HANZA

INTERIM REPORT JANUARY - JUNE 2019

Please note that this English translation is for information purposes only. In case of any discrepancies between this version and the Swedish version of the interim report, the Swedish version shall prevail.

INTERIM REPORT 1 January – 30 June 2019

Customer change ongoing in the Baltics. Geographic expansion to Germany in July

SECOND QUARTER (1 April – 30 June 2019)

- Net sales amounted to SEK 506.6 million (508.0).
- Operating profit amounted to SEK 17.1 million (21.7). The operating profit was negatively affected by direct costs of about SEK 2.2 million (0.0) attributable to acquisitions, integration and listing.
- Profit after tax amounted to SEK 8.1 million (11.0), which corresponds to SEK 0.26 per share (0.38).
- Cash flow from operating activities amounted to SEK 47.4 million (50.5).

FIRST SIX MONTHS (1 January – 30 June 2019)

- Net sales amounted to SEK 1,004.3 million (946.6).
- Operating profit amounted to SEK 34.4 million (40.1). The operating profit was negatively affected by direct costs of about SEK 6.7 million (0.3) attributable to acquisitions, integration and listing.
- Profit after tax amounted to SEK 17.2 million (19.8), which corresponds to SEK 0.56 per share (0.74).
- Cash flow from operating activities amounted to SEK 84.0 million (59.6).

MATERIAL EVENTS DURING THE SECOND QUARTER

- New major customer contracts:
  - April: Increased cooperation with the med-tech company Getinge by manufacturing of assembled mechanical components for the company's ventilators and anesthesia machines, with an annual value of approximately SEK 20 million. Production will start in Q2 and reach full volume in Q4 2019.
  - May: Three-year agreement with ABB on the manufacture of mechanical parts and systems for ABB in Norway. The annual value is approximately SEK 25 million, and production will start in Q2 and reach full volume in Q4 2019.
  - June: Agreement with TYRI Lights of minimum SEK 35 million per year for the manufacture of lighting products with LED technology. Production will start in the third quarter of 2019.

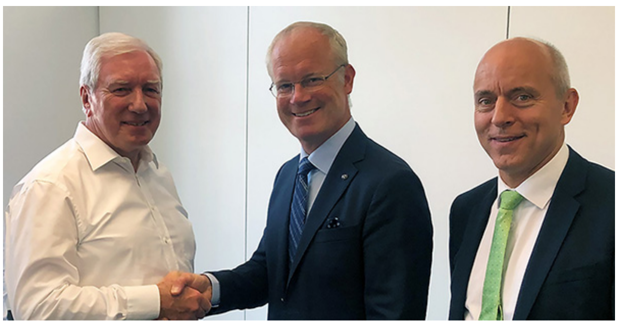
- The Baltics Cluster is undergoing a major adjustment of its customer base, with significant volumes phased out of the Group's Narva plant, while several new contracts for production in Narva have not yet reached volume. Volumes were also phased out in the Finland Cluster, which are in the process of being replaced with new contracts. The start-up period for the new contracts had a negative impact on profit in the quarter.

- In June, HANZA was named Supplier of the Year by multinational 3M at a supplier conference in Langenthaal, Switzerland for the Group's "100% quality despite high-volume production along with cost-optimisation programmes. Focus on sustainability and innovation, as well as great flexibility that creates long-term advantages for 3M."
- In accordance with the proposals of the nominating committee, the Annual General Meeting (AGM) resolved on 5 May to elect a board consisting of Francesco Franzé (chair), Gerald Engström (deputy chair), Sofia Axelsson, Håkan Halén and Helene Richmond. In accordance with the proposals of the board, the AGM also resolved on a dividend of SEK 0.25 per share, the first dividend since HANZA was founded, and to authorize the board to decide to increase the company's share capital by issuing shares, warrants and/or convertibles up to a maximum amount of SEK 300,000, which is equivalent to approximately 10% of the current share capital.

MATERIAL EVENTS AFTER THE END OF THE REPORTING PERIOD

- Acquisition of RITTER Elektronik GmbH ("RITTER")
  On 25 July 2019, HANZA acquired German manufacturing group RITTER Elektronik GmbH with production plants in Germany and Czech Republic and approx. 290 employees:
  - The unit in Germany opens the door to the market in Europe's largest economy.
  - The unit in Czechia complements HANZA's existing manufacturing cluster in Central Europe by adding cabling harnesses and advanced final assembly.
  - The acquisition includes a highly regarded product development department in Germany with 20 employees, which broadens HANZA's customer offering.
  - The consideration totaled EUR 12 million, comprising a share part of 3,000,000 new shares and a cash part of EUR 7.2 million, which was paid at the acquisition date. The board exercised its authorization from the AGM to issue the shares. The cash part was funded with a bank credit.
  - The RITTER Group has approx. 290 employees and reported a revenue of EUR 42.7 million in fiscal year 2018m with an EBITDA of EUR 4.9 million. This puts the cumulative sales of HANZA and RITTER at approximately SEK 2.26 billion with an EBITDA of SEK 164 million based on the financial year 2018 for each company. Combined, HANZA and RITTER have around 2,000 employees.

For more information, see the press release describing the transaction at www.hanza.com



HANZA acquired the RITTER Group on 25 July 2019. From left to right:
Manfred Wagner, former owner of RITTER, Erik Stenfors, CEO of HANZA, and Willibald Berger, President of HANZA's Central Europe Cluster, which now also embraces the new units from RITTER.

CEO'S COMMENTS

To achieve success, a company must be innovative and understand the need of the customers. HANZA aim to be such a company in an otherwise traditional and mature manufacturing industry. At the same time, we work long-term with a transparency to get customers, investors, suppliers and employees to understand our activities and our development steps.

In the beginning of last year, we announced that HANZA had entered a new phase. This was launced after two previous phases where we developed our business model of manufacturing clusters and advisory services. We described the new phase as an expansion phase comprising two main components: streamlining our now established manufacturing clusters and adding new geographic customer markets.

Accordingly, we made strategically important progress on our Sweden Cluster last year, which went through a significant transition with the addition of a manufacturing technology, new management and also added Norway as a supplementary market. In early 2019, we streamlined our Finland Cluster with an acquisition and reinforced management. Both of these clusters are a part of HANZA's financial segment Nordics, which is characterized in part by a high degree of automation. The operating margin in this segment reached a stable and healthy level, which we see during the quarter, as the margin reached 7.1% despite integration expenses in Finland.

