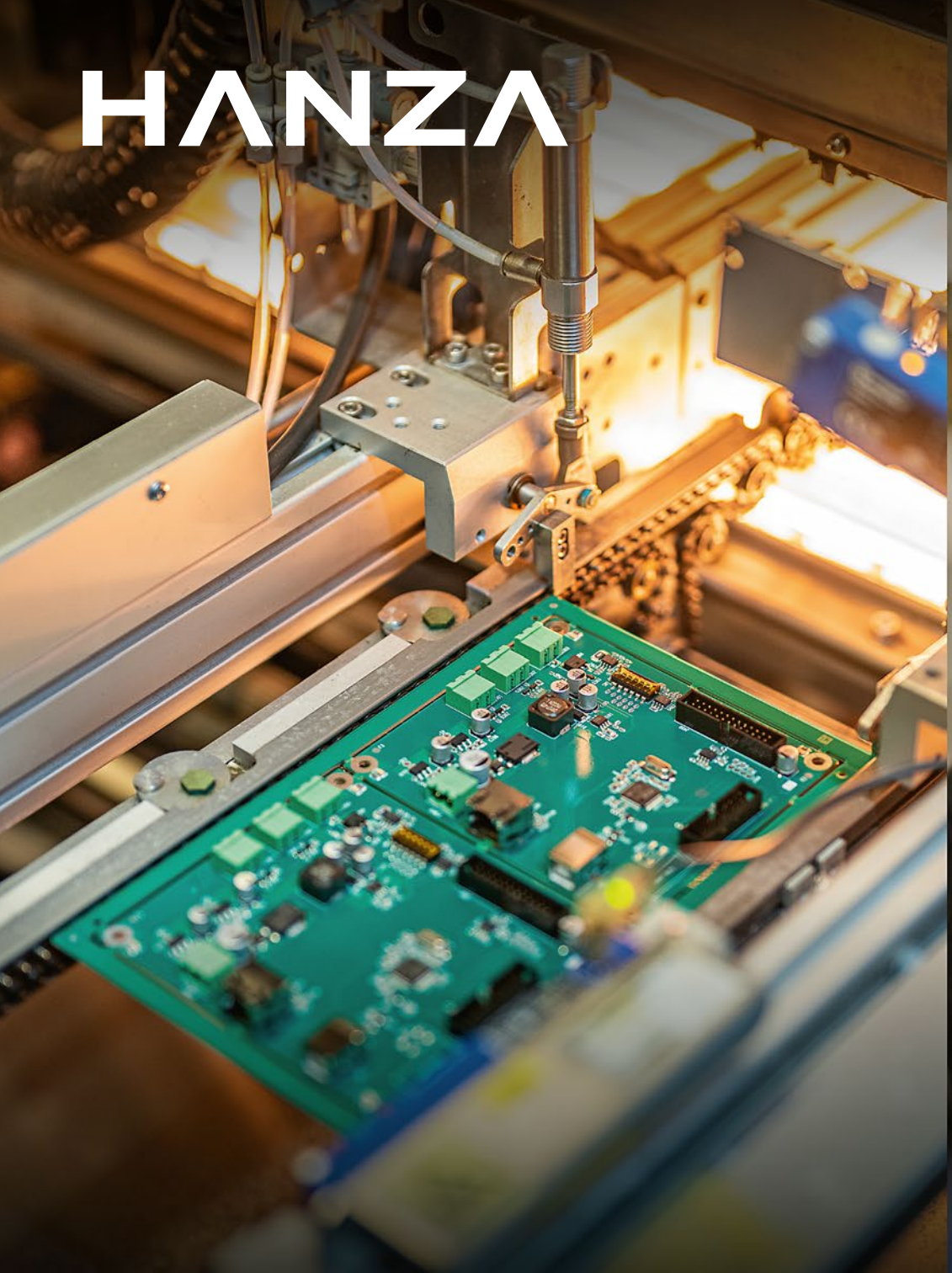
HANZA



Annual Report 2025

Contents

OVERVIEW	
HANZA in brief	4
The year in brief	6
Investment case	8
CEO's statement	9
Strategy and targets	10
Case – LYNX	11
Case - Expansion in Finland	12

ANNUAL REPORT	13
Management Report	14
Corporate Governance Report	18
Board of Directors and senior executives	22
Sustainability report	24
General disclosures	25
Environmental information including taxonomy	49
Social information	71
Business conduct	88
ESRS index	96

FINANCIAL STATEMENTS	103
Group financial statements	104
Parent Company financial statements	108
Notes	112
Declaration	144
Auditor's Report	145
Auditor's Limited Assurance Report On HANZA AB'S Sustainability Report	150

OTHER	
CFO's statement and the share	152
The share and ownership structure	153
Five-year overview	155
Definitions and key performance indicators	156
Addresses	157

Financial calendar

- Interim report quarter 1, 2026: Tuesday May 5, 2026
- Interim report quarter 2, 2026: Tuesday, July 21, 2026
- Interim report quarter 3, 2026: Tuesday, October 27, 2026

Annual General Meeting

HANZA AB's AGM 2026 will be held on Tuesday, **May 12, 2026**.

The formal Annual Report can be found on pages 13–17 and 103–114 and is published in Swedish and English. The Sustainability Report, which forms part of the Management Report, can be found on pages 24–102. The Swedish version is the original and has been reviewed by HANZA's auditor.

MANUFACTURING MADE EASY

Manufacturing Made Easy

HANZA makes manufacturing easier. By bringing together multiple manufacturing technologies in geographically concentrated clusters, we offer complete production solutions that reduce complexity, lead times and climate impact. Our model creates stable, scalable and competitive supply chains in Europe and globally.

A model built on strategy

Our success is based on a clear and long-term strategy. By developing five strong European manufacturing clusters, we have created an industrial platform that provides lower total costs, higher delivery reliability and closer collaboration with customers. This makes us a reliable and development-driven partner in an increasingly complex industrial world.

Financial discipline and profitable growth

We are growing, always with long-term sustainable profitability. HANZA's business model is scalable, cash flow–strong and robust in both strong and weaker economic cycles. Acquisitions and investments are carried out with discipline and aim to strengthen our core technologies, geographical presence and our competitiveness. We ensure stable margins first, as a basis for sustainable and value-creating growth.

LYNX – manufacturing for Europe's security

The LYNX program enables HANZA to meet Europe's growing need for manufacturing capacity for the defense and security industry. With the acquisition of Milectria in 2025, we established a dedicated platform for advanced defense manufacturing, with factories in Finland, Estonia and the United Arab Emirates. In doing so, HANZA becomes an important player in Europe's reindustrialization and long-term security.

Sustainability as a competitive advantage

Sustainability is an integral to our business model. Through local production, a broad range of technologies and optimized flows, we reduce transport, energy use and climate impact for both ourselves and our customers. Combining cost efficiency with lower environmental impact is central to how we develop the industry of the future.

We are changing the industry playing field

HANZA challenges traditional contract manufacturing by bringing multiple technologies together locally in efficient production networks. The cluster model provides shorter lead times, higher flexibility and better resource efficiency for our customers.

With a strong industrial platform, continuously expanding capacity and a clear strategic focus, we are leading the transition toward more sustainable, local and efficient manufacturing.

We grow with our customers and transform the industry along the way.

HANZA's manufacturing technologies

- ELECTRONICS
- WIRE HARNESSES
- MACHINING
- ASSEMBLY
- HEAVY MECHANICS
- SHEET METAL MECHANICS

A complete production partner

HANZA offers complete solutions in mechanics, electronics, wire harnesses and final assembly – from prototype to series production. Our integrated cluster model allows complex products to be industrialized and manufactured efficiently with consistently high quality.

We work with customers in sectors such as energy, medical technology, industry, agriculture, mining, reverse vending and defense. Our broad customer base provides stability and long-term resilience while allowing us to grow alongside our customers over time.

HANZA IN BRIEF

2008 HANZA is founded.

2009 First acquisitions.

2014 SEK 1 billion in sales, listed on Nasdaq First North.

2018 Acquisition in Töcksfors, Sweden.

2019 2 billion in sales, listing on Nasdaq Small Cap.

2020 Pandemic disrupts the growth curve.

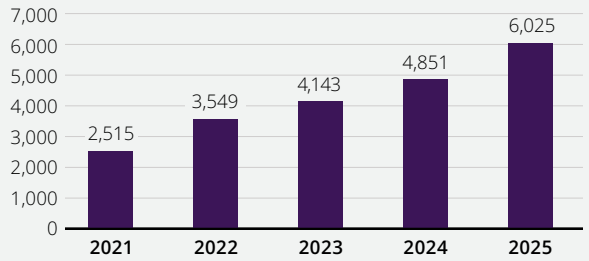
2021 Acquisitions in Joensuu, Finland, and Mönchengladbach, Germany.

2023 15th anniversary, SEK 4 billion in sales, acquisition of Orbit One in Sweden.

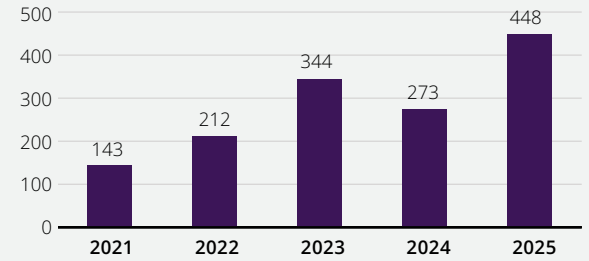
2024 Listing Nasdaq Mid Cap, expansion in Tartu, Estonia. Acquisition of Finnish Leden.

2025 Acquisition of Finnish defense manufacturer Milectria and German BMK.

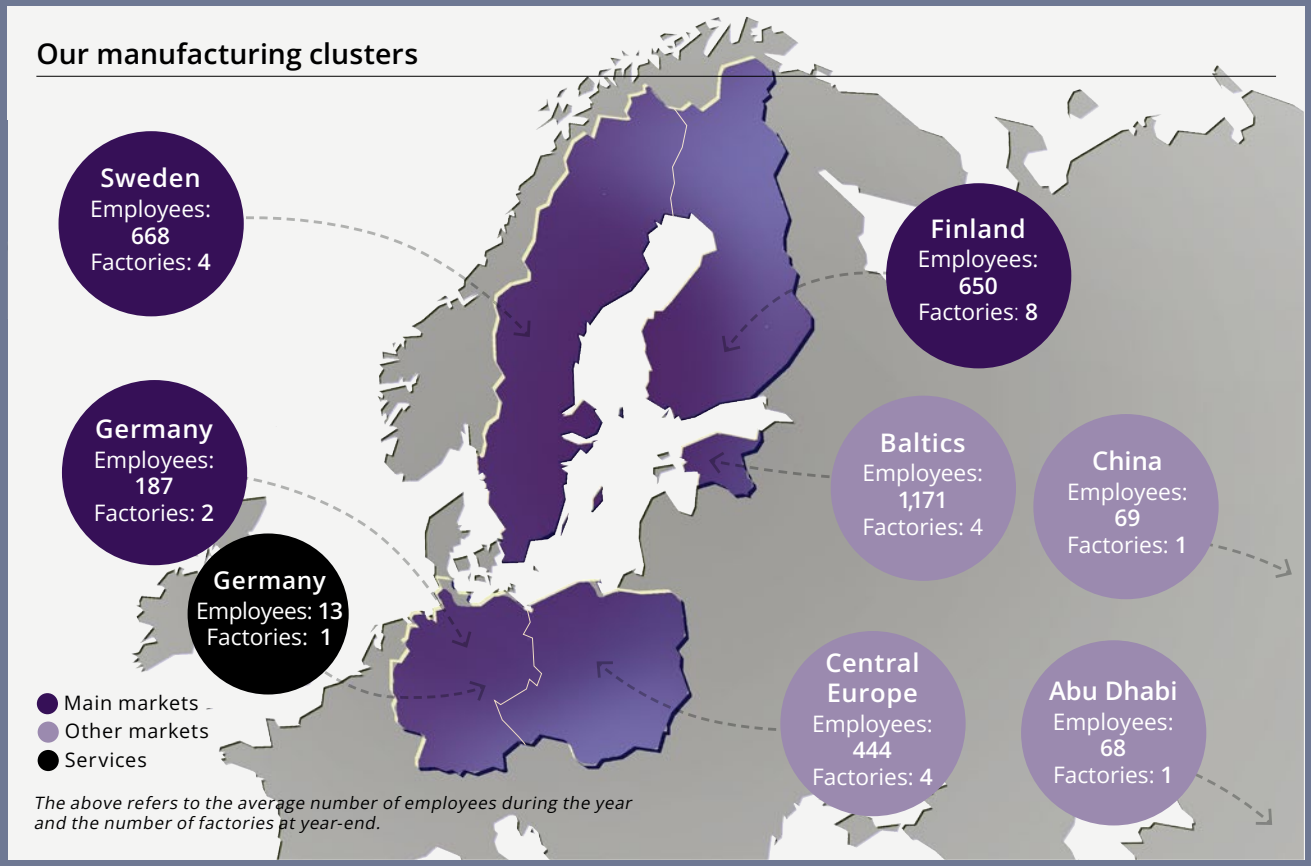
Sales SEKm



Operating profit, EBITA SEKm



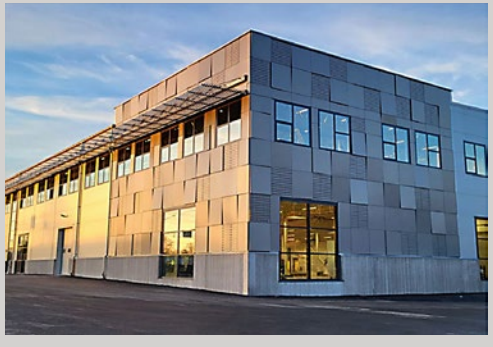
Our manufacturing clusters



The above refers to the average number of employees during the year and the number of factories at year-end.

A year shaped by strategic investments and capacity expansion

2025 was one of the most eventful years in HANZA's history. Through significant investments, further acquisitions and strategic initiatives, we continued to build toward the goals of HANZA 2025, while taking important steps into the next phase of our growth journey. This year's events strengthen our pan-European platform, expand capacity in mechanics, electronics and defense, and increase the robustness of our manufacturing clusters.



New assembly hall in Töcksfors inaugurated

On February 11, HANZA inaugurated a new assembly hall in Töcksfors, Sweden. The approximately SEK 75 million investment covers 8,800 square meters and creates a more efficient flow by moving final assembly from temporary premises to the new factory.

Acquisition of German BMK - HANZA becomes Europe's largest listed contract manufacturer

On October 15, an agreement was signed to acquire BMK Group GmbH, with approximately 1,500 employees and a sales of approximately SEK 3.3 billion. With this deal, HANZA fulfils its HANZA 2025 strategic plan and establishes itself as Europe's largest listed contract manufacturer.

HANZA signs agreement with BMK. From left, standing: Willibald Berger, HANZA, Dieter Müller, BMK, Erik Stenfors, HANZA, Stephan Baur, BMK. Seated: Lars Åkerblom, HANZA.

Note 29 cont'd

	2025			2024		
Change in defined benefit pension obligations	**Present value of defined benefit pension plans**	**Plan assets, fair value**	**Net**	**Present value of defined benefit pension plans**	**Plan assets, fair value**	**Net**
Opening balance	**147**	**-45**	**102**	**142**	**-40**	**102**
Items in income statement:						
Cost of service in the current period	2	-	**2**	2	-	**2**
Interest expense	3	-	**3**	4	-1	**3**
	5	**-**	**5**	**6**	**-1**	**5**
Remeasurement in other comprehensive income:						
Actuarial gains/losses (-/+) from changes in demographic assumptions	-5	-	**-5**	3	-	**3**
Actuarial gains/losses (-/+) from changes in financial assumptions	1	-	**1**	-1	-	**-1**
Actual return on plan assets	**-**	**-**	**-**	**-**	**-1**	**-1**
	-4	**-**	**-4**	**2**	**-1**	**1**
Other changes:						
Employer contributions	-10	-1	**-11**	-9	-1	**-10**
Translation differences	-8	4	**-4**	6	-2	**4**
Closing balance	**130**	**-42**	**88**	**147**	**-45**	**102**

Other countries
In other countries where HANZA operates, there are defined-contribution pension plans that in some cases cover all employees and in other cases only certain groups of employees.

Plan assets
The plan assets are fully invested in a German pension fund with assets at market value.

Actuarial assumptions and sensitivity analysis
A number of actuarial assumptions are used in valuing the defined-benefit pension plans. The most important of these assumptions are set out below. In cases where a sensitivity analysis is presented, other assumptions are assumed to be unchanged.

Discount rate
A discount rate of 4.3 percent (3.6) was used to calculate the German pension liability. This is based on AA-rated corporate bonds with maturities corresponding to the pension obligations. If the discount rate used had been 0.5 percentage points higher, the liability would have been SEK 3 million (4) lower and if it had been 0.5 percentage points lower, the liability would have been SEK 3 million (4) higher.

Demographic assumptions
The Heubeck 2018 G table was used in the calculation of the German pension plan. An increase in life expectancy of one year could increase the liability by SEK 1 million.

Parent Company
The Parent Company has 5 employees who are covered by individual defined-contribution pension agreements.

THE YEAR IN BRIEF

Earnings per share SEK

5.40

Proposed dividend per share SEK

1.50

Average number of employees

3,199

Equity ratio %

34.2

Sales SEKm

6,025

Acquisition of defense manufacturer Milectria

On October 1, HANZA completed the acquisition of the contract manufacturing arm of Milectria, specializing in electrical systems for the defense industry and other demanding environments. The acquisition is a key part of the LYNX program and further strengthens our defense-related capabilities.

Launch of LYNX - a program to increase defense and security capabilities

In March, the LYNX dedicated program was launched, which aims to increase manufacturing capacity for the defense and security industry while maintaining supply capacity for other customer segments. The program is based on HANZA's model of regional manufacturing clusters and a complete offering in mechanics, electronics, wire harnesses and complex assembly.

Acquisition of Finnish Leden completed

On March 3, the acquisition of Leden Group Oy, a leading player in advanced mechanics manufacturing, was completed. The acquisition strengthens HANZA's expertise in mechanics, broadens the customer base and deepens our position in the Nordic region.

Reasons to invest in HANZA

1 Business concept and operations

HANZA is one of Europe's largest listed contract manufacturers with a cluster-based model that brings together multiple manufacturing technologies regionally. The company offers complete solutions in electronics, mechanics, wire harnesses and final assembly – from prototype to series production – with short lead times, high flexibility and reduced climate impact.

2 Strategic growth – by design, not by chance

HANZA is growing through a clear and long-term strategy that combines organic growth with selective acquisitions. Since the start of "HANZA 2025", the company has grown from approximately SEK 3 billion in sales to a pro forma level of approximately SEK 10 billion after the acquisition of BMK Group in 2025. The next phase, "HANZA 2028," builds on this platform in line with Europe's reindustrialization, growing demand and increasing requirements for robust supply chains.

3 Competitive advantages over traditional contract manufacturing

HANZA's cluster model clearly differs from traditional contract manufacturing:

- Several technologies gathered locally → more efficient production and fewer transports
- Close customer integration → faster time-to-market
- Scalability and economies of scale
- Specialized defense platform through the LYNX program

The model creates high entry barriers and long-term customer relationships.

4 Financial strength – margin first, then growth

HANZA combines growth with strict cost control and a focus on profitability.
Key performance indicators (full-year 2025):

- Sales: SEK 6,025 million
- Adjusted operating margin: 7.6%
- Cash flow: SEK 517 million
- Net debt/EBITDA: 1.9x

Strong profitability and cash flow create room for continued expansion and value-creating acquisitions.

5 Risks

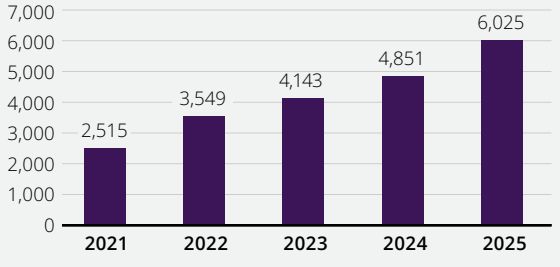
- Cyclical sensitivity in the industry
- Integration risks in major acquisitions
- Competition from low-cost regions
- Geopolitical risks related to defense

The risks are managed through geographical diversification, a strong balance sheet and long-term customer relationships.

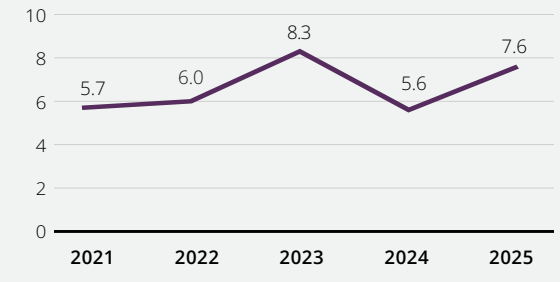
6 Triggers (catalysts) for the share

- Integration and synergies from BMK Group
- Growth in defense through the LYNX program
- Increased market share and new customer contracts
- Launch of financial targets under "HANZA 2028"
- Additional strategic acquisitions

Sales SEKm



Operating margin EBITA %
(Excluding non-recurring items)



Grow together with us.
HANZA offers investors an uncommon combination of strategic growth, proven profitability, a strong balance sheet and a business model that is transforming how contract manufacturing is conducted in Europe.

We are one of Europe's largest listed contract manufacturers – built on strategy, not chance.

And our journey has only just begun.

A year of value-creating expansion

2025 was our strongest year yet. We expanded HANZA through new factories and strategic acquisitions, strengthened our customer relationships and increased both growth and profitability. The group's long-term operational and financial targets according to HANZA 2025 were also met.

Delivering according to plan during a period of economic headwinds is a sign of strength. At the same time, developments show that our regional and complete manufacturing model creates stability even in a weaker market. Shorter lead times, more robust supply chains and high flexibility have become increasingly important competitive factors, and during the year the value of our business model became clearer than ever.

Stable profitability trend

The underlying business has improved its operating margin for seven consecutive quarters. This shows how the core business is strengthened while the Group grows through acquisitions. Efficiency improvements, structural measures and consistent efforts to optimize capacity utilization have contributed to the development.

Expansion requires financial discipline. In 2025 we generated a strong operating cash flow, and net debt in relation to EBITDA was 1.9 at year-end – well below our financial target of 2.5. This provides stability and flexibility ahead of the next strategic phase.

Acquisitions and investments that strengthen the offering

During the year, we expanded our European platform through newly built factories and strategic acquisitions. BMK provides us with a strong base in Germany and complements the offering well. The defense venture LYNX also performed well, with the acquisition of Milectria further strengthening our position. The combination of mechanics, electronics, and wire harnesses is attractive to the target group and creates favorable conditions going forward.

The starting point for every investment is the same – to increase customer value. It is about broadening capacity, technology, and expertise, not expansion for its own sake. Recognition of this customer focus came at the beginning of 2026, when we were named Supplier of the Year by 3M in competition with their global supplier base.

In parallel, we continued to develop the business through investments in digitalization, automation and improved processes. Sustainability work has deepened with a focus on reduced climate impact and increased transparency in the supply chain. Cybersecurity is also a priority in an increasingly digitalized industrial environment.

The next step: HANZA 2028

With the completion of HANZA 2025, we have completed the fourth strategic step since the company was founded. During the first quarter of 2026, the next step – HANZA 2028 – was presented at our Capital Markets Day.

With a strengthened European platform, a broader customer base and a proven ability to combine growth with profitability, we are well equipped for the next phase. Under HANZA 2028, the organization and financial reporting are further developed to ensure continued high transparency and clear governance.

A joint effort

The progress made in 2025 is the result of a strong commitment across the organization. Our employees' expertise and sense of responsibility, together with our customers' trust and our suppliers' professionalism, form the foundation for our continued development.

With a clear strategy, financial discipline and a focus on customer value, we are now entering the next strategic phase.

Kista, March 2026
Erik Stenfors
CEO and president

HANZA strategy and targets

With "HANZA 2025" successfully completed, HANZA is now entering the next strategic phase: "HANZA 2028". Our long-term strategy remains unchanged – to create customer value through regional manufacturing clusters and specialized Gateways – but the next step entails developing our manufacturing technologies and strengthening our industrial platform even more. "HANZA 2028" builds on an established and balanced structure, where each step is designed to be fully aligned with our business model and the market conditions in which we operate.

Vision

Manufacturing made easy

Business concept

Creating value for product-owning companies by transforming supply chain challenges into smart, sustainable manufacturing solutions

Strategy

HANZA achieves its targets through:

Customer value

- Focus on creating growth and profit for our customers

Long-term perspective

- Investments and expansion with a multi-year perspective

Expansion model

- Organic Group development supported by acquisitions

Sustainability

- Focus on climate, health, safety and ethics

Financial targets 2028

- Sales for full year 2028 shall amount to at least **SEK 14 bn**
- Operating margin for full year 2028 shall be at least **9 %**
- Equity ratio for 2028 shall be at least **30 %**
- Net interest-bearing debt to adjusted EBITDA shall not exceed **2.5 x**
- Annual dividend of profit after tax shall amount to approximately **30 %**

Responsible business conduct

Sustainability efforts are structured around three focus areas with clear targets, performance indicators and activities that contribute to both our business and broader societal development.

Focus areas and targets:

Environment and climate

- Significantly reduced carbon dioxide emissions
- Reduce the use of natural resources and energy
- Reduce other emissions

Security and ethics

- Provide data security of a high international standard
- Maintain high standards of business conduct among employees and suppliers

Employees

- Provide a safe and secure workplace, free from injuries, harassment and discrimination

LYNX – a strategic accelerator for growth in defense and technology-intensive industries

In 2025 HANZA launched the LYNX program, an initiative that combines business development with social responsibility. The aim is threefold:

- to build long-term capacity for the European defense industry,
- to contribute in the short term to stability and an improved security environment,
- and to ensure that the growing defense industry does not displace other important manufacturing.

"The defense industry is like the cuckoo chick that pushes out other production. Through LYNX, we dedicate units exclusively for defense manufacturing," says Mattias Lindhe, Chief Strategy Officer (CSO) at HANZA and responsible for the program.

LYNX is based on HANZA's model with regional manufacturing clusters and vertical integration of six manufacturing technologies, a structure well suited to the defense industry's requirements for security, flexibility and the ability to scale up quickly.

The program has already produced clear results. HANZA is currently the largest subcontractor to Scandinavia's biggest defense manufacturer. In the fall of 2025, HANZA received an initial order of approximately SEK 40 million from a technology company developing drone systems for civilian and military applications. The long-term target volume is SEK 300 million per year.

HANZA's acquisitions of Milectria and BMK have further strengthened the initiative. Milectria, with 75 percent of its sales in defense, provides a strong foundation for growth, while BMK opens the door to Germany, Europe's largest economy, with extensive defense investments.

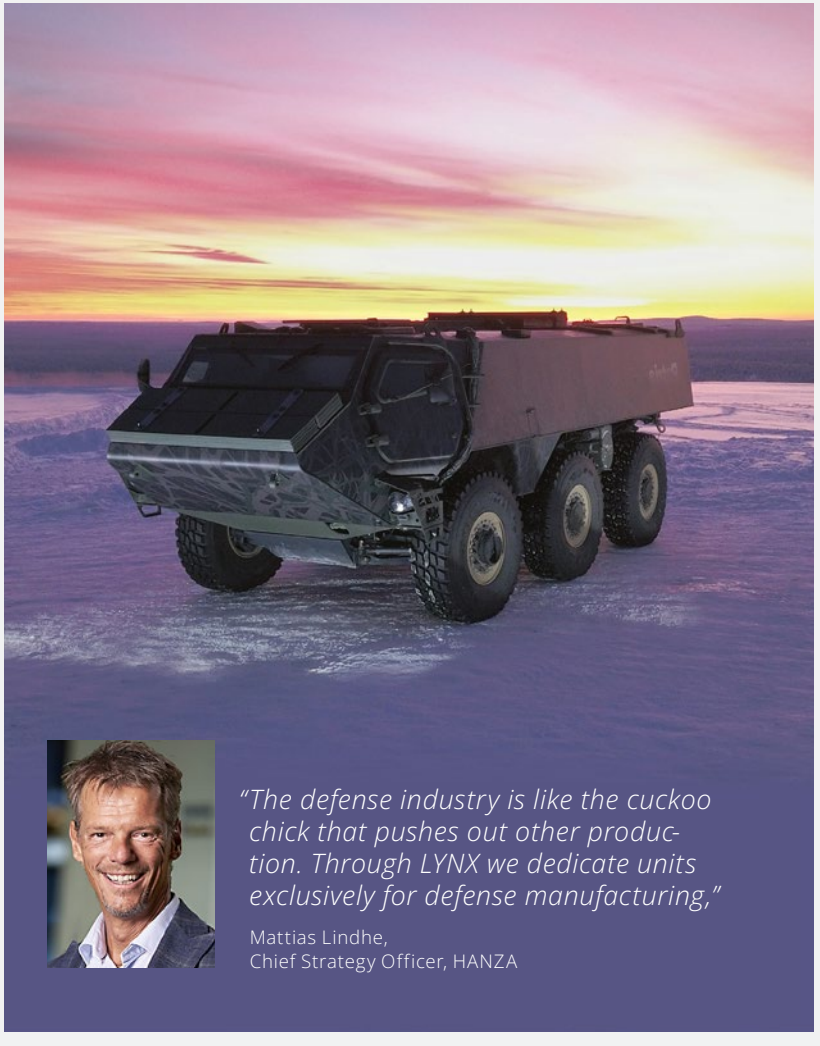
The market has reacted positively

"The defense industry realizes that they need help to scale up production. Our offer is met with great interest and we're seen as a reliable partner," says Mattias Lindhe.

Going forward, LYNX will be adapted to market needs.

'The defense industry is an old market undergoing rapid change. No one knows exactly what it will look like in a few years, but we have our ear to the ground and are building long-term relationships," Mattias continues.

LYNX is more than a business initiative; it is a strategic contribution to Europe's defense, security and energy resilience. It combines industrial logic with support for democratic values in a time of growing geopolitical uncertainty.



"The defense industry is like the cuckoo chick that pushes out other production. Through LYNX we dedicate units exclusively for defense manufacturing,"

Mattias Lindhe,
Chief Strategy Officer, HANZA

CASE

HANZA is now bigger and better in Finland

In 2025, HANZA successfully integrated the Finnish company Leden, acquired at the end of 2024, into its operations. The result is a stronger Cluster Finland with expanded capabilities. The cluster now offers a wide range of technologies – sheet metal fabrication, machining, busbars, heavy mechanics and complex assembly – supported by a brand new factory in Oulainen. This strategic move strengthens HANZA's ability to deliver complete manufacturing solutions and consolidates the company's position as a reliable partner for customers in the Nordic region and internationally.

"HANZA and Leden had very similar strategies and cultures, which gave us a solid foundation for integration. Thanks to a well-prepared and structured process, we were able to quickly implement the changes in Finland, where Leden's operations were larger than HANZA's prior to the acquisition. "Clear IT processes and transparent communication have been key to our success," says Jaakko Karjalainen, Acting Cluster Manager, Cluster Finland.

The integration coincided with the critical start-up of the new plant in Oulainen, which made the process more complex. Despite the challenges, the plant is now fully operational and has already expanded, with additional space secured for new customers in complex assembly. This progress enables HANZA to deliver even greater flexibility and resilience to meet customers' evolving needs.

Leden also operated a factory in Tallinn, Estonia, where integration into Cluster Baltics was seamless thanks to stable operations and HANZA's strong existing presence in the country.

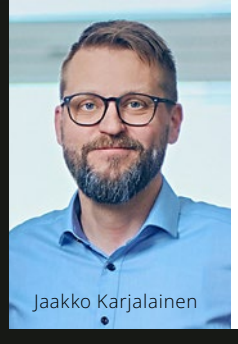
Finland becomes a strategic manufacturing cluster

Cluster Finland now combines a wide range of technologies under one roof, enabling HANZA to control most of the production chain in-house. This integrated structure ensures reliable delivery times and competitive pricing while offering customers complete solutions – from sheet metal fabrication and machining to complex final product assembly.

"This expansion has significantly strengthened HANZA's brand within the industry. We can now offer nearly all the necessary technologies under one roof, enhancing flexibility and resilience for our customers. Finland is one of HANZA's largest clusters in terms of capacity, and we will continue to grow. "The next major step is to complete the integration of Leden and incorporate Milectria*, which was acquired during the fall," says Jaakko Karjalainen.

