Annual &<br/>Sustainability<br/>Report 2024.

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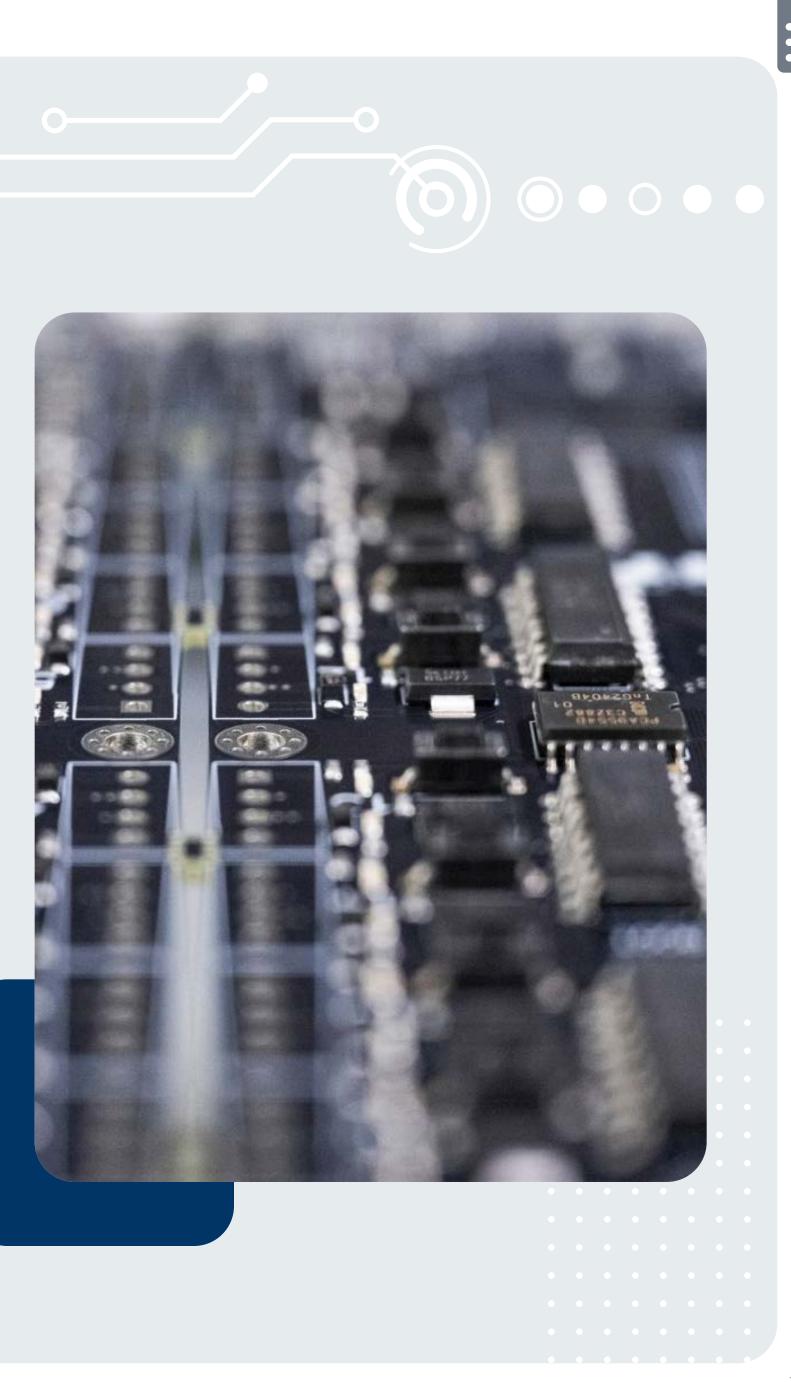
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# Incap in brief.

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

We support our customers ranging from large multinationals and midsized companies to small start-ups in their complete manufacturing value chain.

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

We operate globally. Our factories are based in Estonia, India, Slovakia, the United Kingdom, and United States. Our procurement operations are based in Hong Kong, and our headquarters are in Finland.

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

EBIT was 12.7% of revenue, which is an indication of our strong operating model and agility.

**230.1 MEUR** REVENUE 2024

> **29.2 MEUR** EBIT 2024

#### **301.4 MEUR** MARKET VALUE 31 DEC 2024

2,554 EMPLOYEES INCLUDING CONTRACT WORKERS



#### We operate globally.



California Pennsylvania **United States** 



#### Estonia

- Since 2000
- 7,300 sqm
- 127 employees

#### India

- 3 factories
- Since 2007
- 34,500 sqm
- 1,780 employees





# Year 2024 in brief.

2024 was a successful year for Incap, with our performance aligning well with our plans.

Incap Group's revenue increased 3.8% year on year and amounted to EUR 230.1 million. Our 2024 results were driven by new customer acquisitions, increased sales to existing ones, and cross-selling opportunities from our acquisitions.

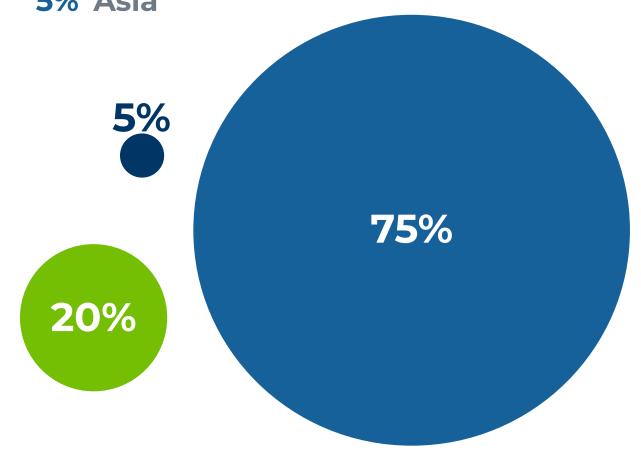
Incap's business stayed profitable. Operating profit (EBIT) was EUR 29.2 million or 12.7 % of revenue.

The successful integration and strong performance of Incap US, along with Incap India's newest factory ramping up its production capacity, were significant contributors to the increase in revenue. We continuously improved our efficiency and invested in the latest technology, such as advanced SMT machinery in Slovakia and UK.

We continued to advance our commitment to sustainable business practices. We have prepared for CSRD reporting and are ready to comply with the new standards. In parallel, we updated our Sustainability Programme and set targets for 2025.

#### Geographical distribution of revenue

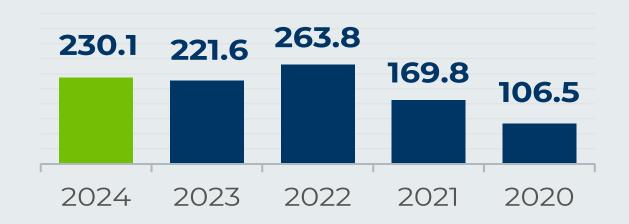
75% Europe **20%** North America 5% Asia



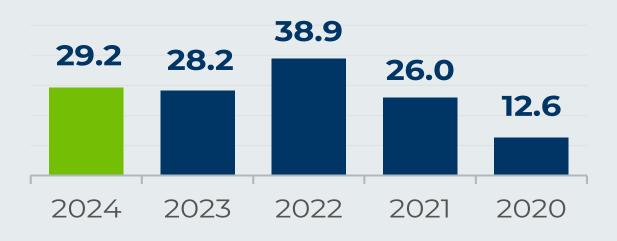
KEY FIGURES (IFRS)		2024	2023
Revenue	EUR million	230.1	221.6
Operating profit (EBIT)	EUR million	29.2	28.2
share of revenue	%	12.7	12.7
Operating profit before tax	EUR million	30.1	26.4
Profit for the period	EUR million	22.7	19.8
Earnings per share (EPS)	EUR	0.77	0.68
Return on investment (ROI)	%	21.6	23.3
Equity ratio	%	63.8	60.6
Investments	EUR million	6.7	19.4
Personnel at year end		2,554	1,733



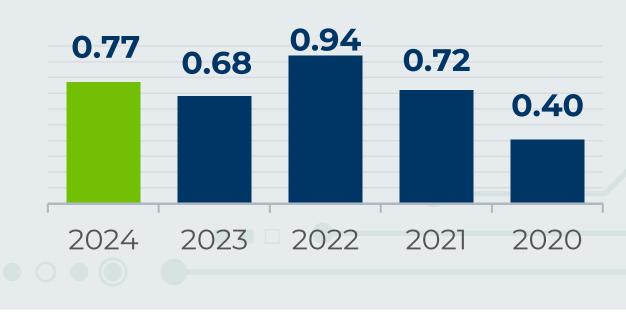
#### **Revenue, EUR million**



#### **Operating profit (EBIT), EUR million**



#### Earnings per share (EPS), **EUR**





#### **CEO's review.**

# Confident in our ability to continue delivering strong results.

2024 was a successful year for Incap, with our performance aligning well with our plans. We have effectively navigated through the challenges of the previous years and have now reached a new normal with our largest customer's destocking exercise finalized. While many of our peers faced similar challenges in 2024 as we did in 2023, we had already overcome them and continued to grow our EBIT quarter-to-quarter, as anticipated. I want to extend my gratitude to our team for their dedication and hard work, which led to these great results.

Our revenue in 2024 was EUR 230.1 million, with the fourth quarter contributing EUR 59.3 million. Our 2024 results were driven by new customer acquisitions, increased sales to existing ones, and cross-selling opportunities from our acquisitions. The successful integration and strong performance of Incap US, along with Incap India's newest factory ramping up its production capacity, were significant contributors to the increase in revenue. We continuously improved our efficiency and invested in the latest technology, such as advanced SMT machinery in Slovakia and UK. We maintained good customer dialogue by for example organising events in Slovakia and Estonia, and our teams participated in various cooperation events, trade shows, and training sessions.

Our fourth quarter EBIT was EUR 8.6 million, representing 14.4% of revenue, and our full-year 2024 EBIT was EUR 29.2 million, or 12.7% of revenue. We achieved approximately 40% higher revenue and 132% higher profitability compared to the same period in previous year mainly thanks to the higher production volumes in Incap India. These figures highlight our successful operational model and agility. Furthermore, we have been focusing on our global cooperation and driving synergies between different units at Incap, to benefit our customers and enhance client engagement.

Throughout 2024, we continued to advance our commitment to sustainable business practices. We have prepared for CSRD reporting and are ready to comply with the new standards. In parallel, we updated our Sustainability Programme and set targets for 2025. Significant investments were made to support our goals, including the installation of solar panels at Incap India and improvements in energy efficiency across all units.

Looking ahead, we expect a somewhat cautious start for the year 2025, as the market is anticipating the impact of the changes related to tariffs, taxes and geopolitical challenges, mostly linked to the new US administration. However, we estimate that our revenue and operating profit for 2025 will be higher than in 2024. As a growth company with a strong long-term strategy, we are committed to both organic growth and growth through M&A. To achieve our organic growth targets, we have invested in our production facilities and the latest technologies, enabling us to serve modern industries and businesses effectively.

Despite the market uncertainties, we remain optimistic about the future while closely monitoring these developments and their impacts. We have not been significantly impacted by the slower economy in the Nordic electronics manufacturing industry, as we operate only one factory in the region and have a limited exposure to the Nordic market. Therefore, our diverse global customer base enables us to continue growing and we see significant opportunities in various geographies, which support our positive outlook for the future.

We are confident in our ability to continue delivering strong results and creating value for our shareholders. Our financial position remains solid, and we will keep pursuing opportunities that align with our goals.

#### **Otto Pukk**

President and CEO

Our operations extend to Asia and Europe as well as to North America, and we are an even more interesting partner for both existing and new customers.





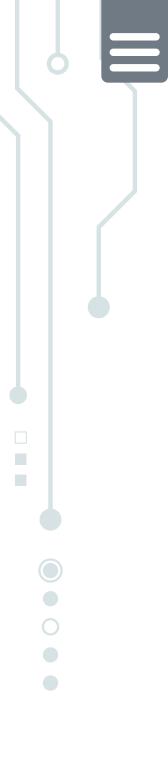
### Electronics manufacturing services market.

The overall demand and market activity in the electronics manufacturing services (EMS) industry continued at a good level despite the geopolitical tensions. The general inflation and cost of manufacturing continued to increase, while the component availability has started to improve. Incap works closely with its suppliers and customers to keep adequate inventory levels to mitigate the risks.

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

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

Overall demand and market activity in the electronics manufacturing services industry continued at a good



# **Our mission, strategy and values.**

#### Mission

As a trusted partner and full-service provider in electronics manufacturing services, we manage our customers' manufacturing while they grow their business. Our job is to ensure that our customers get the best possible support throughout the manufacturing value chain, from product and process design and manufacturing to sourcing and logistics.

> Our growth strategy is based on our entrepreneurial culture.

#### **Strategy**

Our growth strategy is based on our entrepreneurial and customer-driven culture, flexible operational model and cost management as a deeply rooted mindset. We want to drive industry consolidation benefiting from the growth potential of the industry while maintaining our cost efficiency and longterm profitability. To continue our strong track record, we focus on three strategic cornerstones: growth, profitability and operational excellence.

#### Growth

Our growth is driven by the growing use of electronics and the global trend of outsourcing. We will continue to focus on the markets of Europe, North America and Asia-Pacific, where we will be agile and capitalise on cross-selling opportunities and expanding our service offering. We also seek growth through M&A activities targeting businesses with a good operational and cultural fit.

#### **Profitability**

Maintaining our unique and efficient business model is a key element of our strategy and will help us reach our profitability targets. With strong cost-awareness and entrepreneurial culture, we create value add and expand our service offering to our customers. To support our profitability, we will harvest potential synergies and economies of scale from M&A activities.

#### **Operational excellence**

Our investments in operational excellence include high-quality technology and the knowhow of our people. We will continue to work in a decentralised way that motivates our personnel and brings value for our customers. On our growth path, it will be important to successfully integrate the acquired businesses while maintaining an operational and cultural fit.



#### Values

#### Honesty

- In everything we do, we are authentic, we tell the truth, and we adhere to the facts.
- We comply with all applicable laws and regulations in the countries in which we do business.

#### Trust

- The strongest contribution come from teams where there is a strong belief in each other's reliability and competence, teams that allow their members to be open and honest.
- It takes all of us working together to cultivate an atmosphere of mutual respect, inclusion, and collaboration.

#### Transparency

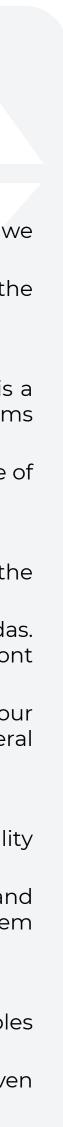
- We run our business in a way that creates openness within the company.
- We make information is accessible and have no hidden agendas. We communicate clearly across the organisation and confront problems when they arise.
- Transparency also increases our accountability to our stakeholders, such as customers, shareholders and the general public.

#### Quality

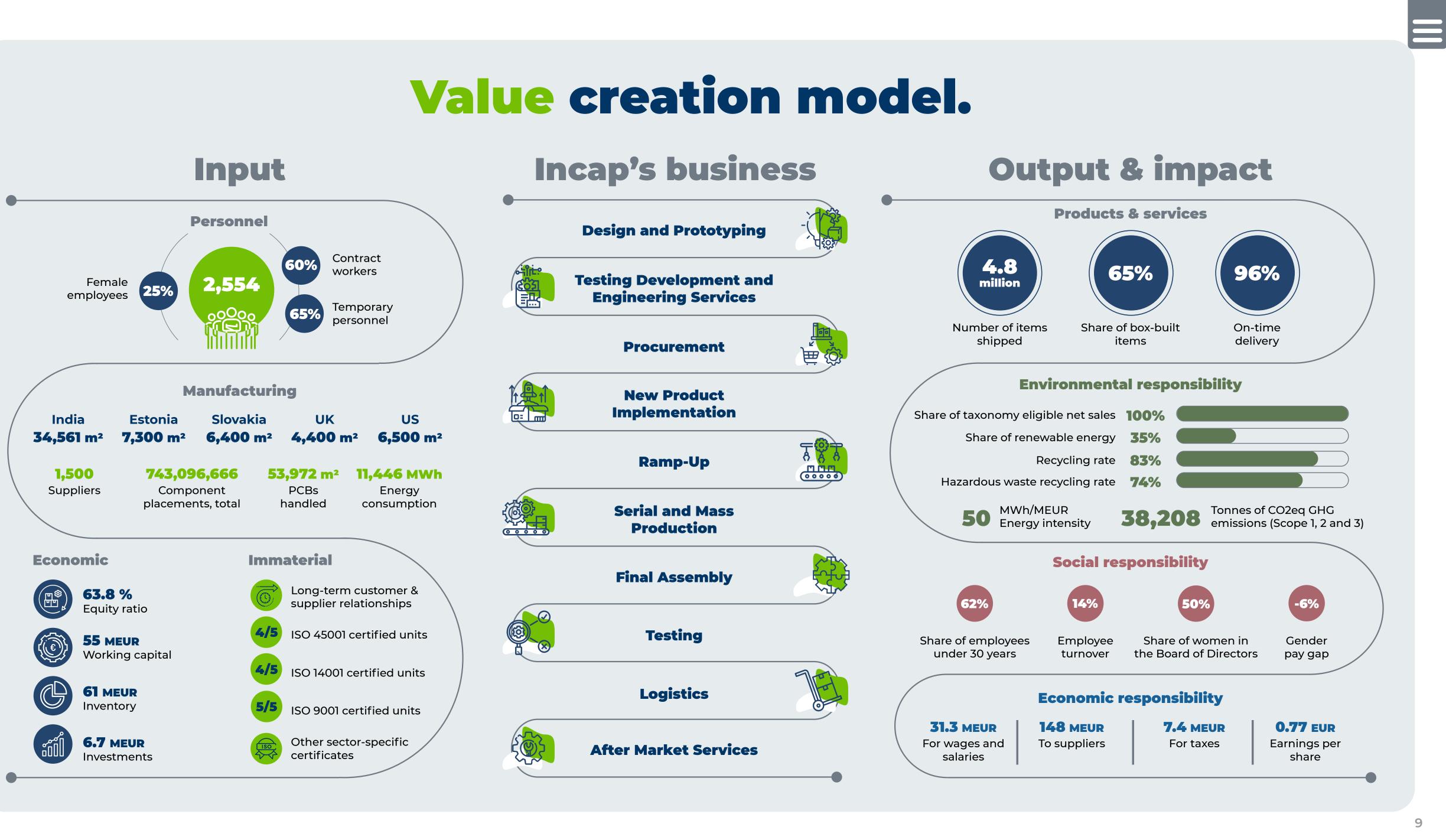
- We have a long history and a strong reputation of high quality that we want to nurture and develop even further.
- We are committed to improving the quality of our products and services as well as the effectiveness of our management system to meet and exceed customer and regulatory requirements.

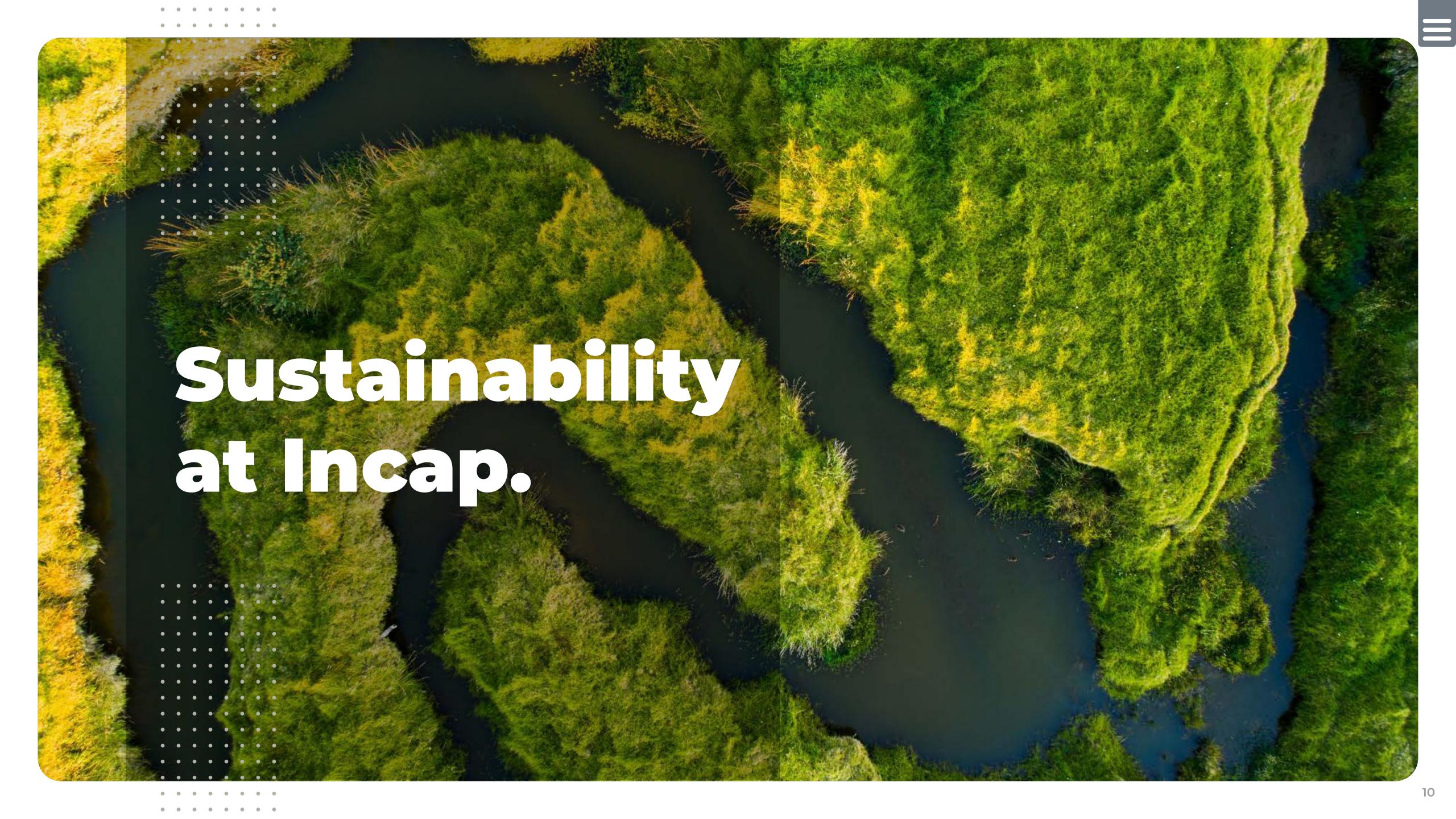
#### Integrity

- We are committed to the highest standards of moral principles and ethical conduct.
- When faced with difficult decisions, we do the right thing, even in the face of adversity and when no one is watching.









# Sustainability at Incap.

As a globally operating electronics manufacturing services company and a growing organisation, sustainable operations are a must in achieving our goals. Acting in a responsible and trustful way is an integral part of our mission, strategy and operations. We are committed to actively promoting sustainable development to ensure that we will continue to be the trusted partner in our industry and to meet the increasing expectations of all our stakeholders also in the future.

We support sustainable development and strive to increase the positive impact of our operations – our handprint – and reduce our negative footprint through systematic development work focused on the most important themes as defined in our Sustainability Programme. Our social and environmental themes are based on our own assessment as well as understanding and collecting continuous feedback from our main stakeholders, including personnel, customers, suppliers, investors and local societies. In our Sustainability Programme, we define also our sustainability targets and indicators for monitoring them.

Incap has prepared a Sustainability Statement in accordance with the European Union's Corporate Sustainability Reporting Directive (EU) 2022/2464 and European Sustainability Reporting Standards (ESRS). The Sustainability Statement can be found as part of the Board of Directors report in this Annual Report.

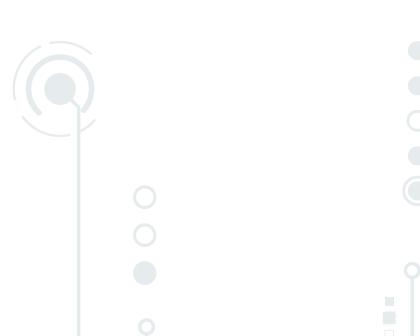
#### **Engaging with stakeholders**

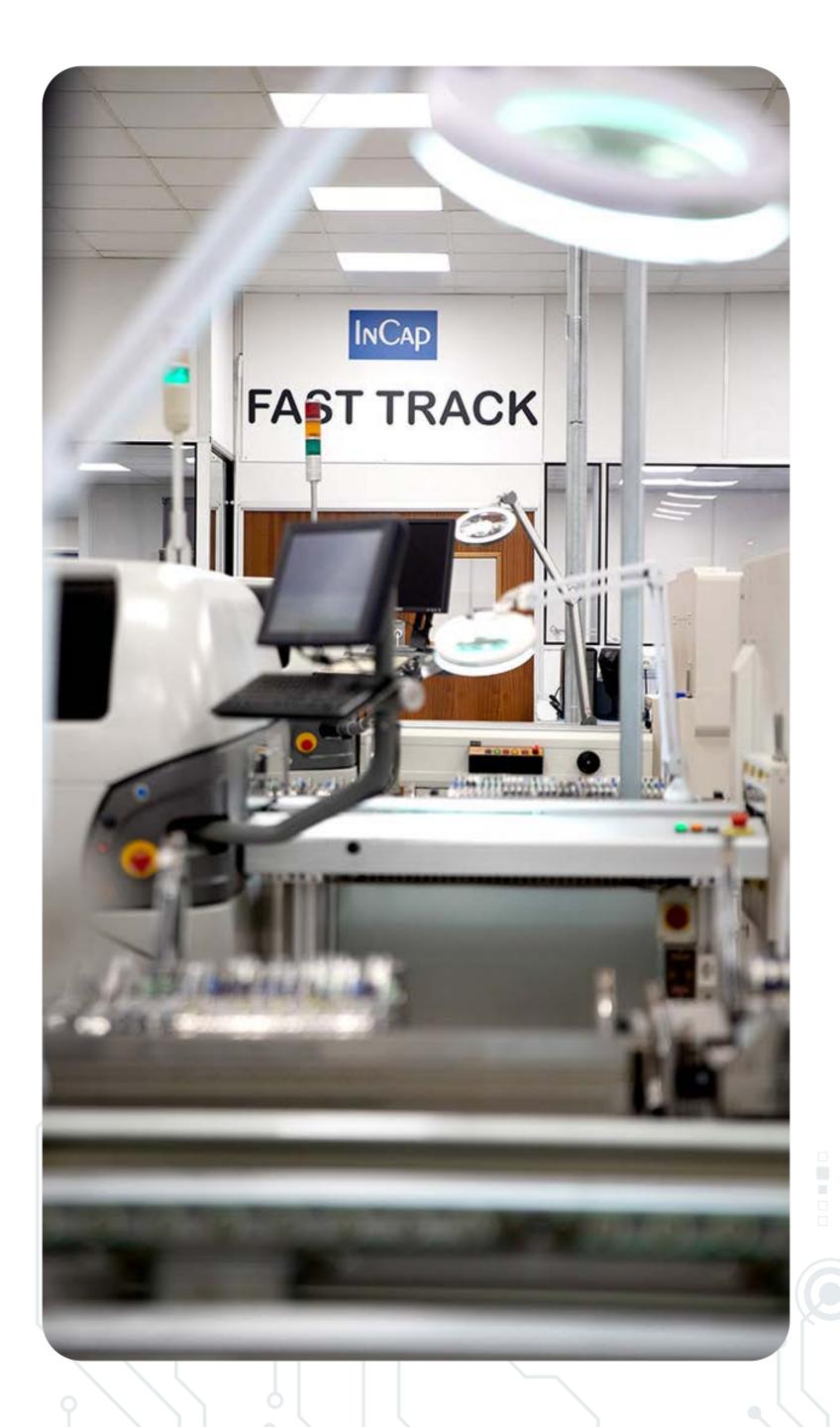
Incap's main stakeholders are employees, customers, suppliers, investors and local societies. We systematically collect stakeholder feedback and utilise it to develop our operations accordingly. We arrange common Business Cluster Days to our customers and suppliers and Supplier Days to our key suppliers. We also regularly meet our investors. We engage with local societies by participating in local activities, volunteer work and business councils. Keeping an open and continuous dialogue enables us to collaborate efficiently and ensure a predictable operating environment for all parties.

We carry out annual customer and employee satisfaction surveys in each of our factories and to further support our sustainability related processes, ESG related stakeholder surveys are performed as needed. In 2024, our eNPS (employee Net Promoter Score) increased from -1 in 2023 to 7 on a scale from -100 to +100. Our customers are willing to recommend Incap's services, as evidenced by an increase in our NPS (Net Promoter Score) from 68 in 2023 to 73 on a scale of -100 to +100. Both survey results provide us a good foundation for developing our work community and customer relations.



Employer Satisfaction: eNPS +7 Customer Satisfaction: NPS +73





#### A reliable business partner and an economically responsible company

Incap's economic responsibility is based on solid growth ambitions and good financial performance. Our aim is to be a sustainable growing business partner for our customers and suppliers. With a sustainable financial performance, we aim to provide our personnel stable job opportunities and create value for our investors.

As a growing and profitable business, we are in a good position to meet the expectations of all our shareholders. As such, economic responsibility forms the basis for us to consider the environmental and social responsibility aspects of our operations.

We fully comply with all applicable national and international laws and regulations and act in accordance with the ethical business principles we have set. As a stock exchange listed company, Incap strictly complies with securities market regulations and guidelines for good corporate governance as well as transparent and open reporting and communication.

As a globally operating and responsible electronics manufacturing company, we are also committed to fighting anti-competitive behaviour and corruption. We are committed to winning business only on the merits of our services and people and comply with all legal requirements for giving and receiving gifts and entertainment. Incap's Code of Conduct and Supplier Code of Conduct outline Incap's stance on anti-competitive behaviour and anti-corruptive practices, which

#### Value creation for stakeholders

#### MEUR

Customers: revenue
Suppliers: cost of materia
Personnel: wages, salarie
Public sector: taxes
Creditors: interest expens
Communities: donations
Other expenses

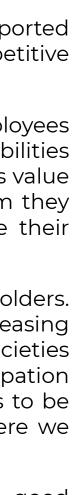
suppliers are expected to adhere to. In 2024, there were no reported incidents of corruption or legal actions taken for anti-competitive behaviour, anti-trust or monopoly practices.

Good financial performance ensures that we can offer our employees fair and competitive compensation and benefits, as well as possibilities for further development and professional growth. Our customers value a stable, efficient and financially sound business partner, whom they can trust to manage their manufacturing while they manage their business.

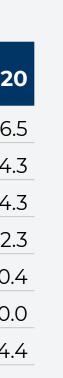
We also have a responsibility to create value to all other stakeholders. Our suppliers and partners expect us to provide fair and increasing opportunities for making business. We create value to the societies where we operate through payment of taxes and voluntary participation in various local programmes and projects. It is important for us to be a responsible and good citizen in the countries and areas where we operate.

Incap is a growing company in a growing industry with good profitability creating economical value for its shareholders. We have a strong track record of sustainable growth and continue to create value for our investors in the long term.

	2024	2023	2022	2021	2020
	230.1	221.6	263.8	169.8	106.
als and services	148.0	148.0	194.3	127.0	74.
es, benefits	31.3	24.0	16.4	14.5	14.
	7.4	6.6	9.0	4.7	2.
ISES	1.6	1.2	0.5	0.2	0.4
5	0.0	0.0	0.1	0.0	0.0
	13.0	12.0	15.9	9.4	4.4







# Incap's Sustainability Programme.

Incap has set itself a Sustainability Programme where it lists its key themes, KPI's and targets related to Incap's environmental and social work. This programme extends beyond the mandatory requirements based on the CSRD and related double materiality assessment, as it may

#### TOPICS

Environmental

Social

onsibility	• ESRS EI Climate change	<ul> <li>Transition to sustainable energy</li> <li>Reduction of energy intensity</li> <li>Reduction of GHG emissions from own operations</li> <li>Reduction of GHG in the value chain / related to transportation</li> </ul>			
respo	<ul> <li>ESRS E5 Resource use and circular economy</li> </ul>	<ul> <li>Recycling of waste and hazardous waste</li> </ul>			
esponsibility	• ESRS SI Own workforce	<ul> <li>Working conditions</li> <li>Health and safety</li> <li>Equal treatment and diversity</li> </ul>			
	• ESRS S2 Workers in the value chain	<ul> <li>Workers' rights and treatment in the value chain</li> </ul>			
Governance	<ul><li>ESRS G1 Business conduct</li><li>Incap's Business Strategy</li></ul>	<ul> <li>Decentralized structure</li> <li>Legal compliance</li> <li>Protection of whistle-blowers</li> </ul>			

**KEY THEMES** 

# Share of renewable energy in total energy consumption 33-37% (Scope 1,2) Development and implementation of Climate Transition Plan O environmental non-compliance cases Recycling rate over 83% Recycling rate of hazardous waste over 74% 100% new employees receive the training on Code of Conduct Employee satisfaction over 7/10 / eNPS at least +10 Employee turnover less than 10% O major injuries 100% of workers covered by ISO 45001 O average lost-days rate Equal pay for equal work Training hours per employee at least 5 per year

- 0 discrimination cases
- O severe human rights violation cases
- NPS at least +73
- Revenue growth
- Profitability
- Net working capital
- Earnings per share
- Control over operating expenses, personnel expenses, taxes
- Supporting the local communities related to our business units
- 0 breaches of Code of Conduct (incl. zero incidents of anti-competitive behaviour and zero incidents of corruption)



















#### Sustainability Highlights 2024.

1,257



Incap invested in renewable energy by installing 1,257 rooftop solar panels at the factory in India.

83%



Scope 3 GHG emissions, calculated for the first time, represented 83% of total emissions.



Incap's energy intensity was 50 MWh/m€.

83%



Impact Award in UK.



for own workforce was 4.







The share of own workforce covered by ISO 45001 certified Occupational Health and Safety Management Systems was 95%.

#### 7/8%

The share of personnel who participated in regular performance reviews.





Incap received gold label award for promoting mental health in the Estonian unit.



#### Managing sustainability and quality

At Incap, sustainability and quality go hand in hand. Both quality and sustainability are managed with related policies, management systems, instructions, processes and practices. They both build on Incap's ISO certified management systems, Due to Incap's business model being based on a decentralized organization, the Managing Directors of Incap's subsidiaries are responsible for sustainability management in their own countries and in line with Incap's Sustainability Programme.

Incap has also established an ESG steering committee and ESG team to promote and supervise the implementation of the programme and plan further actions to develop business operations from the perspective of sustainable development. The participants consists of management team members as well as people with expertise related to quality, environmental impact, occupational health and safety, human resources and financial management as well as communications.

Incap's Management Team and ultimately the Incap's Board of Directors, which is the highest management body in sustainability matters, are responsible for approving Incap's Sustainability Programme, and the group-wide policies and processes.

Our Code of Conduct determines how we expect all Incap employees to behave. The Code embodies our core values – honesty, trust, integrity, quality and transparency – and gives guidance on how our values are put into action every day. The Code and the related training arranged for our employees ensure that we comply with applicable local and international laws and regulations, respect human rights and act with high level of integrity in accordance with our principles for social, economic and environmental responsibility.

At Incap, we are all committed to continuous improvement of the quality and safety of our products. We are committed to working towards exceeding customer expectations and meeting regulatory requirements and quality specifications at every stage. We are also committed to providing our customers sustainably produced products and services.

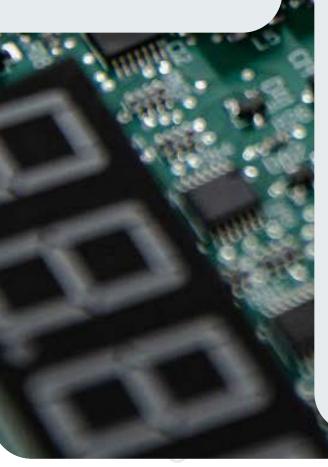
To ensure the quality of our products and services, we comply with industry standards, maintain high level quality and process control, collect customer feedback and follow industry expectations, and provide our customers with accurate product information. To ensure the safety of our products, we follow the precautionary principle in all areas of our operations, including the design, manufacturing and assembly of the products.



To ensure high quality, health and safety of our employees, environmental compliance and to mitigate the related risks, we have implemented the following management systems. Through ISO certification we can monitor the effectiveness of these systems.

- International quality management system ISO 9001
- Occupational health and safety management system ISO 45001
- ISO 14001
- Automotive industry quality management system IATF 16949
- Medical devices management system ISO 13485

• Environmental management system





In addition to certified management systems, Incap's Sustainability Programme is steered through the following main policies, guidelines as well as evaluation and feedback processes:

- Code of Conduct
- Corporate Operations and Quality Guidelines
- Quality Manuals
- Risk Management Policy
- Standard Operating Procedure (SOP)
- Customer satisfaction surveys
- Employee satisfaction surveys
- Systematic employee induction and training processes
- Work councils
- Whistleblowing channel
- Supplier audit process
- Supplier Code of Conduct
- Management Policy
- Remuneration Policy
- Disclosure Policy
- Privacy Policy
- Policy on Conflict Minerals
- Sustainability Policy





#### **Our suppliers**

As a global electronics manufacturing services (EMS) company, Incap manufactures electronics and end products based on its customers' specifications, which include the selection of suppliers or materials. As a result, the company does not control the selection of most of its suppliers.

Incap has more than 1,500 active suppliers worldwide, and many of the company's suppliers are large globally operating companies based in Europe, Asia, North America or South America or companies located close to Incap's operations in Europe, India and North America. In addition to the Approved Vendor List, Incap sources to a small extent some materials and components from suppliers that are directly chosen by the company. With this type of suppliers, Incap's supply chain management consists of supplier evaluation, analysis and onsite audits, often with a customer representative alongside.

Incap's goal is to act ethically throughout its supply chain, and the company requires its major suppliers to adhere to its Supplier Code of Conduct and Conflict Mineral Policy. The Code outlines the minimum standards of ethical business conduct including compliance with applicable local and international laws and regulations, respect for human rights and acting with high level of integrity. Despite the restrictions in supplier selection typical in Incap's industry, the company's aim is always to cooperate with authorised distributors, as these are global companies who follow ethical principles compliant with Incap's Supplier Code of Conduct.

#### **Committed to global sustainability goals**

Incap is a signatory of the United Nations Global Compact initiative which aims to end extreme poverty and achieve sustainable development. The initiative supports the idea that human activities must be adapted to the planet's resources and resilience.

Incap is committed to all 17 Sustainable Development Goals of the Global Compact and has selected 9 goals that promote human rights, labour, the environment and environmental protection as the most important for its own operations. SDGs 3 (Good health and well-being), 4 (Quality education), 5 (Gender equality) and 8 (Decent work and economic growth) support the development of Incap's social responsibility, SDGs 7 (Affordable and clean energy), 12 (Responsible consumption and production) and 13 (Climate action) the consideration of environmental aspects, and SDGs 9 (Industry, innovation and infrastructure) and 16 (Peace, justice and strong institutions) economic responsibility actions.

> Incap is committed to all 17 Sustainable Development Goals of the Global Compact



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#### An open and innovative working community

Social responsibility is at the heart of Incap's corporate culture and strategy. Our employees are our most important asset and by investing in them we ensure our competitiveness now and in the future. We invest in skills development, cooperation and well-being and expect fair and ethical behaviour towards all. We believe that providing equal opportunities is a prerequisite for success now and in the future. We also want to actively promote sustainable development in our local communities.

Cooperation, friendliness, openness and innovation are the cornerstones of Incap's corporate culture. Our employees form a highly professional and ambitious team that is a pleasure to work with. The high quality and efficiency of our operations is based on seamless teamwork throughout the production and supply chain. The way we serve our customers sets us apart from our competitors.

#### **Diverse training**

Incap supports employees' opportunities to develop their skills and advance in their careers to new positions. This supports both the promotion of our strategy and the maintenance of innovation and productivity in our work community. Diverse training opportunities range from induction training to process development and management training. Induction training includes ethics, health and safety training, and quality management system training. We company also offer product training, professional skills development and training required for various certification standards.

A significant part of the training takes place in the workplace, but employees are also encouraged to attend courses and seminars outside the company. Our training programme considers local requirements and opportunities.

#### **Employee engagement survey** throughout the Group

Well-being at work increases employee satisfaction and adds value to business. Incap measures the motivation and well-being of its personnel at all its factories with regular group-wide satisfaction surveys. In 2024, 512 out of 1032 Incap's own employees responded to the survey and the average rating was 7/10, which can be considered reasonably good. The survey highlighted areas for development, related to communication as well as career and training opportunities.

Code of Conduct is part of the induction training for all new employees, and it is also highlighted in ongoing communications. Incap's whistleblowing Health and safety first service provides a channel for employees and other stakeholders to raise ethical concerns about As an employer Incap is responsible for the health the company's activities. Incap supports freedom and safety of its employees. Safety at work is not of association and respects local labour laws and compromised. Incap strives to provide a healthy and practices in the countries where it operates. Incap safe workplace for all employees and takes appropriate employees are represented by workers' or employees' measures to prevent accidents and injuries. All councils in some countries of operation. accidents and near-misses are taken seriously, and efforts are made to prevent them from happening in **Supporting family-friendly practices** the future. 95% of Incap's employees are covered by and local communities ISO 45001 certified occupational health and safety management systems.

Incap's work community and corporate culture support a good work-life balance and takes different All employees are also expected to take responsibility life stages into account. Family-friendly practices are for their own and their colleagues' safety. They must adapted to local customs and requirements. Familyunderstand the health and safety risks associated friendly practices can include flexible working hours with their daily work and report any risks to their and parental leave. In some countries, our employees superior. incidents, near misses and health and safety are offered extended health insurance to cover family risks. Employees must ensure that they are fit for members in addition to the full-time doctor and work and comply with local health and safety laws nurses available to employees at the factory. We also and regulations and Incap's occupational health and support the well-being of our employees and their safety policy. families by organising events for our employees and their families.