Last year, we also began a major review of our Baltics Cluster where we now have a strong management. The efforts revolved around our heavy mechanics plant in Narva, which is a key part of our offering. Major investments and expenses went into and are going into this unit for purposes such as training, machinery upgrades and building renovation. In addition, a large-scale customer base adjustment is under execution, as described in previous interim reports. In spring 2018, HANZA opted to terminate a manufacturing agreement with one of the Group's major customers, with an annual volume exceeding SEK 80 million at that time. This customer and other minor customers have now been completely phased out, at the same time as new contracts have been won and are in the start-up process in Narva. The Baltics are part of the financial segment Rest of World, which is characterized by heavy labour input and complex assembly. In Q2 2019, the margin remained low in this segment as a result of the customer base adjustment and the Group's change efforts in Narva.

Cash flow is fundamental in order to create a new company in a capital-intensive industry. It enables loan payments, investments, acquisitions and dividends. As a result, this is continuously a focus area for HANZA, and we are pleased to – once again – report a strong cash flow from operating activities of SEK 47 million in Q2. Our net debt decreased by approximately SEK 28 million in the quarter despite an SEK 7.7 million dividend to our shareholders.

In March this year, HANZA switched to Nasdaq's main market. Before taking this step, we conducted a substantial review of the Group with measures taken including the refinement of our administrative and financial procedures. Although this process required much hard work and expense, it laid the foundation for the next step in the Group's growth, which we took in July – by expanding to the German customer market through the acquisition of the RITTER Group. The deal was preceded by a thorough review of the German market with selection criteria including customer value, industrial logic and financial logic.

HANZA's current phase is called "Strategy 2022" and aims to bring the Group from being a leading manufacturing strategist in the Nordic region to also being a major manufacturing strategist throughout Europe. The foundation for this step is our business model, which is tried and true by our customers. Just this year we presented new contracts with successful companies such as Epiroc, ABB and Getinge. And in June, our achievements were recognized when we were named Supplier of the Year by multinational 3M.

Our business model, along with the activities we have conducted, including the key geographic expansion to Germany, leaves no doubt that the current phase of HANZA's development will be successful.

MARKET PERFORMANCE

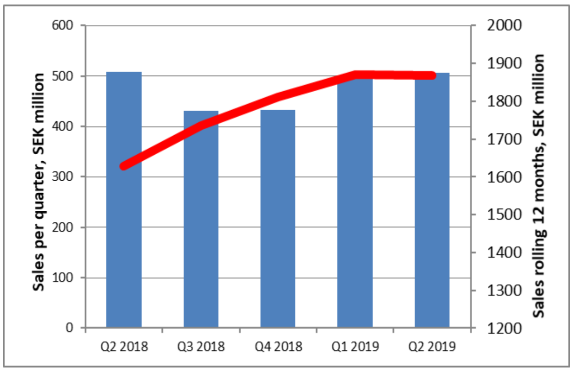
Given the RITTER acquisition, HANZA's main customer markets are the Nordics and Germany. But it also counts companies in the rest of Europe, Asia and the United States among its customers. Because HANZA's customers are spread over a number of industries, HANZA's sales volumes generally reflect the business cycle. However, HANZA has historically continued to win new market shares in recessions because of the rising need at that time for product owners to find new manufacturing solutions, which is HANZA's core business. HANZA has a seasonal variation over the calendar year, mainly in the Nordics segment, with July and December as weaker sales months due to leave.

HANZA experienced relatively strong demand in 2019 but noticed a slowdown in the end of Q2. However, it is not clear whether this represents a slowdown in the business cycle or an inventory adjustment ahead of the half-year end. HANZA does not provide sales forecasts but can confirm that the company is well situated for continuing to win new customers and volumes with the help of HANZA's manufacturing concepts. In addition, the acquisition in Germany opened up significant new potential for future growth.

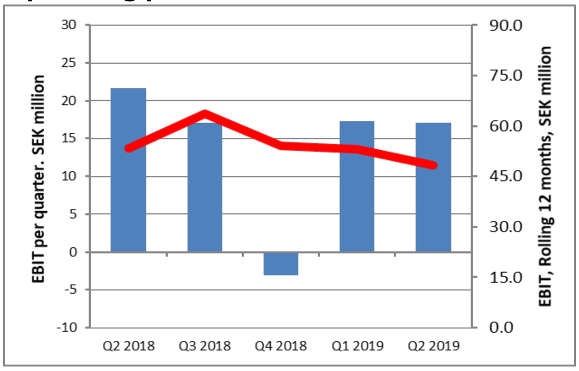
HANZA is actively pursuing strategic acquisitions and the development of its customer portfolio in order to increase its customer value, and thus profitability. As a result, the Group is adjusting its customer base by phasing out non-strategic volumes following acquisitions and replacing them with new contracts. Select volumes were also phased out when factories were previously merged and relocated, which is still ongoing. As a result, a change in sales does not provide a complete view of the Group's new sales, and the phasing in of new customers initially has a negative impact on profit.

The Group's growth target is average revenue growth of at least 10% per annum over a business cycle, which is measured as the net change, in other words, the sum of additional volumes from new customers, acquisitions, phased out volumes and exchange rate fluctuations.

Net Sales



Operating profit



The graphs illustrate net sales and operating profit per quarter (bars),
and on a rolling 12-month basis (lines) up to and including the quarter reported.

SEK million	**Apr - Jun 2019**	**Apr - Jun 2018**	**Jan - Jun 2019**	**Jan - Jun 2018**	**Jan - Dec 2018**
Key ratios according to IFRS					
Net sales	506.6	508.0	1,004.3	946.6	1,810.6
Operating profit (EBIT)	17.1	21.7	34.4	40.1	54.1
Amortisation of intangible assets	-2.2	-1.9	-4.4	-3.2	-7.2
Cash flow from operating activities	47.4	50.5	84.0	59.6	113.5
Alternative performance measurements					
Operational segments EBITA	20.9	25.6	45.9	48.1	71.3
Business development segment EBITA	-1.6	-2.0	-7.1	-4.8	-10.0
EBITA	19.3	23.6	38.8	43.3	61.3
Operating margin	3.4%	4.3%	3.4%	4.2%	3.0%
Net interest-bearing debt	326.6	293.3	326.6	293.3	260.2
Equity ratio	35.7%	35.1%	35.7%	35.1%	37.5%

The alternative performance measurements above are considered relevant to give a picture of HANZA's operational profitability, the extent of external financing and the company's financial risk. Reconciliation tables for alternative performance measurements are published on the company's web page.

*) The net interest-bearing debt has been increased with SEK 77.5 million as of 1 January 2019 due to the implementation of IFRS 16, since operational lease liabilities has been included in the balance sheet. This also caused the equity ratio to decrease with 2.5 percentage units, see note 2.