With a broad customer base that includes strategically important clients, Cluster Finland plays a key role in HANZA's long-term strategy. The focus for 2026 is to finalize the integration processes and pursue continuous improvements, ensuring HANZA remains a leading manufacturing partner in the Nordic region.

*Milectria, acquired by HANZA on October 1, 2025, is a leading contract manufacturer of electrical systems for the defense industry.



Jaakko Karjalainen

FACTS ABOUT CLUSTER FINLAND

Technologies:
Sheet metal fabrication, machining, busbars, heavy mechanics, complex assembly

Locations:
Heinävesi, Iisalmi, Joensuu, Nivala, Oulainen, Seinäjoki, Sievi, Parola

Employees:
Approximately 700

Annual Report

Contents

Management Report	**14**
Corporate Governance Report	**18**
Board of Directors	**22**
Group management	**23**
Sustainability report	**24**
Consolidated income statement	**104**
Consolidated statement of comprehensive income	**104**
Consolidated balance sheet	**105**
Consolidated statement of changes in equity	**106**
Consolidated statement of cash flows	**107**
Parent Company income statement	**108**
Parent Company statement of comprehensive income	**108**
Parent Company balance sheet	**109**
Parent Company statement of changes in equity	**110**
Parent Company statement of cash flows	**111**
Notes	**112**
Declaration	**144**
Auditor's Report	**145**
Auditor's Limited Assurance Report On HANZA AB'S Sustainability Statement	**150**
CFO's statement and the share	**152**
Five-year overview	**155**
Definitions	**156**
Addresses	**157**

Management Report

The Board of Directors and the CEO of HANZA AB, Corporate Identity no. 556748-8399, hereby submit the annual report and consolidated accounts for the 2025 financial year.

About the Business

HANZA was founded in 2008 and has grown into a Group with net sales exceeding SEK 6 billion in 2025. In 2025, the HANZA Group had operations through subsidiaries in Sweden, Finland, Estonia, Poland, the Czech Republic, Germany, China and the United Arab Emirates. Among HANZA's customers are leading industrial companies such as 3M, ABB, EATON, Epiroc, GE, Getinge, John Deere, Mitsubishi Logisnext, Oerlikon, Perkin Elmer, SAAB, Sandvik, Siemens and Tomra. HANZA divides its manufacturing operations into "manufacturing clusters" and applies a financial segmentation model based on primary customer markets. Operations are also conducted in a third segment, Business Development and Services. Operational reporting is broken down into the following segments:

- Main Markets – Manufacturing clusters located within or near HANZA's primary geographic customer markets, which today consist of Sweden, Finland, Norway and Germany. Therefore, the Main Markets segment currently includes HANZA's manufacturing clusters in Sweden, Finland and Germany. The operations in these areas are characterized by closeness to the customers' factories and close collaboration with customer development departments.
- Other Markets – Other manufacturing clusters outside HANZA's primary geographic customer markets. Today, the Other Markets segment includes HANZA's manufacturing clusters in the Baltics and Central Europe, as well as units known as gateways in China and the United Arab Emirates. The operations are characterized by a high work content, extensive complex assembly and proximity to important end-customer areas.
- Business Development and Services – Revenue and expenses from services offered by HANZA in consulting and development, as well as costs not allocated to the manufacturing clusters, which mainly comprise Group-wide functions within the parent company and Group-wide adjustments not allocated to the other two segments. For more information, see note 6 Segment reporting.

Vision and business model

HANZA's vision is "Manufacturing Made Easy," which means that the company strives to make manufacturing easier, more efficient and more sustainable for its customers.

HANZA's business model is to develop and offer manufacturing solutions and advisory services that strengthen customers' growth and profitability. This is achieved through a combination of supply chain advisory services and in-house factories organized into regional manufacturing clusters. Within these clusters, products can be manufactured more efficiently, at lower cost and with less environmental impact than in traditional contract manufacturing. By producing closer to customers' markets, HANZA creates more stable deliveries and a more sustainable and resilient manufacturing chain.

Significant events in 2025

- On February 11, HANZA inaugurated a new assembly hall in Töcksfors, Sweden. The new factory represents an investment of approximately SEK 75 million and covers 8,800 square meters. Following the inauguration, final assembly, which previously took place in a temporary facility, has been moved to the new factory, resulting in a significantly more streamlined production flow.
- On March 3, HANZA completed the acquisition of the Finnish company Leden Group Oy, a leading player in advanced mechanical manufacturing. Through the acquisition, HANZA reinforces its market position and mechanical expertise, while broadening its customer base.
- In March, HANZA launched the LYNX program, a dedicated initiative to expand manufacturing capacity within defense and security while safeguarding delivery capacity for other customer segments. The program is based on HANZA's model of regional manufacturing clusters with a complete offering that includes mechanics, electronics, wire harnesses, and complex assembly.
- On October 1, HANZA completed the acquisition of the contract manufacturing division of Milectria, a manufacturer of electrical systems for the defense industry and other customers operating in demanding environments. The acquisition is part of HANZA's LYNX program.
- On October 15, HANZA signed an agreement to acquire the German contract manufacturer BMK Group GmbH, with approximately 1,500 employees and annual sales of approximately SEK 3.3 billion. With this transaction, HANZA brought its HANZA 2025 strategy to completion, establishing itself as one of Europe's largest listed contract manufacturers.
- In November, a new 10,000 m^2 production facility was acquired in Oulainen, Finland, to accommodate growing production volumes.
- In November, an extraordinary general meeting resolved to authorize the Board of Directors to issue shares in connection with the acquisition of BMK.
- In December, a factory expansion was completed in Årjäng, Sweden. The formal inauguration took place on February 24, 2026.

Significant events after the end of the year

- On January 7, 2026, HANZA completed the acquisition of the German company BMK Group GmbH ("BMK").
- New financial targets were presented at the Capital Markets Day on March 10, 2026.

Read more about events after the balance sheet date in Note 35 on page 143.

Five-year overview

SEK million	2025	2024	2023	2022	2021
Net sales	6,025	4,851	4,143	3,549	2,515
Operating profit (EBITA)	448	273	344	212	143
Profit/loss after tax	246	111	214	121	80
Balance sheet total	5,307	3,637	2,929	2,541	1,951
Equity	1,814	1,480	1,345	898	586
Equity ratio, %	34.2	40.7	45.9	35.3	30.0

Market performance

Although HANZA's customer markets are mainly in the Nordic region and Germany, customers are also located in the rest of Europe, Asia and North America. Economic cycles are usually reflected in HANZA's sales, due to its customers operating within a wide range of industries. However, HANZA has a special opportunity to seize new market share during recessions – at a time when product companies take on new challenges to optimize efficiency and regionalize their supply chains.

Customers operate in various industries such as logistics companies, mining industry, defense industry, energy companies, agricultural and forest products and recycling companies. An economic downturn began in early 2024, affecting HANZA's customers. A gradual recovery has now begun in the Nordic region, while Germany continues to experience a weaker market. Our assessment is that a moderate improvement in Germany may occur in 2026. HANZA has a well-diversified customer base where no single customer accounts for 10 percent of HANZA's sales and where the ten largest customers together represent less than 50 percent of annual sales.

HANZA provides customized manufacturing solutions that are in demand in both economic upturns and downturns. In a stronger market, customers primarily demand capacity and delivery reliability, while in a weaker economy the focus shifts more toward cost efficiency. HANZA has a long history of retaining its customers while also securing new business, contributing to the Group's long-term growth. At the beginning of 2025, HANZA launched a dedicated market program, LYNX, aimed at strengthening its offering and capacity within defense and security. During the year, the program contributed to new business. Geopolitical impact: HANZA's business model is supported by the long-term trend toward complete and regional manufacturing. This development is driven by factors such as trade barriers, transport costs, delivery times, sustainability requirements and an increased focus on delivery reliability. Uncertainty regarding future trade barriers, mainly tariffs, generally reinforces customers' interest in regional, stable supply chains. The geopolitical situation has also created growing demand within the defense and security industry in Germany. A further geopolitical risk has recently been added by the escalating unrest around the Red Sea.

Sales and profit

Net sales amounted to SEK 6,025 million (4,851), an increase of 24 percent. Growth excluding acquisitions and currency effects was 3 percent. EBITDA amounted to SEK 690 million (442), corresponding to an EBITDA margin of 11.5 percent (9.1). The Group's operating profit before amortization of intangible assets (EBITA) amounted to SEK 448 million (273), corresponding to an operating margin of 7.4 percent (5.6). Non-recurring items (mainly remeasurements of earn-outs, integration costs and acquisition-related expenses) had a negative impact on earnings of SEK -11 million (-28) net. Excluding these items, operating profit amounted to SEK 459 million (301), corresponding to an operating margin of 7.6 percent (6.2). For comparable units, the margin was 8.3 percent.

Currency effects had a positive impact on net financial items of SEK 2 million (2), while the increased net debt following the acquisition of Leden and Milectria led to higher interest and other financial expenses by SEK 16 million, from -114 million in 2024 to -130 million in 2025. Profit before tax totaled SEK 283 million (125). Profit after tax was SEK 246 million (111). Income tax corresponded to a tax rate of 13 percent (11). The low tax rate is mainly due to a higher share of earnings coming from entities in countries with lower tax rates. Basic earnings per share amounted to SEK 5.40 (2.55) and diluted earnings per share to SEK 5.38 (2.54). For more information, see Note 6 Segment reporting.

Cash flow and investments

Cash flow from operating activities amounted to SEK 517 million (569). Change in working capital amounted to SEK 50 million (326). Total investments in property, plant and equipment amounted to SEK 200 million (264), of which buildings accounted for SEK 76 million (82). The remaining SEK 124 million (182) consisted mainly of other non-current assets, mainly machinery.

Cash flow from investing activities amounted to SEK -567 million (-632), of which business combinations have affected cash flow by SEK -370 million (-367). See note 30 for further information.

Financial position

The acquisitions of Leden and Milectria led to an increase in net debt at closing of SEK 774 million and an increase in total assets. The positive result and reduced working capital lowered the net debt during the year to SEK 235 million. Total assets at year-end amounted to SEK 5,307 million (3,637) and equity to SEK 1,814 million (1,480), resulting in an equity ratio of 34.2 percent (40.7). Net interest-bearing debt at year-end amounted to SEK 1,239 million (700). Net debt in relation to adjusted EBITDA, including the acquired companies' EBITDA prior to acquisition, amounted to 1.9 times (1.7).

In connection with the acquisition of BMK, the terms for the majority of the Group's loans were renegotiated in December 2025. The agreement also included financing for BMK's existing credit facilities, which were refinanced upon completion of the acquisition in January 2026. The new loan agreement has a term of 3 years with an option to extend for 1+1 year and carries a variable interest rate.

Personnel

During the year, the average number of employees in the group was 3,199 (2,578). At the end of the year, the number of employees was 3,431 (2,587).

Sustainability and environmental impact

The sustainability report has been prepared in accordance with Chapter 6, Sections 10-14 of the Annual Accounts Act and covers the 2025 financial year. The sustainability report contains the sustainability information needed to understand the company's development, position and performance and the impact of its activities, including information relating to the environment, social conditions, employees, respect for human rights and anti-corruption. The report was submitted to the company's auditors at the same time as the annual report. The sustainability report is integrated into the management report with reference to other parts of the annual report where statutory information is available. A substantial sustainability section describes our sustainability efforts and provides analyses of the risks and their management, as well as the reporting of specific key performance indicators. In particular, our business model forms an essential subsection of the sustainability report. The corporate governance report describes the Group's efforts with policies and other governance instruments. It also describes the overall approach to risk assessment by the Board and management.

The following table provides a reference to the different elements to be considered part of the sustainability report.

Contents	Page
Business model	11
Governance, policies and monitoring	14-18
Overall risk assessment	37-38, 44
Sustainability risks	14
Environment	20-22
Social relations	19, 24-27
Employees	19, 26-29
Human rights	19, 24-27
Business ethics and anti-corruption	24-25

Operations with permitting requirements

The group conducts operations that are subject to authorization (permitting) pursuant to Chapter 9 of the Swedish Environmental Code.

The share

HANZA's share has been listed on Nasdaq Stockholm's main list since March 25, 2019. For more information about the shares, please refer to the separate section on HANZA's shares and ownership structure.

Ownership

The number of registered shareholders on December 31, 2025, amounted to 9,604. The largest shareholder was Färna Invest AB (owned by Gerald Engström) with 22.83 percent, Francesco Franzé owned 7.63 percent, First Swedish National Pension Fund owned 4.95 percent, and Clearstream Banking S.A. owned 4.25 percent. For more information about ownership, please refer to the separate section on HANZA's shares and ownership structure.

Corporate governance

A corporate governance report follows immediately after the management report.

Guidelines for remuneration to senior executives

The following guidelines for remuneration to senior executives were adopted by the Annual General Meeting on May 13, 2025. No changes to these principles will be proposed to the 2026 AGM. The remuneration is considered necessary for the company to be able to recruit and retain a management team with the right skills and capacity to achieve set targets. These guidelines contribute to the company's business strategy, long-term interests and sustainability by enabling the company to offer senior executives competitive remuneration.

Forms of remuneration

The company's remuneration system must be market-based and competitive. Remuneration may be paid in the form of fixed cash salary, variable remuneration, pension and other customary benefits. Fixed salary must be fixed individually for each executive and based on the executive's position, responsibilities, skills, experience and performance.

- Variable remuneration must be related to the outcome of the company's targets and strategies, and must be based on predetermined, measurable criteria that are designed to promote long-term value creation. The proportion of total remuneration that consists of variable remuneration must be able to vary depending on the position and must be proportionate to the responsibilities and powers of the given senior executive. However, the variable remuneration may correspond to a maximum of 45 percent of annual fixed salary for the CEO and 30 percent of annual fixed salary for other senior executives. The variable remuneration must not be pensionable insofar as not otherwise governed by the provisions of mandatory collective agreements. The Board of Directors must have the opportunity, as governed by law or agreement and with the limitations that follow therefrom, to claw back in whole or in part any variable remuneration paid on erroneous grounds.
- Pension benefits must be granted on market terms in line with the benefits accorded to equivalent executives in the market and must be defined-contribution unless the executive is covered by a defined-benefit pension in accordance with the provisions of mandatory collective agreements. The pension premiums for defined-contribution pensions may amount to a maximum of 30 percent of the executive's annual fixed salary. Other benefits may include company car benefits, occupational health care, life and health insurance and other similar benefits. Other benefits must constitute a minor proportion of total remuneration and may amount to a maximum of 8 percent of the executive's annual fixed salary. For employment relationships governed by laws and regulations in a country other than Sweden, reasonable adjustments may be made regarding pension benefits and other benefits to comply with mandatory regulations or established local practices, while ensuring that the overall purpose of these guidelines is met as much as possible.

Criteria for payment of variable remuneration

The criteria that form the basis for the payment of variable remuneration must be established annually by the Board of Directors in order to ensure that the criteria are in line with the company's current business strategy and performance targets. The criteria can be individual or collective, financial or non-financial in nature, and must be designed in such a way that they promote the company's business strategy, sustainability strategy and long-term interests, which means that the criteria must have a clear link to the company's business strategy and objectives. The financial criteria that form the basis of any variable remuneration must be based on relevant key figures such as earnings (EBIT), sales performance, cash flow, tied-up capital, etc., and their composition may vary depending on the phase that the Board of Directors considers the company to be in. The non-financial criteria that form the basis for any variable remuneration must be linked to clear and measurable business-related targets, such as the conclusion of agreements that are material to the company, activities carried out in accordance with the company's business plan, expansions/establishments, and achieved objectives within the framework of the company's sustainability management. The period that forms the basis for the assessment of whether or not the criteria have been met (the measurement period) must comprise at least one year. The assessment of the extent to which the criteria have been met must be performed by the Remuneration Committee when the measurement period has ended. The assessment of whether financial criteria have been met must be based on the latest financial information published by the company. The decision regarding payment of variable remuneration is made by the Board of Directors after deliberation in the Remuneration Committee.

Notice period and severance pay

A mutual notice period of six months shall apply with respect to the CEO. In the event of termination by the Company, a severance sum shall be payable in an amount not exceeding the fixed cash salary for one year.

For senior executives other than the CEO, the mutual notice period shall be six months. Any severance pay may not exceed an amount corresponding to the senior executive's fixed salary for six months.

Deviation from the guidelines

The Board of Directors may resolve to temporarily deviate from the guidelines if there are special reasons for so doing in an individual case and where a departure is necessary in order to cater to the company's long-term interests and sustainability, or in order to ensure the company's financial viability. Such special reasons include, for example, where a deviation is deemed necessary in order to recruit or retain key personnel, or in exceptional circumstances, such as when the company achieves a certain desired result in a shorter time than planned, when the company succeeds in concluding a certain agreement in a shorter time and on better terms than foreseen, or when the company increases in value or grows its sales or profits to a greater extent than expected.

Parent Company

HANZA AB is the parent company of the group and is responsible for group-wide services in primarily management, coordination and development. The parent company's net sales consist exclusively of revenue from group companies amounting to SEK 53 million (37). Profit before tax totaled SEK 83 million (35).

Proposed appropriation of profit

The Board of Directors has proposed that the Annual General Meeting on May 12, 2026, approve a dividend of SEK 1.50 per share (0.80), corresponding to a total dividend of SEK 94 million (37). Under the agreement with the sellers of BMK, the dividend for the 2025 financial year is to be repaid to HANZA in the form of a shareholder contribution. It covers 17 million shares and would, under the proposed dividend above, correspond to SEK 25 million.

The proposed record date is expected to be May 15, 2026.

The following profit (SEK) in the parent company is at the disposal of the AGM

Share premium reserve	852,713,579
Profit for the year	73,546,957
Total	**926,260,536**

The Board of Directors proposes that retained funds be

paid as dividend to the shareholders, SEK 1.50 per share	94,439,007
Carried forward	831,821,529
Total	**926,260,536**

As of February 28, 2026, the parent company had 62,959,338 registered shares, of which the number of shares entitled to dividend amounted to 62,959,338.

The Board's opinion on the proposed dividend

In accordance with Chapter 18, Section 4 of the Swedish Companies Act, the Board of Directors has assessed the parent company's and the group's consolidation needs, liquidity, financial position in general and ability to meet its obligations in the long term.

The proposed dividend represents 28 percent of the company's retained earnings at the balance sheet date after repayment from the sellers of BMK. The Board has also taken into account the results and financial position of the parent company and the position of the group in general.

The proposed dividend does not limit the company's investment capacity or liquidity needs, and it is our assessment that the proposed dividend is well balanced with regard to the nature, scope and risks of the business.

Corporate Governance Report

Corporate Governance principles

Corporate governance within the HANZA Group is based on the Swedish Companies Act, Nasdaq Stockholm's regulations for issuers, the Swedish Corporate Governance Code, guidelines for good stock market practice, other applicable regulations and recommendations for companies whose shares are admitted to trading on a regulated market, the Articles of Association as well as internal governance documents. The internal governance documents mainly comprise the Board of Directors' rules of procedure, instructions for the CEO and instructions for financial reporting. In addition, HANZA has adopted a number of policy documents and manuals that set out rules and recommendations, which in turn contain principles and provide guidance with regard to the company's operations and for its employees. Companies that are listed on a regulated market are required to apply the Swedish Corporate Governance Code (the "Code") developed by the Swedish Corporate Governance Board. More information about the Code can be found at the website bolagsstyrning.se. No deviations from the Code occurred during 2025.

Compliance with stock market regulations and guidelines for good stock market practice

HANZA has not been the subject of a decision by the Nasdaq Stockholm Disciplinary Committee or a statement by the Swedish Securities Council.

AGM

The shareholders' influence within the company is exercised at the AGM, which is the company's highest decision-making body. According to HANZA's Articles of Association, shareholders who wish to attend the AGM must in addition to the conditions stated in the Swedish Companies Act, notify the company no later than the date stated in the meeting notice. The latter date must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, nor must it fall earlier than on the fifth working day prior to the meeting. There are no restrictions with regard to how many votes each shareholder may cast at the meeting.

The AGM is held annually within six months of the end of the financial year. According to the Code, the Chairman of the Board of Directors is required to attend the AGM, as are the Board of Directors and the CEO. The Meeting Chair shall be nominated by the Nomination Committee and be elected by the meeting. The tasks of the AGM include electing the company's Board of Directors and auditors, establishing the parent company's and the group's balance sheets and income statements, resolving on appropriations of the company's profit or loss in accordance with the established balance sheet, and making resolutions regarding the discharge from liability of Board members and the CEO. The AGM also determines the fees to be paid to the members of the Board of Directors and the company's auditors.

An Extraordinary General Meeting may be held when the Board of Directors deems there are reasons to convene a meeting before the next Annual General Meeting. The Board of Directors is also required to convene an Extraordinary General Meeting when an auditor or shareholder holding more than 9 percent of the shares in the company submits a written request that a Meeting be held to deal with a specific matter. Notice of the AGM shall be issued by taking out an advertisement in Post- och Inrikes Tidningar and by posting a notice on the company's website. At the time of notice, information to the effect that notice has been given shall be posted in Svenska Dagbladet. The notice shall also be published in the form of a press release in accordance with Nasdaq's regulations. Notice of an AGM or Extraordinary General Meeting in which an amendment to the Articles of Association is to be deliberated shall be issued no earlier than six and no later than four weeks in advance of the AGM.

Notice of any other Extraordinary General Meeting shall be issued no earlier than six weeks before and no later than three weeks before the General Meeting.

The Articles of Association do not contain provisions on special prerequisites for amending the Articles of Association. The company will publish resolutions made at the AGM in accordance with Nasdaq's regulations. The meeting minutes shall be available on the company's website no later than two weeks after the meeting.

2026 Annual General Meeting

The AGM will be held on Tuesday, May 12, 2026.

Authorizations

At the Annual General Meeting on May 13, 2025, it was resolved, in accordance with the Board's proposal, to authorize the Board to, at one or more occasions, during the period up to the 2026 Annual General Meeting, decide to increase the company's share capital by SEK 455,000 (corresponding to 4,550,000 shares) through the issue of shares, warrants and/or convertibles. The authorization allows the Board of Directors to resolve to issue shares, warrants and/or convertible bonds derogating from the shareholders' preferential rights and/or with a provision regarding vesting, set-off or other terms in accordance with the Swedish Companies Act. The authorization represented approximately 9.9 percent of the share capital at the time of the authorization decision.

To enable the Group to adjust its capital structure and to allow acquisitions of companies or operations to be carried out through payment in own shares, the General Meeting authorized the Board of Directors to, on one or more occasions during the period until the next Annual General Meeting, resolve to repurchase own shares. Repurchases of own shares may be made so that the company's total holding of own shares amounts to no more than five percent of all shares in the company.

To secure the Company's commitments to deliver shares to participants in the share savings scheme resolved at the 2023 Annual General Meeting (LTIP 2023), the 2025 Annual General Meeting, in accordance with the Board of Directors' proposal, resolved to a) authorize the Board to decide on the repurchase of own shares to ensure delivery under previously approved incentive schemes, and b) authorize the Board to decide on the transfer of own shares.

At the Extraordinary General Meeting held on November 21, 2025, it was resolved to authorize the Board of Directors to, on one or more occasions during the period until the next Annual General Meeting, decide on a new issue of up to 16,999,998 shares to the shareholders of BMK Group GmbH ("BMK") in connection with the completion of the company's acquisition of BMK. On January 7, 2026, the Board of Directors resolved to issue 16,999,998 shares to the sellers of BMK under the authorization.

As of the date of publication of this Annual Report, the company has repurchased a total of 161,275 own shares in accordance with

the repurchase authorization, corresponding to approximately 0.26 percent of the total number of outstanding shares in HANZA. The repurchases were carried out for a total amount of approximately SEK 25 million. HANZA has thus repurchased the number of shares under the share repurchase program required to ensure the delivery of shares to participants in the previously approved share-based incentive program LTIP 2023. Except as stated above, the Board of Directors had not utilized the authorizations as of the date of publication of this Annual Report.

Nomination Committee

According to the Code, listed companies must have a Nomination Committee whose mandate shall include preparing and establishing proposals for the election of Board members, the Chairman of the Board, the meeting chair and auditors. The Nomination Committee is also required to propose fees to Board members and auditors. The Nomination Committee shall consist of at least four members. The Nomination Committee is appointed by the Chairman of the Board of Directors at the behest of the meeting; it contacts the three largest shareholders by voting rights according to Euroclear's printout of the shareholder register as of the last banking day of August, and invites them to appoint one representative each, who, together with the Chairman of the Board of Directors, constitute the Nomination Committee until a new Nomination Committee has been appointed in accordance with the mandate from the next AGM. In the event that any of the three largest shareholders do not wish to appoint a member of the Nomination Committee, the fourth largest shareholder shall be asked, and so on, until the Nomination Committee comprises four members (including the Chairman of the Board). The term of office of the appointed Nomination Committee shall run until a new Nomination Committee is appointed. If a member should leave the Nomination Committee before its work is complete and if the Nomination Committee considers that there is a need to replace this member, the Nomination Committee shall appoint a new member according to the principles set out above, yet based on Euroclear's printout of the shareholder register, as soon as possible after the member has left the Nomination Committee. No fees shall be paid to the members for their work on the Nomination Committee.

The Nomination Committee shall submit proposals for resolutions on the following issues for the 2026 AGM:

- Election of the meeting chair
- Determination of the number of Board members
- Determination of fees and other remuneration paid to the Board of Directors and its committees, with a breakdown as between the Chairman and other members
- Determination of fees to auditors
- Election of Board members and Chairman and Vice-Chairman of the Board of Directors
- Election of auditors, and
- Proposal of principles for the composition and work of the Nomination Committee ahead of the 2026 Annual General Meeting.

HANZA's Nomination Committee for the 2026 AGM has consisted of the following individuals:

	Appointed by	Independent of the company and its management	Independent of the company's largest shareholder in terms of votes
Gerald Engström	Own holding	Yes	No
Fredric Nyström	Third Swedish National Pension Fund	Yes	Yes
Massimo Franzé	Appointed by Ritter Beteiligungs GmbH	Yes	Yes
Francesco Franzé, Chairman of the Board of Directors	–	Yes	Yes

Board of Directors

The Board of Directors bears ultimate responsibility for HANZA's organization and for managing the company's operations. The CEO manages the day-to-day operations based on guidelines and instructions issued by the Board of Directors. The CEO regularly informs the Board of Directors of events that are of importance to the group. These include, among other things, the performance of the business as well as the group's earnings, financial position and liquidity. The Board of Directors has decided to establish an Audit Committee and a Remuneration Committee. See below for a more detailed description.

According to HANZA's Articles of Association, the Board of Directors is required to consist of a minimum of four and a maximum of ten members without deputies. Members are normally elected annually at the AGM to serve for the period until the end of the next AGM, but additional Board members can be elected during the year by convening an Extraordinary General Meeting. The Articles of Association do not contain any provisions relating to the appointment and dismissal of Board members.

At the 2025 Annual General Meeting, Francesco Franzé, Per Holmberg, Helene Richmond, Lars-Ola Lundkvist and Taina Horgan were elected as ordinary members of the company's Board of Directors. Francesco Franzé was elected to serve as Chairman of the Board.

For a more detailed presentation of the Board of Directors and CEO, including information about holding of shares and other securities in the company and significant positions outside the company, see pages 22-23.

According to the Code, the Board of Directors' size and composition must be such that the Board of Directors' ability to manage the company's affairs with integrity and efficiency is assured. A majority of the members of the Board of Directors must be independent in relation to the company and its management team. At least two of the members who are independent in relation to the company and its management team must also be independent in relation to the company's major shareholders. In addition, at most one Board member may serve on the company's management or in the management of the company's subsidiaries. The company assesses that the composition of the Board of Directors meets the requirements of the Code. Below is an account of the company's assessment of the independence of the Board members in relation to the company and its management as well as major shareholders.

Member	Independent of the company and its management	Independent of the company's largest shareholder in terms of votes
Francesco Franzé	Yes	Yes
Taina Horgan	Yes	No
Per Holmberg	Yes	Yes
Helene Richmond	Yes	Yes
Lars-Ola Lundkvist	Yes	Yes

Diversity policy

The Nomination Committee applies rule 4.1 of the Code as a diversity policy in its preparation of proposals for the Board of Directors. The Nomination Committee has taken into account the need for a well-functioning Board composition with regard to diversity and breadth, for instance in terms of gender, nationality, age and industry experience. The Board of Directors currently consists of three men and two women.

The Board of Directors' working methods

The Board of Directors adheres to written rules of procedure that are reviewed annually and established at the inaugural Board of Directors meeting held in conjunction with the AGM. In accordance with the Board of Directors' rules of procedure, the Board of Directors is responsible for the Company's organization and the management of its affairs, and is required to continuously assess the company's and the group's financial situation, and to continuously keep abreast of earnings performance, larger account holdings, financing conditions, liquidity and specific risks in the company. According to the rules of procedure, the Board of Directors is also responsible for establishing and following up on the company's strategy as well as its short-term and long-term business objectives.

The Board of Directors is also responsible for ensuring that the company's financial reporting and other disclosures to the stock market are characterized by openness and that they are accurate, relevant and reliable. The Board of Directors is also responsible for ensuring that the company has formalized procedures and processes in place to ensure good internal control and compliance. The Board of Directors is required to perform its duties in accordance with applicable legislation and other regulations applicable to the company.

The Board of Directors is responsible for appointing and, if necessary, dismissing the CEO. The Board of Directors is required to ensure that the CEO fulfills his or her duties in accordance with the Board of Directors' instructions, and to annually assess the CEO's work performance based on the short-term and long-term goals set by the Board of Directors.

In addition to the inaugural meeting, the Board of Directors is normally required to meet four to eight times a year; the meetings are scheduled based on the annual planning of the work to be done by the Board of Directors. In addition to these meetings, during 2025 the Board held meetings in connection with quarterly reports, investment decisions, acquisition decisions and decisions on new share issues. In accordance with the rules of procedure of the Board, the Board continuously evaluates its work through open discussions in the Board and through an annual Board evaluation. The outcome of the annual evaluation is submitted to the Audit Committee, whose task is to prepare and consider matters related to financial reporting,

Audit Committee

The Board of Directors has set up an Audit Committee whose task is to prepare and consider matters relating to financial reporting, internal control and risk management and, if necessary, to participate in the contacts with the company's auditor in connection with the audit of the annual report and the auditors' ongoing review of the company during the financial year. The Audit Committee is also required to assist the Nomination Committee in connection with the auditor's election. The Audit Committee is a preparatory body and has no independent decision-making power, unless the Board has explicitly authorized the Audit Committee to take decisions on a specific issue. The Audit Committee consists of Per Holmberg (chair), Francesco Franzé and Helene Richmond (members). The main tasks of the Audit Committee are:

- monitoring and quality assurance of the company's financial reporting;
- meeting the company's auditor on an ongoing basis for information and considerations regarding the focus, scope and content of the audit services and of the annual report and consolidated financial statements, and discussing coordination between external and internal auditing and the view of the company's risks;
- reviewing and monitoring the auditor's impartiality and independence and establishing guidelines for the permissible procurement of other services by the company's auditor;
- evaluating the audit effort and informing the Nomination Committee of the results;
- assisting the Nomination Committee in the procurement of the audit, preparing the election and remuneration of the auditor and making recommendations to the Nomination Committee on these matters;
- with regard to financial reporting, monitoring the effectiveness of the company's internal control, internal audit and risk management;
- dealing with any disagreements between management and the auditor;
- addressing considerations regarding the application of current accounting policies and the adoption of future accounting policies and other accounting requirements imposed by law, generally accepted accounting principles, listing agreements or other applicable regulations.

Remuneration Committee

The Board of Directors has established a Remuneration Committee whose task is to prepare and consider issues relating to remuneration and other terms of employment for the company management, evaluation of programs for variable remuneration to the company management and follow-up and evaluation of the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting. The Remuneration Committee is a preparatory body and has no independent decision-making power, unless the Board of Directors has explicitly authorized the Remuneration Committee to decide on a specific issue. The Remuneration Committee consists of Francesco Franzé (Chair), Lars-Ola Lundkvist (Member) and Taina Horgan (Member). The main tasks of the Remuneration Committee will be to prepare and monitor issues related to:

- decisions on remuneration principles, remuneration and other terms of employment for senior management;

- monitoring and evaluating ongoing and completed variable remuneration programs for company management;
- monitoring and evaluating the application of the guidelines for remuneration to senior executives adopted by the Annual General Meeting and preparing proposals for guidelines for remuneration to senior executives for the Annual General Meeting; and
- current remuneration structures and levels in the company.