In electronics manufacturing, the risk of serious injury is relatively small. However, there are minor risks, for instance associated with handling of hazardous waste and welding fumes. To mitigate these risks, Incap organises safety training and has strict procedures for handling hazardous waste.

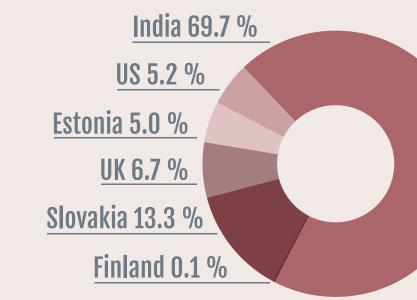
#### Fair treatment for all

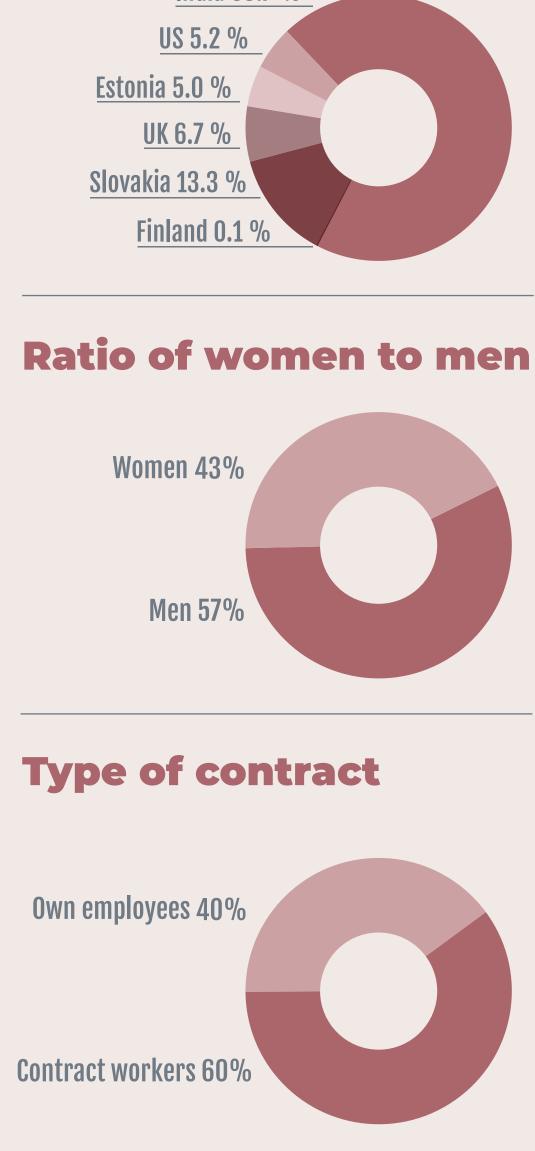
Incap is committed to full compliance with applicable national and international laws and regulations, including the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Rights and Principles at Work.

Incap's ethical principles and practices are set out in its Code of Conduct. The Code ensures fair and equal treatment of everyone and guides personnel to behave correctly and take ethical principles into account in decision-making. The key themes of business ethics are avoidance of conflicts of interest, protection of intellectual property rights and intellectual property, confidentiality, protection of personal data and privacy, fair competition, zero tolerance of corruption and bribery, prevention of money laundering, and transparency and trust in communications.

Incap also wants to be a responsible and active partner in the communities where it operates. Incap offers high-quality work and development opportunities for people in the areas where it operates. The goal is to be responsive to the needs of local stakeholders and actively contribute to sustainable development in society. Co-operation with local communities varies and is dependent on local conditions that are very different in different regions where Incap operates.

#### Personnel







Case.

# UK, awards and community work.

#### Incap UK celebrates women leaders and community engagement

During 2024, Incap UK received many significant awards and recognitions. Business Development Director Tracy Court and Supply Chain Manager Heather Rowe were chosen as finalists in Women Leaders in Electronics Awards, which is an initiative created to promote the voice of women in the international electronics industry. Both Tracy and Heather were nominated in several categories, including 'Unsung Hero in a Leadership Role', 'Leader of the Tear – Workplace Focused' and 'Woman of the Year'.

Incap UK also won the Most Positive Community Impact Award at the 2024 Manufacturing Awards for its initiatives that extend beyond providing quality electronics manufacturing services to making a positive community impact. Incap UK was awarded for its collaborations with local schools and colleges, sustainable practices within its facilities as well as charity support and employee volunteering.







#### Case.

#### Estonia, mental health gold label.

#### Incap Estonia received gold label award for promoting mental health at workplace

Well-being at work increases employee satisfaction and adds value to business. Incap's work community and corporate culture support a good work-life balance and take different life stages into account. Family-friendly practices are adapted to local customs and requirements.

Incap Estonia has been awarded a prestigious gold label by an Estonian NGO Peaasi for promoting mental well-being in the workplace. This recognition highlights Incap's commitment to supporting the mental health and overall well-being of the entire team. Incap believes that a balanced and cared-for employee is more motivated and creates a friendlier, more supportive work environment. Together with its employees Incap continues to prioritise mental health and well-being in the workplace.





#### Slovakia, customer and supplier day.

#### Incap Slovakia hosted customer and supplier event in September

Maintaining open and ongoing communication with customers and suppliers is important for Incap as a trusted EMS partner. In 2024, Incap Slovakia hosted a successful customer and supplier event, bringing together professionals from various industries.

The day started with presentations on Incap's operations, IT, sourcing, and ESG initiatives, followed by an exclusive factory tour at the Incap Slovakia site. Events like this enable us to work together even more efficiently and create a stable operating environment for everyone.

As a global EMS company Incap supports customers ranging from large multinationals and mid-sized companies to small start-ups in their complete manufacturing value chain. Incap has more than 1,500 active suppliers worldwide, and many of the company's suppliers are large globally operating companies based in Europe, Asia, North America or South America or companies located close to Incap's operations in Europe and India.







# Incap and environment.

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#### **Incap and environment**

Incap contributes to sustainable development by improving the efficiency of its production and by considering all environmental impacts of its operations and striving to minimise them. The most important thing we can influence is the efficient use of resources and materials. The most significant environmental impacts of our activities are carbon dioxide emissions from energy consumption and waste from production. Incap does not use water in its production. Water consumption is mainly caused by the use of sanitary facilities and cleaning. Continuous improvement is based on identification, measurement and reporting of environmental impacts.

Incap is a contract manufacturer, so our customers choose the raw materials, materials and components used in our manufacturing processes. As a result, the environmental performance of our operations is strongly linked to our customers' environmental objectives.

Incap has implemented an environmental management system (EMS) certified in accordance with ISO 14001 requirements almost in all its units. Incap also complies with all relevant laws and requirements to prevent pollution and reduce the consumption of natural resources and materials. No violations of environmental laws or regulations were found in Incap's operations during 2024.

#### **Our contribution to climate change** mitigation

Energy efficiency and reducing carbon dioxide emissions are key factors in the global fight against climate change and the preservation of biodiversity. Even though the energy intensity of the electronics industry is relatively low compared to many other manufacturing sectors, Incap aims to The focus is on improving recycling rates and waste management, which can be achieved by reducing waste of raw materials and line rejections. We are also constantly striving to reduce the amount of hazardous substances in our production processes. To minimise the risks associated with hazardous materials and substances, we train our personnel and organise exercises to raise awareness and support their understanding of proper handling of hazardous materials, whether in day-to-day work or in the event of an accident.

contribute to sustainable development and climate change mitigation by improving the efficiency of its production and striving to minimise the CO2 emissions. The majority of Incap's energy consumption goes into heating, cooling and lighting of production facilities and for the operation of production machinery. Efforts to reduce energy consumption include the use of modern technology and energy-efficient equipment, led lighting, intelligent material flows and logistics.

Incap's carbon dioxide emissions are generated by the energy consumption of its production facilities and by logistics, business travel, and purchased equipment

Incap's high quality ensures material and resource and services. efficiency while strengthening our customer satisfaction. As such, quality is a priority, and we **Attention on recycling rate** manage it through quality standards, among other things. Our operations are certified to the Incap's production generates electronic waste, international ISO 9001 quality management system, packaging waste and small amounts of chemical and our environmental management system is waste. We optimise the raw materials and materials certified to ISO 14001 standards. These standards we use in production and control their use to demonstrate our ability to consistently provide minimise waste. In our waste management, we focus products and services that meet customer and on reducing waste and improving recycling rates. Our regulatory requirements. By adhering to Incap's production sites are located in five different countries Code of Conduct and Quality Guidelines and our with varying levels of waste management. As we are Quality Manual, we also strive to continuously highly dependent on local municipal waste treatment develop our processes, from design and raw material services and their recycling facilities, we work closely sourcing to production and distribution, to meet the with local authorities to achieve our ambitious targets. environmental requirements of the customers whose products we design and manufacture. To ensure efficient use of resources and minimise the

amount of waste, Incap optimises the use of all raw materials in its production process. The focus is on improving recycling rates and waste management, which can be achieved by reducing waste of raw materials and line rejections.

#### High quality increases resource efficiency

#### Environmental highlights.









#### Case.

#### India, solar panels.

#### Incap India enhances renewable energy share by installing solar panels

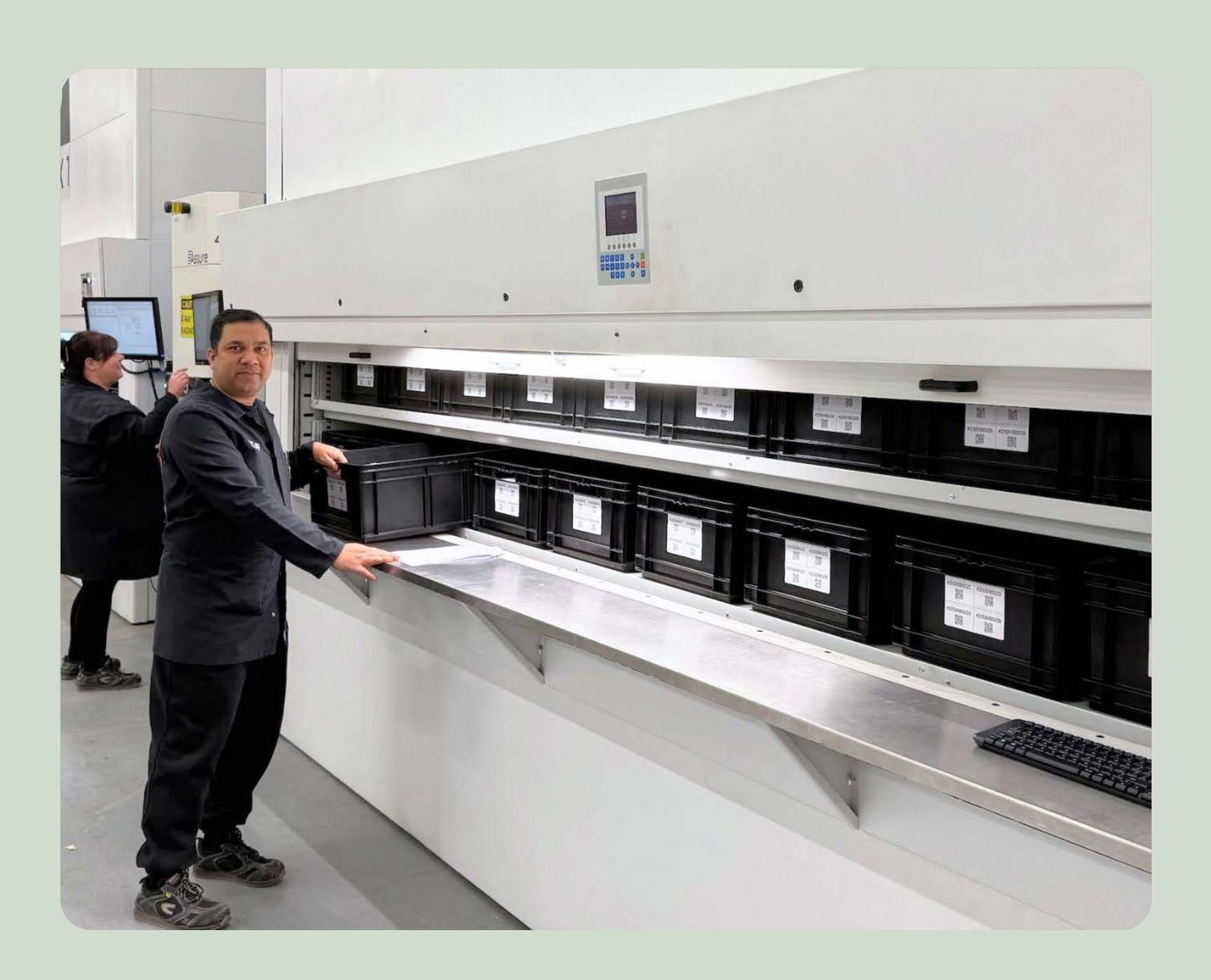
Incap India completed end of 2024 a solar power project at its facilities in Tumkur, where 1,257 solar panels have been installed, connected to the grid and commissioned. This investment of around 400 000 euros. The rooftop solar power plant is aimed to reduce the company's carbon footprint, and it is expected to generate a substantial return on investment (ROI), as well as significant cost savings in electricity costs.

According to Murthy Munipalli, Managing Director of Incap India, the solar power project is an essential part of the company's sustainability roadmap. "This investment is an integral part of Incap's operations and part of our positive contribution to the environment and local community. It reinforces our commitment to sustainable manufacturing practices, while aligning with the company's objective of increasing the use of renewable energy across all units", he said.











#### UK, vertical storage and roof investment.

#### Incap UK installed vertical storage system to optimise PCBA management

Incap UK installed two advanced vertical storage systems to enhance PCBA (Printed Circuit Board Assembly) storage, boosting efficiency, accuracy and order fulfilment speed. These systems, standing at 5.5 metres high and 4 metres wide, optimise space by consolidating stock, freeing up valuable floor space and increasing capacity to meet the needs of high-demand industries such as defence, aerospace and security.

According to Jamie Maughan, Managing Director of Incap UK, the vertical storage systems improve stock handling efficiency by at least 40%, accelerate access to components, increase storage accuracy and enhance on-time delivery while reducing lead times for customers. Integrated with Incap UK's ERP system, the units provide real-time inventory insights, supporting responsive and data-driven customer service.



#### Case.

#### US, paperless office.

#### Incap US towards paperless office in all fronts

At the year-end 2024, Incap US took a significant step toward modernizing HR processes by introducing a digital HR system. This all-in-one system handles payroll, onboarding, time tracking, time-off requests, and employee document management—all digitally. Going digital not only saves time but also aligns Incap's commitment to sustainability and streamlined operations. Paperless HR increases efficiency and compliance and provides better experience for employees. With the new digital system, the payroll process takes 75% less time than before.

While the new HR system enables replacing paper files with digital records, Incap has also introduced paperless work instructions. Each workstation has now screens with digital work instructions, which are easy to update, and therefore more accurate than paper instructions. To further reduce the amount of paper used, Incap US is also moving to paperless invoicing, which is a secure, fast and efficient way to receive and pay invoices. It is also a much more environmentally friendly option than paper invoicing. To support its environmental objectives further, Incap US initiated a transformation of its waste management in 2024.







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#### Incap as an investment.

#### **Growing industry**

The growth in electronics manufacturing services (EMS) is driven by the growing use of electronics supported by megatrends such as digitalization and the transition to Industry 4.0 and 5G technologies. The EMS industry is highly fragmented and offers potential for consolidation.



Incap has three factories in Europe: one in Great Britain, one in Estonia and one in Slovakia. Additionally, Incap has three production facilities in Tumkur, India, and one factory in Pennsylvania, U.S. Presence in Europe, USA and Asia ensures smooth deliveries to customers around the world.



#### Strong financial track record

Incap has a strong track record of revenue growth, and its outstanding profitability is supported by a deeply engrained cost management culture and an efficient operational model. Incap's solid financial position supports its growth strategy.



#### **Broad customer offering**

Incap creates value and builds long-term customer relationships by offering high-quality electronics manufacturing services as a strategic partner and a full-service provider. Incap's broad offering ranges from design, prototyping and manufacturing to sourcing and logistics.



#### Flexible and scalable operational model

Incap has competence and flexibility to support customers of most industries or sizes with interchangeable production lines and competence to handle complex electronics. Incap's scalable operational model enables organic growth and acquisitions while maintaining good profitability.



#### **Strong entrepreneurial and customer driven culture**

Incap operates in a decentralised way driven by the customers and their needs. The strong entrepreneurial drive translates into faster decision making, responsibility and shortens the time-to-market for the customers. This adds true value to Incap's customers, employees and investors.

#### For investors

#### **Presence in Europe,** USA and Asia

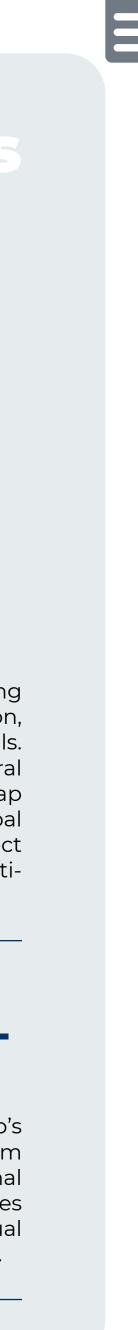
#### **Committed to corporate and social responsibility**

As Incap is a globally operating electronics manufacturing services company and a growing organisation, sustainable operations are a must in achieving its goals. Acting in a responsible and trustful way is an integral part of Incap's mission, strategy and operations. Incap is also committed to support the United Nations Global Compact initiative and its ten principles with respect to human rights, labour, the environment, and anticorruption.



#### Skilled and empowered personnel

Decentralised decision-making enables Incap's employees to take personal responsibility and gives them room to thrive. This motivates Incap's highly professional personnel, improves the work satisfaction and reduces personnel turnover. Incap provides its employees equal opportunities and possibilities for further development.



#### **Shares and shareholders.**

Incap Corporation has one series of shares.

The number of shares of the company on 31 December 2024 was 29,437,214 (31 December 2023: 29,437,214).

In 2024, the share price varied between EUR 6.70 and EUR 13.39 (EUR 5.80 and 22.05). The closing price on 31 December 2024 was EUR 10.24 (29 December 2023: EUR 7.75). The company's market capitalisation on 31 December 2024 was EUR 301.4 million (EUR 228.1 million).

At the end 2024, the company had 7,427 shareholders (7,429). Nominee-registered owners held 27.2% (25.0%) and foreign owners 7.3% (7.1%) of all shares. The company does not hold any treasury shares.

At the end of 2024, the members of Incap Corporation's Board of Directors and the President and CEO and their related parties owned a total of 2,122,531 shares or 7.2% of the company's shares outstanding (2,123,031 shares or 7.2% of the company's shares outstanding).

#### **Information for shareholders**

Incap Corporation's share is listed on Nasdaq Helsinki with the trading code ICP1V. Trading in the share began on 5 May 1997.

#### Shares

Incap Corporation's share capital at the end of the financial year 2024 was EUR 1,000,000 and the number of shares was 29,437,214.The company has one series of shares, and all shares have one vote and equal right to dividend. The company does not hold any treasury shares.

#### Annual General Meeting

The Annual General Meeting will be held in Helsinki on Thursday 8 May 2025, starting at 10.00.

Information on the organisation of the Annual General Meeting and instructionstoshareholdersareavailableinthenoticeoftheGeneralMeeting, which will be published on 16 April 2025, and on the company's website incapcorp.com.

#### **Development of share capital**

<b>—</b>		Change	<b>_</b>	Share			Sharehold	Shareholders
Date		1,000 EUR	Registered on	capital 1,000 EUR			Pcs	Pcs %
31 January 1991	Merger	5,760	26 February 1992	7,862	_	Private enterprises	Private enterprises 292	Private enterprises 292 3.9
28 April 1992	Increase	424		8,286		Financial institutions	Financial institutions 19	Financial institutions 19 0.3
30 September 1992	Decrease	4,972		3,314		Public sector entities	Public sector entities 2	Public sector entities 2 0.0
15 January 1993	Increase	32	11 August 1993	3,347		Households	Households 7,096	Households 7,096 95.5
16 March 1994	Increase	563	21 December 1994	3,910	Ν	Ion-profit organisations	Ion-profit organisations 3	Ion-profit organisations 3 0.0
10 March 1997	Increase	978	21 March 1997	4,889	F	oreign ownership	oreign ownership 15	Foreign ownership 15 0.2
05 May 1997	Increase	975		5,864	Т	OTAL	OTAL 7,427	OTAL 7,427 100
04 May 1998	Increase	40	04 May 1998	5,904		Nominee-registered	Nominee-registered 10	Nominee-registered 10
21 March 2002	Increase	14,583	5	20,487				
06 April 2016	Decrease	19,487	I	1,000				
	Decrease	13,407	STAUGUST 2010	1,000				

#### Major shareholders on 31 December 2024

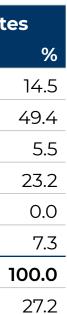
	Number of				Shareholders	
	shares	Holding, %	Shares, pcs	Pcs	%	
rkki Etola and controlled entities	6,636,665	22.55	1 - 100	2,888	38.9	
lordea Life Assurance Finland Ltd	1,861,077	6.32	101 - 500	2,596	35.0	
Kyösti Kakkonen's controlled entities	1,789,341	6.08	501 - 1,000	798	10.7	
Imarinen Mutual Pension Insurance Company	1,231,630	4.18	1,001 - 5,000	909	12.2	
Sp-Fund Management Company	639,324	2.17	5,001 - 10,000	125	1.7	
Handelsbanken Fonder	603,086	2.05	10,001 - 50,000	76	1.0	
Danske Invest	507,680	1.72	50,001 - 100,000	12	0.2	
Elo Mutual Pension Insurance Company	396,000	1.35	100,001 - 500,000	12	0.2	
Kari Kakkonen	390,525	1.33	500,001 -	11	0.1	
Dy Pontia Finance Ab	386,465	1.31	TOTAL	7,427	100	
0 largest shareholders in total	14,441,793	49.06	Nominee-registered	10		

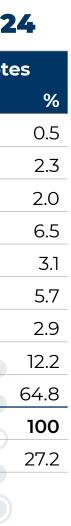
#### For investo

#### Holding by sector on 31 December 2024

#### Holding by number of shares on 31 December 2024







# Information for shareholders

#### Board of Directors' proposal regarding dividends

The parent company's profit for the financial period totals EUR 7,083,097.98. The parent company's distributable assets total EUR 56,100,805.49. Incap is focusing on organic and inorganic growth and the company has a clear plan for potential acquisitions.

Therefore, the Board of Directors of Incap Corporation proposes to the Annual General Meeting that no dividend be paid for the financial year 2024.

#### **Financial reporting in 2025**

In 2025, Incap will publish the following financial reports:

- Business review for January–March 25 April 2025
- Half-year report for January–June 25 July 2025
- Business review for January–September 24 October 2025

Incap will follow a silent period of two weeks and will not comment on the company's results or be in contact with capital market representatives during a period of two weeks prior to the publication of financial statements, half-year reports or business reviews.

All financial reports and releases are published in English and Finnish and are available on the company's website www.incapcorp.com after publication.

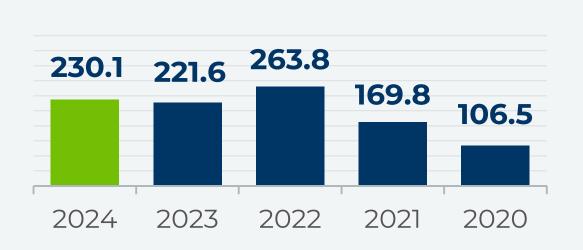
#### **Investor contacts**

CFO Antti Pynnönen Tel. +358 40 187 3494 e-mail: antti.pynnonen@incapcorp.com



#### Key figures.

**Revenue, EUR million** 



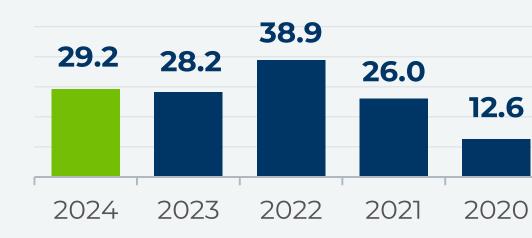
#### Profit before tax, % of revenue



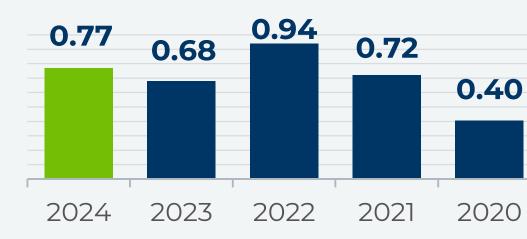
Net gearing, %

-30.8	-7.7	15.9	3.2	15.3
2024	2023	2022	2021	2020

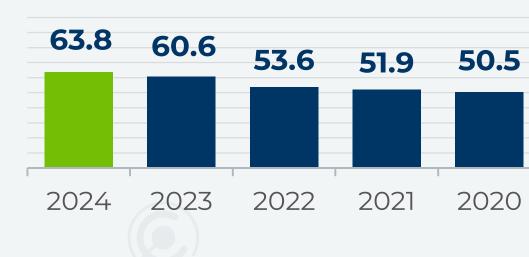
#### Operating profit (EBIT), EUR million



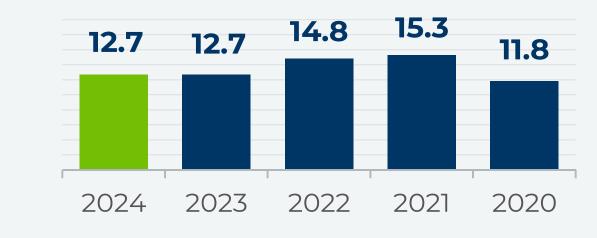
#### Earnings per share (EPS), EUR



#### Equity ratio, %

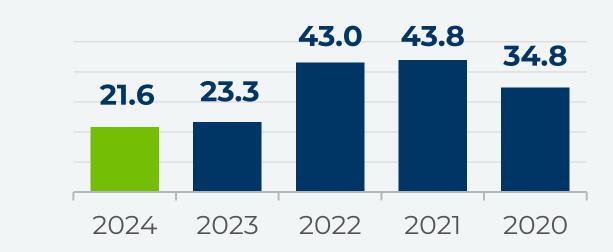


#### For investor



#### Operating profit (EBIT), % of revenue

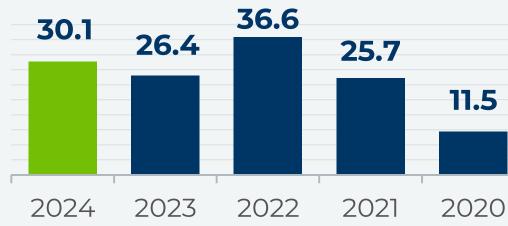
#### Return on investment (ROI), %



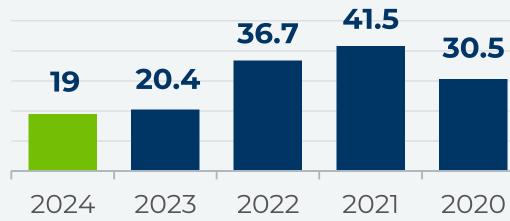
#### Investments, EUR million



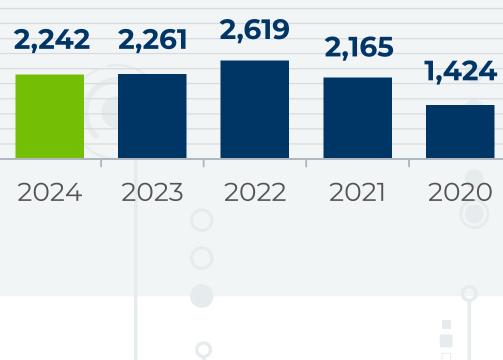
#### Profit before tax, EUR million



#### Return on equity (ROE), %



#### Average number of personnel





#### **Board of Directors.**



#### **Ville Vuori**

#### Chairman of the Board

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

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

Ville Vuori was CEO of Kemppi Oy until 10/2023. He has acted as President and CEO of Incap Group during 2014–2017. Before that he worked at Kumera Drives Oy and Skyhow Ltd. as Managing Director and at ABB Group in several managerial positions.

Board member since 17 April 2018. Chairman of the Board since 15 April 2019. Chairman of the Remuneration Committee since 10 May 2024.

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

Options: -



#### **Julianna Borsos**

#### **Board member**

M. Sc. (Econ.), HT-auditor, CBM Pro, born 1962 A non-executive director, who is independent of the company and its major shareholders. Kaisa Kokkonen is a finance professional, and founder of Akeba Oy established in 2011. Earlier, she has worked as e.g., CFO at Talentum Oyj and Director of Finance at Hackman Oyj. She has extensive experience in financial management, corporate governance as well as mergers and acquisitions. Board member since 20 April 2020. Chairman of the Audit Committee since 10 May 2024. Incap shares (direct ownership and holding of interest parties): 7,500 pcs Options: –

D. Sc. (Econ.), born 1971 Dependent of significant shareholders of the company and independent of the company. Founder and the Chair of Bocap, the oldest Finnish growth private equity fund. Borsos has vast and solid experience in financing, international M&As, IPOs, corporate governance, and technology companies. She has previously been Board member in several listed companies, including the electronic industry PCB manufacturer Aspocomp Oyj, EAB group (now part of EVLI) and Administer Oyj. Borsos is currently the Chair of the boards of Younite-AI Oy and Good Sign Oy and member of the board in MediVida Oy. Board member since 27 April 2023. Member of the Audit Committee since 10 May 2024.

Incap shares (direct ownership and holding of interest parties): 1,803,341 pcs

Options: -



#### Kaisa Kokkonen

#### **Board member**



#### **Carl-Gustaf von Troil**

#### **Board member**

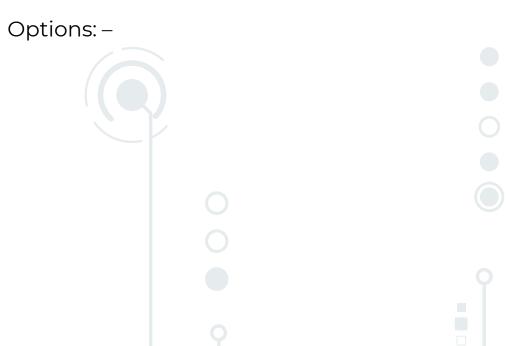
B.Sc. (Eng.), born 1954

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

Member of the Board at United Bankers Oyj, Member of the Board and asset manager at UB Wealth Management, Member of the Board at Oy Pontia Funds Ab.

Board member since 31 March 2015, Chairman of the Board 17 April 2018 – 15 April 2019. Member of the Remuneration Committee since 10 May 2024.

Incap shares (direct ownership and holding of interest parties): 270,690 pcs





#### Management Team.



#### **Otto Pukk**

#### President and CEO of the Incap Group

M.Sc.B.E., born 1978

CEO of the Group as of 18 September 2018. With the company since 2015, first as the director for Incap's operations in Estonia. Previously with Eesti Energia Technology Industries and ETAL Group, among others.



Incap shares (direct ownership and holding of interest parties): 41,000 pcs

Options: –

Incap shares (direct ownership and holding of interest parties): 0 pcs

Options: -



#### Jamie Maughan

#### **Director of Operations**, UK

HND Manufacturing and Mechanical Engineering, born 1972

Director of Operations, UK at Incap Group and

Managing Director of Incap Electronics UK Limited. With the company since 2020. Started his career at Motorola, since then various roles in electronic manufacturing, running the operations of several sites.

Incap shares (direct ownership and holding of interest parties): 0 pcs

Options: –



#### **Miroslav Michalik**

#### **Director of Operations,** Slovakia

MBA, born 1976

Director of Operations,

Slovakia at Incap Group and Managing Director of Incap Electronics Slovakia s.r.o. With the company since 2020. Previously several roles from process engineer to plant manager and managing director in companies within the electronics sector at AWS Group, Giesecke+Devrient Slovakia, Visteon and Celestica.

Incap shares (direct ownership and holding of interest parties): 1,000 pcs

Options: -

#### **Murthy Munipalli**

#### **Director of Operations India and Sales** APAC

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

Managing Director of Incap India. With the company since 2008, serving first as Sales Director and as Managing Director of the Indian subsidiary. Previously with Spike Technologies Ltd (presently Qualcomm) and Tata Elxsi Ltd.



#### Antti Pynnönen

CFO

M.Sc. (Econ.), born 1982

With Incap since 2019. Previously with ABB and at Wärtsilä.

Incap shares (direct ownership and holding of interest parties): 0 pcs

Options: -



#### Margus Jakobson

**Director of Operations**, Estonia

Civ.Eng., born 1979

Director of Operations, Estonia at Incap Group and Managing Director of Incap Electronics

Estonia OÜ. With the company since 2016, previously Member of Incap Estonia's Management responsible for QHSE, process and strategy development. Prior to that several managerial positions at electronics and technology companies such as ETAL Group, Nordic Houses and Pharmadule.

Incap shares (direct ownership and holding of interest parties): 0 pcs

Options: -



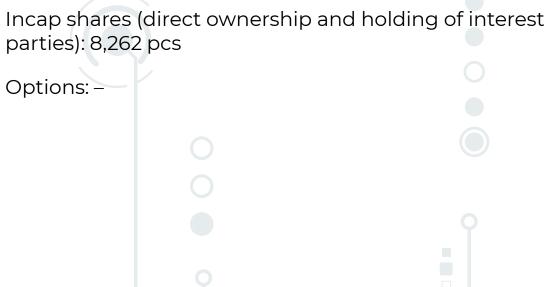
#### David **Spehar**

**Director of Operations**, U.S.

B.S. Industrial Engineering, MBA, born 1967

Director of Operations, U.S. at Incap Group and

Managing Director of Incap Electronics US, Inc. With the company since 2023. Previously with Pennatronics Inc. as General Manager and at several managerial positions with Sony Electronics.

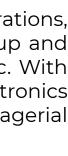












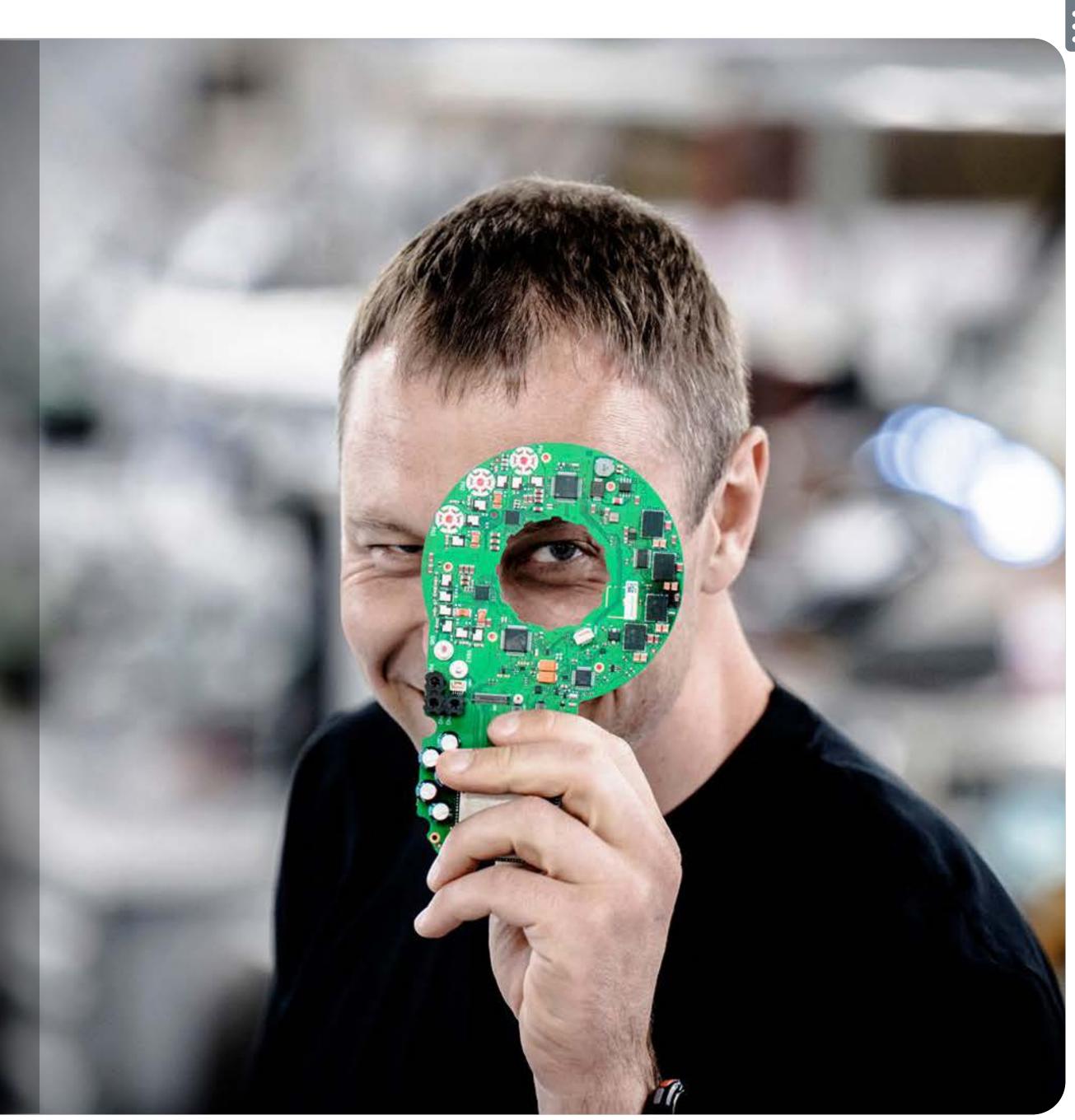
# INCAP CORPORATION The Board of Directors' Report

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#### The Board of Directors Report.

Incap Corporation is a trusted partner and full service provider in Electronics Manufacturing Services. As a global EMS company, Incap supports customers ranging from large multinationals and midsized companies to small start-ups in their complete manufacturing value chain. Incap offers state-of-the-art technology backed up by an entrepreneurial culture and highly qualified personnel. At the end of 2024, Incap had operations in Finland, Estonia, India, Slovakia, the United Kingdom, the United States, and Hong Kong. The company's revenue in 2024 was EUR 230.1 million, and at the end of 2024, the company employed 2,554 people.

#### **Business environment**

The overall demand and market activity in the electronics manufacturing services (EMS) industry continued at a good level despite the geopolitical tensions. The general inflation and cost of manufacturing continued to increase, while the component availability has started to improve. Incap works closely with its suppliers and customers to keep adequate inventory levels to mitigate the risks.

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

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

#### **Revenue and earnings**

In 2024, Incap Corporation's revenue increased 3.8% year on year and amounted to EUR 230.1 million (EUR 221.6 million). Revenue was positively impacted by Incap's units in Europe and India, effective sales work to existing and new customers, and the successful acquisition in the US in July 2023. Other operating income was EUR 1.6 million (EUR 0.4 million) and it consisted mainly of government incentives in India, such as investment and export subsidies.

Operating profit (EBIT) for 2024 increased 3.4% year on year and amounted to EUR 29.2 million (EUR 28.2 million). Adjusted operating profit (EBIT) was EUR 30.1 million (EUR 30.6 million) or 13.1% of revenue (13.8%).

Personnel expenses amounted to EUR 31.3 million (EUR 24.0 million). Other operating expenses were EUR 12.9 million (EUR 12.0 million) of which EUR 2.7 million (EUR 2.8 million) related to contract workers.

Net financial expenses amounted to EUR 0.9 million (EUR -1.8 million). Depreciation and amortisation were EUR 5.6 million (EUR 4.6 million). Net profit for the period totalled EUR 22.7 million (EUR 19.8 million). Earnings per share were EUR 0.77 (EUR 0.68).



Incap sees that the ability to quickly adapt to changes is a key success factor in the electronics industry today and in the future





#### **Balance sheet, financing and cash flow**

Total assets in the balance sheet on 31 December 2024 stood at EUR 214.8 million (EUR 182.3 million). The Group's equity at the end of the financial period was EUR 133.0 million (EUR 106.8 million).

Liabilities increased from the comparison period to EUR 81.9 million (EUR 75.6 million). EUR 31.3 million thereof (EUR 34.3 million) were interest-bearing liabilities. Interest-bearing liabilities decreased from the previous year due to the repayment of loans and lease liabilities. Interest-bearing net debt was EUR -40.9 million (EUR -8.2 million).

The Group's non-current interest-bearing liabilities amounted to EUR 27.3 million (EUR 30.5 million) and non-current non-interest-bearing liabilities to EUR 4.5 million (EUR 2.9 million). Out of the non-current interest-bearing liabilities, a loan of EUR 21 million (EUR 23 million) granted by the company's Finnish bank is related to the acquisition. Current interest-bearing liabilities were EUR 3.9 million (EUR 3.9 million).

The main covenants of the Group's loans include equity ratio and the Group's interest-bearing debt in relation to EBITDA, and their status is reviewed every six months. In the review on 31 December 2024, the target level of interest-bearing debt in relation to EBITDA was below 3.0 and that of the equity ratio over 30%. The company met these covenants as the actual figure for interest-bearing debt/EBITDA on the review date was 0.9 and the equity ratio 63.8%.

At the end of 2024, the company's financial position was strong. Equity ratio increased to 63.8% (60.6%). Net gearing was -30.8% (-7.7%).

