



PRESS RELEASE

Stockholm, 6 December 2023

HANZA AB (publ) successfully completes a directed new share issue of 3,529,412 shares and raises proceeds of approximately SEK 300 million

HANZA AB (publ) ("HANZA" or the "Company") has, in accordance with the Company's press release earlier today, completed an accelerated bookbuilding procedure and resolved on a directed new share issue of 3,529,412 shares at a subscription price of SEK 85 per share (the "Directed New Share Issue"). The subscription price for the shares in the Directed New Share Issue has been determined through an accelerated bookbuilding procedure carried out by Pareto Securities AB ("Pareto Securities" or the "Manager"). The Directed New Share Issue was several times oversubscribed, why the Company decided to expand the Directed New Share Issue from the previously communicated approximately SEK 250 million to SEK 300 million. A number of Swedish and international institutional investors, including AP3, Lupus alpha and ODIN Fonder participated in the Directed New Share Issue. In addition, Färna Invest AB, a company owned by board member Gerald Engström, participated. Färna Invest AB was allocated 470,500 shares, conditioned by an approval from an extraordinary general meeting.

"Due to the fantastic interest in our share, the board has decided to expand the issuance. This capital reinforcement brings joyful news for all parties, including our customers, employees, suppliers, and shareholders. The completed share issue further strengthens the potential of our 'HANZA 2025' strategy, and we observe significant support among institutions and existing owners for our ongoing successful expansion" says Erik Stenfors, CEO.

Background

The company currently has a good financial position with a debt level well below the target that the interest-bearing net debt/adjusted EBITDA should amount to no more than 2.5.

However, HANZA sees significant opportunities to secure new larger manufacturing projects. Furthermore, there are additional strategical acquisitions that may be considered within the Company's strategy, HANZA 2025.

The net proceeds from the Directed New Share Issue are thus intended to be used to support an ongoing expansion strategy. This involves preparedness for new significant business events, investment in capacity-enhancing projects within the operations, as well as financial flexibility for the company's acquisition strategy and optimizing the capital structure. Furthermore, the Directed New Share Issue makes it possible to broaden the current owner base to Swedish and international investors who intend to participate long-term in the Company's continued growth journey.

Summary of the Directed New Share Issue

- The subscription price in the Directed New Share Issue amounts to SEK 85 per share and has been determined through an accelerated bookbuilding procedure carried out by Pareto Securities.
- Through the Directed New Share Issue, HANZA will receive proceeds amounting to approximately SEK 300 million, before transaction related costs (of which SEK 40 million will be paid later and is conditioned by an approval from an extraordinary general meeting).
- To facilitate the execution of the Directed New Share Issue, the new shares, excluding the shares to Färna Invest AB, will initially be subscribed by Pareto Securities AB for an amount equivalent to the quota value of the shares. In connection with the settlement date, the Company will receive the remaining amount from the investors participating in the Directed New Share Issue, i.e. the difference between the subscription price in the Directed New Share Issue and the quota value.
- The Directed New Share Issue was subscribed for by a number of Swedish and international institutional investors, including AP3, Lupus alpha and ODIN Fonder. In addition, Färna Invest AB, a company owned by board member Gerald Engström, participated. Färna Invest AB was allocated 470,500 shares, conditioned by an approval from an extraordinary general meeting.
- Through the Directed New Share Issue, excluding the allocation to Färna Invest AB, the number of shares in the Company will increase by 3,058,912, from 40,129,928 to 43,188,840. The share capital of the Company will increase by SEK 305,891, from SEK 4,012,993 to SEK 4,318,884. If the allocation to Färna Invest AB is approved by the extraordinary general meeting, the number of shares in the Company will increase further by 470,500 shares to a total of 43,659,340 and the share capital of the Company will increase further by SEK 47,050 to a total of SEK 4,365,934.

The Directed New Share Issue

The Board of Directors of HANZA has, based on the authorization granted by the annual general meeting held on 8 May 2023, resolved on the Directed New Share Issue which was directed to Swedish and international institutional, and other qualified, investors. The Directed New Share Issue, excluding the allocation to Färna Invest AB, comprises 3,058,912 new shares at a subscription price of SEK 85 per share and the Company will hereby receive approximately SEK 260 million before transaction related costs. The allocation to Färna Invest AB is conditioned by an approval from an extraordinary general meeting. Notice of the extraordinary general meeting will be published through a separate press release. If the allocation to Färna Invest AB is approved by the extraordinary general meeting, the number of shares in the Company will increase further by 470,500 shares to a total of 43,659,340 and the share capital of the Company will increase further by SEK 47,050 to a total of SEK 4,365,934.

The subscription price has been determined through an accelerated bookbuilding procedure and corresponds to a discount of approximately 1.0 percent compared to the ten (10) days volume-weighted average price (VWAP) of the Company's share on Nasdaq Stockholm. The Board of Directors' assessment is that the subscription price in the Directed New Share Issue is in accordance with market conditions since it has been determined through the bookbuilding procedure led by Pareto Securities as Sole Global Coordinator and Bookrunner.