Attendance at Board and Committee meetings

Board member	Board of Directors	Audit Committee	Remuneration Committee
Francesco Franzé	9/9	10/10	3/3
Taina Horgan	9/9	-	3/3
Per Holmberg	9/9	10/10	-
Helene Richmond	9/9	10/10	-
Lars-Ola Lundqvist	5/5	-	2/3

In addition, seven per capsulam meetings were held.

Major shareholders

As of December 31, 2025, and with changes known up to the submission of this annual report, the following shareholders had, directly or indirectly, a shareholding in HANZA representing at least one tenth of the votes for all shares in the company:

Shareholder	Percentage of votes in HANZA, %
Färna Invest AB	22.83

For further information on HANZA's share and ownership structure, see the section The share and ownership structure on pages 153-154 of the annual report.

Auditors

The auditors are appointed by the AGM. The auditors review the company's annual report, consolidated accounts and accounts, as well as the administration of the Board of Directors and the CEO. The results of the review are reported to the shareholders in the form of the audit report, which is presented at the AGM. The 2025 AGM elected Ernst & Young AB (EY) as the company's auditor for the period until the end of the AGM to be held in 2026. EY has appointed authorized public accountant Linn Haslum Lindgren as auditor in charge. The external audit is conducted in accordance with ISA (International Standards on Auditing).

Internal control

The overall purpose of internal control is to ensure, with reasonable assurance, that the company's operational strategies and targets are followed up on, and that the owners' investment is protected. In addition, internal control is meant to ensure, with reasonable assurance, that external reporting is reliable and that it is prepared in accordance with generally accepted accounting principles, that applicable laws and regulations are being complied with, and that the specific requirements applicable to listed companies are being complied with. The Board of Directors is the body that bears overall responsibility for internal control. The Swedish Companies Act and the Swedish Annual Accounts Act contain provisions according to which information on the most important elements of HANZA's system for internal control and risk management must be disclosed in HANZA's corporate governance report. The Board of Directors' responsibility for internal control is also governed by the Code.

Among other things, the Board shall ensure that HANZA has good internal control and formalized procedures that ensure compliance with established principles for financial reporting and internal control and that there are appropriate systems for monitoring and controlling the company's operations and the risks to which the company and its operations are associated. In order to maintain good internal control, the Board has prepared a number of policy documents, such as rules of procedure for the Board, instructions for the CEO, instructions for financial reporting, financial policy and information policy.

In addition, the Board of Directors has established an Audit Committee whose main tasks include the monitoring and quality assurance of the company's financial reporting, continuously meeting with the company's external auditor, monitoring the effectiveness of the company's internal control as regards financial reporting, and reviewing and monitoring the auditor's impartiality and independence. Within the Board of Directors, the Audit Committee also bears primary responsibility for monitoring and managing risks that may adversely affect the company's operations.

Internal control and risk management are monitored and evaluated on an ongoing basis by means of internal and external checks as well as evaluations of the company's governance documents. The task of the Audit Committee is to monitor the effectiveness of the company's internal control and risk management. Risk assessment is performed, for example, in the form of self-evaluations by key finance personnel. Identified risks and key processes are followed up on through measures and check-up activities conducted with designated managers as well as testing to determine if checks work. In its internal control efforts, the company uses well-established control processes including assessments of the company's overall control environment, self-evaluations, establishing control activities, training in and information on internal control, as well as evaluations of the control measures' effectiveness. Feedback is provided continuously to Group management, the Audit Committee and the Board of Directors.

The company has not set up a separate internal audit function. The Board of Directors conducts an annual assessment of the need for such a function and has determined that the efforts related to internal control that are ongoing internally, as undertaken particularly by the management team under the supervision of the Audit Committee, constitute an adequate review function, having regard to the company's operations and size.

Risk assessments

HANZA engages in continuous, active risk analysis, risk assessment and risk management in order to ensure that the risks to which the company is exposed are managed appropriately within the established frameworks. Its risk assessment takes into account, for instance, customer dependence, production, interruptions and logistics, key personnel, the business cycle, materials, complaint risk, inventory obsolescence, competition, IT, liability, suppliers, credit exposure, financial risk factors and tax risks. Identified risks are followed up on by means of established check-up activities with designated managers.

BOARD OF DIRECTORS

Board of Directors

From the left

Per Holmberg
Member of the Board since 2023.
Member of the Audit Committee.
CEO of Adrian Michael Group (Switzerland). Previously worked in operational, management and executive roles within the Electrolux Group and Hexagon.
Born: 1959
Education: MSc in Business Administration from the Stockholm School of Economics.
Other assignments: None
Shareholding: 269,367 shares.
Independent in relation to both the company and its management, as well as to the company's major shareholders.

Taina Horgan
Member of the Board since 2024.
Member of the Remuneration Committee.
Director of Business Development at Systemair AB. Previously Chief Sales Officer at FläktGroup. Held several senior positions within Systemair both locally and internationally within the Group.
Born: 1965
Education: DIHM Business Bachelor.
Other assignments: Member of the Board of Brukshotellet Skinnskatteberg.
Shareholding: 799 shares.
Independent of the company and its management, but not of the company's significant shareholders.

Lars-Ola Lundkvist
Member of the Board since 2025.
Member of the Remuneration Committee.
Previous international experience in industrial automation and industrial data communication in roles such as Marketing Manager at ABB Robotics. CEO of Deva Mechaneyes AB and Westermo Group, as well as Division Manager at Lagercrantz Group.
Education: Master of Science in Mechatronics from the Royal Institute of Technology (KTH) and Master of Business Administration from INSEAD.
Other assignments: Chairman of the board or board member of several companies within Lagercrantz Group. Chairman of the board of Absortech Group.
Shareholding: 22,272 shares.
Independent in relation to both the company and its management, as well as to the company's major shareholders.

Francesco Franzé
Chairman of the Board since 2019, elected in 2015.
Chairman of the Remuneration Committee and member of the Audit Committee.
Previous positions include Group Management of Husqvarna Group, Senior VP Industrial Operations of Electrolux Group as well as site manager at several manufacturing units abroad.
Born: 1964
Education: Master of Science in Mechanical Engineering at the Royal Institute of Technology (KTH) in Stockholm.
Other assignments: Chairman of the Board of Adrian Michel Group AG, Chairman of the Board of Panarea AB.
Shareholding: 3,510,000 shares.
Independent in relation to both the company and its management, as well as to the company's major shareholders.

Helene Richmond
Member of the Board since 2017.
Member of the Audit Committee.
Previously CEO of the CTC Group within the NIBE Group and before that head of various international operations in the SKF Group within sales, marketing and strategy.
Born: 1960
Education: Master of Science in Mechanical Engineering at Lund University of Technology.
Other assignments: None
Shareholding: 50,000 shares.
Independent in relation to both the company and its management, as well as to the company's major shareholders.

Information on shareholdings as of December 31, 2025 with subsequent known transactions.

AUDITORS

Registered audit firm
Ernst & Young AB

Auditor in charge
Linn Haslum Lindgren
Authorized Public Accountant, Ernst & Young AB
Born: 1977
Auditor for HANZA since 2023
Shareholding: No shares.

MANAGEMENT

Group management

Erik Stenfors
CEO and President
Employed: 2008
Born: 1966
Education: Master of Science in engineering
physics at the Royal Institute of Technology (KTH) in Stockholm.
Background: R&D Manager, Minec Systems, founder/CEO NOTE, founder Wonderful Times Group, founder and CEO HANZA.
Shareholding: A total of 646,000 shares, privately and through wholly owned companies, of which 6,650 shares are invested in connection with HANZA's share-savings scheme 2023.

Lars Åkerblom
Chief Financial Officer (CFO)
Executive Vice President
Employed: 2010
Born: 1965
Education: Master of Science (economy), Uppsala University and Auditor's Exam from the Association of Authorized Public Accountants (FAR).
Background: Authorized public accountant and Market Area Manager KPMG, CFO at listed Pricer and Nocom (now IAR), CFO Scandinavian Biogas, CFO Sweco, CFO and CEO at Wonderful Times Group.
Shareholding: 200,000 shares. Of these, 6,650 refer to shares invested in HANZA's long-term share-savings scheme 2023.

Andreas Nordin
Chief Operating Officer (COO)
Employed: 2017
Born: 1970
Education: Master of Science in Mechanical Engineering at the Royal Institute of Technology (KTH) in Stockholm.
Background: CEO of Ericsson's factories in Estonia, Brazil and Mexico.
Shareholding: 47,500 shares. Of these, 6,650 refer to shares invested in HANZA's long-term share-savings scheme 2023.

Diana Thorin
Chief Human Resources Officer (CHRO)
Employed: 2018
Born: 1985
Education: Education:Human Resources and Working Life Program at Karlstad University.
Background: Various roles in municipal operations, including area manager for municipal health and social care and HR consultant. Various HR management positions within the HANZA Group.
Shareholding: 750 shares.

Mattias Lindhe
Chief Strategy Officer (CSO)
Employed: 2023
Born: 1966
Education: Degree from the Swedish Defense University and MBA from Henley Business School (University of Reading) UK.
Background: Global Business Area Manager at Flex (Flextronics), Commercial Director at Luvata and President and CEO at Orbit One.
Shareholding: 47,300 shares.

Information on shareholdings as of December 31, 2025 with subsequent known transactions.

Sustainability Report 2025

Contents

General disclosures	25
Environmental information	49
Social information	71
Business conduct	88
ESRS index	96

As we present our first CSRD report, we do so with an understanding of the extensive work and learning behind it. Over the past year, we have learned a great deal — about our impacts, our strengths and the areas where we need to improve. Through a comprehensive double materiality assessment, we have gained an overall understanding of the issues that truly matter, both for HANZA and for our stakeholders.

We operate in an industry where material selections, transportation and energy are key concerns. An important insight that shapes our work going forward is that 97 percent of our emissions occur within our value chain. At the same time, our customer dialogues clearly show that we can make a difference — through better data, more sustainable material solutions and more efficient production close to our customers.

I would like to extend my sincere thanks to all colleagues who contributed to this year's report. Their commitment makes it possible to raise sustainability even higher on the agenda. In 2026, we will continue to develop our working methods, particularly on climate and the systems needed to make our efforts more robust.

This report marks the beginning of a new phase in our sustainability work — and I look forward to continuing the journey together.

Pasi Pöyry,
Head of Sustainability

GENERAL DISCLOSURES

General disclosures

Table of Contents	Phased-in disclosure requirements not reported	Pages
BP-1 – General basis for preparation of sustainability statements		25
BP-2 – Disclosures in relation to specific circumstances		26
GOV-1 The role of HANZA's Board of Directors and management		28
GOV-2 Information provided to and sustainability matters addressed by HANZA's Board of Directors and management		28
GOV–3 Integration of sustainability-related performance in incentive schemes		30
GOV-4 Statement on due diligence		30
GOV–5 - Risk management and internal controls over sustainability reporting		30
SBM-1 Strategy, business model and value chain		31
SBM–2 Interests and views of stakeholders		32
SBM–3 Material impacts, risks and opportunities and their interaction with strategy and business model	DR ESRS 2_SBM-3_48e Anticipated financial effects from material risks and opportunities	35, and in the following topical sections
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities		45, and 53 in E1 Climate change
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement		48, 96

ESRS 2 Basis for preparation

HANZA's sustainability report has been prepared in accordance with the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Reporting Standards). The report meets current requirements under the Swedish Annual Accounts Act. The structure and several disclosures differ from previous reports. The report addresses all material topics identified in HANZA's double materiality assessment. Forward-looking statements are preliminary. HANZA actively monitors the ongoing development of the EU's omnibus proposals, as these may lead to adjustments of future reporting requirements.

BP-1 General basis for preparation of sustainability statements

Basis of consolidation

The sustainability report generally covers HANZA's consolidated operations in accordance with the financial reporting. However, recently completed acquisitions are not always included. In 2025, the acquisition of Milectria was completed in October, which is reflected in the financial reporting but not in the sustainability report. The acquisition of BMK was completed in 2026 and is therefore also not included. Year-on-year KPI comparisons are not adjusted for acquisitions. [BP1_5a, 5b(i)]

Upstream and downstream value chain

HANZA's entire value chain was taken into account in the materiality assessment and, where relevant, in the definition of policies, actions, milestones and metrics. [BP1_5c]

Omission of information

No exemptions were applied regarding information related to intellectual property rights, know-how or innovations (ESRS 1, section 7.7) or disclosure requirements 19a.3 and 29a.3 in Directive 2013/34/EU. [BP1_5d,5e]

Incorporation by reference

ESRS	Disclosure Requirement	Datapoints	Information	Section
ESRS 2	GOV-1	21	Information on the composition and diversity of the members of the administrative, management and supervisory bodies of the undertaking.	Corporate Governance Report
ESRS 2	GOV-1	23b	Skills and expertise relevant to the undertaking's material impacts, risks and opportunities.	Corporate Governance Report
G1	GOV-1	5b	Expertise of the administrative, management and supervisory bodies of the undertaking relating to business conduct.	Corporate Governance Report
ESRS 2	GOV-3	29	Remuneration policies.	Management Report
E1	E1-3 E1-4 E1-5 E1-6	29 MDR-T 43 55	Relationship between investments and net revenues with information in the financial statements.	Management Report, financial statements
E5	E5-2 E5-3	MDR-A 50f	Relationship between personnel costs and net revenues with information in the financial statements.	Management Report, financial statements
S1	S1-4 S1-6	50f	Relationship between personnel costs and the information in the financial statements.	Management Report, financial statements
	Entity-specific	MDR-A	Relationship between costs and the information in the financial statements.	Management Report, financial statements

BP-2 Disclosures in relation to specific circumstances

Time horizons

HANZA has applied the forward-looking time horizons as defined in ESRS 1. [BP2_9a,9b]

- Short-term: One reporting period
- Medium-term: From one reporting period to 5 years
- Long term: > 5 years

Value chain estimations

HANZA recognizes that measurement uncertainty may arise from various factors, such as measurement techniques and data quality across its value chain. Examples include indirect sources such as emission factors and distance estimates for deliveries used to calculate Scope 3 greenhouse gas (GHG) emissions. [BP2_10a,10b,10c]

Sources of estimation and outcome uncertainty

The fundamental principle is to base information on actual data. In certain cases where actual data is not available, measurements are based on well-founded assumptions or estimates and are therefore subject to uncertainty. In the topical sections, the methodology used is stated for all metrics. The table on the right lists some of the approximations used. [BP2_11a,11b(i),11b(ii)]

METRICS	SOURCE OF ESTIMATION
E1 Climate change	
E1-5 Energy consumption, energy mix	As a rule, energy consumption and energy mix are based on actual data from invoices. In cases where data is missing, calculations are based on rolling 12-month figures or the national energy mix.
E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	For market-based Scope 2 emission factors, a combination of actual and estimated emission factors is used. For Scope 3 emissions, a combination of methods is used: calculation methods at the product and supplier levels.
E5 Resource use and circular economy	
E5-4 Resource inflows	For certain purchased materials, the weight is based on cost multiplied by a conversion factor. The consumption of recycled materials corresponds to EU/industry-specific factors.
E5-5 Total amount of waste generated, weight	As a rule, the amount of waste generated is based on actual weight from invoices. If data is missing for the last months of the year, calculations are based on rolling 12-month figures. In certain factories lacking information on general waste, the weight is assumed to correspond to the average container weight.
S1 Own workforce	
S1-6 Characteristics of the Undertaking's Employees	The number of employees, based on the number of permanent and temporary employees at year-end, is partly an overestimate of employment since some employees work part-time, and may also be an underestimate of the number of employees as temporary staff are hired during production peaks.
S1-8 – Collective bargaining coverage and social dialogue	Social dialogue is assumed to take place with all workplace representatives. HANZA's workplace representation in countries outside Sweden and Finland is assumed to be consistent with local industry practice.

DISCLOSURE REQUIREMENTS FOR PHASE-IN	COMMENTS
DR ESRS 2_SBM-3_48e Anticipated financial effects from material risks and opportunities	Some qualitative information is presented in the topical section.
DR E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Some qualitative information is presented in the topical section.
DR E2-6 – Anticipated financial effects from pollution-related risks and opportunities	Some qualitative information is presented in the topical section.
DR E5-6 Anticipated financial effects from resource use and circular economy-related risks and opportunities	Some qualitative information is presented in the topical section.
DR S1-7 Characteristics of non-employees in HANZA's own workforce	No metrics are reported.
DR S1-13 Training and skills development metrics	No metrics are reported.
DR S1-14 Health and safety metrics	Health and safety metrics exclude non-employees. No metrics are reported for 88 (d) and (e).
DR S1-15 Work-life balance metrics	No metrics are reported.
ESRS S2 Workers in the value chain	Quick-fix phase-in provision. A brief description of how HANZA's business model and strategy address the impacts, as well as the company's relevant policies, actions and tracking of effectiveness, is presented in the topical section.

HANZA maintains an active dialogue with stakeholders throughout the value chain to collect information for sustainability reporting. At the same time, several challenges remain, including the early development stage, high information costs, and variations in data quality. Limited digitalization also entails risks of errors due to human factors, for example in the manual calculation of recycled raw materials. HANZA is working to improve and strengthen information collection primarily through digital solutions. In 2026, HANZA will implement a system-based data collection process to reduce risks, improve data quality and also enhance the ability to replace estimates with actual data. [BP2_10d]

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

This sustainability report does not include information stemming from other legislation or generally accepted standards and frameworks for sustainability reporting. [BP2_15]

Incorporation by reference

Certain information in this sustainability report refers to other audited sections in HANZA's annual report. See table for more information. [BP2-16]

Phase-in provisions

HANZA has applied the phase-in provisions in accordance with Appendix C of ESRS 1. A brief description of policies, actions, targets and developments related to the phase-in provisions can be found in sections S1 Own workforce and S2 Workers in the value chain. [BP2_17a,17b,17c,17d,17e]

Governance

GOV-1 The role of HANZA's Board of Directors and management

The Board of Directors has the overall responsibility for sustainability. As part of its annual planning cycle, the Board of Directors reviews and decides on material impacts, risks and opportunities. It sets out strategies for addressing the identified material impacts, risks and opportunities by reviewing and approving sustainability policies, targets and milestones. The Board has established two committees that serve as preparatory bodies without independent decision-making authority, unless the Board expressly delegates such authority to them: the Audit Committee and the Remuneration Committee.

The HANZA Leadership Team (HLT) is HANZA's executive management, to which various responsibilities have been delegated to ensure that sustainability is integrated into its strategy, risk management and acquisitions. The HLT consists of the CEO, CFO, COO, CSO and CHRO. The CEO has the overall responsibility, while responsibility has been delegated to various key roles as illustrated. In addition to the HLT, the Head of Information Security, who reports directly to the CEO, is responsible for implementation of information security matters.

The Operational Leadership Team reports directly to the HLT and consists of Cluster Presidents as well as the Head of Global Strategic Sourcing, Head of IT and Head of Sales. Key performance indicators (KPIs) within management systems, such as employee health and safety, as well as waste management, GHG emissions and energy consumption, are monitored within the clusters and reported back to the Operational Leadership Team. Developments within the management systems and monitoring of procurement, IT, business ethics and equal opportunities for the company's own workforce are reported to the HLT. [GOV-1_22a,22b,22c(i),22c(ii),22d]

Controls and procedures for addressing impacts, risks and opportunities

HANZA's Sustainability Policy guides the company in systematically addressing impacts, risks and opportunities. Several controls and procedures form integral parts of other applied frameworks, including:

- The commitment to the UN Global Compact and to reporting progress in accordance with it.
- Certified management systems, which include procedures for relevant material impacts, risks and opportunities. These are addressed and monitored by quality managers at each HANZA plant as well as at Group level. The systems include ISO 9001 Quality, ISO 14001 Environment (see section E1-3), ISO 45001 Occupational Health and Safety (see sections S1-4, S1-5), ISO 27001 Information Security (see section Entity-specific)
- HANZA's framework for sustainability governance and reporting
- ESG risk management system, which HANZA intends to integrate into the Group-wide risk management framework in 2026 (see section IRO-1)
- Annual review of the materiality assessment (see section IRO-1)

Based on the results from these systems, sustainability-related policies and priorities are updated and improved. HANZA has no internal audit function. [GOV-1_22c(iii)]

Mandate

Responsibility for sustainability is reflected in HANZA's policies and function descriptions. [GOV-1_22b]

Skills and expertise

The Board of Directors and the HLT have expertise in key sustainability matters related to HANZA's material impacts, risks and opportunities. Their profiles can be found in the Corporate Governance Report. [GOV-1_21]Board members have expertise in business operations, management functions at operational and executive levels, and board experience in listed companies with strong engagement in responsible business conduct, environmental responsibility and social responsibility. Members of the HLT and the Operational Leadership Team possess expertise in human resources, occupational health and safety, environmental risk management, responsible sourcing, quality assurance and sustainability compliance, which together cover all of HANZA's material sustainability matters.

HANZA uses internal resources in environmental and social matters, such as the Head of Sustainability, the Quality function, HR and the Procurement function. External experts and consultants are also engaged for guidance, particularly in areas such as reporting and in calculating and evaluating the company's environmental and climate impacts. [GOV-1_23a,23b]

Business conduct

The Board of Directors has overall responsibility for HANZA's business conduct strategy. This includes policies such as the Code of Conduct, actions to address ethics, anti-corruption, conflicts of interest and compliance with legal frameworks. The outcomes of business ethics and corporate culture are regularly reported to the Board of Directors and include the employee survey's findings on perceived corporate culture, incidents of corruption and conflicts of interest, whistleblowing reports and significant incidents of non-compliance. The Audit Committee prepares Board decisions related to business ethics and reviews the effectiveness of HANZA's Code of Conduct, conducts regular risk reviews concerning business ethics and monitors the development of new reporting requirements to ensure compliance.

The CEO ensures that appropriate measures are taken to safeguard business ethics within HANZA and that business ethics is included as part of the risk assessment in acquisitions. The CEO is accountable to the Board of Directors for the outcomes of internal business ethics processes such as risk management and compliance. [GOV-1_5a]

The expertise of the Board of Directors, the Audit Committee and executive management relating to business conduct is presented in the Corporate Governance Report. [G1_GOV-1_5b].

GOV-2 Information provided to and sustainability matters addressed by HANZA's Board of Directors and management

The CEO regularly reports the results of internal sustainability processes to the Board of Directors, such as the management of sustainability-related risks, impacts on employees, suppliers, the environment and regulatory compliance. The CEO receives updates on the company's policies, targets and milestones from the development of specific KPIs for the entire company, which are presented by other members of the HLT or their direct reports. The KPIs include monthly monitoring of the working environment as well as annual monitoring of environmental

GENERAL DISCLOSURES

Allocation of responsibility for sustainability-related matters

Board of Directors

- Overall responsibility for impacts, risks and opportunities, including establishing strategies to address identified material topics (IROs).
- Annually determines HANZA's impacts, risks and opportunities based on the materiality assessment, in the event of any changes such as sudden risks, force majeure or business development.
- Monitors defined sustainability targets, milestones and outcomes.
- Establishes sustainability policies, milestones and outcomes set out in the company's strategy.
- Ensures integration of sustainability targets and milestones into the business strategy. Monitoring is conducted quarterly and annually by management and is also addressed in the annual report.
- Ensures reliable sustainability reporting.

Audit Committee (preparatory)

- The Audit Committee is responsible for preparing and monitoring matters related to sustainability, including sustainability reporting, internal control, compliance with the Code of Conduct and review of sustainability risks in relation to impacts, risks and opportunities.
- Supports the Board of Directors in preparing sustainability-related information in the annual report and monitors the application of the guidelines for remuneration to senior executives as adopted by the Annual General Meeting.

Remuneration Committee (preparatory)

- The Remuneration Committee is responsible for preparing and monitoring matters related to sustainability, including sustainability reporting, internal control, risk management and the assessment of sustainability matters. It reviews internal control and risk management related to material KPIs.

CEO

- It ensures that sustainability is integrated into HANZA's strategy and business objectives.
- It ensures that sustainability risks are integrated into the overall strategy.
- It makes decisions regarding operations, risk management, resources, delegated policies, milestones and targets related to sustainability within the company.
- It receives regular sustainability updates from the Cluster Presidents.
- It ensures implementation of sustainability processes in the operations, such as resource management, production management, supplier management, environmental processes and compliance.

Reports and compiles data for sustainability disclosures.

CFO

Ensures reliable reporting, risk management and processes.

Responsible for control and compliance frameworks, including updating assessments when necessary.

Monitoring of compliance and reporting procedures.

Implementation of sustainability

COO

Ensures implementation of sustainability targets in processes and procedures.

CSO

Receives the annual sustainability plan.

Head of Global Strategic Sourcing

Ensures compliance with sustainability in the supply chain.

Responsible for evaluating and selecting suppliers.

Head of Information Security

Ensures data security within HANZA. Certifications (information security).

CHRO

Leadership development including development of key competencies (including sustainability-related matters).

Ensures skills development related to sustainability.

Yellow frame = HANZA Leadership Team

Sustainability function/ external expertise

Head of Sustainability

Coordinates sustainability activities.

Sustainability reporting.

Stakeholder dialogue.

Develops sustainability policies, guidelines and annual targets and milestones.

Sustainability trainings.

Conducts sustainability audits.

Collects analyses and monitors sustainability-related data.

Cluster Presidents

Development of annual plans for each region.

Defines roles, responsibilities and resources.

Performs internal sustainability audits.

Ensures implementation of sustainability processes and activities.

Head of Quality

Management system certifications.

Carries out internal quality control.

Assesses legal requirements.

Maintains management systems.

Head of Sales

Customer dialogue.

Manages customer-specific sustainability requirements.

Sustainable business planning.

Head of IT

Maintains and is responsible for tools that support sustainability data.

matters and developments within certified management systems. [GOV-2_26a]

The Board of Directors and HLT consider sustainability impacts, risks and opportunities as part of their ongoing oversight of HANZA's strategy. This includes assessments in connection with acquisitions and the company's overall risk management process. In its work, the Board also analyzes potential trade-offs between short-term operational needs and long-term sustainability targets and milestones to ensure well-balanced decision-making. [GOV-2_26b] In addition, the Board considers material impacts, risks and opportunities as part of the annual review of the materiality assessment. In 2025, the Board of Directors specifically addressed HANZA's ability to reduce CO_2 emissions and the possibility of setting climate targets. The Audit Committee enhanced its expertise in the CSRD's sustainability reporting requirements. [GOV-2_26c]

GOV–3 Integration of sustainability-related performance in incentive schemes

HANZA's variable remuneration system for senior executives and Cluster Presidents in 2025 was linked to earnings performance and working capital. The system is not tied to any sustainability-related targets or climate-related matters. [E1. GOV-3_13] The terms of the incentive scheme comply with the remuneration guidelines and have been approved by the Board of Directors. Information about the remuneration guidelines is provided in the Management Report. [GOV-3_29]

GOV-4 Statement on due diligence

Information about HANZA's due diligence is presented in the table. It shows where the key aspects and steps of the due diligence process are reflected in HANZA's sustainability reporting. [GOV-4_30,32]

GOV-5 Risk management and internal control over sustainability reporting

HANZA has several processes for risk management and internal control of sustainability reporting, such as identifying and minimizing inaccuracies resulting from human error, incompleteness or other potential sources. [GOV-5_36a]

Core elements of due diligence	Reference to section in the sustainability report	Relates to people and/or the environment
Embedding due diligence in governance, strategy and business model	GOV-2, SBM-3	People and the environment
Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1	People and the environment
	S1-2	People
Identifying and assessing adverse impacts	SBM-3, IRO-1	People and the environment
	E1.SBM-3, E2.SBM-3, E4.SBM-3, E5.SBM-3	Environment
	S1.SBM-3, S2.SBM-3	People
Taking actions to address those adverse impacts	E1-1, E1-3, E2-2, E4-3, E5-2	Environment
	S1-4	People
	G1-1, Entity-specific	People and the environment
Tracking the effectiveness of these efforts and communicating	E1-4, E1-5, E1-6, E2-5, E5-4, E5-5	Environment
	S1-5, S1-6, S1-8, S1-9, S1-14, S1-16, S1-17	People
	G1-4, G1-6, Entity-specific	People and the environment

Internal control and review

Developments within individual clusters regarding occupational health and safety, corruption, whistleblowing, information security and environmental matters at the cluster level are aggregated at the Group level. Certain monthly and annual reporting related to ISO-certified management systems has been ongoing for several years. Control activities are carried out by the Head of Quality, CFO, CHRO and CSO, and consist of reviews of data quality and completeness, comparisons with previous periods and industry peers, as well as spot checks. Deviations from targets, milestones and previous years are analyzed and reconciled. The Audit Committee, which reviews the sustainability report before it is approved by the Board of Directors, also focuses on the quality and accuracy of the disclosures. The auditors present their observations from the audit together with their analysis of the company's internal control processes. [GOV-5_36a]

Risk assessment

HANZA has implemented a risk management process for sustainability reporting that systematically identifies potential risks of reporting errors in the sustainability report based on their likelihood and impact. [GOV-5_36b] The main risks consist of inaccurate and incomplete data, as some collection and compilation are carried out by a limited number of individuals and within internal reporting systems that lack systematic control functions. As HANZA grows and the volume of data and disclosure requirements increase, new internal quality processes are needed. Enhanced system support and control activities will therefore be introduced starting in 2026. [GOV-5_36c] The new processes will better integrate outcomes from risk assessment and internal control than before. [GOV-5_36d] Currently, HANZA lacks processes for regular reporting to the Board of Directors on the results of risk assessment and internal control related to sustainability reporting. [GOV-5_36e]

GENERAL DISCLOSURES

Strategy and business model

SBM-1 Strategy, business model and value chain

As a contract manufacturer, HANZA is engaged to produce clearly specified products based on customers' drawings and material selections, designed for their specific use and life cycle. These components are then integrated into the customers' end products.

Manufacturing takes place in HANZA's 19 production units and one business development unit, which are organized into geographic clusters close to customers. Each production unit consists of one or more factories, enabling efficient operations and a customer-oriented approach.

In addition to manufacturing, HANZA offers expertise in processes that enhance product sustainability. For example, the use of certain materials may be recommended to reduce chemical use, or HANZA's support in design projects may improve resource efficiency, such as reducing a product's steel content while maintaining quality and performance. [SBM-1_40a(i)] The company has no operations in fossil fuels, chemical production, controversial weapons or tobacco. [SBM-1_40d]

Products and factories are organized into two manufacturing area:

- Mechanics – automated processes such as sheet metal fabrication, machining and heavy mechanics.
- Electronics – assembly of electronic equipment using advanced technology.

Revenue distribution by manufacturing area [SBM-1_40b]	Total revenue, SEKm	
	2025	**2024**
Electronics	2,520	2,616
Mechanics	3,494	2,221
Total	**6,014**	**4,837**

Region [SBM-1_40a(ii), 40a(iii)]	Number of employees (average)		Sales, SEKm	
	2025	**2024**	**2025**	**2024**
Nordics + Germany	1,529	1,177	4,674	3,806
Other Europe	1,614	1,323	1,120	803
North America	0	0	141	126
Rest of the world	137	80	90	116
Total	**3,280**	**2,578**	**6,025**	**4,851**

HANZA manufactures approximately 50 million units for its customers annually. The company's production processes involve a high proportion of input materials. HANZA sources these materials from around 3,000 suppliers worldwide.

HANZA has a well-diversified customer base consisting of approximately 250 customers, with the ten largest customers accounting for less than half of total sales. Customers include industry-leading companies across a wide range of manufacturing sectors, such as 3M, ABB, Epiroc, GE, Getinge, John Deere, Mitsubishi, SAAB, Sandvik, Siemens and Tomra. [SBM-1_40a(ii)]

Sustainability impacts and strategy

Contributing to a resilient society is a guiding principle for HANZA's sustainability work. This commitment aligns with the company's customer value strategy, encompassing quality and sustainability across multiple dimensions.

HANZA's customers share a common characteristic: they continuously adapt their business models to minimize negative impacts on people and the environment while maximizing positive outcomes. Most customers have ambitious sustainability goals related to product quality and end-user safety, social responsibility toward employees and key environmental aspects – such as climate impact, circular resource use and environmentally sound production processes.

Customers' product designs generally consist of detailed drawings adapted for the intended use and product life cycle, as well as precise material specifications. When customers engage HANZA for outsourced manufacturing, they apply the same high standards for manufacturing processes and procurement as for their own operations. Several customers are market leaders in ecodesign, and HANZA integrates their advanced product specifications into its manufacturing processes. Products manufactured by HANZA are assembled into end products used in the defense industry, medical technology, consumer goods recycling equipment, forestry and agricultural machinery, and several other sectors. End users comprise both professionals across various sectors and consumers. When products are delivered to customers and used as components in their end products, HANZA has no downstream social influence, including in relation to product safety or information-related impacts.