The Group's cash position during the reporting period was good. On 31 December 2024, the Group's cash and cash equivalents totalled EUR 72.2 million (EUR 42.6 million), and the company had unutilised credit lines amounting to EUR 8.0 million (EUR 8.0 million). The Group's quick ratio was 2.4 (1.8), and current ratio was 3.4 (3.3).

At end of 2024, inventory totalled EUR 61.4 million (EUR 71.0 million). Inventory decreased clearly during the year, which was mainly due to improved material availability and improved planning of material

utilization. Increase of trade receivables and trade payables was mainly due to higher volumes compared to previous year. Change in inventories had a positive impact on the cash position.

#### Investments

In 2024, Incap's factory-related investment cash flow totalled EUR 5.6 million (EUR 6.9 million). The investments consisted mainly of a new SMT line upgrade and new roof installation in Incap UK, new SMT line in Incap Slovakia, a production machinery investment in Incap US, as well as IT investments, including an IT infrastructure update, a new ERP system in Incap Slovakia and cyber security systems.

#### **Research and development**

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

#### Personnel

At the end of 2024, the number of personnel in Incap Group was 2,554 of which 1,522 were contract workers (1,733 of which 777 were contract workers). Of the personnel, 69.7% (57.8%) worked in India, 5.0% (7.6%) in Estonia, 13.3% (18.5%) in Slovakia, 6.7% (9.9%) in the United Kingdom, 5.2% (6.1%) in the United States and 0.1% (0.1%) in Finland.

At the end of the year, 628 or 24.6% of Incap's personnel were women (541 or 31.2%) and 1,926 or 75.4% were men (1,192 or 68.8%). The average age of the personnel was 32 years (36). The average number of personnel during the year was 2,242 (2,261). The number of permanent personnel totaled 900 (833), and the number of fixed-term contracts was 1,654 (900).

#### **Management and organisation**

At the end of December 2024, Incap's Management Team consisted of President & CEO, Otto Pukk; Director of Operations, India and Sales APAC, Murthy Munipalli; Director of Operations, Estonia, Margus Jakobson; Director of Operations, Slovakia, Miroslav Michalik; Director of Operations, U.K., Jamie Maughan; Director of Operations, U.S., David Spehar and CFO Antti Pynnönen.

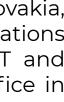
The Group has manufacturing operations in India, Estonia, Slovakia, the United Kingdom and United States, and sourcing operations in Hong Kong. Finance and administration, sourcing, sales, IT and communications are centrally coordinated by the corporate office in Finland.

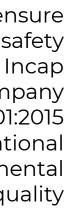
#### **Quality assurance and environmental issues**

The Incap Group has certified management systems in place to ensure high quality, environmental compliance, employee health and safety and to reduce the associated risks. Through ISO certification, Incap monitors the effectiveness of the following systems. The company has the following management system certifications: ISO 9001:2015 international quality management system, ISO 45001:2018 occupational health and safety management system, ISO 14001:2015 environmental management system and ISO 13485:2016 medical device quality management system.













### **Annual General Meeting 2024**

The Annual General Meeting of Incap Corporation held on 10 May 2024 approved the annual accounts for the financial period 1 January-31 December 2023 and resolved to discharge the members of the Board of Directors and the President and CEO from liability.

The Annual General Meeting resolved in accordance with the proposal by the Board of Directors that no dividend will be paid for the financial year 2023.

The Annual General Meeting authorised the Board of Directors to decide to issue new shares either against payment or without payment. The authorisation was given to a maximum quantity of 2,943,721 new shares which represent approximately 10 per cent of the total number of shares in the company at the date of the notice to the Annual General Meeting.

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

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

The authorisation is valid for one year from the resolution by the Annual General Meeting.

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

### **Board of Directors and auditor**

The Annual General Meeting held on 10 May 2024 resolved that the number of members of the Board of Directors is four (4). The General Meeting re-elected the present members of the Board, Julianna Borsos, Kaisa Kokkonen, Carl-Gustaf von Troil and Ville Vuori as members of the Board of Directors.

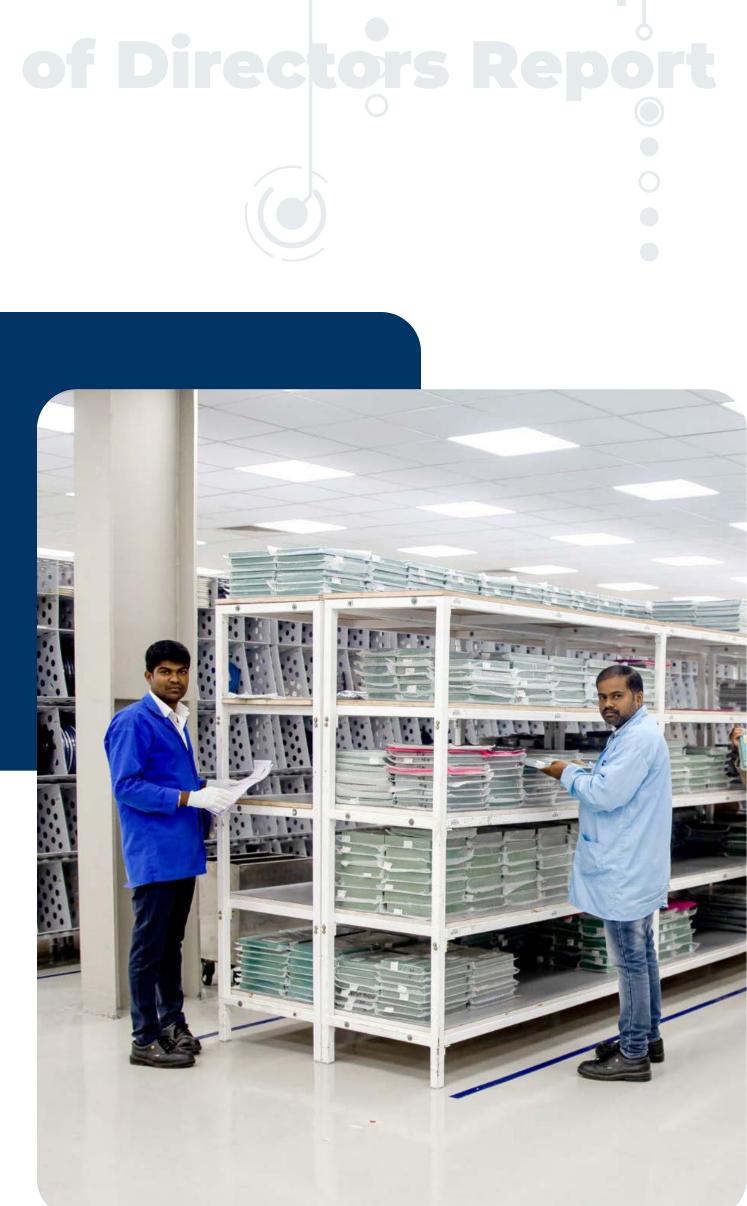
In its constitutive meeting after the Annual General Meeting, the Board of Directors elected Ville Vuori as the Chairman of the Board. The Board of Directors also decided to establish two Committees, an Audit Committee and a Remuneration Committee. Kaisa Kokkonen was elected as the Chairman and Julianna Borsos as member of the Audit Committee. Ville Vuori was elected Chairman and Carl-Gustaf von Troil as member of the Remuneration Committee.

The General Meeting re-elected PricewaterhouseCoopers Oy, a company of Authorised Public Accountants, as the company's auditor, who have indicated that Maria Grönroos, Authorised Public Accountant, will serve as the principally responsible auditor. The Annual General Meeting also elected PricewaterhouseCoopers Oy to act as the authorised sustainability auditor of the company. PricewaterhouseCoopers Oy has indicated that Maria Grönroos (Authorized Sustainability Auditor, KRT) will serve as the authorised sustainability auditor with principal responsibility.

### **Corporate governance**

Incap Corporation complies with the Corporate Governance Code of Securities Market Association. The company has released a report on the company's corporate governance in compliance with the Securities Market Act as a separate document in connection with the publication of the Report of the Board of Directors and the Annual and Sustainability Report. The report is also available at the company's website.

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





### **Shares and shareholders**

Incap Corporation has one series of shares. The number of shares of the company on 31 December 2024 was 29,437,214 (31 December 2023: 29,437,214).

In 2024, the share price varied between EUR 6.70 and EUR 13.39 (EUR 5.80 and EUR 22.05). The closing price on 31 December 2024 was EUR 10.24 (29 December 2023: EUR 7.75). The company's market capitalisation on 31 December 2024 was EUR 301.4 million (EUR 228.1 million).

At the end of 2024, the company had 7,427 shareholders (7,429). Nominee-registered owners held 27.2% (25.0%) and foreign owners 7.3% (7.1%) of all shares. The company does not hold any treasury shares.

At the end of 2024, the members of Incap Corporation's Board of Directors and the President and CEO and their related parties owned a total of 2,122,531 shares or 7.2% of the company's shares outstanding (2,123,031 or 7.2%).

### **Flagging notifications**

In 2024, Incap Corporation did not receive any shareholder announcementsinaccordancewithSection10ofChapter9oftheSecurities Market Act.

### **Related-party transactions**

Incap's related parties comprise the members of the Board of Directors, the President & CEO, the other members of the Board of Management and persons related to them as per IAS 24, as well as the associated companies and joint ventures. The Group Finance & Control function evaluates, and monitors transactions concluded between the company and its related parties to ensure that any conflicts of interest are considered appropriately in Incap's decision-making process.

Parent company acts as a holding company, most of the transactions pertain to management fees and loans granted to and collected from subsidiaries. Loans to Group companies are unsecured and interest rates are at arm's length. Group companies have transactions with each other and all of the transactions have been eliminated in the consolidated numbers.

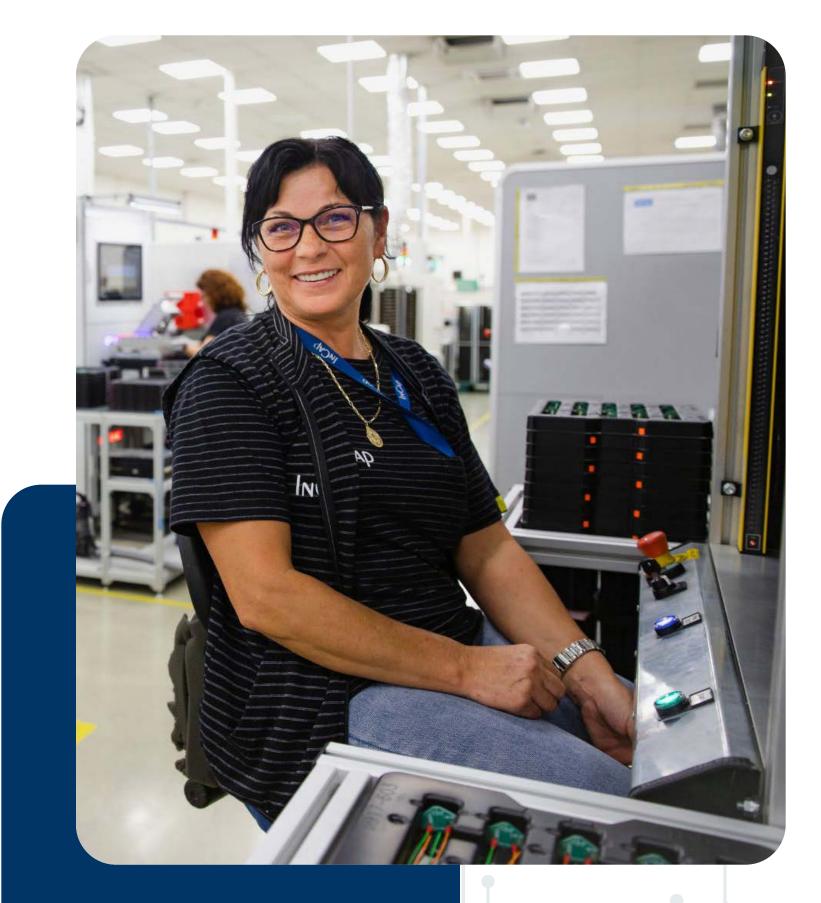
### **Share-based incentives**

The Board of Directors of Incap Corporation decided on 8 May 2024 on the share-based incentive plan's new performance period 2024–2026, where the rewards are based on the group's cumulative operating profit (EBIT). During the performance period 2024—2026, the CEO and other Incap Management Team members form the target group of the incentive plan. The rewards to be paid on the basis of the performance period 2024–2026 correspond to the value of an approximate maximum total of 56,267 Incap Corporation shares, also including the proportion to be paid in cash.

The rewards will be paid partly in the company's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to a participant. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

The Incap Management Team member is obliged to hold 50% of the received net reward shares, until the total value of the Management Team member's shareholding in Incap Corporation equals to 50% of their annual base salary of the preceding year. Respectively, the CEO is obliged to hold 50% of the received net reward shares, until the CEO's shareholding in Incap Corporation equals to 100% of the CEO's annual base salary of the preceding year. Such number of Incap Corporation shares must be held as long as the membership in the Management Team or the position as the CEO continues.

## The Board of Directors Repo







### **Risk management**

The objective of Incap's risk management is to mitigate risks by continuously acquiring information, and by assessing and managing the opportunities, threats, and potential risks present in the company's operations to ensure that the company achieves its goals and secures the continuity of its operations. The Risk Management Policy approved by the Board of Incap Corporation classifies the most common risks as strategic risks (business risks), operational risks, financial risks, reputational risks and hazard risks.

The company regularly reviews its insurance policies as part of its risk management system.

### Short-term risks and uncertainties

Risks related to the company's business operation and sector are divided based on their timeframe into short-term risks and strategic risks and classified into five categories described below.

Incap publishes information about its sustainability related short, medium, and long-term risks in the sustainability statements as part of the Board of Directors' report.

### Strategic risks

Demand for Incap's services and the company's financial position are affected by global economic trends and the fluctuation among customer industries.

Dependence on largest customers can have significant impact on the company's business. In 2024, four biggest customers contributed to 58.5% (58.1%) of revenue. Out of the total customer base in 2024, 33 customers (26) exceeded EUR 1 million revenue.

Other strategic risks include fluctuating industry trends between insourcing and outsourcing electronics manufacturing as well as emerging new competition. Electronics manufacturing services is a highly competitive industry with continuous pressure on cost level management.

Cyber attacks and disruptions in information systems may result in interruptions of prodution, increasing IT costs and financial losses.

### **Operational risks**

Supply chain disruptions or geopolitical issues may cause delays in deliveries or shortages of materials and components.

### **Financial risks**

The financial position of the company is good and the sufficiency of financing and working capital does not pose a significant risk.

Changes in exchange rates between various currencies and the Euro may have a negative impact on Incap's revenue, equity ratio, result and financial position. Incap aims to hedge open foreign exchange positions with forward contracts. The main currencies used in Incap's operations are Euro, Indian rupee, British pound and US dollar.

Incap Group makes provisions for uncertain tax positions based on expert evaluation. There are uncertain tax positions related to the Group services invoiced from the Indian subsidiary for which a provision has been made.

### **Reputational risks**

Reputational risks may arise from for instance violations of ethical guidelines and can lead to legal costs and reduce trust of the company's stakeholders.

### **Hazard risks**

Global health crises can disrupt the company's operations, supply chains, and workforce availability.

Geopolitical tensions and armed conflicts can affect global supply chains, markets, and economic stability. Geopolitical tensions continued in Europe in 2024. Incap has no business operations and no direct or indirect customers or suppliers in Russia, Belarus or Ukraine.

### Significant events after the end of the period

There were no significant events after the reporting period.

### **Strategy**

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

### **Outlook for 2025**

Incap estimates that the company's revenue and operating profit (EBIT) in 2025 will be higher than in 2024.

The company expects a somewhat cautious start for the year 2025, as the market is anticipating the impact of the changes related to tariffs, taxes and geopolitical challenges, mostly linked to the new US administration.

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

### **Board of Directors' proposal for measures** related to profit

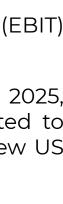
The parent company's profit for the financial period totals EUR 7,083,097.98. The parent company's distributable assets total EUR 56,100,805.49. Incap is focusing on organic and inorganic growth and the company has a clear plan for potential acquisitions. Therefore, the Board of Directors of Incap Corporation proposes to the Annual General Meeting that no dividend be paid for the financial year 2024.

### **Annual General Meeting 2025**

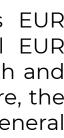
The Annual General Meeting of Incap Corporation will be held on 8 May 2025 in Helsinki. The notice to the Annual General Meeting will be published on 16 April 2025.













# Sustainability Report.

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# General information.

# ESRS 2 General disclosures.

### **Basis for preparation**

### **BP-1 – General basis for preparation of sustainability** statements

Incap's sustainability statement is prepared in accordance with the European Union's Corporate Sustainability Reporting Directive (EU) 2022/2464, Chapter 7 of the Finnish Accounting Act and European Sustainability Reporting Standards (ESRS). It has been prepared on a consolidated basis and the scope of consolidation is the same as for the financial statements.

Following the outcome of its due diligence process and of its materiality assessment Incap's sustainability statement includes information on the material impacts, risks and opportunities connected with Incap's own operations and its direct and indirect business relationships in the upstream and downstream value chain. As Incap is an electronics manufacturing services provider and operates in the middle of the value chain of the electronics industry, there is little visibility to the upstream and especially the downstream value chain.

Incap has not used the option to not disclose material classified information or sensitive information.

### **BP-2 – Disclosures in relation to specific** circumstances

Time horizons applied for assessing impacts, risks and opportunities were short term (under 1 year), medium-term (1-5 years) and long-term (more than 5 years). Incap has collected data from its units and there are controls in place to ensure that the information is complete and accurate. However, the sustainability statement preparation requires using also assumptions, estimates and management judgement. Incap reports about uncertainties and specific circumstances alongside the relevant disclosures.

Human rights situation related to the geographical characteristics in the areas related to workers in the value chain relevant to Incap has also been assessed by indirect sources (International Labour Organization (ILO) and the U.S. Department of Labor).

Incap is considering additional IT solutions for obtaining better quality data from its value chain (mostly supply chain) on emissions (Scope 3) as well as human rights aspects (S2 Workers in the value chain) that

would improve data gathering and would then provide more accurate information.

Information presented previously in Incap's reports has not been assured and has been prepared based on GRI, therefore Incap does not disclose comparative information in this report. Incap does not disclose in this sustainability statement any other information that stems from generally accepted sustainability reporting standards and frameworks. The sustainability statement has been assured by PricewaterhouseCoopers Oy and it has not been validated by any other party.

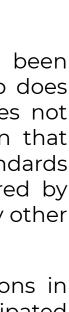
For the first year of reporting, Incap applies phase-in provisions in accordance with Appendix C of ESRS 1 and does not disclose anticipated monetary impacts of climate change and resource use related risks and opportunities for the financial year 2024. The transitional provisions are applied to disclosure requirements E1-9 and E5-6.

### Governance

### **GOV-1** – The role of the administrative, management and supervisory bodies

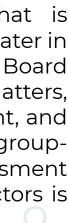
The administrative, management and supervisory body that is responsible for the oversight of impacts, risks and opportunities (later in this Sustainability statement: IROs), is the Board of Directors. The Board of Directors is the highest management body in sustainability matters, and it oversees the sustainability reporting and risk management, and approves Incap's sustainability programme, including targets, groupwide policies and processes, and the Double Materiality Assessment (later in this Sustainability statement: DMA). The Board of Directors is responsible for monitoring the progress towards the targets.

The CEO, supported with the Management team and the ESG Steering Committee, implement the sustainability measures based on the Board of Directors' instructions. Group Management team members represent all Incap units and have expertise relevant to Incap's business and industry. The Managing Directors of the units are responsible in their countries for all sustainability related matters, and it is their task to manage the risks, determine and reserve the resources and skills required for the processes and actions towards defined targets. Incap's internal experts support the Management team related to material impacts. risks and opportunities.













### **Incap's Board of Directors**

Incap's Board of Directors consists currently of four (4) non-executive board members. All members (100%) are independent of the company and three (3) members (75%) are independent of Incap's major shareholders. Incap's employees are not represented on the Board.

The Board has a separate Audit Committee that consists of two (2) board members. The Audit Committee monitors and reviews the quality and integrity of the sustainability reporting and presents their findings and the report to the Board of Directors. The Audit Committee also reviews and monitors the sustainability reporting process and presents recommendations and proposals to safeguard the reliability of sustainability reporting. Sustainability matters are discussed at least at the quarterly meetings of the Audit Committee.

The Board has also a separate Remuneration Committee, that consists of two (2) members. The Remuneration Committee prepares and makes proposals to the Board for the remuneration of the CEO and members of the executive team and evaluates the performance and presents its findings, opinions and possible recommendations to the Board.

The Board members are experienced and have received training on sustainability matters. They are supported by the ESG Steering Committee, which has received sustainability-related trainings and has guidance from external and internal experts. The internal experts consist of over 50 people, who are part of the ESG Team. Their expertise covers all material IROs based on their responsibilities at Incap. The ESG Team has also received sustainability training.

GOV-1_01 and GOV-1_02 Number of executive and non-executive members		
	Executive	Non-executive
Members of the Board of Directors	0	4
GOV-1_05 Percentage of members of administrative supervisory bodies by gender and other as	· · · · · · · · · · · · · · · · · · ·	

	Female (%)	Male (%)
Gender distribution	50%	50%

\*Note: In this report, only the Board of Directors and its members are considered to form the "administrative, management and supervisory body".

### GOV-1 06 Board's gender diversity r

Ratio

### GOV-1 07 Percentage of independent board members

Independence of the company

### Independence of Incap's major

### **GOV-2** – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The ESG Steering Committee, headed by the CEO, reports quarterly to the Audit Committee and the Board about the material IROs, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address IROs.

In 2024, the Audit Committee meetings were organized five (5) times and the meetings covered for instance the progress of implementation of CSRD in general, DMA and related due diligence process, the material impacts, risks and opportunities as identified in the DMA (see the table of material IRO's under ESRS2, SBM-3), updating Incap's sustainability programme, setting targets, metrics, and updating existing and setting new policies to support the sustainability matters. Based on the Audit Committee and ESG Steering Committee work, the Board of Directors approved the DMA and updated policies in 2024.

When the Board of Directors takes decisions related to strategy, major transactions and the risk management process, the Audit Committee advises Board of Directors considering the ESG related impacts, risks and opportunities and trade-offs associated with them.

ratio	
	%
	50%

	Non- independent (%)	Independent (%)
/	0%	100%
r shareholders	25%	75%

### **GOV-3 - Integration of sustainability-related** performance in incentive schemes

Sustainability related incentive schemes are reviewed by Remuneration Committee and approved by the Board of Directors annually. In 2024, climate-related considerations were not factored into the remuneration of the President & CEO and the Group Management Team.

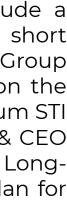
However, in 2024, Incap's Board of Directors decided to include a new sustainability-related performance metric in the 2025 short term incentive (STI) scheme for the President & CEO and the Group Management Team. The maximum remuneration paid based on the climate related incentive is 10% of the maximum STI. The maximum STI is maximum 60% of the fixed monthly salary for the President & CEO and maximum 50% for the Group Management Team members. Longterm incentives will be set after developing Incap's transition plan for climate change mitigation.















### **GOV-4 - Statement on due diligence**

Incap's due diligence process for Double Materiality Assessment relied on the one outlined in the European Sustainability Reporting Standards (ESRS), involving a comprehensive approach to identifying, preventing, mitigating, and accounting for actual and potential negative impacts on both the environment and people associated with a business's operations. Incap's units have long adhered to established industry standards, such as the ISO certified management systems. ISO certification of the quality, occupational health and safety and environmental management systems requires businesses to systematically assess risks, implement measures to address identified issues, and transparently report on their efforts and outcomes. Furthermore, a stakeholder analysis and yearly customer and employee

satisfaction surveys were used as input for identifying and assessing the impacts, risks and opportunities in the DMA. The stakeholder analysis will be renewed regularly, and together with the yearly customer and employee satisfaction surveys, it will form an essential part of the on-going due diligence process.

### **GOV-5 - Risk management and internal controls** over sustainability reporting

Incap's sustainability reporting complies with Incap's common principles and processes for financial reporting, risk management and internal control. In sustainability reporting, internal control is based on the ISO certified management systems as well as the risk identification in the

Core elements of due diligence	Paragraph in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	<ul> <li>GOV-1 The role of the administrative, management and supervise GOV-2 Information provided to and sustainability matter administrative, management and supervisory bodies</li> <li>GOV-3 Integration of sustainability-related performance in incertain SBM-3 Material impacts, risks and opportunities and their impactel</li> </ul>
b) Engaging with affected stakeholders in all key steps of the due diligence	<ul> <li>SBM-2 Interests and views of stakeholders</li> <li>GOV-2 Information provided to and sustainability matter administrative, management and supervisory bodies</li> <li>IRO-1 Description of the process to identify and assess materia</li> </ul>
<ul> <li>c) Identifying and assessing adverse impacts</li> </ul>	<ul> <li>SBM-3 Material impacts, risks and opportunities and their imodel</li> <li>IRO-1 Description of the process to identify and assess materia</li> </ul>
d) Taking actions to address adverse impacts	<ul> <li>E1-3 Actions and resources in relation to climate change policie</li> <li>E5-2 Actions and resources related to resource use and circular</li> <li>S1-4 Taking action on material impacts on own workforce, and and pursuing material opportunities related to own workforce</li> <li>S2-4 Taking action on material impacts on value chain workers risks and pursuing material opportunities related to value chain workers actions</li> </ul>
e) Tracking the effectiveness of efforts and communicating	<ul> <li>SBM-2 Interests and views of stakeholders</li> </ul>

rvisory bodies

ters, addressed by the undertaking's

centive schemes

interaction with strategy and business

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ies

ar economy

d approaches to managing material risks e, and effectiveness of those actions

rs, and approaches to managing material nain workers, and effectiveness of those DMA and due diligence process. On the group level, internal control and risk management related to sustainability matters focus on the most material risks identified.

Internal controls relating to the financial and sustainability reporting process are part of the Group's internal control system. Internal control at Incap is implemented at different levels of the company by the Board of Directors, the management and Incap's personnel. The objective of internal control is to ensure that financial and sustainability reporting and information given to the management are reliable, complete and up to date and give substantial and correct information on the company's financial position and sustainability practices.

The Board of Directors, supported by the Audit Committee, has the responsibility for the appropriate organization of internal controls relating to financial and sustainability reporting. President and CEO, and the Managing Directors of subsidiaries are responsible for implementation of internal controls related to financial statements and sustainability reporting. In this task they are supported by the Group's finance and administration as well as the ESG team.

To ensure accurate information and timely reporting, Incap has defined the roles and responsibilities as well as the instructions related to sustainability reporting in its Sustainability Policy. The President and CEO is responsible for sustainability reporting, supported with the ESG team members at the headquarters. The Board of Directors reviews and approves sustainability reporting together with the financial statements yearly.

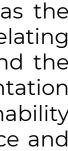
Incap Group's subsidiaries report to the corporate sustainability reporting system on a quarterly basis. Reported figures are reviewed by finance departments, and by departments with expertise on the matter, such as human resources, health and safety specialists, quality department, both on the group level and in the subsidiaries. All finance functions also monitor the validity sustainability reporting. The Group's finance department prepares the consolidated financial and sustainability statements and is responsible for the interpretation and application of financial statement and sustainability standards.

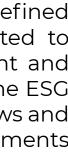
In 2024, Incap's Audit Committee monitored the sustainability reporting process and data gathering the first time. No specific risk assessment was made and therefore no categorization of risks were performed or mitigation strategies were developed and there was no periodic reporting on the findings.

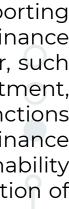


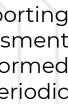












### Strategy

### SBM-1 – Strategy, business model and value chain

### Strategy

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

The main challenges ahead for Incap include integrating sustainability practices in potential acquired businesses, continuously improving resource efficiency, and increasing the use of renewable energy sources to reduce the carbon footprint of operations. Important solutions or projects to address these challenges include expanding renewable energy projects, such as solar power installations, implementing a robust sustainability governance framework to monitor and report on sustainability targets and progress, and engaging with stakeholders to gather feedback and continuously improve sustainability practices.

### **Business model**

While offering electronics manufacturing services to its customers, Incap's services include material procurement, prototyping, production ramp-up, serial production, design, project management, final assembly, testing and logistics. In 2024, Incap Corporation's revenue amounted to EUR 230 million (SBM-1\_06).

Incap serves customers globally all over the world, from Australia, Asia and Africa to Europe and North-America. As a global EMS company Incap supports customers ranging from large multinationals and midsized companies to small start-ups in their complete manufacturing value chain. Incap offers state-of-the-art technology backed up by an entrepreneurial culture and highly qualified personnel. Incap manufactures many of its customers' products that promote more sustainable technology solutions and the green transition, and the company also manufactures for aerospace, automotive, defence, industrial controls, medical, gaming and other industries. Incap does not offer products and services that are banned in any markets and the company is not active in the fossil fuel sector, chemicals production, controversial weapons or the cultivation and production of tobacco.

Incap's factories are based in Estonia, India, Slovakia, the United Kingdom, and United States. Incap's procurement operations are based in Hong Kong, and its headquarters are in Finland.

On 31 December 2024, the number of personnel in Incap Group was 2,554, of which 1,522 were contract workers. Of Incap's personnel, 70% worked in India, 5.0% in Estonia, 13% in Slovakia, 7% in the United Kingdom, 5% in the United States and 0% in Finland.

### SBM-1\_03 and SBM-1\_04 Total number of employees (head count)

	Number of employees	Percentage of employees
India	1,780	70%
Estonia	127	5%
UK	171	7%
US	133	5%
Slovakia	340	13%
Finland	3	0%
Hong Kong	0	0%
Total	2,554	100%

# General information

Group was personnel, the United	
ercentage of employees	
70%	
5%	
7%	
5%	
13%	The destination of the
0%	
0%	







### Value chain

Incap manufactures electronics and end products based on its customers' specifications, which include the selection of suppliers or materials. As a result, the company does not control the selection of most of its suppliers. Incap has more than 1,500 active suppliers worldwide, and many of the company's suppliers are large globally operating companies based in Europe, Asia, North America or South America or companies located close to Incap's operations in Europe, India and North America.

In addition to the Approved Vendor List, Incap sources to a small extent some materials and components from suppliers that are directly chosen by the company. For such suppliers, Incap's supply chain management consists of supplier evaluation, analysis and on-site audits, often with a customer representative.

Incap's goal is to act ethically throughout its packaging, transportation), customers, waste supply chain, and the company requires its management and recycling etc. major suppliers to adhere to its Supplier Code Incap's upstream value chain features mainly key of Conduct. The Code outlines the minimum suppliers of electronic components and materials, standards of ethical business conduct including while the downstream value chain includes mainly compliance with applicable local and international customers from various industries, distribution laws and regulations, respect for human rights channels, and end-users. The company's and acting with high level of integrity. Despite the position in the value chain is that of a critical link restrictions in supplier selection typical in Incap's between component suppliers and end-product industry, the company's aim is always to cooperate manufacturers. Incap's main business partners with authorised distributors, as these are global include its suppliers, who provide essential companies who follow ethical principles compliant materials and components, and its customers, with Incap's Supplier Code of Conduct. who rely on Incap for high-quality manufacturing • Value chain related to Incap's upstream activiservices.

- ties include inbound logistics (suppliers of materials, components and raw materials), electricity, transportation etc.
- Value chain related to Incap's downstream activities include outbound logistics (storage,

### Incap value chain from emissions point of view.

### Upstream

### **SUPPLIERS**

Production of purchased goods, mainly

- Mechanics (50-60%)
- Metallic parts (80% pure metal parts and rest metallic accessories)
- Electronic components

Production of purchased services

- Shuttle service for workers in India
- System development
- Financial services
- Consulting

Capital goods: e.g. construction of third factory in India Inbound logistics of purchased goods Energy production (upstream activities)

### **Own operations**

### INCAP

Energy consumption at production sites

- Direct: combustion of fuels: gas, LFO, LPG, company vans
- Indirect: purchased electricity and heating

Generation of waste

Business travel (minimal)

Employee commuting (including shuttle bus service in India)

In terms of inputs, Incap sources high-quality materials and components from a network of reliable suppliers. The company emphasizes strong supplier relationships and rigorous quality control processes to ensure the integrity and performance

of its inputs. Incap's approach to gathering, developing, and securing these inputs involves strategic partnerships, continuous supplier evaluation, and adherence to industry standards and certifications.

The outputs and outcomes of Incap's business model include high-quality electronic products and services that deliver significant benefits to customers, investors, and other stakeholders. For customers, Incap provides reliable and efficient manufacturing solutions that enhance their product offerings and market competitiveness. Investors benefit from Incap's strong financial performance and growth potential, driven by the company's strategic focus on operational excellence and market expansion. Other stakeholders, including employees and local communities, benefit from Incap's commitment to sustainability, responsible business practices, and community support.





### Downstream

### CUSTOMERS

Outbound logistics of sold products Processing of sold products (low visibility)

• Further assembly of Incap's products to final products

### **END USERS**

Use of sold products (low visibility): e.g. green technology and mobility

End-of-life treatment of sold products (low visibility)







### SBM-2 – Interests and views of stakeholders

Incap collects stakeholder feedback systematically to support its business and as part of the due diligence process for Sustainability reporting, and utilises the feedback to develop its strategy, business model and operations accordingly. The purpose of stakeholder engagement is also to foster effective communication and collaboration with all key stakeholders, including employees, customers, suppliers, investors, financiers and local communities.

Incap carries out Customer and Employee satisfaction surveys in each of the factories annually. Incap arranges Supplier Days to key suppliers and common Business Cluster Days to customers and suppliers. Incap meets with investors regularly at investor meetings. The company engages with local societies by participating in local activities, volunteer work and business councils.

Furthermore, to support the due diligence process, ESG-related stakeholder engagement surveys are performed as needed.

The views and interests of affected stakeholders are presented regularly in the Audit Committee addressing Incap's sustainability issues as well as on Board meetings devoted to sustainability matters.

As the basis for its Corporate Responsibility programme (now Sustainability programme), Incap conducted an anonymous online stakeholder survey during October-November 2020. The main stakeholders for the survey were selected based on the level and nature of their expectations towards Incap and their importance to Incap's business. Incap received 331 responses to the online questionnaire which was sent to its customers, suppliers, investors and to Incap's employees and management.

The aim of the survey was to find out what are Incap's most important Corporate Responsibility themes and essential areas of development from different stakeholders' point of view. As a result of the Stakeholder Survey and further management analysis, the company arrived at defining the material Corporate Responsibility themes, relating GRI topics, KPIs and the UN Sustainable Development Goals that Incap contributes to. The survey and the resulting understanding of stakeholders' expectations contributed also to the Double Materiality Analysis. Incap's Corporate Responsibility (Sustainability programme) was reviewed after DMA process in autumn 2024 and updated accordingly.

### Stakeholder Key interests

Employee

### Custome

### **Suppliers**

### Investors financier

### Local con

# General information

### Channels

<b>es</b>	<ul> <li>Occupational health and safety, employee well-being</li> <li>Ethical practices and fair treatment</li> <li>Training opportunities, investment in new technologies and competencies</li> <li>Environmentally friendly operations</li> </ul>	<ul> <li>Emails and newsletter</li> <li>Staff and Staff Council meetings, H&amp;S committees</li> <li>Open house</li> <li>Information whiteboards and screens</li> <li>Employee engagement surveys</li> <li>Social media</li> </ul>
rs	<ul> <li>High quality production</li> <li>Financial performance and stability</li> <li>Good reputation and ethical business practices</li> <li>Environmental compliance and waste management</li> </ul>	<ul> <li>Emails and newsletter</li> <li>Websites and social media</li> <li>Meetings</li> <li>Business Cluster Days</li> <li>Customer satisfaction surveys</li> </ul>
	<ul> <li>Ethical business practices</li> <li>Equal and responsible treatment of suppliers</li> <li>Accuracy of payments</li> <li>Waste management</li> </ul>	<ul> <li>Emails and newsletter</li> <li>Meetings</li> <li>Supplier Days</li> <li>Business Cluster Days</li> <li>Social media</li> </ul>
s and	<ul> <li>Financial performance</li> <li>Responsible business and risk management</li> <li>Environmental compliance</li> <li>Carbon dioxide emissions</li> </ul>	<ul> <li>Meetings with investors and financiers</li> <li>Investor website</li> <li>Stock exchange releases and financial reporting</li> <li>Social media</li> </ul>
nmunities	<ul> <li>Environmental risk mitigation</li> <li>Support for local projects and programmes</li> <li>Stability in job opportunities</li> </ul>	<ul> <li>Press releases</li> <li>Social media</li> <li>Local business councils</li> <li>Participation in joint local activities</li> </ul>





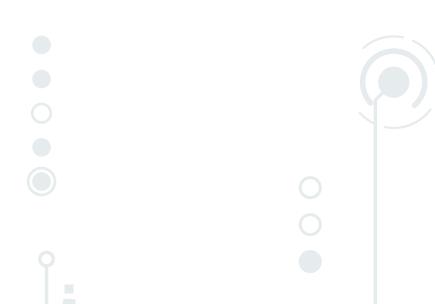


### SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Topical ESRS standard	Topic and Sub-topic		Im	Potent risks ar opportu ties		
		Time- horizon	Upstream (extended supply chain)	Own opera- tions	Down- stream (cus- tomers and end-users)	
El	Climate change: Climate change adaptation	MT / LT				Х
El	Climate change: Energy	MT / LT	X/E			Х
El	Climate change: GHG emissions	ST/MT/LT	X/E	X/E		Х
E5	Circular economy: Waste	ST/MT/LT		X / E		Х
S1	Own workforce: Working conditions	ST/MT/LT		x/s		Х
S1	Own workforce: Equal treatment and opportunities for all-	ST/MT/LT		x/s		Х
S2	Workers in the value chain: Equal treatment and opportunities for all	ST/MT/LT	x/s			Х
S2	Workers in the value chain: Other work-related rights	ST/MT/LT	x/s		x/s	Х
G1	Business conduct: Corporate culture	ST/MT/LT		Х	Х	Х
Gl	Business conduct: Protection of whistle-blowers	ST/MT/LT	x/s	x/s	x/s	
Gl	Business conduct: Corruption and bribery	ST / MT / LT	х	Х	Х	Х

\*ST = short-term, MT = medium-term, LT = long-term (SBM-3\_06 48 c iii)

\*\* E = impact on environment, S = impact on people (AR 8.)



### **Summary of material IROs**

Incap's material sustainability topics are presented in the table (SBM-3). Material impacts, risks and opportunities relate to climate change, waste, own workforce's working conditions and equal treatment and opportunities, value chain worker's equal treatment and opportunities as well as other work-related rights, corporate culture, protection of whistleblowers and corruption and bribery. Material IROs are further described in the topical standards.

The identified sustainability risks do not currently cause significant financial effects on Incap's financial position, performance or cash flows.

Climate change transition risks may require Incap to integrate new technologies in the future. While the new technology would most probably support lower energy consumption and reduce emissions, ensuring the reliability of the technology and managing related costs may involve material financial impacts. Effective planning of deliveries and the procurement of materials are integral to Incap's operational efficiency and cost management, directly influencing GHG emissions and resource use. In general, potential financial effects related to climate change are connected to possible cost savings resulting from efficient energy and resource use. Financial effects related to risk of increasing amount of waste and resource use are not anticipated but could increase the operating costs if materialized.

Incap's commitment to secure employment, adequate wages, and reasonable working hours supports the motivation and productivity of Incap's workforce. Social dialogue, freedom of association, and work-life balance are embedded in the corporate culture, promoting a healthy and inclusive work environment. Health and safety measures, along with training and skills development, are essential components of Incap's strategy to maintain a competent and safe workforce. Incap's policies against violence and harassment, and the focus on diversity and gender equality, reflect company's dedication to ethical practices and equal opportunities.

Incap strictly opposes child labor and forced labor.

Incap ensures legal compliance and protecting whistle-blowers through company's Code of Conduct. Incap's anti-corruption and anti-bribery policies further reinforce its commitment to ethical business practices.

Social and governance related risks could cause financial effects in the future if topics are not assessed and managed correctly. Financial effect could materialize for example as increased recruitment costs or loss of revenue due to reputational damages or decreased wellbeing of employees. However, financial effects are not anticipated due to Incap's policies to manage material risks.

The IROs do not directly originate from Incap's strategy or business model and the company has not adapted its strategy or business model based on the IROs. Incap will monitor the IROs and their development, as well as the sustainability programme and its targets and will make adjustments to the strategy or business model if necessary. To respond to identified IROs, Incap has updated its Sustainability programme in 2024 and set specific targets valid for 2025 and is developing action plans to achieve them. Incap has established a dedicated ESG Steering Committee to oversee these efforts together with the Audit Committee.

### **Resilience analysis**

Incap will conduct a resilience analysis in 2025, together with the development of a transition plan.

In addition, Incap conducts extended risk assessment during its annual budget planning, when resilience is taken into account for planning next-period activities. These analyses consider investment plans, including capital expenditures, acquisitions, and innovation initiatives. Incap's decentralised structure allows for agile responses to IROs and Incap has not identified any issues with the resiliency of its strategy and business model or the capacity to respond to IROs.

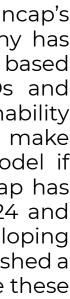
There are no changes to material IROs compared to the previous reporting period, as this is the first sustainability statement published. All IROs are covered by ESRS Disclosure Requirements, i.e. there are no entity-specific disclosures.

