	-3,702
	<b>-1,032</b>	<b>-5,224</b>
<b>Total financial income and expenses</b>	<b>-747</b>	<b>-2,108</b>

As a consequence of the share issues arranged in 2013, a financing period, a financing expense amounting to EUR 3.2 million was recorded in other financing expenses in the consolidated income statement in line with the IAS 32 and 39 standards and IFRIC 19.

Out of the financing income in 2013, EUR 2.5 million refers to the impairment of values of loans, interests and payables for suppliers in the composition arrangement in connection with the financing arrangement in summer 2013. Financing expenses in 2014 include an impairment of the shares of Cleantech Invest Plc., amounting to EUR 0.1 million.

## 11. INCOME TAX

Income tax in the income statement	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Current tax on profits for the year	-163	0
Tax for previous accounting periods	0	0
<b>Total current tax based on income</b>	<b>-163</b>	<b>0</b>
Change in deferred tax assets on previous years	0	-560
Change in deferred tax liabilities on previous years	0	0
<b>Total deferred tax</b>	<b>0</b>	<b>-560</b>
Income tax expense	-163	-560

### Reconciliation of tax expenses in the income statement and taxes calculated on the basis of the 20% tax rate (2014) and 24.5% (2013) applicable in the Group's home country

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Profit before taxes	710	-7,966
Tax at the applicable rate in the home country	-142	1,952
Divergent tax rates of foreign subsidiaries	-187	-912
Tax-free income	132	43
Expenses that are not deductible	-321	-131
Other temporary differences	0	151
Non-recorded deferred tax	518	-1,102
<b>Tax charge</b>	<b>0</b>	<b>0</b>

### Deferred tax in the balance sheet

Deferred tax assets	0	0
Deferred tax liabilities	0	0
	<b>0</b>	<b>0</b>

Deferred tax assets and liabilities are presented in Note 16.

## 12. EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding during the period.

	2014	2013
Profit for the year attributable to equity holders of the parent	548	-8,527
Weighted average number of shares during the period	109,114,035	60,117,106
Undiluted earnings per share, EUR/share	0.01	-0.14

When calculating diluted earnings per share, share options are taken into account in the weighted average number of shares. Share options have a dilutive effect when their subscription price is lower than the fair value of the share. The fair value of the share is based on the average price of the shares during the period.

	2014	2013
Profit for the year attributable to equity holders of the parent, continuing operations	151	-8,822
Weighted average number of shares during the period	109,114,035	60,117,106
Dilution effect of issued share options	0	0
Weighted average number of shares used in calculating adjusted diluted earnings per share	109,114,035	60,117,106
Diluted earnings per share, EUR/share	0.00	-0.15
Profit for the year attributable to equity holders of the parent, discontinued operations	396	295
Diluted earnings per share, EUR/share	0.00	0.00

**13. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings and advances	Machinery and equipment	Other tangible assets	Total
<b>Acquisition cost, 1 Jan 2014</b>	<b>351</b>	<b>945</b>	<b>43,387</b>	<b>876</b>	<b>45,559</b>
Increase	0	0	95	-40	55
Consolidation of operations	0	0	0	0	0
Disposals	0	0	-446	0	-446
Reclassifications between items	0	0	-26	0	-26
Sale of assets in Group companies	0	0	0	0	0
Exchange differences	38	97	186	36	357
Reclassification to non-current AFS assets	0	0	0	0	0
<b>Acquisition cost, 31 Dec 2014</b>	<b>389</b>	<b>1,042</b>	<b>43,196</b>	<b>872</b>	<b>45,499</b>
<b>Accumulated depreciation and impairment losses, 1 Jan 2014</b>	<b>0</b>	<b>-229</b>	<b>-42,724</b>	<b>-815</b>	<b>-43,768</b>
Depreciation	0	-52	-287	-20	-360
Increase	0	98	0	0	98
Decrease	0	0	0	0	0
Reclassifications between items	0	0	0	0	0
Cumulative depreciation on reclassifications and disposals	0	0	215	0	215
Exchange differences	0	-25	-152	11	-165
Reclassification to non-current AFS assets cum. amortisation	0	0	0	0	0
<b>Accumulated depreciation and impairment losses, 31 Dec 2014</b>	<b>0</b>	<b>-209</b>	<b>-42,948</b>	<b>-823</b>	<b>-43,980</b>
Carrying amount, 1 Jan 2014	351	715	663	62	1,791
Carrying amount, 31 Dec 2014	389	833	248	49	1,519

	Land	Buildings and advances	Machinery and equipment	Other tangible assets	Total
<b>Acquisition cost, 1 Jan 2013</b>	<b>415</b>	<b>1,142</b>	<b>43,841</b>	<b>899</b>	<b>46,296</b>
Increase	35	81	40	33	189
Consolidation of operations	0	0	0	0	0
Disposals	-91	-4,653	-195	-1	-4,941
Reclassifications between items	0	-82	12	0	-70
Sale of assets in Group companies	0	0	0	0	0
Exchange differences	-64	-175	-310	-54	-603
Reclassification to non-current AFS assets	56	4,633	0	0	4,689
<b>Acquisition cost, 31 Dec 2013</b>	<b>351</b>	<b>945</b>	<b>43,387</b>	<b>876</b>	<b>45,559</b>
<b>Accumulated depreciation and impairment losses, 1 Jan 2013</b>	<b>0</b>	<b>-216</b>	<b>-42,681</b>	<b>-820</b>	<b>-43,717</b>
Depreciation	0	-52	-481	-42	-574
Increase	0	0	0	0	0
Decrease	0	0	0	0	0
Reclassifications between items	0	0	0	0	0
Cumulative depreciation on reclassifications and disposals	0	3,341	195	1	3,537
Exchange differences	0	-63	243	46	226
Reclassification to non-current AFS assets cum. amortisation		-3,240	0	0	-3,240
<b>Accumulated depreciation and impairment losses, 31 Dec 2013</b>	<b>0</b>	<b>-229</b>	<b>-42,724</b>	<b>-815</b>	<b>-43,768</b>
Carrying amount, 1 Jan 2013	415	926	1,160	78	2,578
Carrying amount, 31 Dec 2013	351	715	663	62	1,791

#### Finance leases

Property, plant and equipment includes assets obtained on finance leases as follows:

Increases on the acquisition cost of property, plant and equipment include assets leased on finances leases totalling EUR 0 in 2014 (EUR 0 in 2013).

#### Machinery and equipment

##### 31 Dec 2014

Acquisition cost	16,027
Accumulated depreciation	-16,027
<b>Carrying amount</b>	<b>0</b>

##### 31 Dec 2013

Acquisition cost	16,027
Accumulated depreciation	-15,979
<b>Carrying amount</b>	<b>48</b>

# 14. INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
<b>Acquisition cost, 1 Jan 2014</b>	<b>2,355</b>	<b>4,158</b>	<b>6,513</b>
Increase	0	0	0
Decrease	0	0	0
Reclassifications between items	0	0	0
Exchange difference	44	0	44
<b>Acquisition cost, 31 Dec 2014</b>	<b>2,399</b>	<b>4,158</b>	<b>6,557</b>
<b>Accumulated amortisation and impairment losses, 1 Jan 2014</b>	<b>-1,489</b>	<b>-4,078</b>	<b>-5,567</b>
Amortisation	0	0	0
Cumulative depreciation on sales of assets in Group companies	0	0	0
Exchange difference	0	-24	-24
<b>Accumulated amortisation and impairment losses, 31 Dec 2014</b>	<b>-1,489</b>	<b>-4,102</b>	<b>-5,591</b>
Carrying amount, 1 Jan 2014	866	80	946
Carrying amount, 31 Dec 2014	910	56	966
<b>Acquisition cost, 1 Jan 2013</b>	<b>2,429</b>	<b>4,361</b>	<b>6,790</b>
Increase	0	68	68
Decrease	0	-123	-123
Reclassifications between items	0	0	0
Exchange difference	-74	-149	-223
<b>Acquisition cost, 31 Dec 2013</b>	<b>2,355</b>	<b>4,158</b>	<b>6,513</b>
<b>Accumulated amortisation and impairment losses, 1 Jan 2013</b>	<b>-1,489</b>	<b>-4,183</b>	<b>-5,672</b>
Amortisation	0	-44	-44
Cumulative depreciation on sales of assets in Group companies	0	0	0
Exchange difference	0	149	149
<b>Accumulated amortisation and impairment losses, 31 Dec 2013</b>	<b>-1,489</b>	<b>-4,078</b>	<b>-5,567</b>
Carrying amount, 1 Jan 2013	940	178	1,118
Carrying amount, 31 Dec 2013	866	80	946

Testing for impairment is based on a cash flow estimate prepared on the basis of the budget and four-year business plan ratified 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. In the cash flow estimate, the revenue in India in 2015 increases 27% year-on-year. During 2016–2019 the revenue increases annually by 10%. The operating profit before depreciation varies between 15 and 16% in 2015–2019. In the calculations of the financial year 2014, a discount rate of 14.7% has been used (14.7 % in 2013). The goodwill of approx. EUR 0.9 million in the consolidated balance sheet refers to the

Indian subsidiary. According to the sensitivity analysis of goodwill calculations, the revenue in India can decrease by max. 7.0% and the average cost of capital can increase by max. 23.4% without any need for the impairment of goodwill. Profitability of the Indian subsidiary has improved during the past few years and there is no need or risk of any impairment.

