

VÄLKOMMEN TILL ÅRSSTÄMMA I HANZA AB (PUBL)

Kista den 8 maj 2023



VÄLKOMMEN TILL ÅRSSTÄMMA I HANZA AB (PUBL)

Förslag till dagordning

1. Stämmans öppnande och val av ordförande vid stämman
2. Upprättande och godkännande av röstlängd
3. Val av en eller två justeringspersoner
4. Godkännande av dagordning
5. Prövning av om stämman blivit behörigen sammankallad
6. Framläggande av årsredovisningen och revisionsberättelsen samt koncernredovisningen och koncernrevisionsberättelsen
7. Beslut om:
 - a) fastställelse av resultaträkningen och balansräkningen samt koncernresultaträkningen och koncernbalansräkningen,
 - b) dispositioner beträffande HANZAs resultat enligt den fastställda balansräkningen samt beslut om avstämningsdag för utdelning, och
 - c) ansvarsfrihet gentemot HANZA för styrelseledamöterna och verkställande direktör.
8. Framläggande av ersättningsrapport och revisorns yttrande enligt 8 kap 54§ aktiebolagslagen samt beslut om godkännande av ersättningsrapport
9. Fastställande av antalet styrelseledamöter och styrelsesuppleanter
10. Val av styrelseledamöter, styrelseordförande och vice ordförande
11. Val av revisor
12. Fastställande av arvoden till styrelse och revisor
13. Beslut om valberedning inför nästa årsstämma
14. Beslut om bemyndigande för strategiska emissioner
15. Beslut om
 - a) införande av långsiktigt aktiesparprogram 2023
 - b) säkringsåtgärder i anledning av aktiesparprogrammet
16. Stämmans avslutande





Per Holmberg - Proposed new board member

- Chairman of the Nomination Committee
- Born: 1959
- Education: Stockholm School of economics, Finance
- CEO Adrian Michel Group based in Switzerland. Previously worked in operational, management and executive roles within the Electrolux Group and Hexagon.
- Other assignments: No other assignments
- Shareholding: 344 357 shares
- Independence: Independent in both the company and its management and in relation to the company's major shareholders.



ANNUAL GENERAL MEETING

HANZA AB (publ)
Kista, May 8th, 2023

Francesco Franzé, Chairman of the Board
Erik Stenfors, CEO
Lars Åkerblom, CFO



AGENDA

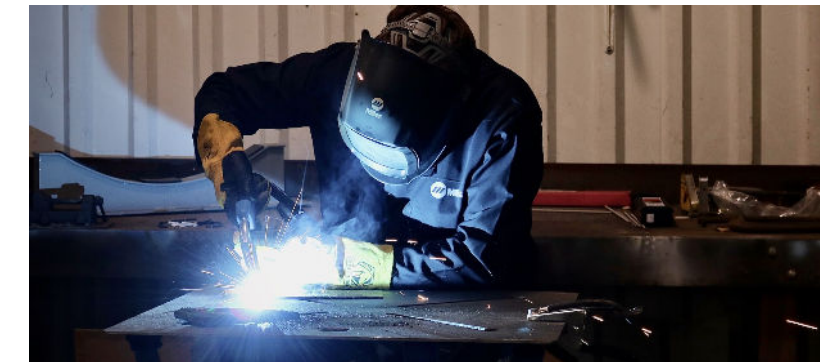
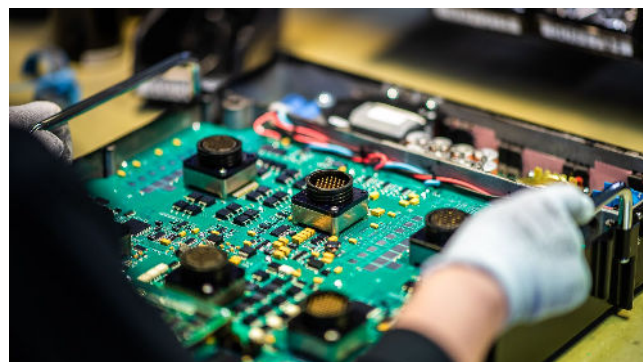
- **This is HANZA**
- **Operations development**
- **Financial development**
- **Outlook**
- **Q&A**



Contract manufacturing

Producing a part of a product for another company

- Normally manufactures a certain category of parts of products, on behalf of different customers.
- Example of categories are sheet metal mechanics, electronics, cabling, machining and heavy mechanics.
- Some major listed Nordic contract manufacturers: Kitron, NOTE, AQ, Scanfil.
- Some major European contract manufacturers: Zollner, Katek, Asteelflash
- Some of the world's largest contract manufacturers: Foxconn, Flex, Jabil.