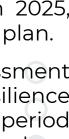
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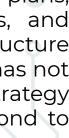














### Impact, risk and opportunity management

### IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

### Methodology

Incap's double materiality assessment (DMA) was carried out in accordance with the ESRS and EFRAG's guidelines. The results of the previous materiality assessment conducted in 2020, stakeholder surveys performed in 2020 in order to begin GRI reporting, employee surveys conducted in 2024 regarding social and environmental topics, existing sustainability programme and management team's professional knowledge, which includes understanding stakeholder perspectives through their professional experience and the various forms of stakeholder engagement that Incap performs (more about stakeholder engagement in chapter SBM-2 – Interests and views of stakeholders) were used to provide contextual information and understanding of the stakeholders. Furthermore, Incap engaged in calculating its Scope 1, 2 and 3 emissions which are disclosed in chapter E1-6. The data used in the assessment was from internal sources such as financial records, and HR systems, as well as stakeholder surveys.

In the first phase of the DMA, Incap identified actual and potential impacts, risks and opportunities (IRO's) related to sustainability matters arising from its own operations or as a result of its business relationships in the value chain. For identifying the IRO's, Incap followed the list of topics and sub-topics in accordance with the guidelines of the EU Sustainability Reporting Standard In addition, Incap considered other potential IRO's specific for the industry.

For each topic and sub-topic, the company listed and assessed the impact materiality and financial materiality of the listed IRO's with a bottom-up approach, using the ISO standard related risk evaluation as a starting point. Incap's headquarter was responsible for consolidating the initial results from Incap's five subsidiaries in Estonia, India, UK, Slovakia and US. The process was complemented with a top-down approach where the headquarter team found it necessary.

### Identifying and assessing climate-related impacts, risks and opportunities

Incap established a comprehensive process to identify, assess, and manage the climate-related impacts of its own operations and value chain. This process was based to a large extent on ISO standards and followed the EFRAG guidelines on performing DMA. The process for identifying climate-related hazards covered the short-, medium-, and long-term periods as defined in the standards and included screening of Incap's assets and business activities. Assessment of climate-related physical and transition risks will be expanded with a scenario analysis as part of developing the climate transition plan which will be carried out in 2025. In addition, management of climate-related impacts will be further developed in the climate transition plan.

The DMA process involved the following steps:

- supply chain.

- are mandatory for Incap due to ISO standards.

By following this structured process, which is grounded in ISO standards, Incap is able to effectively manage the impacts of climate change on its business, enhancing its resilience and supporting the commitment to sustainability.

### Scoring system

The methodology followed the ESRS and EFRAG's non-binding guidelines as closely as possible. Negative impacts were assessed based on their severity (scale, scope and irremediable character) and positive impacts were assessed based on their scale and scope. For potential impacts, the likelihood of the impact occurring was also considered. For negative impacts relating to human rights, the severity took precedence over the likelihood.

1. Identification of climate change-related impacts through stakeholder analysis, industry benchmarking and ISO standards, and the company's own expertise of its industry. This includes both direct impacts on Incap's operations and indirect impacts through its

2. Integration into business strategy. The assessed impacts are already integrated into Incap's business strategy and risk management framework, as most of them are also related to the ISO standards that Incap operates with. This ensures that climate-related considerations are embedded in Incap's decision-making processes, from manufacturing processes to supply chain management.

3. Monitoring and reporting: Incap continuously monitors these impacts and updates the assessments as new information becomes available.

4. Stakeholder engagement: Incap engages with a wide range of stakeholders, including employees, customers, suppliers, and regulators, to gather insights and feedback on its climate changerelated processes and performance. Many activities included in this

Incap used a numerical evaluation to quantify scale, scope and irremediability and financial evaluation where applicable and used subjective and professional judgement in making the assessment and selecting the threshold for materiality on the group level.

The scoring system used:

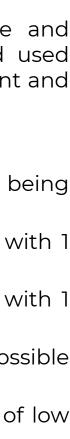
- 1) Scale (how grave the impact is) on scale from 1 to 5, with 1 being minimal and 5 being severe
- 2) Scope (how widespread the impact is) on scale from 1 to 5, with 1 being very localized and 5 being extremely widespread
- 3) Irremediability (negative impacts only) on scale from 1 to 5, with 1 being easily reversible and 5 being completely irreversible.
- 4) Likelihood was evaluated on scale from 0-1, with 0 being impossible and 1 representing an already actual impact.
- 5) Impact materiality grade on a scale from 1 to 5, with 1 being of low significance and 5 being of high significance.

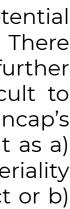
### **Assessments and financial impact**

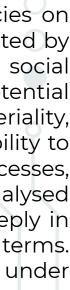
For certain actual positive impacts, Incap has identified potential positive impacts from opportunities of further development. There might be positive financial impacts associated to these further opportunities, but the revenue or savings potential was difficult to assess, and therefore the financial impact was not estimated. It is Incap's view, that this approach does not impact the DMA overall result as a) the financial impact would most probably not exceed the materiality threshold set due to low likelihood and/or small financial impact or b) the actual positive impact was already assessed material.

### Dependencies

While conducting the DMA, Incap also considered dependencies on natural, human and social resources, for example how it is affected by its dependencies on the availability of the natural, human and social resources at appropriate prices and quality, irrespective of its potential impacts on those resources. While assessing financial materiality, Incap considered how these dependencies may influence its ability to continue to use or obtain the resources needed in its business processes, as well as the quality and pricing of those resources. Also, Incap analysed how these dependencies may affect the company's ability to reply in relationships needed in its business processes on acceptable terms Risks and opportunities related to dependencies are described under each topical standard.









### **Decision-making process**

First the IROs were assessed by all Incap's units separately and then assessments were consolidated, analysed and complemented by Incap's CFO, Group Controller, and Group Communications and IR Lead. The materiality threshold was suggested by the Financial department of the Group, after which the final material IROs were monitored by the Audit Committee and approved by the Board of Directors.

After identifying and assessing opportunities via DMA, they are managed by including them in Incap's annual action and business plans and monitored by ESG Steering Committee via regular reporting cycles and ad-hoc assessments of risk and sustainability matters, ensuring comprehensive oversight of Incap's activities.

Incap's risk management has relied and relies on the ISO certified management systems that are implemented on the local unit level. ISO certification of the quality, occupational health and safety and environmental management systems requires local units to systematically assess risks, implement measures to address identified issues, and transparently report on their efforts and outcomes. After the DMA and identification of the material IROs in 2024, Incap is planning to incorporate the management of material sustainability related risks into the overall risk management policy and process on group level.

The process for identifying, assessing and managing IROs was not in place previously, therefore there are no changes compared to the prior period. Incap plans to review the DMA annually, to ensure its validity or implement necessary adjustments.

All material IROs are covered by ESRS and Incap has not identified IROs that require entity-specific disclosures.

In the DMA, Incap assessed its impacts, risks and opportunities related to pollution (E2), water and marine resources (E3) as well as biodiversity and ecosystems (E4) in a high level and concluded that impacts

related to the topics are not material. The assessment covered Incap's operations and the screening of assets covered all Incap's units. The screening was based on management's existing knowledge. Incap did not conduct separate consultations with affected communities or other stakeholders while identifying its impacts, risks and opportunities related to environmental topics. Incap has not identified transitional, physical or systemic risks, opportunities or direct dependencies regarding biodiversity and ecosystems. Incap's units are not located near biodiversity-sensitive areas. Biodiversity mitigation measures have not been considered necessary.

### **IRO-2** – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Incap describes how it has determined the material information to be disclosed in relation to the impacts, risks and opportunities that it has assessed to be material, including the use of thresholds in the IRO-1 section above.

List of the disclosure requirements in ESRS covered by Incap's sustainability statement can be found in the beginning of the sustainability statement (Content).

Incap has disclosed information in this report based on this criteria:

- A) not material ones not reported),
- voluntary basis (then mostly not reported), B)
- C)
- D) phasing,
- mandatory (always disclosed, if applies) E)

materiality (material issues based on DMA have been reported and

conditional information (depending on whether it applies or not),







# EU legislation data points.

The table below outlines the data points derived from other EU legislation as listed in ESRS 2 Appendix B. It indicates where these data points can be found in Incap's report and identifies which data points are assessed as 'Not material'.

\*Not material: Information not material to reporting

\*No activity: Information complied with or not relevant to operations

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Chapter/relevance
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		GOV-1 – The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			X		GOV-1 – The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x				GOV-4 – Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Х	Х	X		No activity
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		X		No activity
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		No activity
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		No activity
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	E1-1 – Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Х	X		No activity









Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Chapter/relevance
SRS E1-4 GHG emission reduction targets paragraph 34	X	Х	X		E1-4 – Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	X				E1-5 – Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	x				E1-5 – Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				E1-5 – Energy consumption and mix
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	X	X	X		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				×	No activity
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		Phase-in used
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk baragraph 66 (a)		Х			No activity
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).					
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy- efficiency classes paragraph 67 (c).		X			No activity
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities baragraph 69			X		No activity
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				Not material
ESRS E3-1 Water and marine resources paragraph 9	x				Not material
ESRS E3-1 Dedicated policy paragraph 13	X				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				Not material
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations baragraph 29	X				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	X				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (b)	×				Not material
	0				





### Disclosure Requirement and related datapoint SFDR reference ESRS 2-SBM 3 - E4 paragraph 16 (c) Х ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) Х ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) Х ESRS E4-2 Policies to address deforestation paragraph 24 (d) Х ESRS E5-5 Non-recycled waste paragraph 37 (d) Х ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 Х ESRS 2- SBM3 - SI Risk of incidents of forced labour paragraph 14 (f) Х ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) Х ESRS S1-1 Human rights policy commitments paragraph 20 Х ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 ESRS S1-1 processes and measures for preventing trafficking in human beings Х paragraph 22 ESRS S1-1 workplace accident prevention policy or management system Х paragraph 23 ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) Х ESRS S1-14 Number of fatalities and number and rate of work-related accidents Х paragraph 88 (b) and (c) ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph Х 88 (e) ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) Х ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) Х ESRS S1-17 Incidents of discrimination paragraph 103 (a) Х

e	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Chapter/relevance
				Not material
				E5-5 – Resource outflows
				E5-5 – Resource outflows
				SI ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
				S1 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
				S1-1 – Policies related to own workforce
		X		S1-1 – Policies related to own workforce
				S1-1 – Policies related to own workforce
				S1-1 – Policies related to own workforce
				S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
		X		S1-14 – Health and safety metrics
				S1-14 – Health and safety metrics
		Х		S1-16 – Remuneration metrics (pay gap and total remuneration)
				S1-16 – Remuneration metrics (pay gap and total remuneration)
				S1-17 – Incidents, complaints and severe human rights impacts





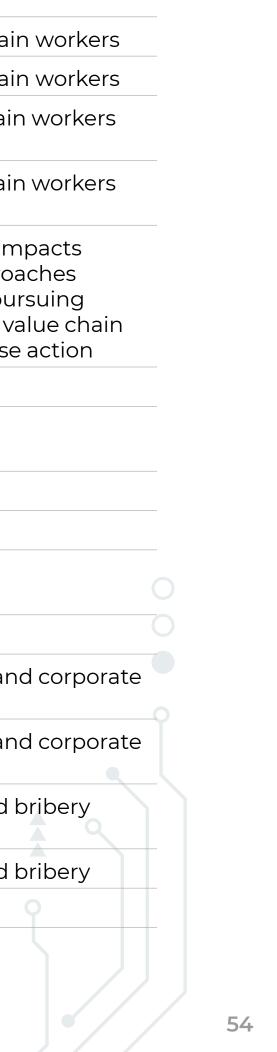


Disclosure Requirement and related datapoint	SFDR reference
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	X
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X
ESRS S2-1 Human rights policy commitments paragraph 17	×
ESRS S2-1 Policies related to value chain workers paragraph 18	X
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Х
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	X
ESRS S3-1 Human rights policy commitments paragraph 16	Х
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Х
ESRS S3-4 Human rights issues and incidents paragraph 36	x
ESRS S4-1 Policies related to consumers and end-users paragraph 16	х
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Х
ESRS S4-4 Human rights issues and incidents paragraph 35	х
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Х
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Х
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	х
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Х
	0



e	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Chapter/relevance
		X		S1-17 – Incidents, complaints and severe human rights impacts
				S2 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
				S2-1 – Policies related to value chain workers
				S2-1 – Policies related to value chain workers
		X		S2-1 – Policies related to value chain workers
		X		S2-1 – Policies related to value chain workers
				S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action
				Not material
		X		Not material
				Not material
				Not material
		X		Not material
				Not material
				G1-1 – Business conduct policies and corporate culture
				G1-1 – Business conduct policies and corporate culture
		X		G1-4 – Incidents of corruption and bribery
				G1-4 – Incidents of corruption and bribery
)				





# Environmental information.

## **EU Taxonomy**

<sup>1</sup> More information regarding revenue can be found from Footnote 3

<sup>2</sup> More information regarding capital expenses can be found from Footnote 12 and Footnote 13

### **Disclosures pursuant to the Taxonomy Regulation**

Reporting on the EU Taxonomy complies with Regulation (EU) 2020/852 of the European Parliament and of the Council (issued on June 18, 2020). The EU Taxonomy is a classification system for sustainable financing, designed to help companies and investors assess whether an economic activity can be considered environmentally sustainable.

Taxonomy defines a set of criteria for a business activity that enables companies to assess to what extent the company's activities support the attainment of environmental and climate objectives. A phased-in EU Taxonomy Regulation partially entered into force in 2021. The first Delegated Act was taken into use in 2021, and it covered the first two of the six environmental objectives: climate change mitigation and adaptation. The criteria for the other four environmental objectives were published in June 2023, and they are sustainable use and protection of water and marine resources, pollution prevention and control, transition to a circular economy and protection and restoration of biodiversity and ecosystems.

The EU Taxonomy Regulation requires reporting for 2024 to assess taxonomy alignment so that taxonomy-eligible activities meet detailed technical assessment criteria. do not cause harm to other environmental objectives and comply with minimum safeguards.

### **Taxonomy reporting principles**

Incap has assessed the taxonomy eligibility of its business based on Environmental delegated act (Annex I and II) and its amendments. Also climate delegated act has been used in the assessment of other 4 environmental objectives. The EU Taxonomy Regulation will enter into force in phases. Incap's assessment of the taxonomy-eligibility of its operations may change with the new guidelines and regulations entering into force.

Taxonomy eligibility of Incap's activities is assessed based on the final product to which Incap has delivered a specific solution. As the final product and relevant technical information regarding that is not readily available for Incap, reliable assessment for the technical screening criteria and "do no significant harm to other environmental objectives" is challenging, especially for transition to a circular economy part. This is why all of Incap's taxonomy activities are eligible, but not taxonomy aligned. For minimum safeguards please refer to ESRS G1 topic for more information on what has been done.

- Incap has identified Taxonomy eligible activities as following: • CE 1.2 Manufacture of electrical and electronic equipment • CCM 3.1 Manufacture of renewable energy technologies • CCM 3.3 Manufacture of low carbon technologies for transport
- CCM 3.18 Manufacture of automotive and mobility components

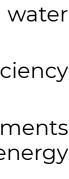
- CCM 4.9 Transmission and distribution of electricity
- CCM 5.3 Construction, extension and operation of waste water collection and treatment
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment be applicable to them
- CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- CCM 8.1 Data processing, hosting and related activities

### Turnover, capital expenditure and operating expenditure

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

The turnover KPI denominator, referred as revenue in the annual report, includes the total external revenue<sup>1</sup> of Incap Group companies. The revenue KPI numerator includes external sales of taxonomy eligible activities. The CapEx KPI denominator covers additions to tangible and intangible assets before depreciations, amortisations and re-measurements or impairments and excluding goodwill<sup>2</sup>. The CapEx numerator is the Taxonomy-eligible additions included in the denominator and calculated based on external revenue, separately for each eligible activity.

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



# Environmental information Proportion of turnover associated with taxonomy-aligned economic activities.

Financial year 2024		Year			Sub	stantial Cor	tribution C	riteria			DNSH criter	ria ('Does No	ot Significan	tly Harm') (h	ı)				
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Categ transiti activity
EUR thousand		EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Т
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-a	aligned)																		
Turnover of environmentally sustainable activities (Tax	onomy-alig	gned) (A.1)		1											1				
Of which Enabling		0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									E	
Of which Transitional																			Т
A.2 Taxonomy-Eligible but not environmentally sustain	able activit	ties (not Tax	onomy-aligne	d activities)	(g)														
Manufacture of renewable energy technologies	CCM 3.1	4,301	1.9 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								47.5 %		
Manufacture of electrical and electronic equipment	CE 1.2	188,306	81.9 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0 %		
Manufacture of low carbon technologies for transport	CCM 3.3	4,188	1.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.3 %		
Data processing, hosting and related activities	CCM 8.1	2,372	1.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6 %		
Manufacture of automotive and mobility components	CCM 3.18	1,786	0.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	191	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1 %		
Transmission and distribution of electricity	CCM 4.9	75	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2 %		
Installation, maintenance and repair of energy efficiency equipment be applicable to them	CCM 7.3	51	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	ССМ 7.5	28,785	12.5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.3 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities		230,056	100.0 %	18.1 %	0.0 %	0.0 %	0.0 %	81.9 %	0.0 %								63.0 %		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		230,056	100.0 %	18.1 %	0.0 %	0.0 %	0.0 %	81.9 %	0.0 %								63.0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		0	0.0 %	_															
TOTAL		230,056	100.0 %	-															



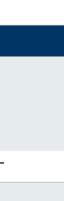
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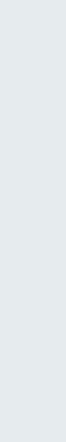
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# **Proportion of CapEx associated with** taxonomy-aligned economic activities.

Financial year 2024		Year			Substa	ntial Con	tribution	Criteria			NSH crite	ria ('Doe	s Not Sig	nificantly	y Harm')	(h)			
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Catego transitio activity (
EUR thousand		EUR	%	Y; N; N/ EL (b) (c)		Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Т			
A. TAXONOMY-ELIGIBLE ACTIVITIES	1													1	l				
A.1. Environmentally sustainable activities (Tax	onomy-aligned	)																_	
CapEx of environmentally sustainable activities	s (Taxonomy-al	igned) (A.1)																	
Of which Enabling			0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									E	
Of which Transitional																			Т
A.2 Taxonomy-Eligible but not environmentally	y sustainable ad	ctivities (not	Taxonomy-a	ligned ac	tivities) (	(g)	1	1										-	
Manufacture of renewable energy technologies	CCM 3.1	10	0.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								52.0 %	-	
Manufacture of electrical and electronic equipment	CE 1.2	1,528	38.7 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0 %		
Manufacture of low carbon technologies for transport	CCM 3.3	24	0.6 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4 %		
Data processing, hosting and related activities	CCM 8.1	86	2.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.5 %		
Manufacture of automotive and mobility components	CCM 3.18	65	1.6 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	5	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Installation, maintenance and repair of energy efficiency equipment be applicable to them	ССМ 7.3	0	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0 %		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	ССМ 7.5	500	12.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.8 %		
CapEx of Taxonomy-eligible but not environme sustainable activities (not Taxonomy-aligned a	-	2,218	56.1 %	4.8 %	0.0 %	0.0 %	0.0 %	38.7 %	0.0 %								59.6 %		
A. CapEx of Taxonomy eligible activities (A.1+A.	2)	2,218	56.1 %	4.8 %	0.0 %	0.0 %	0.0 %	38.7 %	0.0 %								59.6 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1,733	43.9 %	_															
TOTAL		3,951	100.0 %																









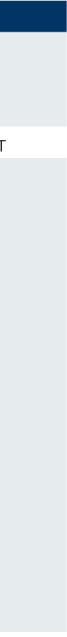
# **Proportion of OpEx associated with taxonomy-aligned economic activities.**

Financial year 2024		Year		Substantial Contribution Criteria DNSH criteria ('Does Not Significantly I			larm') (h)												
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)		Climate Change Ad- aptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mit- igation (11)	Climate Change Ad- aptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Tax- onomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Catego transitio activity (
EUR thousand		EUR	%	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y; N; N/ EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Т
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy	-aligned)																	-	
OpEx of environmentally sustainable activities (Taxono	omy-aligned) (A.1)	1					1		1	1								_	
Of which Enabling		0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %									E	
Of which Transitional																			Т
A.2 Taxonomy-Eligible but not environmentally sustai	nable activities (I	not Taxonomy	-aligned activit	ies) (g)			1		1	_								-	
Manufacture of renewable energy technologies	CCM 3.1	30	1.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-							38.0 %	-	
Manufacture of electrical and electronic equipment	CE 1.2	1,375	56.2 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL	-							0.0 %	-	
Manufacture of low carbon technologies for transport	CCM 3.3	52	2.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-							2.9 %	-	
Data processing, hosting and related activities	CCM 8.1	13	0.5 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-							1.5 %	_	
Manufacture of automotive and mobility components	CCM 3.18	10	0.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-							0.0 %	_	
Construction, extension and operation of waste water collection and treatment	CCM 5.3	4	0.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	_							0.1 %	_	
Transmission and distribution of electricity	CCM 4.9	1	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	_							0.0 %	_	
Installation, maintenance and repair of energy efficiency equipment be applicable to them	CCM 7.3	1	0.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	_							0.0 %	_	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	731	29.9 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17.6 %		
OpEx of Taxonomy-eligible but not environmentally su activities (not Taxonomy-aligned activities) (A.2)	stainable	2,215	90.5 %	34.3 %	0.0 %	0.0 %	0.0 %	56.2 %	0.0 %	_							60.1 %	_	
A. OpEx of Taxonomy eligible activities (A.1+A.2)		2,215	90.5 %	34.3 %	0.0 %	0.0 %	0.0 %	56.2 %	0.0 %								77.8 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		233	9.5 %	_															
TOTAL		2,448	100.0 %																

# Environmental information

### Dn





### **Nuclear energy related activities**

- The undertaking carries out, funds or has exposures to research, development, demonstr innovative electricity generation facilities that produce energy from nuclear processes wi the fuel cycle.
- 2. The undertaking carries out, funds or has exposures to construction and safe operation of installations to produce electricity or process heat, including for the purposes of district h processes such as hydrogen production, as well as their safety upgrades, using best availables.
- **3.** The undertaking carries out, funds or has exposures to safe operation of existing nuclear i electricity or process heat, including for the purposes of district heating or industrial proc production from nuclear energy, as well as their safety upgrades.

### **Fossil gas related activities**

- **4.** The undertaking carries out, funds or has exposures to construction or operation of electricity using fossil gaseous fuels.
- 5. The undertaking carries out, funds or has exposures to construction, refurbishment, and heat/cool and power generation facilities using fossil gaseous fuels.
- **6.** The undertaking carries out, funds or has exposures to construction, refurbishment and generation facilities that produce heat/cool using fossil gaseous fuels.



# Environmental information

ration and deployment of /ith minimal waste from	NO
of new nuclear neating or industrial lable technologies.	YES
installations that produce cesses such as hydrogen	YES
tricity generation facilities	NO
operation of combined	NO
operation of heat	NO











# ESRS E1 Climate change.

### **Strategy**

### E1-1 – Transition plan for climate change mitigation

Incap did not have a transition plan for climate change mitigation in place in 2024. Incap is already in the process of developing and adopting a climate transition plan and is currently developing an emission reduction roadmap which is expected to be finalized in June 2025. After that the next steps for the climate transition plan will be taken and the climate transition plan will be finalized in 2025. In 2024, Incap mapped its Scope 3 greenhouse gas emissions and revisited the calculations for Scope 1 and 2 emissions which enables Incap to establish baseline data for the transition plan.

### ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-topic	Negative impacts	Positive impacts	Risks	Opportunities
Climate change adaptation	_	-	х	Х
Climate change mitigation	X	-	х	Х
Energy	Х	-	Х	Х

### **Climate related risks**

All climate-related risks identified by Incap in its materiality assessment are climate-related transition risks and Incap has not identified any material climate-related physical risks.

Incap is committed to operating in an environmentally friendly and responsible manner. The most significant environmental impacts of Incap's own activities are carbon dioxide emissions from energy consumption and waste from production. Incap strives to improve its energy intensity and reduce the CO2 emissions. Incap's goal is to continuously develop and improve its processes to protect and preserve the environment.

Energy efficiency and reducing carbon dioxide emissions are key factors in the global fight against climate change. Even though the energy

intensity of the electronics industry is relatively low compared to many other manufacturing sectors, Incap aims to contribute to sustainable development and climate change mitigation by improving the efficiency of its production and striving to minimise the CO2 emissions. Continuous improvement is based on continuous identification, measurement and reporting of environmental impacts.

The majority of Incap's energy consumption goes into heating, cooling and lighting of production facilities and for the operation of production machinery. Incap strives to reduce its energy intensity by using modern technology and data, energy-efficient equipment, smart material flow and logistics.

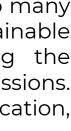
Incap's carbon dioxide emissions are generated by the energy consumption of its production facilities and by logistics, business travel, and purchased equipment and services.

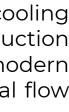
Even though the energy intensity of electronics manufacturing is relatively low, implementing advanced energy management systems, such as solar panels and deployment of renewable energy can significantly reduce electricity use related emissions. Advanced sustainable energy technologies can improve energy efficiency, lower operational costs, and enhance the company's reputation as an environmental leader. Risks may arise from integrating such new technologies, ensuring their reliability, and in general managing costs linked to climate change mitigation.

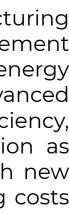
Incap has also identified material risks in its own operations and supply chains, particularly concerning logistics fuel consumption and related CO2 emissions. Inefficient use of heating and air conditioning also presents potential risks. The manufacturing of electronical components and raw materials is energy-intensive, negatively impacting the environment.

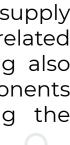
The resilience and scenarios analysis will be carried out in 2025 as part of Incap's transition plan development.

Time horizons applied for assessing impacts, risks and opportunities were short term (under 1 year), medium-term (1-5 years) and long-term (more than 5 years).













### Impact, risk and opportunity management

### E1-2 – Policies related to climate change mitigation and adaptation

To manage its material impacts, risks and opportunities related to climate change mitigation and adaptation, Incap relies on its environmental management system (EMS) certified in accordance with ISO 14001 requirements, the Sustainability Programme and sustainability policy, which addresses Incap's material climate change related impacts, i.e. climate change mitigation and energy efficiency. In addition to the group policies, Incap's units have developed and adopted local environmental policies to address climate change related aspects. Incap's goal is to continuously develop and improve its processes to protect and preserve the environment. No violations of environmental laws or regulations were found in Incap's operations during 2024.

### E1-3 – Actions and resources in relation to climate change policies

Incap is committed to addressing climate change through a variety of actions and resources aimed at both mitigation and adaptation. These efforts are guided by Incap's environmental management system certified in accordance with ISO 14001 requirements and by company's Sustainability Programme.

Incap has implemented several energy efficiency measures across its operations, including the adoption of energy-saving technologies and regular energy audits to identify and reduce energy wastage. In 2024, Incap units implemented actions to increase the use of renewable energy sources and to reduce reliance on fossil fuels in their own operations. Incap Slovakia continued to produce solar energy and Incap

Policies related to climate change mitigation and adaptation	Key contents and relation to IROs	Scope of the policy	Accountability
ISO 14001 Environmental management system	<ul> <li>Provides framework for environmental policy</li> <li>Facilitates planning for environmental objectives and targets</li> <li>Guides implementation and operation of environmental programmes</li> </ul>	All production units (besides Incap US)	President and CEO
	<ul> <li>Ensures checking and corrective action for continuous improvement</li> </ul>		
	<ul> <li>Supports management review for strategic oversight</li> </ul>		
Incap's Sustainability Policy	<ul> <li>Promotes sustainable development</li> </ul>	All units	President and
	<ul> <li>Focuses on resource efficiency</li> </ul>		CEO
	<ul> <li>Commits to continuous improvement</li> </ul>		
	<ul> <li>Engages stakeholders</li> </ul>		
	<ul> <li>Implements sustainability governance framework</li> </ul>		

India installed solar panels and started to produce solar energy in the beginning of January 2025. In 2024, Incap worked actively to reduce its carbon footprint further by process optimization, waste reduction, and the implementation of sustainable practices in the manufacturing processes, such as the implementation of energy-efficient lighting systems across operations to reduce energy consumption. In the UK, Incap replaced the factory roof to improve energy efficiency and for the opportunity to later add solar panels.

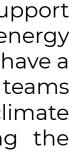
Incap has not allocated significant financial resources to support its climate change initiatives. The investments in renewable energy projects and energy-efficient technologies made in 2024 did not have a major impact on Incap's financial situation. Incap has dedicated teams responsible for overseeing the sustainability efforts, including climate change mitigation and adaptation strategies and developing the related action plan within its climate transition plan in 2025.

Incap did not have targets related to climate change in 2024. Incap's targets were set for the year 2025 and they were approved by the Board of Directors. Therefore, the actions in 2024 are not related to specific targets. Incap is also working on allocating resources and budgeting for the management of material impacts.













### **Metrics and targets**

### E1-4 – Targets related to climate change mitigation and adaptation

In 2024, Incap did not have targets related to climate change mitigation and adaptation as the company was still analysing the sources of the CO2 emissions, especially from Scope 3. Incap is in the process of developing a climate transition plan which will be finalized in 2025. Incap's climate related targets were set for the year 2025 and they were approved by the Board of Directors.

	E1-5_01-17 Energy consumption and energy sources		
E1-5_01	Total energy consumption in own operations	MWh	11,446
E1-5_02	Total energy consumption from fossil sources	MWh	7,278
E1-5_03	Total energy consumption from nuclear sources	MWh	133
E1-5_04	Share of nuclear sources in total energy consumption	%	1%
E1-5_05	Total renewable energy consumption (sum of Fuel consumption + Self-generated)	MWh	4,034
E1-5_06	Fuel consumption from renewable sources	MWh	0
E1-5_07	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	3,981
E1-5_08	Consumption of self-generated non-fuel renewable energy	MWh	53
E1-5_09	Share of renewable sources in total energy consumption	%	35%
E1-5_10	Fuel consumption from coal and coal products	MWh	0
E1-5_11	Fuel consumption from crude oil and petroleum products	MWh	670
E1-5_12	Fuel consumption from natural gas	MWh	898
E1-5_13	Fuel consumption from other fossil sources	MWh	0
E1-5_14	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	5,710
E1-5_15	Share of fossil sources in total energy consumption	%	65%
E1-5_16	Non-renewable energy production	MWh	0
E1-5_17	Renewable energy production	MWh	53

### E1-5 – Energy consumption and mix

The majority of Incap's energy consumption goes into heating, cooling and lighting of production facilities and for the operation of production machinery. Incap strives to reduce its energy intensity by using modern technology and data, energy-efficient equipment, smart material flow and logistics. In 2024, Incap's energy consumption decreased to 11,446 MWh. At the same time, as net sales decreased from the previous year, the company's energy intensity decreased to 50 MWh per million euros.

E1-5\_18 Energy intensity per n Energy intensity

E1-5\_19: Data on energy intensity is derived from the total energy consumption and net revenue. Net revenue used in the calculation of energy intensity is equal to the net revenue in Incap's financial statement and totalled EUR 230.1 million in 2024. Incap operates in the sector of manufacture of electronic components (C section in NACE - Statistical classification of economic activities in the European Community) which is considered as a high climate impact sector. Net revenue used in the calculation of energy intensity is equal to the net revenue in Incap's financial statement and totalled EUR 230.1 million in 2024.

### **Accounting principles:**

- The figures related to energy consumption and mix related to own operation are based on utility activity data, meter readings, and/or documentation from suppliers.
- Total energy consumption related to own operations covers Incap's energy consumption in own operations and forms the input of Scope 1 and 2. It covers energy consumption based on fossil sources, nuclear sources, electricity consumption and district heating used across Incap's facilities.
- Total energy consumption from fossil sources covers the energy consumption from fossil fuel.
- In its total energy consumption from nuclear sources represents the share of nuclear energy sources in Incap's consumption of electricity. Incap has no direct nuclear sources.
- Total energy consumption from renewable sources represents the Share of renewable sources in Incap's consumption of fuels, electricity and district heat.
- Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources is based on the calculation of Incap's

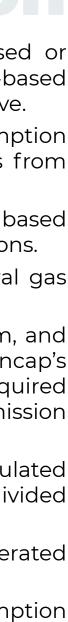
# **Environmental information**

et revenue		
	MWh/m€	50

share of renewable energy in the consumption of purchased or acquired electricity and district heating is based on market-based emission factors, being the most conservative and representative.

- Percentage of renewable sources in total energy consumption represents how much of the total consumed energy comes from renewable energy sources.
- Consumption of crude oil and petroleum products is calculated based on actual fuel used in company cars and in Incap's own operations.
- Consumption from natural gas is calculated based on natural gas used in own operations
- Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources is based on the calculation of Incap's share of fossil energy in the consumption of purchased or acquired electricity and district heating is based on market-based emission factors, being the most conservative and representative.
- Share of fossil sources in total energy consumption is calculated based on dividing total energy consumption from fossil fuels divided with total energy consumption in own operations.
- Renewable energy production figure consists of energy generated through solar panels.
- Data on energy intensity is derived from the total energy consumption and net revenue from activities in high climate impact sectors.







### E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Incap has identified the sources of its Scope 1, 2 and 3 emissions. For Scope 1, the main emission sources include the fuel consumption of company vans and gas used for cooling or heating and Light Fuel Oil used for back-up power generation at the factory in India. For Scope 2, the relevant emission sources include purchased grid electricity and bioenergy based district heating in Estonia. For Scope 3 emissions, the relevant emission sources include purchased goods and services, capital goods, fuel- and energy-related activities, upstream and downstream transportation and distribution, waste generated in operations and employee commuting.

Incap has excluded the following Scope 3 categories with the following justification:

- Upstream leased assets emissions from leased assets under operational control are covered in Scope 1 and 2 and include production facilities and office buildings in Estonia, Slovakia and the UK as well as company vans. Leased cars for management are excluded from Scope 1 emissions due to insignificant amount of emissions.
- Processing, use and end-of-life treatment of sold products as an electronics contract manufacturer, Incap has very little or no visibility to the energy consumption of the processing of the sold products, the energy consumption of final products and the end-oflife treatment of the sold products. Therefore, emissions cannot be reasonably measured or estimated. Contract manufactured products have various downstream applications and there can be multiple processing companies between Incap and the final product.
- Downstream leased assets Incap does not have downstream leased assets.
- Franchises Incap does not operate any franchises.
- Investments Incap does not have relevant downstream investments.

GHG emissions were reported using financial control as the basis for consolidation and measured during the financial year. The GHG emissions are reported according to the GHG Protocol in CO2e and include the following gases and chemicals: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen

	E1-6_01, 04, 06, 07, 08, 09, 10, 11, 12, 13 Gross Scopes 1, 2, 3 and Total GHG emissions (tCO₂eq)	<b>2024</b> <sup>1</sup>
	Scope 1 GHG emissions	
E1-6_07	Gross Scope 1 greenhouse gas emissions	351
E1-6_08	Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%
	Scope 2 GHG emissions <sup>1</sup>	
E1-6_09	Gross location-based Scope 2 GHG emissions	5,800
E1-6_10	Gross market-based Scope 2 GHG emissions	5,973
E1-6_04	Scope 3 GHG emissions <sup>2</sup>	
E1-6_11	Total gross indirect Scope 3 GHG emissions	31,885
	1 Purchased goods and services	24,287
	2 Capital goods	770
	3 Fuel- and energy-related activities	2,124
	4 Upstream transportation and distribution	3,503
	5 Waste generated in operations	113
	6 Business travelling	410
	7 Employee commuting	62
	8 Upstream leased assets	N/A
	9 Downstream transportation and distribution	616
	10 Processing of sold products	N/A
	11 Use of sold products	N/A
	12 End-of-life treatment of sold products	N/A
	13 Downstream leased assets	N/A
	14 Franchises	N/A
	15 Investments	N/A
	Total GHG emissions	
E1-6_12	Total GHG emissions location based	38,035
E1-6_13	Total GHG emissions market based	38,208

<sup>1</sup> Biogenic emissions, not accounted in the table, totaled 425 tons of CO<sub>2</sub>e. <sup>2</sup> Emission factors for Scope 3 do not separate biogenic emissions and therefore are not reported.

trifluoride (NF3). These emissions have been converted into carbon dioxide equivalents.

### Scope 1

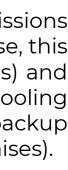
Incap's direct energy consumption (Scope 1) includes all direct emissions from sources that are owned or controlled by Incap. In Incap's case, this involves mobile combustion (fuel consumption of company vans) and stationary combustion / self-produced energy (i.e. gas used for cooling or heating in all units; small power plant (LFO) for cooling/backup energy, LPG for worksite canteen, solar energy produced on premises).

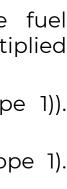
### **Accounting principles:**

- Scope 1 emissions have been calculated based on the fuel consumption at the units. Consumed volumes of fuels are multiplied by applicable emission factors (DEFRA) to arrive at  $CO_2e$ :
- Primary Energy Fuels (Direct energy consumption (Scope 1)). Source: DEFRA
- Transport & Travel fuels (Company cars by fuel use (Scope 1). Sources: DEFRA









### Scope 2

Incap's indirect energy consumption includes all indirect emissions from the generation of purchased electricity, heat, or steam consumed by the reporting company. In Incap's case, this involves purchased electricity (grid electricity for offices and product lines) as well as purchased heat (bioenergy generated district heat for Incap Estonia). Incap does not use contractual instruments for purchasing or selling energy with specific attributes.

### **Accounting principles:**

Purchased energy volumes in Scope 2 are multiplied by country average emission factors:

- Scope 2 market-based: emissions are calculated by taking the specific energy sources an organisation uses for its purchased electricity, heat, or steam. Renewable energy purchases and credits are considered when accounting for indirect GHG emissions using the marketbased approach (sources for secondary energy and emission factors (Indirect energy consumption (Scope 2): AIB (Association of Issuing Bodies IVZW), EPA, Drax Energy, Kuressaare Soojus, IEA (International Energy Agency) Life Cycle Upstream Emission Factors, emission factor calculations based on formula, local assessments based on production capacities.
- Scope 2 location-based: emissions are calculated by taking the specific energy sources an organisation uses for its purchased electricity, heat, and steam and using average emission factors for the regional or national energy grid. This method reflects the energy mix within the specific area of consumption and does not consider any purchase of renewable energy or credits (sources: AIB, DEFRA, Latõšov et al, Government of India, IEA).

### Scope 3

Scope 3 emissions are the indirect greenhouse gas emissions attributed to Incap's value chain. These include emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, employee commuting, and downstream transportation and distribution. Emissions in the remaining Scope 3 categories have been assessed as not material and are therefore not reported on.

### **Accounting principles:**

- performing the calculation for the different scopes.
- uncertainty.
- Incap's Scope 3 accounting methodologies.
  - States Environmental Protection Agency)
- Capital goods (Scope 3). Source: DEFRA
- Purchased services (Scope 3). Source: DEFRA
- Employee commuting (Scope 3). Source: DEFRA
- Environmental Services Authority)
- Business travel (Scope 3). Sources: DEFRA

E1-6_30, 31 GHG intensity per net revenue	
GHG emissions intensity, location-based (total GHG emissions per EUR million)	165.33
GHG emissions intensity, market-based (total GHG emissions per EUR million)	166.08

	E1-6_30, 31 GHG intensity per net revenue	
E1-6_30	GHG emissions intensity, location-based (total GHG emissions per EUR million)	165.33
E1-6_31	GHG emissions intensity, market-based (total GHG emissions per EUR million)	166.08

The revenue as reported in the Consolidated statement of comprehensive income in the Financial Statement is used to calculate GHG emission intensity and totalled EUR 230.1 million in 2024.

Incap has used Greenhouse Gas Protocol as the reference for

• Due to lack of availability of data from the upstream operations on emissions, the CO2 emission related data includes measurement

• 99.5% of calculations of Scope 3 emissions have been conducted based on spend-based approach, i.e. value of a purchased good or service multiplied by a relative carbon emission factor. Estimating Scope 3 emissions is associated with inherent uncertainties due to limitations in availability and accuracy of primary data, which is why the reported figures should not be regarded as exact measurements. The list below summarizes the sources of emissions factors used in

• Transportation (Scope 3). Sources: Exiobase, DEFRA (UK Department of Environment, Food and Rural Affairs), EPA (United

• Waste GHG (Waste (Scope 3). Sources: DEFRA, HSY (Helsinki Region

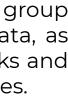
### **Accounting principles:**

• Incap reports emission data only on a consolidated basis on group level. There is no disaggregation between the unit-related data, as there are no significant differences in the material impact, risks and opportunities between units and countries where Incap operates.









# ESRS E5 **Resource use** and circular economy.

### Impact, risk and opportunity management

### ESRS 2 SBM-3 – Material impacts, risks and opportunities

Sub-topic	Negative impacts	Positive impacts	Risks	Opportunities
Waste	-	х	х	-

Incap strives to optimize the use of all raw materials in its production. Particularly the efficient use of chemicals, categorized as hazardous waste, has a positive impact on environment and materially reduces the costs related to production and waste handling. Efficient use of chemicals includes daily practices related to monitoring the quantities of chemicals used in the production to avoid the disposal of the excess or expired chemicals.

Incap has identified material risks related to different waste-related categories, such as the incorrect or excessive packaging, which could lead to substantial costs. Also, sudden shifts in market conditions outside Incap's control could lead to overstocking and increase waste.

**Policies related to resou** use and circular econom

ISO 14001 Environment management system

Incap's Sustainability Policy

### E5-1 – Policies related to resource use and circular economy

To manage its material impacts, risks and opportunities related to waste, Incap relies on its environmental management system (EMS) which is certified in accordance with ISO 14001 requirements and applied locally to address Incap's material resource use related impacts, i.e. resource outflows related to waste. In addition to the group level policies, Incap's units have developed and adopted local environmental policies to address aspects related to resource use and circular economy.