REVENUE AND PROFIT

Second quarter
Net sales amounted to SEK 506.6 million (508.0). The currency impact was positive, SEK 8 million. The increase in revenue was affected positively by the acquisition of Toolfac Oy on 31 January 2019, a company with annual revenue of around SEK 80 million. In addition, revenue increased as a result of new customers and contracts, while decreasing due to the customer base adjustment, see "Market performance" above.

EBITDA for the quarter amounted to SEK 38.0 million (37.1), which corresponds to an EBITDA margin of 7.5% (7.3). Depreciation and amortization during the period amounted to SEK 20.9 million (15.4), of which amortization of intangible assets amounted to SEK 2.2 million (1.9) and amortization of rights-of-use assets that arose upon transition to IFRS 16 (see note 2) amounted to SEK 6.0 million (-). IFRS 16 application had a marginal effect on operating profit of SEK 0.6 million. However, IFRS 16 decreased other external expenses by SEK 6.6 million and increased depreciation and amortization by SEK 6.0 million, which had a positive impact of SEK 6.6 million on EBITDA and improved the EBITDA margin by 1.3 percentage points (see Note 2 for more information). EBITA amounted to SEK 19.3 million (23.6).

The Group's operating profit amounted to SEK 17.1 million (21.7), which corresponds to an operating margin of 3.4% (4.3). The operating margin is marginally affected by exchange rate effects. Profit for the quarter was impacted by one-off expenses totalling SEK 2.2 million (-) involving the costs of the acquisition, integration and the final costs of the listing. Excluding these expenses, the Group's operating profit amounted to SEK 19.3 million (21.7), which corresponds to an operating margin of 3.8% (4.3). The EBITA margin in the Nordics was positively affected by the Toolfac acquisition but was also negatively impacted by integration expenses in Finland and amounted to 7.1% (8.1) for the Nordics segment, which is still a healthy level. In the Rest of World segment, the Narva unit (see above) continues to have a negative impact on the EBITA margin of 0.8% (1.8), which is the main reason for the decrease.

For Q2 2019, the Nordics segment reported revenue of SEK 268.1 million (262.1), which corresponds to an increase of 2.3%. The increase was affected positively by the acquisition of Toolfac Oy on 31 January 2019 and negatively by the phasing out of a customer in Finland. The currency effect between the years was positive and totalled SEK 3 million. EBITA amounted to SEK 19.0 million (21.2), which corresponds to a margin of 7.1% (8.1).

The Rest of World segment's revenue to external customers totalled SEK 238.5 million (245.9), a 3.0% decrease, which is a result of the customer base adjustment in Narva (see above). Exchange rates had a positive effect on revenue of SEK 5 million. EBITA amounted to SEK 1.9 million (4.4), which corresponds to a margin of 0.8% (1.8). Efforts on the Narva plant (see above) had a negative impact on profit during the quarter.

We recognize costs associated with special projects to develop the Group and which are not linked to HANZA's operational activities under the Business Development segment; such special projects include acquisitions, disposals, listing costs, the development of service products, etc. In the second quarter, EBITA for the Business Development segment amounted to SEK -1.6 million (-2.0), mainly comprising the initial expenses for the RITTER acquisition and remaining list change expenses. In Q3, approximately SEK 4–5 million in additional transaction expenses will be charged to profit as a result of the RITTER acquisition.

The gross margin amounted to 44.7% (44.1). Other external charges amounted to SEK -60.4 million (-64.2), while costs of personnel amounted to SEK -128.3 million (-123.3). Total overheads are similar in extent to the previous year but shifted from other external charges to costs of personnel. Net financial items amounted to SEK -5.3 million (-7.6). Of this item, net interest income/expenses amounted to SEK -3.9 million (-4.2). The improvement in net interest income/expenses is a result of increased interest income of SEK 0.4 million (0.0) in relation to customer contracts. Due to lower interest rates, interest expenses are essentially unchanged despite an increase in net debt resulting from the transition to IFRS 16 (see Note 2) and the Toolfac acquisition. Net exchange gains and losses amounted to SEK 0.0 million (-2.3). Other financial expenses amounted to SEK -1.4 million (-1.1).

Profit before tax amounted to SEK 11.8 million (14.1). Profit after tax was SEK 8.1 million (11.0), which corresponds to both basic and diluted earnings per share of SEK 0.26 (0.38).

H1

Net sales for H1 amounted to SEK 1,004.3 million (946.6). Revenue increased as a result of the Toolfac acquisition and of new customers and contracts, while decreasing due to phased out customers and decreased volumes, see also “Market performance” above. The currency effect was positive and totalled SEK 26 million.

EBITDA amounted to SEK 76.9 million (69.1), which corresponds to an EBITDA margin of 7.7% (7.3). Depreciation and amortization during the period amounted to SEK 42.5 million (29.0), of which amortization of intangible assets amounted to SEK 4.4 million (3.2) and amortization of rights-of-use assets that arose upon transition to IFRS 16 (see note 2) amounted to SEK 12.0 million (-). IFRS 16 application had a marginal effect on operating profit of SEK 1.0 million. However, IFRS 16 decreased other external expenses by SEK 13.0 million and increased depreciation and amortization by SEK 12.0 million, which had a positive impact of SEK 13.0 million on EBITDA and improved the EBITDA margin by 1.3 percentage points (see Note 2 for more information). The gross margin amounted to 45.0% (44.9). The Group’s EBITA for H1 amounted to SEK 38.8 million (43.3), while its EBIT amounted to SEK 34.4 million (40.1), which corresponds to an operating margin of 3.4% (4.2).

The Nordics segment reported EBITA of SEK 35.7 million (35.3), which corresponds to an EBITA margin of 6.9% (7.4). Revenue increased by 38.0% to SEK 517.3 million (479.3). The Rest of World segment reported EBITA of SEK 10.2 million (12.8), which corresponds to an EBITA margin of 2.1% (2.7). Revenue increased by 19.7% to SEK 486.9 million (467.2). The Business Development segment’s EBITA for H1 amounted to SEK -7.1 million (-4.8) and mainly comprises expenses for the list change process and acquisition expenses for Toolfac and RITTER.

Net financial items amounted to SEK -11.2 million (-15.3). Of this item, net interest income/expenses amounted to SEK -8.2 million (-7.3). The change in net interest income/expenses is mainly due to the increase in net debt resulting from the Toolfac acquisition and the transition to IFRS 16 (see Note 2). Net exchange gains and losses amounted to SEK -0.3 million (-5.8). Other financial expenses amounted to SEK -2.7 million (-2.2).