In impairment testing of goodwill, the residual value of future cash flows is 59% of the cash flows in calculations for value in use. Recoverable amounts from cash generating units have been defined in calculations based on the value in use, and they involve use of estimates. Testing of impairment is described also in the Notes to the Consolidated Financial Statements under Impairment of assets and Impairment testing.

# 15. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	2014	2013
Publicly quoted shares	174	4
Unquoted shares	0	307
Capital investment fund	0	0
<b>Total available-for-sale investments at the end of the year</b>	<b>174</b>	<b>311</b>

The fair value of publicly quoted investments in shares does not differ materially from their carrying amount. Cleantech Invest Plc. was listed in June 2014 at Nasdaq OMX First North Finland. The value of the investment was written down by EUR 137,305.28 during 2014.

# 16. DEFERRED TAX ASSETS AND LIABILITIES

	1 Jan 2014	Recorded in income statement	Exchange differences	31 Dec 2014
<b>Deferred tax assets</b>				
Tax losses carried forward	0	0	0	0
<b>Deferred tax liabilities</b>				
Accumulated depreciation difference	0	0	0	0

	1 Jan 2013	Recorded in income statement	Exchange differences	31 Dec 2013
<b>Deferred tax assets</b>				
Tax losses carried forward	560	-520	-41	0
<b>Deferred tax liabilities</b>				
Accumulated depreciation difference	0	0	0	0

A deferred tax asset of EUR 0.6 million in the consolidated balance sheet on 31 December 2012 has been recognised in the Indian company and it has been utilised during 2013. There are no deferred tax assets recorded in the balance sheet of the financial statements for 2013 or during the year 2014.

Loss from the taxation year 2004 (approx. EUR 7.0 million) expired in 2014. On 31 December 2014, confirmed tax losses for which no deferred tax asset was recognised amounted to EUR 5.9 million. Tax losses expire in years 2015–2024.

## 17. INVENTORIES

	2014	2013
Raw materials and supplies	2,514	2,904
Work in progress	261	327
Finished goods	435	960
Advance payments	161	114
	<b>3,371</b>	<b>4,304</b>

EUR 0.7 million was recorded as an expense for the financial year 2013 and the carrying amount of inventories was lowered by this amount to align it with the net realisable value. There were no additional records during the financial year 2014.

## 18. TRADE AND OTHER RECEIVABLES

### Trade and other receivables – non-current

	2014	2013
Personnel loan in Indian subsidiary	8	6
Tax and other receivables from authorities in Indian subsidiary	897	692
	<b>906</b>	<b>699</b>

### Trade and other receivables – current

	2014	2013
Trade receivables	5,174	5,659
Loan receivables	18	18
Prepaid expenses and accrued income	357	397
Other receivables	37	150
	<b>5,585</b>	<b>6,225</b>

The fair values of receivables do not differ from their carrying amount. Receivables are not exposed to any significant credit risks.

### Aging structure of trade receivables and items recorded as credit losses

	2014	2013
Not past due	4,312	4,973
Past due		
Less than 30 days	550	522
30–60 days	137	27
61–90 days	30	23
More than 90 days	146	114
	<b>5,174</b>	<b>5,659</b>
Items recorded as credit losses	10	351

### Distribution of current receivables by currency, EUR

	2014	2013
USD	1,747	1,537
HKD	0	0
INR	1,630	1,418
EUR	2,207	3,270
	<b>5,585</b>	<b>6,225</b>

## 19. CASH AND CASH EQUIVALENTS

	2014	2013
Cash and bank accounts	1,873	1,507
Short-term investments	0	0
	<b>1,873</b>	<b>1,507</b>

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

## 20. NOTES TO THE STATEMENT OF CHANGES IN EQUITY

	Number of shares	Share capital	Share premium account	Total
31 Dec 2014	109,114,035	20,487	44	20,531
31 Dec 2013	109,114,035	20,487	44	20,531

The share's accounting countervalue at the balance sheet date is approximately EUR 0.19. The shares are fully paid in. After the balance sheet date, the Board of Directors has proposed that no dividend be paid out.

## 21. SHARE-BASED PAYMENT

The share option plan expired on 31 January 2014 and no options were used for subscription of shares. At the date of the financial statements the Group has no valid option plans.

### The main terms governing the determination of the fair value of equity instruments that were granted and accepted earlier

	2014	2013	2012	All share options
Number of instruments granted, pcs	0	0	201,000	426,000
Average (weighted) subscription price, euros	0	1.00	1.00	0.80
Average (weighted) maturity, years	0	4.0	4.0	3.5
Expected average (weighted) volatility, %	0	48.0	48.0	38.4
Average (weighted) risk-free interest rate, %	0	2.4	2.4	1.9
Expected personnel reductions (at grant date), %	0	23.0	23.0	18.4
Total fair value at grant date, euros	0	0	34,307	71,026
Valuation model	Black-Scholes			
Actual	In shares			

Because dividend payouts were not expected, dividends were not taken into account when calculating the fair value of share options.

Changes during the share option period and weighted average strike prices	2014		2013	
	Average weighted strike price, euros/share	Number of options	Average weighted strike price, euros/share	Number of options
Beginning of the year	0	0	1.00	329,000
New options granted	0	0	0	0
Share options forfeited	0	0	1.00	0
Expired options	0	0	0	0
<b>Share options outstanding at end of year</b>	<b>0</b>	<b>0</b>	<b>1.00</b>	<b>329,000</b>

### Strike prices and expiry times of share options outstanding at end of period

Year of expiry	Strike price, euros	Number of shares 2014	Number of shares 2013	Number of shares 2012	Number of shares 2011
2014	1,00	0	329,000	329,000	369,000

## 22. PENSION OBLIGATIONS

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:

	2014	2013
Present value of unfunded obligations	0	0
Present value of funded obligations	327	220
Fair value of plan assets	-104	-88
Underfunding/overfunding	223	132

Effect of the required minimum funding/maximum quantity of asset		
Unrecognised actuarial gains (+) and losses (-)	0	0
Unrecognised past service expenses	0	0
<b>Net liability</b>	<b>223</b>	<b>132</b>

Amounts in the balance sheet:		
Liability	223	132
Receivable	0	0
<b>Net liability</b>	<b>223</b>	<b>132</b>

### Defined-benefit pension expenses recognised in the income statement

	2014	2013
Pension costs based on current period's service	14	13
Benefit-related interest expense	22	17
Expected return on plan assets	-8	-7
Actuarial gains (+) and losses (-)	44	23
Pension costs based on prior periods' service	0	0
Gains/losses on plan curtailment	0	0
<b>Total</b>	<b>72</b>	<b>46</b>

### Changes in the present value of the defined benefit obligation

	2014	2013
Defined benefit obligation at 1 January	244	180
Current service cost	15	12
Interest cost	23	15
Actuarial losses/(gains) on obligation	45	23
Gains (+) and losses (-) based on curtailment	0	0
Business combination	0	0
Exchange difference	0	0
Benefits paid	-1	-10
<b>Defined benefit obligation at 31 December</b>	<b>327</b>	<b>220</b>

### Changes in the fair value of plan assets

	2014	2013
Fair value of plan assets at 1 January	98	80
Expected return on plan assets	8	6
Actuarial gains (+) and losses (-)	-1	1
Contributions by employer	0	11
Contributions by plan participants	0	0
Business combination	0	0
Exchange difference	0	0
Benefits paid	-1	-10
<b>Fair value of plan assets at 31 December</b>	<b>104</b>	<b>88</b>

### Plan assets are comprised as follows:

	2014	2013
Funds managed by insurer	104	88

### The principal actuarial assumptions used on 31 December

	2014	2013
<b>Asia</b>		
Discount rate	8.15%	8.95%
Expected return on plan assets	8.00%	7.50%
Future salary increases	8,00-10,00%	8,00-10,00%

Actual return on plan assets was EUR 6,554 in 2014 (EUR 8,211 in 2013).

**Amounts for the current and previous two periods**

	2014	2013	2012
Change from previous year	48.36%	3.36%	10.10%
Present value of defined benefit obligation	327	220	213
Fair value of plan assets	104	88	94
Surplus (+) / deficit (–)	223	132	119
Experience adjustments on plan liabilities	25	8	18
Experience adjustments on plan assets	-1	1	3

The Group expects to contribute EUR 0.01 million to its defined benefit pension plans in 2015.

**23. RESTRUCTURING PROVISION AND OTHER PROVISIONS**
**Expense reserve**

<b>31 December 2013</b>	1,006
Increase in restructuring provision	0
Used provisions	-925
<b>31 December 2014</b>	<b>81</b>
<b>31 December 2012</b>	103
Increase in restructuring provision	1,006
Used provisions	-103
<b>31 December 2013</b>	<b>1,006</b>

In the beginning of the financial period, the remaining provisions for the termination of personnel's employment contracts amounted to EUR 414,717, the provisions for rental costs for the Kuressaare factory premises to EUR 472,177 and the provisions for the own risk for unemployment insurance funding to EUR 119,451. In 2014, EUR 414,717 were used from the provisions for the termination of employment contracts, EUR 472,177 for the rental costs in Kuressaare and EUR 38,186 for unemployment insurance funding. At the end of the financial year 2014, remaining amount of provisions was EUR 81,265 consisting of the own risk for unemployment insurance funding.