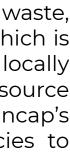
### E5-2 – Actions and resources related to resource use and circular economy

Incap constantly implements activities that contribute to efficient use of resources and promote circular economy.

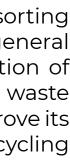
For example, Incap Estonia achieved an impressive 89% waste sorting rate in 2024, leaving only 11% of waste classified as unsorted general waste. The success of waste sorting is attributed to a combination of open communication, employee training, and collaboration with waste handlers. Also, Incap US has undertaken significant efforts to improve its waste management practices, focusing on addressing gaps in recycling processes and implementing changes to reduce landfill waste.

urce my	Key contents and relation to IROs	Scope of the policy	Accountability
	<ul> <li>Provides framework for waste identification and analysis</li> <li>Facilitates proper storage and labeling of waste</li> <li>Guides safe disposal of waste</li> <li>Ensures planning for waste-related emergencies</li> <li>Supports training and record-keeping for waste management</li> </ul>	All production units (besides Incap US)	President and CEO
су	<ul> <li>Promotes sustainable development</li> <li>Focuses on resource efficiency</li> <li>Focuses continuous improvement</li> <li>Engages stakeholders</li> <li>Implements sustainability governance framework</li> </ul>	All units	President and CEO













In all Incap's sites, wherever possible, packaging materials are reused, aligning with the principles of the waste hierarchy. Materials that can be sent directly into recycling streams are delivered to partnering companies instead of waste processors, prioritizing reuse and recycling over disposal.

Regular communication with waste handlers has been essential in refining waste classification and ensuring efficient processing. These partnerships have facilitated the effective redirection of materials into appropriate recycling or reuse channels.

In 2024, Incap India received an Environment Sustainability Award by the Karnataka State Pollution Control Board (KSPCB) as a recognition of maintaining a green and eco-friendly environment within its premises, effective solid and wet waste management, and integration of renewable energy solutions into its operations.

Incap did not have targets related to resource use and circular economy in 2024. Incap's targets were set for the year 2025 and they were approved by the Board of Directors. Therefore, the actions in 2024 are not related to specific targets. Incap is also working on allocating resources and budgeting for the management of material impacts.

### **Metrics and targets**

### E5-3 – Targets related to resource use and circular economy

In 2024, Incap did not have targets related resource use and circular economy. Incap's targets were set for the year 2025 and they were approved by the Board of Directors.

### **E5-5 – Resource outflows**

Incap's key products vary according to the needs and specifications of its customers Incap is often bound by secrecy regarding its cooperation with its customers. Incap's products typically include PCBA's and electronics for various uses.

The waste streams relevant to Incap's activities include electronic waste, packaging waste, paper and cardboard waste, wood waste, metal waste, and plastic waste. Hazardous waste includes e.g. electronical waste, chemical waste and dross. To ensure efficient use of resources and minimise the amount of waste, Incap optimises the use of all raw materials in its production process. The focus is on improving recycling rates and waste management, which can be achieved by reducing waste of raw materials and line rejections. In 2024, the waste recycling

**Resource outflows** 

E5-5\_07 Total waste generated

**E5-5\_08** Waste diverted from disposal, breakdown by hazardo waste in recovery operation type

**E5-5\_08** Waste diverted from disposal, breakdown by non-hazardous waste in recovery operation types

**E5-5\_09** Waste directed to disposal, breakdown by hazardo waste in treatment type

**E5-5\_09** Waste directed to disposal, breakdown by non-hazardous waste in treatment t

E5-5\_10 Non-recycled waste

**E5-5\_11** Percentage of non-recycled waste

**E5-5\_15** Total amount of hazard waste

**E5-5\_16** Total amount of radioactive waste

# Environmental information

	Units	2024
	Tonnes	808
ous pes	Tonnes	37
a Preparation for reuse	Tonnes	_
b Recycling	Tonnes	36
c Other recovery operations	Tonnes	1

	Tonnes	630
a Preparation for reuse	Tonnes	-
b Recycling	Tonnes	630
c Other recovery operations	Tonnes	-

DUS		
	Tonnes	13
a Incineration	Tonnes	12
b Landfill	Tonnes	_
c Other disposal operations	Tonnes	1

type	Tonnes	128
a Incineration	Tonnes	29
b Landfill	Tonnes	71
c Other disposal operations	Tonnes	28
	Tonnes	141
	%	17%
lous	Tonnes	50
	Tonnes	0

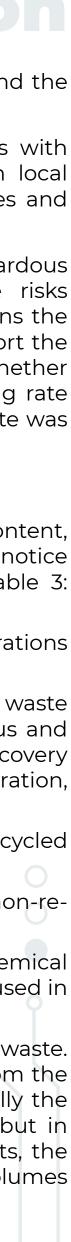
rate was 83%. The recycling rate of hazardous waste was 74% and the recycling rate of non-hazardous waste is 83%.

Incap's production sites are located in five different countries with varying levels of waste management. Incap is dependent on local municipal waste treatment services and their recycling facilities and therefore works closely with local authorities.

Incap is constantly striving to reduce the amount of hazardous substances in the production processes. To minimise the risks associated with hazardous materials and substances, Incap trains the personnel and organises exercises to raise awareness and support the understanding of proper handling of hazardous materials, whether in day-to-day work or in the event of an accident. The recycling rate of hazardous waste was 74% in 2024, and 25% of hazardous waste was incinerated.

### **Accounting principles**

- While determining the types of waste (code) based on their content, Incap relied on the guidance from European Commission's notice on technical guidance on the classification of waste in "Table 3: Annotated List of Waste".
- E5-5\_07 Total Waste generated: Waste is generated in own operations and based on invoices from waste management supplier.
- E5-5\_08 E5-5\_09 Recovery operation and treatment type: The waste is diverted from disposal and sorted in respectively hazardous and non-hazardous waste according to the waste categories, recovery operation types and treatment types, which include incineration, landfill and other disposal operations.
- E5-5\_10 Non-recycled waste is disposal waste that cannot be recycled and therefore is sent to landfill.
- E5-5\_11 Percentage of non-recycled waste: The percentage of non-recycled waste of the total amount of wasted generated.
- E5-5\_15 Total amount of hazardous waste consists of various chemical substances, fluorescent tubes, batteries and similar materials used in the operation of facilities.
- All categories of waste include estimations on the amount of waste. The amount of waste is usually based on invoices received from the waste management or transportation service suppliers. Usually the external suppliers invoices are based on measured tonnes, but in some units the service providers use estimates. In some units, the amounts are estimated internally and based on estimated volumes and densities of different waste composition.



# Social information.

# ESRS S1 **Own workforce.**

### Strategy

and business model

### Sub-sub-topic

Secure employment

Working time

Adequate wages

Social dialogue

Freedom of association. existence of works councils and the information, consultation and participation rights of workers

Collective bargaining

Work-life balance

Health and safety

Gender equality and equal pay for work of equal value

Training and skills development

Measures against violence and harassment

Diversity within own workforce

When identifying and assessing the material impacts, risks and opportunities, Incap has considered its entire own workforce, which includes 1,032 Incap's own employees and 1,522 contract workers in 2024. Incap has identified several material positive actual and potential impacts it has on its own workforce.

### ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy

Negative impacts		Risks	Opportu- nities
-	Х	Х	-
-	Х	Х	-
-	Х	Х	-
-	Х	Х	-
-	Х	Х	-
-	-	Х	-
_	Х	Х	_
-	Х	-	-
-	Х	Х	Х
-	Х	х	Х
-	Х	Х	Х
-	х	-	-

Incap's factories employ a diverse workforce that includes production staff, quality control personnel, engineering teams, and administrative and support staff. These employees are involved in various roles, from manufacturing electronic components to ensuring product quality.

In addition to employees, Incap's factories also engage non-employees such as contract workers, interns and trainees. Contract workers are hired for specific projects or to meet temporary demand, while interns and trainees participate in training programmes and internships. In this sustainability statement, all these people have been considered as "own workforce".

### **Positive impacts**

Incap is dedicated to creating a positive impact on its employees by ensuring the well-being, safety, development and equal treatment of its employees. Incap is also committed to providing secure employment for its employees, with all contracts for own employees amongst own workforce being permanent and compliant with local labour laws. Incap supports freedom of association and respects local labour laws and practices in the countries where it operates. Incap employees are represented by workers' or employees' councils in the operating countries.

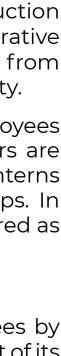
Incap stands firmly against discrimination, promoting equality of opportunity regardless of religion, race, caste, sex, or place of birth. The company actively seeks to represent diverse groups within its workforce, including women, ethnic minorities, and persons with disabilities, ensuring an inclusive atmosphere for all.

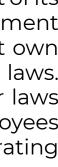
Incap's own workforce is covered by health and safety systems, that are either ISO 45001 certified or based on local regulation, aiming at safe working conditions for all employees. To ensure positive impacts related to health and safety, Incap provides safety training to own workforce. To further enhance the workplace environment, Incap has implemented a Code of Conduct that establishes clear measures against violence and harassment and Incap offers Code of Conduct training to all new employees considered under own workforce.

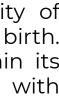
Incap supports work-life balance of its employees through initiatives such as family-related leave, flexible working hours, and access to childcare. These benefits reflect the company's understanding of the diverse needs of its workforce and contribute to overall job satisfaction.

Incap is also dedicated to promoting workers' rights and ensuring fair compensation for all employees. By investing in training and skills development programmes, the company not only enhances workforce capabilities but also drives innovation and compliance with evolving industry standards thereby strengthening the company's long-term sustainability and competitive advantage.

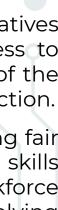














### Risks

Incap has not identified widespread or systemic material negative impacts related to its own workforce. Instead, Incap has identified risks related to many of the currently positive impacts, which could arise from not properly addressing employees working time, need for open dialogue or other workers' rights. Risks could be related to potential individual incidents, such as breaches of the principles stated in the Code of Conduct, including equal opportunities and providing a safe working place for all. Inadequate training and skills development opportunities would not only have a negative impact on the employee satisfaction, but could potentially lead to decreased productivity, higher error rates, and increased safety incidents. If these topics are not properly addressed, the risks include weakening employee satisfaction and deteriorating employer reputation of Incap. These developments may also have a financial impact on Incap through, for instance, reduced productivity and increasing recruitment costs.

The IROs related to Incap's own workforce do not directly originate from its strategy or business model and the company has not adapted its strategy or business model based on the IROs related to the company's own workforce. Incap will monitor the IROs and their development, as well as the sustainability programme and its targets and will make adjustments to the strategy or business model if necessary. To respond to identified IROs, Incap has updated its Sustainability programme in 2024 and set specific targets valid for 2025 and is developing action plans to achieve them.

In the double materiality analysis, Incap did not assess dependencies on its own workforce as a material issue.

Incap has not identified any material impacts on its own workforce that may arise from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations. Incap operates with its own workforce in India, which has been associated with the risk of forced labor and child labor by the International Labour Organization (ILO) and other organizations. Neither has Incap identified significant risks of incidents of child, forced labour or compulsory labour within its different types of operations or different countries with its own workforce.

Incap's employees working at the factories is the group of people with greatest risks related to physical health & safety. Incap has also assessed material impacts, risks and opportunities related to diversity.

# Social information









### Impacts, risks and opportunities management

### S1-1 – Policies related to own workforce

Incap is committed to respect human rights, including labour rights in its own workforce. Incap is committed to operate in full compliance with applicable national and international laws and regulations, including the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Children's Rights and Business Principles, and the OECD Guidelines for Multinational Enterprises.

Incap respects the protection of internationally proclaimed human rights as expressed in the United Nations Declaration of Human Rights and is committed to the related Guiding Principles on Business and Human Rights. Incap is also committed to the UN Global Compact and the SDG goals.

These commitments and Incap's ethical principles and practices are set out in its Code of Conduct. The Code ensures fair and equal treatment of everyone and guides personnel to behave correctly and take ethical principles into account in decision-making. The Code of Conduct is aimed at the elimination of discrimination, including harassment, promoting equal opportunities and other ways to advance diversity and inclusion. The Code of Conduct covers the following grounds for discrimination: racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, or other forms of discrimination covered by European Union regulation and national laws. The Code of Conduct addresses also trafficking in human beings, forced labour, compulsory labour and child labour. Code of Conduct is part of the induction training for all new employees, and it is also highlighted in ongoing communications. In addition, some Incap's subsidiaries are annually conducting trainings on preventing discrimination in the workplace. In case the discrimination is detected, based on Incap's Code of Conduct, Incap units are responsible addressing them properly. For that, units

have internal policies and processes in place. Incap US are covered by the Occupational Safety and Health Administration's (OSHA) regulation, which Incap systematically collects stakeholder feedback includes, for instance locally developed health and and utilises it to develop its operations accordingly. In safety training. Incap US is planning to implement order to assess employee satisfaction and their wellthe ISO 45001 management system as well. While being at work, Incap conducts regularly group-wide implementing ISO 45001 management system, employee satisfaction surveys. Additionally, Incap Incap's subsidiaries have conducted risk assessment engages with its employees at Staff and Staff Council to evaluate various safety factors in the working meetings and H&S committees. Other channels of environment and developed actions to mitigate the communication include e-mails and newsletters, workplace accident risk. Implementation of ISO 45001 information whiteboards and screens as well as management system is supported additionally by various social media channels. local operations' manuals, Incap Management Policy and the work rules established in Incap's factories. Employees in all Incap's countries of operation, except Additional guidelines on how to prevent and address in the United States and headquarters in Finland, are the workplace accidents are obligatory to Incap's covered by ISO 45001 certified Occupational Health subsidiaries based on the local regulations where

and Safety Management Systems. Employees at

ISO 45001 certified occupational health and sa management system

Occupational health and safety management

Incap's Code of Conduct

Incap's Sustainability Policy

International laws and regulations on human including the International Bill of Human Righ International Labour Organisation's Declaratio Fundamental Rights and Principles at Work, U Nations (UN) Universal Declaration of Human UN Global Compact, and Rights at Work OECE Guidelines for Multinational Enterprises

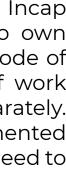
they operate.

Other policies related to own workforce include Group wide remuneration policy, and local unit level remuneration and training policies. Incap measures the motivation and well-being of its personnel at all its factories with regular Employee Satisfaction Surveys.

No vulnerable groups have been identified by Incap within its own workforce. Equal treatment to own employees is provided by respecting Incap's Code of Conduct, ISO 45001 certification and rules of work organisation applied by each Incap's unit separately. In addition to this, Incap's units have implemented actions to offer help and support if employees need to be approached and supported individually.

	Key contents and relation to IROs	Scope of the policy	Accountability
safety	<ul> <li>Provides framework for understanding organizational context and stakeholder needs</li> <li>Emphasizes leadership commitment and worker participation</li> <li>Facilitates hazard identification and risk assessment</li> <li>Guides planning and implementation of OH&amp;S objectives</li> <li>Ensures performance evaluation and continual improvement</li> </ul>	Own workforce, all units (besides Incap US and headquarters in Finland)	President and C
t system	<ul> <li>Facilitates hazard identification and risk assessment</li> <li>Guides planning and implementation of OH&amp;S objectives</li> </ul>	Incap US	Managing Direc of Incap US
	<ul> <li>Promotes ethical business practices and integrity</li> <li>Ensures compliance with laws and regulations</li> <li>Supports human rights and fair labor practices</li> <li>Encourages transparency and accountability</li> </ul>	Own workforce, all units	President and C
	<ul> <li>Promotes sustainable development</li> <li>Focuses on resource efficiency</li> <li>Commits to continuous improvement</li> <li>Implements sustainability governance framework</li> </ul>	Own workforce, all units	President and C
n rights, hts, the ion on United n Rights, 2D's	<ul> <li>Promote ethical business practices and integrity</li> <li>Ensure compliance with laws and regulations</li> <li>Support human rights and fair labor practices</li> <li>Encourage transparency and accountability</li> </ul>	Own workforce, all units	Local HR departments









### S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Incap engages regularly with own workforce and workers' representatives. The frequency of engagement depends on the channel used and the local unit's practices. In addition to daily direct communications, intranet, social media channels, information whiteboards and screens are constantly available and used to display important daily announcements and updates, share information and build a sense of community. Incap uses emails and bi-weekly grouplevel newsletters to share regular updates and important information - including information related to impacts. Staff and staff council meetings as well as Health & Safety (H&S) committee meetings are held several times a year, and provide a platform for discussion, feedback, and making proposals for decision-making. Yearly employee engagement surveys gather feedback and insights to improve workplace practices. Furthermore, Incap organises regularly various events, such as open houses, team events and celebrations.

The local units Managing Directors have the responsibility for engaging with their own workforce and workforce representatives. On the group level, President and the CEO has the operational responsibility for ensuring that engagement takes place, and that the results inform Incap's approach.

The effectiveness of engagement with the workforce regarding impacts is assessed via feedback provided by employees in annual Employee Satisfaction Surveys, as well as annual performance interviews and other interactions. Same tools are used to gain insight into the perspectives of people in the workforce who may be particularly vulnerable to impacts or marginalized.

### S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

For raising concerns, Incap encourages employees to contact a manager within their own organization. Other ways to raise concerns include discussions at employee councils or committees and employee comment boxes for providing anonymous feedback at the factories. Furthermore, Incap has a specific whistleblowing channel, that can be used to raise concerns about issues that are not in line with Incap's Code of Conduct, or may seriously affect Incap as an organisation or a

person's life or health. For further information about the whistleblowing channel, see chapter G1-1.

Based on Incap's Code of Conduct, every breach or violation, and suspected breach or violation, of which the company becomes aware is investigated. The responsibility for investigation and the related process of the violation is led by the subsidiary in question. Any illegal activities are reported to the authorities. Neither the person investigated, nor their supervisor participates in the investigation of the breach or suspected breach.

Incap Corporation has established a comprehensive system to track and monitor issues raised by its workforce and ensure the effectiveness of the communication channels. This system involves several key processes and stakeholder involvement to maintain transparency and trust.

### **Effectiveness of the process**

Incap encourages employees to raise concerns through various channels. The information about the channels is included in the onboarding process to ensure employees' awareness. To track and monitor the issues raised, Incap conducts regular reviews and analyses of the received feedback. The company ensures that all concerns are documented, tracked, and addressed promptly. This process includes categorizing the issues, assigning them to the relevant departments, and setting deadlines for resolution. Furthermore, Incap monitors the effectiveness of these channels by e.g. conducting yearly customer and employee satisfaction surveys, which are integrated into the ongoing due diligence process. Additionally, Incap's management regularly reviews the effectiveness of these channels and implements changes based on the feedback received.

Incap's Code of Conduct provides protection against retaliation for individuals that use the channels to raise concerns or needs.

### S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Incap's actions regarding its positive material impacts in 2024 included several key activities aimed at enhancing employee engagement

and development. Work councils were held in some of the operating countries, providing a platform for employee representation and dialogue. Awareness-raising internal events were organized on health and safety topics in Incap India and Incap Estonia, promoting a culture of safety and well-being. Trainings for covering employees with ISO 45001 took place, ensuring compliance with international occupational health and safety standards.

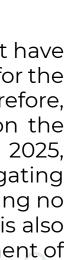
Additionally, Incap conducted training and skills development initiatives, including onboarding sessions such as Code of Conduct trainings and job-specific skillset development. Performance reviews were carried out to assess and enhance employee performance. Internal team events focusing on work-life balance were organized, including events for employees' kids and families in Estonia and US, marking the first time such events were held in Incap US. These actions reflect Incap's commitment to fostering a supportive and engaging work environment.

While assessing Incap's material impacts, no negative impacts were detected in the double materiality assessment, and therefore no specific actions can be described.

Except for the zero injuries target applicable in 2024, Incap did not have targets related to own workforce in 2024. Incap's targets were set for the year 2025 and they were approved by the Board of Directors. Therefore, the actions in 2024 are not related to specific targets. Based on the approved targets related to Incap's own workforce applicable in 2025, Incap is also working on setting plans for 2025 with regards to mitigating risks related to own workforce, pursuing opportunities, and ensuring no material negative impacts on own workforce in the future. Incap is also working on allocating resources and budgeting for the management of material impacts.









### **Metrics and targets**

### S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2024, Incap set several targets related to own workforce, for year 2025. HR teams and Managing Directors of the units were consulted when setting the targets, which resulted in adjustments based on the feedback received. These targets were approved by the Board of Directors.

Based on Incap's Sustainability Programme in force in 2024, the company had one target related to its own workforce, which is to have zero accidents in Incap's operations Stakeholders were not directly involved in setting the target. The target is an ongoing target and it is based on management assumption and view that only zero is an acceptable target. In 2024, four accidents at work were reported. Occupational safety development plans are the responsibility of each unit and included, for example, the purchase of additional equipment, improved equipment safety, additional training and updating the risk assessment.

To prevent workplace accidents, Incap implements various measures aimed at prevention and avoidance. These measures include sharing information on accident prevention, effective use of safety-related knowledge, and involving employees, for example, in the selection of personal protective equipment (PPE) to ensure that the PPE is as comfortable as possible while fulfilling its purpose of protecting health.

Additionally, workplace safety and 6S audits are conducted to check whether all requirements are being followed and to address any shortcomings. The 6S methodology originates from the well-known 5S system as part of lean manufacturing, with the additional sixth "S" for Safety is added as an extra focus on safety point of view during the audits. Furthermore, Incap has carried out a risk assessment in which hazards have been evaluated, and appropriate measures or activities have been implemented based on the results.

### S1-6 – Characteristics of the undertaking's employees

### GENDER DISTRIBUTION S1-6\_01 Number of employ

# S1-6\_01 Number of employees by genderCenderNumber of employees<br/>(headcount)Male586Female446Other0Not reported0Total employees1,032

### S1-6\_02, 04, 05 Number of employees (headcount)

### Country India Estonia UK US Finland Slovakia Total

# Social information

Number of employees (head count)
262
126
171
130
3
340
1,032

### EMPLOYMENT CHARACTERISTICS

### S1-6\_07, 09 Characteristics of Incap's employees

Headcount	Female	Male	Others	Not disclosed
Number of employees	446	586	0	0
Number of permanent employees	358	562	0	Ο
Number of temporary employees	88	24	0	Ο
Number of non-guaranteed hours employees	0	0	0	Ο
Number of full-time employees	436	580	0	0
Number of part-time employees	10	6	0	0

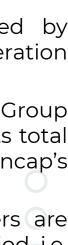
### Accounting principles:

- The total headcount of employees at Incap is calculated by aggregating the employee count across all countries of operation while excluding non-employees (i.e. contract workers of Incap).
- The headcount per country includes countries where the Group has at least 103 employees, which represents at least 10% of its total number of employees, and Finland, as this is the location of Incap's headquarters.
- The numbers are reported as headcount and the numbers are provided based on their status at the end of the reporting period, i.e. 31.12.2024 . The number of employees is aligned with the Financial Statements and covers Incap's own employees.











S1-6_11, 12 Employee turnover	
Employees who have left the company (number)	148
Employee turnover rate (%)	14%
Total number of employees	1,032

### **Accounting principles:**

- "Employee turnover" is defined as the cumulative headcount of employees who have departed from Incap, whereas the "employee turnover rate" is defined as the proportion of employees who have left Incap, expressed as a percentage.
- The total number of employees who left Incap is calculated by aggregating departures across all countries of operation during the reporting period, excluding non-employees. To determine the percentage of departing employees, the total is divided by the average number of employees during the same period, aligning with the annual reporting method.
- The data for turnover is collected through Incap's ESG platform, and it is covering all Incap's employees.

### S1-7 – Characteristics of non-employees in the undertaking's own workforce

SI-7_01 Characteristics of non-employees in Incap's own we	orkforce
Contractors (self-employed)	789
People employed by third party engaged in	
employment activities	733

### **Accounting principles:**

• Number of non-employees in Incap's own workforce represent people with contracts with Incap to supply labour ("self-employed people") or people provided by companies primarily engaged in "employment activities". These include both full time and part time workers.

31.12.2024.

### **S1-8 – Collective bargaining coverage and social** dialogue

Incap supports freedom of association and respects local labour laws and practices in the countries where it operates. Incap employees are represented by workers' or employees' councils in their countries of operation. In addition, all employees in Finland are covered by collective agreements. Incap does not have any agreements with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council or a Societas Cooperativa Europaea (SCE) Works Council.

### S1-8\_01 Collective bargain

Percentage of total employees bargaining agreements

	Collective bargaining coverage		Social dialogue		
Coverage rate	Employees - EEA (for countries with >50 empl. representing >10% total empl.)	Employees - Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace represent with >50 empl. rep		• / (
0-19%	Estonia	North America, India		•	
20-39%					
40-59%			Q	0	
60-79%					
80-100%		UK		Slovakia	

• The numbers are reported as headcount and the numbers are provided based on their status at the end of the reporting period, i.e.

ning	
s covered by collective	
	21%

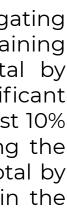
### **Accounting principles:**

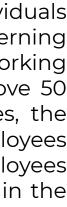
- The coverage of collective bargaining is calculated by aggregating the total number of employees covered by collective bargaining agreements in the reporting period and dividing this total by the number of employees in Incap. For entities with significant employment, i.e., above 50 employees and representing at least 10% of total employees, the coverage is calculated by aggregating the total number of employees in each entity and dividing this total by the number of employees covered by collective bargaining in the respective entities.
- Workers' representatives are defined as employee-elected individuals who represent the workforce in specific locations concerning employee-related topics, such as the work environment and working conditions. For entities with significant employment, i.e., above 50 employees and representing at least 10% of total employees, the coverage is calculated by aggregating the total number of employees in each entity and dividing this total by the number of employees covered by workers representatives in the respective entities in the reporting period.



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### **S1-9 – Diversity metrics**

S1-9_01 Employees in top management by gen- der	Headcount 2024
Male	7
Female	0
Total employees	7

S1-9_02 Employees in management by gender	Headcount 2024	Share 2024
Male	7	100
Female	0	0
Total employees	7	100

#### S1-9\_03, 04, 05 Age distribution of employees in headcount

	2024
~30 years	1,581
30-50 years	623
50~ years	350
Total	2,554

#### **Accounting principles:**

- Top management is defined as the two levels below the administrative management and supervisory bodies (i.e. Board of Directors): President and CEO as well as the Management Team.
- Gender distribution at Incap's top management is calculated by aggregating the total headcount of both women and men, respectively, in top management, excluding non-employees.
- The age distribution of employees is calculated by aggregating the total headcount of employees under 30 (29 or younger), between 30 and 50 (30 to 49), and 50 or older.

#### S1-10 – Adequate wages

All Incap's employees are paid an adequate wage, in line with applicable benchmarks in the countries where Incap operates.

#### **Accounting principles:**

requirement and relevant benchmarks.

#### **S1-11 – Social protection**

All employees at Incap are covered by social protection against loss of income due to sickness through public programmes or company benefits. In Incap Slovakia, both employees and non-employees are covered by social, health, pension, and injury insurance. In Incap UK, employees receive company sick pay for 20 days and statutory sick pay for 28 weeks, while non-employees are not covered. In the US, Incap offers short-term and long-term disability benefits, and employees can use paid time off for shorter absences. Non-employees are not covered. In Incap Estonia, employees are covered by public programmes and company health insurance, while non-employees are generally covered by public programmes. In Incap India, employees are covered by Employees' State Insurance (ESI) or Group Medical Insurance, and nonemployees are also covered.

For unemployment, in the UK, coverage starts when employees begin working for Incap. In the US, benefits are available through federal and state programmes. In Estonia, Incap's employees are covered by public programmes, while non-employees may be covered if they have paid social taxes. In India, Incap's employees are entitled to three months' notice pay, and non-employees to one month's notice pay.

For employment injury and disability, in Incap Slovakia, both employees and non-employees are covered. In the UK, employees are covered by employers' liability insurance, and non-employees are covered through staffing agencies. In the US, Workers' Compensation Insurance covers both employees and non-employees. In Incap Estonia, employees and non-employees are covered by public programmes. In India, employees are covered by Workmen Compensation Policy and ESI (Employees' State Insurance), and non-employees are covered by ESI or Group Medical Insurance.

For parental leave, in the UK, Incap's employees receive statutory maternity leave for 52 weeks. Non-employees statutory maternity leave is covered by their employers . In the US, job protection laws exist, but there is no income replacement. In Estonia, Incap's employees and

• "Adequate" is defined as wage paid above minimum and/or according to applicable industry and/or local benchmarks related to the region of operations. This assessment is based on the ESRS disclosure non-employees are covered by public programmes, with eligibility depending on tax payments. In India, employees receive paternity and maternity leave, and non-employees are covered by ESI.

For retirement, in Slovakia, both employees and non-employees are covered by pension insurance. In the UK, retirement is treated as a normal resignation with notice pay, and non-employees are not covered. In the US, Incap offers a 401(k) Profit Sharing account and Social Security supplements income in retirement. Non-employees are covered by Social Security. In Estonia, employees and non-employees are covered by public programmes, with pension rights depending on tax payments. In India, employees and non-employees are superannuated at age 60 and receive terminal benefits.

#### S1-13 – Training and skills development metrics

Personnel development, promotion of career paths and offering training opportunities play an important role in ensuring the motivation and well-being of Incap's employees. Incap offers its employees a wide range of training opportunities from induction to process improvement and leadership training.

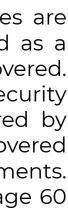
Currently, Incap Estonia, India and US are conducting performance and career development reviews, while Incap UK and Incap Slovakia are working on developing a process for such reviews.

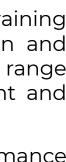
#### S1-13\_01, 02, 03, 04 Training and skills development

	Unit	
Employees that participated in regular performance and career development	% of total	
	Male (number)	
	Female (number)	
	Other (number)	
	Not responded (number)	
Average employee training hours	Hours (per employee)	
Average employee training hours by gender	Hours/male	
	Hours/female	0
	Hours/other	
	Hours/not reported	















#### **Accounting principles:**

- The percentage of employees participating in performance appraisals is calculated using the total employee headcount, both employees and non-employees, from the S1-6 & S1-7 disclosure as the denominator. This rate includes employees who are not eligible for appraisals but are part of the total headcount. Therefore, the disclosed rate cannot reach 100% because it does not account for eligible employees participating in appraisals, as all employees in the excluded categories are recorded as non-participants. For its business units, Incap counts employees who participated in performance appraisals, excluding non-employees. Trainees, student assistants, and non-employees are not eligible for performance appraisals.
- The average number of training hours per all employees includes data on Incap's employees and non-employees by gender.
- Reported data refers to trainings related to 1) all types of vocational training and instruction 2) paid educational leave provided by an organisation for its employees 3) training or education pursued externally and paid for in whole or in part by an organisation 4) training on specific topics. On the job coaching by supervisors is not reported.
- Training hours are defined as time spent on training and skills development.
- Training hours per employee and by gender are calculated by dividing the total recorded training hours in Incap by the headcount for each gender. This calculation is based on the reporting period and includes all employees and non-employees in headcounts within Incap.

#### S1-14 – Health and safety metrics

As an employer Incap is responsible for the health and safety of its employees and the company strives to provide a healthy and safe workplace for all employees by taking appropriate measures to prevent accidents and injuries. All accidents and near-misses are taken seriously, and efforts are made to prevent them from happening in the future. Employees in all Incap's countries of operation, except in the United States and headquarters in Finland, are covered by ISO 45001 certified Occupational Health and Safety Management Systems. Employees at Incap US are covered by the Occupational Safety and Health Administration's (OSHA) regulation.

All employees are also expected to take responsibility for their own and their colleagues' safety. They must understand the health and safety risks

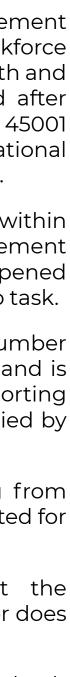
associated with their daily work and report any incidents, near misses and health and safety risks to their superior. Employees must ensure that they are fit for work and comply with local health and safety laws and regulations and Incap's occupational health and safety policy.

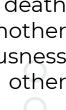
S1-14_01	Total % of employees covered by health and safety	
	management system (own workforce)	95%
	employees	901
	non-employees	1,518
S1-14_02	Total number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
	employees	0
	non-employees	0
S1-14_03	Number of fatalities as result of work-related injuries and work-related ill health of other workers working on Incap's sites	0
S1-14_04	Number of recordable work-related accidents for own workforce	4
	employees	4
	non-employees	0
S1-14_05	Rate of recordable work-related accidents for own workforce	0.8
	employees	1.9
	non-employees	0
S1-14_06	Number of cases of recordable work-related ill health of employees	0
	employees	0
	non-employees	0
S1-14_07	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	82
	employees	82
	non-employees	0

#### **Accounting principles:**

- Total % of employees covered by health and safety management system represent how many employees of Incap's own workforce (employees and non-employee workers) are covered by its health and safety management system. Reported figures are published after consolidation as percentage of own workforce covered by ISO 45001 certified health and safety management system or (Occupational Safety and Health Administration's (OSHA) regulation in the US.
- The consolidated number of accidents occurred for employees within the reporting period recorded in local health and safety management systems of Incap units and represent accidents that have happened on the premises of Incap or during the time of completing a job task.
- Rate of recordable work-related accidents represents the number of work-related accident cases per one million hours worked and is calculated by dividing the number of cases registered in the reporting period by the aggregated working hours in Incap and multiplied by one million.
- The number of fatalities is registered across Incap resulting from work-related injuries or work-related ill health. This is also reported for other workers working on the company's sites.
- Number of recordable work-related accidents represent the occurrences arising out of or in the course of work that could or does result in injury or ill health.
- Work-related injury or ill health results in any of the following: 1) death 2) days away from work 3) restricted work 4) transfer to another job 5) medical treatment beyond first aid 6) loss of consciousness 7) significant injury or ill health diagnosed by a physician or other licensed healthcare professional.
- The number of days lost includes the first full day and last day of absence, and all calendar days of the period (e.g., incl. weekends and public holidays).











### S1-15 – Work-life balance metrics

Incap's work community and corporate culture support a good worklife balance and takes different life stages into account. Family-friendly practices are adapted to local customs and requirements. Familyfriendly practices can include flexible working hours and parental leave. In some countries, Incap's employees are offered extended health insurance to cover family members in addition to the full-time doctor and nurses available to employees at the factory. Incap also supports the well-being of the employees and their families by organising family events.

In the reporting period, 511 Incap's employees were entitled to familyrelated leave through social policy and/or collective bargaining agreements which equals to 50% of employees. 13% of employees took family-related leave, of which 33% were male and 67% women.

#### S1-15\_01, 02, 03 Work-life balance

Percentage of employees entitled to take family-related leave	50%
Percentage of males that took family-related leave	12%
Percentage of females that took family-related leave	71%
Total percentage of employees that took family-related leave	13%

#### **Accounting principles:**

- Family-related leave includes leave for causes determined in the legislation of the region where Incap's units operate (such as caring for sick children or relatives, maternity leave, paternity leave, parental leave, birth, and adoption). The definition does not include time off for employees' own doctor appointments or illness related to pregnancy outside of parental leave or time off for funerals or relatives' deaths.
- Family-related leave does not include time registered as unspecified leave of absence.
- Family-related leave is calculated by dividing the distinct count of employees of each gender who have taken family-related leave by the entitled employees for each gender (entitled employees are defined in the same way as 'total headcount' in S1-6).
- This calculation is based on the reporting period and includes all employees in headcounts within Incap, excluding non-employees.

#### S1-16 – Remuneration metrics (pay gap and total remuneration)

#### S1-16\_01, 02 Remuneration

Gender pay ratio

Annual total remuneration ratio

#### **Accounting principles:**

- ultimately multiplied by 100.
- or cash allowances.
- salary) is included.

n metrics	2024
	-6%
o (%)	68.5

• The gender pay ratio per country is calculated on the basis of all Incap's own employees' gross hourly pay levels where every taxable salary element plus pension contributions is included, if applicable. The average gross hourly pay level of male employees is subtracted by the average gross hourly pay level of female employees, which is divided by the average gross hourly pay level of male employees and

• The annual total remuneration ratio is calculated by dividing the highest-earning employee's total annual salary by the median annual salary for employees in Incap, with the annual gross salary being defined as taxable income plus any employer and employee-paid pension contributions (if applicable), excluding the highest earning employee. Hereby, gross salary includes the total amount of money earned by an employee before any deductions such as taxes, social security contributions, and other withholdings. This encompasses the base salary, bonuses, commissions, and any other variable payments

• Data of employees' monthly gross salaries is created to calculate the median salary. The employee with the median salary is then selected and calculated in full, where every taxable salary element (gross

### S1-17 – Incidents, complaints and severe human rights impacts

During 2024, Incap received one (1) claim through the whistleblowing channel. The case was closed without further action, as the case did not meet the criteria required for further action to be taken.

In the reporting period, there were no human rights or discrimination related incidents, complaints or severe human rights impacts within Incap's own workforce. There were zero cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. The company has not paid any fines, sanctions or compensation related to these topics.

There were no work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.

#### **Accounting principles:**

- The metrics related to incidents and complaints cover work-related incidents of discrimination and other complaints related to Incap's own workforce.
- Discrimination encompasses various forms of unfair treatment, including harassment and sexual harassment, that may occur in the workplace.
- Incap's potential non-compliance cases encompass all issues documented through its grievance and other reporting channels named before.
- The reporting on cases covers the issues raised during the year 2024.

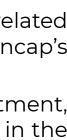




















## ESRS S2 Workers in the value chain.

### **Strategy**

ESRS 2 SBM-3 Material impacts, risks and and business model

#### Sub-sub-topic

Gender equality and equal pay for work of equal value

Diversity

Child labour

Forced labour

Incap's value chain and the workers in the value chain can be divided into the following categories:

- transportation etc.
- management and recycling etc.

Incap manufactures products based on its customers' specifications, which include the selection of suppliers or materials. As a result, the company does not control the selection of most of its suppliers. Incap has more than 1,500 active suppliers worldwide, and many of the company's suppliers are large globally operating companies or companies located close to Incap's operations. A small part of Incap's suppliers are directly chosen by the company. Incap's supply chain management consists of supplier evaluation, analysis and onsite audits, often with a customer representative alongside.

Incap's goal is to act ethically throughout its supply chain, and the company requires its major suppliers to adhere to its Supplier Code

### opportunities and their interaction with strategy

Negative impacts		Risks	Opportu- nities
-	-	х	-
-	Х	Х	_
-	Х	Х	-
-	Х	Х	Х

• Value chain related to upstream activities include inbound logistics (suppliers of materials, components and raw materials), electricity,

• Value chain related to downstream activities include outbound logistics (storage, packaging, transportation), customers, waste

of Conduct. The Code outlines the minimum standards of ethical business conduct including compliance with applicable local and international laws and regulations, respect for human rights and acting with high level of integrity. Despite the restrictions in supplier selection typical in Incap's industry, the company's aim is always to cooperate with authorised distributors, as these are global companies who follow ethical principles compliant with Incap's Supplier Code of Conduct.

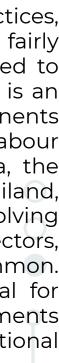
When identifying and assessing the material impacts, risks and opportunities, Incap has considered its value chain workforce, which does not include the contract workers included in own workforce. The workers in the value chain are not included in the scope of the disclosures under ESRS 2.

The material impacts, risks and opportunities related to workers in the value chain have been identified in the DMA process. Incap has identified material positive impacts related to workers in the value chain. These include positive impacts on the equal treatment of workers as Incap promotes the workers rights in the value chain and ensures that everyone receives fair compensation by implementing the Supplier Code of Conduct. Furthermore, the Supplier Code of Conduct supports Incap's aim at prohibiting child and forced labour as well as human trafficking.

Incap acknowledges that, despite its policies and practices, cooperation with suppliers that do not treat their workers fairly might happen and could include material potential risks related to gender equality, discrimination and use of forced labour. Incap is an electronics manufacturing services provider and sources components globally, which means there are risks of child labour and forced labour in its supply chain. Key areas of concern include China, India, the Democratic Republic of the Congo (DRC), Malaysia, Vietnam, Thailand, and Indonesia. In these regions, issues such as forced labour involving minority groups in China, child labour in Indias manufacturing sectors, and the exploitation of workers in the DRCs cobalt mines are common. Commodities like cobalt, tin, tungsten, and gold are essential for electronics and are often linked to forced labour. These assessments are supported by international organizations such as the International Labour Organization (ILO) and the U.S. Department of Labor.

Regarding these negative impacts, Incap has during 2024 recorded 0 such cases.









### Impact, risk and opportunity management

#### S2-1 – Policies related to value chain workers

Incap is committed to respect the human rights, including labour rights of its own workforce and value chain workers. Incap has adopted a Supplier Code of Conduct to manage its material impacts on value chain workers. Incap's minimum requirement in supply agreements is that suppliers commit to Incap's Supplier Code of Conduct or equivalent supplier-specific principles. Despite the restrictions in supplier selection typical in Incap's industry, the company's aim is always to cooperate with authorised distributors, as these are global companies who follow ethical principles in line with Incap's Supplier Code of Conduct.

The Supplier Code of Conduct is approved by Incap's Board of Directors and each Incap subsidiary is responsible for the implementation of the Code. The process for implementation of Incap's Supplier Code of Conduct will be reviewed and developed further in 2025.