CASH FLOW AND INVESTMENTS

Cash flows from operating activities amounted in Q2 to SEK 47.4 million (50.5). For the first six months it amounted to SEK 84.0 million (59.6). Change in working capital gave a positive cash flow of SEK 17.0 million (23.0) in Q2 and SEK 20.3 million (5.3) for the first six months.

The aggregation of production units ("Cluster formation") will reduce the amount of capital tied up over time, also leading to lower investment needs.

Cash flows from investing activities in Q2 amounted to SEK -2.7 million (-9.6), comprising mainly investments in fixed assets. In the first six months, net cash flow from investments in fixed assets amounted to SEK -23.4 million (-21.9) and acquisitions of subsidiaries to SEK -28.7 million (-144.4).

Total investments in tangible fixed assets amounted in the quarter to SEK 8.8 million (13.7). The difference compared to cash flows are due to investments in machinery and equipment through leasing.

Cash flow from financing activities for Q2 amounted to SEK -51.6 million (-22.7) comprising a dividend of SEK -7.7 million (-) and cash flow from loans of SEK -43.9 million (-22.6). For the first six months, cash flow from financing activities was SEK -25.2 million (106.7). The Group's borrowings include an acquisition loan in the amount of SEK 15.6 million in connection with HANZA's acquisition of Toolfac. The acquisition was also financed by a new share issue to the sellers in the amount of SEK 14.4 million after transaction expenses.

FINANCIAL POSITION

Shareholders' equity at the end of the period amounted to SEK 442.0 million (402.6), whereas the equity ratio was 35.7% (35.1). The balance sheet total amounted to SEK 1,237.1 million (1,146.5). Cash and cash equivalents amounted at the end of the period to SEK 85.1 million (58.0). Net interest-bearing debt amounted to SEK 326.6 million (293.3) at the end of the period. In Q2 the net interest-bearing debt decreased by SEK 28.2 million.

The application of IFRS 16 at 1 January 2019 caused the equity ratio to weaken by 2.5 percentage points and increased the interest-bearing net debt by SEK 77.5 million (see Note 2). Excluding the application of IFRS 16 the net interest-bearing debt has decreased by more than SEK 30 million despite the acquisition of Toolfac.

EMPLOYEES

During the quarter, the average number of employees in the Group was 1,580 (1,491). The number of employees at the end of the period is 1,588. At the start of the year the number was 1,514. Of the employees at the end of the period, 50 came with the acquisition of Toolfac.

THE PARENT COMPANY

The parent company's net sales, which consists exclusively of income from Group companies, amounted to SEK 5.9 million (3.7) during the quarter. Profit before tax for the quarter amounted to SEK 1.7 million (-0.1). No investments have been affected in the parent company.

SHARES

During the second quarter the number of shares has been unchanged. At the beginning of the year, the number of shares outstanding was 29,869,718 and the share capital was SEK 2,986,972. A small remaining part of the warrants programme was registered in early January 2019, which increased the number of shares by 110,210 and the share capital by SEK 11,021. Toolfac was acquired on 31 January 2019, and part of the purchase price comprised shares, which increased the number of shares by 1,000,000 and the share capital by SEK 100,000. After this, the total number of shares outstanding was 30,979,928 and the share capital was SEK 3,097,993.

DIVIDEND

During Q2 HANZA paid a dividend of SEK 0.25 (0.00) per share for the 2018 financial year, which is equivalent to approximately SEK 7.7 million (-).

MATERIAL RISKS AND UNCERTAINTIES

The risk factors that are most material to HANZA are the financial risks and changes in the market. For more information about risks and uncertainties, please refer to Note 3 in the company's 2018 annual report. There have been no material changes in the risks since the preparation of the 2018 annual report.

RELATED PARTY TRANSACTIONS

There have been no transactions between the HANZA Group and related parties during the quarter with a material effect on the Group's position or earnings, in excess of usual payments of remunerations and wages to Board of directors and Group management.

The interim report gives a true and fair view of parent company and Group operations, as well as their position and earnings, and describes the material risks and uncertainties faced by the parent company and the companies forming part of the Group.

Stocksund, 30 July 2019

On behalf of the Board of directors

Erik Stenfors, CEO

This interim report has not been audited by the company's auditor.

FINANCIAL REPORTS

CONSOLIDATED REPORT ON COMPREHENSIVE INCOME

Amount in SEK millions	Note	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Net sales	**4**	**506.6**	**508.0**	**1,004.3**	**946.6**	**1,810.6**
Change of inventories in production, finished goods and work in progress on behalf of others		-14.3	-14.5	2.1	7.0	-9.6
Raw materials and consumables		-266.0	-269.4	-554.8	-528.7	-996.1
Other external costs		-60.4	-64.2	-123.3	-123.9	-248.4
Costs of personnel		-128.3	-123.3	-251.8	-232.8	-445.7
Depreciation		-20.9	-15.4	-42.5	-29.0	-59.1
Other operating income	5	1.7	2.6	2.6	5.2	9.4
Other operating expenses	5	-1.3	-2.1	-2.2	-4.3	-7.0
Operating profit	**4**	**17.1**	**21.7**	**34.4**	**40.1**	**54.1**
Profit/loss from financial items						
Financial income		0.4	-	0.4	0.1	-
Financial expenses		-5.7	-7.6	-11.6	-15.4	-24.9
Financial items – net	**6**	**-5.3**	**-7.6**	**-11.2**	**-15.3**	**-24.9**
Profit/loss before tax		**11.8**	**14.1**	**23.2**	**24.8**	**29.2**
Income tax	7	-3.7	-3.1	-6.0	-5.0	-8.4
Profit/loss for the period		**8.1**	**11.0**	**17.2**	**19.8**	**20.8**
Other comprehensive income						
Items that can subsequently be reversed in profit or loss						
Exchange rate differences		3.8	2.8	7.8	16.7	12.9
Other comprehensive income for the period		**3.8**	**2.8**	**7.8**	**16.7**	**12.9**
Total comprehensive income for the period		**11.9**	**13.8**	**25.0**	**36.5**	**33.7**

Profit/loss for the period and total comprehensive income are in their entirety attributable to the parent company's shareholders

Earnings per share before dilution, SEK	0.26	0.38	0.56	0.74	0.74
Earnings per share after dilution, SEK	0.26	0.38	0.56	0.74	0.74

The number of shares before and after dilution are presented in Note 8.