HANZA's business model limits its ability to influence the environmental impact of products, as design specifications are determined by customers. Consequently, HANZA's primary responsibility is to apply production processes that minimize environmental impact and to provide advisory services and support to customers, thereby contributing to more sustainable product design. [SBM-1_40e,40f]

With regard to the environment, HANZA is firmly committed to minimizing the negative impacts of its production processes and, where possible, promoting the use of sustainable raw materials. The company's risks and opportunities stem from new policies related to the green transition and changing customer preferences. To strengthen the resilience of its business model, HANZA has taken several strategic actions, including establishing a regional cluster model to minimize transport, implementing environmental management systems in all factories, assessing the possibility of setting climate targets in line with the Paris Agreement and SBTi, and conducting joint pilot projects with customers on ecodesign. [SBM-1_40e,40g; SBM-2_45c]

When it comes to people, HANZA recognizes that its innovation and profitability rely entirely on the contributions of its employees. HANZA's workforce of approximately 3,200 people is primarily employed in factory environments. HANZA strives to provide them with safe and healthy workplaces, as well as opportunities for development and a sound set of values, as these are essential for increasing employee motivation and trust. To address challenges related to occupational health and

safety, HANZA implements preventive measures within its occupational health and safety management systems with the goal of achieving zero work-related accidents. In addition, HANZA has introduced several processes related to employer branding, leadership, development, inclusion and equal opportunities. This commitment also extends to employees of suppliers and subcontractors, which is why HANZA has established clear procurement processes. [SBM-1_40e,40g; SBM-2_45c]

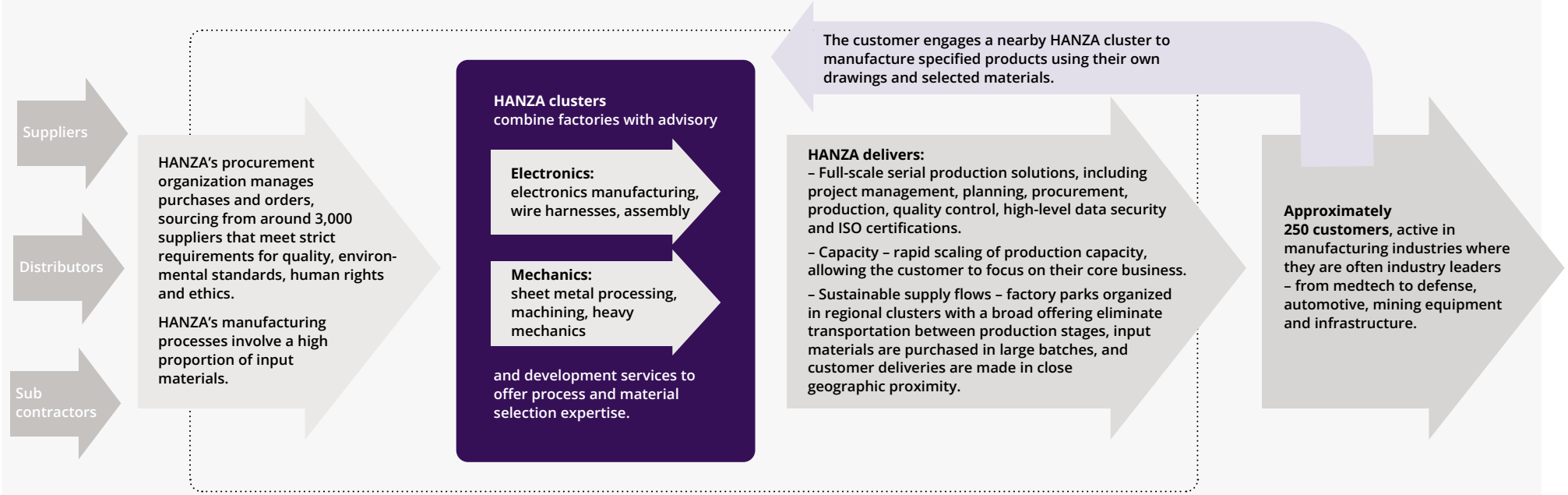
With regard to business ethics, HANZA is strongly committed to maintaining a business culture founded on trust, integrity and transparency. The company prioritizes information security to protect customers' intellectual property rights and to support its own business operations. [SBM-1_40e,40g]

Value chain

The illustrations below and on the next page present HANZA's business model and the key parts of the value chain. HANZA's value chain extends from the extraction and production of input materials, through its own manufacturing, to customer deliveries, customers' integration of HANZA's products into their end products and ultimately the use of these end products. Upstream are the actors involved in raw material extraction and component manufacturing. Downstream are large companies, their customers and end users. Each step in the value chain has different types of impacts on people, the environment and society.

HANZA's business model and sustainability commitment

HANZA's business model



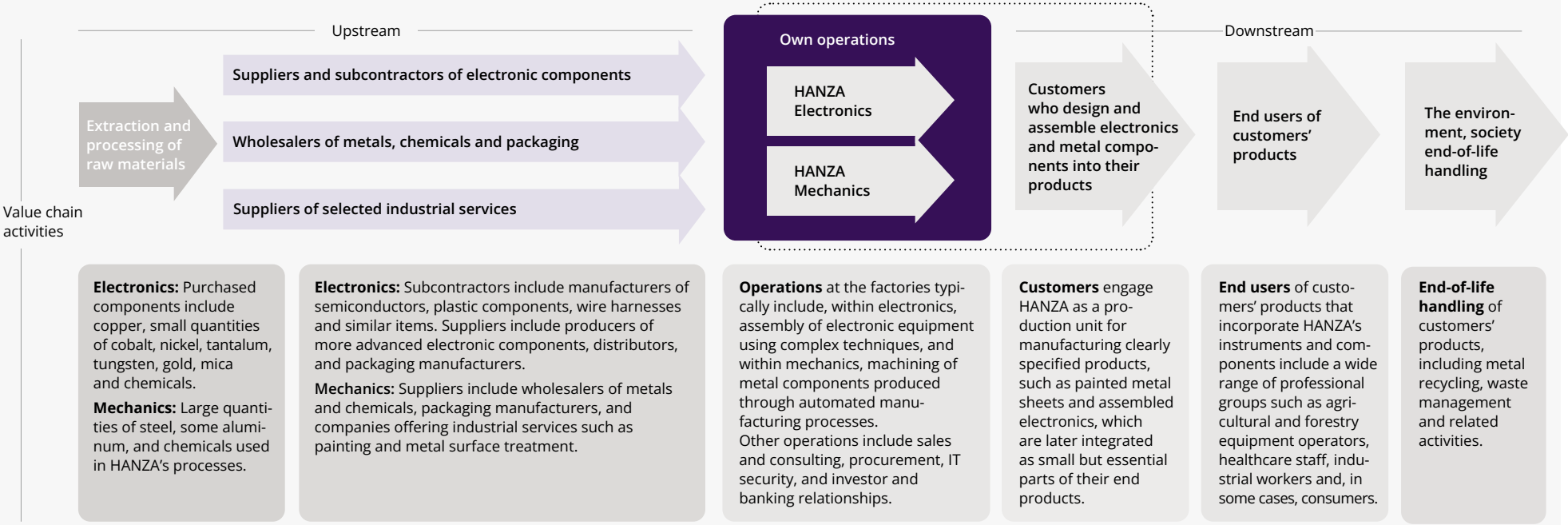
signal to investors, employees and other stakeholders the social and environmental responsibility that can provide a stable market position and long-term revenue growth.

SBM–2 Interests and views of stakeholders

Stakeholders contribute valuable insights to HANZA's sustainability and strategy work. Their perspectives help assess the severity or benefits of HANZA's impacts on people and the environment and to evaluate sustainability-related risks and opportunities. [SBM-2_45a(iv)] Stakeholders can be divided into two main groups. The first group consists of those directly or indirectly affected by the company's operations in the value chain, or those who can influence HANZA's ability to achieve its goals, such as employees, customers and the environment. The second group includes stakeholders who depend on the company's sustainability reporting. These consist of primary users of general financial reporting and mainly comprise customers, investors and lenders, as well as other users of HANZA's sustainability reporting, such as trade unions, partners, authorities, analysts, academia and communities.

Based on HANZA's value chain, primary and secondary stakeholders have been identified. The primary stakeholders have also been compared with those of industry peers. Stakeholders share their insights either through direct dialogue or indirectly through representatives. The company communicates its sustainability priorities and actions during these dialogues and

HANZA's value chain – key elements



GENERAL DISCLOSURES

Overview of HANZA's stakeholders, engagement opportunities and influence on its strategy and business model [SBM-1_45a(i),45a(ii),45a(iii),45a(v)]

Primary stakeholder	Their interests and views, purpose of the engagement	Trend	Key dialogue opportunities	Impact on HANZA's strategy and business model
Customers	Interested in product quality and sustainable procurement, including social responsibility, reduced environmental impact, assured ethical business ethics, and protected intellectual property.	To achieve the EU's environmental objectives, demand is increasing for: • sustainable raw materials with a low carbon footprint or recycled content, although availability remains limited. • traceability of input materials. • suppliers' commitments to climate neutrality and SBTi. • improved procurement processes, including audits, evaluations and transparency. • evidence of diversity and gender equality in the supply chain. • suppliers' support in the design phase to reduce resource use and environmental pollution.	• Customer survey, annual. • Customer meetings, regular. • Interviews with customers on sustainability, formalized in 2024 and thereafter ad hoc. • Customer audits of HANZA, ad hoc.	The insights lead HANZA toward a cluster strategy built around a broad regional offering, focusing on quality and environmental and social impacts in production processes and procurement, and on innovation to offer services that meet customers' demand for quality and sustainability.
Employees	Seek a safe and healthy work environment with opportunities for development and social engagement, including benefits, equal opportunities, and inclusion.	• Employees need support with: • managing stress during production peaks. • improved communication and feedback to reduce uncertainty during expansion. They are satisfied with: • the work environment. • development opportunities.	• Annual employee survey. • Trade union negotiations and dialogue, annual and ad hoc. • Career development meetings, annual.	The insights lead HANZA to provide safe and healthy workplaces and improve employee well-being. In addition, the results are integrated into leadership training, dialogues, and employer branding, as well as skills and corporate culture processes.
Investors and owners, banks	Strive for customer satisfaction and competitiveness while maintaining environmental, social, and ethical standards to ensure HANZA's financial performance. Expect transparent reporting and communication as well as compliance with laws and regulations.	Expects focus on: • climate-related impact and risk management. • ensuring respect for human rights in all input materials and customer value chains, prohibiting violations such as child labor, the use of conflict minerals, and the production of weapons such as cluster bombs and landmines.	• Investor meetings, ad hoc, often in connection with reporting occasions. • Annual General Meeting, annually.	The insights lead HANZA to implement competitive strategies that follow sustainability principles and to transparently report on performance.
The environment	Strives for minimal environmental impact from emissions and resource use.	Aims to protect the environment through: • -reduced consumption of primary natural resources. • -reduced climate impact throughout the value chain. • -protection of biodiversity and ecosystems.	• Collaboration with sustainability initiatives such as the Responsible Minerals Initiative. • Regular evaluation and auditing of suppliers.	The insights lead HANZA to a cluster strategy that reduces climate impact from transport and decreases environmental impact in operations by reducing pollution and emissions. These requirements are also applied to suppliers, who are required to take full responsibility for their own supply chains. The strategy further develops an offering that reduces environmental impact.
People in the supply chain	Strive for safe and fair working conditions, fair treatment, equal opportunities, a healthy living environment, and respect for human rights.	Focus on: • guaranteed respect for human rights in production processes. • guaranteed working conditions and opportunities. • monitoring of conflict minerals.	• Collaboration with organizations such as the Responsible Minerals Initiative and Human Rights Watch. • Regular evaluation and auditing of suppliers.	The insights lead HANZA to impose requirements on suppliers to provide and take full responsibility for their supply chains to ensure safe and healthy workplaces, fair working conditions, respect for human and labor rights, and equal opportunities.

through other communication channels, such as quarterly and annual reporting. [SBM-1_45a(iii)]

In 2024, HANZA began conducting in-depth interviews with customers about their sustainability priorities. The results of these customer dialogues show that environmental matters are a high priority, particularly regarding suppliers' ability to maintain low CO_2 emissions in their operations. Under regulations such as CSRD and the Ecodesign Directive, customers are required to impose the same requirements on HANZA as on their own operations. As a result of regulatory compliance, customers are requesting support in ecodesign, increased use of recycled materials and improved transparency in the supply chain. Key social aspects include working conditions and equal opportunities, such as gender equality. Employee feedback is collected through annual employee surveys, career development meetings and direct dialogue with local managers, as well as through trade union representatives. The company communicates through managers who share the results and develop action plans for their teams, as well as in dialogues with trade union representatives and, where there are no collective agreements, with representatives from works councils or locally elected employee representative committees. (See also S1-2). [S1.SBM-2] Investors raise questions about carbon footprints and procurement processes to ensure that human rights are respected.

During regular supplier dialogues, HANZA reviews suppliers' procurement practices to confirm alignment on environmental and social commitments (see also G1-2). [S2.SBM-2] Feedback and insights from the environment, as well as from employees and communities in the supply chain, are considered through reports from organizations such as Human Rights Watch, scientific studies, and similar sources.

Insights from stakeholder dialogues are regularly communicated to HANZA's executive management and Board of Directors. [SBM-2_45d] These result in continuous strategic adaptations and new processes in the business model. (See examples in section SBM-1). The sustainability dialogue with customers strengthens HANZA's relationship with its customers while also increasing HANZA's commitments. [SBM-2_45c(iii)] An example of strategic adaptation is HANZA's improved systematic procurement processes. Future adaptations in the coming years include enhanced and standardized traceability of input materials. [SBM-2_45b,45c(i),45c(ii)]

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

HANZA has conducted a double materiality assessment (DMA) to identify material impacts, risks and opportunities. The results are presented in the table on the following pages. The overview illustrates:

- IRO category. (Impact, risk, opportunity, IRO) Whether it concerns an actual or potential, positive or negative impact, or whether it represents a risk or an opportunity for HANZA. The colors in the table indicate red = negative impacts or risks, green = positive impacts or opportunities.
- Description of material IRO. A brief description of the impacts, risks and opportunities. A more detailed explanation of each material IRO is provided in the respective topical section (see sections E1 Climate change, E2 Pollution, E4 Biodiversity and ecosystems, E5 Resource use and circular economy, S1 Own workforce, S2 Workers in the value chain and G1 Business conduct).
- Type of operation or business relationship. A description of how impacts arise from or are related to HANZA's business model.
- Time horizon. Details on the earliest expected timing of each identified impact, risk or opportunity.
- Position in the value chain. Where these impacts, risks and opportunities occur in the operation and value chain. [SBM-3_48a; 48c(i); 48c(ii); 48c(iii);48c(iv);48h]

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS E1 Climate change								
E1:1 Climate Change Adaptation								
		Climate-related acute physical risks	Climate-related storms and floods. May impact transport or suppliers, potentially causing logistics disruptions, particularly in product areas where HANZA has only one or a few suppliers, which may result in revenue losses. Storms may also lead to temporary production stoppages in HANZA's operations and to reduced customer orders.		Short-term	X	X	X
E1:2 Climate Change Mitigation								
			GHG emissions impacting the environment are generated mainly from the production of input materials (Scope 3), but also from HANZA's manufacturing processes (Scopes 1 and 2).	**Own operations:** GHG emissions arise from HANZA's procurement of goods, its own energy consumption, and delivery of finished products. **Business relationships:** GHG emissions originate from suppliers' processes and transport	Short-term	X	X	X
		Transition risk	Requirements for net zero emissions and increased climate reporting to meet future customer needs may lead to higher investments in renewable energy and greater transparency, particularly regarding input materials.		Medium-term	X	X	
		Transition opportunity	Customer requirements for net zero emissions may enhance HANZA's competitive advantages over smaller competitors, given its stronger ability to meet these requirements.		Medium-term	X	X	
		Transition risk	Potential new climate taxes may contribute to increased transport costs for HANZA in the short term.		Medium-term	X		X
		Transition opportunity	Potential new climate taxes may increase HANZA's competitive advantages, given its regional cluster model.		Medium-term	X		X
E1:3 Energy								
			Purchased energy for manufacturing processes contributes to CO_2 emissions.	**Own operations:** Energy requirements of the manufacturing processes.	Short-term		X	

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS E2 Pollution								
E2:1 Pollution of air								
			Upstream metal production leads to air pollution.	**Own operations:** Procurement. **Business relationships:** Customers' product specifications drive the purchase of large volumes of metals, which suppliers produce using polluting processes.	Short-term	X		
E2:5 Substances of very high concern								
			Some purchased electronic components may contain small quantities of substances of very high concern (SVHC), posing a risk of harm to the environment and people when the product is used.	**Business relationships:** Customers' product specifications drive the need for and purchase of components containing SVHC.	Medium-term	X		X
		Risk	Poor supply chain management may lead to compliance costs (fines, fees), supply chain disruptions, reputational damage and even product recalls.		Short-term	X		X
ESRS E4 Biodiversity and ecosystems								
E4:1 Direct impact drivers of biodiversity loss								
E4:1:1 Climate change								
			The impact of GHG emissions in HANZA's value chain leads to loss of biodiversity and degradation of ecosystems. Own operations and business relationships: GHG emissions from HANZA's business model have a direct negative impact on biodiversity and ecosystems.	**Own operations and business relationships:** GHG emissions from HANZA's business model have a direct negative impact on biodiversity and ecosystems.	Short-term	X	X	X
ESRS E5 Resource use and circular economy								
E5:1 Resource inflows, including resource use								
			HANZA's production processes are input material-intensive, with input materials accounting for 60–70 percent of manufacturing costs in electronics and 40–50 percent in mechanics. These materials include non-renewable resources that pose an environmental risk.	**Business relationships:** Customers' product specifications drive the procurement of large volumes of metals and components, including non-renewable resources.	Medium-term	X	X	X
			HANZA promotes a circular economy by supplying its customers with recycled and sustainable raw materials (particularly in mechanics where steel is used).	**Own operations:** Procurement (mainly in mechanics).	Medium-term	X	X	X

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS E5 Resource use and circular economy								
E5:1 Resource inflows, including resource use								
		Opportunity	Green customer projects and a focus on customers with sustainable business models can strengthen customer relations and HANZA's long-term revenue streams.		Medium-term		X	X
		Opportunity	HANZA can be perceived as a sustainable company and strengthen its long-term customer relationships by using recycled and more sustainable raw materials in mechanics, where HANZA is to some extent free to choose materials.		Short-term		X	X
E5:3 Waste								
			HANZA's manufacturing processes generate non-hazardous and hazardous waste, representing a waste of resources and causing additional environmental impacts during handling.	**Own operations:** Manufacturing that generates hazardous and non-hazardous waste.	Medium-term		X	
		Risk	Tighter regulations on hazardous waste management may lead to higher costs for HANZA.		Medium-term		X	
ESRS S1 Own workforce								
S1:1 Working conditions								
S1:1:4 Social dialogue								
			If HANZA's management does not maintain social dialogue with its employees, they may experience confusion, a lack of influence, and a sense that their commitment is not rewarded.	**Own activities:** With a large workforce employed at manufacturing sites in Northern Europe.	Short-term		X	
S1:1:7 Work-life balance								
			Employees benefit from opportunities for flexible working hours, such as hybrid work arrangements for parents, work schedules adapted to childcare, and day shifts where feasible within HANZA.	**Own activities:** With a large workforce employed at manufacturing sites in Northern Europe.	Short-term		X	
S1:1:8 Occupational health and safety								
			Employment in factories with temporary production increases exposes employees to health and safety risks and a potentially negative work environment due to stress and overtime work.	**Own activities:** With a large workforce employed at manufacturing sites in Northern Europe, sometimes under stressful working conditions.	Short-term		X	
		Risk	Serious occupational accidents can damage the company's reputation and business opportunities, as well as increase the costs of new procedures.		Medium-term		X	

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS S1 Own workers								
S1:2 Equal treatment and opportunities for all								
S1:2: 1 Gender equality and equal pay for work of equal value								
			Equal opportunities and equal pay for equal work benefit employees who find the workplace inspiring and rewarding, where all contributions are valued.	**Own activities:** With a highly gender-diverse workforce employed at manufacturing sites in Northern Europe.	Short-term		X	
S1:2:2 Training and advancement								
			Training and advancement opportunities benefit employees who may experience increased motivation.	**Own activities:** With a large workforce employed at manufacturing sites in Northern Europe, with a need for continuous training.	Medium-term		X	
		Opportunity	Skills development and training can enhance HANZA's efficiency and attractiveness to customers, as well as deliver margin improvements and business opportunities.		Short-term		X	
		Risk	Difficulties in attracting the right employees and competencies may lead to loss of capacity and missed business opportunities.		Medium-term		X	
S1:2:4 Measures against violence and harassment in the workplace								
			In addition to harming individuals, harassment also undermines employee trust and the corporate culture.	**Own activities:** With a large workforce employed at manufacturing sites in Northern Europe.	Medium-term		X	
S1:2:5 Diversity								
			A work environment that promotes diversity benefits employees, who find the workplace inspiring and rewarding, knowing that all contributions are valued.	**Own activities:** With a large and diverse workforce employed at manufacturing sites in Northern Europe.	Medium-term		X	
ESRS S2 Workers in the value chain								
S2:1 Working conditions **If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...**								
S2:1:2 Working time								
			...being exposed to unregulated working hours, which may lead to stress and health issues.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:1:3 Adequate wages								
			...receiving insufficient pay for their work or unpaid overtime, and living under precarious conditions.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS S2 Workers in the value chain								
S2:1 Working conditions **If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...**								
S2:1:5 Freedom of association								
			...being prevented from joining trade unions.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:1:6 Collective bargaining								
			...being negatively impacted by compensation determined without collective agreements.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:1:7 Occupational health and safety								
			...being exposed to workplaces with inadequate safety systems and training, which may subject them to excessive health and safety risks involving a high risk of injury or fatal accidents.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:2 Equal treatment and opportunities for all **If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk....**								
S2:2:1 Gender equality and equal pay for work of equal value								
			...being exposed to inequalities in career progression and compensation.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:2:4 Measures against violence, harassment and victimization in the workplace								
			...being exposed to workplaces where violence, harassment and victimization are tolerated and people are harmed.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:2:5 Diversity								
			...being exposed to workplaces where diversity and inclusion are not prioritized, which may lead to an exclusionary work environment where vulnerable individuals are harmed.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS S2 Workers in the value chain								
S2:3 Other work-related rights **If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...**								
S2:3:1 Child labor								
			...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of child labor and violations of workers' rights.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
S2:3:2 Forced labor								
			...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of forced labor and violations of workers' rights.	**Business relationships:** Within HANZA's relationships with its suppliers.	Medium-term	X		
		Risk	For HANZA, human rights violations linked to certain key input materials, individual suppliers or their subcontractors risk leading to costs or lost business opportunities, as such incidents require actions to eliminate any suspicion of deficient procurement processes.			X		
ESRS G1 Business conduct								
G1:1 Corporate culture								
			High standard of business ethics contributes to strong relationships with employees, customers, and the broader community.	**Own operations and business relationships: In** business activities conducted within the company, as well as between HANZA and its customers and suppliers.	Short-term	X	X	X
		Risk	Damaged trust, in the event of a violation of business ethics standards or internal rules, may impair HANZA's relationships with customers, employees, the capital market and the broader community, potentially resulting in significant revenue losses and increased financing costs.		Medium-term		X	
G1:2 Protection of whistleblowers								
			Instances of non-compliance (regarding whistleblower protection) may harm not only individual people, but also trust in the entire business.	**Own activities:** Provide a whistleblower channel to uphold HANZA's corporate culture.	Short-term	X	X	X

IRO Category						Position in the value chain		
Actual impact	Potential impact	Risk and opportunity	Description of material IRO	Type of operation or business relationship	Time horizon	Up-stream	HANZA	Down-stream
ESRS G1 Business conduct								
G1:5 Management of relationships with suppliers including payment practices								
			Reasonable payment terms benefit smaller local suppliers where HANZA is a major customer and contractual partner.	**Own operations:** Procurement.	Short-term	X	X	
		Risk	Procurement standards that do not meet customer requirements may pose a risk to business opportunities.		Medium-term	X	X	
G1:6 Corruption and bribery								
G1:6 :1 Prevention and detection including training								
			Inadequate prevention and detection of corruption or bribery can damage trust within the organization and among stakeholders.	**Own activities:** Within HANZA's collaboration with customers, suppliers and partners.	Short-term	X	X	X
Entity-specific: Information security								
			Potential data breaches involving sensitive customer information may pose financial risks for both HANZA and its customers, including their employees and owners.	**Own activities:** In the handling of sensitive information and internal information systems that may be exposed to cybersecurity breaches.	Short-term		X	
		Risk	Data breaches resulting in lost data or extortion may damage customers' trust in HANZA, which in turn could lead to lost revenue. Breaches also contribute to internal costs from production downtime.		Medium-term		X	X

GENERAL DISCLOSURES

Material topics	2024						2025					
	Impact materiality				Financial materiality		Impact materiality				Financial materiality	
	+ actual	+ potential	+ actual	+ potential	+ opportunity	- risk	+ actual	+ potential	+ actual	+ potential	+ opportunity	- risk
E1 Climate change												
E2 Pollution												
E3 Water and marine resources												
E4 Biodiversity and ecosystems												
E5 Resource use and circular economy												
S1 Own workforce												
S2 Workers in the value chain												
S3 Affected communities												
S4 Consumers and end-users												
G1 Business conduct												
Entity-specific: Information security												

Changes in material impacts, risks and opportunities compared with the previous period

HANZA completed its first double materiality assessment in 2024. In 2025, an annual review was conducted, influenced by a major acquisition the previous year, new insights regarding the industry and customers, and feedback on the previous sustainability report. The results from 2024 and 2025 are illustrated on the preceding page. Key changes at the subtopic level include: [SBM-3_48g]

E2 Pollution:
- Subtopic Air pollution. Material from 2025.
- Subtopic Water pollution. No longer material from 2025.

S2 Workers in the value chain:
- Subtopic Equal treatment and opportunities. Material from 2025.

S3 Affected communities:
- The topic is no longer material from 2025.

Resilience of the strategy and business model and the effects of material impacts, risks and opportunities on HANZA's business model, value chain, strategy and decision-making

HANZA's business model and strategy are designed to ensure a resilient and long-term sustainable business. Key environmental, social and business conduct considerations are integrated into operations, providing HANZA with favorable conditions for stable growth and increased value creation.

The company has not conducted an in-depth assessment of the resilience of its strategy and business model to evaluate their capacity to address its material impacts and risks and to leverage its material opportunities. [SBM-3_48f] See also section E1 Climate change resilience analysis.

In accordance with the description in HANZA's sustainability strategy (see section SBM-1), the company's sustainability commitment aligns with its customer value strategy, which involves offering quality and responsible conduct across several areas. These quality and sustainability initiatives are continuously evaluated by customers, and both sales and customer relationships are highly dependent on HANZA's performance. Through regular customer dialogues, HANZA stays informed about changing requirements and expectations. In addition, HANZA conducts risk assessments to identify relevant risks and opportunities and to facilitate prompt action.

A detailed description of material impacts, risks and opportunities within each topic, as well as HANZA's changes to its strategy or business model in response to these, can be found in the introduction to each topical section under the headings 'Material impacts, risks and opportunities and their interaction with strategy and business model' or 'HANZA's strategy'. [SBM-3_48a,48b,48c(i),48f; E1.SBM-3_18]. In the topical sections, HANZA also reports on the management of material topics, progress and areas for improvement.

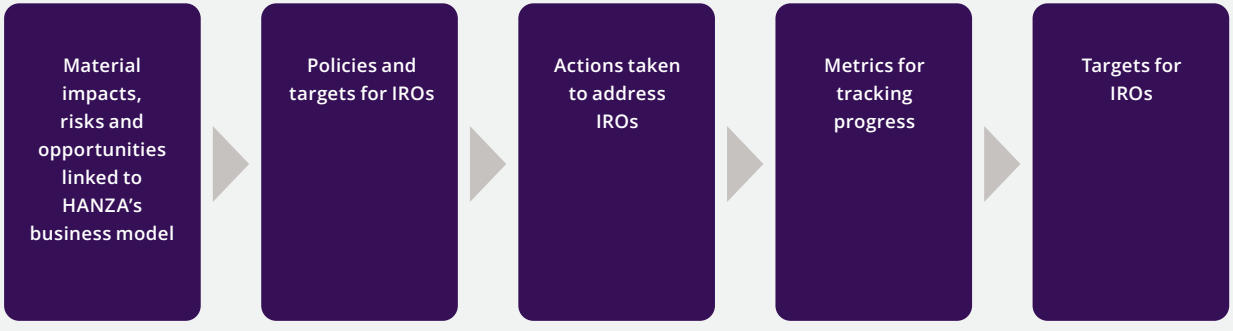
Financial effects

HANZA's environmental and social impacts entail direct and indirect financial consequences for the company, its customers and investors.

Current financial effects – As stated in the summary above, HANZA has identified several risks that may affect the reported earnings during the next reporting period ('short term'). No individual risk is considered to have a material impact. [SBM-3_48d]

Future financial effects – HANZA has not yet estimated the magnitude of future financial effects. Phase-in provisions are applied for this disclosure.

How to read the topical sections



GENERAL DISCLOSURES

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

HANZA conducted its first double materiality assessment (DMA) in 2024, in accordance with the ESRS and EFRAG guidance. The materiality assessment identifies the sustainability matters most relevant to HANZA and its stakeholders—whether as impacts on society, the environment or business conduct ('impact materiality') or as sustainability-related risks and opportunities for HANZA ('financial materiality'). A structured methodology was applied to identify, assess and prioritize material impacts, risks and opportunities within HANZA's operations.

Following an acquisition in 2024 and HANZA's commitment to review the materiality assessment annually, it was updated during the second quarter of 2025 using the same methodology. The process included the following steps: [IRO-1_53a, 53b,53h]

Initiation

The entire process was managed by a team appointed for this purpose under the leadership of the Head of Sustainability. The team drew on internal expertise, external specialists and stakeholders' insights.

Context and value chain

As a starting point, HANZA's business model, value chain and strategy were analyzed (see sections SBM-1 and GOV-4). The analysis considered key market trends, upcoming regulations and other external factors.

Several distinguishing features were identified in HANZA's business model.

- **Customer-driven product specifications that also include sustainability requirements.** Customers provide detailed drawings and material selections, along with requirements regarding product use and life cycle. These specifications also include sustainability-related requirements for the supply chain.
- **High material intensity.** HANZA's products have a significant proportion of input materials in their manufacturing costs.
- **Cluster-based production.** HANZA's production units are organized into geographic clusters, enabling efficient management of large material deliveries and ensuring short transport distances for product deliveries to customers.

Based on these, several main themes were defined in the analysis. One main theme concerned purchased input materials, focusing on volume, origin, impacts on people and the environment throughout the value chain, and how purchasing decisions are made. Another important theme concerned HANZA's manufacturing processes and their impact on people and the environment, the location of factories and how business transactions are conducted. A third theme was HANZA's downstream impacts to clarify the company's product liability and effects on end customers. [IRO-1_53b(i)]

Areas and activities that impact the environment, people and business conduct—whether directly caused by HANZA or otherwise linked to its operations—were identified in the short, medium and long term. Each identified impact, risk and opportunity was assessed in terms of geography and value chain stage (upstream, own operations and downstream). [IRO-1_53b(ii)] Some assumptions were made regarding the origin and manufacturing processes of input materials, where generalizations were applied concerning methods of mineral extraction and metal production, together with countries of origin and the composition of electronic components. Other generalizations include customers' ordering and design processes. [IRO-1_53g]

Stakeholder dialogue

Stakeholders' perspectives were central to the materiality assessment. HANZA mapped business relationships and key stakeholder groups based on sustainability priorities, business processes and industry knowledge. Due diligence processes provided additional insights. Stakeholders' insights—such as customer and investor requirements, reports and employee surveys—were analyzed (see section SBM-2). Certain stakeholders, such as workers in the supply chain and affected communities, were not consulted directly; instead, HANZA relied on external reports. [IRO-1_53b(iii)]

Identification of impacts, risks and opportunities

All relevant impacts in the value chain were identified, mapped and evaluated across different time horizons, where HANZA applied the forward-looking time horizons defined in ESRS 1 (see section BP-2). The materiality assessment covered all ESRS topics and subtopics, with relevant sub-subtopics selected where applicable. HANZA also included relevant entity-specific topics.