Incap's Supplier Code of Conduct outlines the minimum standards of ethical business conduct including compliance with laws and regulations, respect for human rights and acting with high level of integrity. The Supplier Code of Conduct prohibits human trafficking, any form of forced and child labour and it requires the suppliers to ensure the well-being and safety of their workers through prevention and by following local health and safety related laws and regulation. The Code of Conduct does not specifically include provisions addressing the use of workers on short-term or limited hours contracts, workers employed via third parties, sub-contracting to third parties or use of informal workers. The main principle is to require the suppliers to comply with all applicable local and international laws and regulations.

Incap's Supplier Code of Conduct includes binding requirements for respecting internationally recognised human rights in accordance with the Bill of Human Rights, United Nations' Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and taking action to remedy any adverse human rights impacts. Special attention must be paid to any adverse impacts on groups or individuals that may be at higher risk of vulnerability, such as migrant workers.

activities aimed at managing actual and potential impacts. Incap may As outlined in the company's Supplier Code of Conduct and part of be informed about such perspectives for example via supplier audits, Incap's support and respect for human rights, and to address issues supplier self-assessment procedures or via whistleblowing system. related to human trafficking, forced labor, compulsory labor, and child labor, Incap is also committed to ensuring that its products and Incap engages with value chain workers directly, for example in case of processes do not contain conflict minerals, as defined in the EU Conflict supplier audits and supplier self-assessments. The engagement may also occur indirectly, for instance if the information is publicly disclosed Minerals Regulation and Section 1502 of the US Dodd-Frank Act on in media or in official channels of the value chain representative. The conflict minerals. Incap does not directly source conflict minerals for its products. Therefore, Incap relies on the information provided by engagement may also occur through credible proxies - for example, in the company's suppliers. Based on Incap's Supplier Code of Conduct case of reported cases in whistleblowing system. requirements as well as Incap's Policy on Conflict Minerals, Incap expects The frequency of engaging with value chain workers varies between that the components and the materials provided by its suppliers do not different units and may be outside Incap's control. include conflict minerals.

In 2024, there were no cases of non-respect that Incap became aware of or were reported to Incap in its upstream and downstream value chain.

Policies related to value cha workers	in	Key contents and relation to IROs	Scope of the policy	Accountability
Incap's Supplier Code of Cond	ıct	<ul> <li>Provides an overview of aspects that Incap's partners are asked to commit to</li> </ul>	Key suppliers and partners	President and CEC
		<ul> <li>Provides information on how to raise concerns (incl. about human rights violations)</li> </ul>		
Incap's Policy on Conflict Mine	rals	<ul> <li>Provides overview of Incap's principles and commitments related to conflict minerals and human rights</li> </ul>	Key suppliers and partners	President and CEC
Incap's Code of Conduct		<ul> <li>Provides an overview of whistleblowing process</li> </ul>	All units, key suppliers and partners	President and CEC
	)	0		

#### S2-2 – Processes for engaging with value chain workers about impacts

Incap systematically collects stakeholder feedback from its suppliers and utilise it to develop its operations accordingly. Incap arranges Customer and Supplier events to its customers and suppliers. Keeping an open and continuous dialogue enables Incap to collaborate efficiently and ensure a predictable operating environment for all parties. Other channels of communication include e-mails and newsletters as well as various social media channels. However, Incap has not adopted a general process to engage with workers in the value chain. Incap is considering to have such a process in place in the future.

The perspectives of value chain workers inform Incap in its decisions or

Incap's ESG Steering Committee is responsible for overseeing that engagement processes, such as supplier audits, supplier selfassessment procedures, and the whistleblowing system, are effectively implemented and managed. Implementation of those practices lies on local business units. The most senior role within Incap with operational responsibility for this function is the Group CEO. Each Incap unit is responsible for managing their own activities and ensuring compliance. Each unit at Incap has a dedicated supply chain management team, and Incap also has a supply chain lead at the group level to manage and mitigate material impacts effectively.





### S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

For raising concerns, Incap has established a whistleblowing channel that is accessible at its website and can be used by value chain workers to inform about a concern about something that is not in line with Incap's Supplier Code of Conduct and may seriously affect Incap as an organisation or a person's life or health. For further information about the whistleblowing channel, see chapter G1-1. Incap's Supplier Code of Conduct requires the suppliers to provide an anonymous channel for raising concerns about any misconduct and inform their employees about such possibility. The supplier shall commit to protect against retaliation anyone who raises concerns. Suppliers must also ensure that their employees and stakeholders can raise concerns or grievances, and that there are appropriate practices for handling such cases.

If Incap is informed about concerns of the workers in the value chain through the company's whistleblowing channel, any potential issues raised are monitored and tracked via Incap's whistleblowing channel. If there are publicly disclosed non-compliance cases published via media or Incap becomes aware of such cases reported through the official channels of Incap's suppliers, such cases are also considered. Incap will work in 2025 to find out if there are ways of improving monitoring and tracking of cases not raised through its own channels.

The whistleblowing service used by Incap is provided by an external partner WhistleB, Whistleblowing Centre, to ensure anonymity. The communication channel is encrypted and password-protected. All messages will be processed in confidence. Incap collaborates with thousands of suppliers and partners, and not able to reach all their workers. Therefore, Incap is unable to asses that value chain workers are aware and trust structures or processes as a way to raise their concerns or needs. Incap relies on the fact that the parties trust the whistleblowing process, as it is provided by a third party supplier. Incap is committed to enhancing its public communication efforts and increasing thereby the effectiveness of the channel.

### S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

In 2024, Incap updated its Supplier Code of Conduct to be better in line with international regulations related to human rights and CSRD and ESRS requirements. Incap organised training of the whistleblowing platform for people at Incap responsible for handling complaints received through the whistleblowing system. To mitigate material risks, Incap is currently improving the implementation of the Supplier Code of Conduct and Conflict Minerals policy.

Necessary actions and processes related to actual or potential material negative impacts on the value chain workers are identified and implemented by Incap's local units. In this work, the local units follow Group-level guidelines and policies. In 2024, there were no cases of severe human rights issues and incidents connected to upstream and downstream value chain that would have been reported via Incap's channels or otherwise known to Incap.

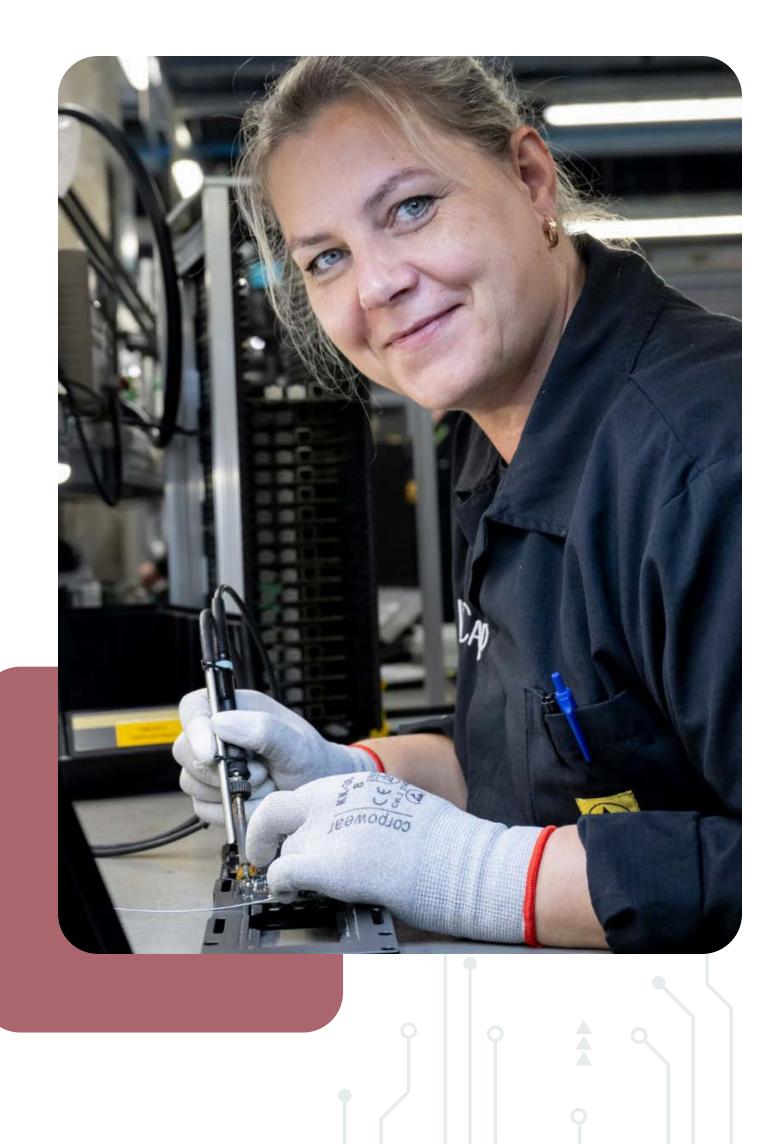
Incap did not have targets related to value chain workers in 2024. Incap's targets were set for the year 2025 and they were approved by the Board of Directors. Therefore, the actions in 2024 are not related to specific targets. Incap is also working on allocating resources and budgeting for the management of material impacts.

### **Metrics and targets**

# S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In 2024, Incap did not have targets related to workers in the value chain. Incap's targets were set for the year 2025 and they were approved by the Board of Directors.

# Social information







# Governance information.

## ESRS G1 **Business Conduct.**

### Governance

#### ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies

The management of the company provides direction and promotes Incap's corporate culture through close cooperation and open communication about the company's strategy, targets and values. The administration and operations of Incap Group are the responsibility of the parent company Incap Corporation's Board of Directors. The Board of Directors' responsibility is to ensure that Incap follows the principles of good corporate governance. The Audit Committee reviews the processes regarding governance. The Group's line operation s are the responsibility of the President and CEO, assisted by the Group Management Team.

Incap's Board of Directors possess significant expertise in business conduct matters, demonstrated through their professional backgrounds, continuous training, advisory roles, and relevant certifications in corporate governance, compliance, and ethical leadership.

### Impact, risk and opportunity management

#### **IRO-1 – Description of the processes to identify and** assess material impacts, risks and opportunities

To identify the material IROs related to business conduct and corporate culture, Incap has conducted a DMA, as described under ESRS2, IRO-1. Incap's business conduct policies and corporate culture support managing the material impacts, risk and opportunities defined in Incap's DMA (see the table).

In 2024, Incap did not have targets related to business conduct. Incap's targets were set for the year 2025 and they were approved by the Board of Directors.

#### Sub-sub-topic

Corporate culture

Protection of whistleblowers

Corruption and bribery

Negative impacts	Positive impacts	Risks	Opportu- nities	
-	Х	Х	-	
-	Х	-	Х	
_	Х	Х	- /	

#### **G1-1 Business conduct policies and corporate culture**

Incap's growth strategy is based on its entrepreneurial and customerdriven culture, flexible operational model and cost management as a deeply rooted mindset. Incap's corporate culture reflects its decentralised organisation, where the manufacturing units operate independently and in an entrepreneurial spirit. The operating model enables fast decision-making and taking responsibility as well as agile response to customer needs and shorter lead times for customer products. Incap's main group level policies and processes for establishing, fostering, promoting and developing the corporate culture and related to the IROs for business conduct, are described in this chapter.

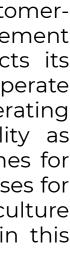
#### **Code of Conduct**

Incap's Code of Conduct determines how the company expects all Incap employees to behave. The Code embodies Incap's core values – honesty, trust, integrity, quality and transparency – and gives guidance on how the values are put into action every day. The Code and the related training arranged for all Incap's employees ensure that the company and its employees comply with applicable local and international laws and regulations, respect human rights and act with high level of integrity in accordance with company's principles for social, economic and environmental responsibility. More information about how Incap engages with its employees in chapter S1-2.

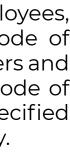
Code of Conduct is part of the induction training for all new employees, and it is also highlighted in ongoing communications. The Code of Conduct is publicly available at Incap's website. Incap's key suppliers and partners are also requested to follow the principles of Incap's Code of Conduct and Incap's Suppliers Code of Conduct. Incap has not specified functions that are most at risk in respect of corruption and bribery.













#### Whistleblowing

Incap's whistleblowing service provides an opportunity for stakeholders to raise ethical concerns about the company's activities and report suspicions of misconduct; anything that is not in line with Incap's values and policies. Incap's whistleblowing service is an early warning system to reduce risks. It is an important tool to foster high ethical standards and maintain customer and public confidence in Incap.

The whistleblowing service is available to both internal and external stakeholders on Incap's website. It is provided by an external partner WhistleB, Whistleblowing Centre, to ensure anonymity. The communication channel is encrypted and passwordprotected. All messages are processed confidentially, promptly, independently and objectively by CEO, Managing Directors, HR managers. At the group level, reported cases are also brought to the Board's attention.

Under the EU Whistleblower Directive (EU 2019/1937), organisations with at least 50 employees are required to set up confidential reporting mechanisms, provide training about reporting options and protections, and establish procedures for examining and responding to reports.

Incap aims to ensure the effectiveness of the whistleblowing channel by including it in the Code of Conduct training. Employees are trained to use the channel and managers advised about receiving and handling of the reports.

During 2024, Incap received one (1) claim through the whistleblowing channel. The case was closed without further action, as the case did not meet the criteria required for further action to be taken.



Business conduct policies
Incap's Code of Conduct
Incap's Supplier Code of Conduct
Incap's Policy on Conflict Minerals
Corporate Operations and Quality Guidelines
Management Policy
Sustainability Policy
Remuneration Policy

## Governance information

Key contents and relation to IROs	Scope of the policy	Accountability
<ul> <li>Outlines guidelines for anticorruption and antibribery</li> <li>Outlines guidelines for whistleblowing</li> <li>Promotes ethical business practices and integrity</li> <li>Ensures compliance with laws and regulations</li> <li>Encourages transparency and accountability</li> </ul>	All units, key suppliers and partners	President and CI
<ul> <li>Provides an overview of aspects that Incap's partners are asked to commit to</li> <li>Provides information on how to raise concerns</li> </ul>	Key suppliers and partners	President and CI
<ul> <li>Commitment to not to source Conflict Minerals</li> <li>Directs Incap to use suppliers who do not source Conflict Minerals</li> <li>Supports human rights in the Democratic Republic of Congo and certain adjoining countries</li> </ul>	All units, suppliers	President and CI
<ul> <li>Steering the operations and quality development of centrally coordinated matters, processes and principles (Corporate Governance, Management Model, Strategy and Tactics, Financial Management and Reporting, Sourcing, Sales and Marketing, Brand Identity and Graphical Image, IT, Investor Relations, Communications &amp; Insider listings)</li> </ul>	All units	President and CI
<ul> <li>Stating the principle of operating with the highest standard to the business ethics</li> </ul>	All units O	President and CI
<ul> <li>Promotes sustainable development</li> <li>Commits to continuous improvement</li> <li>Implements sustainability governance framework</li> </ul>	All units	President and CI
<ul> <li>Encourages the implementation of Incap's strategy and long- term financial performance, competitiveness, and the favorable development of shareholder value</li> </ul>	All units	Board of Directo















### **G1-3** – **Prevention and detection of corruption and** bribery

Incap is committed to anti-corruption and anti-bribery in its own operations and in relation to its partners. Incap's Code of Conduct outlines policies for ethical operations and prohibits corruption and bribery. It also includes principles for preventing conflicts of interest and principles linked to gifts and hospitality. Furthermore, Incap's Supplier Code of Conduct prohibits corruption and bribery.

The policy and procedures for preventing and detecting corruption and bribery are based on Incap's Code of Conduct training. More specific procedures, policies and processes are determined by Incap's subsidiaries. The Code of Conduct and its contents, including detection and prevention of bribery and corruption, are communicated to each new employee in Incap's own workforce in a training session. The training session relies on group-wide training material, which is translated to local languages and modified to cover local policies and processes. Incap's subsidiaries are responsible for carrying out the training and the implementation method varies depending on the unit. The Code of Conduct training ensures that the policy is accessible and understandable to Incap's own workforce. The Board of Directors has not received training on Code of Conduct and prevention and detection of corruption and bribery during 2024, however, as the Code is approved by the Board, the current members are aware of the contents of the policy.

The company has not specified functions that are most at risk in respect of corruption and bribery.

The whistleblowing channel provides a possibility for employees and external stakeholders to inform about suspected corruption and bribery cases. Potential reported incidents of corruption and bribery may be received through the channel or from other internal or external sources, by the CEO, as well as the Managing Directors and HR managers of the local units. Investigators of the cases are decided based on case, making sure they are separate from the chain of management involved in the matter. Based on the findings, appropriate corrective or preventive measures will be taken and outcomes reported to the supervisory bodies.

#### G1-4\_03 Training on prever of corruption or bribery

#### Training coverage

Total receiving training

#### Frequency

How often training is required

#### **Topics covered**

Definition of corruption

Policy (Incap's Code of Conduct)

Procedures of suspicion/detection

#### **Accounting principles:**

- Only employees are included in the count.
- addition, all employees receive training (100%).

#### **G1-4** – Incidents of corruption or bribery

During 2024, there were no incidents, convictions or fines paid related to corruption or bribery. In 2024, Incap provided its own workforce Code of Conduct policy training, which included information on avoiding and reporting on cases related to corruption and bribery. Please see the table about the details of the Code of Conduct training provided under chapter G1-3. Incidents, convictions or fines paid related to corruption or bribery are reported though Incap's ESG reporting tool.

All employees
329
While onboarding
Х
Х
Х

• The training on prevention and detection of corruption or bribery is part of the Code of Conduct training, provided to all new employees and non-employees at Incap and therefore this data relies on the Code of Conduct trainings conveyed during the year.

• Incap has not identified functions at risk for corruption and bribery. In









# Financial Statements.

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# **Consolidated statement of** comprehensive income.

1,000 euros	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023	1,000 euros	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 20
Revenue	3	230,056	221,591				
Other operating income	4	1,631	423	Total comprehensive income		25,529	17,
Changes in inventories of finished goods and work in progress		-4,616	-5,148				
Raw materials and consumables used	5	148,046	148,029	Total comprehensive income attributable to:			
Personnel expenses	8	31,263	24,029	Equity holders of the parent company		25,529	17,
Depreciation and amortisation	7	5,628	4,623				
Other operating expenses	6	12,947	11,969	Earnings per share from profit for the year attributable to			
Operating profit		29,186	28,216	equity holders of the parent			
Financial income	9	3,717	944	Basic earnings per share	11		
Financial expenses	9	-2,825	-2,738	Earnings per share		0.77	(
Profit before tax		30,078	26,422				
				Diluted earnings per share	11		
Income tax	10	-7,351	-6,602	Earnings per share		0.77	(
Profit for the year		22,727	19,820				
				Average number of shares:			
Consolidated statement of comprehensive income				basic		29,437,214	29,361,
•				diluted		29,548,278	29,415
Other comprehensive income:							
Items that are not transferred to the statement of income							
Revaluation of employee benefits		-2	-23				
Items that may be reclassified subsequently to profit or loss							
Translation differences from foreign units		2,804	-2,344				
Other comprehensive income, net		2,802	-2,367				









# **Consolidated balance sheet.**

1,000 euros	Note	31 Dec 24	31 Dec 23	1,000 euros	Note	31 Dec 24	31 Dec
ASSETS				Non-current liabilities			
Non-current assets				Borrowings	22	21,611	23,
Property, plant and equipment	12	24,313	21,625	Lease liabilities	22	5,424	6,
Right-of-use assets	12	6,626	8,089	Deferred tax liabilities	15	1,703	1,
Goodwill	13	8,621	8,237	Employee benefit obligations	22	307	
Other intangible assets	13	5,518	5,503	Deferred income	23	1,205	
Other financial assets	14	4	4	Other liabilities	23	1,619	1
Deferred tax assets	15	997	1,012	Total non-current liabilities		31,869	33
Other receivables	17	416	443				
				Current liabilities			
Total non-current assets		46,495	44,914	Trade and other payables	23	45,464	37,
				Borrowings	22	2,233	2
Current assets				Lease liabilities	22	1,679	1,
Inventories	16	61,403	71,022	Employee benefit obligations	23	56	
Trade and other receivables	17	34,749	23,864	Other liabilities	23	550	
Cash and cash equivalents	18	72,172	42,550	Total current liabilities		49,983	42,
Total current assets		168,325	137,435	Total liabilities		81,852	75,
Total assets		214,820	182,349	Total equity and liabilities		214,820	182,
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent	19						
Share capital		1,000	1,000				
Exchange differences		-5,027	-7,831				
Unrestricted equity reserve		23,844	23,745				
Retained earnings		113,152	89,846				
Total equity		132,968	106,760				



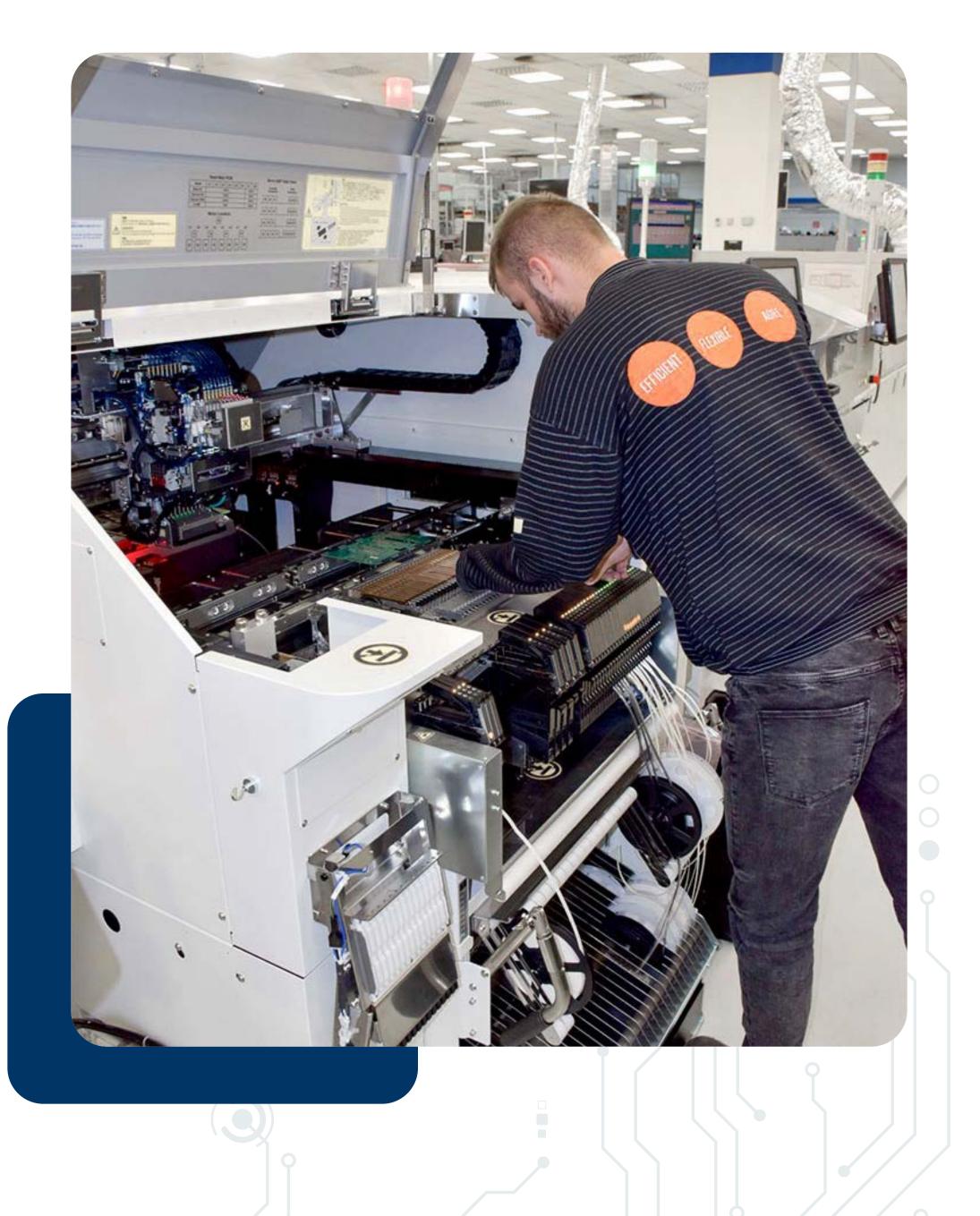


# Consolidated cash flow statement.

1,000 euros	Note	1 Jan-31 Dec 2024	1 Jan-3
Cash flow from operations			
Operating profit, in total		29,186	
Adjustmets to operating profit	26	5,681	
Change in working capital			
Change in current receivables		-8,896	
Change in inventories		13,201	
Change in current liabilities		8,419	
Interest paid		-2,084	
Interest received		1,087	
Tax paid and tax refund		-7,958	
Cash flow from operations		38,636	
Cash flow from investing activities			
Capital expenditure on tangible and intangible assets		-5,589	
Proceeds from sales of tangible and intangible assets		, ]	
Proceeds from insurance claims		1,767	
Acquisition of subsidiary less cash at the date of acquisition		-2,888	
Cash flow from investing activities		-6,710	
Cash flow from financing activities			
Drawdown of loans		174	
Repayments of loans		-2,288	
Right-of-use asset payments		-1,641	
Cash flow from financing activities		-3,755	
Cash now nonn nhancing activities		-3,733	
Change in cash and cash equivalents		28,172	
Cash and cash equivalents at beginning of period		42,550	
Effects of changes in exchange rates		1,451	
Cash and cash equivalents at end of period	18	72,172	
		<b>r</b>	0

#### n-31 Dec 2023

28,216	
5,107	
17,928	
25,911	
-23,184	
-1,109	
162	
-8,382	
44,650	
-6,875	
52	
-12,478	
-19,301	
27,445	
-15,853	
-1,506	
10,086	
35,435	
7,559	
-443	
42,550	





# **Consolidated statement in** changes of equity.

1,000 euros	Share capital	Unrestricted equity reserve	Translation differences
Equity at 1 January 2024	1,000	23,745	-7,831
Profit for the period			
Other comprehensive income			2,804
Total comprehensive income			2,804
Other changes <sup>1</sup>			
Transactions with the owners <sup>2</sup>			
Contributions of equity		99	
Employee share schemes - value of employee services			

Equity at 31 December 2024	1,000	23,844	-5,027

1,000 euros	Share capital	Unrestricted equity reserve	Translation differences
Equity at 1 January 2023	1,000	22,184	-5,487
Profit for the period			
Other comprehensive income			-2,344
Total comprehensive income			-2,344

Other changes<sup>1</sup>

Transactions with the owners <sup>2</sup>			
Contributions of equity		1,560	
Employee share schemes - value of employee se	rvices		
Equity at 31 December 2023	1,000	23,745	-7,831
<sup>1</sup> Information on Other changes is presented in I	Note 19		
<sup>2</sup> Information on transactions with owners is pre	sented in Note 19		

Retained earnings	Total equity
89,846	106,760
22,727	22,727
-2	2,802
22,725	25,529
92	92
	99
488	488
113,152	132,968

Retained earnings	Total equity
69,728	87,426
19,820	19,820
-23	-2,367
19,797	17,453
22	22
	1,560
299	299
89,846	106,760







# Accounting principles applied in the consolidated financial statements.

### **Basis of preparation**

Incap Corporation is a Finnish, public limited company dominciled in Helsinki, Finland. Incap Corporation is the ultimate parent company in the Incap Group.

Incap Corporation is a trusted partner and full service provider in Electronics Manufacturing Services. As a global EMS company, Incap supports customers ranging from large multinationals and mid-sized companies to small start-ups in their complete manufacturing value chain.

Incap Group's 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 2024. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation. The information in the consolidated financial statements in the ESEF (European Single Electronic Format) format has been verified by the auditor.

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

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

These consolidated financial statements were authorised for release by the Board of Directors of Incap Corporation on 15 April 2025.

### **Acquired businesses**

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

and corresponding services are received.

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

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

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

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

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

#### **Translation of items denominated in foreign** currency

#### Separate companies

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

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

#### Group

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

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

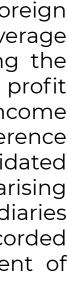
#### Currency rates used in financial statements 2024:

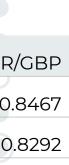
	EUR/INR	USD/INR	EUR/HKD	EUR/USD	EUR
Average Rate	90.5286	88.7353	8.4429	1.0820	0.
Year-end rate	88.9335	89.0852	8.0686	1.0389	0













### **Property, plant and equipment**

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

- Buildings 18–24 years
- Machinery and equipment 3–10 years
- Motor vehicles 3–5 years

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

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

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

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

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

#### **Borrowing costs**

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

#### **Government grants**

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

#### Intangible assets

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

Goodwill and other intangible assets with an indefinite useful life are not amortised but are tested annually for any impairment. In goodwill testing, goodwill has been allocated to cash-generating units and measured at original acquisition cost less impairment. 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 attributable to the asset will flow to the entity. Intangible assets are recorded in the balance sheet at original acquisition cost and amortised in the income statement over their known or estimated useful life.

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

#### Inventories

Inventories are measured at the lower of acquisition cost or net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw

# Accounting principle

materials, direct labour expenses, other direct expenses as well as fixed and variable production overheads, based on the normal capacity of the production facilities.

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

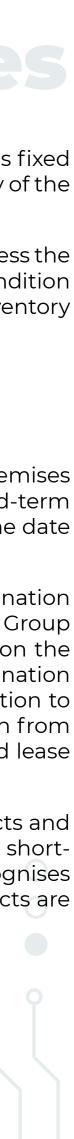
#### Leases

#### The Group as lessee

Incap is operating as a lessee. The Group leases e.g. office premises and production machinery. The lease contracts are mainly fixed-term agreements for which the lease-term ends within five years of the date of the initial application.

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

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





#### Impairment

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

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

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

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

### **Employee benefits**

#### Pension obligations

Incap Group's pension plans are classified as defined-benefit and defined-contribution plans. Payments made for defined-contribution plans are recognised as an expense in the income statement for the period which the debit concerns. The obligations of defined-benefit plans concerning the Indian unit are calculated separately for each plan using the projected unit credit method. Pension costs are recorded as an expense for the duration of employees' period of service on the basis of actuarial calculations carried out by authorised actuaries. A discount rate of 7.00% has been used in discounting the obligation and the interest has been recognised in pension costs. The costs arising from revaluation of defined-benefit plan obligations are recognised in the items of other comprehensive income.

#### **Share-based payments**

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

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

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

Service conditions or non-market performance conditions are not recognised in the grant date fair value, but the probability of meeting the vesting conditions is assessed based on the best available estimate of the total number of equity instruments that will vest. Market conditions are considered in the grant date fair value. All other terms and conditions, which relate to the share-based payment, but which

do not include a performance condition, are considered as non-vesting conditions. Non-vesting conditions are included the fair value of the share-based payment and are recognised immediately as expenses unless they include an additional service or performance condition.

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

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

### **Provisions**

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

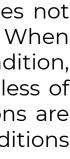
#### **Income taxes**

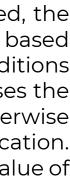
Income tax in the income statement comprises taxes on taxable income for the period and deferred taxes. Taxes on the profit for the financial year are calculated on taxable income on the basis of the tax rate in force in each country. Taxes are adjusted for taxes for previous periods.

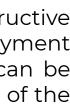
Deferred taxes have been calculated by applying the tax rates in force by the balance sheet date.

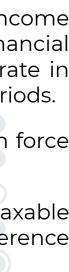
A tax asset is recognised to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.











#### **Revenue recognition**

With its factories and organisation, Incap offers electronics manufacturing services. Incap's services include material procurement, prototyping, ramp-up of production, serial production, final assembly, testing and logistics. In addition to electronics, the company's manufacturing expertise covers final assembly into a fully finished product.

When Incap has a binding agreement with a customer, performance obligations and transaction price pursuant to this agreement are identified. An agreement that is binding is normally reached when a customer places an order that is confirmed by Incap. Orders are often based on master agreements, but these are non-binding in terms of quantities. Transaction prices are measured as the fair value of what will be received, and correspond to the amount received for sold goods after deducting for discounts, returns and VAT.

Revenue recognition from the sale of goods is recorded according to IFRS 15. Incap's performance obligation is to manufacture and deliver the assets in accordance with the customer's order. Sales are recognised when a performance obligation is satisfied. The company typically fulfils the performance obligation when control is transferred to the customer, usually when goods are delivered to customer in compliance with the terms of the delivery.

The company's revenue stream consists of sale of goods and one product forms one performance obligation. Existing customer contracts have no obligations of after marketing, installation, maintenance, financing or any other performance obligations that customer could benefit on stand-alone basis.

### Assets for sale and discontinued operations

There were no discontinued operations in the financial years 2024 and 2023.

### **Financial assets and financial liabilities**

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

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

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

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

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

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

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

#### **Impairment of financial assets**

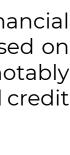
The increase of credit risk is assessed at each reporting date for financial assets at amortised cost. The applied method is determined based on a potential increase in the credit risk. When credit risk has not notably increased, the credit loss provision is based on 12-month expected credit losses.

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

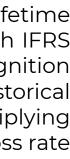
The assessment of the Group's credit loss provision is based on lifetime expected credit losses from trade receivables in accordance with IFRS 9. The Group has not recognised material credit losses. The recognition of expected credit losses from trade receivables is based on historical credit losses.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







g	date
а	class
t	may



### **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. Concerning property, plant and equipment, Incap has made comparisons with the market prices of similar products and assessed any impairment resulting from the age and wear of the assets and other similar factors affecting them.

The determination of the fair value of intangible assets is based on estimates of cash flows related to the assets. It is the view of the management that the estimates and assumptions used are sufficiently accurate as a basis for the determination of fair value. The Group furthermore examines any indications of impairment on property, plant and equipment and intangible assets at least at every balance sheet date.

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

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

In order to evaluate liquidity, Incap has prepared a 12-month cash flow estimate that is based on the Group's budget for 2025. Based on the cash flow estimate, Incap does have sufficient working capital for the company's needs for the forthcoming 12 months.

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

#### Impairment testing

Incap Group tests goodwill for potential impairment annually. The testing is based on a cash flow estimate prepared on the basis of a budget and the business plan for the forthcoming four-year period approved by the management. Discount rate before 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. The company estimates that there are no indications of impairment of goodwill and other intangible assets with an indefinite useful life. This has been verified with calculations concerning recoverable amounts.

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

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

#### **Deferred tax asset**

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

Deferred tax assets have been recognised to the extent that is considered to be possible to utilise against future taxable income.



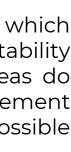
#### Segment information

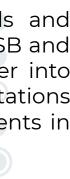
Incap Group does not have business or geographical segments which should be reported according to IFRS 8. The risks and profitability related to the Group's different business and geographical areas do not differ significantly from each other. The company's management regularly assesses future changes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

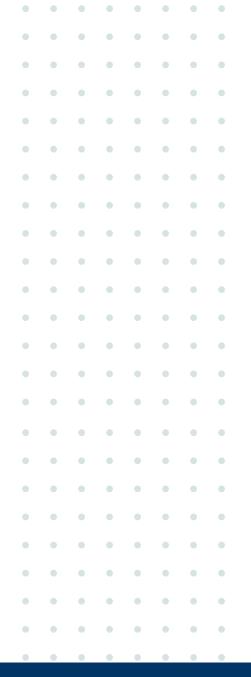
#### **Application of new or amended IFRS standards**

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

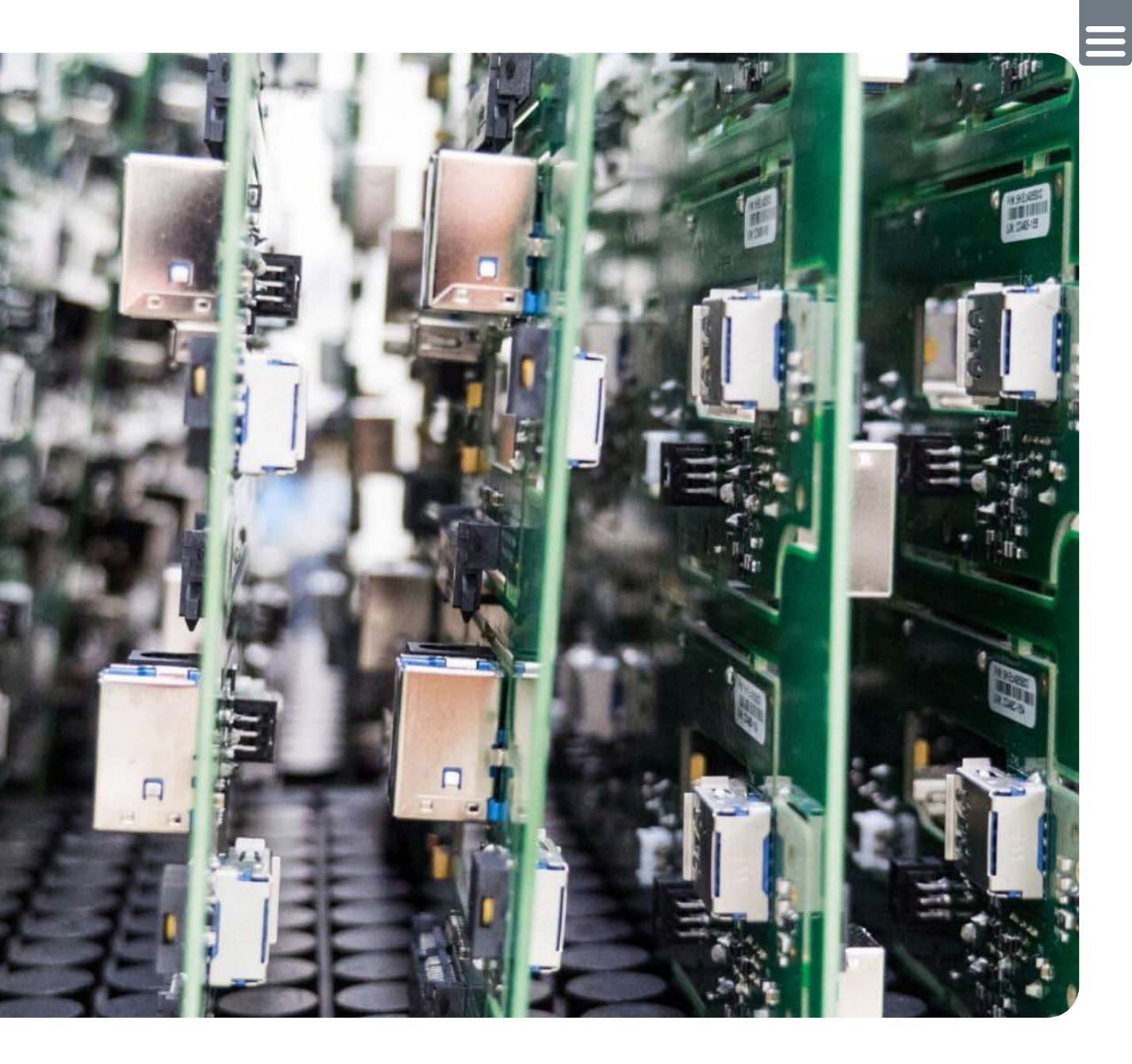








Notes to the consolidated financial statements.





# Notes to the consolidated financial statements.

# Subsidiaries.

The consolidated financial statements include the parent company Incap Corporation and its wholy owned subsidiaries:

- Incap Electronics Estonia OÜ, Kuressaari, Estonia
- Incap Contract Manufacturing Services Pvt. Ltd., Bangalore, India
- Incap Holdings UK Ltd, Newcastle-under-Lyme, United Kingdom
- Incap Electronics UK Ltd, Newcastle-under-Lyme, United Kingdom
- Incap Electronics Slovakia, Namestovo, Slovakia
- Incap Electronics US, Inc., Pennsylvania, United States
- Incap North America, Inc., Delaware, United States
- Euro-ketju Oy, Helsinki, Finland (no activity)
- Incap Hong Kong Limited, Hong Kong

Incap Group's mutual shareholding has been eliminated using the acquisition cost method. Acquired subsidiaries are consolidated from the moment the Group acquires control and the divested subsidiaries until control ceases. All intra-group transactions, receivables, liabilities and unrealised profits as well as internal profit distribution are eliminated in preparing the consolidated financial statements.

#### . DIVESTED BUSINESSES

The Group had no divested businesses in 2024 and 2023.









#### 2. BUSINESS COMBINATIONS

On 1 July 2023, Incap Corporation signed an agreement to acquire 100% ownership of Pennatronics Inc., an experienced and well-performing Electronics Manufacturing Services company with a top-of-the-line factory in Pennsylvania, USA.

The enterprise value of the acquired company was USD 18.6 million (EUR 17.1 million) and the agreement also included a potential additional earnout of a maximum of USD 3.0 million (EUR 2.8 million). The transaction was paid in cash except for the amount of approximately USD 1.6 million (EUR 1.5 million), which was paid in Incap's shares.

#### **Overview of Pennatronics Inc.**

Founded in 1999, Pennatronics has a production facility of approximately 6,000 square metres in a town called California near Pittsburgh, Pennsylvania. The company offers complete electronics manufacturing services including PCB assembly, box-build assembly as well as engineering and sourcing services. In its business, Pennatronics has established strong long-term customer relationships, and its customers come from many different industry sectors.

Pennatronics' revenue for the financial year that ended on 31 March 2023 was USD 30 million, (EUR 28 million), and EBITDA was USD 2.9 million (EUR 2.7 million), or 10 per cent of net sales. The result for the financial year was USD 1.6 million (EUR 1.5 million). In the financial year that ended on 31 March 2022, Pennatronics' revenue was USD 24.6 million (EUR 22.9 million) and EBITDA USD 0.9 million (EUR 0.8 million), or 4 per cent of net sales. The result for the financial year 2022 was USD 0.3 million (EUR 0.2 million). Pennatronics has 102 employees.