CONDENSED CONSOLIDATED BALANCE SHEET

Amount in SEK millions	Note	2019-06-30	2018-06-30	2018-12-31
ASSETS				
Fixed assets				
Intangible assets				
Goodwill		267.0	265.8	264.5
Other intangible assets		71.4	69.2	65.9
Intangible assets		**338.4**	**335.0**	**330.4**
Right-of-use assets	**2**	**107.0**	**-**	**-**
Tangible fixed assets		**265.9**	**265.8**	**269.6**
Financial fixed assets				
Other long-term securities holdings		0.3	0.3	0.3
Deferred tax assets		10.7	11.5	16.4
Financial fixed assets		**11.0**	**11.8**	**16.7**
Total fixed assets		**722.3**	**612.6**	**616.7**
Current assets				
Inventories		308.2	308.6	290.1
Accounts receivable		89.5	132.5	83.8
Other receivables		21.9	23.0	18.1
Prepayments and accrued income		10.1	11.8	9.9
Cash and cash equivalents		85.1	58.0	77.5
Total current assets		**514.8**	**533.9**	**479.4**
TOTAL ASSETS		**1,237.1**	**1,146.5**	**1,096.1**

CONDENSED CONSOLIDATED BALANCE SHEET, cont'd

Amount in SEK millions	Note	2019-06-30	2018-06-30	2018-12-31
SHAREHOLDERS' EQUITY				
Shareholders' equity attributable to the parent company's shareholders		**442.0**	**402.6**	**410.5**
LIABILITIES				
Long-term liabilities				
Liabilities to credit institutions	3	191.8	225.9	207.2
Lease liabilities	2	67.2	-	-
Non-interest-bearing long-term liabilities		35.9	31.5	33.4
Total long-term liabilities		**294.9**	**257.4**	**240.6**
Current liabilities				
Overdraft facility	3	44.2	53.2	45.3
Liabilities to credit institutions	3	68.3	56.2	68.1
Lease liabilities	2	36.1	-	-
Other interest-bearing liabilities		4.1	16.0	17.1
Accounts payable		234.9	245.2	219.4
Other liabilities		30.3	31.3	29.1
Accrued expenses and deferred income		82.3	84.6	66.0
Total current liabilities		**500.2**	**486.5**	**445.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,237.1**	**1,146.5**	**1,096.1**

CONDENSED CONSOLIDATED REPORT OF CHANGES IN SHAREHOLDERS' EQUITY

Amount in SEK millions	Note	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Opening balance		438.0	388.9	**410.5**	**309.3**	**309.3**
Profit/loss for the period		8.1	11.0	17.2	19.8	20.8
Other comprehensive income						
Exchange rate differences		3.8	2.8	7.8	16.7	12.9
Total comprehensive income		11.9	13.8	**25.0**	**36.5**	**33.7**
Effect of implementation of IFRS 15		-	-	-	0.8	0.8
Transactions with shareholders						
Redemption of warrants		-	-	-	-	10.7
New share issue		-	-	-	60.3	60.3
Non-cash issue		-	-	14.5	-	-
Issue costs		-0.2	-0.1	-0.3	-4.3	-4.3
Dividend		-7.7	-	-7.7	-	-
Total contributions from and distributions to shareholders, recognized directly in equity		-7.9	-0.1	**6.5**	**56.0**	**66.7**
Closing balance		442.0	402.6	**442.0**	**402.6**	**410.5**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amount in SEK millions	Note	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Cash flows from operating activities						
Profit/loss after financial items		11.8	14.1	23.2	24.8	29.2
Depreciation		20.9	15.4	42.5	29.0	59.1
Other non-cash items		0.7	1.2	0.6	5.3	4.7
Paid income tax		-3.0	-3.2	-2.6	-4.8	-7.3
Cash flows from operating activities prior to the change in working capital		**30.4**	**27.5**	**63.7**	**54.3**	**85.7**
Total change in working capital		**17.0**	**23.0**	**20.3**	**5.3**	**27.8**
Cash flows from operating activities		**47.4**	**50.5**	**84.0**	**59.6**	**113.5**
Cash flows from investing activities						
Investments in subsidiaries	9	-	-	-28.7	-144.4	-144.4
Investments in fixed assets		-3.5	-9.9	-24.3	-22.3	-46.5
Disposals of tangible fixed assets		0.8	0.3	0.9	0.4	1.8
Cash flows from investing activities		**-2.7**	**-9.6**	**-52.1**	**-166.3**	**-189.1**
Cash flows from financing activities						
New share issue		-	-0.1	-	56.0	66.7
New loans		5.6	114.5	51.5	202.5	232.8
Repayment of borrowings		-49.5	-137.1	-69.0	-151.8	-204.4
Dividends paid		-7.7	-	-7.7	-	-
Cash flows from financing activities		**-51.6**	**-22.7**	**-25.2**	**106.7**	**95.1**
Increase/reduction in cash and cash equivalents		**-6.9**	**18.2**	**6.7**	**0.0**	**19.5**
Cash and cash equivalents at the beginning of the period		91.6	39.8	77.5	56.1	56.1
Exchange differences in cash and cash equivalents		0.4	0.0	0.9	1.9	1.9
Cash and cash equivalents at the end of the period		**85.1**	**58.0**	**85.1**	**58.0**	**77.5**

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CONDENSED PARENT COMPANY INCOME STATEMENT

Amount in SEK millions	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Operating income	**5.9**	**3.7**	**10.2**	**7.3**	**19.8**
Operating expenses	**-4.9**	**-4.2**	**-12.5**	**-7.8**	**-18.5**
Operating profit	**1.0**	**-0.5**	**-2.3**	**-0.5**	**1.3**
Profit/loss from financial items					
Other interest income and similar income items	1.0	0.6	1.7	1.0	2.2
Interest charges and similar income items	-0.3	-0.2	-0.4	-0.8	-0.9
Total profit/loss from financial items	**0.7**	**0.4**	**1.3**	**0.2**	**1.3**
Profit/loss after net financial items	**1.7**	**-0.1**	**-1.0**	**-0.3**	**2.6**
Appropriations	-	-	-	-	2.3
Profit/loss before tax	**1.7**	**-0.1**	**-1.0**	**-0.3**	**4.9**
Tax on profit for the period	-	-	-	-	-0.4
Profit/loss for the period	**1.7**	**-0.1**	**-1.0**	**-0.3**	**4.5**

There are no parent company items that are recognized in comprehensive income, for which reason total comprehensive income is consistent with the profit/loss for the period.

CONDENSED PARENT COMPANY BALANCE SHEET

Amount in SEK millions	Note	2019-06-30	2018-06-30	2018-12-31
ASSETS				
Fixed assets				
Financial fixed assets		**328.4**	**292.5**	**297.3**
Total fixed assets		**328.4**	**292.5**	**297.3**
Current assets				
Current receivables		1.0	2.0	2.9
Cash and cash equivalents		0.1	0.6	11.5
Total current assets		**1.1**	**2.6**	**14.4**
TOTAL ASSETS		**329.5**	**295.1**	**311.7**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		**302.6**	**281,5**	**297.0**
Long-term liabilities		**20.8**	**8.4**	**7.2**
Current liabilities		**6.1**	**5.2**	**7.5**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**329.5**	**295.1**	**311.7**

NOTES

Note 1 General information

All amounts are reported in millions of SEK (SEK millions) and refers to The Group unless otherwise stated. Information in brackets refers to the corresponding period of the preceding year. The interim information on pages 5 to 8 forms an integral part of this financial report.