**24. INTEREST-BEARING AND NON-INTEREST-BEARING LIABILITIES**
**Non-current financial liabilities measured at amortised cost**

	2014	2013
Capital loan	0	0
OP-loan (previous convertible loan 2007)	0	0
Pension loans (non-interest-bearing)	210	109
Other loans	46	1,945
Finance lease liabilities	0	0
	<b>256</b>	<b>2,054</b>

**Current financial liabilities measured at amortised cost**

	2014	2013
Bank loans	6,955	7,290
Other loans	1,899	0
OP-loan (previous convertible loan 2007)	239	479
Pension loans	0	0
Other loans, held-for-sale	0	0
Finance lease liabilities	0	28
	<b>9,093</b>	<b>7,797</b>

The fair values of liabilities are presented in note 27 Fair values of financial assets and liabilities.

The non-current bank loans amounting to EUR 3.0 million have been transferred to current financial liabilities due to the breach of covenants (EUR 3.3 million in 2013). Further information is given in the report of the Board of Directors in chapter Short-term risks and factors of uncertainty concerning operations as well as in Note 26 Management of financial risks, liquidity risk.

Of non-current financial liabilities, EUR 0 million are due to be paid off in more than five years (EUR 0 million in 2012). The Group's bank loans have both variable and fixed interest rates. At the balance sheet date, the Group's average interest rate is 5.39% (7.57% in 2014).

**Forthcoming payable interest and instalments of loans**

	2014	2013
Less than 6 months	3,740	4,080
6–12 months	3,130	712
1–5 years	3,111	5,678
More than 5 years	0	0
	<b>9,981</b>	<b>10,470</b>

The forthcoming instalments and interests have been calculated based on the present effective loan agreements. Because of the covenants, the non-current bank loan has in the balance sheet been described under current loans.

#### Distribution of interest-bearing liabilities by currency, EUR

Non-current liabilities	2014	2013
USD	0	0
INR	210	109
EUR	46	1,945
	<b>256</b>	<b>2,054</b>
<b>Current liabilities</b>	<b>2014</b>	<b>2013</b>
USD	935	973
INR	340	28
EUR	7,818	6,795
	<b>9,093</b>	<b>7,797</b>

#### Convertible loan 2007 (the loan category has been changed and is recorded in other debts as “OP-loan”)

As agreed in connection with the loan arrangement, EUR 1.5 million of convertible loan was redeemed in 2013. At the beginning of the financial year, EUR 0.5 million of convertible loan remained with a due date on 30 June 2014. The right to convert the loan to shares had expired on 30 April 2012 and it has not been continued since. The name of the convertible loan has been changed to OP-loan, and the last payment of it (amounting to EUR 0.2 million) is due on 30 June 2015.

#### Convertible loan 2012 and capital loan

In connection with the financing arrangement in 2013, the holders of the convertible loan and capital loan agreed with the composition arrangement and converted the remaining loan units to the company's share in a directed share issue.

Due dates of finance lease liabilities	2014	2013
Finance lease liabilities – Minimum lease payments		
Less than 1 year	0	28
1–5 years	0	0
Later than 5 years	0	0
	<b>0</b>	<b>28</b>
Finance lease liabilities – Present value of minimum lease payments		
Less than 1 year	0	27
1–5 years	0	0
Later than 5 years	0	0
	<b>0</b>	<b>27</b>
Future finance charges	0	1
<b>Total finance lease liabilities</b>	<b>0</b>	<b>28</b>

## 25. PROVISIONS, TRADE AND OTHER PAYABLES

Current	2014	2013
Trade payables	1,726	2,005
Cash proceeds	0	77
Accrued liabilities	968	2,179
Short-term provisions	491	124
Other liabilities	432	1,012
	<b>3,617</b>	<b>5,397</b>

Material items in accrued liabilities are related to interest, rent and salary expenses.

### Distribution of non-interest-bearing liabilities by currency, EUR

	2014	2013
USD	117	386
GBP	0	1
HKD	1	41
INR	1,967	1,473
EUR	1,531	3,495
	<b>3,617</b>	<b>5,397</b>

Incap had in 2012 agreed with the Finnish Tax Administration on the payment arrangement related to overdue value-added taxes, withholding taxes and social security contributions. The last instalment was paid on 11 September 2014.

The company agreed on 15 October 2014 on a new payment arrangement concerning value-added taxes and social security contributions totalling approx. EUR 322,000. The tax debt involved in the arrangement amounts at the date of the financial statements approx. EUR 284,000. Monthly instalment is a minimum of EUR 20,500 and the arrangement is lasting for 16 months and ending in February 2016. Eventual sanctions for delay (penalty interest and additional tax) is a reference rate for the preceding 6 months in accordance with the Tax Law 12 § plus 7 percentage unit.

In 2015 the interest rate is 7.5. According to the provisions of the agreement, if an instalment is late, the Finnish Tax Administration has the right to terminate the agreement with immediate effect.

## 26. 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 minimise the adverse effects of changes in financial markets on its result and cash flow.

The company's financial department 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 Finnish and Estonian companies, a part of material purchases is 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 company does not apply hedge accounting in accordance with IAS 39.

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. The operations of the Indian company are also financed with a euro-denominated loan for which Incap Corporation has made a non-current investment in the Indian subsidiary at the same amount.

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.

In line with the Group's currency risk policy the euro-denominated investment made in the subsidiary in India was not hedged during the financial year. The currency exchange differences arising from the investment are presented under exchange differences in the Group's non-restricted equity. A change of +15%/-15% in the EUR/INR exchange rate results in a decrease of EUR 115,806.75 or an increase of EUR 156,679.72 compared with the exchange difference at 31 December 2014.

### INTEREST RATE RISK

At the balance sheet date, interest-bearing liabilities in the consolidated balance sheet totalled EUR 9.3 million. Less than half of the interest-bearing liabilities have a fixed rate. The weighted average duration of the interest-bearing loan at the balance sheet date is 2.1 years. The calculation includes all loans, for which it is possible to define the payback period. 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 +/- 27.710 at 31 December 2014.

### 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 Finnish 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.

A total of EUR 10.401 of credit losses were recorded during the financial year 2014. During 2014 the Group has not renegotiated payment terms for receivables that would otherwise have been due or that would have decreased in value. No credit insurance has been used to hedge trade receivables.

The aging structure of trade receivables is presented in Note 18.

### 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 raised from financial institutions and share issues. Cash flow from operations has not been sufficient to loan repayments and investments. In order to secure the

financing, the company has during 2010–2012 organised three private placements, in which equity financing of EUR 4.9 million has been collected from investors and major shareholders. Furthermore, in an extensive financing arrangement, which was carried out in 2013, a directed share issue and a conversion of loans into the company's new shares was arranged. The subscription price paid in cash, i.e. approximately EUR 4.5 million, has been recorded in the reserve for invested unrestricted equity.

In April 2014 Incap completed negotiations with its Finnish bank. The renegotiated schedule for instalments decreased the debt instalments to 50% of the instalments of the previous schedule during the second half of the year 2014.

Negotiations with Incap's Finnish bank continued during the financial year and after that. In September 2014 the bank increased the credit line by EUR 0.5 million and the increase is valid until 9 March 2015. The limit is guaranteed by the shares of Incap CMS Ltd. owned by Incap Corporation.

The company's current interest-bearing liabilities on 31 December 2014 amounted to EUR 9.1 million. EUR 7.0 million of this is bank loan and EUR 3.2 million out of it concerns the Indian subsidiary. The parent company uses in Finland and in Estonia factoring financing, which is part of current liabilities. During the financial year 2014 there was a separate credit line opened for the Estonian subsidiary in an Estonian bank, out of which EUR 0.2 was in use at the end of the financial period.

### DEBT FINANCING OF THE COMPANY ON 31 DECEMBER 2014

Loans from credit institutions	Balance on 31 Dec 2014 (EUR)	Review of covenants	Expiry date
1. Factoring limit (< EUR 8.5 million)	607,861	30 Jun 2015	for the present
2. Account with credit facility (< EUR 1 million)	1,409,895	30 Jun 2015	for the present
3. Bank loan in Finland	67,500	30 Jun 2015	29 Jan 2015
4. Bank loan in Finland	1,912,022	30 Jun 2015	29 Jan 2018
5. Bank loan in Finland	823,840	30 Jun 2015	6 Aug 2017
6. Bank loan in Finland	494,888	30 Jun 2015	16 Oct 2018
7. Bank loan in Finland	363,987	30 Jun 2015	29 Jan 2017
8. Account with credit facility in India	1,275,175		31 Jan 2015
9. Finnfund's investment in Indian operations	1,898,615		22 Jul 2015
10. Bank loan in Estonia	0		
<b>Total</b>	<b>8,853,783</b>		

### Other loans

OP-loan (previous convertible loan 2007)	239,403	30 Jun 2015
Other loans	46,338	1 Sep 2018
Other loans	209,797	
<b>Total</b>	<b>495,537</b>	

**Total** **9,349,320**

### Instalments and interests of loans

	Instalments	Interests	31 Dec 2014
Less than 6 months	-3,639	-101	-3,740
6–12 months	-2,727	-403	-3,130
1–5 years	-2,984	-127	-3,111
More than 5 years	0	0	0
	<b>-9,349</b>	<b>-631</b>	<b>-9,981</b>

The company's bank loans are classified as current financial liabilities on the basis of the loan period or due to the breach of covenants. Even though the covenants were met during the financial period, there is significant uncertainty connected with them and the liabilities have therefore been classified in current liabilities.