#### Strategic rationale of the acquisition

The acquisition is in line with Incap's growth strategy, and it will establish Incap's presence in the U.S. market and create a foothold for further expansion in the U.S. market. Pennatronics' U.S. production facility complements Incap's current production facilities located in Estonia, India, in the U.K. and in Slovakia. Incap's customer base will be broadened through the acquisition, and Incap will be able to offer U.S. based services to existing and new customers, while Pennatronics' customers will benefit from opportunities to source services from Europe and India. In the long term, the acquisition is expected to bring cross-selling opportunities and synergy benefits in e.g., material purchasing.

#### Key terms and financial impacts of the acquisition

The enterprise value of the acquired company was USD 18.6 million

(EUR 17.1 million). The acquisition was initially financed by a loan of EUR 19.5 million. Incap may at a later stage, subject to market conditions, explore the option of equity financing to optimise its capital structure. In addition to this, approximately USD 1.6 million (EUR 1.5 million) was paid with Incap's shares to the owners of the acquired company. The acquisition agreement includes an additional payment in the form of a potential earn-out that will be paid in 2024 depending on Pennatronics' business performance during the financial year ending in March 2024. Its maximum amount is USD 3.0 million (EUR 2.8 million) based on Pennatronics' EBITDA during the financial year ended in March 2024.

In 2024 Incap paid final earn-out payment USD 3.0 million (EUR 2.8 million). At the date of acquisition 2023, Incap had estimated for the earn-out payment and made a provision for EUR 2.5 million. Difference between the provision and realized earn-out payment was EUR 0.3 million and it is included in financial income and expenses.

The acquisition was closed on 5 July 2023. Pennatronics has been reported as part of the Incap Group as of July 2023. The former owners of Pennatronics, Ralph B. Andy and Keith D. James, are committed to support Incap over the transition period.

### acquisition calculation

Purchase price consideration
Paid in cash
nstalment in shares
Earn-Out
Other consideration
Total
ASSETS
Non-current assets

- Property, plant and equipment
- Other intangible assets: custom
- Deferred tax assets

**Total Non-current assets** 

#### Assets aqcuired and liabilities assumed at fair value on the acquisition date,

	16,415
	1,585
	2,453
	32
	20,484
t	3,963
ner relationships	1,897
	638
	6,498

Current assets	
Inventories	
Trade and other receivables	
Total current assets	ין
Total assets	24
Non-current liabilities	
Deferred tax liabilities	
Total Non-current liabilities	
Current liabilities	
Trade and other payables	
Total current assets	
Total liabilities	4
Total identifiable net assets	]
Goodwill	
Aqcuired net assets	20

#### Partial payment of the purchase price Incap Corporation's share issue without consideration to the company itself

Based on the share issue authorisation granted by the Annual General Meeting held on 27 April 2023, the Board of Directors of Incap Corporation decided on an issue of 152,379 new shares in the company to the company itself without consideration. The new shares are of the same class as the company's other shares. The shares issued were used for the partial payment of the purchase price of the acquisition of Pennatronics Inc. which was announced by the company y on 3 July 2023. After the registration of the new shares, the total number of shares in the company was 29,437,214. The new shares grant shareholder rights in the company from the moment of their registration. The new shares were registered in the trade register and the book-entry system managed by Euroclear Finland Oy on 6 July 2023. The new shares were admitted to public trading on 7 July 2023.

The total subscription price of the directed share issue without payment has been recorded in full in the reserve for invested unrestricted equity.



961 20,484





### Notes to the consolidated financial statement

	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Revenue from the sale of goods	230,056	221,591
	230,056	221,591
Geographic division of external customers' revenue	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Europe	173,141	184,739
North-America	44,578	23,000
South-America		
Asia	12,337	13,852
Africa		
Australia		
	230,056	221,591

Contract liabilities (advances received) are presented in other current noninterest-bearing liabilities (note 23).

The Group has two customers, whose revenue exceeds 10% of the Group's revenue. The combined share of the customers out of the Group's revenue is approximately 51%. (one customer and 47% in 2023)

Major customers	1 Jan-31 Dec 2024	% of revenue	1 Jan-31 Dec 2023	% of revenue
Customer 1	93,716	40.7%	103,227	46.6%
Customer 2	24,244	10.5%	9,980	4.5%
Customer 3	8,704	3.8%	8,289	3.7%
Customer 4	7,860	3.4%	7,150	3.2%
Total	134,525	58.5%	128,646	58.1%

Assets by geographical areas	2024	2023
Europe	21,150	20,854
North-America	8,162	7,162
Asia	17,183	16,898
	46,495	44,914

Assets consist of goodwill and other non-current assets.

#### 4. OTHER OPERATING INCOME

Export incentive from Indian government
Wage subsidies (India)
Rental Income
Investment incentive from Indi government
Net gains on the disposal of proplant and equipment
Currency exchange gains
Other income

Other operating income consisted mainly of government incentives, such as investment and export subsidies.

#### 5. RAW MATERIALS AND S

#### Raw materials and consumab

Purchases during the financial year

Change in inventories

External services

#### OME

1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
230	64
118	30
73	78
883	
4	17
224	211
99	24
1,631	423
	230 118 73 883 4 224 99

SERVICES				
oles	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023		
	140,534	128,289		
	7,483	19,694		
	148,018	147,983		
	29	45		
	148,046	148,029		

#### 6. OTHER OPERATING EXPENSES

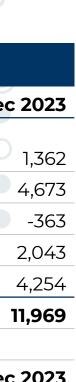
	1 Jan-31 Dec 2024	1 Jan-31 Dec
Operating and maintenance expenses for property and machinery	1,470	
External services	4,456	
Credit loss provisions	299	
Office expenses	2,183	
Other expenses	4,539	
	12,947	٦
Auditors' fees		
	1 Jan-31 Dec 2024	1 Jan-31 Dec
Auditing fees PWC	330	
Auditing fees, non PWC	31	
Certificates and statements	23	
Other services	24	
	408	

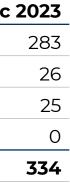
Research and development

In 2024, EUR 0.0 million of research and development costs have been accounted for as an operating expense (EUR 0.3 million in 2023).

#### 7. DEPRECIATION AND AMORTISATION

Depreciation and amortisation by assets class	1 Jan-31 Dec 2024	1 Jan-31 Dec
Intangible assets		
Other capitalised expenditure	11	
Other intangibles	658	
	669	
Tangible assets		
Buildings	669	
Right-of-use assets, building	1,024	
Machinery and equipment	2,452	
Right-of-use assets, machinery	666	
Other tangible assets	147	
	4,959	
Total depreciation, amortisation and write-downs	5,628	









### Notes to the consolidated financial statemer

#### **8. EMPLOYEE BENEFITS EXPENSE**

	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Wages and salaries	24,377	19,351
Pension costs - defined contribution plans	2,134	1,841
Pension costs - defined-benefit plans	79	83
Stock options and share-based incen- tives	488	299
Other statutory employer expenses	4,185	2,455
	31,263	24,029
Average number of Group's personnel during the period	2,242	2,261

Information on share-based payments is presented in Note 20 Share-based payments.

Information on management's employee benefits is presented in Note 30 Related party transactions.

#### 9. FINANCIAL INCOME AND EXPENSES

Financial income	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Dividends	0	0
Interest income from other receivables	468	127
Foreign exchange rate gains	2,615	789
Other financing income	633	29
	3,717	944

Financial expenses	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Interest expenses from financial liabilities measured at amortised cost	1,610	1,228
Right-of-use assets interests	420	353
Foreign exchange rate losses	388	956
Other financial expenses	406	200
	2,825	2,738

#### Total financial income and expenses 892 -1,794

#### **10. INCOME TAX**

Income tax in the income statement

Income tax on profits for the ye Income tax on profits of previou periods

#### Income taxes for the financia

Changes in deferred tax assets this year

Current year change in deferred liabilities

#### Change in deferred taxes tota

Income tax expense

#### Reconciliation of tax expenses the income statement and tax calculated on the basis of the rate applicable in the Group's country

Profit before taxes Tax at the applicable rate in the home country Divergent tax rates of foreign subsidiaries Tax from previous years Tax free income and non-deduc expenses

Other temporary difference

Non-recorded deferred tax

#### Tax charge

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

Incap Group makes provisions for uncertain tax positions based on expert evaluation. There are uncertain tax positions related to the Group services invoiced from the Indian subsidiary and other Indian indirect taxes for which a provision has been made. The total provision amounts to approximately EUR 1.6 million (EUR 1.6 million in 2023). Based on company´s judgment, current level of provision covers possible tax risk.

	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
ear	-7,071	-6,666
ous	75	10/
	75	-184
l period	-6,996	-6,850
s created	-355	-43
ed tax	0	202
	0	292
al	-355	248
	-7,351	-6,602
es in ixes 20% tax 5 home	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
	30,078	26,422
	-6,016	-5,284
	-1,309	-901
	75	-184
uctable	394	-158
	-496	-79
	0	5
	-7,351	-6,602

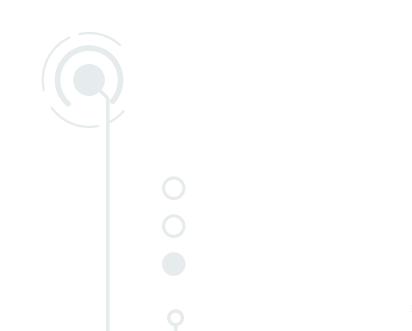
#### **11. EARNINGS PER SHARE**

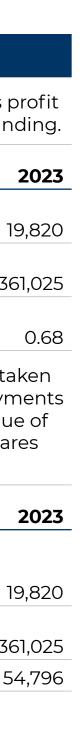
Undiluted earnings per share is calculated by dividing parent company´s profit for the year with the period´s weighted average number of shares outstanding.

	2024	
Profit for the year attributable to equity holders of the parent	22,727	٦
Weighted average number of shares during the period	29,437,214	29,36
Undiluted earnings per share, EUR/ share	0.77	

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

Continuing operations	2024	
Profit for the year attributable to equity holders of the parent, continuing operations	22,727	1
Weighted average number of shares during the period	29,437,214	29,36
Share-based payments	111,064	5
Weighted average number of shares used in calculating adjusted diluted earnings per share	29,548,278	29,4
Diluted earnings per share, EUR/share	0.77	









#### 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other tangible assets	Total	Right-of-use assets	Buildings	Machinery and Equipment	0-
Acquisition cost 1 Jan 2024	1,141	14,832	23,588	1,747	41,308	Acquisition cost 1 Jan 2024	8,397	3,941	12
Increase		564	2,309	96	2,969	Increase	52	233	
Combining businesses <sup>1</sup>		0	0	0	0	Decrease <sup>2</sup>	-1,045	-111	-
Decrease <sup>2</sup>		0	-387	-25	-411	Reclassifications between items	-60	-40	
Reclassifications between items		44	158	72	274	Exchange differences	209	42	
Exchange differences	42	639	1,021	82	1,784	Acquisition cost 31 Dec 2024	7,553	4,066	ľ
Acquisition cost 31 Dec 2024	1,183	16,079	26,689	1,972	45,924				
						Accumulated depreciation and write-downs 1 Jan 2024	-3,240	-1,008	-4
Accumulated depreciation and write-downs 1 Jan 2024		-3,629	-14,819	-1,331	-19,778	Depreciation	-1,034	-670	-]
Depreciation		-684	-2,502	-150	-3,337	Cumulative depreciation on reclassifications and disposals	1,051	-46	Ţ
Combining businesses <sup>1</sup>		0	0	0	0	Exchange differences	-44	-0	
Cumulative depreciation on reclassifications and disposals		0	500	25	525	Accumulated depreciation and write-downs 31 Dec 2024	-3,268	-1,725	-4
Exchange differences		-184	-635	-65	-885	•	<b>·</b>	,	
Accumulated depreciation and write-downs 31 Dec 2024		-4,497	-17,457	-1,522	-23,476	Book value 1 Jan 2024	5,157	2,933	8
						Book value 31 Dec 2024	4,285	2,341	6
Book value 1 Jan 2024	1,141	11,203	8,769	416	21,530				
Book value 31 Dec 2024	1,183	11,582	9,232	450	22,448	Acquisition cost 1 Jan 2023	6,220	3,838	10
						Increase	3,684	, 	
Acquisition cost 1 Jan 2023	1,049	5,996	13,320	1,175	21,540	Decrease <sup>2</sup>		-24	
Increase		145	1,494	18	1,657	Reclassifications between items	-1,558		
Combining businesses <sup>1</sup>	134	4,546	6,217	728	11,625	Exchange differences	5]	17	
Decrease <sup>2</sup>		-217	-484	-416	-1,116	Acquisition cost 31 Dec 2023	8,397	3,941	12
Reclassifications between items	/7	4,578	3,278	273	8,129				
Exchange differences	-43	-215	-237	-31	-527	Accumulated depreciation and write-downs 1 Jan 2023	-2,775	-388	-3
Acquisition cost 31 Dec 2023	1,141	14,832	23,588	1,747	41,308	Depreciation	-980	-644	
Accumulated depreciation and write-downs 1 Jan 2023		-1,425	-8,564	-834	10 027	Cumulatve depreciation on reclassifications and disposals	540	24	
		-425	- <b>0,304</b> -1,821	-132	- <b>10,823</b> -2,378	Exchange differences	-25		
Depreciation Combining businesses <sup>1</sup>		-425 -2,032	-1,821 -5,038	-654	-2,378 -7,723	Accumulated depreciation and write-downs 31 Dec 2023	-3,240	-1,008	-4
Cumulative depreciation on reclassifications and disposals		-2,032	-5,030	271	971		312.10	.,	
Exchange differences		35	121	18	174	Book value 1 Jan 2023	3,444	3,449	F
Accumulated depreciation and write-downs 31 Dec 2023		-3,629	-14,819	- <b>1,331</b>	<b>-19,778</b>	Book value 31 Dec 2023	5,157	2,933	Ω
Accumulated depreciation and write-downs 31 Dec 2025		-3,023	-14,019	ادد <sub>י</sub> ו-	-13,110		J,IJ/	ددو,۲	0
Book value 1 Jan 2023	1,049	4,571	4,757	341	10,717				
Book value 31 Dec 2023	1,141	11,203	8,769	416	21,530				

<sup>1</sup> Information on combining businesses is presented in Notes 2 Business combinations

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





#### **13. INTANGIBLE ASSETS**

	Goodwill	Other intangible assets
Acquisition cost 1 Jan 2024	8,237	8,331
Increase		383
Combining businesses <sup>1</sup>		
Reclassifications between items		29
Exchange differences	383	410
Acquisition cost 31 Dec 2024	8,621	9,153
Accumulated amortisation and write-downs 1 Jan 2024		-2,829
Amortisation		-685
Cumulative depreciation on reclassifications and disposals		
Exchange differences		-121
Accumulated amortisations and write-downs 31 Dec 2024		-3,635
Book value 1 Jan 2024	8,237	5,503
Book value 31 Dec 2024	8,621	5,518
Acquisition cost 1 Jan 2023	7,178	6,292
Increase		101
Combining businesses <sup>1</sup>	946	1,867
Exchange differences	113	71
Acquisition cost 31 Dec 2023	8,237	8,331
Accumulated amortisation and write-downs 1 Jan 2023		-2,267
Amortisation		-508
Combining businesses <sup>1</sup>		-62
Exchange differences		8
Accumulated amortisations and write-downs 31 Dec 2023		-2,829
Book value 1 Jan 2023	7,178	4,026
Book value 31 Dec 2023	8,237	5,503
<sup>1</sup> Information on combining businesses is presented in Note 2 Business of	ombinations	

<sup>1</sup> Information on combining businesses is presented in Note 2 Business combinations

Other intangible assets consist mainly of Customer relationships regarding the acquisition of AWS and Pennatronics Inc.

### es to the consolidated financial statemer

Total 16,569 383 29 793 17,774 -2,829 -685 -121 -3,635 13,740 14,139 13,470 101 2,813 184 16,569 -2,267 -508 -62 8 -2,829 11,204 13,740

Impairment testing

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

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

The goodwill of approx. EUR 0.8 million in the consolidated balance sheet refers to the Indian subsidiary. In the cash flow estimates, the combined revenue growth (CAGR) for the years 2024-2029 in India is estimated to be 2% and the operating profit to be approximately 9%. Growth estimate of residual value is 2%. In the calculations of the financial year 2024 in India, a discount rate of 15.68% (19.17% in 2023) has been used. Should the operating profit used in the testing decrease by less than 50.0% or should the discount rate increase by less than 13.2%, there would be no need for write down. Revenue and profitability of the operations in India have developed favourably during the past few years and there is estimated to be no need or risk of any impairment. In impairment testing of goodwill, the residual value of future cash flows is 63% of the cash flows in the calculations for value in use.

The goodwill of approx EUR 3.3 million in the consolidated balance sheet refers to the UK subsidiary. The revenue in the UK subsidiary is estimated to grow 5% annually and the operating profit to be approximately 4%. Growth estimate of residual value is 2%. In the calculations of the financial year 2024 in the UK, a discount rate of 12.85% (15.75% in 2023) has been used. Should the operating profit used in the testing decrease by less than 31.6% or should the discount rate increase by less than 3.3%, there would be no need for write down. In impairment testing of goodwill, the residual value of future cash flows is 73% of the cash flows in the calculations for value in use.

The goodwill of approx. EUR 3.1 million in the consolidated balance sheet refers to the Slovakian subsidiary. The revenue

in Slovakia is estimated to grow 6% annually and the operating profit to be approximately 6%. Growth estimate of residual value is 2%. In the calculations of the financial year 2024 in Slovakia, a discount rate of 13.28% (16.20% in 2023) has been used. Should the operating profit used in the testing decrease by less than 54.9% or should the discount rate increase by less than 9.9%, there would be no need for write down. In impairment testing of goodwill, the residual value of future cash flows is 72% of the cash flows in the calculations for value in use.

The goodwill of approx. EUR 1.0 million in the consolidated balance sheet refers to the USA subsidiary. The revenue in USA is estimated to grow 2.4% annually and the operating profit to be approximately 8%. Growth estimate of residual value is 2%. In the calculations of the financial year 2024 in USA, a discount rate of 13.55% (16.90% in 2023) has been used. Should the operating profit used in the testing decrease by less than 25.5% or should the discount rate increase by less than 4.3%, there would be no need for write down. In impairment testing of goodwill, the residual value of future cash flows is 71% of the cash flows in the calculations for value in use.

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

#### 14. FINANCIAL ASSETS AVAILABLE-FOR-SALE

			202	24
Shares	ç			4
Total available-for at the end of the		restments		4

# Its





#### **15. DEFERRED TAX ASSETS AND LIABILITIES**

Deferred tax assets	2024	2023
Tangible assets		7
Tax asset for losses	532	635
Employee benefits	264	229
Provisions	494	100
Others	418	77
Deferred tax assets total	1,708	1,047
Deduction according to netting principle	-711	-35
Net deferred tax assets	997	1,012
Changes	2024	2023
Accounted in Profit and Loss		
Tangible assets		42
Tax asset for losses	-138	-102
Employee benefits	27	15
Provisions	466	-77
Other	316	79
Total	672	-43
Deferred tax liabilities	2024	2023
Tangible	393	0
Intangibles	1,874	1,273
Provisions		64
Other	146	
Net deferred tax liabilities	2,414	1,337
Deduction according to netting principle	-711	-35
Net deferred tax liabilities	1,703	1,302
Changes	2024	2023
Accounted in Profit and Loss		
Tangible assets	-394	29
Intangibles	-506	327
Provisions		-64

Others	-143	0
Total	-1,043	292
Accounted in equity		
Investments in subsidiaries		
Acquisition related		
Intangibles	-89	383
Deferred tax assets and liabilities are recog between the taxable values of assets and lia according to the debt method.	1 5	
No deferred tax liability has been recognise precautionary principles.	ed from the subsidiar	ries' profits as per

16. INVENTORIES		
	2024	2023
Raw materials and supplies	48,187	51,289
Work in progress	7,898	14,264
Finished goods	4,827	4,651
Advance payments	490	818
Total	61,403	71,022

In 2024 the Group has cancelled inventory write-off provisions amounting to EUR 0.4 million. (Provisions recorded were EUR 0.03 million in 2023.)

#### **17. TRADE AND OTHER RECEIVABLES**

Trade and other receivables –		
non-current	2024	
Other non-current receivables	416	0
Total	416	
Trade and other receivables – current	2024	
Trade receivables	28,388	2
Credit loss provision	-569	
Trade receivables total	27,818	2
Loan receivables	53	
Prepaid expenses and accrued income	6,192	
Other receivables	686	
Total	34,749	2:

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

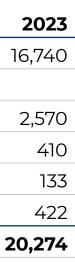
Aging structure of trade receivables and items recorded as credit losses	2024	
Not past due	23,432	
Past due		
Less than 30 days	3,084	
30–60 days	595	
61–90 days	123	
Over 90 days	584	
Total	27,818	2

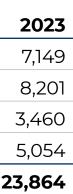
In 2024 the Group has recognized credit loss provisions in other operating expenses amounting to EUR 0.3 million.

In 2023 the group has released credit loss provisions in other operating expenses amounting to EUR 0.6 million.

Distribution of current receivables by currency	2024	
GBP	4,685	
USD	17,415	
INR	7,470	
EUR	5,180	
Total	34,749	2









### Notes to the consolidated financial statemer

#### **18. CASH AND CASH EQUIVALENTS**

	2024	2023
Cash and bank accounts	63,023	33,826
Short-term investments	9,150	8,724
Total	72,172	42,550

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

#### **19. CHANGES IN EQUITY**

	Number of		
	shares	Equity	Total
31 Dec 2024	29,437,214	1,000	1,000
31 Dec 2023	29,437,214	1,000	1,000

#### Transactions with owners

Invested unrestricted equity fund	2024	2023
1 Jan	23,745	22,184
Investment in equity	99	1,560
31 Dec	23,844	23,745
Retained earnings		
Personnel share-based incentive programme-value of employee services	488	299

Based on the share issue authorisation granted by the Annual General Meeting held on 27 April 2023, the Board of Directors of Incap Corporation has resolved on an issue of 152,379 new shares in the Company to the Company itself without consideration. The new shares are of the same class as the Company's other shares. The shares issued were used for the partial payment of the purchase price of the acquisition of Pennatronics Inc.

Information of the subscription is presented in Note 20 Share-based payments.

Other changes: Retained earnings	2024	2023
Other changes	92	22
Total	92	22

#### **20. SHARE-BASED PAYMENTS**

Expenses from the share-based incentive plan are recognized during the earnings period and presented as employee benefits expenses and retained earning in equity.

#### Long-term key employee incentive plan 2022–2024

On 27 April 2022, the Board of Directors of Incap Corporation decided to establish a new long-term incentive plan for the Group's key employees. The aim of the plan is to align the objectives of the shareholders and key employees for increasing the value of the company in the long term, to retain the key employees of the company, and to offer them a competitive reward plan based on acquiring, earning and accumulating the company's shares.

The long-term Performance Share Plan is based on a rolling 3-year performance period structure, with a new performance period starting at the beginning of each year if so decided by the Board. In the plan, the target group is given an opportunity to earn Incap's shares based on criteria and targets to be set for each criterion at the beginning of each performance period.

The potential rewards based on the plan will be paid in the company's shares and partly in cash. The cash proportion of the reward is intended to cover the taxes and statutory social security contributions arising from the reward to a participant. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment.

During the performance period 2022-2024, the CEO and other Incap Management Team members form the target group of the incentive plan. The rewards to be paid on the basis of the performance period 2022-2024 correspond to the value of an approximate maximum total of 30,191 Incap Corporation shares, including also the proportion to be paid in cash.

Expenses are based on the maximum number of shares adjusted by share issue, i.e. 27,674 and the market value of EUR 15.74 according to April 26, 2022 has been used as a multiple. Expenses for the period 27 April 2022 – 31 December 2024 amount to EUR 435,591 of which EUR 162,401 relate to 2024. Outcome of the incentive plan will be decided in 2025 after the annual general meeting.

#### Long-term key employee incentive plan 2023–2025

The Board of Directors of Incap Corporation decided on the share-based incentive plan's new performance period 2023–2025, where the rewards are based on the group's cumulative operating profit (EBIT). During the performance period 2023–2025, the CEO and other Incap Management Team members form the target group of the incentive plan. The rewards to be paid on the basis of the performance period 2023–2025 correspond to the value of an approximate maximum total of 27,123 Incap Corporation shares, also including the proportion to be paid in cash.

The rewards will be paid partly in the company ´s shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to a participant. In general, no reward is paid if the participant ´s employment or director contract terminates before the reward payment. The Incap Management Team member is obliged to hold 50% of the received net reward shares, until the total value of the Management Team member's shareholding in Incap Corporation equals to 50% of their annual base salary of the preceding year. Respectively, the CEO is obliged to hold 50% of the received net reward shares, until the CEO ´s shareholding in Incap Corporation equals to 100% of the CEO ´s annual base salary of the preceding year. Such number of Incap Corporation shares must be held as long as the membership in the Management Team or the position as the CEO continues.

Expenses are based on the maximum number of shares adjusted by share issue, i.e. 27,123 and the market value of EUR 17.94 according to March 22, 2023 has been used as a multiple. Expenses for the period 23 March 2023 – 31 December 2025 amount to EUR 486,587 of which EUR 175,152 relate to 2024.

#### Long-term key employee incentive plan 2024–2026

The Board of Directors of Incap Corporation decided on the share-based incentive plan's new performance period 2024–2026, where the rewards are based on the group's cumulative operating profit (EBIT). During the performance period 2024–2026, the CEO and other Incap Management Team members form the target group of the incentive plan. The rewards to be paid on the basis of the performance period 2024–2026 correspond to the value of an approximate maximum total of 56,267 Incap Corporation shares, also including the proportion to be paid in cash. The rewards will be paid partly in the company's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to a participant. In general, no reward is paid if the participant's employment or director contract terminates before the reward payment. The Incap Management Team member is obliged to hold 50% of the received net reward shares, until the total value of the Management Team member's shareholding in Incap Corporation equals to 50% of their annual base salary of the preceding year. Respectively, the CEO is obliged to hold 50% of the received net reward shares, until the CEO's shareholding in Incap Corporation equals to 100% of the CEO's annual base salary of the preceding year. Such number of Incap Corporation shares must be held as long as the membership in the Management Team or the position as the CEO continues.

Expenses are based on the maximum number of shares adjusted by share issue, i.e. 56,267 and the market value of EUR 10,92 according to May 8, 2024 has been used as a multiple. Expenses for the period 8 May 2024 – 31 December 2026 amount to EUR 614,436 of which EUR 150,590 relate to 2024.

# ITS





#### **21. PENSION LIABILITIES**

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

Defined-benefit pension liability in the balance sheet is determined as follows	2024	2023
Present value of funded liabilities	932	874
Fair value of plan assets	-568	-559
Underfunding/overfunding	363	315
Amounts in the balance sheet:		
Liability	363	315
Liability, net	363	315
0		
Defined-benefit pension expenses recognised in the income statement	2024	2023
Current service cost	61	59
Interest cost	61	54
Expected return on plan assets	-39	-31
Actuarial gains (+) and losses (-)	2	22
Total	85	104

Actual return on plan assets was EUR 39 thousand in 2024 (EUR 31 thousand in 2023).

Changes in the present value of the defined benefit obligation	2024	2023
Defined benefit obligation at 1 Jan	874	796
Current service cost	61	59
Interest cost	61	54
Actuarial gains (+) and losses (-)	0	24
Exchange differences	29	-32
Benefits paid	-94	-26
Defined benefit obligation at 31 Dec	932	874

0.50% increase

0.50% decrease

0.50% increase

0.50% decrease

Future salary increases

Changes in the fair value of plan assets	2024	2023
Fair value of plan assets at 1 Jan	559	459
Expected return on plan assets	39	31
Actuarial gains (+) and losses (-)	-2	1
Contributions by employer	48	111
Exchange differences	19	-19
Benefits paid	-94	-26
Fair value of plan assets at 31 December	568	559
Plan assets are comprised as follows:	2024	2023
Funds managed by insurer	568	559
Funds managed by the insurer consists mainly	of debt instrume	ents
The principal actuarial assumptions 31 Dec	2024	2023
Asia		
Discount rate	7.00%	7.40%
Amounts for the current and previous two periods	2024	2023
Change from previous year	6.63%	9.80%
Present value of defined benefit obligation	932	874
Fair value of plan assets	568	559
Surplus (+) / deficit (-)	363	315
Experience adjustments on plan liabilities	24	16
Experience adjustments on plan assets	-2	1
The Group expects to contribute the defined b million in 2025.	enefit plan pensio	ons EUR 0.05
Assumptiond for pension plan		
Impact on defined benefit obligation	2024	2023
Discount rate		

n		
gation	2024	2023
	902	848
	963	901
	962	900
	903	849









#### 22. FINANCIAL LIABILITIES

#### Non-current financial liabilities

Loans from credit institutions

Other liabilities

Employee benefit obligations

#### **Current financial liabilities**

Loans from credit institutions Other liabilities

#### Forthcoming payable interest

Less than 6 months

6–12 months

1–5 years

Over 5 years

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

Distribution of interest-bearing liabilities by currency, EUR thousand				
Non-current liabilities	2024	2023		
GBP	2,123	2,067		
INR	307	261		
EUR	24,912	28,133		
	27,342	30,460		
Current liabilities	2024	2023		
GBP	218	247		
EUR	3,694	3,627		
	3,912	3,874		

S					
es					
	2024	2023			
	21,611	23,643			
	5,424	6,556			
	307	261			
	27,342	30,460			
	2024	2023			
	2,233	2,271			
	1,679	1,603			
	3,912	3,874			
and instalments of loans					
and inst		5,074			
and inst		2023			
and inst	alments of loans				
and inst	alments of loans 2024	2023			
and inst	alments of loans 2024 2,655	<b>2023</b> 2,902			

34,299

39,658

#### 23. TRADE AND OTHER PAYABLES

	2024	
Non-current		
Deferred income	1,205	
Other liabilities	1,619	

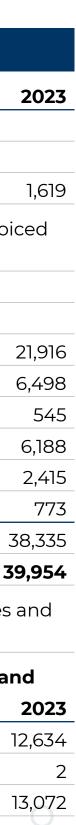
Other liabilities relate to uncertain tax positions to the Group services invoiced and other indirect taxes from the Indian subsidiary.

Current		
Trade payables	28,040	
Accrued liabilities	10,043	
Short-term provisions	607	
Advances received	6,295	
Acquisition deferred purchase price		
Other liabilities	1,086	
	46,071	
Total	48,895	3
IOtal	40,095	-

Accrued liabilities are mainly related to interest, taxes, personnel expenses and social responsibility expenses.

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

	2024	
USD	16,536	
SEK	0	
GBP	10,497	
JPY	8	
HKD	2	
INR	12,217	
EUR	6,811	
	46,071	3



6  $\mathbf{U}_2$ 5,004 7,615 38,335





#### 24. MANAGEMENT OF FINANCIAL RISKS

The Incap Group's business operations expose the company to different financial risks. The treasury activities are handled centrally in the group. The Group treasury function works closely together with the subsidiaries. The Treasury policy is approved by the parent company Board of Directors. Financial risk management is taken into account when planning, assessing and controlling the financial structure of subsidiaries.

#### **Currency Risk**

Because Incap Group operates in the euro zone, North America and Asia, the company's business involves currency risk. The transaction risks consists of operating and financing cash flows denominated in foreign currencies. The translation risk is related to the conversion of foreign subsidiaries' income statemens and balance sheets to euro.

#### **Transaction risk**

The Group's operating currency is euro. The turnover is mainly generated in USD, INR and EUR. Significant proportion of the purchases in India, UK, USA and Slovakia are also made in USD. A significant part of the business is done either in local currencies or in USD, which does not threrefore create major transaction risk. The open transaction position is taken into consideration when calculating the company-specific position and the Group position. Incap uses the subsidiary's home currencies (INR, USD, GBP, EUR) in invoicing between the parent company and the subsidiary. Currency forward contracts and currency loans are used in risk management, whenever necessary. During 2024 company hedged its internal loan receivable relating to Pennatronics Inc. acquisition. No hedging transactions were used in 2023.

The impact on the group's result of a change of 10% in the exchange rate of a foreign currency excluding tax consequences (EUR thousand)

Foreign currency	USD	GBP	INR
Reporting currency	EUR	EUR	EUR
2024	+/- 7,810	+/- 1,543	+/- 1,218
2023	+/- 5,500	+/-1,223	+/- 2,145

#### **Translation risk**

In line with the Group's Treasury policy the euro-denominated investments made in subsidiaries have not been hedged. Therefore, fluctuations of Indian rupee, British pound or US dollars have an impact on parent company's equity and balance sheet. The currency exchange differences arising from the investment are presented under exchange differences in the Group's non-restricted equity.

Strengthening of INR exchange rate in relation to EUR by 15% increases the Group's equity by EUR 691,123 (EUR 1,008,255 on 31 December 2023) while weakening of INR exchange rate in relation to EUR by 15% decreases the Group's equity by EUR 935,049 compared with the exchange difference on 31 December 2024 (EUR 1,364,069 on 31 December 2023). Strengthening of USD exchange rate in relation to EUR by 15% increases the Group's equity by EUR 95,994 (EUR 178,640 on 31 December 2023) while weakening of USD exchange rate in relation to EUR by 15% decreases the Group's equity by EUR 95,994 (EUR 178,640 on 31 December 2023) while weakening of USD exchange rate in relation to EUR by 15% decreases the Group's equity by EUR 129,875 compared with the exchange difference on 31 December 2024 (EUR 241,689 on 31 December 2023). Strengthening of GBP exchange rate in relation to EUR by 15% increases the Group's equity by EUR 380,655 (EUR 217,218 on 31 December 2023) while weakening of GBP exchange rate in relation to EUR by 15% decreases the Group's equity by EUR 515,004 compared with the exchange difference on 31 December 2024 (EUR 293,883 on 31 December 2023).

#### Interest rate risk

Interest rate risk is associated with interest-bearing liabilities. Changes in the interest rates mainly affect the fair values of interest-bearing liabilities in the balance sheet and the interest payments associated with these laibilities.

At the balance sheet date, interest-bearing liabilities in the consolidated balance sheet amounted to EUR 31.3 million (EUR 34.3 million). Out of the total interest-bearing liabilities, EUR 7.1 million (EUR 8.2 million) is related to IFRS 16 Leases-standard. The weighted average duration of the interest-bearing non-current loan at the balance sheet date is 1.5 years (2.5 years). Bank overdrafts and factoring limits have been treated as bullet loans. The Group has not carried out special hedging measures against interest rate risks during the financial year.

The major part of the interesting bearing loans is related to the Pennatronics acquisition EUR 23.0 million (EUR 25.0 million). Covenants are IBT/EBITDA and equity ratio. Interest rate is impacted on how well Incap meets the covenant requirements.

The Group analyses its interest rate exposure by calculating the impact of the defined interest rate change on the company's result. A change of +1%/-1% in the market interest rates of variable rate loans would change the Group's annual interest expenses by EUR +/- 250 thousand on 31 December 2024 (250 thousand on 31 December 2023).

#### **Credit Risk**

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

Incap did not recognize any material credit losses during 2024. The Group analyses constantly the creditworthiness of current and new customers. For the credit loss provision Incap utilizes trade receivable aging and client analysis. Based on the analysis, to decrease the credit loss provision, Incap can demand advance payments. During the financial period the Group has renegotiated payment terms for receivables that would otherwise have been due according to payment terms. Due and renegotiated receivables have no material effect on the Group's financial position. The aging structure of trade receivables is presented in Note 17.

#### Liquidity risk

The objective of liquidity management is to maintain an optimal amount of liquidity to fund the business operations at all times while minimizing the interest and bank costs. 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. Information on credit facilities is presented in Note 29.

Incap's main sources of financing are cash flow from operations, loans from financial institutions and share issues.

The company's non-current interest-bearing liabilities on 31 December 2024 amounted to EUR 27.3 million (30.5 million on 31 December 2023) and non-current non-interest-bearing liabilities to EUR 4.5 million (EUR 2.9 million). Current interest-bearing liabilities amounted to EUR 3.9 million (EUR 3.9 million). Other interest-bearing

# es to the consolidated financial stateme

liabilities amounted to EUR 23.0 million (EUR 25.0 million) and consisted of a loan for the parent company.

#### Status of the company's financing on 31 December 2024

Loans from credit institutions	Balance on 31 Dec 2024	Balan 31 Dec
Instalment debt	844	
Bank loan/account with credit facility in Finland	23,000	2
Bank loan/account with credit facility in India		
Total	23,844	2
Other loans		
Right-of-use asset liabilities	7,103	
Pension loans (India)	363	
Other loans	1,205	
Total	8,671	
All in total	32,515	34

In connection with the loans in the company has agreed with the bank that the covenants related to the loans, credit line and factoring credit line include equity ratio (more than 30 .0%) and the Group's interest-bearing debt in relationrelation to EBITDA (less than 3.0), which are reviewed every six months. Bank has the right to terminate the agreement if the covenant terms are not satisfied. EBITDA is calculated for the rolling 12 months.

The company met the covenant on both dates 30 June 2024 and on 31 December 2024

	31 Dec 2024	30 Jun 2024	31 Dec 2023	3
Interest bearing debt/ EBITDA (<3,0)	0.9	1.2	1.0	
Equity ratio (>30%)	63.80%	63.00%	60.60%	

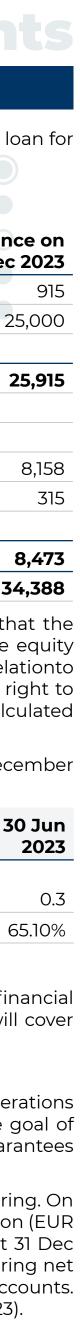
Forthcoming instalments and interest are described in Note 22.

Based on the cash flow forecast prepared in connection with the financial statements, the company estimates that the company's working capital will cover the requirements for the next 12 months.

#### **Capital Management**

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

The trend in the Group's capital structure is constantly tracked with net gearing. On 31 December 2024 the Group's interest-bearing net debt was EUR –40.9 million (EUR -8.2 million at 31 December 2023) and the net gearing was –30.8% (-7.7% at 31 Dec 2023). Net gearing is calculated by dividing net debt by equity. Interest-bearing net debt equals liabilities less interest-bearing receivables and cash and bank accounts. On 31 December 2024, the equity ratio was 63.8% (60.6% at 31 December 2023).







#### 25. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial liabilities	Book value 2024	Fair value 2024	Book value 2023	Fair value 2023
Loans from credit institutions	23,844	23,844	25,915	25,915
Lease liabilities	7,103		8,158	
Employee benefit obligations	363	363	315	315

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

#### 26. ADJUSTMENTS TO CASH FLOWS FROM OPERATIONS

Non-cash transactions

Depreciation and write-downs

Employee benefits

Gains (-) and losses (+) of disposals of fixed assets and other non-current assets

Write-down of inventory

Write-down of trade receivables

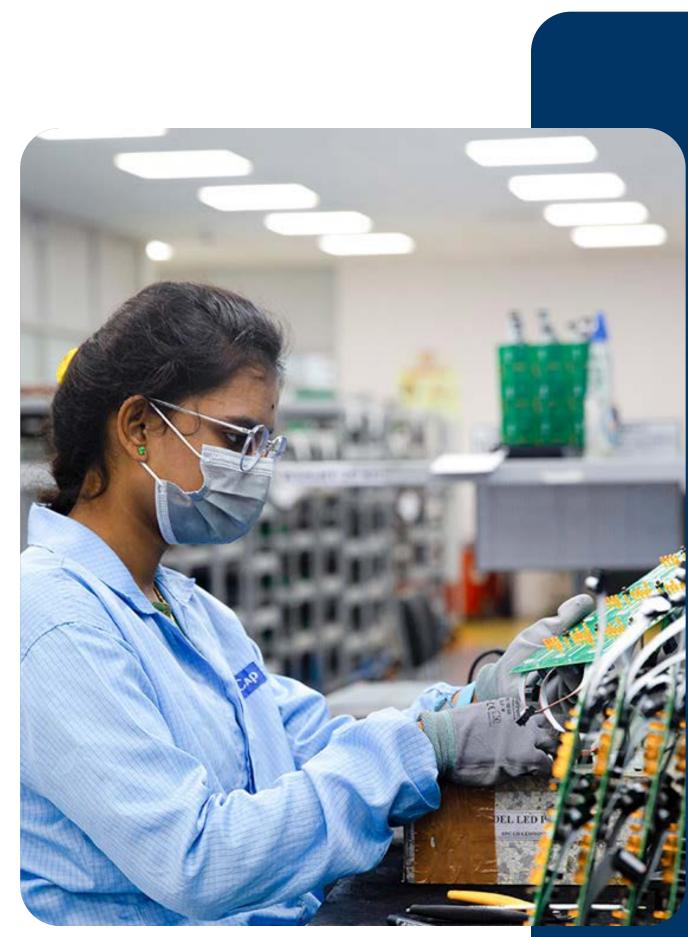
Adjustments to fixed assets

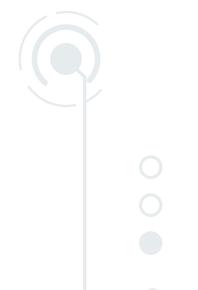
Other items recognized directly in equity

#### 27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 Jan 2024	Cash flow	Reclassified	Foreign exchange movements	New lease liabilities	Other	31 Dec 2024
Current interest-bearing loans and borrowings	2,326	-51		15			2,290
Lease liabilities	8,158	-1,641		183	402		7,103
Non-current interest-bearing loans and borrowings	23,904	-2,111		40		85	21,918
Total	34,388	-3,803		238	402	85	31,310
	1 Jan 2023	Cash flow	Reclassified	Foreign exchange movements	New lease liabilities	Other	31 Dec 2023
Current interest-bearing loans and borrowings	8,954	-6,510		-119			2,326
	6.070	1500		/1	2700		0 100
Lease liabilities	6,838	-1,506		41	2,786		8,158
Lease liabilities Non-current interest-bearing loans and borrowings	6,838 5,708	-1,506 18,101		-8	2,786	104	23,904

### Notes to the consolidated financial statements $\Xi$





2024	2023
-393	-201
5,712	5,386
486	276
	-16
-463	25
299	-363
-52	0
92	0
5,681	5,107









#### **28. OPERATING LEASES**

The Group has leased production facilities in Estonia, the United Kingdom and Slovakia, as well as office space in Helsinki, Tallinn, Bangalore, Namestovo and Newcastle-under-Lyme. Some leases that expire on the due date include the option to extend the lease beyond the original expiration date and they have been taken into account when evaluating right-of-use assets and lease liabilities. The index, renewal and other terms of the agreements differ from each other.