For each identified impact, the following criteria were analyzed:

- Whether the impact is actual or potential
- Whether the impact is negative or positive
- Whether the impact is direct or indirect, where a direct impact is caused by HANZA's operations and an indirect impact arises from activities through HANZA's business relationships.

The analysis also included potential dependencies on environmental and human resources and how sustainability impacts result in risks and opportunities that may affect the company's financial position over different time periods. [IRO-1_53c(i)]

Materiality assessment of impacts, risks and opportunities

Several criteria were used to assess the materiality of the identified impacts, risks and opportunities. [IRO-1_53b,53c]

Impact materiality

Each impact was assessed and assigned a score. Negative impacts were assessed based on their scale, scope and irremediable character, each scored from 1 to 5 with equal weighting. A score of 1 corresponds to a barely perceptible scale, limited scope and easily reversible impact, while 5 corresponds to a highly significant scale, global scope and irreversible, i.e., permanent impact. Positive impacts were assessed based on their scale and scope, scored from 1 to 5 with equal weighting. For potential impacts, the likelihood of occurrence was also considered, expressed as a percentage.

IMPACT SCORE				LIKELIHOOD	
Score	**Scale**	**Scope Environmental/Social**	**Irremediable character**	**Likelihood, if not 100%, i.e. actual**	
1	Imperceptible	Isolated location/few individuals	Easily reversible	<10	Rare
2	Limited	Multiple locations/groups	Remediable at low cost	10–25	Low
3	Noticeable	Multiple large areas/ large groups	Remediable at significant cost	25–50	Possible
4	Significant	Entire region/majority	Very difficult to remediate	50–75	Likely
5	Very significant	Global environment/entire population	Permanent	>75	Very likely

Two exceptions were applied for negative potential impacts where severity – defined as scale, scope and irremediable character – was prioritized over likelihood. The first exception concerned potential human rights violations. The second concerned potential negative impacts with very high severity. The exceptions reflect HANZA's commitment to integrating sustainability into its operations and business strategy. Prioritizing severity over likelihood for issues assessed as highly severe ensures that HANZA's risk system highlights areas that could cause significant harm to stakeholders, even if the likelihood of occurrence is low. [IRO-1_53b(iv)].

Scoring was based on objective information wherever possible, using data from internal systems such as HR systems, actual consumption and supplier data, as well as from external sources, scientific consensus and stakeholder feedback. Internal estimates and calculations were used where data was missing, such as for GHG emissions, or benchmark figures from industry peers, customers or industry sources were applied. Impacts were assessed, as far as possible, before any actions were taken to mitigate their effects.

A quantitative threshold was applied, with a benchmark of 50 percent. This meant that all negative actual impacts with a severity level of 2.5 or higher were classified as material impacts. Material impacts as well as non-material topics and subtopics were validated through stakeholder insights, industry peers' impact materiality and HANZA's ISO-certified management systems for environment, occupational health and safety, and information security. The threshold was assessed as well-balanced and consistent with HANZA's goal to focus on the most material sustainability matters while ensuring that important stakeholder perspectives are not overlooked.

Financial materiality

Risks and opportunities have been assessed based on their estimated annual financial effect in SEK, using HANZA's EBITDA as a reference point, and the likelihood of occurrence expressed as a percentage (see likelihood of impact). A value in SEK has been determined as a threshold for identifying financially material risks and opportunities. In 2025, this value was set low to avoid overlooking important risks. [IRO-1_53c(ii)] The threshold is independent of those used in HANZA's standard risk management processes. Material risks and opportunities were then validated by the CFO and also cross-checked against previously identified risks and opportunities within HANZA's operational risk management framework. [IRO-1_53c(iii)]

Approval and review

The outcome of the final and validated materiality assessment was reviewed and approved by the HLT and subsequently submitted to the Board of Directors for approval (see section GOV-1). HANZA is committed to conducting an annual review in accordance with the process described above, which may be further developed in the future. Regular review is a necessary consequence of ongoing acquisitions, development, and new insights from stakeholders, as well as environmental and social information. [IRO-1_53d, 53h]

Managing material impacts, risks and opportunities

Material impacts are addressed in action plans based on targets and priorities. These are presented in each topical section of this report. [IRO-1_53e, 53f] Material opportunities are integrated into relevant internal processes, business planning and strategic initiatives. Material risks are managed through HANZA's ESG risk management process, which is aligned with the company's existing management systems, where environmental risks are handled within the environmental management system; social risks concerning HANZA's employees are managed within the occupational health and safety management system and workforce planning; certain risks within business conduct are managed within HANZA's quality management system. [IRO-1_53c(iii)] In 2026, HANZA plans to integrate ESG risk management into its Group-wide risk management framework.

Process for identifying and assessing impacts, risks and opportunities within the topics

HANZA applies a structured process to review business activities across the entire value chain. Insights from internal sustainability experts, such as the Head of Sustainability, quality and environmental specialists, procurement and sales experts, the HR manager, as well as reviews of each cluster's management systems, form the basis for identification and assessment. Consultations have been held with stakeholders such as customers, employees and investors. Specific procedures and

considerations related to certain topics are described on the following page.

E1 Climate change
See section E1.IRO-1 under Climate change.

E2 Pollution
In addition to HANZA's process for reviewing business operations and consulting experts and stakeholders, HANZA specifically examined the key processes within its two business areas, mechanics and electronics. Examples of factories with these processes were then studied, resulting in a list of potential emissions and hazardous substances originating from both input materials and operations. Any dependencies on surrounding ecosystems were taken into account. Individual factory sites were not reviewed. No consultation took place with affected communities. [E2.IRO-1_11a,11b, AR9] Uninterrupted production and compliance are important elements of HANZA's risk management process. In the process, air pollution from upstream metal production and substances of very high concern were identified as material impacts. Substances of very high concern were also assessed as a material risk.

E4 Biodiversity and ecosystems
A qualitative assessment was conducted to identify potential impacts, risks and opportunities throughout the value chain based on internal knowledge and customer feedback. No consultation took place with affected communities. The assessment included due diligence of HANZA's factory sites to determine whether any are located in or near biodiversity-sensitive areas that could be adversely affected by operations. [E4.IRO-1_19a]. An investigation was also conducted into how input materials contribute to biodiversity loss, for example in relation to the EU Deforestation Regulation (EUDR) regarding the use of natural rubber.

Based on these insights, it was concluded that HANZA's operational sites are not located in or near biodiversity-sensitive areas and therefore do not impact biodiversity or ecosystems, based on effects on species status, the extent and condition of ecosystems, and dependence on ecosystem services. It was also concluded that no operations are conducted that affect forests, grasslands, wetlands or agricultural areas. Land use is limited to factory expansions in controlled zones, pollution from operations is minor and has a low impact on water. Freshwater environments such as rivers, lakes and wetlands remain unaffected, and the company conducts no direct activities in mining, oil drilling or deep-sea mining that could affect the marine ecosystem. [E4.SBM-3_16a,16b,16c] [E4.IRO-1_17a]

Upstream, the minerals and metals used in HANZA's manufacturing may be extracted through methods that can cause biodiversity loss, but to an extent not considered material. It was therefore concluded that no direct actions to mitigate impacts on biodiversity are necessary. [E4.IRO-1_17e, 19b]

One of HANZA's material topics, climate change, was considered to have an impact on biodiversity. Climate change also depends on biodiversity and ecosystems and their services. [E4.IRO-1_17b,17d] Based on qualitative assessments and the fact that HANZA's operations throughout the value chain contribute to significant climate impacts, biodiversity and ecosystems constitute a material topic. The impacts are managed within the framework of climate change. Based on current information, no other impacts related to biodiversity are deemed material. Consequently, no scenario analysis of identified and assessed material risks and opportunities related to biodiversity was conducted across different time horizons. [E4.IRO-1_17c]

E5 Resource use and circular economy
In addition to HANZA's process for reviewing business operations and consulting experts and stakeholders, data from the company's ERP system was analyzed. This data contains detailed information on resource use within the clusters—such as raw materials, chemicals, packaging materials—as well as production volume, sales of metal scrap, and waste generated during operations. The information was then cross-checked against customers' design specifications and interest in sustainable sourcing, including material traceability, recycled input materials, and considerations of availability and cost. Based on the analysis, HANZA drew quantitative and qualitative conclusions regarding current and future requirements for sustainable input materials, as well as its ability to influence the use of renewable materials. HANZA did not review its assets. [E5.IRO-1_11a] No consultation took place with affected communities. [E5.IRO-1_11b]

Ensuring continued production and compliance with laws and regulations is an important aspect of HANZA's risk management process. Leveraging opportunities to strengthen customer relations is a cornerstone of HANZA's business model and strategy. In the materiality assessment, HANZA's high proportion of input materials and generation of waste were considered material impacts. Material risks arise due to increasing legal requirements for managing hazardous waste, while material opportunities stem from the introduction of sustainable materials that can enhance customer relationships.

G1 Business conduct
In addition to HANZA's process for reviewing business operations and consulting experts and stakeholders, internal finance experts were also consulted. HANZA carried out a high-level risk assessment based on its industry knowledge, public information on corruption, and internal procurement data. HANZA also took stakeholder expectations and compliance with laws and regulations into account. Transaction types and sizes, as well as risks across different sites and positions, were reviewed. Sector-specific risks, such as suppliers of conflict minerals through procurement systems, were also examined. The areas identified as relevant and material are corporate culture, whistle-blower protection, corruption and bribery, management of supplier relationships, and information security. [G1.IRO-1_6]

GENERAL DISCLOSURES

IRO-2 Disclosure Requirements in ESRS covered by HANZA's sustainability statement

Page 96 presents a list of disclosure requirements and datapoints under the ESRS, based on HANZA's completed DMA. [IRO-2_56] To assess the materiality of the information to be disclosed, a qualitative assessment was carried out instead of applying quantitative thresholds. This assessment focused on evaluating whether the information is relevant based on its significance to the matter it represents or its ability to meet users' decision-making needs. [IRO-2_59] If a specific requirement was not deemed consistent with a material IRO, the related data point or disclosure requirement has not been disclosed. [IRO-2_56]. A list of datapoints derived from other EU legislation is also included.

Topics not assessed as material [IRO-2_58]

E3 Water and marine resources

HANZA has examined water consumption in individual factories, in addition to the process of reviewing business operations and consulting experts and stakeholders. A qualitative assessment was conducted at the subtopic level. No consultation took place with affected communities.

HANZA uses moderate water volumes, mainly for galvanization in Tartu Mechanics as well as for cooling, drilling and painting. The water is sourced from local suppliers and treated before discharge. The larger facilities (Narva, Tartu, Joensuu) remain within withdrawal limits. The marine impact is minimal – no industrial discharges, spills or plastic production. HANZA conducts no mining or deep-sea activities. Upstream suppliers, particularly semiconductor and mineral producers, consume larger volumes of water, which are not included in HANZA's monitoring.

Overall, the water impact is considered low and identified as non-material. [E3.IRO-1_8a, 8b]

S3 Affected communities

HANZA respects human rights and supports local communities through sponsorships and school partnerships. The location of the factories has limited social impact, and recent acquisitions have further reduced communities' dependence on HANZA as an employer. Indirect impacts arise upstream, where mineral extraction may affect access to land and water in high-risk areas. As a contract manufacturer, HANZA has no direct influence on civil rights or indigenous peoples.

S4 Consumers and end users

As a contract manufacturer, HANZA is engaged by customers as a production unit to manufacture clearly specified products according to customers' drawings and material selections adapted to use and life cycle. These products are later integrated as components in the customers' end products. HANZA has very limited influence over product design, durability and recyclability. Approximately 50 million units produced annually by HANZA on behalf of customers are integrated into end products in industries such as defense, medical technology, recycling equipment, and forest and agricultural machinery. End customers include a wide range of professional users and, in some cases, consumers. HANZA bears product liability, and any safety risks identified are communicated to customers, who in turn take the necessary actions to ensure the safety of individuals. Once the products are delivered to customers and incorporated into their end products, HANZA has no downstream social influence, including product safety, information-related impacts or social inclusion.

ENVIRONMENTAL INFORMATION

Environmental information

Table of Contents	Phase-in disclosure requirements not reported	Pages
Taxonomy reporting		45
E1 Climate change	DR E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	53
E2 Pollution	DR E2-6 Anticipated financial effects from pollution-related risks and opportunities	62
E4 Biodiversity		65
E5 Resource use and circular economy	DR E5-6 Anticipated financial effects from resource use and circular economy-related risks and opportunities	66

Taxonomy reporting

1. Taxonomy Regulation – accounting policies

The EU Taxonomy (EU 2020/852) is a classification system established to determine whether an economic activity is environmentally sustainable. The purpose is to provide companies, investors and policymakers with clear definitions that facilitate the transition to a low-carbon, resilient and resource-efficient economy.

It is important to clarify that alignment with the EU Taxonomy does not necessarily mean that an activity is sustainable in every respect—or vice versa—but only that it meets the specific criteria set out under the EU Taxonomy.

HANZA is subject to the reporting requirements of the EU Taxonomy Regulation. Taxonomy reporting is governed by a separate EU regulation, but some of the information disclosed may be linked to the sustainability disclosures required under the CSRD. HANZA has applied the simplified reporting templates introduced through the Omnibus Regulation, adopted in July 2025. The simplified framework means that companies are required to report fewer datapoints, that materiality thresholds have been introduced allowing exclusion of non-material information, and that the "Do No Significant Harm" (DNSH) criteria have been simplified in relation to pollution.

HANZA applied a three-step process to determine the taxonomy classification for the 2024 Annual Report:

1. Identified the economic activities conducted within the Group.
2. Assessed whether these activities are covered by the EU Taxonomy's technical screening criteria.
3. Allocated revenue, CapEx and OpEx based on whether or not the activities were taxonomy-eligible.

During 2025, HANZA carried out a structured review using the three-step process to identify taxonomy-eligible economic activities in the 2025 Annual Report. The review of taxonomy-eligible economic activities reported in the 2024 Annual Report served as the basis for the work carried out in 2025.

As HANZA's assessment shows that the identified activities do not meet the technical screening criteria, no taxonomy-aligned KPIs are disclosed for 2025. Only taxonomy-eligible KPIs are disclosed.

The key performance indicators (KPIs) have been calculated by determining the share of revenue, CapEx and OpEx that is taxonomy-eligible in relation to the respective totals. The key performance indicators are based on the Group's consolidated IFRS figures, with intra-Group transactions eliminated.

Calculation principles:

- Revenue: The taxonomy-eligible revenue share is calculated as taxonomy-eligible revenue divided by total Group revenue. The reported total sales include revenue recognized in Notes 5 and 6 and comprise revenue from HANZA's sale of goods and services. HANZA's sales from electronics manufacturing is classified as a taxonomy-eligible activity.
- CapEx: The taxonomy-eligible CapEx share is based on taxonomy-eligible investments in relation to total investments, excluding non-eligible items such as investments in goodwill and customer relationships. Total CapEx is presented in Notes 15 and 28.
- OpEx: The taxonomy-eligible OpEx share includes costs for repair and maintenance of both eligible and non-eligible assets.

2. Analysis of HANZA's economic activities

2.1 Identification of economic activities covered by the Taxonomy (Eligibility assessment)

To assess which economic activities are covered (taxonomy-eligible), it has been necessary to interpret the Taxonomy Regulation and the Delegated Acts. HANZA conducts manufacturing-related economic activities. When assessing taxonomy-eligible activities, the Group's operations have been assessed in relation to the environmental objectives in the EU Taxonomy where manufacturing activities are defined in the Delegated Acts. These include: "Climate change mitigation," "Climate change adaptation," "Sustainable use and protection of water and marine resources," "Transition to a circular economy" and "Pollution prevention and control." No relevant manufacturing activities have been identified under the environmental objective "Protection and restoration of biodiversity and ecosystems."

Ahead of the 2024 taxonomy reporting, HANZA carried out a thorough review of each listed activity to determine which activities were covered under the EU Taxonomy. The initial review was performed by comparing all of HANZA's activities with a complete list of all economic activities for each of the environmental objectives included in the EU Taxonomy. Following the initial review, the relevant activities were identified for further

assessment. It was concluded in the 2024 Taxonomy Report that HANZA's most significant contribution related to the fourth environmental objective, Transition to a circular economy.

During 2025, a review was conducted of the identified economic activities covered by the taxonomy in 2024. HANZA has assessed its activities against the EU Taxonomy's technical screening criteria through a structured analysis of the Group's own manufacturing processes, while incorporating the most recent updates to the technical screening criteria and new relevant interpretations from the European Commission. As a contract manufacturer, HANZA evaluates only its own production and not the end product's use or the customer's operations.

Conclusion

Following the review and analysis of the Group's economic activities during 2025, one area of operations continues to be identified in the Delegated Acts, concerning manufacturing-related economic activities, that is relevant for HANZA to consider for the 2025 reporting period:

CE 1.2 Manufacture of electronic equipment (Delegated Act (EU) 2023/2486)

The assessment is based on HANZA being a European manufacturing Group producing electronic equipment on behalf of product-owning customers. The electronic equipment manufactured according to the brand owner's specifications typically constitutes components of larger products, but in some cases HANZA assembles a finished product ready for delivery to the end customer.

Mechanical manufacturing does not correspond to any of the economic activities listed in the EU Taxonomy Delegated Acts and is therefore classified as a non-taxonomy-eligible activity.

2. Activities aligned with the EU Taxonomy requirements (Alignment)

2.1 HANZA's alignment status

For an economic activity to comply with the taxonomy, it must: contribute substantially to a climate or environmental objective, while not causing significant harm (DNSH) to any of the climate or environmental objectives. In addition, business operations must be conducted in accordance with the requirements for minimum safeguards. All three of these requirements must be met for an activity to comply with the taxonomy.

The potentially taxonomy-aligned activities have been identified based on HANZA's processes, after which the criteria for substantial contribution and DNSH have been assessed using internal governance documents, environmental data and actual operating conditions. The assessment also includes minimum requirements related to governance and social aspects.

During 2025, HANZA assessed the taxonomy-eligible activities against the technical screening criteria in the Commission's Delegated Regulation (EU) 2021/2139 and the amended Climate Delegated Act ((EU) 2023/2485) and Environmental Delegated Act (EU) 2023/2486) issued under the EU Taxonomy. A limited share of the Group's manufacturing of electronic components still consists of the production of electronic equipment integrated into reverse vending machines. However, following a reassessment, HANZA concluded that this activity does not meet the technical screening criteria and therefore is not classified as taxonomy-aligned in relation to the circular economy for 2025. Sales from other electronics production has been classified as non-taxonomy-aligned, as it does not meet the technical screening criteria in relation to the circular economy for 2025.

Analysis of HANZA's procurement of products and services from suppliers with taxonomy-eligible operations

In addition to HANZA's core business, the company also reports company cars and facility lease agreements under activities 6.5 for company cars and 7.1 and 7.7 for leased premises, according to the Commission's Delegated Regulation (EU) 2021/2800.

HANZA is considered taxonomy-eligible under economic activity 7.1 Construction of new buildings and 7.7 Acquisition and ownership of buildings under the environmental objective Climate change mitigation, with respect to the procurement of taxonomy-eligible products and services. More specifically, this refers to capital expenditures (CapEx) for the acquisition and leasing of buildings and premises, as well as operating expenditures (OpEx) related to their maintenance and repairs. HANZA is also considered taxonomy-eligible under economic activity 6.5 Transport by motorcycles, passenger cars and light commercial vehicles under the environmental objective Climate change mitigation, with respect to the procurement of taxonomy-eligible products and services. More specifically, this refers to CapEx for the leasing of passenger and company cars, as well as OpEx related to their maintenance and repairs.

Financial year	2025				Breakdown by environmental objectives of Taxonomy-aligned activities										
KPI	Code (2)	Proportion of Taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Proportion of taxonomy-aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activity (13)	Non-assessed activities considered non-material (14)	Taxonomy-aligned activities in the previous financial year (15) 2024 (15)	Proportion of Taxonomy-aligned activities in previous financial year 2024 (16)2024 (15)
	SEK	%	SEK	%	%	%	%	%	%	%	%	%	%	SEK	%
Turnover	6,025	42	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx	519	32	-	-	-	-	-	-	-	-	-	-	-	-	-
OpEx	75	13	-	-	-	-	-	-	-	-	-	-	-	-	-

Overview I: Proportion of turnover, CapEx and OpEx derived from products or services associated with economic activities – disclosures covering 2025 (summary KPIs)

Turnover

Financial year	Turnover 2025				Breakdown by environmental objectives of Taxonomy-aligned activities								
Economic activities (1)	Code (2)	Proportion of taxonomy-aligned activities (3)	Taxonomy-aligned activities (4)	Proportion of taxonomy-aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activity (13)	Non-assessed activities considered non-material (14)
		%	SEK	%	%	%	%	%	%	%	%	E	T	%
Manufacture of electronic equipment (Delegated Act II, Chapter 1.2)	CE 1.2	42											
Total alignment per objective													
Total KPI (turnover)		6,025	-	-	-	-	-	-	-	-	-	-	-

Overview 2: Proportion of turnover, CapEx and OpEx derived from products or services associated with economic activities – disclosures covering 2025 (activity breakdown)

Capital expenditure (CapEx)

Financial year	CapEx 2025				Breakdown by environmental objectives of Taxonomy-aligned activities								
Economic activities (1)	Code (2)	Key performance indicators that are taxonomy-aligned (proportion of turnover(3)	Key performance indicators that are taxonomy-aligned (monetary value of turnover(4)	Key performance indicators that are taxonomy-aligned (proportions) of taxonomy-aligned turnover (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activity (13)	Non-assessed activities considered non-material (14)
		%	SEK	%	%	%	%	%	%	%	E	T	%
Manufacture of electronic equipment (Delegated Act II, Chapter 1.2)	CE 1.2	3	-	-	-	-	-	-	-	-	-	-	-
Transport by motorbikes, passenger cars and light commercial vehicles (Delegated Act II, Chapter 6.5)	CCM 6.5	0	-	-	-	-		-	-	-	-	-	-
Construction of new buildings (Delegated Act II, Chapter 7.1)	CCM7.1	13	-	-	-	-		-	-	-	-	-	-
Acquisition and ownership of buildings (Delegated Act II, Chapter 7.7)	CCM7.7	16	-	-	-	-		-	-	-	-	-	-
Total alignment per objective													
Total KPI (CapEx)		519		-	-	-	-	-	-	-	-	-	-

Operating expenses (OpEx)

Financial year	OpEx 2025				Breakdown by environmental objectives of Taxonomy-aligned activities								
Economic activities (1)	Code (2)	Key performance indicators that are taxonomy-aligned (proportion of OpEx that are taxonomy-eligible(3)	Key performance indicators that are taxonomy-aligned (monetary value of OpEx (4)	Key performance indicators that are taxonomy-aligned (proportions) of taxonomy-aligned OpEx (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities (12)	Transitional activity (13)	Non-assessed activities considered non-material (14)
		%	SEK	%	%	%	%	%	%	%	E	T	%
Transport by motorbikes, passenger cars and light commercial vehicles (Delegated Act II, Chapter 6.5)	CCM 6.5	8	-	-	-	-	-	-	-	-	-	-	-
Acquisition and ownership of buildings (Delegated Act II, Chapter 7.7)	CCM7.7	5	-	-	-	-		-	-	-	-	-	-
Total alignment per objective													
Total KPI (OpEx)		76	-	-	-	-	-	-	-	-	-	-	-

ESRS E1 Climate change

E1.IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

For a general description of HANZA's process, see section IRO-1.

Assessment of climate-related impacts

HANZA's analysis is based on internal risk assessments, monitoring within the clusters' environmental management systems, consultations with internal experts such as the Head of Sustainability, environmental specialists and management, customer dialogues, and energy and GHG emissions data. GHG emissions were identified as the most significant impact based on emissions information from HANZA's own operations and relevant parts of the value chain. [E1.IRO-1_20a]

Climate-related risk and opportunity assessment and scenario analysis

No comprehensive climate scenario analysis of HANZA's overall strategy and business model in relation to climate change has been carried out. In the materiality assessment, climate-related risks and opportunities were assessed at an overall level across the entire value chain. The assessment considered both internal risk evaluations and HANZA's customers' collective climate ambitions. The analysis identified two key drivers of climate-related risks and opportunities: [E1.SBM-3_18]

- Acute physical risks. Climate events such as storms pose a significant threat to HANZA's operations, as they can disrupt logistics and halt production. The financial impacts may include delayed revenue, lost sales and fewer incoming orders. A particularly vulnerable area is the company's exposure to so-called single source suppliers, where no alternative suppliers exist.
- Transition risks and opportunities. As customers' and regulators' climate ambitions increase, HANZA's challenges and potential opportunities grow. Customers are increasingly demanding climate-conscious suppliers, which requires greater investment in sustainable practices to avoid losing business. Regulations such as climate taxes may also impose financial burdens. HANZA's size and flexible business model enable the company to capitalize on the growing demand for sustainable solutions, potentially creating new business opportunities.

Material impacts, risks and opportunities and their interaction with strategy and business model

As a contract manufacturer, HANZA acts as a production unit for customers' specified products, including material specifications. GHG emissions were assessed as the main impact, with 97 percent of emissions occurring within Scope 3, primarily from the production and transport of input materials. HANZA's operations account for less than 5 percent of CO_2 emissions.

Resilience analysis related to climate change

No resilience analysis of HANZA's strategy and business model in relation to climate change has yet been carried out. However, a strategy has been established to address the impacts, risks and opportunities identified in the materiality assessment. [E1.SBM-3_19a]

- Current climate strategy: The strategy includes gradual annual reductions in CO_2 emissions and energy consumption within Scopes 1 and 2 in relation to sales, as well as a regional cluster model designed to minimize transport-related emissions within Scope 3. These actions address HANZA's carbon footprint and transition risks and opportunities related to potential climate taxes. The strategy is described in detail in E1-3 and progress is monitored annually in E1-4.
- Physical climate risks: Extreme weather events pose risks to both HANZA and its business partners through logistics disruptions with financial consequences. The risks are partly mitigated by efforts to reduce HANZA's dependence on single source suppliers. HANZA's cluster model also helps prevent production stoppages.
- SBTi targets: HANZA's ongoing evaluation of climate targets in line with the Paris Agreement and the Science Based Targets initiative (SBTi) is an important step toward managing transition risks and opportunities and meeting customer requirements. Two key factors influence this matter:
  - HANZA's internal transition depends on the availability of financial resources. At the same time, this long-term commitment can create business opportunities and strengthen the company, as most customers aim for climate neutrality in their value chains.
  - The overall climate transition largely depends on HANZA's customers and other major industrial companies' ability to reduce their CO_2 emissions, as they control HANZA's largest source of emissions – input materials. Collaboration with customers pursuing ambitious long-term sustainability goals is therefore important for HANZA.

The next page provides an overview of HANZA's climate-related impacts, risks and opportunities and how these are managed. [E1.SBM-3_AR8b]

Acquisitions delay HANZA's new climate targets and transition plan

HANZA is committed to prioritizing reduced GHG emissions. This commitment aligns with the interests of key stakeholders and is therefore part of the company's value proposition to customers. In 2025, HANZA began evaluating the possibility of setting climate targets in accordance with the Paris Agreement, approved by SBTi. A decision was planned for later in the year.

The new climate strategy involved developing a transition plan for emissions within Scopes 1 and 2, with the aim of reducing emissions from HANZA's own operations by 42 percent. This was an important step toward adopting science-based climate targets approved by SBTi, clarifying that HANZA has further climate ambitions under the current strategy. As part of this work, a comprehensive climate scenario analysis was planned.

The acquisitions of Milectria and BMK Group in the second half of 2025 had a significant impact on HANZA's operations, rendering the transition plan outdated. In 2026, HANZA aims to include these acquisitions in an updated transition plan for Scopes 1 and 2, as well as to internally decide on a climate target and secure its funding. HANZA then plans to develop a transition plan for Scope 3 as well. The actions also aim to address the

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policies and targets**	**Actions**	**Metrics**	**Targets**
E1:1 Climate Change Adaptation							
		Climate-related acute physical risk	Extreme weather events such as climate-related storms and floods. These may affect transport or suppliers, cause logistics disruptions—particularly in product areas where HANZA has only one or a few suppliers—which can lead to revenue losses. Storms may also result in temporary production stoppages in HANZA's operations and reduced customer orders.	• Environmental Policy. • HANZA will manage climate-related risks and opportunities	Risks are managed by: • HANZA minimizing the use of single source suppliers. • General climate actions within HANZA's own operations and in Scope 3.	No metric set	No target set
E1:2 Climate change mitigation							
			GHG emissions impacting the environment are generated mainly from the production of input materials (Scope 3), but also from HANZA's manufacturing processes (Scopes 1 and 2).	• Environmental Policy. • Supplier Code of Conduct. HANZA shall integrate environmental aspects into operations and planning, use environmentally friendly technology, reduce GHG emissions, manage climate-related risks and opportunities, use energy efficiently, and promote the use of renewable energy. Suppliers shall reduce environmental impact, particularly in the areas of energy consumption and the use of renewable energy sources. Suppliers are also responsible for their own supply chains.	Lower emissions in Scope 2 through: • Reduced energy consumption through environmental management systems implemented in all factories, which gradually improve energy efficiency and savings, renewable energy consumption, and investments in solar panels. Lower emissions in Scope 3 through: • A regional cluster model that minimizes transport. • Advisory support to customers on low-emission materials. • Collaboration with customers that have climate ambitions.	E1-5 Energy use, energy mixE1-6 Gross GHG emissions	No target set, Milestones set
		Transition risk	Requirements for net zero emissions and increased climate reporting to meet future customer needs may lead to higher investments in renewable energy and greater transparency, particularly regarding input materials.		Risks and opportunities are managed through • Evaluation of the possibility of setting climate targets aligned with climate neutrality and approved by SBTi.		
			Customer requirements for net zero emissions may enhance HANZA's competitive advantages over smaller competitors, given its stronger ability to meet these requirements.				
			Potential new climate taxes may increase HANZA's competitive advantages, given its regional cluster model.		Risks and opportunities are managed through: • A regional cluster model that minimizes transport. • Efficient energy consumption and investments in renewable energy.		
		Transition risk	Potential new climate taxes may contribute to increased transport costs for HANZA in the short term.				
E1:3 Energy							
			Purchased energy for manufacturing processes contributes to CO_2 emissions.	• Environmental Policy. • HANZA shall use energy efficiently and promote the use of renewable energy.	The impact is managed through: • Reduced energy consumption (see above) • Use of renewable energy sources (see above)	E1-5 Energy use, energy mix	No target set, Milestones set

company's transition risks and leverage opportunities related to customer and investor net zero requirements. [E1-1_17]

E1-1 Transition plan for climate change mitigation

HANZA does not yet have a climate strategy and transition plan to ensure that its strategy and business model align with the Paris Agreement's 1.5°C target (see Acquisitions delay HANZA's climate targets and transition plan above). The decision regarding the climate target and a detailed transition plan has been postponed until 2026. [E1-1_17]

To ensure a gradual reduction of CO_2 emissions from its own operations (Scopes 1 and 2), HANZA's current climate strategy and actions are evaluated against annual milestones for energy mix, energy consumption and CO_2 emissions.

E1-2 Policies related to climate change mitigation and adaptation

The HANZA Code of Conduct states that HANZA shall work proactively to manage and reduce its environmental impact.

The Environmental Policy clarifies that HANZA, in its planning and operations, shall integrate environmental aspects, use environmentally friendly technology and processes, and maintain structured management systems. The company shall reduce GHG emissions, manage climate-related impacts, risks and opportunities, and use energy efficiently [E1-2_25a,25b,25c], as well as promote renewable energy consumption. [E1-2_25d]

The Supplier Code of Conduct clarifies that suppliers shall work to reduce environmental impacts, particularly in the areas of energy consumption, air and water pollution, promote renewable energy [E1-2_25d], have management systems that at least prevent, reduce and control environmental impact, and pursue certified environmental management systems. Suppliers are responsible for all parts of their supply chain.

The policies were established to meet the interests of customers and investors. All policies are available on HANZA's website.