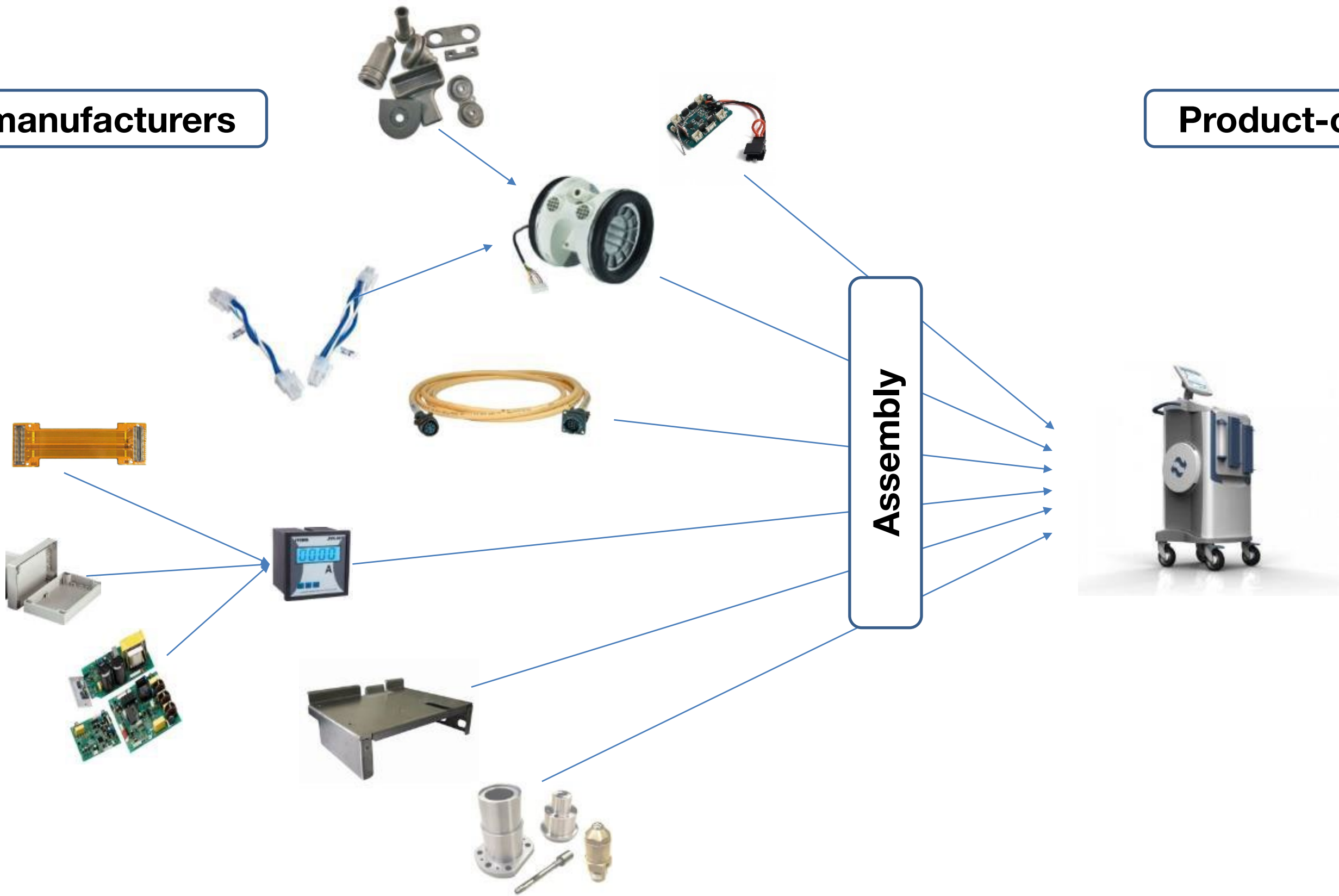


Manufacturing a product

A complex and global challenge

Contract manufacturers

Product-owning companies

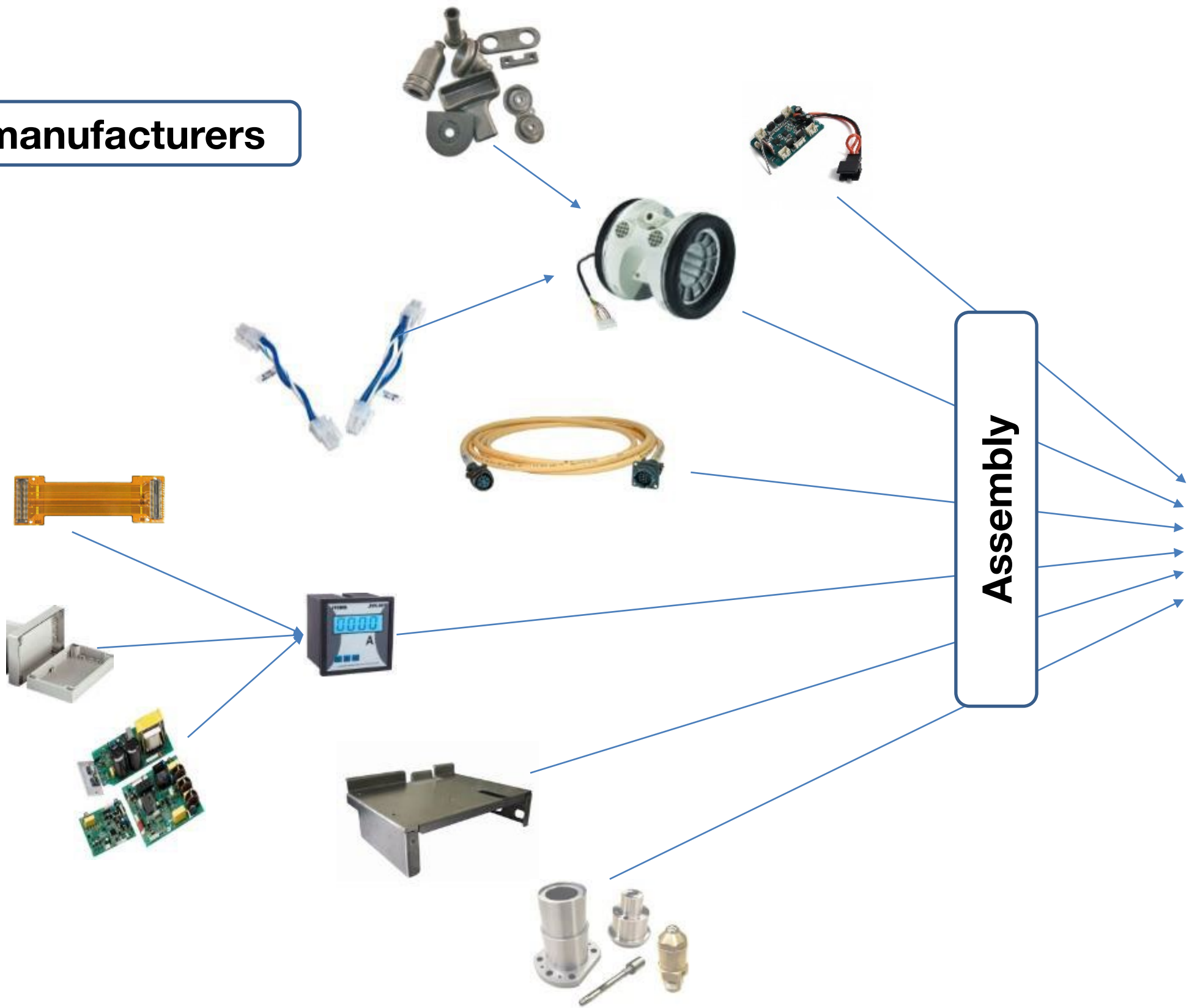


Manufacturing a product

A complex and global challenge

Contract manufacturers

Product-owning companies

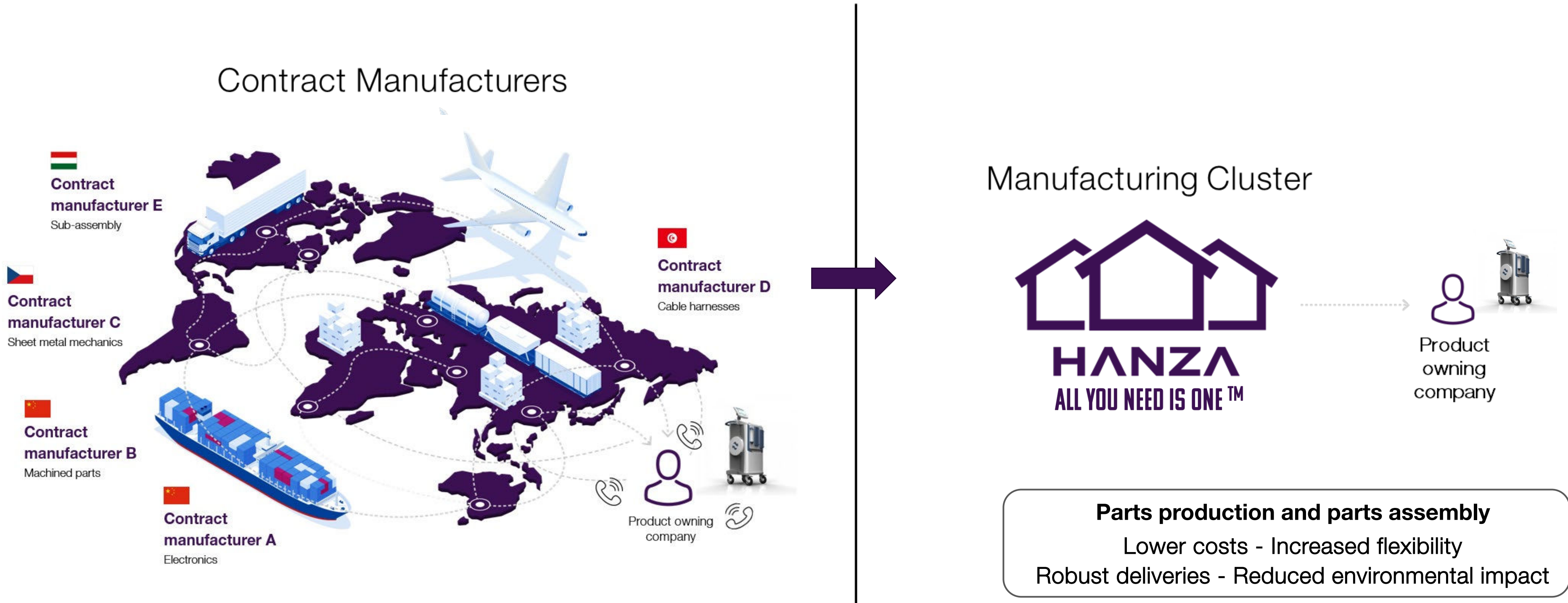


- Real cost of the product?
- How to manage variable demand?
- How to deal with disruptions?
- Impact on the environment?



HANZA's alternative

Regional and complete manufacturing



HANZA in brief

- Founded in 2008
- Listed on NASDAQ Stockholm in 2019
- Six Manufacturing Clusters, divided into two segments: Main markets and Other markets