#### The Group as lessee

Minimun lease payments based on other short-term and low-value leases, excluding value-added tax

	2024	2023
Less than one year	38	38
More than one year and maximum of five years	61	61
	99	99

#### Expiration of lease liabilities

#### Lease liabilities – total of minimum leasing

costs	2024	2023
Less than 3 months	532	476
3 - 12 months	1,588	1,431
1–5 years	6,240	7,918
Over 5 years		
	8,361	9,825
Present value of minimum lease liabilities	2024	2023
Less than 3 months	432	610
3 - 12 months	1,318	933
1–5 years	5,353	6,615
Over 5 years	0	
	7,103	8,158
Internal interests expenses in the future	1,258	1,666
Total of lease liabilities	8,361	9,825
Recognized through Profit and loss:		
Depreciations on right-of-use assets	1,690	1,623
Interest expense on right-of-use liabilities	420	353
Expenses relating to short-term leases	79	51
Expenses relating to lease contracts of low value		25
	2,189	2,053

#### 29. CONTINGENT LIABILITY

Bank loans with collaterals giver

### Collateral given on behalf of ow commitments

Mortgages

Business mortgages

Two Finnish Banks credit facilities (max. EUR 8.0 million) of which EUR 0.0 was utilized at 31 December 2024 (EUR 0.0 at 31 December 2023). Credit facilities had business mortages as collaterals.

Rent security deposit for Group

#### Other liabilities

Other off balance sheet items

#### **30. RELATED-PARTY TRAN**

#### Management's employee bene

Salaries and other current empl

Post-employment benefit

Share-based payments

#### Total

During the financial year, the Group's President and CEO has been Otto Pukk. The pension benefits of the CEO and other members of the management team are determined in accordance with the Employment Pensions Act. In 2024, an accrual of EUR 727 thousand (EUR 242 thousand) has been recognised in the statement of income as employee benefit expenses related to the short-term incentive schemes for the management. The liabilities are unsecured, noninterest bearing and payable in cash.

# Wages and salariesPresident and CEOBoard of DirectorsCarl-Gustav von TroilPäivi JokinenVille VuoriKaisa Kokkonen

Julianna Borsos

At the end of the financial period 2024, the members of the Board, the CEO, and their related parties held a total of 2,122,531 shares, i.e. 7.2% of all shares and votes.

## es to the consolidated financial stateme

Y, ASSETS AND RESPONSIBILITIES

0	2024	2023
'n	23,000	25,000
wn		
	0	0
	20,113	20,113

office	4	3
	433	366

NSACTIONS		
efits	2024	2023
loyee benefits	1,574	1,401
	234	233
	488	299
	2,296	1,933

2024	2023
343	415
40	37
	10
72	66
45	37
41	26

#### 31. SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

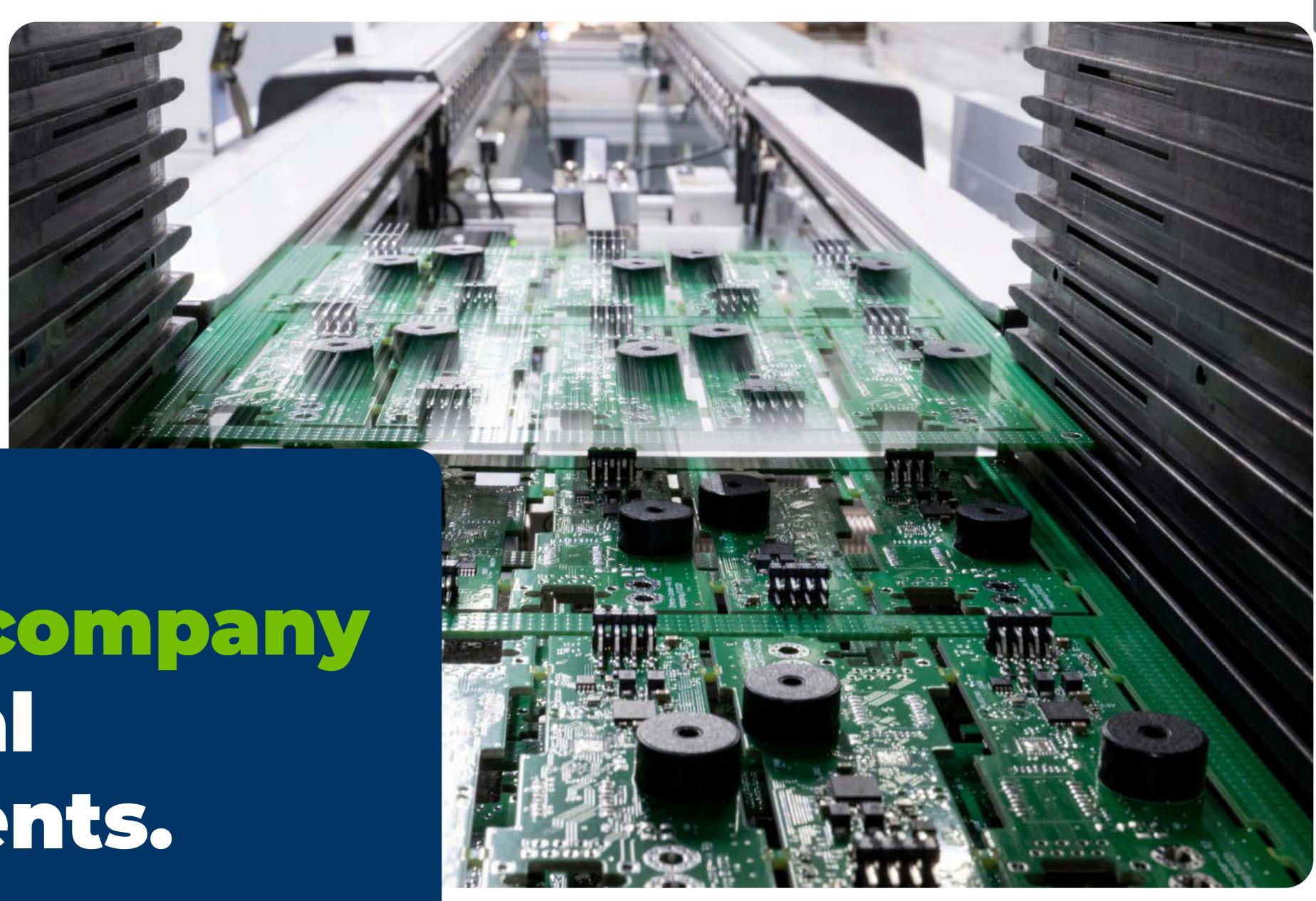
There were no significant events after the reporting period.











# Parent company financia statements.

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# Parent company income statement.

1,000 euros	Note	1 Jan-31 Dec 2024	1 Jan-31 Dec 2023
Revenue	1	9,540	10,199
Other operating income	2	0	6
Personnel expenses	3	591	494
Other operating expenses	4	3,071	2,251
Operating profit/loss		5,878	7,459
Financial income	5	4,737	2,284
Financial expenses	5	-1,760	-1,315
Profit/loss before extraordinary items		8,855	8,428
Income taxes	6	-1,772	-1,686
Profit/loss for the financial year		7,083	6,742



### Parent company financial statements





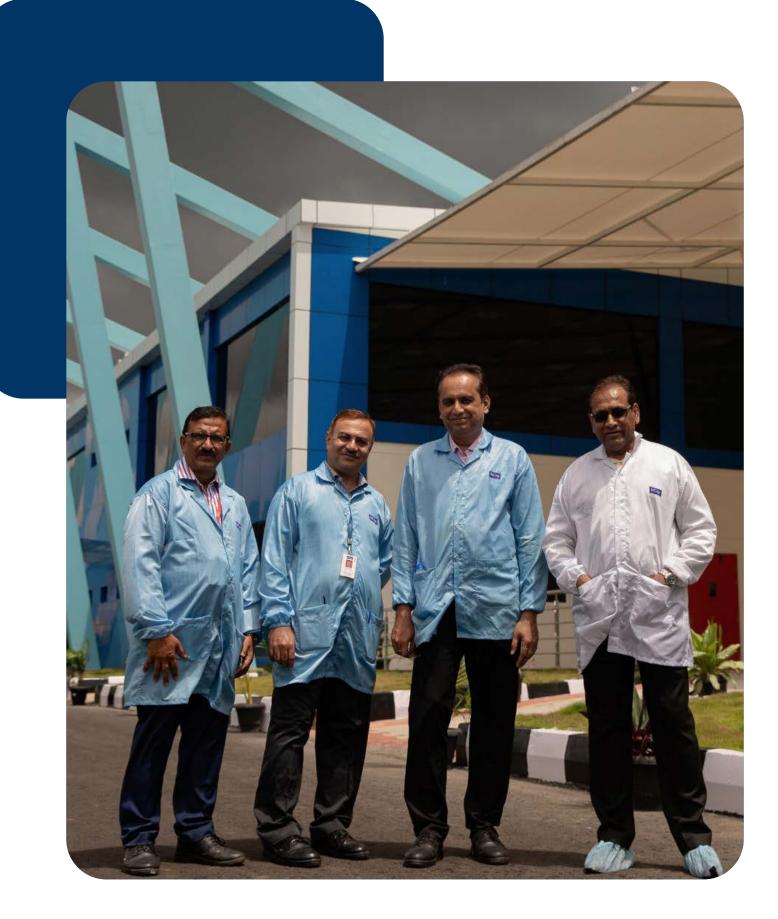




# Parent company balance sheet.

1,000 euros	Note	31-Dec-24	31-Dec-2
ASSETS			
Investments	7		
Holdings in Group companies		21,133	21,13
Other investments O		4	
Total non-current assets		21,137	21,1
Current assets			
Non-current receivables	8	25,774	30,1'
Current receivables	8	17,374	8,4
Cash in hand and at bank		17,521	16,4
Total current assets		60,669	55,1
Total assets		81,806	76,2
LIABILITIES			
Equity	9		
Share capital		1,000	1,0
Jnrestricted equity reserve		19,975	19,9
Retained earnings		29,043	22,3
Profit for the financial year		7,083	6,7
Total equity		57,101	50,0
_iabilities			
Non-current liabilities	10	21,000	23,0
Current liabilities	11	3,705	3,2
Total liabilities		24,705	26,2
Total equity and liabilities		81,806	76,2

Parent company financial statements E





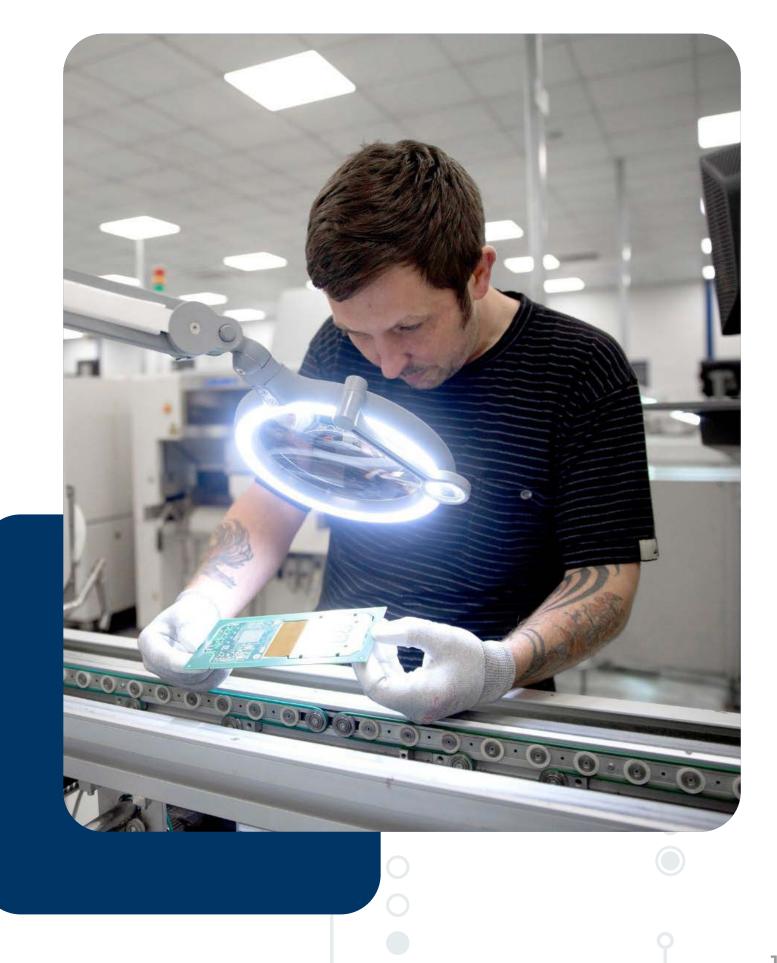




# Parent company cash flow statement.

1,000 euros	1 Jan-31 Dec 2024	1 Jan-31 Dec 202
Cash flow from operations		
Operating profit	5,878	7,45
Adjustments to operating profit	-172	-89
Change in working capital	108	11,76
Change in short-term interest-free trade receivables	-644	11,93
Change in short-term interest-free liabilities	752	-]'
Interest paid	-1,449	-30
Dividends received		
Interests	776	21
Taxes	-1,896	-2,80
Cash flow from operations	3,245	15,48
Cash flows from investing activities		
Acquisitions	0	
Cash flows from investing activities	0	
Cash flows from financing activities		
Share issue		
Granted loans	-2,762	-18,77
Repayment of loan receivables	2,443	3,5
Withdrawal of loans		26,88
Repayment of non-current loans	-2,000	-11,10
Cash flows from financing activities	-2,319	59
Exchange rate change in cash and cash equivalents	130	23
Change in cash and cash equivalents	1,056	16,3
Cash and cash equivalents at the beginning of the financial year	16,465	]2
Cash and cash equivalents at the end of the financial year	17,521	16,40
Change in working capital		
Change in current trade receivables	-644	11,93
Change in current liabilities	0 752	-1
	108	11,76
	0	

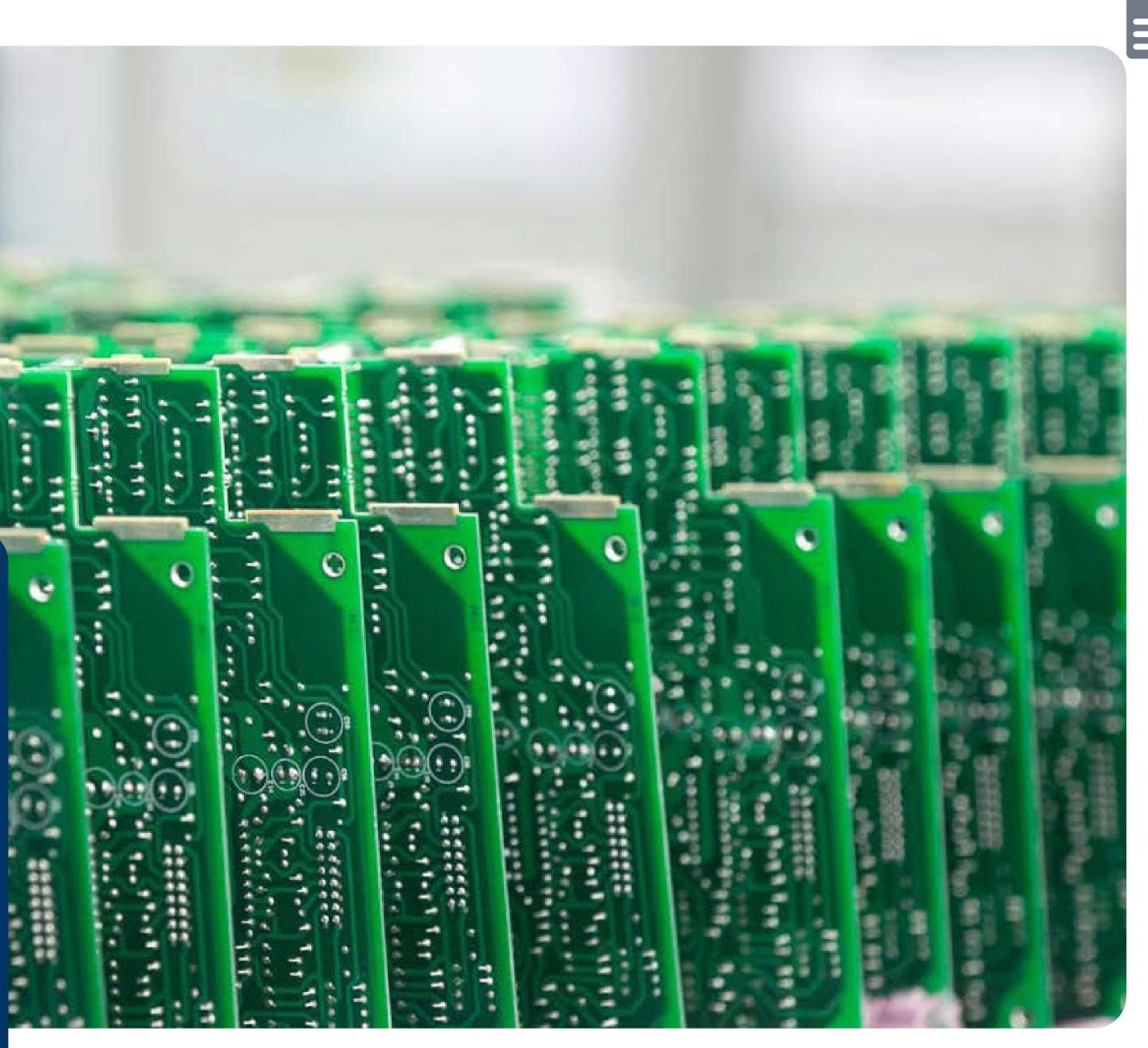
## Parent company financial statements





# Notes to the parent company financial statements.





## Notes to the parent company financial statements $\Xi$ Parent company accounting policies.

## **Principles of measurement** and periodisation.

The financial statements of the parent company, Incap Corporation have been prepared in accordance with the provisions of the Finnish Accounting Standards (FAS).

The preparation of the financial statements requires management, in compliance with the regulations in force and good accounting practice, to make estimates and assumptions that affect the measurement and timing of the reported information. Actual results may differ from these estimates.

#### **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 will be recorded so, that they are recognized over the entire economic life of corresponding asset. Depreciation according to plan has been calculated according to the straight-line method on the basis of the useful life of the assets.

Intangible assets:

<ul> <li>Goodwill</li> </ul>	5–6 years
------------------------------	-----------

• Other intangible rights 3–5 years

#### Impairment testing of shares in subsidiaries

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

The impairment testing of shares in subsidiaries has been carried out on the basis of the situation at the end of December 2024. The recoverable amounts are determined in calculations on the basis of the value in use. and the preparation of these calculations requires the use of judgement.

#### **Financial assets and management of financial risks**

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

#### **Foreign currency transactions**

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

#### Leases

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

#### **Periodisation of pension expenses**

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











The financial statements have been compiled in accordance with Chapter 2 of the Accounting Act.

1. REVENUE		
Revenue by market area	2024	2023
Finland		
Europe	1,849	1,616
Other	7,690	8,583
	9,540	10,199

4. OTHER OPERATING EXPENSES		
	2024	2023
Lease payments	51	38
Maintenance expenses for machinery and properties	37	25
External services	779	518
Other expenses	2,204	1,669
	3,071	2,251
Other expenses consists mainly of internal c	charges and travel	expenses.
Auditors fees		
Authorised Public Accountant Firm PwC	166	99
Other services	24	
	190	99

2024	2023
	6
0	6
	2024 0

#### **3. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL**

	2024	2023
Average number of employees	2	2
Personnel expenses		
Wages and salaries	549	471
Pension expenses	35	15
Other social security expenses	7	8
	591	494
Salaries and bonus of the management		
CEO and the Board	198	175
	198	175

5. FINANCIAL INCOME AND EXPENSES				
2024	2023			
2,185	1,550			
2,553	733			
1,760	1,315			
2,977	969			
	2,185 2,553 1,760			

#### 6. INCOME TAX

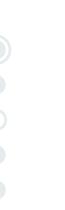
Taxes for the financial year

# Notes to the parent company financial statements E

2024	2023
1,772	1,686









#### 7. SHARES

	Shares in subsidiaries	Other investments	Total
Acquisition cost, 1 Jan	21,133	4	21,137
Acquisition cost, 31 Dec	21,133	4	21,137
Book value, 31 Dec 2024	21,133	4	21,137
Book value, 31 Dec 2023	21,133	4	21,137

The Group's equity at the close of the financial period was EUR 133.0 million (EUR 106.8 million in 2023) and the parent company's equity was EUR 57.1 million (EUR 50.0 million in 2023).

The value of shares in subsidiaries in the parent company is the acquisition cost plus subsequent investments to strengthen the equity of the subsidiaries. In the financial statements of the parent company, the value of the Indian subsidiary's shares in the balance sheet is approximately EUR 8.2 million, the value of the Estonian subsidiary is approximately EUR 4.1 million, the value of the UK subsidiary is approximately EUR 4.2 million and the value of the Slovakian subsidiary is approximately EUR 3.9 million. The value of the shares in subsidiaries has a significant impact on the parent company's equity and accordingly on equity ratio, among others. The impairment testing of subsidiaries has been carried out based on the situation at the close of the financial period 2024. 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 the business plan prepared for the four forthcoming years by the management and approved by the board. In cash flow estimates, the combined revenue growth (CAGR) for the years 2024-2029 in India is estimated to be 2% annually and the operating profit is approximately 9%. In cash flow estimates, the revenue in Estonia is estimated to grow by 3% annually and the operating profit is approximately 5%. In cash flow estimates, the revenue in the UK is estimated to grow by 5%

annually and the operating profit is approximately 4%. In cash flow estimates, the revenue in Slovakia is estimated to grow by 6% annually and the operating profit is approximately 6%. The residual value is estimated to grow by 2%. In cash flow estimates, the revenue in US is estimated to grow by 2% annually and the operating profit is approximately 6%. The residual value is estimated to grow by 2%.

The discount rate is comprised of industry risk, interest on liabilities and countryspecific 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 2024, the discount rate of 12.30% has been used in India, 10.94% in Estonia. 11.26% in the UK. 11.06% in Slovakia and 10.17% in the US.

Should the EBIT used in the testing decrease by approximately 128% in India, 138% in Estonia. 5% in the UK. 68% in Slovakia and 30% in US or should the discount rate increase by less than 20% in Estonia, 0.3% in the UK, 12% in Slovakia or 4% in US, there would be no need for write-downs in shares. Due to strong cash position in India (EUR 35.1 million on 31 December 2024) discount rate cannot cause write down of share in subsidiaries.

#### **Group companies**

- Incap Electronics Estonia OÜ, Kuressaari, Estonia
- Incap Contract Manufacturing Services Pvt. Ltd., Bangalore, India
- Incap Holdings UK Ltd, Newcastle-under-Lyme, United Kingdom
- Incap Electronics UK Ltd, Newcastle-under-Lyme, United Kingdom
- Incap Electronics Slovakia, Namestovo, Slovakia
- Incap Electronics US, Inc., Pennsylvania, United States
- Incap North America, Inc., Delaware, United States
- Euro-ketju Oy, Helsinki, Finland (no activity)
- Incap Hong Kong Limited, Hong Kong

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

## Notes to the parent company financial statements $\Xi$

#### **8. RECEIVABLES**

	2024	
Current		
Amount owed by Group companies		
Loan receivables	25,774	-
	25,774	
Non-current		
Amount owed by Group companies		
Trade receivables	2,691	
Interest receivables	4,196	
Other receivables	10,223	
	17,111	
Other receivables	40	
Prepaid expenses and accrued income	224	
Total receivables	43,149	3







### Notes t

#### 9. EQUITY

	2024	2023
Share capital, 1 Jan	1,000	1,000
Share capital, 31 Dec	1,000	1,000
Total restricted equity	1,000	1,000
Unrestricted equity reserve 1 Jan	19,975	19,975
Unrestricted equity reserve 31 Dec	19,975	19,975
Retained earnings, 1 Jan	29,043	22,300
Retained earnings, 31 Dec	29,043	22,300
Profit for the financial year	7,083	6,742
Total non-restricted equity	56,101	49,018
0		
Total equity	57,101	50,018

#### Distributable funds according to the Companies Act, Chapter 13, § 5

Profit/loss for the financial year	7,083	6,742
Retained earnings	29,043	22,300
Unrestricted equity reserve	19,975	19,975

#### **10. NON-CURRENT LIABILITIES**

	2024	2023
Loans from credit institutions	21,000	23,000
	21,000	23,000

All liabilities are falling due within five years.

#### **11. CURRENT LIABILITIES**

	2024	2023
Loans from credit institutions	2,000	2,000
Trade payables	73	93
Amount owed to Group companies		
Trade payables	90	72
	90	72
Other liabilities	27	26
Accruals and deferred income	1,515	1,037
Total liabilities	3,705	3,228
Total interest-bearing liabilities	23,000	25,000
Material items in accruals and deferred income		
Wages and salaries, incl. social costs	202	120
Interest	651	684
Income tax accrual		106
Income advances	47	46
Other	615	82
	1,515	1,037
Other current liabilities		
Others	27	26
	27	26

## o the parent company financial statem

### 12. OTHER NOTES TO THE ACCOUNTS

Collateral	2024	
Loans for which real-estate has been mort- gaged as collateral		
Loans from credit institutions	23,000	25
Mortgages	20,113	-
Finnish banks credit facilities (max EUR 8.0 millic lized on 31 December 2024 (EUR 0.00 on 31 Dece business mortgages as collaterals.	,	
Loans for which business mortgages have been given as collateral		
Rental guarantee	1,637	
Contingent and other liabilities		
Lease liabilities, net of VAT		
Liabilities falling due next financial year	25	
Due later	14	



25 15

# Five-year key figures.

IFRS		2024	2023	2022	2021	2020	IFRS		2024	2023	2022	2021	2020
Revenue	EUR million	230.1	221.6	263.8	169.8	106.5	Per-share data						
Growth/change	%	4	-16	55	59	50	Earnings per share	EUR*	0.77	0.68	0.94	0.72	0.4
Operating profit/loss	EUR million	29.2	28.2	38.9	26.0	12.6	Equity per share	EUR*	4.52	3.63	2.99	2.15	1.32
Share of revenue	%	12.7	12.7	14.8	15.3	11.8	Dividend per share	EUR*	0	0	0	0	0
Profit/loss before tax	EUR million	30.1	26.4	36.6	25.7	11.5	Dividend out of profit	% <sup>1</sup>	0	0	0	0	0
Share of revenue	%	13.1	11.9	13.9	15.1	10.8	Effective dividend yield	% <sup>1</sup>	0	0	0	0	0
							P/E ratio		13.30	11.50	18.1	21.8	9.1
Return on equity (ROE)	%	19.0	20.4	36.7	41.5	30.5							
Return on investment (ROI)	%	21.6	23.3	43.0	43.8	34.8	Trend in share price						
Total assets	EUR million	214.8	182.3	168.3	129.5	76.4	Minimum price during year	EUR*	6.70	5.80	10.68	3.44	1.70
							Maximum price during year	EUR*	13.39	22.05	17.62	16.12	3.84
Equity ratio	%	63.8	60.6	53.6	51.9	50.5	Average price during year	EUR*	9.90	11.43	14.08	8.46	2.78
Net gearing	%	-30.8	-7.7	15.9	3.2	15.3	Closing price at end of year	EUR*	10.24	7.75	17.10	15.70	3.69
Interest-bearing net debt	EUR million	-40.9	-8.2	13.9	2.0	5.9							
Quick ratio		2.4	1.8	0.7	0.8	1.0	Total market capitalisation at 31 Dec	EUR million	301.4	228.1	500.8	459.2	107.4
Current ratio		3.4	3.3	2.0	1.7	1.8	Trade volume	no. of shares	8,410,277	20,833,267	8,047,017	13,703,585	9,556,155
							Trade volume	%	28.6	70.8	27.5	46.9	32.8
Investments	EUR million	6.7	19.4	5.5	5.2	9.5							
Share of revenue	%	2.9	8.7	2.1	3.1	8.9	Average during the financial period	*	29,437,214	29,361,025	29,269,843	29,254,048	22,825,073
R&D expenditure	EUR million	0.0	0.3	0.3	0.0	0.0	In the end of financial period	*	29,437,214	29,437,214	29,284,835	29,246,635	29,281,990
Share of revenue	%	0.0	0.1	0.1	0.0	0.0	<sup>1</sup> The parent company's profit for the i inorganic growth and the company ha	•	•	•	•	~ ~	
Average number of employees		2,242	2,261	2,619	2,165	1,424	Incap Corporation proposes to the An	nual General Me	eting that no	dividend be			
Dividends	EUR million <sup>1</sup>	0	0	0	0	0	* Comparison periods have been adjus		= spiit in 2022	2.			

## Board of Directors' proposal for measures related to profit.

The parent company's profit for the financial period totals EUR 7,083,097.98. The parent company's distributable assets total EUR 56,100,805.49.

Incap is focusing on organic and inorganic growth and the company has a clear plan for potential acquisitions. Therefore, the Board of Directors of Incap Corporation proposes to the Annual General Meeting that no dividend to be paid for the financial year 2024.

Helsinki, 15 April 2025

Ville Vuori Chairman of the Board

Carl-Gustaf von Troil Board member Julianna Borsos Board member

Kaisa Kokkonen Board member

Otto Pukk CEO







## **Auditor's Report.**

To the Annual General Meeting of Incap Oyj

(Translation of the Finnish Original)

## **Report on the Audit** of the Financial Statements.

### Opinion

In our opinion

Our opinion is consistent with the additional report to the Audit Committee.

#### What we have audited

We have audited the financial statements of Incap Oyj (business identity code 0608849-6) for the year ended 31 December 2024. The financial statements comprise:

- mation and other explanatory information
- statement and notes.

### **Basis for Opinion**

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

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

#### Independence

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

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 6 to the Financial Statements.

### **Our Audit Approach**

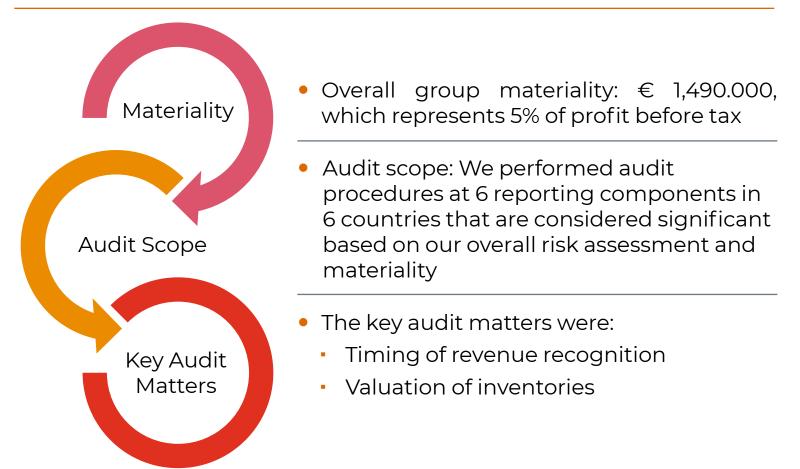
#### **Overview**



• the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

• the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy infor-

• the parent company's balance sheet, income statement, cash flow

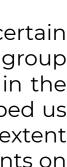


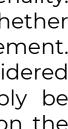
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.









Overall group materiality	€ 1,490.000 (previous year € 1,320.000)	Key audit matter in the au			
		Timing of revenue recogniti			
How we determined it	5% of profit before tax	We refer to the accounting			
		The group's business ope manufacturing. Revenue fror is transferred to the custor			
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within	recognition was a key audit timely recording of revenue.			
	the range of acceptable quantitative materiality thresholds in auditing standards.	Valuation of Inventories			
		We refer to the accounting p			

#### How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Incap Group, the accounting processes and controls, and the industry in which the group operates.

We tailored the scope of our audit, taking into account the structure of the Incap Group, the accounting processes and controls, and the industry in which the group operates.

All operating companies in the group were audited except for the companies in Slovakia and the United States. Specified or analytical procedures were carried out for companies that were not in group audit scope. By performing the procedures above at reporting subsidiaries, combined with additional procedures at the group level, we have obtained sufficient and appropriate evidence regarding the financial information of the group as a whole to provide a basis for our opinion on the consolidated financial statements.

#### **Key Audit Matters**

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

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

#### udit of the group

#### tion

- principles and note number 3.
- perations consist of electronics contract om sales of goods is recognised when control omer at a specific point in time. Revenue it matter due to the risk associated with the

#### How our audit addressed the key audit matter

As part of the audit, we have:

- Obtained an understanding of the revenue recognition processes and controls, as well as accounting principles applied, which we compared to IFRS requirements
- Performed test of details on the revenue transactions during the year on a sample basis
- Conducted audit procedures related to the timely recognition of revenue by sampling
- Assessed correctness and adequacy of notes information

We refer to the accounting principles and note number 16.

The value of inventories as at 31.12.2024 is  $\in$  61,4 million comprising 28,6% of total balance sheet assets (2022 -  $\in$  71,0 million; 38,9%). Valuation of inventories is a key audit matter as inventories are significant to the financial statements and as management judgment is used when assessing the inventory obsolescence risk.

As part of the audit, we have:

- Obtained an understanding of the inventory processes and controls as well as of accounting principles applied, which we compared to IFRS requirements
- Observed selected physical stock counts conducted by the entities and assessed the inspection controls
- Performed test of details on the cost of inventories and assessed the adequacy of allowance for inventory obsolescence
- Assessed correctness and adequacy of notes information





#### **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances,

but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- by management.
- to cease to continue as a going concern.
- the financial statements give a true and fair view.
- We remain solely responsible for our audit opinion.

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

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

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

• Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that

• Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit.

## **Other Reporting Requirements**

#### **Appointment**

We were first appointed as auditors by the annual general meeting on 29 April 2022. Our appointment represents a total period of uninterrupted engagement of 3 years.

#### **Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

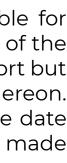
If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 16 April 2025

PricewaterhouseCoopers Ov Authorised Public Accountants

Maria Grönroos Authorised Public Accountant (KHT)







## Independent **Auditor's Reasonable Assurance Report** on Incap Oyj's ESEF **Financial Statements.**

To the Management of Incap Oyj

We have been engaged by the Management of Incap Oyj (business identity code 0608849-6) (hereinafter also "the Company") to perform a reasonable assurance engagement on the Company's consolidated IFRS financial statements for the financial year 1 January – 31 December 2024 in European Single Electronic Format ("ESEF financial statements").

#### Management's Responsibility for the ESEF Financial **Statements**

The Management of Incap Oyj is responsible for preparing the ESEF financial statements so that they comply with the requirements as specified in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF requirements"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of ESEF financial statements that are free from material noncompliance with the ESEF requirements, whether due to fraud or error.

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Our Responsibility**

Our responsibility is to express an opinion on the ESEF financial statements based on the procedures we have performed and the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the ESEF financial statements are free from material noncompliance with the ESEF requirements.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the ESEF financial statements compliance with the ESEF requirements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material noncompliance of the ESEF financial statements with the ESEF requirements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation of the ESEF financial statements.

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

#### Opinion

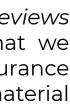
In our opinion, Incap Oyj's ESEF financial statements for the financial year ended 31 December 2024 comply, in all material respects, with the minimum requirements as set out in the ESEF requirements.

Our reasonable assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except for Incap Oyj for our work, for this report, or for the opinion that we have formed.

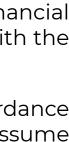
Helsinki 16 April 2025

PricewaterhouseCoopers Oy Authorised Public Accountants

Maria Grönroos Authorised Public Accountant (KHT)









## **Assurance Report** on the Sustainability **Report.**

(Translation of the Finnish Original)

To the Annual General Meeting of Incap Oyj

We have performed a limited assurance engagement on the group sustainability report of Incap Oyj (business identity code 0608849-6) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1 January - 31 December 2024.

### Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our at-tention that causes us to believe that the group sustainability report does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS).
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. and amending Regu-lation (EU) 2019/2088 (EU Taxonomy).

reporting standards (double materiality assessment).

or other European Union legislation.

### **Basis for Opinion**

of our report.

appropriate to provide a basis for our opinion.

- Point 1 above also contains the process in which Incap Oyj has identified the information for reporting in ac-cordance with the sustainability
- Our opinion does not cover the tagging of the group sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation
- We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
- Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section
- We believe that the evidence we have obtained is sufficient and

#### **Authorised Group Sustainability Auditor's Independence and Quality Management**

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

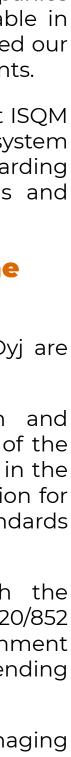
Our firm applies International Standard on Quality Management ISQM 1, which requires the firm to design, im-plement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director of Incap Oyj are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability re-porting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regu-lation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to ena-ble the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.







#### **Inherent Limitations in the Preparation of a Sustainability Report**

In reporting forward-looking information in accordance with ESRS. management of the Company is required to prepare the forwardlooking information on the basis of assumptions that have been disclosed in the sustainabil-ity report about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

#### **Responsibilities of the Authorised Group Sustainability Auditor**

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited as-surance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

• Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to de-sign assurance procedures that are appropriate in the circumstances, but not for the purpose of express-ing an opinion on the effectiveness of the parent company's or the group's internal control.

#### **Description of the Procedures That Have Been** Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is sub-stantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- internal controls and information systems.
- sustainability report.

• Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement re-sulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, in-tentional omissions, misrepresentations, or the override of internal control.

• We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at the group level, as well as at different levels and business areas of the organization to gain an understanding of the sustainability reporting process and the related

• We familiarised ourselves with the background documentation and records prepared by the company where applicable and assessed whether they support the information contained in the group

- We performed site visits at the company's office in Estonia and conducted a virtual site visit to India.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the com-pany has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we as-sessed the compliance of the information provided with the regulations.

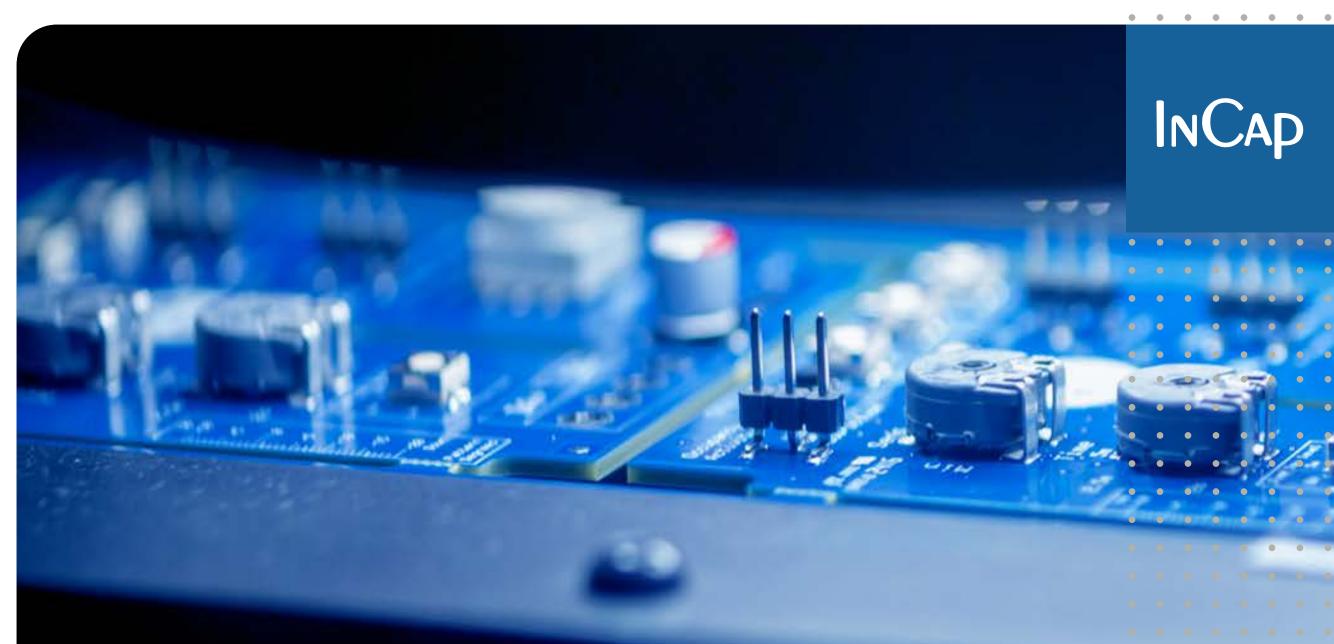
Helsinki 16 April 2025

#### PricewaterhouseCoopers Oy

Authorised Sustainability Auditors

Maria Grönroos Authorised Sustainability Auditor











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## INCAP CORPORATION

Bulevardi 21, 00180 Helsinki, Finland

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