POLICIES related to climate change

Background	Contents	Scope/key stakeholders	Responsibility
HANZA Code of Conduct (see section S1-1)			
Supplier Code of Conduct			
HANZA strives to be a sustainable link in the value chain and seeks suppliers whose policies on ethical, social and environmental matters align with HANZA's. The Supplier Code of Conduct refers to HANZA's Code of Conduct, international standards and the principles of the UN Global Compact. The principles stated set out minimum requirements. If international and national laws and regulations are stricter, these shall take precedence.	Suppliers shall: • share HANZA's and its customers' views on sustainability, • regarding the environment: hold all necessary environmental permits, work to reduce environmental impact, particularly in the areas of use of natural resources, energy, air and water pollution, risks of soil contamination, waste management, promote renewable energy, [E1-2_25c] recycle and responsibly manage waste through proper handling, have systems that at a minimum prevent, reduce and control environmental impact, and pursue certified environmental management processes, comply with laws that prohibit or restrict specific substances, comply with material restrictions (RoHS, REACH) and maintain records of relevant raw material declarations. [E2-1_15a,15b,15c] • Regarding people: suppliers must share HANZA's and its customers' views on human rights and labor law, including non-discrimination, child labor and forced labor such as human trafficking, as well as fair working conditions, including occupational health and safety, and wages that at least meet national or industry minimum standards. Safe and healthy working conditions require established policies, procedures and monitoring, as well as preventive measures. [E2-1_15c] • have compliance processes in place and be available for audits. Non-compliance by the supplier or any part of its value chain may lead to termination of the business relationship. [E2-1_15c]	Applies to all HANZA's counterparties, including suppliers, subcontractors, joint venture partners, agents, distributors and their employees.	The COO is responsible for implementing the policy.
Environmental Policy			
HANZA's purpose is to proactively manage environmental impacts and risks, ensure compliance with laws and regulations, and support environmental objectives.	The commitments include the following principles: • integrate environmental aspects into planning, operations and decision-making. • promote the principles of a circular economy, including resource efficiency, reuse and recycling. • use environmentally friendly technology and processes in manufacturing. • apply the cluster model to reduce transport emissions and optimize resource use. • Climate and biodiversity: reduce GHG emissions, assess and mitigate climate-related opportunities and risks, promote the use of renewable energy; minimize negative impacts on biodiversity and ecosystems. [E1-2_25a,25b,25d] • Pollution: prevent pollution and minimize emissions to air, water and soil. • Resource use: efficient use of raw materials, water and energy; [E1-2_25c] manage and reduce waste through responsible handling, reuse and recycling. • comply with laws, regulations and industry standards, and respond to stakeholder interests. • measure, monitor and report results transparently.	Applies to HANZA, its employees and its counterparties such as temporary staff, consultants and subcontractors.	The CEO is responsible for ensuring that this is integrated into the business strategy. The Head of Quality is responsible for implementation. HANZA undertakes to comply with environmental laws and regulations, including CSRD, and to maintain an ISO 14001-certified environmental management system.

E1-3 – Actions and resources related to climate change mitigation and adaption

Actions and resources related to reducing emissions within Scopes 1 and 2

HANZA's current climate ambition is to gradually reduce Scope 1 and Scope 2 emissions as well as total energy consumption, reflecting its commitment to both the environment and its customers. Given the company's business model, where production and energy consumption are directly driven by customer orders, and its history of continuous acquisitions and growth, the commitment is linked to the company's sales. HANZA's actions, presented below, are ongoing and primarily focused on the phase-out of fossil fuels. [E1-3_29a] They reflect the ambition to achieve annual improvements relative to sales; therefore, no result-oriented targets have been set. (See section E1-4)

Fossil free energy sources. HANZA's primary action to reduce CO_2 emissions is to use renewable energy across all clusters. All clusters will continuously invest in renewable energy through purchased electricity mixes or solar energy systems in the factories. This gradual transition has reduced HANZA's emissions in recent years.

HANZA's factories have solar panels with a capacity of 1,291 kWp.

Energy efficiency and reduced energy consumption. Across all of the Group's production lines, machines are gradually being replaced with more energy-efficient alternatives. This also includes factory upgrades. For the Group as a whole, capital expenditures for investments in machinery and equipment amounted to SEK 124 million in 2025 (see Financial Report, Note 15, page 126). [E1-3_29c(i)]

In addition, several on-site measures are being implemented to improve energy efficiency. HANZA's environmental management system monitors energy consumption in each cluster, with a focus on heating factories and offices as well as powering machinery. Regular inspections are carried out to detect and minimize energy leakage. Employee engagement initiatives and information campaigns about energy losses and savings contribute to raising energy awareness across the Group.

ISO 14001:2015 at HANZA
Seventeen of nineteen factory parks are certified under the system, which includes measurements and targets for energy consumption and waste management. At each individual factory, specific environmental matters are identified, such as activities requiring permits, toxic emissions and environmental risks. Opportunities to reduce or recycle materials and replace hazardous materials with more environmentally friendly alternatives are considered.

HANZA's LEAN initiative, Operational Excellence, helps reduce internal transport using electric vehicles. At the Narva site, all factories use sensors on machines and air compressors combined with AI-driven analysis to identify the main sources of energy waste. These ongoing measures are well integrated into HANZA's business model, which is why operating costs cannot be estimated. [E1-3_29c(i)]

Investments in improved CO_2 emissions calculation and similar systems aim to increase the efficiency of climate actions by providing a better basis for actual and potential emission reductions.

The results of investments and actions are monitored annually at the Group level. Energy consumption, CO_2 emissions, and progress on milestones regarding relative energy consumption and emissions are measured and reported annually. [E1-3_29b] Investment plans for renewable energy and machine replacements are developed within the clusters and subsequently approved at the Group level. The implementation of planned emission reductions depends on the availability and allocation of resources. [E1-3_AR21] No future financial costs have been allocated to these measures.

Operational Excellence
HANZA's LEAN initiative aims to create added value for customers through improved process efficiency and waste elimination. When production flows without interruptions or delays, unnecessary internal transport and employee movements are eliminated. The initiative is based on knowledge sharing in various forums and clear allocation of responsibilities to drive change.

Actions and resources related to reducing emissions within Scope 3

HANZA has not yet set a target for Scope 3 emissions, which account for 97 percent of HANZA's total CO_2 emissions, mainly driven by the production and transport of input materials. Indirect emission reductions mainly relate to the following ongoing actions:

Minimize transport. HANZA's cluster strategy, in which complete products are manufactured in factories located geographically close to customers, reduces transport emissions. Total transport to the clusters is minimized through large-scale purchasing from a limited number of suppliers. HANZA's efficient procurement system also places requirements on suppliers.

Minimize emissions from manufactured input materials. Customers specify the material content of the products. However, HANZA's advisory services provide support regarding supply chains, low-carbon materials, and resource efficiency.

- **Customers are encouraged to use low-carbon input materials.** HANZA provides information on the carbon footprint of materials and increases transparency regarding input materials, enabled by structured procurement processes (see section G1-2).
- **Customers are encouraged to reduce material use.** Pilot projects in design may result in solutions that reduce the product's total carbon footprint. One example is reduced

steel content while maintaining quality and capacity, which also lowers the product's weight.
- HANZA's selection of low-carbon materials applies in areas where HANZA is free to decide on material procurement. These ongoing initiatives, based on expertise and global advisory services, form part of HANZA's business model, which is why current operating costs cannot be estimated. In addition to emission reductions, they help prevent risks and seize opportunities arising from potential future climate taxes. No significant future operating or capital expenditures have been allocated for these initiatives.

E1-4 Targets for climate change mitigation and adaptation

HANZA has no targets; see page 53. To ensure energy-efficient operations and accelerate the transition to renewable energy sources [E1-4_33], the Board of Directors in 2023 established annual milestones for relative energy consumption and CO_2 emissions within Scopes 1 and 2.

CLIMATE AND ENERGY MILESTONES For Scopes 1 and 2	Milestone achievement	
	2025	2024
Annual increase in the share of renewable energy (%)	Not achieved	Achieved
Annual reduction in energy consumption relative to sales (MWh/SEKm).	Not achieved	Achieved

MILESTONE DEFINITIONS: CLIMATE AND ENERGY

Annual increase in the share of renewable energy is stated as the percentage of the Group's energy consumption from renewable sources MWh (renewable + nuclear sources) divided by the Group's total energy consumption MWh. To achieve the milestone, the share for the current year must increase compared with the previous year.

Annual reduction in energy consumption relative to sales is stated as MWh/SEKm, based on total Scope 1 and 2 energy consumption in the Group divided by the Group's total revenue. To achieve the milestone, MWh/SEKm for the current year must be lower than the figure for the previous year.

CO_2- and energy data are reported in E1-5 and E1-6, revenue on page 104 of the Annual Report.

The milestones are relative, established to achieve annual improvements, and not results-oriented. They are not based on scientific evidence.

The milestones apply to the Group.

The milestones and corresponding metrics and methods remain unchanged compared with the previous period.

ENVIRONMENTAL INFORMATION

E1-5 Energy consumption, energy mix

ENERGY USE AND ENERGY MIX [E1-5_37a, 37b, 37c, 38a, 38b, 38c, 38d, 38e, 39, 40]

	2025	2024
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	9,066	1,369
(3) Fuel consumption from natural gas (MWh)	8,956	4,451
(4) Fuel consumption from other fossil sources (MWh)	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	19,280	19,141
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**37,306**	**24,961**
Share of fossil sources in total energy consumption (%)	**55**	**54**
7. Consumption from nuclear sources (MWh)	**11,642**	**7,543**
Share of consumption from nuclear sources in total energy consumption (%)	**17**	**16**
8. Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen and similar sources.)	0	0
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	19,094	12,682
10. Consumption of self-generated non-fuel renewable energy (MWh)	1,385	841
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**20,478**	**13,523**
Share of renewable sources in total energy consumption (%)	**29**	**29**
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**69,423**	**46,027**
HANZA KPI: Mechanics - share of energy consumption %	82	75
HANZA KPI: Electronics - share of energy consumption %	18	25

ENERGY PRODUCTION [E1-5_39]

	2025	2024
Production of renewable energy (MWh)	1,385	841
Production of non-renewable energy (MWh)	**0**	**0**

ENERGY INTENSITY BASED ON NET REVENUE [E1-5_41]

	2025	2024
Total energy consumption from operations in sectors with high climate impact per net revenue from operations in sectors with high climate impact (MWh/SEKm)	11.5	9.5

LINK BETWEEN ENERGY INTENSITY AND INFORMATION IN THE FINANCIAL STATEMENTS [E1-5_43]

	2025
Net revenue from operations in sectors with high climate impact used to calculate energy intensity (SEK million)	6,025
Other net revenue (SEKm)	0
Total net revenue (SEKm)	**6,025**

ACCOUNTING POLICIES: ENERGY

Energy consumption and energy mix 99 percent consists of actual energy consumption based on the energy suppliers' invoices and specifications. The remaining consumption consists of an estimate based either on rolling 12-month figures of actual consumption or on the national energy mix.

Renewable energy generation refers to actual solar energy production based on the energy suppliers' specifications.

The scope of energy consumption increased in 2025 compared with the previous year due to the acquisition of Leden with manufacturing units in Finland and Estonia, as well as the closure of the electronics production unit in Stockholm.

Energy intensity refers to total energy consumption MWh divided by revenue (SEKm).

All operations within HANZA are considered to belong to sectors with high climate impact. HANZA's operations as a manufacturing service provider belong to category C Manufacturing of electronic components in Regulation (EC) No 1893/2006 of the European Parliament and of the Council. [E1-5_42]

The data has not been validated by a third party.

The metrics and methods remain unchanged compared with the previous period.

ENVIRONMENTAL INFORMATION

E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

The Group's GHG emissions (tCO_2e) [E1-6_44,48a,49a,49b,51,52a,52b]	2025
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions	3,998
Percentage of Scope 1 GHG emissions from regulated emission trading systems %	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions	8,408
Gross market-based Scope 2 GHG emissions	8,079
Significant Scope 3 GHG emissions	
Total gross (Scope 3) GHG emissions	348,175
1 Purchased goods and services	332,136
2 Capital goods	4,985
3 Fuel- and energy-related activities	3,352
4 Upstream transportation and distribution	2,385
5 Waste generated in operations	1,064
6 Business travel	665
7 Employee commuting	3,574
8 Upstream leased assets	15
Total GHG emissions	
Total GHG emissions (location-based)	360,580
Total GHG emissions (market-based)	359,798

GHG INTENSITY PER NET REVENUE [E1-6_53]	2025
Total GHG emissions per net revenue (tCO_2e/SEKm) – location-based	60
Total GHG emissions per net revenue (tCO_2e/SEKm) – market-based	60

LINK BETWEEN GHG INTENSITY PER NET REVENUE AND INFORMATION IN FINANCIAL STATEMENTS [E1-6_55]	2025
Net revenue used to calculate GHG intensity (SEKm)	6,025
Other net revenue (SEKm)	0
Total net revenue (SEKm)	**6,025**

ACCOUNTING POLICIES: GHG EMISSIONS

Method: HANZA's reporting of GHG emissions follows the Greenhouse Gas Protocol. [E1-6_AR46]. HANZA reports its emissions annually within Scope 1, Scope 2 (market-based and location-based) and Scope 3. Scopes 1 and 2 include emissions from all HANZA operations within the consolidated Group. [E1-6_50a,50b]

Calculations for Scope 1 include emissions from owned and leased vehicles, based on kilometers driven and fuel consumption, as well as refrigerant leakage and biogenic emissions. The gross amount includes no emissions from regulated trading systems. [E1-6_AR44b]

Calculations for Scope 2 are based on the company's own energy consumption. [E1-6_AR45b]. In efforts to reduce GHG emissions, HANZA is exploring possibilities to transition to renewable district heating, partly through the use of biogenic resources. At certain facilities, a transition to renewable district heating has taken place. The data is included in the "Energy" table. [E1-AR45e])

Calculations for Scope 3 are based on activities across the entire value chain. [E1-6_AR46h] They exclude categories 10–12 due to HANZA's business model, and 13–15 as they are not relevant. [E1-6_AR46i] The material categories for HANZA are:

- Purchased goods and services (category 1), which include emissions from extraction and production of input materials.
- Upstream transport and distribution (category 4), which include emissions from fuel used in transporting input materials from suppliers to HANZA. [E1-6_AR46d]

For these, HANZA uses the following calculation methods: [E1-6-AR46g]

For category 1, emissions for raw materials, which dominate total emissions, are mainly based on volume-based emission factors (expressed in kg CO_2e/weight). Other purchased goods and services are based on expenditure-based emission factors (kg CO_2e/SEK). Assumptions have been made regarding product categories for raw materials.

For category 4, transport emissions are based on a combination of country averages and supplier-level data derived from transport companies' own summaries. Distances for transported input materials are based on assumptions about the value chain.

Emission factors used: Scope 2: For market-based emissions, actual electricity emission factors from suppliers are used, primarily through the purchase of guarantees of origin linked to contractual instruments, followed by estimates based on geography and AIB's residual mix. For location-based emissions, emission factors from AIB's production mix are used. [E1-6_AR45d]

Scope 3: For expenditure-based emissions, factors are primarily sourced from EXIOBASE3; for volume-based emissions, factors are primarily sourced from DESNZ. [E1-6_AR39b]

Material changes in 2025 compared with the previous reporting period: [E1-6_47]

Increased emissions in Scope 3, category 1, are mainly due to improved reporting and the acquisition of Leden.

a) Updated emission factors – for greater accuracy, certain factors used in 2024 have been replaced with more precise factors from a broader dataset provided by the emission calculation software Sweep.
b) Reporting boundary – increased electricity use and emissions in Scope 2 are a result of expanded operations following the acquisition of Leden. [E1-6_50b, AR42c]

For purchases related to electronics, the emission factors for 2025 are based on the manufacturing country rather than the purchasing country, resulting in materially higher emissions.

Due to these significant changes, figures for 2024 are not reported as they are not comparable.

For 2025, emission data for all Scope 3 categories, except category 5, excludes the factory in Seinäjoki.

Biogenic emissions from combustion or biological decomposition of biomass, separate from Scope 1, 2, and 3 GHG emissions, but including emissions of other types of GHGs (particularly CH4 and N_2O), are not reported.

The data has not been verified by a third party.

ESRS E2 Pollution

HANZA's strategy

Each year, HANZA uses more than 40,000 tons of steel and various other metals and components in its manufacturing processes to produce products according to customers' specifications and material selections. Extracting and refining these materials require processes such as metal extraction, high-temperature furnaces and other steelmaking processes, which release pollutants like particulates, sulfur dioxide and nitrogen oxides that affect air quality. The components may contain substances of very high concern. HANZA complies with the REACH Regulation and is committed to ensuring product safety, environmental protection and customer confidence. Weak links in the supply chain may lead to non-compliance costs such as fines, supply chain disruptions, reputational damage and even product recalls.

To protect the planet's ecosystems, manufacturing using materials that contribute to pollution and emissions must be avoided. HANZA therefore strives to gradually increase transparency regarding the materials and components purchased and to support its customers in improving their ecodesign. This is reflected in the actions HANZA takes.

E2-1 Policies related to pollution

HANZA's Code of Conduct clarifies a proactive approach to managing and reducing the company's environmental impact.

The Environmental Policy clarifies that HANZA shall integrate environmental aspects and use environmentally friendly technology and processes in its planning and operations, and maintain structured management systems. [E2-1_15c] The company shall prevent pollution and minimize emissions to air, water and soil. [E2-1_15a] Applicable regulations must also be followed, which means that the requirements of REACH and RoHS must be met.

The Supplier Code of Conduct clarifies that suppliers must work to reduce environmental impact, particularly regarding emissions to air and water, risks of soil contamination, and must have management systems in place that at least prevent, reduce and control environmental impact, as well as strive for certified environmental management processes. They must comply with laws that prohibit or restrict specific substances, comply with material restrictions (RoHS, REACH) and maintain records of relevant raw material declarations. They are responsible for all parts of their supply chain. [E2-1_15a,15c]

The policies were established to meet the interests of customers. All policies are available on HANZA's website. The policies lack specifications regarding pollution and substances, as these depend on customer design encompassing a wide range of materials. [E2-1_AR11] They also do not specifically address the phase-out of substances of very high concern (SVHC), since lead is the primary SVHC present in purchased components. [E2-1_15b] The use of lead is currently exempt under RoHS due to the lack of suitable alternatives for the intended applications. However, it is listed as an SVHC under REACH. Therefore, products containing lead must meet the requirements of REACH Article 33, which requires that information be provided to customers if the SVHC concentration exceeds 0.1 percent by weight.

E2-2 Actions and resources related to pollution

To minimize pollution from input materials and products and to prevent the risk of costs arising from non-compliance, a number of measures have been implemented as part of the business model, meaning that costs cannot be estimated separately. At present, HANZA has no process for evaluating the effectiveness of these actions.

- Increased transparency regarding the origin and content of raw materials is achieved by applying structured procurement processes that impose requirements on suppliers (for more information on procurement, see section G1-2 Managing relationships with suppliers).
- Encouraging customers to choose ecodesign and materials in the products manufactured by HANZA through transparency regarding component and material content. HANZA leverages its expertise and advisory services to share best practices for sustainable production options. For example, material selections that minimize the use of chemicals while maintaining product quality and performance may be recommended.

POLICIES related to pollution
HANZA Code of Conduct (see section S1-1)
Supplier Code of Conduct (see section E1-2)
Environmental Policy (see Section E1-2)

Furthermore, customers are informed about which components contain SVHCs. The process is ensured through a robust environmental management system. [E2-2_AR13] (for more information about the environmental management system, see section E1-3 Actions and resources regarding climate change mitigation and adaptation).

- The acquisition of BMK Group in 2025 has initiated an internal Group-wide project aimed at improving due diligence procedures across the Group to identify and report SVHCs.

E2-3 Targets related to pollution

HANZA has not established any targets to prevent or control air pollution from input materials or for the use of products containing SVHCs (substances of very high concern). [E2-3_23a] For SVHCs, the commitment is to comply with the RoHS and REACH regulations. [E2-3_23d,25] No cases of non-compliance were reported in 2025. There are no plans to introduce voluntary targets for air pollution or SVHCs, as HANZA can only encourage customers' design and material specifications and lacks the ability to restrict them. Apart from complying with RoHS and REACH, no processes have so far been established to monitor the effectiveness of HANZA's actions.

E2-5 Substances of very high concern

HANZA has implemented procedures to comply with legislation based on EU directives such as, but not limited to, REACH and RoHS. The RoHS and REACH directives set out obligations for companies operating within the EU to establish procedures to identify and control the use of restricted or prohibited materials or chemicals.

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policies and targets**	**Actions**	**Metrics**	**Targets**
E2:1 Pollution of air							
			Upstream metal production used in HANZA's manufacturing processes leads to air pollution.	• HANZA Code of Conduct • Environmental Policy • Supplier Code of Conduct. HANZA shall reduce its environmental impact and use environmentally friendly technology and processes. Suppliers shall reduce their environmental impact and take responsibility for all parts of their supply chain.	• Increase transparency regarding the origin and content of raw materials. • Encourage customers to adopt ecode-sign and material selections by providing transparency regarding input materials and leveraging HANZA's expertise and advisory services to share best practices for sustain-able production options.	No metric set	No target set
E2:5 Substances of very high concern							
			Certain purchased electronic com-ponents may contain substances of very high concern (SVHC) in small quantities, posing a risk of harm to the environment and people when the product is used.	• HANZA Code of Conduct • Supplier Code of Conduct. Suppliers shall reduce their environmental impact, comply with laws that prohibit or restrict specific substances, comply with material restric-tions, and maintain records of relevant raw material declarations	• Processes are in place to fulfill REACH and RoHS requirements. • Increase transparency regarding the origin and content of input materials. • Encourage customers to adopt ecode-sign and material selections by providing transparency regarding input materials and leveraging HANZA's expertise and advisory services to share best practices for sustain-able production options.	No metric set	No target set
			Weak supply chain management may lead to compliance costs (fines, fees), supply chain disruptions, reputational damage and even product recalls.				

Since HANZA is not a chemical manufacturer, its compliance efforts focus on two main categories of incoming materials:

- Materials for manufacturing processes: This includes sub-stances such as tin, adhesives, oil, paint and other chemicals used in production.
- Components in end products: These are materials listed in the bill of materials for the products manufactured by HANZA.

HANZA ensures that all materials used in its factories meet the REACH requirements and, where applicable, the RoHS require-ments. Regarding the REACH requirements, HANZA applies Article 33: Duty to communicate information on substances in articles. Therefore, information is provided to upstream and downstream stakeholders upon request. Suppliers of articles containing substances identified in accordance with Article 57 and Article 59.1 in concentrations above 0.1 percent by weight (w/w) must, upon request, provide recipients and consumers with sufficient information to ensure safe use of the article, including the name of the substance. This information must be provided free of charge within 45 days of the request.

For customer-specific components, HANZA collects informa-tion on any reporting requirements primarily from suppliers

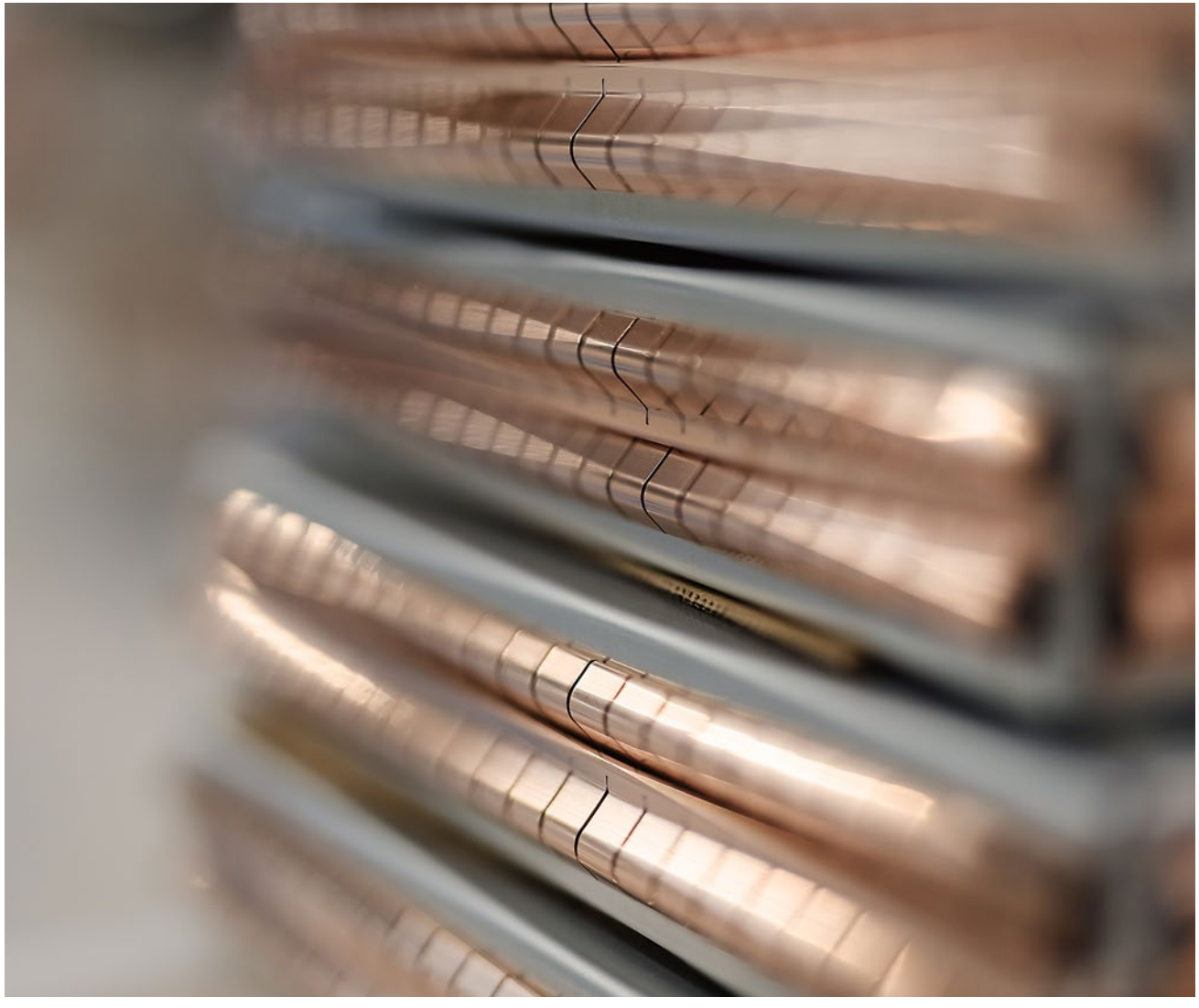
but also uses publicly available material safety data sheets. HANZA keeps customers informed about compliance status and expects them to report any deviations. Given this, HANZA cannot report total quantities of SVHCs.

Furthermore, suppliers must understand and comply with these provisions regardless of geography. They are regularly informed of changes to the directives. [E2-2_AR13]

The Supplier Code of Conduct includes a section on compliance regarding materials, describing the company's compliance with EU legislation, particularly the REACH and RoHS directives. These regulations require suppliers to identify and manage the use of restricted or prohibited materials and chemicals.

Based on the components containing SVHCs that HANZA has identified in its manufacturing, the total amount of SVHCs is estimated at 0.7 tons, of which approximately 0.6 tons consist of lead.

In 2026, HANZA, together with the newly acquired BMK, will establish improved procedures and systems for reporting SVHCs and SCIP databases.



ESRS E4 Biodiversity and ecosystems

Material impacts, risks and opportunities and their interaction with strategy and business model

With nature in crisis, it is crucial to support its systems, such as biodiversity, which provides carbon sequestration, water regulation and fertile soil. These services help mitigate the effects of climate change. If ecosystems deteriorate, climate change accelerates. Although HANZA's factories do not directly affect biodiversity or ecosystems (see section IRO-1 Process for identifying and assessing material impacts, risks and opportunities) [E4.SBM-3_16a,16b,16c], this occurs via GHG emissions in HANZA's value chain. The disruptions caused by GHG emissions and their impact on ecosystems, species and biodiversity are among today's greatest environmental challenges and represent a systemic risk to ecosystem stability. Climate change and biodiversity are interlinked. Therefore, HANZA has integrated its biodiversity initiatives into its broader climate strategies. [E4.SBM-3_48]

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

HANZA has not developed a transition plan or carried out a resilience analysis specifically regarding biodiversity and ecosystems. [E4-1_13]

E4-2 Policies related to biodiversity and ecosystems

The Environmental Policy clarifies that HANZA shall minimize negative impacts on biodiversity and ecosystems. [E4-2_23b,23c] As the initiatives for biodiversity have been integrated into HANZA's broader climate strategies, there is no specific biodiversity policy (see section E1-2)

E4-3 Actions and resources related to biodiversity and ecosystems

For the same reason, there are no specific actions or resources for biodiversity and ecosystems beyond the transition plan to address climate change (see section E1 Climate change).

E4-4 Targets related to biodiversity and ecosystems

HANZA also has no targets relating to biodiversity and ecosystems. The effectiveness of policies and actions is monitored within the framework of E1 Climate change.

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policies and targets**	**Actions**	**Metrics**	**Targets**
			GHG emissions impact in HANZA's value chain leads to loss of biodiversity and degradation of ecosystems.	* Environmental Policy Minimize negative impact on biodiversity.	No specific actions for biodiversity. (See section E1-3)	No metric set for biodiversity.	No target set for biodiversity.

ESRS E5 Resource use and circular economy

HANZA's strategy

The transition from a linear to a circular economy, and with it a more efficient use of natural resources, is crucial to mitigating climate change and keeping the world within the boundaries of a healthy planet.

When customers engage HANZA as a production unit, their design and material selections lead to significant consumption of raw materials and other input materials, resulting in extraction and processing of materials upstream. Key input materials include steel, copper, aluminum, plastic, rubber, packaging materials, and minerals such as tin, tantalum, tungsten, gold, cobalt and mica. HANZA's manufacturing processes generate hazardous and non-hazardous waste, representing a waste of resources that requires handling, which in turn causes environmental impacts and costs. Stricter regulations for the management of hazardous waste may further increase these costs.

The shift to recycled and renewable material selections must be initiated by customers, as they largely make the material decisions. However, HANZA has some flexibility in sourcing within mechanics, where the use of recycled or environmentally friendly materials supports a more circular economy. Green procurement combined with collaboration with sustainable customers to replace and reduce the use of primary materials in design can strengthen customer relations and improve HANZA's long-term revenue streams.

To address material impacts, risks and opportunities, HANZA promotes circular economy principles primarily by using raw materials efficiently through accurate production, thereby preventing waste. In addition, HANZA continues to develop its procurement framework to increase transparency of input materials and, where possible, replace primary materials with recycled ones. The commitments are reflected in the actions described below.

POLICIES related to resource use and circular economy			
Background	**Contents**	**Scope/key stakeholders**	**Responsibility**
Quality Policy			
The purpose is to offer customers high-quality products and services by ensuring continuous improvements to HANZA's quality management system.	• To continuously improve the quality management systems, HANZA must meet customer requirements, comply with legal requirements and achieve selected KPIs in several areas. • In the environmental area, HANZA aims to reduce the number of partial deliveries from cluster manufacturing and advisory services, as well as reduce consumption and emissions from factories through structured actions to minimize waste.	The HANZA Group, its employees and its subsidiaries.	• The CEO is responsible for implementing the policy. • HANZA is committed to fully complying with legal requirements and maintaining an ISO 9001-certified quality management system.
HANZA Code of Conduct (see section S1-1)			
Supplier Code of Conduct (see section E1-2)			
Environmental Policy (see Section E1-2)			

E5-1 Policies related to resource use and circular economy

The HANZA Code of Conduct commits the company to proactively manage and reduce its environmental impact.

The Environmental Policy clarifies that environmental aspects must be integrated into planning and operations through structured management systems and the use of environmentally friendly technology and processes. HANZA strives for efficient use of raw materials, water and energy, while waste must be minimized and managed responsibly through reuse and recycling.

The Quality Policy reinforces this by focusing on minimizing waste and resource use.

The Supplier Code of Conduct requires suppliers to work to reduce environmental impact, particularly concerning the use of natural resources, waste management, recycling and responsible waste handling. Suppliers must have management systems in place to prevent, reduce and control environmental impact and are encouraged to implement certified environmental management systems.

As customers' designs and material selections largely determine resource consumption, product design for sustainability, repairability and recyclability, HANZA lacks a comprehensive strategy for implementing a circular business model across the Group. Consequently, the current policies do not address any shift from new to sustainable or renewable resources. To meet customer interests, HANZA's role is to promote responsible procurement or to propose alternative materials and improve traceability. [E5-1_15a,15b]

All policies are available on HANZA's website.