The company renegotiated in April 2014 the instalments of loans and the related covenants. As a result of the negotiations, the loan instalments to be paid during the latter half of the year 2014 were decreased to 50% of the previous instalments. Also the covenants of the loans, credit line and factoring credit line were alleviated to include only EBITDA for the preceding six months. The company met the covenants in both reviews, i.e. on 30 June 2014 and on 31 December 2014. The target level of EBITDA at year end was approximately EUR 0.6 million while the actual was EUR 1.8 million.

After the end of the financial period the company agreed with the bank upon new conditions and instalments. The covenants of the loans include EBITDA and equity ratio, and their status is reviewed every six months until 30 June 2018. The first review will take place on 30 June 2015, when the target level of EBITDA is EUR 0.5 million and of equity ratio 7.5%. EBITDA is calculated for the rolling 12 months except in the first review for the preceding 6 months. One condition for the new instalment schedule is that the company will have a share issue strengthening the equity. The bank has the right to terminate the contracts within a notice period of 45 days should the covenants not be met.

Finnfund's investment made in 2009 does not include any special covenants. As to the loans granted by the Indian bank, the company has committed to comply with ordinary covenants and the bank's general conditions.

The remainder of the OP-loan (previous convertible loan 2007), i.e. EUR 239,403 will mature on 30 June 2015.

Forthcoming instalments and interests are described in the Note 24.

Based on the cash flow estimate prepared in connection with the financial statement, Incap estimates that the company's working capital will not cover the requirement for the next 12 months. According to the company's estimate, approximately EUR 1.5–2 million of additional working capital is needed and the need for working capital concerns the company's European functions. However, the working capital will be sufficient for the next 12 months if the following criteria are met:

- Repatriation of profits from India to the parent company succeeds as planned and/or
- The company succeeds in acquiring new customers and the company's cash flow from operations develops positively and/or
- The intended share issue is realised according to plan.

Incap's management is confident that the cash flow from operations will develop positively and that the share issue is realised and trusts that the company is able to fulfil its obligations.

### CAPITAL MANAGEMENT

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

The trend in the Group's capital structure is constantly tracked with gearing. On 31 December 2014, the Group's interest-bearing net liabilities totalled EUR 7.5 million (EUR 8.3 at 31 Dec 2013) and its gearing was 523.9% (1,559.5% at 31 Dec 2013). Gearing is calculated by dividing interest-bearing net liabilities by equity. Net liabilities equal interest-bearing liabilities less interest-bearing receivables and cash and cash equivalents. On 31 December 2014, the equity ratio was 9.9% (3.4% at 31 Dec 2012).

## 27. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial assets do not differ from their carrying amount.

Financial liabilities	Carrying amount 2014	Fair value 2014	Carrying amount 2013	Fair value 2013
Bank loans	6,955	6,955	7,290	7,290
Pension loans	210	210	109	109
OP-loan (previous convertible loan 2007)	239	239	479	495
Capital loan	0	0	0	0
Other interest-bearing loans	1,945	1,945	1,945	2,155
Finance lease liabilities	0	0	28	28
Trade and other payables	3,617	3,338	5,397	5,397

The fair value of current liabilities do not differ materially from their carrying amount.

Discount rates applied in determining fair value	2014	2013
Bank and other loans	2,22-10,00%	2,83-10,00%

On the date of the financial statements, the company has no financial assets and liabilities at fair value through profit and loss.

## 28. ADJUSTMENTS TO CASH FLOWS FROM OPERATIONS

	2014	2013
Non-cash transactions	120	2,633
Use of provision for rents in Estonia	-472	0
Use of provision for salaries	-129	0
Depreciation and impairment losses	338	1,065
Change in finance lease agreements due to IFRS adjustments	22	72
Lease payments in cash flow from financing activities	0	0
Employee benefits expense	0	-5
Transfer of capital gains on tangible assets to cash flow from investments	0	0
Gains (–) and losses (+) of disposals of fixed assets and other non-current assets	-230	-184
Other items recognised directly to equity	-177	
	<b>-528</b>	<b>3 581</b>

## 29. OPERATING LEASES

The Group has leased the production and office space in Estonia. Lease agreements ending on a fixed date include an option of continuing the agreement after the original expiry date. The index, renewal and other terms of the agreements differ from each other.

Non-cancellable operating leases also include equipment leases, which are not classified as finance leases under IFRS.

### The Group as lessee

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

	2014	2013
Less than 1 year	372	1,023
1–5 years	1,327	648
	<b>1,698</b>	<b>1,671</b>

The income statement for 2014 includes EUR 0.4 million of lease expenses paid for operating leases (EUR 1.9 million in 2013).

### 30. COLLATERAL AND CONTINGENT AND RELATED LIABILITIES

	2014	2013
<b>Loans from credit institutions</b>	<b>6,347</b>	<b>5,832</b>
<b>Collateral given on behalf of own commitments</b>		
Mortgages	2,345	586
Business mortgages	12,113	12,113
Repurchase liability for trade receivables sold to finance companies	823	1,457
Other collaterals	0	50

### 31. RELATED-PARTY TRANSACTIONS

<b>Management's employee benefits</b>	<b>2014</b>	<b>2013</b>
Salaries and other current employee benefits	454	680
Benefits in connection with termination of employment	0	0
Benefits after end of employment	0	0
Other long-term employee benefits	0	0
Share-based payment	0	0
	<b>454</b>	<b>680</b>

Fredrik Berghel, the acting CEO as from 20 September 2013 until 23 June 2014 was working in his position based on a consulting agreement and he had no period of notice. As from 23 June 2014, Ville Vuori was appointed as President and CEO. The pension benefits of the President and CEO and other members of the Group Management Team are determined in accordance with the Employment Pensions Act (TyEL).

<b>Wages and salaries</b>	<b>2014</b>	<b>2013</b>
President and CEO	75	198
Board members		
Kalevi Laurila	0	3
Lassi Noponen	19	51
Susanna Miekko-oja	0	27
Raimo Helasmäki	13	27
Matti Jaakola	0	41
Janne Laurila	0	27
Fredrik Berghel	13	–
Olle Hultberg	13	–

The wages and salaries for the Board of Directors cover the period until 31 December 2014. No meeting fees were paid in 2014.

At the end of the financial year, the members of the Board and the President and CEO and their interest parties and controlled corporations held a total of 41,552,421 shares, i.e. approximately 38.1% of all shares and votes.

The Board members Fredrik Berghel and Olle Hultberg were holding their position based on a consulting agreement approved by the Extraordinary General Meeting until 10 April 2014, after which they have been receiving the Board member fee. Berghel and Hultberg own together Inission AB, which is the biggest shareholder of Incap Corporation holding 37.3% of all shares and votes at the end of the financial year.

Incap has made an investment of EUR 0.3 million in the venture capital fund Cleantech Future Fund. The investment was converted into a total of 428,144 new B-shares of Cleantech Future Fund Ky, and the respective agreement was signed in June 2013. The subscription price was EUR 0.80 per share. A member of the Board, Lassi Noponen, is a partner and Chairman of the Board at Cleantech Invest Plc., which is managing the fund.

### 32. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Incap announced on 9 January 2015 that the business transaction of the factory in Vaasa had been completed and that the sales price has been paid to the company. Due to a change in inventory value in December the final sales price was determined to slightly more than EUR 1 million.

Referring to the mandatory public tender offer of Inission AB Incap announced on 2 January 2015 that Inission AB had published the tender offer document. On 16 January 2015 Incap Corporation's Boards of Directors announced as its statement that according to the opinion of the Board the price offered in the tender offer, i.e. EUR 0.03, is too low when taking into account the current share price of the company, the outlook for future of Incap and the Fairness Opinion by UB Capital Oy, and therefore, the tender offer is not fair from the perspective of the shareholders of the company.

Incap announced the preliminary result of the tender offer on 2 February 2015 and the final result on 4 February 2015. As a result of the tender offer, Inission AB's holdings increased to 40.85% of all shares and votes of Incap, and Inission AB is at the moment of this financial statements holding a total of 44,573,010 shares.

After the end of the financial period in February 2015 the company agreed with the bank upon new conditions and instalments. The covenants of the loans include EBITDA and equity ratio, and their status is reviewed every six months starting on 30 June 2015 and ending on 30 June 2018.

### 33. DISCONTINUED OPERATIONS

Incap sold the operations of its mechanics factory in Vaasa to the local management on 31 December 2014, when the business operations were transferred to the buyer. The transaction covered the business operations of the Vaasa factory including fixed assets and inventories, contracts, customers and personnel. The operations of the Vaasa mechanics factory have

been interpreted as discontinued operations, and its result is presented in the income statement separately as one figure "Profit/loss of the discontinued operations." In the financial statements, the figures for the financial year 2014 and the comparison year 2013 refer to the continuing operations of the Group excluding the operations of the Vaasa factory.