- Offering Complete and regional manufacturing
- Annual sales, ca 3.8 bn SEK, ca 2,100 employees, plant space >130,000 sqm



Parts production and parts assembly

📍 = Main Markets 📍 = Other Markets



VISION: To create unique customer value in the manufacturing industry

Regional & Complete Manufacturing

Six Manufacturing Clusters offering parts manufacturing and parts assembly.



Advisory Services

Analysis and advice on how to streamline the customer supply chain.



Product Development

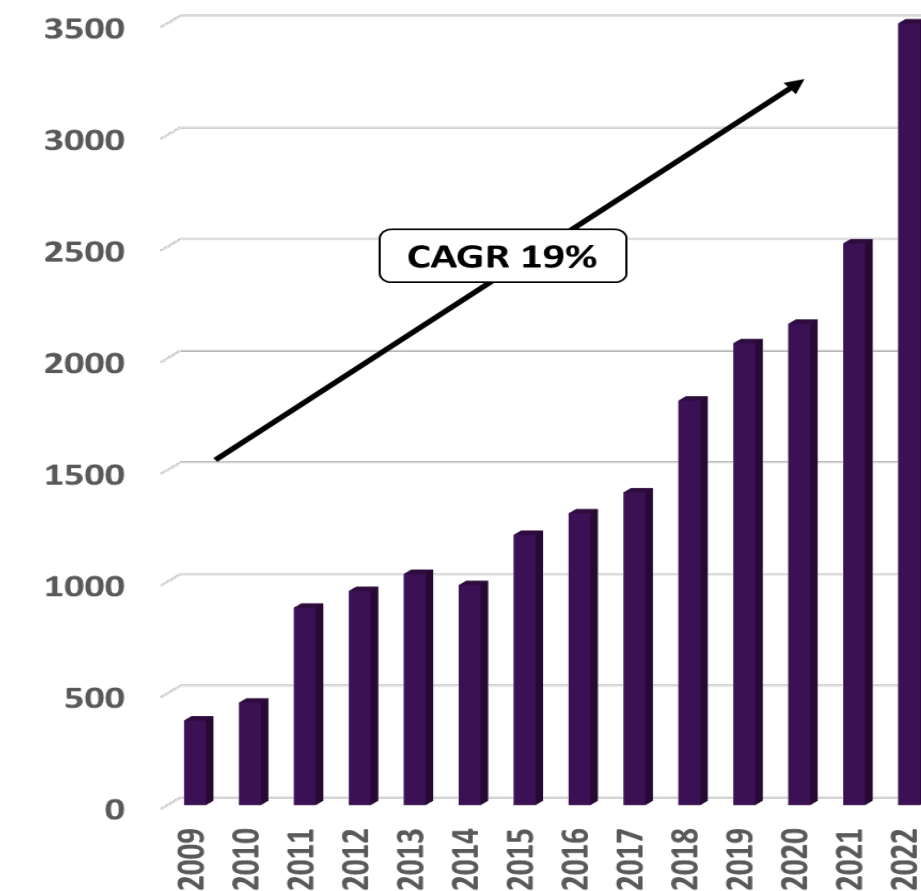
HANZA's engineering department helps our customer to develop products.