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policies and targets**	**Actions**	**Metrics**	**Targets**
E5:1 Resource inflows, including resource use							
			HANZA's production processes have **a high proportion** of input materials, which in electronics account for 60–70 percent and in mechanics 40–50 percent of manufacturing costs, and include non-renewable materials that pose an environmental risk.	• HANZA Code of Conduct • Environmental Policy • Supplier Code of Conduct • Quality Policy HANZA shall reduce its environmental impact and use environmentally friendly processes, use raw materials and water efficiently, and minimize and manage waste responsibly. This also applies to its suppliers.	For efficient use of raw materials: • Waste prevention processes • Recycling processes to increase the use of recycled materials: • Procurement of recycled input materials by encouraging customers and choosing when HANZA can decide.	*E5-4 Resource inflows*	No target set Milestones set
			HANZA contributes to **promoting a circular economy** by supplying its customers with recycled and sustainable raw materials (particularly in mechanics where steel is used).				
			Green customer projects and a focus on customers with sustainable business models can **strengthen customer relations** and HANZA's long-term revenue streams.			No metric set	
			HANZA can **be perceived as a sustainable company** and strengthen its long-term customer relationships by using recycled and more sustainable raw materials in mechanics, where HANZA is to some extent free to choose materials.				No target set
E5:3 Waste							
			HANZA's manufacturing processes generate non-hazardous and hazardous waste, which **is a waste of resources** and causes additional environmental impacts during handling.	• HANZA Code of Conduct • Environmental Policy • Supplier Code of Conduct • Quality Policy HANZA shall reduce its environmental impact and use environmentally friendly processes, use raw materials and water efficiently, and minimize and manage waste responsibly. This also applies to its suppliers.	To prevent waste: • Processes for waste prevention • Recycling processes	*E5-5 Resource outflows*	No target set Milestones set
			Increased legal requirements for the management of hazardous waste may lead to **higher costs** for HANZA.				

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

HANZA's business model means that the main efforts for sustainable resource use focus on managing and reducing waste in operations. The effectiveness of the efforts is evaluated in annual reviews within the management systems, as well as in annual milestone reviews for waste prevention. [E5-2_19]

- Waste prevention processes – ensuring correct production and efficient use of input materials from the start is HANZA's most important strategy for saving resources and reducing waste. Quality and environmental management systems implemented throughout the Group improve resource efficiency in manufacturing processes. HANZA's LEAN initiative Operational Excellence (see E1-3) also helps eliminate waste.
- Recycling processes – recycling covers both non-hazardous and hazardous materials. Metal scrap from mechanical manufacturing processes is sold to recycling companies, remaining non-hazardous waste is sent to recycling companies that in turn recycle what can be recycled, and hazardous substances from processes are separated and sent to recycling companies.

Some of the packaging material is also reused within HANZA's operations.

HANZA can also encourage customers to choose specific materials, thereby increasing the use of recycled materials.

- Increased transparency regarding the origin and content of raw materials through structured procurement processes impose information requirements on suppliers (for more information on procurement, see section G1-2)
- Encouraging customers to choose recycled materials as part of HANZA's ongoing customer advisory services. By providing information about component and material content, participating in pilot projects on product design with a greater circular focus—such as design projects resulting in products with reduced steel content while maintaining quality and performance, or where primary materials are replaced with recycled ones, and similar initiatives—circular flows increase and resource use is minimized.

WASTE MILESTONES	The milestone's relevance to HANZA's material impacts, risks and opportunities, and targets.	Milestone achievement	
		2025	2024
Annual reduction of non-hazardous waste in relation to sales within electronics (tons of waste/SEKm)	An annual reduction in the amount of non-hazardous waste gradually improves internal resource efficiency and recycling, reduces waste, contributes to promoting a circular economy and strengthens HANZA's sustainability reputation.	Not achieved	Achieved
Annual reduction of non-hazardous waste in relation to sales within mechanics (tons of waste/SEKm)		Not achieved	Achieved
Annual reduction of hazardous waste in relation to sales within electronics (tons of waste/SEKm)	An annual reduction in the amount of hazardous waste gradually improves internal resource efficiency and recycling, reduces waste from polluting processes and decreases the risk of increased handling costs due to stricter legal requirements.	Achieved	Not achieved
Annual reduction of hazardous waste in relation to sales within mechanics (tons of hazardous waste/SEKm)		Achieved	Not achieved

In addition, HANZA can select recycled raw materials in areas where the company makes purchasing decisions, such as steel within mechanics.

Effectiveness is ensured through annual performance reviews and customer feedback. [E5-2_19] The actions are ongoing and take place within the implemented quality and environmental management systems, as well as within procurement processes and HANZA's global expertise and advisory services. Furthermore, the actions prevent risks of cost increases for hazardous waste management due to potentially stricter legal requirements. As they are well-integrated parts of HANZA's business model, current operating costs cannot be estimated. The resources mainly comprise personnel expenses (see Note 8 on page 121 in the financial statements). No other significant operating or capital costs have been allocated to the actions or to the implementation of ISO 9001 and ISO 14001 in new factories.

MILESTONE DEFINITIONS: RESOURCE USE AND CIRCULAR ECONOMY

The annual reduction of non-hazardous/hazardous waste in relation to sales is based on tons of non-hazardous/hazardous waste within electronics and mechanics respectively, divided by revenue in SEK million within each electronics and mechanics area. For the milestone to be achieved, the result for the current year must be lower than the result for the previous year.

The milestones were established to achieve annual improvements in relative waste management within each business area. They are not results-oriented or based on definitive scientific evidence.

The methodology has changed compared with the previous period. In 2025, metals sold for recycling are included, which has led to an increase in non-hazardous waste.

E5-3 Targets related to resource use and circular economy

HANZA has no targets related to resource use and the circular economy. The effectiveness of policies and actions is monitored through milestones established by the Board of Directors in 2023, aimed at reducing waste and improving resource efficiency within the company. For operations in mechanics and electronics, the milestones are linked to sales to reflect HANZA's business model and waste management costs. HANZA also monitors water consumption in relation to revenue.

E5-4 Resource inflows

HANZA's production processes involve a high proportion of input materials, which entails the extraction and processing of resources upstream. The input materials in electronics consist of electronic components, which in turn contain plastic, metals, chemicals and minerals. In mechanics, large quantities of metals are used, primarily steel by weight, along with various chemicals. Packaging materials are also used.

The manufacturing processes in HANZA's nineteen factory parks mainly involve sheet metal fabrication and assembly of electronic equipment using complex techniques. For these purposes, the factories are primarily equipped with light machinery and, in some cases, medium-sized machinery. Transportation within the factory parks is mainly carried out using forklifts. Certain amounts of water are used in two facilities for galvanization. Electricity is used to power machinery and for transport within the factory parks.

There is no paper certification system in place. Therefore, the weight percentage of biological material is reported as zero. [E5-4_31b]

Recycled material used in HANZA's manufacturing is estimated to represent 28.1 percent of all purchased material excluding water. [E5-4_31c]

MATERIALS AND PRODUCTS [E5-4_31]	Weight, tons	
	2025	**2024**
Total materials	176,634	-
of which water	49,427	48,646
Materials, excluding water	127,207	-
Biological material		
Paper, cardboard	1,074	-
Wood, packaging	1,432	-
Total biological material	2,526	-
Recycled, reused materials		
Recycled metal	35,664	-
Recycled packaging, plastic	123	-
Reused components	0	-
Total technical material	35,787	-

ACCOUNTING POLICIES: RESOURCE INFLOWS

All raw materials (i.e. metals and water) are reported at actual weight. For other materials, the weight is based on the purchase cost multiplied by a conversion factor derived from DESNZ, assuming that all purchased material was used in production during the reporting period. Information on materials, products and goods is based on delivered volumes, supplier specifications and HANZA's ERP system (Enterprise Resource Planning), which eliminates the risk of significant double counting. [E5-4_32, AR25].

The estimated weight of recycled metals, packaging and other recycled materials is determined to the best of the company's ability, where HANZA's consumption within the various product groups corresponds to EU/industry-specific estimates. Calculations are based on actual delivered volumes multiplied by these factors. [E5-4_32, AR25]

Measurement and methodology have changed for 2025, and therefore data is not available for 2024.

The data has not been validated by a third party.

E5-5 Resource outflows

Waste

HANZA's waste composition is divided into non-hazardous and hazardous waste. The table alongside shows the main waste composition from the production processes.

Non-hazardous waste consists of metal scrap, plastic, glass, packaging materials and other waste from the manufacturing processes, which is sorted and sent for recycling.

Hazardous waste mainly arises when chemicals are used in painting or surface treatment within mechanics and consists of heavy metals whose use is subject to permit requirements. After separation, hazardous waste is handled by certified recycling companies. [E5-5_38a]

ACCOUNTING POLICIES: WASTE

Waste flows are documented based on predefined waste categories.

Information on waste quantities and handling methods is compiled by the waste management and recycling companies contracted by HANZA's factories. The information is partly based on the companies' best available estimates.

Estimates and assumptions: In some factories lacking information on general waste, the weight is assumed to correspond to the average container weight. In cases where data is missing for the final months of the year, for example due to delayed reporting from waste management companies, calculations are based on rolling 12-month figures. [E5-5_40]

Information on non-hazardous waste excludes the sale of recycled metals from HANZA's manufacturing operations and certain packaging materials that have been reused. Certain prior-year data is not reported, as earlier calculations are not comparable with the ESRS reporting categorization.

The data has not been validated by a third party.

MAIN WASTE CATEGORY [E5-5_38b]	WASTE MATERIAL
Chemical products	Heavy metals used in painting and surface treatment
Construction waste	Stone, gravel, concrete
Electronic waste	Electronic equipment, optical fiber cables
Metal waste	Metal scrap from cutting and trimming processes
Non-metallic waste	Plastic, glass from manufacturing
Packaging materials	Paper, cardboard, wood

WASTE GENERATED IN HANZA'S OPERATIONS [E5-5_37c] and sent for disposal, tons

	2025
Non-hazardous waste sent for incineration	286.8
Non-hazardous waste sent to landfill	177.9
Non-hazardous waste sent to other disposal operations	21.4
Total non-hazardous waste sent for disposal	**486.1**
Hazardous waste sent for incineration	44.2
Hazardous waste sent to landfill	115.5
Hazardous waste sent to other disposal operations	92.8
Total hazardous waste sent for disposal	**252.6**

WASTE GENERATED IN HANZA'S OPERATIONS [E5-5_37b] and sent for recycling, tons

	2025
Non-hazardous waste sent for preparation for reuse	9.4
Non-hazardous waste sent for material recycling	11,260.0
Non-hazardous waste sent for other recovery operations	1,509.9
Total non-hazardous waste sent for recycling	**12,779.3**
Hazardous waste sent for preparation for reuse	1.0
Hazardous waste sent for material recycling	220.6
Hazardous waste sent for other recovery operations	210.8
Total hazardous waste sent for recycling	**432.5**

TOTAL WASTE GENERATED IN HANZA'S OPERATIONS, tons [E5-5_37a, 37d, 39]

	2025
Total amount of radioactive waste	0.0
Total amount of waste generated	13,950.4
Total amount of hazardous waste	685.0
Total amount of non-hazardous waste	13,265.4
Total amount of non-recycled waste	2,469.8
Total amount of recycled waste	11,480.6
Proportion of non-recycled waste (%)	17.7
Proportion of recycled waste (%)	82.3

SOCIAL INFORMATION

Social information

Table of Contents	Phase-in provisions	Pages
S1 Own workforce	• DR S1-7 Characteristics of non-employees in HANZA's own workforce • Training and skills development, including DR S1-13 Metrics for training and skills development. • Work-life balance, including DR S1-15 Metrics for work-life balance. • DR S1-14 Metrics for employees in relation to non-employees, as well as metrics for 88(d) and (e).	71
S2 Workers in the value chain	• ESRS S2 subject to Quick-fix. • A brief description of how HANZA's business model and strategy take into account the related impacts, as well as the related policies, actions and tracking of effectiveness, is presented.	85

ESRS S1 Own workforce

Material impacts, risks and opportunities and their interaction with strategy and business model

Working conditions

Two negative material impacts, one positive material impact and one risk related to working conditions have been identified.

- **Social dialogue.** If social dialogue does not function, employees may feel powerless and confused. As HANZA expands through increased sales and factory acquisitions, management must ensure clear communication in the workplace and create opportunities for negotiation and information exchange between the company and employee representatives.
- **Occupational health and safety**. All employees are exposed to health and safety risks that may lead to physical accidents, stress and a negative perception of the work environment. Workers, particularly in mechanics-related factories, are generally more exposed to serious health incidents than office staff. [S1.SBM-3_14b(i);15] A serious workplace accident could damage HANZA's reputation and lead to additional costs for implementing new procedures. [S1.SBM-3_16]
- **Work-life balance.** Employee satisfaction with work-life balance is a result of HANZA's benefits enjoyed by employees and their ability to effectively manage their workload. [S1.SBM-3_14c]

Equal treatment and opportunities for all

One negative material impact, three positive material impacts, one risk and one opportunity have been identified in the area.

- **Violence, harassment and victimization within the organization** can harm individuals and undermine employee trust and the corporate culture.
- **Diversity, gender equality and equal pay for equal work** benefit employees who experience the workplace as inspiring and fulfilling, where everyone's contributions are valued. Training and development initiatives, including career development meetings and knowledge exchange between factories, increase employee motivation and development. [S1.SBM-3_14c]
- **Risks and opportunities related to employees.** The risk of losing capacity and business opportunities may arise due to difficulties in attracting the right talent and skills. HANZA can enhance efficiency and competitiveness by leveraging its collective workforce and expertise. [S1.SBM-3_14d,16]

HANZA's strategy

Material impacts, risks and employees relate to HANZA's operations [S1.SBM-3_14] and apply to all personnel, including employees and non-employees (see section S1-6 Employee characteristics). [S1.SBM-3_14a] Negative impacts exist across the organization, regardless of country, while positive impacts benefit all employees. [S1.SBM-3_14b(i),14c] They underscore the importance of promoting safe and respectful workplaces globally within HANZA, which in turn influences decision-making. Potential effects on employees must be considered in HANZA's strategy and business model during changes, for example due to market conditions or acquisitions. This demonstrates the importance of ongoing contact and dialogue with employees. These are commitments reflected in HANZA's employee initiatives.

The risk of human rights violations, including child labor and forced labor, is considered very low within HANZA's operations. Most of the workforce is based in Northern Europe, with a strong social security system, high social oversight and a legal framework that protects workers' rights. [S1.SBM-3_14f,14g] No material impacts or risks have been identified related to HANZA's transition plans to reduce negative environmental impact and achieve climate-neutral operations. [S1.SBM-3_14e]

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policies and targets**	**Actions**	**Metrics**	**Targets**
			If HANZA's management fails to maintain social dialogue with its employees, they may experience confusion, a lack of influence and a sense that their engagement is not sufficiently rewarded.	• HANZA Code of Conduct: Promote dialogue in the workplace. • HR Policy: Communication to foster dialogue.	• • Negotiations and consultations with trade union or works council representatives. • Annual employee engagement survey to evaluate communication and feedback from management. [S1-2_27]	*S1-8 Collective bargaining coverage and social dialogue*	No target set
			Employees benefit from HANZA's flexible working hour arrangements, such as hybrid work options for parents, work schedules adapted to childcare, and day shifts where possible, enabling work-life balance.	• Diversity Policy: Provide flexible work solutions.	• Flexible workplaces and various local initiatives offering work arrangements that meet individual needs. • Annual employee engagement survey to evaluate work-life balance. [S1-2_27]	No metric set	No target set
			Employment in factories with temporary production increases exposes employees to health and safety risks and a potentially negative work environment due to stress and overtime work. Serious workplace accidents can damage HANZA's reputation and business prospects, as well as increase costs for new procedures.	• HANZA Code of Conduct: Provide safe and healthy workplaces. • Health and Safety Policy: Ensure that workplaces are safe. • Policy for anonymous whistleblowing: Reporting of irregularities.	• Actions related to ISO 45001, with monthly KPI reviews. • Operational excellence. • Health and safety checks during acquisitions. • Annual employee engagement survey to evaluate occupational health and safety. • Access to HANZA Hotline via mobile-friendly intranet and internal information campaigns.	• *S1-14 Occupational health and safety metrics* • Near misses, incidents where a situation could have resulted in a workplace accident.	No target set, Milestones set

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policies and targets**	**Actions**	**Metrics**	**Targets**
			Equal opportunities and equal pay for equal work benefit employees who can experience inspiring and fulfilling workplaces where every contribution is valued.	• Diversity Policy: Embrace diversity, promote inclusion, promote fair practices.	• • Processes for inclusion and equal opportunities. • Leadership training.	• • *S1-16 Remuneration metrics* • Gender distribution as a percentage at management level. • *S1-9 Diversity metrics*	No target set, Milestones set
			Training and development opportunities benefit employees who may experience increased motivation. Skills and expertise can enhance efficiency and customer appeal, as well as generate margin improvements and business opportunities.	• HR Policy: Employee development, clear leadership.	• Processes for training and development • Annual employee engagement survey evaluating employees' perception of development opportunities within HANZA. [S1-2_27]	No metric set	No target set
			Difficulties in attracting the right people and skills may lead to loss of capacity and missed business opportunities.				
			In addition to harming individuals, **incidents of harassment and victimization** undermine employee trust and the corporate culture.	• HANZA Code of Conduct: Ensure equal treatment, zero tolerance for discrimination. • Diversity Policy: Ensure respect and safety, promote inclusion.	• Processes against victimization and harassment. • Leadership training. • Annual employee engagement surveys evaluating the internal collaboration climate and the level of respect from colleagues and managers. [S1-2_27]	• • Number of confirmed cases of discrimination and harassment. • *DR S1-17 Incidents, complaints and severe human rights impacts*	No target set, Milestones set
			A work environment characterized by **diversity** benefits employees who can experience inspiring and fulfilling workplaces where every contribution is valued.	• Diversity Policy: Embrace diversity, promote inclusion, promote fairness.	• Processes for inclusion and equal opportunities. • Processes for handling harassment and bullying. • Leadership training.	• Proportion of employees in management positions who have completed diversity policy training. • *S1-9 Diversity metrics*	No target set, Milestones set

S1-1 Policies related to own workforce

The HANZA Code of Conduct establishes the overarching principles that govern the company's employee-related policies. HANZA has implemented specific policies to ensure safe and positive work environments, support skills development, promote strong values and maintain employee trust and motivation. Together, these policies form HANZA's framework for providing fair working conditions and equal opportunities for all, aiming to meet the interests of key stakeholders such as employees, customers and investors. For employees, policies such as the HANZA Code of Conduct, Health and Safety Policy, and Quality and Environmental Policies are available in local languages via the intranet, which is mobile-friendly for convenient access in factory environments.

POLICIES related to own workforce

Background	Contents	Scope/key stakeholders	Responsibility
HANZA Code of Conduct			
HANZA recognizes that its operations have an impact on social and environmental matters, both locally and globally, and that the business can grow while being a good business partner to its suppliers and customers. The policy describes HANZA's core principles regarding its impact on people, the environment and business conduct.	Commitments to people. HANZA: • Does not support or engage in child labor, forced labor or compulsory labor. [S1-1_20a,22] • Provides a safe and healthy workplace and takes proactive measures to prevent accidents through reporting, training and appropriate equipment. • Recognizes the right to freedom of association and collective bargaining and ensures that employees are protected against retaliation. [S1-1_20a] • Has zero tolerance for discrimination. • Ensures equal treatment regardless of gender or age. • Provides fair working conditions. • Complies with laws and industry standards on working hours and holidays. • Respects the right to a living wage and ensures that wages meet or exceed statutory or industry minimum standards. [S1-1_20a] • Treats all personnel with dignity and respect. • Promotes workplace dialogue as an important part of social responsibility and ensures that all workers have the right to representation for communication with management. Commitments to the environment. HANZA: • Works proactively to manage and reduce its environmental impact. Commitments to business ethics. HANZA: • Provides a confidential channel for reporting concerns and is committed to investigating and addressing them. [S1-1_20c] • Reports and communicates sustainability performance • Engages in dialogue with stakeholders [S1-1_20b] • Has zero tolerance for bribery • Implements the Code internally through clearly defined responsibilities, training and awareness, and monitors activities and performance to ensure effectiveness. • Actively participates in stakeholder dialogues [S2-1_17b]	The Code of Conduct applies to HANZA, its subsidiaries and all their employees. It also applies to third parties such as temporary staff, consultants, subcontractors and others working on behalf of HANZA.	The CEO is responsible for implementing the policy. HANZA complies with national and international legislation and industry standards. HANZA respects and adheres to the Ten Principles of the UN Global Compact (including the application of the precautionary principle to environmental challenges in accordance with the Rio Declaration). HANZA also respects and adheres to international instruments such as ILO conventions, the OECD Guidelines for Multinational Enterprises, UN conventions (including the UN Convention against Corruption), and the UN Guiding Principles on Business and Human Rights, which encompass international conventions such as the ILO Convention on Freedom of Association and the UN Conventions on the Rights of the Child and on Non-Discrimination. [S1-1_20a,21] [S2-1_19]

POLICIES related to own workforce

Background	Contents	Scope/key stakeholders	Responsibility
Health and Safety Policy [S1-1_23]			
HANZA recognizes that the company's success depends entirely on its employees' contributions and that these efforts are enhanced by creating a healthy, safe and creative work environment. HANZA's goal is to provide healthy and safe workplaces that promote all employees' physical, mental and social well-being and offer an inspiring and stimulating work environment where competence, diversity and ideas are utilized.	HANZA's vision of zero work-related accidents and its commitment to proactively eliminate hazards, reduce risks and improve health are achieved through: • Systematic safety activities integrated into daily operations. • Defined objectives and actions in the personnel plan, which are monitored and reviewed annually. • Clear areas of responsibility, with an understanding that safety is a shared concern requiring collaboration among employees, their representatives and management. • Adequate competence and resources to perform tasks and provide relevant training. • Robust onboarding processes and continuous instruction. In addition, HANZA works to: • Eliminate risks, investigate accidents and incidents and report them to management. • Encourage reporting without fear of retaliation. • Monitor and follow up on KPIs. • Continuously improve the management system.	Applies to all HANZA employees.	The CHRO is responsible for the implementation of the policy. HANZA complies with national and international legislation. HANZA is committed to fully adhering to laws and regulations and maintaining an occupational health and safety management system in accordance with ISO 45001. [S1-1_23]
HR Policy			
The HR Policy outlines key procedures, objectives and areas of responsibility for people management with the aim of achieving HANZA's long-term goals.	The policy refers to the Code of Conduct, Health and Safety Policy, Diversity Policy and internal employee guidelines, as well as sustainability in HR-related areas. Priorities include: • Leadership shall be clear and include training. • Leaders and managers are responsible for introducing core values, work principles, relevant job descriptions and expectations for employees. [S1-1_20b] • Employee development shall include processes in which employees are aware of overall and individual goals. • Employee development in collaboration with HANZA includes the exchange of best practices and the linking of training and development to competencies. • Business ethics means operating in accordance with HANZA's core values and Code of Conduct, with access to a whistleblower function. • Communication shall be used to create dialogue between the company and employees. • Occupational health and safety is a priority. • Employee surveys are an important tool for measuring HR performance. [S1-1_20b]	Applies to all HR-related functions within HANZA: Executives within the HANZA Group at cluster and facility levels, as well as managers. HANZA's employees are key stakeholders	The CHRO is responsible for implementing the policy. HANZA complies with national and international legislation.

POLICIES related to own workforce			
Background	**Contents**	**Scope/key stakeholders**	**Responsibility**
Diversity Policy [S1-1_24a,24c]			
The policy reflects HANZA's commitment to fostering an internal culture of diversity and inclusion throughout the company, helping it grow and thrive, benefit from diverse perspectives to drive innovation, and act as a socially responsible organization.	HANZA is committed to: • Embracing diversity and valuing and respecting it in all its forms, including age, gender, disability, race, national or ethnic origin, religion, language, marital or partnership status, political beliefs, sexual orientation [S1-1_24b], as well as different perspectives, skills, and experiences. • Promoting inclusion, providing flexible work solutions that meet the varying needs of employees in different career and life stages, and ensuring equal opportunities [S1-1_24c]. • Going beyond compliance and striving to achieve standards that exceed legal requirements, fostering a supportive and inclusive culture. • Sharing responsibility and clarifying the roles and responsibilities of HANZA, managers, and employees, emphasizing that everyone has an obligation to act and collaborate. • Ensuring respect and safety, and maintaining a workplace free from discrimination, victimization, harassment, or retaliation, where all employees are valued and treated with respect and dignity. • Promoting fair practices and applying this policy in recruitment, promotion, salary review, and compensation – equal pay for equal work and performance-based pay decisions. [S1-1_24d]	Applies to all employees of HANZA, its subsidiaries, and others working on the company's behalf.	The CHRO is responsible for implementing the policy.
Policy for Anonymous Whistleblowing			
HANZA provides a channel for employees and others to report observed or suspected misconduct. [S1-1_20c] [S2-1_18]	It clarifies whistleblower anonymity and protection against retaliation and describes the procedures of HANZA's whistleblower function.	Employees, suppliers and their employees, other stakeholders, or their representatives.	The CHRO is responsible for implementing the policy.

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

HANZA's employee dialogues have two main purposes: to capture employees' views on their needs and concerns and to provide them with important information. Interactions between the company and employees take place through various channels, stages, and functions. [S1-2_27a,27b]

Direct interactions between employee and manager, such as informal daily meetings and annual career development meetings, where the perceived work environment, employee goals in relation to development, and potential improvement measures are evaluated. In addition, updates are provided regarding operational guidelines.

Indirect interactions take place through meetings with safety committees, trade unions, and employee representatives. This includes regular social dialogue with trade unions and monthly or quarterly discussions with safety committees at each factory, where routine safety matters as well as specific issues are addressed, such as working conditions in factory environments for vulnerable groups as defined by laws and regulations, including pregnant employees and those working in specific production areas. [S1-2_28]

In annual employee engagement surveys, employees evaluate how well key issues are managed within the company, such as working conditions related to occupational health and safety, development opportunities, and perceived corporate culture. The surveys also measure employees' motivation and engagement with the organization. HANZA's corporate culture, stability, reliability, and work environment all receive high ratings in these surveys, while communication and feedback are identified as areas for improvement. Ongoing dialogues on these topics are also held with trade unions and, in some countries, with employee representatives. In certain locations where HANZA is a significant employer, continuous dialogue and contact take place with municipal leadership and other community bodies representing employees' local communities. [S1-2_27a,27b]

Results from the employee surveys are presented to employees by their immediate managers, and together the parties discuss key issues and develop action plans. Plans and developments at the factory or Group level are communicated via the intranet, social media, and other communication channels. An important internal communication channel is the mobile-friendly intranet "HANZA Hub," which facilitates communication in the factory environment. To date, over 1,520 employees have joined the intranet, corresponding to about half of the total workforce. [S1-2_27, AR24]

The effectiveness of these contacts is measured through several methods, such as action plan development, key metrics in occupational health and safety management systems, eNPS score, participation rate, and other significant questions in the employee engagement survey. [S1-2_27e]

The CEO has the operational responsibility for ensuring interactions and that the results contribute to the company's strategy. Results from the employee engagement survey are reported to the Board of Directors. [S1-2_27c]

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

HANZA has established a range of processes within its operations to address negative impacts on employees and to maintain a healthy and sound work environment. The company actively promotes an open and transparent culture and requires that any deviations or breaches of policies, procedures, or rules be reported. Feedback from employees, surveys, and other sources is systematically used to evaluate and improve these processes.

HANZA has established the following reporting channels: [S1-3_32b]

- HANZA Hotline. An internal formal reporting mechanism [S1-3_32c] is available for employees to raise concerns. The channel systematically handles employee reports of suspected regulatory violations, misconduct, irregularities, or abuse of trust. Reports in the local language can be made in person to the immediate manager, their superior, or the local HR function. Reports can also be submitted digitally via the intranet "HANZA Hub," which forwards the matter to the external whistleblowing service.
- External whistleblowing service. Available to all stakeholders on the company's website. (See also section G1-1).

All cases are handled in accordance with the Policy for Anonymous Whistleblowing, which guarantees the whistleblower anonymity, protection against retaliation, and confidentiality. [S1-3_33]

Reports submitted through the internal channel are managed within the clusters, where actions depend on the nature of the case. Safety-related matters are forwarded to local safety committees and quality functions, while HR-related matters are handled by local HR functions. The "grandparent principle" ensures that employees always have access to the next management level. If a case is identified as a suspected whistleblowing matter, it is reported to the external whistleblowing service, where an initial assessment is conducted by an external independent party. Depending on the nature of the case, an internal investigation may be initiated by a relevant team to ensure objectivity. The team always includes the CEO and CHRO, unless they are the subject of the report.

HANZA's monitoring system tracks all internal and external reports, their resolutions, and actions. The number of reported cases and investigation status are monitored in the CHRO's weekly reporting to the HLT. The CEO and CHRO receive reports and ensure that each case is handled appropriately. [S1-3_32a, 32e]

Non-anonymous cases are discussed and reviewed together with the reporter or affected party. Feedback is provided in accordance with the Policy for Anonymous Whistleblowing, within three months from the date of the report.

All new, re-employed, and temporary employees are informed about the reporting channels, which are included in the annual HANZA Code of Conduct training. The channel is accessible via HANZA's mobile-friendly intranet. Internally, HANZA runs campaigns to raise awareness of the channel. [S1-3_32d] Trust in and awareness of the grievance channel were not specifically monitored in the 2025 employee survey. [S1-3_33] HANZA has set a target to communicate about its anonymous whistleblow-

ing channel (see section S1-5 Targets for occupational health and safety).

Working conditions

Occupational health and safety

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

Health and well-being are fundamental to a positive employee experience. HANZA shall provide safe and healthy workplaces that promote the physical, mental, and social well-being of all employees. Since most employees work in factory environments where health, safety, and working conditions pose risks, the work environment must meet the highest standards. HANZA's vision is zero workplace accidents across all facilities.

Proactive measures are in place to manage potential incidents. To ensure safe workplaces, observations and preventive actions are handled consistently and systematically through multiple parallel processes in line with the implemented occupational health and safety management systems. If required safety measures fall outside a team's or department's mandate, for example because they require investments, the decision is escalated to the next level in accordance with established principles.

Accident investigation teams with safety specialists investigate incidents and implement preventive measures. Local safety committees monitor accidents, incidents, and lost time injury frequency rate (LTIFR) on a monthly or quarterly basis and share best practices for preventive measures. In addition, the global quality team reviews accidents, incidents, and other safety observations in weekly meetings to follow up on effectiveness, discuss issues, and exchange best practices. Employees also contribute by reporting regulatory violations and irregularities, resulting in continuous improvements and development ideas. [S1-4_39]

By gradually implementing an occupational health and safety management system certified under ISO 45001, the international standard for occupational health and safety management systems, in newly acquired factories, employee well-being is ensured across all production units. The goal is to have certified occupational health and safety processes in all factory parks. In 2025, fourteen of HANZA's nineteen factory parks were certified under ISO 45001. The remaining five factory parks operate under alternative occupational health and safety management systems designed to meet relevant local regulations and internal company policies. All factory parks, except the most recently acquired one at the end of 2025, will be certified by 2026. Accident risks are minimized through local initiatives such as fire safety, clearly marked evacuation routes, safety protocols, instructions in local languages, safety videos, and training for supervisors and safety representatives at each workplace. Ongoing training is provided to managers and safety representatives to ensure they have the necessary knowledge, resources, and authority, while employees receive an occupational health and safety orientation. [S1-4_40] Workplace accidents and incidents are reported through HANZA's internal quarterly reporting as well as in accordance with local legislation. Changes in the number of incidents over time may partly be attributable to the Group's acquisitions. [S1-4_38d]

The LEAN initiative, Operational Excellence, promotes employee health and safety by minimizing unnecessary physical movement, thereby reducing the risk of workplace accidents (see also E1-3 Actions and resources related to climate change mitigation and adaptation).

HANZA complies with all country-specific legal requirements to ensure high-quality working conditions. Occupational health and safety are managed in accordance with national regulations and manufacturing standards for the technologies in use.