1,000 euros	1 Jan-31 Dec 2014	1 Jan-31 Dec 2013
Revenue	5,686	10,985
Other operating income	34	1
Changes in inventories of finished goods and work in progress	-62	-303
Work performed by the enterprise and capitalised	0	0
Raw materials and consumables used	1,837	5,113
Personnel expenses	2,767	3,501
Depreciation and amortisation	45	50
Other operating expenses	1,056	1,725
<b>Operating profit/loss</b>	<b>-45</b>	<b>295</b>
Financing income and expenses	0	0
<b>Profit/loss before tax</b>	<b>-45</b>	<b>295</b>
Income tax expense	0	0
<b>Profit/loss for the year</b>	<b>-45</b>	<b>295</b>
<b>Attributable to</b>		
Equity holders of the parent company	-45	295
Non-controlling interests	-45	295
Cash flow from operating activities	0	345
Cash flow from investing activities	0	0
Cash flow from financing activities	0	0
<b>Cash flow total</b>	<b>0</b>	<b>345</b>
Inventories	-682	
Fixed assets	-257	
Personnel debt	400	
Expenses	-26	
Loss 2014	-45	
<b>Total equity and liabilities</b>	<b>-610</b>	
Receivable on the transaction in the balance sheet	1,006	
<b>Profit/loss of discontinued operations</b>	<b>396</b>	

## Parent Company Income Statement

1,000 euros	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Revenue	1	7,021	19,457
Changes in inventories of finished goods and work in progress	3	-62	-303
Other operating income	2	497	186
Raw materials and services	3	3,166	13,580
Personnel expenses	4	3,307	5,745
Depreciaton, amortisation and impairment losses	5	53	217
Other operating expenses	6	1,898	3,353
<b>Operating profit/loss</b>		<b>-968</b>	<b>-3,555</b>
Financial income and expenses	7	-1,710	-3,425
<b>Profit/loss before extraordinary items</b>		<b>-2,677</b>	<b>-6,980</b>
Extraordinary items		0	0
<b>Profit/loss before appropriations and taxes</b>		<b>-2,677</b>	<b>-6,980</b>
Appropriations	8	0	0
Income taxes	9	0	0
<b>Profit/loss for the financial year</b>		<b>-2,677</b>	<b>-6,980</b>

## Parent Company Balance Sheet

1,000 euros	Note	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	6	21
Tangible assets	10	0	295
Investments	11		
Holdings in Group companies		12,940	12,940
Other investments		174	311
<b>Total non-current assets</b>		<b>13,120</b>	<b>13,568</b>
<b>Current assets</b>			
Inventories	12	0	827
Deferred tax assets	13	0	0
Non-current receivables	13	899	3,577
Current receivables	13	2,127	2,904
Cash in hand and at bank		6	4
<b>Total current assets</b>		<b>3,032</b>	<b>7,313</b>
<b>Total assets</b>		<b>16,152</b>	<b>20,881</b>
<b>LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	20,487	20,487
Share premium account		44	44
Reserve for invested unrestricted equity		14,622	14,622
Retained earnings		-24,517	-17,386
Profit for the financial year		-2,677	-7,131
<b>Total equity</b>		<b>7,958</b>	<b>10,636</b>
<b>Appropriations</b>			
		0	0
<b>Liabilities</b>			
Non-current liabilities	15	46	46
Current liabilities	16	8,147	10,199
<b>Total liabilities</b>		<b>8,194</b>	<b>10,245</b>
<b>Total equity and liabilities</b>		<b>16,152</b>	<b>20,881</b>

## Parent Company's Cash Flow Statement

1,000 euros	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
<b>Cash flow from operating activities</b>		
Operating profit/loss	-968	-3,555
Adjustments to operating profit/loss	-122	717
Change in working capital	2,303	2,681
Interest paid	-389	-940
Interest received	1	11
<b>Cash flow from operating activities</b>	<b>825</b>	<b>-1,086</b>
<b>Cash flows from investing activities</b>		
Investments in tangible and intangible assets	0	-56
Investment in subsidiary	0	0
Proceeds from sales of tangible and intangible assets	24	1,496
<b>Cash flow from investing activities</b>	<b>24</b>	<b>1,440</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	0	4,282
Drawdown of loans	0	450
Loan repayments	-847	-5,129
<b>Cash flow from financing activities</b>	<b>-847</b>	<b>-397</b>
<b>Change in cash and cash equivalents</b>	<b>2</b>	<b>-43</b>
Cash and cash equivalents at the beginning of the financial year	4	47
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>4</b>
<b>Change in working capital</b>		
Change in current trade receivables	2,864	-2,441
Decrease in inventories	827	1,011
Change in current liabilities	-1,388	4,111
	<b>2,303</b>	<b>2,681</b>

# Notes to the Parent Company Financial Statements

## 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 corresponding asset item. Depreciation according to plan has been calculated according to the straight-line method on the basis of the useful life of the property, plant and equipment.

#### INTANGIBLE ASSETS

• Goodwill	5–6 years
• Goodwill on consolidation	5 years
• Other intangible rights	3–5 years

#### TANGIBLE ASSETS

• Buildings and structures	18–24 years
• Machinery and equipment	3–10 years
• Vehicle fleet	3–5 years

#### Inventories

Inventories are measured at the lower of historical cost under fifo or the repurchase value or selling price. The value of inventories includes variable expenses and their share in the fixed expenses of procurements and manufacturing.

#### Financial assets and management of financial risks

Trade receivables and payables are not exposed to significant interest rate or foreign currency risks. The company has however carried out hedging measures against exchange rate fluctuations during the financial year according to the company's protection policy.

#### 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 said 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.

#### Research and development expenditure

Research and development expenditure has been treated as annual expenses within other operating expenses. The parent company had no research and development expenditures in 2014.

#### Periodisation of pension expenses

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

#### Income taxes

Incap Corporation has, for taxation purposes, unused losses which have been approved and can be utilised in the years 2015–2024.

#### Impairment testing of shares in subsidiaries

The value of shares in 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 on, for example, equity ratio. The impairment testing of shares in subsidiaries has been carried out on the basis of the situation at the end of December 2014.

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 ratified by the Board of Directors.

Based on the calculations, the value of the shares of the Estonian subsidiary has been decreased in the financial statements 2013 by approximately EUR 4.0 million. The equity of the subsidiary in Estonia has further been strengthened by EUR 1 million by converting non-current receivables of the parent company to the equity of the subsidiary. In the parent company's financial statements on 30 June 2014 the value of non-current receivables converted to a part of the subsidiary's cost of acquisition, i.e. EUR 1 million, has been written down.

Since the levels of revenue and operating profit before depreciation used in the calculations do not reflect the actual development during the preceding years, there is an element of uncertainty associated with them.

The business development of the Indian subsidiary has been favourable and there are no indications of impairment of its shares.

### 1. REVENUE

Revenue by market area	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Finland	5,630	12,249
Europe	1,064	7,064
Other	327	144
	<b>7,021</b>	<b>19,457</b>

### 2. OTHER OPERATING INCOME

	2014	2013
Capital gains on the sale of property, plant and equipment	24	184
Other income	473	2
	<b>497</b>	<b>186</b>

### 3. RAW MATERIALS AND SERVICES

	2014	2013
<b>Raw materials and consumables</b>		
Purchases during the financial year	1,410	3,620
Change in inventories	145	1,132
	<b>1,556</b>	<b>4,752</b>
External services	1,671	9,131
	<b>3,227</b>	<b>13,883</b>

### 4. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

	2014	2013
<b>Average number of employees</b>		
White-collar	21	31
Blue-collar	55	60
	<b>76</b>	<b>91</b>
<b>Personnel expenses</b>		
Wages and salaries	2,727	4,419
Pension expenses	474	1,119
Other social security expenses	106	207
	<b>3,307</b>	<b>5,745</b>
<b>Salaries and bonus of the management</b>		
President and the Board	133	373
	<b>133</b>	<b>373</b>

### 5. DEPRECIATION AND AMORTISATION

Depreciation according to plan in 2014 totalled EUR 0.05million (EUR 0.2 million in 2013). The specification of depreciation and amortisation for individual balance sheet items is included in the item 10. Property, plant and equipment. The depreciation and amortisation periods are presented in the accounting policies.

## 6. OTHER OPERATING EXPENSE

	2014	2013
Lease payments	537	600
Maintenance expenses for machinery and properties	489	758
Other expenses	872	1,995
	<b>1,898</b>	<b>3,353</b>
<b>Auditors fees</b>		
KHT-Group Ernst & Young Oy Auditing fees	54	44
Certificates and statements	0	0
Tax advice	0	2
Other services	8	161
	<b>62</b>	<b>208</b>

## 7. FINANCIAL INCOME AND EXPENSES

	2014	2013
Dividend income		
From other companies	2	1
Other interest and financial income		
From Group companies	0	0
From other companies	7	1,943
Interest paid and other financial expenses		
To other companies	-1,719	-5,369
	<b>-1,710</b>	<b>-3,425</b>

In connection with the financing arrangement, which was negotiated in summer 2013, a composition arrangement was implemented. Due to the composition arrangement, approximately EUR 1.8 million of financing income was recorded for the impairment of values of the capital loan, bank loans, loan interests and accounts payable. The financing expenses in 2013 include the impairment of the value of the Estonian subsidiary's shares by EUR 4.0 million and of the receivables from the subsidiary in Hong Kong by EUR 0.345 million. The financing expenses in 2014 include an adjustment of the impairment of the value of the Estonian subsidiary's shares by EUR 1.0 million and of the Cleantech Invest Plc's shares by EUR 0.1 million.