Note 2 Basis for the preparation of reports and accounting principles

HANZA Holding AB (publ) applies IFRS (International Financial Reporting Standards), as adopted by the European Union. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The interim report for the parent company has been prepared in accordance with chapter 9 of the Swedish Annual Reports Act, and with RFR 2, Accounting for legal entities.

Aside from the changes described farther down in this note, the accounting principles are in accordance with the principles that were applied in the previous financial year. For more information on these, please refer to Note 2 of the company's 2018 annual report.

IFRS 16 ”Leasing” has been applied by the Group from 2019. The standard requires that assets and liabilities attributable to all leases, with some exceptions, are reported in the balance sheet. The transition has been done according to the modified retrospective approach where lease liability and the right of use asset values are set to the present value of remaining lease payments at the transition date 1 January 2019. Contracts which at the transition date had a shorter remaining contract period than one year were, according to a practical expedient, not included in the liability and right-of-use asset.

The essential difference for HANZA is that a number of rental contracts for factories and other premises, which previously have been treated as operational leases, now are reported as right-of-use assets and lease liabilities in the balance sheet, which has increased the balance sheet total with SEK 77.5 million at the opening of 2019. In addition assets in financial leases of SEK 39.3 million which were previously included in tangible fixed assets, have now been reclassified to right-of-use assets. The lease liabilities in those financial leases amounted to SEK 35.9 million. The effect on the balance sheet and the most essential related key ratios are presented in the following table:

Effects of the implementation of IFRS 16

Amount in SEK millions	Closing balance 2018-12-31	Reclassification of financial contracts	Recording of *) operational contracts	Opening balance 2019-01-01
Tangible fixed assets	269.6	-39.3		230.3
Right-of-use assets		39.3	77.5	116.8
Long-term liabilities to credit institutions	207.2	-22.9		184.3
Long-term lease liabilities		22.9	53.1	76.0
Short-term liabilities to credit institutions	68.1	-13.0		55.1
Short-term lease liabilities		13.0	24.4	37.4
Net interest-bearing debt	260.2		77.5	337.7
Equity ratio	37.5%			35.0%

*) A reconciliation between recorded liability and reported future operational leasing fees according to IAS 17 is available in note 30 in the annual report 2018.

During the period right-of-use assets and lease liabilities have changed through depreciations, repayments, capitalization of interest and adding of new contracts after which right-of-use assets amounted to SEK 107.0 million, long-term lease liabilities to SEK 67.2 million and short-term lease liabilities to SEK 36.1 million.

In the income statement, the effect on the operating profit in Q2 is marginal. However, other external costs decrease by SEK 6.6 million while depreciations increase by SEK 6.0 million and interest costs by SEK 0.7 million. Hence the effect on EBITDA is SEK 6.6 million, on operating income SEK 0.6 million and SEK -0.1 million on income before tax. The effect on the EBITDA-margin is 1.3 % points while the effect on other income related key ratios are marginal. The corresponding figures for 2018 have not been recalculated.

Note 3 Financial instruments - Fair value of financial liabilities valued at amortized cost

The Group's borrowing consists of a large number of notes taken out at different times and with different maturities. Substantially all the loans carry a floating rate of interest. Against the background of the foregoing, the reported values may be deemed to provide a good approximation of fair values as the discount effect is not material.

Note 4 Revenue and segment information

Description of revenue from contracts with customers

HANZA's revenue is attributable primarily to the production of components, subsystems and finished composite products according to the customer specifications, but where HANZA has been involved in customising the manufacturing process. HANZA's performance obligations are deemed to have been met when the component or composite product is delivered to the customer. Exceptions from the foregoing are cases where there is an agreement with the customer regarding a buffer stock of finished components or products. In these cases the performance obligation is deemed to have been met at the time the component or product is placed in buffer stock, meaning that it is available to the customer.

The breakdown of external revenue by segment, which is in line with the Group's cluster-based organisation, is set out in the segment information section below. In addition, the recognition of external revenue is divided into the manufacturing technologies 'Mechanics' and 'Electronics' further below.

Description of segment reporting

HANZA applies cluster-based segment classification. Operational reporting is broken down into the following segments:

- **Nordic** – Manufacturing clusters located in or near HANZA's primary geographical customer markets, which currently consist of Sweden, Finland and Norway. These clusters currently comprise Sweden and Finland. The operations in these areas are characterised by a high degree of automation and close collaboration with customer development departments.
- **Rest of the world** – Manufacturing clusters outside of HANZA's primary geographical customer areas, but close to key end-customer regions. These clusters currently consist of the Baltic States, Central Europe (near Germany and others) and China (in China). The operations are characterised by heavy labour input, complex, extensive monitoring, and a focus on efficient logistics.
- **Business development** – Costs and revenues not allocated to the Manufacturing Clusters, which primarily consist of Group-wide functions within the parent company, as well as Group-wide adjustments not allocated to the other two segments

Transactions between segments are made on market terms.

Revenues by segment

SEK millions	Apr - Jun 2019			Apr - Jun 2018		
	Segment revenues	Less sales between segments	Income from external customers	Segment revenues	Less sales between segments	Income from external customers
Nordic	268.9	-0.8	268.1	265.0	-2.9	262.1
Rest of the world	246.9	-8.4	238.5	257.5	-11.6	245.9
Business development	-	-	-	-	-	-
Total	**515.8**	**-9.2**	**506.6**	**522.5**	**-14.5**	**508.0**

SEK millions	Jan – Jun 2019			Jan – Jun 2018		
	Segment revenues	Less sales between segments	Income from external customers	Segment revenues	Less sales between segments	Income from external customers
Nordic	518.8	-1.5	517.3	484.5	-5.2	479.3
Rest of the world	507.2	-20.3	486.9	495.8	-28.6	467.2
Business development	0.1	-	0.1	0.1	-	0.1
Total	**1,026.1**	**-21.8**	**1,004.3**	**980.4**	**-33.8**	**946.6**

Profit by segment

Segment results are reconciled to profit/loss before tax as follows:

SEK millions	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
EBITA					
Nordic	19.0	21.2	35.7	35.3	67.4
Rest of the world	1.9	4.4	10.2	12.8	3.9
Business development	-1.6	-2.0	-7.1	-4.8	-10.0
Total EBITA	**19.3**	**23.6**	**38.8**	**43.3**	**61.3**
Amortisation of intangible assets	-2.2	-1.9	-4.4	-3.2	-7.2
Operating profit	**17.1**	**21.7**	**34.4**	**40.1**	**54.1**
Financial items – net	-5.3	-7.6	-11.2	-15.3	-24.9
Profit/loss before tax	**11.8**	**14.1**	**23.2**	**24.8**	**29.2**
Non-recurring items					
Revaluation of additional purchase price	-	-	-	-	-0.8
Transaction costs	-1.0	-	-3.0	-0.3	-0.3
Costs for change of listing	-0.2	-	-3.7	-	-5.3
Write-down of inventory	-	-	-	-	-10.9
Total	**-1.2**	**-**	**-6.7**	**-0.3**	**-17.3**
EBITA per segment excluding non-recurring items					
Nordic	19.0	21.2	35.7	35.3	67.4
Rest of the world	1.9	4.4	10.2	12.8	14.8
Total	**20.9**	**25.6**	**45.9**	**48.1**	**82.2**
Business development	-0.4	-2.0	-0.4	-4.5	-3.6
Total	**20.5**	**23.6**	**45.5**	**43.6**	**78.6**
Non-recurring items	-1.2	-	-6.7	-0.3	-17.3
EBITA	**19.3**	**23.6**	**38.8**	**43.3**	**61.3**

Revenue from external customers by manufacturing technology

SEK millions	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Mechanics	365.7	361.2	727.8	665.3	1,274.6
Electronics	140.9	146.8	276.4	281.2	536.3
Business development	-	-	0.1	0.1	-0.3
Total	**506.6**	**508.0**	**1,004.3**	**946.6**	**1,810.6**

Note 5 Other operating income and operating expenses

SEK millions Other operating income	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Profit on disposal of fixed assets	0.2	0.3	0.3	0.3	1.6
Exchange gains	0.8	1.4	1.2	3.7	5.5
Other items	0.7	0.9	1.1	1.2	2.3
Total other operating income	**1.7**	**2.6**	**2.6**	**5.2**	**9.4**
Other operating expenses					
Loss on disposal of fixed assets	-	-	-	-	-0.2
Revaluation of additional purchase price	-	-	-	-	-0.8
Exchange losses	-1.1	-1.9	-1.9	-4.1	-5.4
Other items	-0.2	-0.2	-0.3	-0.2	-0.6
Total other operating expenses	**-1.3**	**-2.1**	**-2.2**	**-4.3**	**-7.0**

Note 6 Financial income and expenses – Net financial items

SEK millions Financial income	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Interest income	0.4	-	0.4	0.1	-
Total financial income	**0.4**	**-**	**0.4**	**0.1**	**-**
Financial expenses					
Interest expenses	-4.3	-4.2	-8.6	-7.4	-14.1
Net exchange gains and losses	0.0	-2.3	-0.3	-5.8	-6.4
Other financial expenses	-1.4	-1.1	-2.7	-2.2	-4.4
Total financial expenses	**-5.7**	**-7.6**	**-11.6**	**-15.4**	**-24.9**
Total financial items - net	**-5.3**	**-7.6**	**-11.2**	**-15.3**	**-24.9**

Note 7 Income tax

The effective tax rate for the quarter was 31 percent (22) and in the first half year 26 percent (20). An important part of the Group's operations derives from Estonia, where profits are only taxed upon distribution of dividends. The parent company rules over the dividends and there are currently no plans or needs to take dividends, which would result in taxes, from the Estonian companies. The Estonian tax rate has therefore been set at 0 percent for purposes of the calculation. The effective tax rate therefore varies according to the proportion of pre-tax profits stemming from Estonia.

Note 8 Number of shares

The table below shows the average numbers of shares before and after dilution, that have been used in the calculation of earnings per share. The number of shares at the end of the period is also shown.

Number of shares	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Weighted average number of shares before dilution	30,979,928	29,021,208	30,738,097	26,691,656	27,907,850
Adjustment upon calculation of earnings per share after dilution:					
Warrants	-	208,447	1,338	154,465	225,907
Weighted average number of shares after dilution	30,979,928	29,229,655	30,739,435	26,846,121	28,133,757
Number of shares at the end of the period	30,979,928	29,021,208	30,979,928	29,021,208	29,869,718

Note 9 Acquisitions of subsidiaries

HANZA Holding has during 2019 made two acquisitions. Toolfac Oy was acquired in January and in July, after the end of the reporting period, Ritter Elektronik GmbH was acquired. For the latter, an acquisition analysis has not yet been done. Hence the information in this note only refers to Toolfac.

On 31 January 2019, HANZA Holding acquired all shares in Toolfac Oy ("Toolfac"), which is headquartered in Iisalmi, Finland. The company conducts manufacturing with a focus on machining. Toolfac's sales for 2018 were approximately SEK 80 million. The total purchase price is capped at SEK 34.1 million, consisting of a cash component in the amount of SEK 15.6 million that was paid upon entry into possession, 1,000,000 shares in HANZA Holding valued at SEK 14.4 million and a variable supplementary purchase price of no more than SEK 4.1 million, payable during the first quarter of 2020. The expected supplementary purchase price has been estimated at SEK 4.1 million in the acquisition analysis, which was discounted to SEK 4.0 million. An external valuation of Toolfac's property identified a surplus value of SEK 6.5 million. The remaining surplus value of the acquisition, SEK 8.3 million before deferred tax, has been linked to customer relations. The deferred tax liability for these items is SEK 3.0 million. The acquisition analysis is still preliminary. The table below summarises the purchase price for Toolfac and the fair value of the acquired assets and assumed liabilities that were recognised on the acquisition date.

Purchase price, SEK million	
Cash and cash equivalents paid upon entry into possession	15.6
Equity instruments 1,000,000 ordinary shares	14.4
Conditional additional purchase price due in Q1 2020	4.0
Total estimated purchase price	**34.0**

Reported amounts of identifiable acquired assets and assumed liabilities

Cash and cash equivalents	4.1
Intangible fixed assets	8.3
Buildings and land	8.1
Machinery and equipment	20.9
Inventories	15.8
Accounts receivable and other receivables	5.7
Deferred tax liability	-3.2
Borrowings	-14.9
Accounts payable and other liabilities	-10.8
Total identified net assets	**34.0**
Total net assets transferred	**34.0**

HANZA's business model aims to coordinate factories with various manufacturing technologies into what are referred to as Manufacturing Clusters within certain geographical areas. Following an acquisition, production is reallocated in order to optimise the manufacturing process, material logistics and cost-efficiency from the Manufacturing Cluster's perspective. In addition, administration, IT, marketing, sales etc. are also coordinated within the respective Manufacturing Cluster in order to make a positive impact on the acquired company's profitability. This integration, which commences immediately after the acquisition, impacts individual factories' financial reports, for which reason an acquired company's reports following an acquisition are no longer comparable to the situation that would have prevailed if the company had remained independent.