A growing, solid customer base (examples below)



ANNUAL SALES (MSEK)



AGENDA

→ This is HANZA

→ Operations development

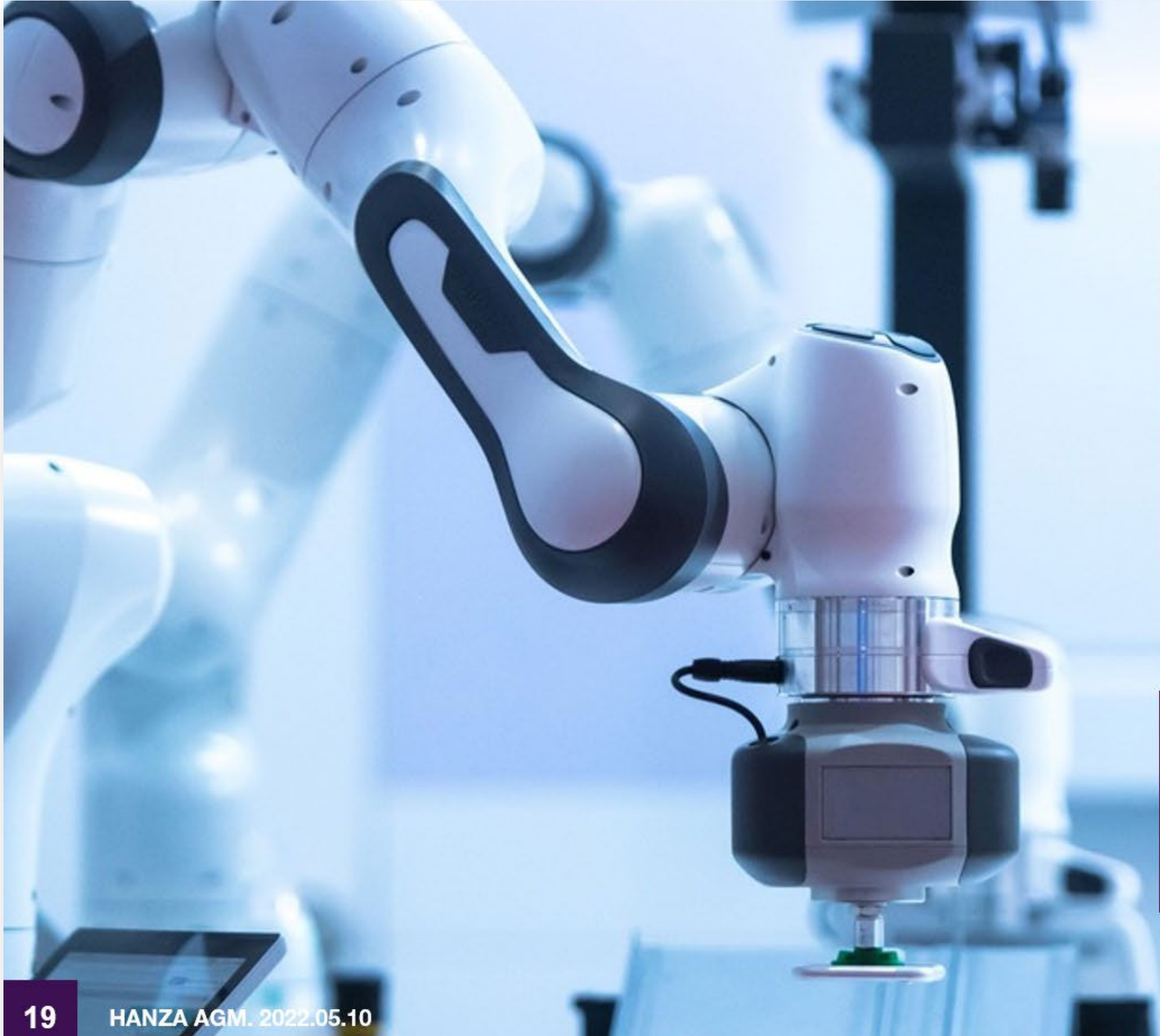
→ Financial development

→ Outlook

→ Q&A



Target fulfillment: From the last AGM, May 10th, 2022



HANZA in the future
Outlook

- **Sales**
 - Strong order intake
 - ATH order in Germany
 - Forward sales limitation is shortages
- **Earnings**
 - Earnings in segment Other markets to increase during 2022
 - Latest acquisition, Beyers in Germany to reach profitability by the end of 2022
- **Long term**

Strong outlook due to solid margins and scalable business model. Adapting next phase to the increased back sourcing trend.

19 HANZA AGM. 2022.05.10



Highlights 2022

→ Continued sales success...

- Existing customers increase order volumes and awards HANZA new contracts
- New customers added continuously
- A favorable macro trend

→ ...requires cost-effective capacity expansion

- New 12,000 sqm assembly hall in Tartu, Estonia, approx. 80 MSEK
- Purchase of sheet metal plant (previously rented), 6,300 sqm + land 11,000 sqm, approx. 40 MSEK
- Opening new facilities in Poland, Czech Republic and China, expanding factory space by more than 6,000 sqm

→ Also expanding the service side of HANZA

- Acquiring a product development company; Budelmann Elektronik GmbH in Germany. Renamed to HANZA Tech Solution, which marks a start of further development of the service side

→ Directed share issue, 147 MSEK

- Together with a strong financial position, this gave HANZA 2025 a flying start
- Broadening ownership internationally. Main owner Gerald Engström participated

HANZA's new assembly hall, opened March 2022.

HANZA sheet metal mechanics, previously on lease contract, purchased in October 2022.



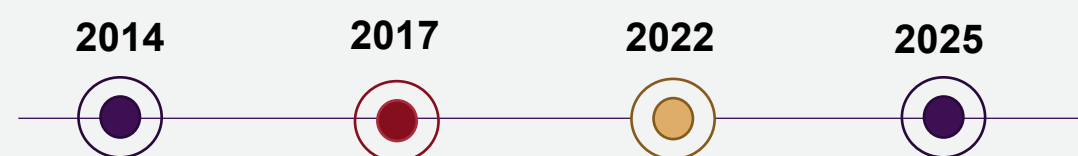
Tartu, Estonia



The management of HANZA Tech solutions, Jeannine and Christoph Budelmann.