## 8. APPROPRIATIONS

	2014	2013
Difference between depreciation according to plan and depreciation for taxation purposes.	0	0

## 9. INCOME TAXES

	2014	2013
Change in deferred tax asset	0	0

The change in deferred tax asset has been described more in detail in the Consolidated Financial Statements' Note 16 Deferred tax asset.

## 10. PROPERTY, PLANT AND EQUIPMENT

### Intangible assets

	Intangible rights	Goodwill	Other long-term expenditure	Total
<b>Acquisition cost, 1 Jan 2014</b>	1,599	16,337	1,724	19,660
Increase	0	0	0	0
Decrease	-7	0	0	-7
<b>Acquisition cost, 31 Dec 2014</b>	<b>1,591</b>	<b>16,337</b>	<b>1,724</b>	<b>19,652</b>
<b>Accumulated amortisation and impairment losses, 1 Jan 2014</b>	-1,581	-16,337	-1,720	-19,638
Cumulative depreciation of decreases and reclassifications	0	0	0	0
Amortisation during the year	-7	0	-1	-8
<b>Accumulated amortisation, 31 Dec 2014</b>	<b>-1,588</b>	<b>-16,337</b>	<b>-1,722</b>	<b>-19,647</b>
Carrying amount, 31 Dec 2014	4	0	2	6
Carrying amount, 31 Dec 2013	18	0	4	21

Part of the issuing expenses resulting from the issue of convertible loan 2012 was recognised as other long-term expenditure. Of this amount, 0 EUR remained at the close of the financial year.

### Tangible assets

	Land	Buildings	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
<b>Acquisition cost, 1 Jan 2014</b>	<b>0</b>	<b>0</b>	<b>24,315</b>	<b>544</b>	<b>0</b>	<b>24,858</b>
Increase	0	0	0	0	0	0
Decrease	0	0	-446	0	0	-446
Reclassifications between items	0	0	0	0	0	0
<b>Acquisition cost, 31 Dec 2014</b>	<b>0</b>	<b>0</b>	<b>23,869</b>	<b>544</b>	<b>0</b>	<b>24,413</b>
<b>Accumulated depreciation and impairment losses, 1 Jan 2014</b>	<b>0</b>	<b>0</b>	<b>-24,020</b>	<b>-544</b>	<b>0</b>	<b>-24,563</b>
Cumulative depreciation on reclassifications and disposals	0	0	195	0	0	195
Depreciation during the year	0	0	-45	0	0	-45
<b>Accumulated depreciation, 31 Dec 2014</b>	<b>0</b>	<b>0</b>	<b>-23,869</b>	<b>-544</b>	<b>0</b>	<b>-24,413</b>
Carrying amount, 31 Dec 2014	0	0	0	0	0	0
Carrying amount, 31 Dec 2013	0	0	295	0	0	295

## 11. INVESTMENTS

	Holdings in Group companies	Receivables from Group companies	Other shares	Total
<b>Acquisition cost, 1 Jan 2014</b>	<b>9,164</b>	<b>3,776</b>	<b>311</b>	<b>13,251</b>
Increase	1,000	0	0	1,000
Impairment in shares	-1,000	0	-137	-1,137
<b>Acquisition cost, 31 Dec 2014</b>	<b>9,164</b>	<b>3,776</b>	<b>174</b>	<b>13,114</b>
Carrying amount, 31 Dec 2014	9,164	3,776	174	13,114
Carrying amount, 31 Dec 2013	9,164	3,776	311	13,251

The Group's equity at the close of the financial period was EUR 1.4 million (EUR 0.5 million in 2013) and the parent company's equity was EUR 8.0 million (EUR 10.7 million in 2013). The equity of the Group is weakened by the loss of the parent company.

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 approx. EUR 8.8 million and the value of the Estonian subsidiary approx. EUR 4.1 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 shares in subsidiaries has been carried out based on the situation at the close of the financial period 2014. 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 the next financial period and the four-year business plan prepared by the management and ratified by the Board. In cash flow estimates, the growth of revenue varies during the years 2015–2019 as follows: in India, the revenue is estimated to increase in 2015–2018 by 10 % annually and in 2019 the growth is estimated to be 7 %. In Estonia, the revenue is increasing in 2015 by 25% and in 2016–2019 by 5% annually. In the calculations, the operating profit before depreciation is approximately 15% in India. In Estonia, the operating profit before depreciation is varying between 4 and 9% in the years 2015–2019. 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 2014, the discount rate of 15.4% has been used in India and 9.8% in Estonia.

Should the revenue used in the testing decrease by 7% in India or by 37% in Estonia, or should the discount rate increase by less than 4.2% in Estonia and 15.5% in India, there would be no need for write-down of shares. The profitability of the Indian subsidiary is on a good level and there is no need or risk of any impairment.

As to the Estonian subsidiary, the levels of revenue and operating profit before depreciation used in the impairment test calculations do not reflect the

actual development during preceding years, and therefore there is an element of significant uncertainty associated with them.

The percentage of operating margin out of the terminal value has been normalised in the test calculations. 77% of the business value of the Estonian subsidiary consists of a so-called residual value. Based on the uncertainty the value of the shares has in the parent company been decreased by EUR 4.0 million in 2013. The revenue in the operations in Estonia has decreased clearly during 2014, and therefore the operations have been adjusted and the number of personnel has been reduced by 34 persons during the financial year.

The financing expenses in the financial year 2014 include an impairment of the shares of Cleantech Invest Plc., amounting to EUR 1.0 million.

## GROUP COMPANIES

Incap Electronics Estonia OÜ, Kuressaare, Estonia  
Incap Contract Manufacturing Services Pvt. Ltd., Bangalore, India  
Euro-ketju Oy, Helsinki, Finland  
Incap Hong Kong Limited, Hong Kong

Incap Corporation owns 100% of Incap Electronics Estonia OÜ and Incap Hong Kong Ltd and 77.5% of Incap Contract Manufacturing Services Pvt. Ltd. Share capital investment of Finnfund is 22.5% of the share capital of Incap Contract Manufacturing Services Pvt. Ltd. All companies are combined in the parent company consolidated financial statements.

## 12. INVENTORIES

	2014	2013
Raw materials and consumables	0	391
Work in progress	0	100
Finished goods	0	336
Advance payments for inventory	0	1
	<b>0</b>	<b>827</b>

### 13. ASSETS

	2014	2013
<b>Non-current</b>		
Trade receivables	0	0
Amount owed by Group companies		
Trade receivables	899	3,577
	899	3,577

The parent company has non-current trade receivables amounting to EUR 0.9 million from its subsidiary Incap Electronics Estonia OÜ and current trade payable amounting to EUR 1.1 million to Incap Electronics Estonia OÜ.

The corporate services which are today produced by the parent company will be transferred to the subsidiaries, when their liquidity improves and they are able to settle their trade payables. However, there is an element of uncertainty associated with the liquidity.

Deferred tax asset	0	0
<b>Current</b>		
Trade receivables	1,850	2,742
Amount owed by Group companies		
Trade receivables	162	0
Interest receivables	0	0
Other receivables	0	0
	162	0
Other receivables	0	0
Prepaid expenses and accrued income	116	161
<b>Total receivables</b>	<b>3,026</b>	<b>6,481</b>
<b>Material items in accrued income</b>		
Personnel expenses	0	11
Salaries for the Board of Directors	0	39
Expenses of share issue in 2014	0	0
Rents	0	8
Other	116	103
<b>Total</b>	<b>116</b>	<b>161</b>

### 14. EQUITY

	2014	2013
Subscribed capital, 1 Jan	20,487	20,487
Subscribed capital, 31 Dec	20,487	20,487
Share premium account, 1 Jan	44	44
Share premium account, 31 Dec	44	44
<b>Total restricted equity</b>	<b>20,531</b>	<b>20,531</b>
Reserve for invested unrestricted equity 1 Jan	14,622	4,919
Share issue	0	9,703
Reserve for invested unrestricted equity 31 Dec	14,622	14,622
Retained earnings, 1 Jan	-24,517	-17,386
Recording of previous years' depreciation differences	0	0
Retained earnings, 31 Dec	-24,517	-17,386
Profit for the financial year	-2,677	-7,131
<b>Total non-restricted equity</b>	<b>-12,573</b>	<b>-9,896</b>
<b>Total equity</b>	<b>7,958</b>	<b>10,636</b>
<b>Distributable funds</b>		
Reserve for invested unrestricted equity	14,622	14,622
Retained earnings	-24,517	-17,386
Profit for the financial year	-2,677	-7,131
	-12,573	-9,896
Equity on 31 December 2014	7,958	
Capital loan	0	
Equity according to the Companies Act, Chapter 20, § 23	7,958	
Half of the share capital	10,243	
	-2,285	

On 31 December 2014 the parent company's equity is EUR 7,958,257.44, i.e. less than half of the share capital.