Hence Toolfac's net sales during 2019 is expected to be positively affected by the fact that the company is a part of HANZA Group, see also "Market Performance" above. Toolfac forms part of the HANZA Group as from 1 February 2018. In January 2019, the company posted sales of SEK 6.7 million and an operating profit of SEK 0.3 million. Reported external sales to HANZA's customers from the acquired company Toolfac during Q2 amount to SEK 20.8 million, with a reported operating profit of SEK 2.3 million. As of the acquisition date Toolfac is reporting external sales of SEK 34.1 million, with a reported operating profit of SEK 3.8 million.

KEY RATIOS

	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018
Key ratios according to IFRS					
Net sales, SEK millions	506.6	508.0	1,004.3	946.6	1,810.6
Earnings per share before dilution, SEK	0.26	0.38	0.56	0.74	0.74
Earnings per share after dilution, SEK	0.26	0.38	0.56	0.74	0.74
Average number of employees	1,580	1,491	1,510	1,450	1,407
Alternative performance measurements					
EBITDA margin, %*)	7.5%	7.3%	7.7%	7.3%	6.3%
Operating margin, %	3.4%	4.3%	3.4%	4.2%	3.0%
Operational segments EBITA, SEK millions	20.9	25.6	45.9	48.1	71.3
Operational EBITA margin, %	4.1%	5.0%	4.6%	5.1%	3.9%
Operating capital, SEK millions*)	768.6	695.9	768.6	695.9	670.7
Return on operating capital, %*)	2.5%	3.3%	5.4%	7.5%	10.9%
Capital turnover on operating capital, times*)	0.6	0.7	2.8	3.3	3.2
Net interest-bearing debt, SEK millions*)	326.6	293.3	326.6	293.3	260.2
Net debt/equity ratio, times*)	0.7	0.7	0.7	0.7	0.6
Equity ratio, %*)	35.7%	35.1%	35.7%	35.1%	37.5%
Equity per share at end of period, SEK	14.27	13.87	14.27	13.87	13.70

*) The key ratio has been affected by the transition to IFRS 16. Corresponding figures for 2018 have not been recalculated.

The alternative performance measurements above are considered relevant to give a picture of HANZA's operational profitability, the distribution of financing between equity and external financing, return on contributed capital and the company's financial risk. Reconciliation tables for alternative performance measurements and motives for using each measurement are published on the company's web page.

FORTHCOMING DISCLOSURES

- The interim report for the period January-September 2019 will be presented on 29 October 2019

For further information please contact:

Erik Stenfors, CEO
Tel: +46 709 50 80 70, mail: erik.stenfors@hanza.com

Lars Åkerblom, CFO
Tel: +46 707 94 98 78, mail: lars.akerblom@hanza.com

DEFINITIONS, ALTERNATIVE PERFORMANCE MEASUREMENTS AND TERMS

KEY RATIOS ACCORDING TO IFRS - Definitions

EBIT refers to earnings before interest and taxes and is the same as operating profit

ALTERNATIVE PERFORMANCE MEASUREMENTS – Definitions, reconciliation and motives

The alternative performance measurements below are used in this report. Reconciliation tables for alternative performance measurements and motives for using each measurement are published on the company's web page.

Business development costs include costs incurred in special projects to develop the Group which are not related to the operating activities, such as acquisitions, disposals and listing costs.

Business development segment EBITA includes business development costs. EBITA and EBIT are equal for this segment.

Gross margin refers to net sales less cost of raw materials and consumables and change in inventories in production, finished goods and work in progress on behalf of others, divided by net sales

EBITDA refers to earnings before interest, taxes, depreciation and amortization of tangible and intangible items

EBITDA margin is EBITDA divided by net sales

EBITA refers to earnings before interest, taxes and amortization of intangible items

Equity per share is equity on the balance sheet date, adjusted for not registered equity, divided by the registered number of shares on the balance sheet date.

Non-recurring items are revenue and expense items in the operating profit which only by way of exception occurs in the operations. To non-recurring items are referred revenues and expenses such as acquisition costs, revaluation of additional purchase prices, profit or loss on disposal of buildings and land, debt concession, costs of larger restructurings such as moving of whole factories and larger write-downs.

Capital turnover on average operating capital, refers to net sales divided by average operating capital

Operational segments EBITA (operational EBITA) is EBITA before business development costs

Operating profit from operational segments (operating EBIT) is operating profit before business development costs

Operational EBITA margin refers to operational segments EBITA divided by net sales

Operating capital is the balance sheet total less cash and cash equivalents, financial assets and non-interest-bearing liabilities

Net debt/equity ratio is net interest-bearing debt divided by shareholders' equity

Return on operating capital is operating EBITA divided by average operating capital

Net interest-bearing debt is interest-bearing liabilities less cash in hand and similar assets and short-term investments

Operating margin (EBIT margin) is operating profit divided by net sales

Equity ratio is shareholders' equity divided by the balance sheet total

TERMS

CORE (Cluster Operational Excellence) is a method used by HANZA to develop the factories operationally, which are carried out in shape of projects.

MIG (Manufacturing Solutions for Increased Growth & Earnings) is an advisory service developed by HANZA which analyses, and gives advices on improvements in the customers complete manufacturing and logistic chain.

MCS (Material Compliance Services) is a service developed by HANZA which helps the customer to secure that a product fulfils regulations regarding included components.

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ABOUT HANZA

HANZA modernizes and streamlines the manufacturing industry. By bringing together various manufacturing technologies at the local level, the company offers shorter lead times, more environmentally-friendly processes and increased profitability to product-owning companies.

HANZA was founded in 2008 and has a yearly turnover of about SEK 2.3 billion, including acquisitions made in 2019. Hanza has production facilities in seven countries; Sweden, Finland, Germany, Estonia, Poland, Czech Republic and China.

HANZA's customers include leading companies such as ABB, Epiroc, GE, Getinge, Saab Defence and Siemens. Read more on www.hanza.com

HANZA Holding AB (publ)
Brovägen 5, SE-182 76 Stocksund

Telephone: +46 (0)8-624 62 00
Corporate ID number: 556748-8399
www.hanza.com

HANZA's share is listed on Nasdaq Stockholm