Highlights 2022: HANZA reaches another milestone



YEAR-END REPORT 2017

Strategy "HANZA 2022"

- IPO on Nasdaq main list
- Establish HANZA in Germany
- Selected acquisitions
- Streamline clusters

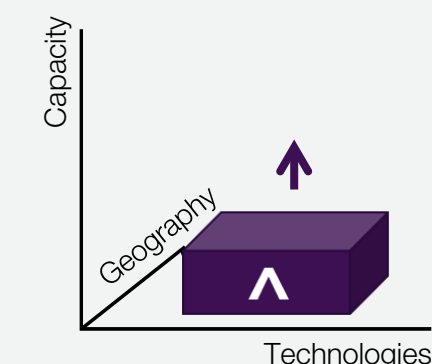
(MSEK)	2017	Target 2022
Sales	1,400	2,050
EBIT	36	123

Geographic expansion



YEAR-END REPORT 2022

Strategy "HANZA 2025"



(MSEK)	2022	Target 2025
Sales	3,549	5,000
EBITA	212	400

Capacity and Services expansion





Väderstad AB, one of our outstanding customers

Highlights of Q1, 2023

Continued strong growth: Sales up by 29%, organic growth 23%

- Strong, diversified customer portfolio in growth industries: Energy, agriculture, forestry, defense, mining, med-tech, etc.
- A modern business model that attracts new customers
- Also, the important service part of HANZA is supporting sales

Expanding capacity in line with growth

- Committed and dedicated colleagues
- Continuous automation and efficiency increase
- Investment program and modular expansion of clusters
- Successful integration of acquisitions

Despite rapidly expanding operation:

- Q1 net earnings 59 MSEK (19) and Q1 cash flow 89 MSEK (13)



Highlights of Q1, 2023

A revised and expanded sustainability strategy

- All corporations must respond to the climate change warnings
- The sustainability strategy addresses both the climate and the working environment
- There is no conflict of objectives in this work, quite the contrary

Together with our strategy "HANZA 2025", the sustainability strategy will ensure both sustainable growth and profitability

- A better company to work in
 - An improved income statement
 - A more attractive company for recruitment, customers, suppliers, etc.
- The sustainability work to be followed up in interim reports



Solar panels on HANZA's new assembly hall in Estonia, providing ca 30% of the energy.



AGENDA

- This is HANZA
- Operations development
- Financial development
- Outlook
- Q&A



FY 2022 Financial development

General

→ In 2022, despite the need to maintain higher inventories, cash flow from operations was positive every quarter, totaling 145 MSEK

Sales and Earnings

→ Turnover increases by more than 1 bn SEK to 3 549 MSEK (2 515)

→ Organic growth was 27% for the FY 2022

→ ATH operating profit in 2022: 212 MSEK (143)

→ Net earnings 121 MSEK (80) gives a EPS of 3,35 SEK (2,26)

Cashflow and balance sheet

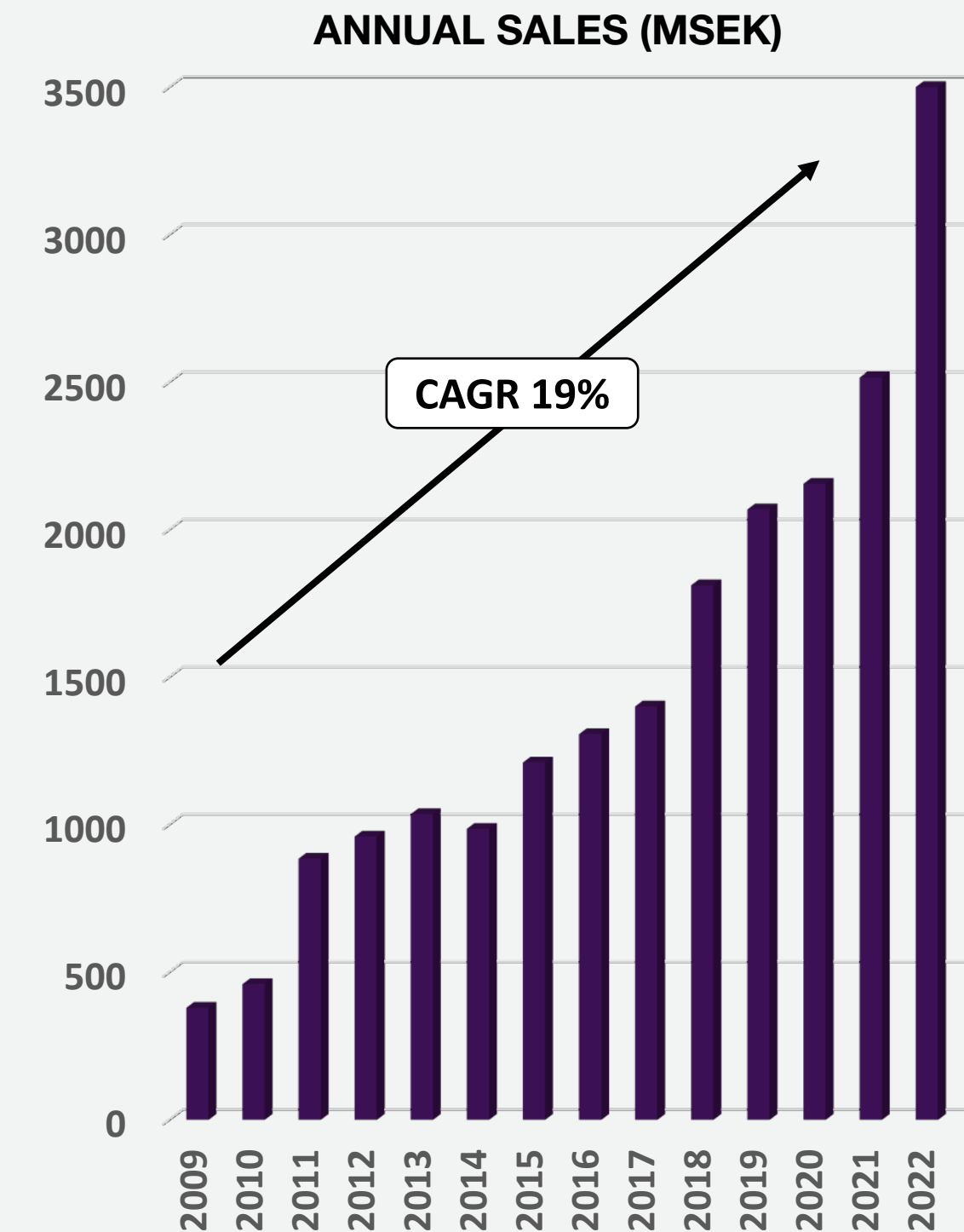
→ Cashflow from operations 145 MSEK (126)

→ Equity/Asset ratio 35% (30)

→ Net debt / EBITDA 1,9 (2,9)

Comments

→ The material shortage situation reduced sales and earnings in 2022 and lead to a need of increased inventory