	2014	2013
Capital loan	0	0
Loans from credit institutions	0	0
Pension loans	0	0
Convertible loans	0	0
Other liabilities	46	46
	<b>46</b>	<b>46</b>

All liabilities are falling due within five years. Non-current bank loans amounting to EUR 2.8 million have been transferred to current financing liabilities due to the breach of covenants.

#### Capital loan

Major shareholders of Incap Corporation granted the company a capital loan of EUR 1.05 million. Out of the loan, EUR 0.6 million was drawn in 2012 and EUR 0.5 million in 2013. In connection with the financing arrangement in summer 2013, the entire capital loan was converted to the new shares of the company. The balance sheet for the financial year 2014 includes no capital loans.

#### 16. CURRENT LIABILITIES

	2014	2013
Loans from credit institutions	5,680	6,288
Pension loans	0	0
OP-loan (previous convertible loan 2007)	239	479
Trade payables	238	358
Amount owed to Group companies:		
Trade payables	1,066	868
Other liabilities	0	0
Advances received	0	0
Other liabilities	369	811
Accruals and deferred income	555	1,395
	<b>8,147</b>	<b>10,199</b>
Total interest-bearing liabilities	5,919	6,767
<b>Material items in accruals and deferred income</b>		
Wages and salaries, incl. social costs	130	689
Lease payment liabilities	0	0
Interest	290	106
Expense reserve	81	534
Other	54	66
	<b>555</b>	<b>1,395</b>
Other current liabilities		
Reserves	0	0
Tax account	284	569
Others	85	242
	<b>369</b>	<b>811</b>

Incap has agreed with the Finnish Tax Administration on the payment arrangement related to overdue value-added taxes, withholding taxes and social security contributions. The last instalment was paid on 11 September 2014.

The company agreed on 15 October 2014 on a new payment arrangement concerning value-added taxes and social security contributions totalling approx. EUR 322,000. The tax debt involved in the arrangement amounts at the date of the financial statements approx. EUR 284,000. Monthly instalment is a minimum of EUR 20,500 and the arrangement is lasting 16 months and ending in February 2016. Eventual sanctions for delay (penalty interest and

additional tax) is a reference rate for the preceding 6 months in accordance with the Tax Law 12 § plus 7 percentage unit.

In 2015 the interest rate is 7.5. According to the provisions of the agreement, if an instalment is late, the Finnish Tax Administration has the right to terminate the agreement with immediate effect.

## 17. OTHER NOTES TO THE ACCOUNTS

Collateral	2014	2013
Loans for which real-estate has been mortgaged as collateral		
Loans from credit institutions	5,072	4,831
Mortgages	12,113	12,113
Furthermore, the credit line of a Finnish bank has been guaranteed by the shares of Indian subsidiary		
Loans for which business mortgages have been given as collateral		
Loans from credit institutions	890	586
Mortgages	14,450	12,698
Guarantees	600	
Guarantees on behalf of Group companies		
Rental and loan guarantee	1,550	1,721
<b>Contingent and other liabilities</b>		
Lease liabilities, net of VAT		
Liabilities falling due next year	72	49
Liabilities falling due after one year	55	0

Finance leases include the option to buy acquired fixed assets at fair value at the end of the lease period.

Repurchase liability for trade receivables sold to finance companies	608	1,457
Lease liabilities for the Group's premises	1	162

## Board of Directors' proposal on measures related to the operating result

The parent company's loss for the financial period totalled EUR 2,677,306.56. The Board will propose to the Annual General Meeting on 31 March 2015 that no dividend be paid and the loss for the financial period be recognised in equity.

Helsinki, 9 March 2015

Olle Hulteberg  
Chairman of the Board

Fredrik Berghel

Raimo Helasmäki

Susanna Miekk-oja

Lassi Noponen

## Auditor's report (Translation)

### TO THE ANNUAL GENERAL MEETING OF INCAP OYJ

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Incap Oyj for the year ended 31 December, 2014. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

#### RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

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

#### OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

#### OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

#### AN ADDITIONAL INFORMATION RELATING TO EMPHASIZING OF A CERTAIN ISSUE

Without adjusting our statement, we want to draw attention to the issues described in the report of the Board of Directors and in notes to financial statements of the company's financing and sufficiency of working capital. According to the cash flow forecast, the company's working capital is not sufficient for the needs of next 12 months. The factors in the report of the Board of Directors and in the notes to the financial statements indicate essential uncertainty which may give a significant reason to doubt the company's ability to continue operations.

Oulu, March 9, 2015

Ernst & Young Oy  
Authorized Public Accountant Firm

Jari Karppinen  
Authorized Public Accountant

## Five-year Key Figures

		2014	2013	2012	2011	2010
		CONTINUING OPERATIONS				
		5)				
		IFRS	IFRS	IFRS	IFRS	IFRS
Revenue	EUR million	18.5	25.8	64.1	68.9	59.2
Growth/change	%	-28	-60	-7	16	-15
Operating profit/loss	EUR million	1.1	-6.2	-0.7	-1.6	-3.2
Share of revenue	%	6	-24	-1	-2	-5
Profit/loss before tax	EUR million	0.3	-8.3	-1.4	-4.0	-4.9
Share of revenue	%	2	-32	-2	-6	-8
Return on equity (ROE)	% <sup>1) 3)</sup>	15.4	725.7	580.8	-115.3	-81.0
Return on investment (ROI)	% <sup>4)</sup>	11.2	-33.6	-12.6	-5.1	-10.6
Total assets	EUR million	14.4	15.8	29.3	39.3	42.6
Equity ratio	% <sup>1)</sup>	9.9	3.4	-10.3	3.3	13.2
Gearing	% <sup>1)</sup>	524	1,559	-659	1,868	383
Net debt	EUR million	5.5	7.7	18.9	21.8	21.7
Quick ratio		0.6	0.6	0.5	0.4	0.6
Current ratio		0.9	0.9	0.8	0.7	1.0
Investments	EUR million	0.2	0.3	0.1	0.3	0.5
Share of revenue	%	1	1	0	0	1
R&D expenditure	EUR million	0	0.1	0.1	0.1	0.1
Share of revenue	%	0	0	0	0	0
Average number of employees		404	556	697	749	780
Dividends	EUR million <sup>2)</sup>	0	0	0	0	0

<sup>1)</sup> Key figures have been calculated in accordance with the standard 5.1 of Financial Supervision Authority.

<sup>2)</sup> The Board of Directors proposes to the Annual General Meeting that no dividend be paid out.

<sup>3)</sup> In the calculation of return on equity, the numerator and the denominator are negative.

<sup>4)</sup> In the calculations of the Return on Investment, the financing expenses of the Group include a total of EUR 3.2 million of financing expenses in connection with the conversion of loans in accordance with the IFRIC19 and IAS 39/32 standards.

<sup>5)</sup> Comparison figures for 2010–2012 refer to the continuing and discontinued operations of the Group and are therefore not comparable.

		2014	2013	2012	2011	2010
		IFRS	IFRS	<sup>5)</sup> IFRS	IFRS	IFRS
<b>Per-share data</b>						
Earnings per share	EUR	0.00	-0.15	-0.25	-0.21	-0.33
Equity per share	EUR	0.01	0.00	-0.14	0.07	0.30
Dividend per share	EUR <sup>1)</sup>	0	0	0	0	0
Dividend out of profit	% <sup>1)</sup>	0	0	0	0	0
Effective dividend yield	% <sup>1)</sup>	0	0	0	0	0
P/E ratio		43.3	-0.7	-0.8	-2.0	-1.7
<b>Trend in share price</b>						
Minimum price during year	EUR	0.04	0.10	0.15	0.37	0.49
Maximum price during year	EUR	0.11	0.25	0.65	0.64	0.75
Mean price during year	EUR	0.06	0.14	0.30	0.52	0.63
Closing price at end of year	EUR	0.06	0.11	0.19	0.42	0.57
Total market capitalisation at 31 Dec	EUR million	6.5	12.0	4.0	7.8	10.6
Trade volume	no. of shares	40,584,525	7,065,282	2,952,411	746,382	5,211,956
Trade volume	%	37	7	14	4	39
<b>Share issue-adjusted number of shares</b>						
Mean number during year		109,114,035	60,117,106	20,067,042	18,680,880	14,682,250
Number at end of year		109,114,035	109,114,035	20,848,980	18,680,880	18,680,880

<sup>1)</sup> The Board of Directors proposes to the Annual General Meeting that no dividend be paid out.

<sup>5)</sup> Comparison figures for 2010–2012 refer to the continuing and discontinued operations of the Group and are therefore not comparable.