The Directed New Share Issue was carried out as a directed new share issue with deviation from the shareholders' preferential rights to, in a timely and cost-effective manner, secure financing on favorable terms for the Company's continued growth. A preferential rights issue would be significantly more time- and resource consuming compared to the currently conducted Directed New Share Issue, not least due to the work and costs which the preparation of a prospectus entails. The Directed New Share Issue has been able to be carried out in a short period of time through intensive efforts from the board and advisors, yielding, according to the board, satisfactory results. The Board of Directors has assessed that the delay from conducting a preferential rights issue could lead to loss of the opportunity to carry out potential acquisitions or other investments. The Board of Directors has also, in the choice of type of share issue, considered it positive that HANZA's shareholder base, through the Directed New Share Issue, is further strengthened and diversified among Swedish and international institutional, and other qualified, investors, for example AP3, Lupus alpha and ODIN Fonder. The reason for including an existing shareholder among those eligible for subscription is that the shareholder has expressed and demonstrated a long-term interest in the Company, which, according to the board, creates security and stability for both the Company and its shareholders. In light of the above, the Board of Directors has assessed that a directed share issue under current conditions is a better option for all shareholders than implementing a traditional preferential rights issue. The Board of Directors' overall assessment is therefore that the reasons for conducting the Directed New Share Issue outweighs the reasons for the principal rule to issue shares to shareholders with preferential rights, and that a share issue with deviation from the shareholders' preferential rights therefore lies in the interest of the Company and all of its shareholders. As the subscription price in the Directed New Share Issue will be determined in a bookbuilding procedure, it is the Board of Directors' assessment that the subscription price is determined in accordance with market conditions.

If the allocation to Färna Invest AB is approved, the number of shares and votes in HANZA will, through the Directed New Share Issue, increase by a total of 3,529,412, from 40,129,928 to 43,659,340. The share capital of the Company will increase by a total of SEK 352,941, from SEK 4,012,993 to SEK 4,365,934. The Directed New Share Issue entails a dilution of approximately 8.1 percent based on the total number of shares in HANZA after the Directed New Share Issue.

Undertakings

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 6 months after the announcement of the outcome in the Directed New Share Issue. All of the Company's board members and senior executives have undertaken, with customary exceptions, not to sell or in other ways dispose their shares (and other securities) in the Company for a period of 3 months after the announcement of the outcome of the Directed New Share Issue.

Advisors

Pareto Securities AB acts as Sole Global Coordinator and Bookrunner. Advokatfirman Lindahl acts as legal adviser to the Company in connection with the Directed New Share Issue.

For additional information, contact:

Erik Stenfors, CEO, HANZA AB (publ)

Phone: +46 70 950 80 70

E-mail: erik.stenfors@hanza.com

Lars Åkerblom, CFO, HANZA AB (publ)
Phone: +46 70 794 98 78
E-mail: lars.akerblom@hanza.com

This information constitutes insider information that HANZA AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information in this press release was submitted for publication by the contact persons set out above, for publication at the time specified by HANZA's news distributor Cision at the time of publication of this press release. The above persons can also be contacted for further information.

About HANZA AB (publ)

HANZA is a global knowledge and manufacturing company that modernizes and streamlines the manufacturing industry. By offering product development and supply chain advisory services, along with its own factories grouped in regional manufacturing clusters, HANZA creates stable deliveries, increased profitability, and an environmentally friendly manufacturing process for the Company's clients. The HANZA Group was founded in 2008 and is headquartered in Kista.

On December 1, 2023, HANZA acquired the Swedish electronics company Orbit One AB ("**Orbit One**") with factories in Sweden and Poland, generating an annual turnover of approximately SEK 1.1 billion and an operating profit (EBITA) of around SEK 70 million. As of the third quarter of 2023, HANZA has a rolling 12-month turnover of SEK 4,088 million with an operating margin (EBITA) of 8.1%. Together with Orbit One, the HANZA group now has a pro forma 12-month turnover of SEK 5,188 million with an operating margin of 7.7%.

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This press release is not a prospectus as set forth in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not approved any securities offering to the public in any member state of the EEA and no prospectus has been published or will be published in connection with the Directed New Share Issue. In each member state of the EEA, this message is only directed towards "qualified investors" in that member state in accordance with the definition in the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of Article 86(7) of the Financial Services and Markets Act 2000) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the shares. Any investment decision in connection with the Directed New Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Manager. The Manager acts for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release does not constitute a recommendation for any investors' decisions regarding the Directed New Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Failure to follow these instructions may result in a breach of the Securities Act or applicable laws in other jurisdictions.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company

believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless this is required under law or Nasdaq Stockholm's rulebook for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in HANZA have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in HANZA may decline and investors could lose all or part of their investment; the shares in HANZA offer no guaranteed income and no capital protection; and an investment in the shares in HANZA is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed New Share Issue. Thereto, notwithstanding the Target Market Assessment, it shall be noted that the Manager will only provide investors who meet the criteria for professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in HANZA.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in HANZA and determining appropriate distribution channels.