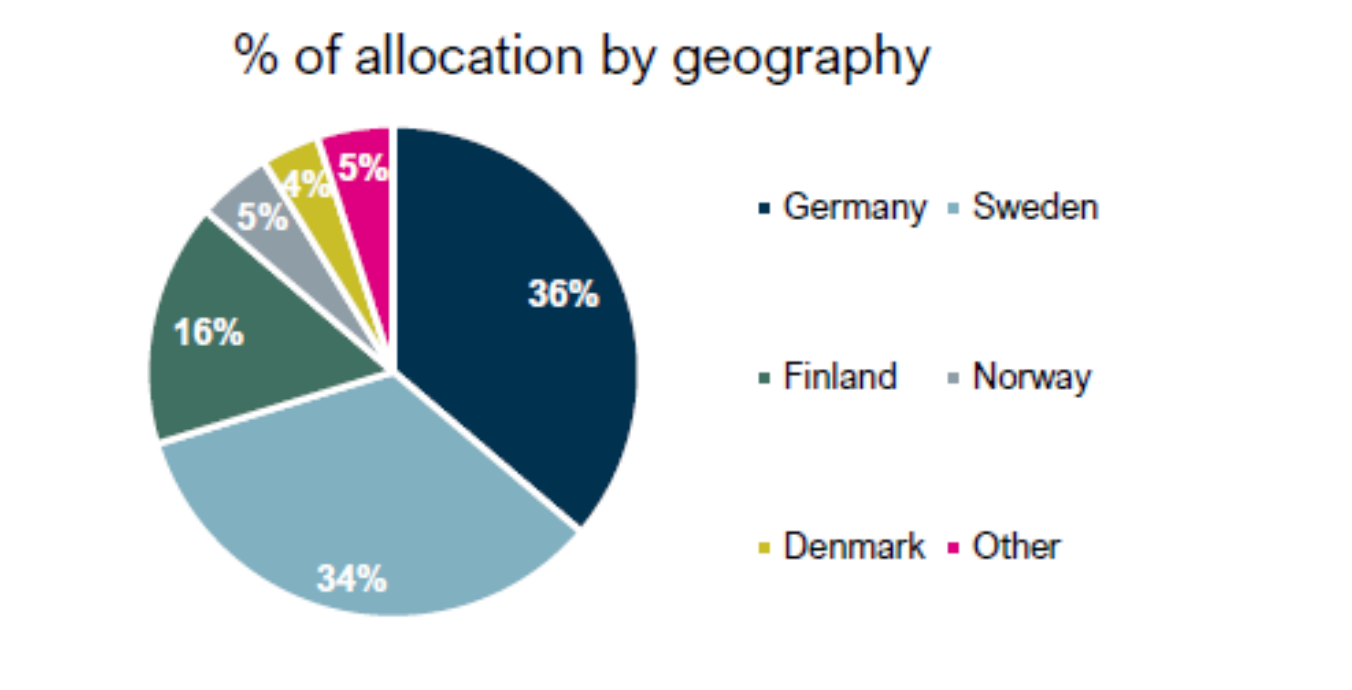
HANZA's share issue Q4 2022

- Successful completion of a directed share issue of 3,5 M shares (representing just under 9% of the total number of shares), widening the ownership of HANZA to international investors.
- Adding about 142 MSEK to an already strong financial position, means HANZA can accelerate the HANZA 2025 expansion program:

A cost-effective, rapid capacity increase of existing manufacturing facilities in Sweden, Estonia and Central Europe, with expanded production space.

Further machinery investments of about 100 MSEK made in Dec.

- Transaction cost about 3%
- HANZA's main shareholder Gerald Engström participated with 250 000 shares after unanimous approval at an EGM.



HANZA 2025 - FINANCIAL TARGETS

KPI	Previous target / policy	Updated target	
Growth	Average annual revenue growth: Minimum 10%	Sales 5 bn SEK in 2025	Increased
Profitability	Average operating margin: Minimum 6%	Operating margin at end of 2025: Minimum 8%	Increased
Capital structure	Equity/Assets ratio: Minimum 30%	Equity/Assets ratio: Minimum 30%	Unchanged
Debt ratio	---	Net debt/EBITDA: Maximum 2.5 times	New
Dividend	30% of profit after tax, with consideration of the company's financial status.	30% of profit after tax, with consideration of the company's financial status.	Unchanged



Q1 Financials

Continued development of HANZA

- The acquisition in Mönchengladbach and cluster (Germany) is now structured, which means that the cluster is moving from loss to profit
- Several factories have been expanded, especially the new factory in Estonia, which increases profitability

Sales

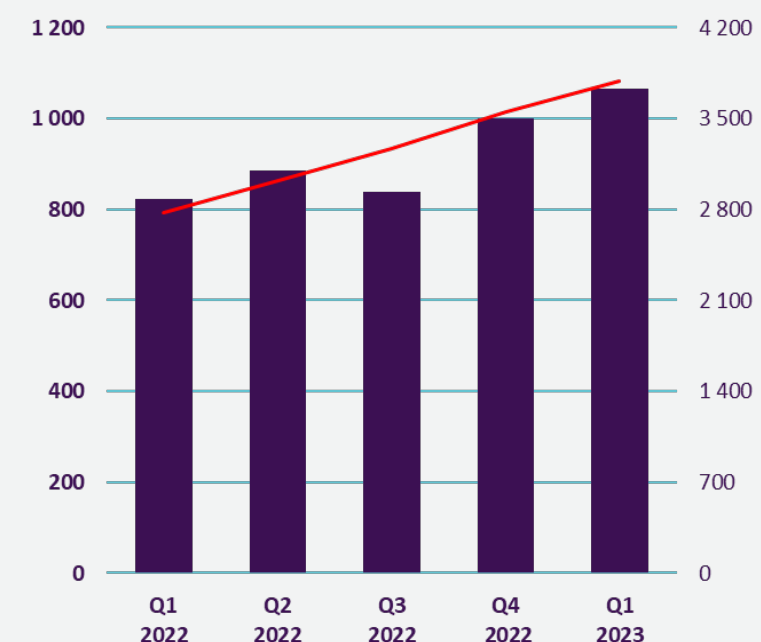
- Sales grew with 29% of which 23% is organic
- Second quarter in a row exceeding SEK 1 billion, R12 amounts to 3 790 MSEK
- Even growth across sectors and customers
- No impact of increased prices for energy and material

Earnings

- Operating profit (EBITA) grew by 100%, excluding electricity subsidy, to 82 MSEK (41). Rolling 12-months amounts to 259 MSEK with a margin of 6,8%