## Definitions of Key Figures

Return on equity, %	=	$\frac{100 \times \text{profit/loss}}{\text{equity (mean for financial year)}}$
Return on investment, %	=	$\frac{100 \times (\text{profit/loss} + \text{financial expenses})}{\text{equity} + \text{interest-bearing loans (mean for financial year)}}$
Equity ratio, %	=	$\frac{100 \times \text{equity}}{\text{total assets less advance payments received}}$
Gearing, %	=	$\frac{100 \times (\text{interest-bearing liabilities less cash and cash equivalents})}{\text{equity}}$
Net debt	=	liabilities less financial assets
Quick ratio	=	$\frac{\text{financial assets}}{\text{short-term liabilities} - \text{current advance payments received}}$
Current ratio	=	$\frac{\text{financial assets} + \text{inventories}}{\text{current liabilities}}$
Investments	=	purchases of property, plant and equipment net of VAT and including investment subsidies
Average number of employees	=	average number of employees at end of month
<b>Per-share data</b>		
Earnings per share	=	$\frac{\text{net profit}}{\text{share issue-adjusted mean number of shares during financial year}}$
Equity per share	=	$\frac{\text{equity}}{\text{share issue-adjusted number of shares at end of financial year}}$
Dividend per share	=	$\frac{\text{dividend during financial year}}{\text{share issue-adjusted number of dividend-earning shares at end of financial year}}$
Dividend out of profit, %	=	$\frac{100 \times \text{dividend per share}}{\text{earnings per share}}$
Effective dividend yield, %	=	$\frac{100 \times \text{dividend per share}}{\text{last price at balance sheet date}}$
Price per earnings (P/E) ratio	=	$\frac{\text{last price at balance sheet date}}{\text{earnings per share}}$
Total market capitalisation	=	last price at balance sheet date x number of shares in issue

## BOARD OF DIRECTORS 2014

### LASSI NOPONEN

**Chairman of the Board**  
**LL.M., MBA, born 1963**  
**A non-executive director,**  
**who is independent of the**  
**company and its major**  
**shareholders**



Lassi Noponen was elected into Incap Corporation's Board of Directors in 2009. He is Chairman of the Board and a partner at Cleantech Invest Plc. He has previously acted as the Chairman of the Board of Winwind Ltd. He has also served as the CEO of Proventia Group and as a partner in Evli Corporate Finance and held different tasks in Neste Corporation.

Incap shares (direct ownership and holding of interest parties): 521,893

### OLLE HULTEBERG

**M.Sc. (Eng.), born 1962**  
**A non-executive director,**  
**who is independent of the**  
**company**



Olle Hulteberg was appointed to Incap's Board of Directors in August 2013. He is the Managing Director of Inission AB. In his career as entrepreneur he has several successful start-ups as track record, and he has also held various positions within Ericsson and Tieto. Olle Hulteberg holds 49.9% of Inission AB, which holds 44,573,010 Incap's shares.

Incap shares (direct ownership and holding of interest parties): 44,573,010

### FREDRIK BERGHEL

**M.Sc. (Eng.), born 1967**  
**A non-executive director,**  
**who is independent of the**  
**company**



Fredrik Berghel has been a member of the Board of Directors of Incap Corporation since August 2013. He was the acting President and CEO of Incap as from 20 September 2013 until 22 June 2014. He is the CEO of Inission AB. He has previously acted among others as Production Director at Constructor group, Production Manager at Hydro Aluminum and as Managing Director at Robust Ståldörrar AB. Fredrik Berghel holds 50.1% of the shares of Inission AB, which holds 44,573,010 Incap's shares.

Incap shares (direct ownership and holding of interest parties): 44,573,010

### SUSANNA MIEKK-OJA

**M.Sc., born 1950**  
**A non-executive director,**  
**who is independent of the**  
**company and its major**  
**shareholders**



Susanna Miekkoja has been a member of the Board of Directors of Incap Corporation since 2007. She serves as Director at Danske Bank Plc Wealth Management. She has previously been running capital markets operations and starting asset management activities. She has also acted as Managing Director of a fund management company. Susanna Miekkoja is a board member at the Research Foundation of the University of Helsinki and a member of the committee for property and stock investment of the University of Helsinki.

Incap shares: 233,021

### RAIMO HELASMÄKI

**M.Sc. (Mechanical**  
**Engineering), born 1963**  
**A non-executive director,**  
**who is independent of the**  
**company and its major**  
**shareholders**



Raimo Helasmäki has been a member of the Board of Directors of Incap Corporation since 2010. He works as Executive Vice President of Small Caliber Division at the Scandinavian Nammo Group and as President of Nammo Lapua Oy. Previously he has worked as the Managing Director of Esmi Oy, part of Schneider Electric Group, and as Marketing Director of TAC Finland Oy.

Incap shares: 89,944

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None of the Directors is holding stock options.

## MANAGEMENT TEAM

### **VILLE VUORI**

**President and CEO**

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

With the company as the President and CEO since 23 June 2014. He has previously worked as Managing Director in Kumera Drives Oy and in Skyhow Ltd. and held several managerial positions in ABB Group.

Incap shares: -  
Stock options: -

### **KIRSTI PARVI**

**CFO**

**BAA, EMBA, born 1958**

With the company since 2007, first as Business Controller and CFO for the Indian subsidiary. Since 2011 she has acted as the Group CFO and a member of the management team. Previous positions among others with Kemira.

Incap shares: 150,000  
Stock options: -

### **MURTHY MUNIPALLI**

**Director, Operations India & Sales Asia**

**M.Sc. (Eng.), MBA, born 1964**

With the company as from 2008. He acted first as Sales Director and then as Managing Director of the Indian subsidiary with responsibility for all the operations in India. He has worked previously at Spike Technologies Ltd (present Qualcomm) and Tata Elxsi Ltd.

Incap shares: -  
Stock options: -

# SHARES AND SHAREHOLDERS

Incap Corporation has one series of shares and a total of 109,114,035 shares at the end of the financial period 2014. Company's share capital registered in the trade registry was EUR 20,486,769.50 on 31 December 2014. The company does not own any of its own shares.

Incap Corporation's shares are listed on the NASDAQ OMX Helsinki since 5 May 1997. In the Nordic OMX List, Incap belongs to the Small 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.

The price of Incap Corporation's share varied in the range of EUR 0.04 to EUR 0.11 during the financial year. The last quotation in trading at the end of the year was EUR 0.06. The total trading of the share during the financial year was 37.2%. The company's market capitalisation on 31 December 2014 was EUR 6.5 million. At the close of the financial year, the company had 1,634 shareholders, and 26.3% of the shares were nominee-registered.

## SHAREHOLDER AGREEMENTS

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

## STOCK OPTION SCHEME 2009

The stock option scheme launched in 2009 consisted of a total of 600,000 option rights entitling to a subscription of 600,000 of Incap Corporation's share. The subscription period for all options ended on 31 January 2014. No options were used for the subscription of shares.

## SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND THE PRESIDENT

The members of the company's Board of Directors, the President and their interest parties owned a total of 41,552,421 shares, or 38.1% of the company's shares and votes. Details on the holdings of the Board of Directors, the President and the Group management team are available on the company's website at [www.incap.fi/Investors/Insiders](http://www.incap.fi/Investors/Insiders).

Development of share capital	Changes, 1,000 euros	Registered on	Share capital, 1,000 euros
31.1.1991 Merger	5,760	26.2.1992	7,862
28.4.1992 Increase	424	25.11.1992	8,286
30.9.1992 Decrease	4,972	2.12.1992	3,314
15.1.1993 Increase	32	11.8.1993	3,347
16.3.1994 Increase	563	21.12.1994	3,910
10.3.1997 Increase	978	21.3.1997	4,889
5.5.1997 Increase	975	5.5.1997	5,864
4.5.1998 Increase	40	4.5.1998	5,904
21.3.2002 Increase	14,583	24.4.2002	20,487

Breakdown of shareholdings by sector on 31 December 2014		Shareholders	Shares and votes	
	pcs	%	pcs	%
Private enterprises	63	3.9	43,255,321	39.7
Financial institutions	12	0.5	35,219,842	32.3
Public sector entities	2	0.1	8,323,692	7.6
Households	1,554	95.1	21,534,227	19.7
Non-profit organisations	2	0.1	2,001	0.0
Foreign ownership	7	0.3	778,952	0.7
<b>Total</b>	<b>1634</b>	<b>100.0</b>	<b>109,114,035</b>	<b>100.0</b>
Nominee-registered shares	6		28,737,444	26.3

Breakdown of shareholdings by number of shares on 31 December 2014		Shareholders	Shares and votes	
Shares, pcs	pcs	%	pcs	%
1–100	208	12.7	12,014	0.0
101–500	351	21.5	112,100	0.1
501–1,000	273	16.7	244,187	0.2
1,001–5,000	408	25.0	1,100,061	1.0
5,001–10,000	151	9.2	1,263,794	1.2
10,001–50,000	155	9.5	3,664,638	3.4
50,001–100,000	34	2.1	2,453,086	2.2
100,001–500,000	34	2.1	6,957,467	6.4
500,001–	20	1.2	93,306,688	85.5
<b>Total</b>	<b>1,634</b>	<b>100.0</b>	<b>109,114,035</b>	<b>100.0</b>

Largest shareholders on 31 December 2014	Shares, pcs	Percentage of shares and votes, %
Inission AB (nominee-registered and direct holding)	40,707,563	37.3
Oy Etra Invest Ab	16,934,547	15.5
Ilmarinen Mutual Pension Insurance Company	8,307,692	7.6
Onvest Oy	5,197,286	4.8
Nordea Bank Finland Plc	3,761,400	3.4
Laurila Kalevi	2,735,429	2.5
JMC Finance Oy	2,402,286	2.2
Mandatum Life Unit-linked	1,800,000	1.6
Hallqvist AB	1,584,264	1.5
Sundholm Göran	1,400,000	1.3
<b>10 largest in total</b>	<b>84,830,467</b>	<b>77.74</b>

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