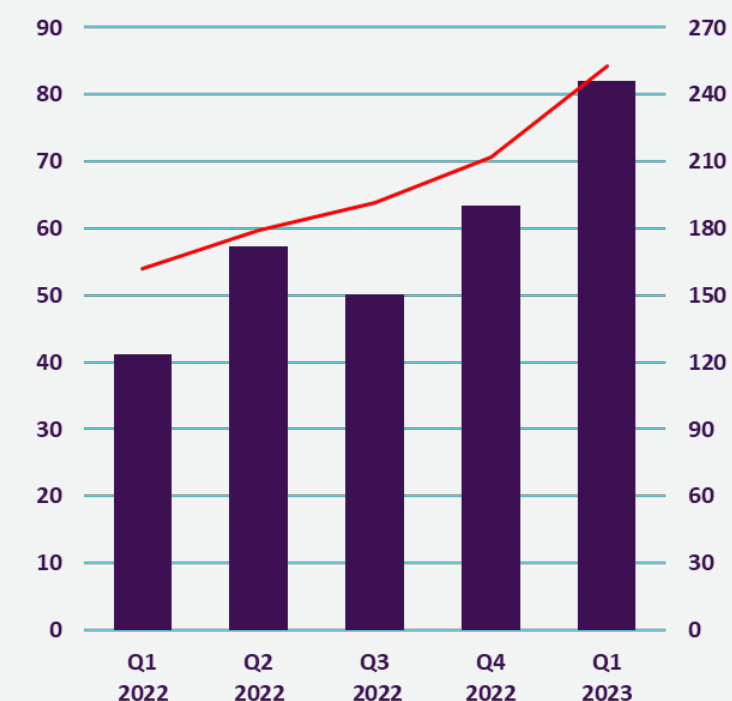
The graphs show outcome per quarter (bars, left scale) and rolling 12 months (line, right scale).

Sales (MSEK)



Operating profit (MSEK)

Excluding the electricity subsidy in Q1 2023.



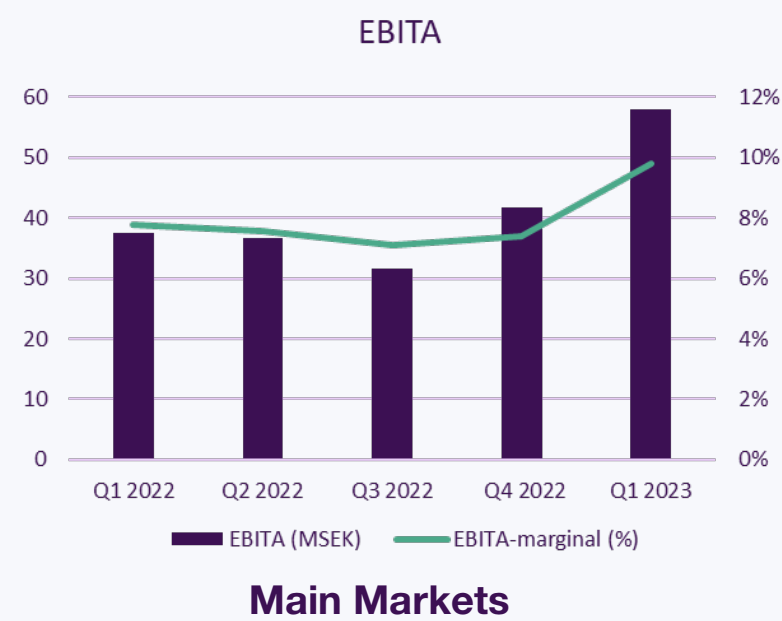
Q1 Financials

Segment Main markets

- Sales increased by 23% to 594 MSEK (482)
- Organic growth in amounted to 19%
- EBITA has increased significantly and excluding energy subsidy in Sweden of SEK 6 million, the operating margin is 8.8% (7.7)

Segment Other markets

- Sales increased by 37% to 468 MSEK (342)
- Organic growth amounted to 30%
- The operating margin increased significantly to 6.4% (1.5)
In Q1 last year, the transfer to new premises in Estonia was executed, which reduced profitability



= Main Markets

= Other Markets



Q1 Financials

Cash-flow

- Strong cash flow from operations despite continues growth
- R12 the cash-flow from operations is 221 MSEK, despite growth of 1 bn SEK (R12, sales grew from 2.8 bn SEK to 3.8 bn SEK)

Net debt

- The net debt/EBITDA ratio fell significantly to 1.6 (2.7)
- The equity ratio increased to 37% (30)

EPS

- Earnings per share show the highest level to date, SEK 1.49 (0.54). This can be compared with SEK 3.35 for the fiscal year 2022

Dividend

- The Board proposed to the AGM a dividend of 0,75 SEK per share

(MSEK)	Q1 2023	Q1 2022
Equity	966	618
Equity/Asset ratio	37%	30%
Cash-flow operations (3 m.)	89	13
Cash	135	17
Net debt	539	617
EBITDA (3 m.)	117	66
EPS (SEK)	1.49	0.54



Our sustainability goals

Focus Area: Environment & climate

Goal	Goal completion
Significantly reduced carbon dioxide emissions	<ul style="list-style-type: none"> → Annually increase the proportion of energy use from fossil-free energy sources in own operations. → Annually reduce emissions of CO2 from energy use in own operations in relation to sales.
Reduce use of natural resources and energy	<ul style="list-style-type: none"> → Annually reduce energy use in own operations in relation to sales (MWh/SEK million). → Annually reduce water consumption in own production in relation to sales (m³/MSEK).
Reduce other emissions	<ul style="list-style-type: none"> → Annually reduce waste and hazardous waste in relation to sales for electronics and mechanics respectively (tons of waste/MSEK and tons of hazardous waste/MSEK).

Focus Area: Safety & ethics

Goal	Goal completion
Offer data security of a high international standard	<ul style="list-style-type: none"> → Zero damage from data breaches.
Maintain high business ethics among employees	<ul style="list-style-type: none"> → Zero incidents of corruption. → All employees must be informed about HANZA's code of conduct for employees.
Maintain high business ethics among suppliers	<ul style="list-style-type: none"> → All significant suppliers to HANZAs must confirm HANZAs code of conduct for suppliers. → Annual audits of significant suppliers to ensure compliance with HANZA's Supplier Code of Conduct.

Focus Area: Employees

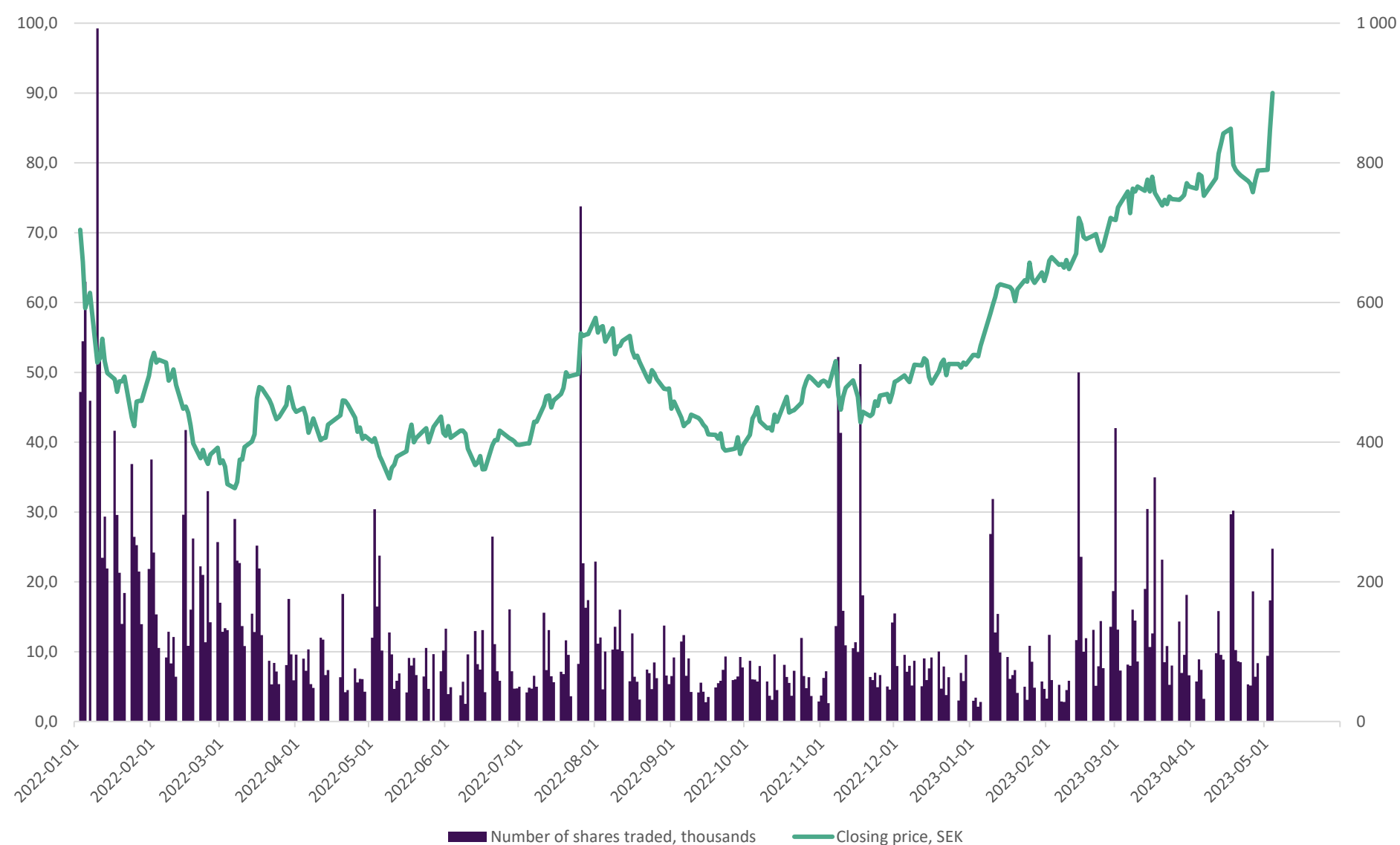
Goal	Goal completion
Offer a safe and secure workplace, free from occupational injuries, victimization and discrimination	<ul style="list-style-type: none"> → HANZA's long-term goal is zero work-related injuries. Annually reduce the number of incidents resulting in absence from work (LTIFR). → All employees must be informed about HANZA's anonymous whistleblowing function. → Zero cases of determined discrimination. → Annual employee survey that results in a concrete activity program.
Promote equality and strive for diversity	<ul style="list-style-type: none"> → Annually increase the proportion of women in managerial roles. → All employees with a managerial role must be trained in HANZA's Diversity policy.



HANZA's share: Good long-term development

- Market cap. May 8 approx. SEK 3,5 bn SEK
- Total return is 770% for the last 3 years

The HANZA share, price development and turnover
2022-01-01 - 2023-05-04



HANZA's shareholders on March 31, 2023

Ownership structure as of 31.03.2023	Shares	Votes	%
Färna Invest AB	8,807,194	8,807,194	22.42
Clearstream Bankings S.A	3,673,859	3,673,859	9.35
Håkan Halén	2,357,470	2,357,470	6.00
Francesco Franzé	2,266,000	2,266,000	5.77
Nordnet Pensionsförsäkring AB	1,782,636	1,782,636	4.54
SHB Luxembourg cl acct Sweden	1,751,654	1,751,654	4.46
State Street Bank and Trust Co	938,069	938,069	2.39
Avanza Pension	814,909	814,909	2.07
RBCB - Lux Ucits Ex-Mig	768,967	768,967	1.96
Fondita Nordic Micro Cap Investment Fund	560,000	560,000	1.43
10 largest shareholders	23,720,758	23,720,758	60.39
Other shareholders	15,559,170	15,559,170	39.61
Total shares	39,279,928	39,279,928	100.00

HANZA's senior executives own a total of approx. 1.3 M shares (3.7%)

Trading of HANZA shares	2022	2021
Total no. of shares traded (M)	32	24
Total no. of trades (K)	152	62
Average daily trading volume (K)	125	95
Average daily trades	600	246



AGENDA

- This is HANZA
- Operations development
- Financial development
- Outlook
- Q&A



A flying start to HANZA 2025

Strategy HANZA 2025

- Grow and develop our manufacturing clusters
- More than manufacturing: Developing the service part
- Complementary acquisitions in existing markets

Sustainability work

- Minimal environmental impact
- Reduce shipping through our concept
- Working towards the best workplace

Long term: Aiming for the world

- HANZA 2025: Sales 5 bn SEK, operating margin 8%
- Establish next manufacturing cluster, using HANZA's expandable concept



Q&A





ALL YOU NEED IS ONE™

www.hanza.com



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