During acquisitions, HANZA conducts separate due diligence of the organization and employees, assessing, among other things, leadership and recruitment needs. Following the acquisition, HANZA's values, policies, and processes are gradually implemented so that all factories in the Group follow the same monitoring and action system for occupational health and safety. [S1-4_38a,38b,39,40a,40b,43]

In some cases, risk assessments are carried out before taking actions that may cause or contribute to material negative impacts on HANZA's employees, such as redundancies due to efficiency improvements. Assessments are conducted together with trade union representatives and local HR departments in high-risk areas. Based on HANZA's assessment, no material impacts on employees have been identified in connection with the transition to a greener economy. [S1-4_41, AR43]

In addition, the annual employee engagement survey evaluates employees' perception of occupational health and safety. Ongoing health-promoting initiatives are also undertaken, such as providing free menstrual products at all factories and offices, health subsidies in Sweden and Finland, health checks in Sweden and China, as well as annual Health Weeks and daily free soup lunches in Estonia. [S1-4_38a]

The measures are implemented continuously and aim to gradually reduce the number of health incidents for all employees globally. They form an integral part of HANZA's business model, which is why current operating costs cannot be estimated. The resources primarily relate to personnel costs (see Note 8, page 121 of the Annual Report). No other significant operating or capital costs are allocated to these activities or to the implementation of ISO 45001 in new factories.

The effectiveness of the measures is evaluated in monthly follow-ups as part of the management system, and in the event of serious accidents, daily follow-ups are conducted. Results related to occupational health and safety in the employee engagement survey and the targets below are monitored annually. [S1-4_38d]

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities related to occupational health and safety

HANZA has no long-term targets but has established two milestones that reflect the company's ambition to continuously improve the work environment for its employees each year. They were approved by HANZA's Board of Directors in 2023 to address key stakeholders' (employees, customers, investors)

OCCUPATIONAL HEALTH AND SAFETY MILESTONES	Milestone's relation to HANZA's material impacts, risks, and opportunities	Milestone achievement	
		2025	2024
Annually reduce the proportion of incidents resulting in absence from work (LTIFR).	By carefully monitoring incidents leading to absence and achieving improvement compared with the previous year, HANZA aims to gradually reduce workplace incidents that pose serious risks to employees' occupational health and safety and prevent such issues from negatively affecting HANZA's business opportunities and financial performance. [S1-5_44a,44c]	Not achieved	Achieved
All employees shall be informed about HANZA's anonymous whistleblower function.	Ensuring that all employees are informed about the whistleblower function aims to encourage employees to report regulatory violations and other irregularities, thereby reducing the risk of workplace incidents that may jeopardize employees' occupational health and safety. [S1-5_44a]	Not achieved	Achieved

MILESTONE DEFINITION: OCCUPATIONAL HEALTH AND SAFETY

The milestones are established to achieve annual improvements in occupational health and safety and apply to all employees (both permanent and temporary).

LTIFR, see Accounting Policies: Occupational health and safety. To be achieved, the result for the current year must be lower than the result for the previous year. The milestone, metric and methodology remain unchanged compared with the previous period.

Employees informed about HANZA's anonymous whistleblower function refers to the proportion of employees logged into the intranet "HANZA Hub," which provides additional information about HANZA's reporting channel and access to the external whistleblower function. For the milestone to be reached, the proportion of logged-in employees must exceed 80 percent. The method was adjusted in 2025 compared with the previous period, when "informed" referred to an information campaign about HANZA's grievance channel through various media directed at all employees (which resulted in 100 percent).

ISO 45001 at HANZA

Within the system, internal key performance indicators are monitored monthly by different levels within HANZA's quality team. Monthly results are reported to the COO and quarterly results to the CFO. Any local deviations in key performance indicators lead to mandatory actions at the local factory. Each factory measures the number of workplace accidents, incidents, absences due to occupational injuries and sickness leave. In addition, occupational health and safety risks are continuously evaluated, as well as any deviations from local laws and regulations. The factory then develops tailored action plans, such as mandatory safety training and directives related to safety procedures and evacuation. [S1-1_23; S1-4_38d]

interest in safe workplaces, but without direct consultation or engagement with them. Milestone achievement, along with corrective and preventive actions, is closely monitored and discussed with the local safety committees, which include employee representatives. Regular discussions are also held with trade union representatives to identify areas for improvement and lessons learned (see S1-2).

S1-14 Occupational health and safety metrics

All permanent and contracted employees working at HANZA's facilities are covered by the occupational health and safety management systems implemented at HANZA's workplaces. [S1-14_88a]

In 2025, 40 workplace accidents resulting in absence occurred, compared with 29 in 2024. The increase in the number of accidents is attributable to the acquisition of Leden. In general, more accidents occur in mechanical factories than in electronics. Work-related injuries resulting in lost working time relative to hours worked (Lost Time Injury Frequency Rate, LTIFR) also increased for the same reason. Most workplace accidents involve mechanical processes that have resulted in lacerations to fingers and hands, or minor burns and crush injuries, often caused by improper handling.

Social dialogue

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

HANZA promotes a collaborative culture where communication and feedback between employees and management are essential for building trust. Poor communication can result in overlooked issues and uncertainty during organizational changes. HANZA complies with all national legal requirements and industry standards to ensure high-quality working conditions. Negotiations and consultations cover areas such as working conditions, employment terms, compensation, and the effects of expansion and acquisitions. [S1-4_39] Dialogues are conducted with trade union representatives or, where no collective agreements exist, with representatives of works councils or locally elected committees. Additional dialogues take place during local management meetings, EDP discussions, and through suggestion boxes for improvement ideas (see also S1-2). [S1-4_38a] Social dialogues are ongoing globally and involve resources from global and local HR and management functions. Current operating costs cannot be estimated, and no other significant operating costs are allocated to these activities.

ACCOUNTING POLICIES: OCCUPATIONAL HEALTH AND SAFETY
Information on injuries, incidents and LTIFR is reported through HANZA's internal quarterly management system monitoring for ISO 45001, where each factory reports to the cluster and data is aggregated at Group level. The information excludes all non-employees, as well as employees at the administration centers (SSC) in Sweden and Estonia and at HANZA's design center in Germany (Tech Solutions). Data verification includes comparisons with previous periods and spot checks. The data is not validated by a third party.

Number of fatalities resulting from work-related injuries and work-related ill health includes the number of fatalities caused by exposure to hazards in the workplace. This includes business travel.

Number of recordable work-related accidents refers to the number of recorded work-related accidents in HANZA's system.
The frequency of recordable work-related accidents refers to the number of recorded work-related accidents per million actual working hours.

Lost Time Injury Frequency Rate (LTIFR) refers to the number of accidents with lost time per million working hours. A lost time accident is a workplace accident that causes an employee to miss at least one full work shift. LTIFR is calculated by taking the total number of lost time accidents during a 12-month period, dividing it by the total number of actual working hours for the same period and then multiplying the result by 1,000,000. Serious accidents with lost time are also reported to local authorities as required by law.
Accident investigations monitor workplace incidents where a situation could have resulted in a workplace accident, known as "near misses." These are summarized in monthly overviews.

The metrics and methodologies remain unchanged compared with the previous period

METRICS RELATED TO OCCUPATIONAL HEALTH AND SAFETY [S1-14_88b,88c]	2025	2024
Number of fatalities caused by work-related injuries and work-related ill health	0	0
– HANZA employees	0	0
– Non-employees	0	0
Number of recordable work-related accidents – HANZA employees	55	29
Frequency of recordable work-related accidents – HANZA employees	10.26	NA
HANZA metric: Lost Time Injury Frequency Rate (LTIFR)	7.46	7.04
HANZA metric: Accident investigations/near misses	676	499

ACCOUNTING POLICIES: SOCIAL DIALOGUE
Workplace representation includes trade union representatives, non-union representatives and locally elected representation committees, with whom HANZA maintains close cooperation to implement operational decisions and coordinate communication between management and employees.

Coverage rate is based on the assumption that dialogues are held with all workplace representatives and that they occur to the same extent within HANZA as is local industry practice. In Sweden and Finland, collective agreements are common and trade union representatives are present at all HANZA workplaces. In Estonia, workplace representation is high, despite collective agreements being less common, since employees, in addition to trade union representatives, also elect non-union representatives for consultation. The situation is similar in Poland. In Germany, it is common for employees to be represented by locally elected representation committees, which is why it is assumed that more than 80 percent of employees are covered by workplace representation. In the Czech Republic, social dialogue is conducted through management, which is why the coverage rate is assumed to be 0 percent.

The metrics have not been validated by a third party.

Coverage rate %	Workplace representation (EEA only, for countries with >50 employees representing >10 percent of the total number of employees) [S1-8_63a]
0-19	Czech Republic
20-39	-
40-59	-
60-79	-
80-100	Finland, Sweden, Poland, Estonia, Germany

The effectiveness of the dialogues is monitored through annual employee engagement surveys, which evaluate employees' perceptions of communication and management feedback. The latest survey showed that dialogue is an area for improvement. [S1-4_38d] No target has been set due to the lack of comparable data.

S1-8 Collective bargaining coverage and social dialogue
HANZA has no agreements with employees regarding representation in a European Works Council or a works council in a European Company (SE) or European Cooperative (SCE). [S1-8_63b]

Work-life balance – subject to phase-in provisions

HANZA strives to create a flexible workplace that values employees' skills, diversity, and ideas by offering working arrangements that meet individual needs. The initiatives vary by location and may include parental leave and other flexible options, such as

hybrid work for parents, day shifts, or schedules adapted to childcare needs. As a general rule, overtime work is voluntary and must not exceed 12 hours per week or be requested on a regular basis. However, certain collective agreements may permit overtime and deviate from this rule.

No targets have been established for work-life balance. Employees' perception [S1-4_AR42] of work-life balance is evaluated in the employee engagement surveys. In 2025, the company's stability and reliability as an employer, as well as its genuine care for employee well-being, were highlighted, along with employees' appreciation of the flexible working hours and good working conditions that create a positive experience.

Equal treatment and opportunities for all

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions related to diversity, gender equality and equal pay, training and skills development, measures against violence, harassment and victimization

HANZA promotes a workplace where employees' skills, diversity, and ideas are fully valued. The company strives to increase gender balance among managers and ensure a safe and inclusive work environment free from discrimination and harassment. Diversity and inclusion strengthen HANZA's ability to grow and deliver strong results. A mix of experiences, perspectives, and backgrounds drives innovation, enhances recruitment opportunities, and helps the company better understand its customers.

HANZA complies with all national legal requirements and provides high-quality working conditions, as this has a positive impact on employees. Development ideas from employee engagement surveys and local safety committee meetings are shared between factories as best practices to continuously improve standards and exceed local regulations. [S1-4_39]

Several ongoing activities support this:

- Processes for inclusion, diversity, and equal opportunities ensure that employees feel valued and create inspiring and fulfilling work environments: [S1-4_38c]
  - Equal employment terms are provided for equivalent tasks. [AR42]
  - When recruiting candidates with equal qualifications, preference is given to the underrepresented gender.
  - Reasonable and feasible adjustments are made to support employees with disabilities.
- Processes against victimization and harassment prevent employees from being harmed and maintain employee trust in the organization. [S1-4_38a]
  - Internal campaigns are carried out to raise awareness of the reporting channel. [S1-4_38b]
  - Reported and suspected cases of harassment or discrimination are investigated and handled with the utmost confidentiality and care.
  - Perceived victimization is closely monitored. [S1-4_39]
  - Some leadership training programs have included organizational and psychosocial work environment topics, focusing on victimization and harassment.
- Processes for training and development increase employees' motivation and satisfaction with the workplace. [S1-4_38c]
  - The annual career development meetings between employees and their managers evaluate the perceived work environment, training needs, employees' goals in relation to development, and potential improvement measures. Updates to operational guidelines are also provided.
  - Internal talents and employees' development needs are identified, and internal opportunities are highlighted to promote internal recruitment before employees seek external positions, followed by a matching process with competency needs in other parts of the company.
  - The internal LEAN initiative, Operational Excellence, includes knowledge sharing through forums.

To complement and strengthen these processes, HANZA also organizes leadership training and employer branding initiatives aimed at reinforcing leadership and establishing a global HANZA culture. This includes an annual leadership conference and, in 2025, a leadership program for managers at executive and cluster levels focused on communicative leadership. In 2026, HANZA will introduce new leadership programs tailored to local needs, focusing on areas such as communication and feedback, labor law, work environment, and health.

Training sessions in local languages for onboarding and continuing education clarify that employees and managers share responsibility for maintaining an inclusive work environment.

These measures are ongoing and apply to all employees globally. Together, they also help reduce the risk of capacity shortages and lost business opportunities due to the company's inability to attract the right talents and skills. [S1-4_40a]

The processes are well integrated into HANZA's business model and primarily involve resources from global and local HR and management functions, which is why the allocated operating costs cannot be estimated. No other significant operating or capital costs are allocated.

Effectiveness is evaluated and verified annually through performance against targets, metrics, and results from the employee engagement survey below. [S1-4_38d,39,40a,40b]

- Diversity – S1-9 Diversity metrics, milestone for diversity and equal opportunities, results from the employee engagement survey showing high scores for internal collaboration and respect.
- Gender equality and equal pay – S1-16 Remuneration metrics, milestone for diversity and equal opportunities, results from the employee engagement survey indicating potential for improvement in communication and equal opportunities. No target for equal pay has been set due to the lack of comparable data, as parts of the salaries are based on individual performance and competence.
- Measures against violence, harassment, and victimization – milestone for non-discrimination, results from the employee engagement survey showing that the perception of the work environment has improved significantly every year since 2018.
- Training and development (subject to phase-in provisions) – Staff turnover is analyzed carefully to address recruitment challenges and ensure that appropriate measures are taken. No targets have been set due to the lack of comparable data.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities related to diversity, gender equality and equal pay, and measures against violence, harassment and victimization

HANZA has no targets. To ensure diversity and inclusion within the organization, HANZA's Board of Directors established three milestones in 2023 aimed at addressing employees' and customers' interest in these matters. In most countries, performance regarding discrimination is monitored and consultations are held with local safety committees, which include employee representatives. Regular discussions are also held with trade union representatives to identify areas for improvement and lessons learned. [S1-5_47b, 47c]

MILESTONES FOR EQUAL OPPORTUNITIES, DIVERSITY AND NON-DISCRIMINATION	The milestone's relation to HANZA's material impacts, risks and opportunities.	Milestone achievement	
		2025	2024
Zero confirmed cases of discrimination.	Through the target of zero confirmed cases of discrimination each year, HANZA strives to prevent all forms of discrimination, harassment and victimization in the workplace and to promote diversity and inclusion. [S1-5_44a]	Not achieved	Achieved
Annually increase the proportion of women in managerial positions.	By monitoring the proportion of women in managerial positions and achieving annual increases, HANZA strives to ensure diversity and equal opportunities throughout the company. [S1-5_44b]	Not achieved	Achieved
All employees in managerial positions must complete HANZA's diversity training course.	By requiring all managers to complete diversity training, HANZA aims to ensure leadership that is trained in and aware of inclusion. [S1-5_44a]	Not achieved	Not achieved

MILESTONE DEFINITIONS: EQUAL OPPORTUNITIES, DIVERSITY AND NON-DISCRIMINATION

Confirmed cases of discrimination are based on all cases of discrimination and harassment handled through the external whistleblowing channel or local HR (including HANZA's internal reporting channel) that have been confirmed as cases of discrimination. The milestone is achieved when there are zero cases.

Women in managerial positions refers to women with "formal managerial responsibility," see S1-9 Diversity metrics. The milestone is achieved when the proportion of women in managerial positions during the current year exceeds that of the previous period.

HANZA's diversity training course for managers refers to a training course that has not yet been completed for individuals with "formal managerial responsibility," see S1-9. The milestone is achieved when 100 percent have completed the training.

The milestone "Confirmed cases of discrimination" was expanded in 2025 to also include internal grievance channels.
Other milestones and metrics remain unchanged compared with the previous period.

S1-6 Characteristics of the Undertaking's Employees

HANZA's permanent employees represent 92 percent of the total workforce. The remainder consists of temporary agency workers (237 individuals). [S1-6_50a]The agency workers are recruited from staffing companies on short-term contracts during production peaks, enabling scalable production and reasonable working conditions for HANZA's personnel. [S1-6_AR58] During their time at HANZA, the agency workers are covered by the occupational health and safety management systems and certain other employee-related processes, such as the Code of Conduct and development opportunities, with the aim of integrating them as much as possible into HANZA's work standards and corporate culture to deliver high-quality service to customers. In 2025, the acquisition of the Leden Group affected the number of employees. [S1-6_50d,50e, AR60]

In 2026, HANZA will explore the potential for implementing a Group-wide HR system.

S1-9 Diversity metrics

At the end of 2025, women in managerial positions within HANZA accounted for 19 percent. The Group's gender distribution is 34 percent women and 66 percent men. Some occupational categories and clusters show a weaker balance, reflecting a broader challenge shared by the global manufacturing industry, where electronics are dominated by women and heavier mechanical work is dominated by men. [S1-9_66a,66b,AR71]

The total annual pay ratio for 2025 cannot be reported because payroll systems are local and data for the median salary at the Group level is unavailable. The ambition is to report the pay ratio in 2026. [S1-16_97b]

In 2025, HANZA had no system in place to monitor gender pay gaps at the Group level across different job categories. Reporting of gender pay gaps is mandatory in Sweden and Finland,

SOCIAL INFORMATION

EMPLOYEES [S1-6_50a] in countries with more than 50 employees	Unit: number
Sweden	697
Finland	601
Estonia	1,068
Germany	246
Poland	283
Czech Republic	183
China	63
TOTAL	**3,141**

HANZA employees [S1-6_50b]	2025			2024		
	Women	Men	Total	Women	Men	Total
Number of employees	1,075	2,066	3,141	1,092	1,486	2,578
Number of permanent employees	959	1,942	2,901	NA	NA	NA
Number of temporary employees	116	121	237	NA	NA	NA
Number of employees without guaranteed working hours	2	9	11	NA	NA	NA
Number of full-time employees	995	2,025	3,020	NA	NA	NA
Number of part-time employees	81	42	123	NA	NA	NA

Staff turnover [S1-6_50c] (excl. Leden)	2025	2024
Number of employees who have left HANZA	326	375
Staff turnover, %	13.4	15.6

ACCOUNTING POLICIES: EMPLOYEES

Number of employees – The employee information is derived from the clusters' country-specific payroll or HR systems, from which it is transferred to HANZA's Group reporting system. The number of employees is calculated as the number of employees at the end of the reporting period, with part-time employees counted as one employee. Employees who have been given notice are included until the end of their notice period, regardless of whether they have been released from all or part of their duties during that period. The figures presented do not correspond with the information in the Management Report (see Note 8 on page 121) for two reasons: The Management Report includes employees in Milectria and presents employees as an average number. [S1-6_50d(i),50d(ii),50f]

Employees by contract type – Permanent employees include all employees with indefinite-term contracts. Temporary employees include all employees with fixed-term contracts, mainly people contracted through third parties.

Employees by gender – represents the gender distribution based on HANZA's classification, where employees are categorized and counted as either women or men; the category "other" gender is not applied.

Staff turnover is calculated as the actual number of permanent employees who voluntarily left the company during the year. The staff turnover figures exclude Leden.

Staff turnover rate is calculated as the number of employees who left in relation to the number of employees at the beginning and end of the period, divided by 2. [S1-6_50d(ii)]

Age distribution is based on the number of permanent employees at year-end.

Assumptions and limitations regarding data quality – Reporting HANZA's workforce as the number of permanent employees at year-end results in an overestimation, since some employees work part-time, and an underestimation, since HANZA hires temporary staff during production peaks. As HANZA continuously makes acquisitions and adjusts its workforce through recruitment and rationalization depending on incoming orders, the total number of employees varies over time.

The metrics have not been validated by a third party.

The methodology is unchanged compared with the previous period.

AGE DISTRIBUTION AT HANZA employees	2025	
	Number	%
Employees under 30 years	563	18
Employees between 30 and 50 years	1,543	49
Employees over 50 years	1,035	33
Total	**3,141**	**100**

GENDER DISTRIBUTION AT HANZA Management level	2025				2024			
	Women	Men	Total	% women	Women	Men	Total	% women
Group management (HLT)	1	4	5	20	0	3	3	0
HANZA-specific: Formal managerial responsibility	40	175	215	19	52	136	188	28

but not in other countries where the Group operates. Systems will be implemented to comply with the EU Pay Transparency Directive. The goal is to publish a Group-wide report on gender pay gaps by 2027, including a breakdown by job category within HANZA. [S1-16_97c]

S1-17 Incidents, complaints and severe human rights impacts

HANZA's employees and other stakeholders can report any ethical concerns or breaches of the Code of Conduct or applicable legislation via the HANZA Hotline. The channel has been available to employees for several years to systematically handle reports of suspected policy violations, misconduct, or abuse of trust, or through the whistleblower function on HANZA's external website (see sections S1-3 and G1-1). Feedback to the whistleblower and protection against retaliation in accordance with the law are included in the procedures. [S1-17_103a,103b,103c,103d]

In 2025, there were 7 complaints via internal channels and 1 report vis the whistleblowing channel. [S1-17_103b] Following investigation, two cases were confirmed as harassment. Local actions have therefore been taken to promote a consistent and strong culture that ensures a safe and supportive work environment. No fines or damages have been imposed as a result of the incidents. [S1-17_103c]

REPORTS OF DISCRIMINATION WITHIN HANZA	2025	2024
Total number of incidents of discrimination including harassment [S1-17_103a]	5	0
Number of complaints submitted through channels for individuals in the company's own workforce to raise concerns (including grievance mechanisms) [S1-17_103b]	8	1
Fines and other compensation resulting from discrimination incidents or similar cases, SEK	0	0

No reports related to discrimination or human rights matters were received. No confirmed cases of severe human rights incidents related to HANZA's own workforce were identified in 2025, and no fines, penalties, or compensation related to human rights matters have been imposed. [S1-17_104a,104b]

DEFINITION OF MANAGEMENT LEVEL

Group management is defined as the HANZA Leadership Team (HLT), which consists of the CEO, CFO, COO, CSO and CHRO.

Formal managerial responsibility refers to individuals with direct reports.

ACCOUNTING POLICIES: HUMAN RIGHTS, DISCRIMINATION AND HARASSMENT **Human rights** refers to all confirmed cases of human rights violations (excluding discrimination) that have been investigated through the external whistleblower process and internal reporting channels.

Number of incidents of discrimination and harassment refers to confirmed cases of discrimination and harassment among HANZA employees, including temporary staff, that have been investigated based on reports submitted through HANZA's reporting channels.

Number of reports refers to the cases submitted through HANZA's reporting channels.

Fines imposed refers to fines, penalties or compensation paid to the victim or imposed through court rulings or as a result of legal violations arising from confirmed cases of discrimination or human rights violations.

The metrics have not been validated by a third party.

SOCIAL INFORMATION

ESRS S2 Workers in the value chain

Material impacts, risks and opportunities and their interaction with strategy and business model

As a contract manufacturer, HANZA affects workers in the value chain engaged in the extraction and processing of raw materials, manufacturing and transport in various parts of the world, working for suppliers of different sizes and significance to HANZA. Purchased goods such as steel and packaging are largely produced within the EU under well-regulated working conditions by suppliers whose labor practices are considered low-risk in terms of inequality and human rights violations compared with the rest of the world. A high-risk area is minerals and components primarily used in parts purchased within electronics, which pass through several supplier tiers, countries and continents before reaching HANZA. If subcontractors fail to comply with the HANZA Code of Conduct, there is a risk of human rights violations, for example people working under poor conditions, in unsafe environments, under coercion or as child laborers. The risks also include unequal pay, violations of labor rights, discrimination and harassment. These risks arise mainly in manufacturing and extraction in high-risk countries where the protection of human rights is weak. [S2.SBM-3_11a (iiii),11b,11c,12] Any evidence of such incidents constitutes a risk for HANZA, as it results in costs or lost business opportunities and requires actions to eliminate suspicions of deficient procurement processes. [S2.SBM-3_11e,13]

HANZA's strategy

HANZA focuses on promoting responsible sourcing and respect for human rights, as well as fair and healthy working conditions, as a key measure related to material impacts and risks. The company therefore conducts regular supplier evaluations, risk-based audits and collaborates with customers to evaluate and monitor suppliers' ability to provide good working conditions and equal treatment throughout the supply chain (see section G1-2). [S2.BP-2_17a]

Policies, processes, actions and tracking of effectiveness related to workers in the value chain – subject to phase-in provisions

Respect for human rights and fair working conditions is fundamental. HANZA is firmly convinced that companies perform better and become more efficient when their employees can carry out their work in a healthy and safe environment that complies with international standards and guidelines. HANZA shall not contribute to violations of human rights or labor rights, neither in its own operations nor in the procurement of goods and services, and shall take decisive action if such cases are identified. Policies have been established to safeguard the interests of customers and investors.

The HANZA Code of Conduct clarifies respect for human rights and labor rights, including the prohibition of child labor and forced labor, freedom of association and collective bargaining. Fair working conditions shall be promoted, including health and safety, zero tolerance for discrimination, reasonable working hours, and the right to a wage that meets or exceeds legal or industry minimum requirements. Equal treatment irrespective of gender or age and ensuring that all employees are treated with dignity and respect shall be guaranteed. HANZA opposes workplace violations such as unpaid overtime, human trafficking, prohibition of trade union rights and discrimination based on race, national or social origin, religion, disability, gender or gender identity, ethnicity, sexual orientation, age, family structure or marital status, trade union membership or political opinion. The rights of people and communities to an adequate standard of living and land rights shall be promoted. HANZA shall also counter violations related to certain minerals, known as conflict minerals. In line with the UN Guiding Principles on Business and Human Rights, HANZA prioritizes actions based on their severity, the ability to prevent them, the likelihood of their occurrence and whether the company contributes to them directly or indirectly through business relationships. HANZA shall engage with stakeholders through open dialogue.

The principles set out in the HANZA Code of Conduct are aligned with international frameworks such as the ILO Conventions, the OECD Guidelines for Multinational Enterprises, UN conventions (including the UN Convention against Corruption) and the UN Guiding Principles on Business and Human Rights, which encompass international conventions such as the ILO Convention on Freedom of Association and the UN Conventions on the Rights of the Child and on non-discrimination.

POLICIES related to value chain workers
HANZA Code of Conduct (see section S1-1)
Supplier Code of Conduct (see section E1-2)
Policy for Anonymous Whistleblowing (see section S1-3)

The Supplier Code of Conduct clarifies that suppliers operate under the same principles of human and labor rights, including anti-discrimination, prohibitions on child labor and forced labor (such as human trafficking) and fair working conditions. This includes health and safety standards and wages that meet or exceed national or industry minimum requirements. Suppliers must have policies, procedures and preventive measures that ensure safe working conditions, legal compliance and availability for audits. Non-compliance by the supplier or its subcontractors may result in termination of the business relationship.

The Policy for Anonymous Whistleblowing governs the external whistleblowing channel and ensures accountability for action. [S2.BP-2_17c]

HANZA's policies are available on the company's website and have been established to meet stakeholder interests.

HANZA has little or no direct contact with workers in the value chain. Contact occurs indirectly during the procurement process, where safe workplaces and fair working conditions are ensured. Feedback from human rights organizations forms the basis for the risk assessment conducted regarding specific markets for input materials.

All reported violations of the Supplier Code of Conduct or applicable regulations through the channels listed below result in immediate contact with the supplier's representatives. The

IRO Category			
Actual impact	Potential impact	Risks and opportunities	Description of material IRO
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...			
S2:1 Working conditions			
S2:1:2 Working time			
	■		...being exposed to unregulated working hours, which may lead to stress and health issues.
S2:1:3 Adequate wages			
	■		...receiving insufficient pay for their work or unpaid overtime, leading to precarious living conditions.
S2:1:5 Freedom of association			
	■		...being prevented from joining trade unions.
S2:1:6 Collective bargaining			
	■		...being negatively impacted by compensation determined without collective bargaining.
S2:1:7 Occupational health and safety			
	■		...being exposed to workplaces with inadequate safety systems and training, which may subject them to excessive health and safety risks involving a high risk of injury or fatal accidents.
S2:2 Equal treatment and opportunities for all			
S2:2:1 Gender equality and equal pay for work of equal value			
	■		...being exposed to potential inequalities in career progression and compensation.
S2:2:4 Measures against violence and harassment in the workplace			
	■		...being exposed to workplaces where violence, harassment and victimization are tolerated and people are harmed.
S2:2:5 Diversity			
	■		...being exposed to workplaces where diversity and inclusion are not prioritized, which may lead to an exclusionary work environment where vulnerable individuals are harmed.

IRO Category			
Actual impact	Potential impact	Risks and opportunities	Description of material IRO
If suppliers fail to comply with the HANZA Code of Conduct, workers in the supply chain risk...			
S2:3 Other work-related rights			
S2:3:1 Child labor			
	■		...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of child labor and violations of workers' rights.
S2:3:2 Forced labor			
	■		...in upstream activities involving mineral extraction and component manufacturing in high-risk countries, being exposed to instances of forced labor and violations of workers' rights.
		■	For HANZA, human rights violations linked to certain key input materials, individual suppliers or their subcontractors risk leading to costs or lost business opportunities, as such incidents require actions to eliminate suspicions of deficient procurement processes.

The overview lacks policies, actions, metrics and targets as S2 Workers in the value chain is subject to phase-in provisions.

supplier is expected to take corrective action and provide evidence of doing so. HANZA follows up on the incident until it is deemed resolved. If the supplier is unable to resolve the issue and meet HANZA's requirements, the contract with the supplier is terminated. To prevent negative impacts from unhealthy working conditions, manufacturing suppliers are encouraged to implement certified occupational health and safety management systems that also include necessary training. [S2. BP-2_17d] The effectiveness of these measures is primarily monitored through reported or investigated incidents related to human rights that have resulted in lawsuits, prosecutions or compensation payments, which in 2025 were zero. HANZA has not established any time-bound or specific targets for monitoring workers in the value chain. [S2.BP-2_17b]

For workers in the supply chain, HANZA has the following information channels:

- Engagement with new suppliers.
- Evaluation system (EcoVadis) for HANZA's key suppliers.
- Supplier evaluation in HANZA's internal assessment system, which focuses on workers' human rights and health and safety in workplaces.
- On-site audits.
- HANZA's whistleblowing channel.

HANZA's procurement principles regarding human rights also include the OECD Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, which must be followed by suppliers who are required to have a specific due diligence process to ensure the traceability of minerals. As part of the process, suspected violations are always investigated without delay. If such cases occur in the supply chain, necessary measures must be taken, such as requests for information, investigations and feedback. If no corrective action is taken, the collaboration is terminated (see section G1-2).

Governance information

Table of Contents	Pages
G1 Business conduct	88
Entity-specific: Information security	94

ESRS G1 Business conduct

HANZA's strategy

HANZA's relationships with customers, employees and the broader community are built on how it conducts itself internally and in business transactions. Strong business ethics is a prerequisite for sound business practices. In order to maintain confidence in HANZA, it is essential that the business is characterized by an unwavering commitment to maintaining the highest ethical standards, as guided by the HANZA Code of Conduct. Violations may undermine trust, damage relationships with stakeholders and result in lost revenue or increased financing costs. To prevent this, HANZA takes necessary actions, including providing confidential channels through which concerns about unethical behavior or non-compliance can be reported without risk of retaliation, as well as effectively preventing and detecting corruption and bribery, for example through Code of Conduct training.

As a contract manufacturer, HANZA purchases large volumes of raw materials and components, primarily from major distributors who, in turn, source from subcontractors. Regarding HANZA's impacts and risks within procurement, robust supplier evaluations are required, particularly to meet customer demands for product traceability and business conduct. Procurement processes that fail to meet customer requirements risk jeopardizing business opportunities and may result in lost revenue. HANZA also has some local small businesses as suppliers, primarily for services, where the company represents a significant customer. These suppliers benefit from transparent payment practices in accordance with industry standards.

Business conduct and corporate culture

G1-1 Business conduct policies and corporate culture

Corporate culture

The corporate culture is based on internal policies, communication and leadership development, as well as HANZA's values. All employees and representatives are expected to reflect this culture in their relationships with customers, colleagues, suppliers and other business partners. The values summarize the expectations employees have of one another in order for HANZA to achieve its vision of becoming a unique and value-creating manufacturing partner. The values are embedded in personnel policies, annual career development meetings and serve as an important starting point in factory acquisitions.

The annual employee engagement surveys measure employees' perceptions of HANZA's corporate culture.
In 2025, this received high ratings. The positive atmosphere and team camaraderie that contribute to a good workplace were among the aspects particularly highlighted. Many employees view HANZA as a good employer they would recommend to others. Insights related to corporate culture are discussed at quarterly internal conferences. [G1-1_9]

Mechanisms to ensure business ethics

HANZA has a robust system that ensures business ethics, anti-corruption, ethical behavior and compliance within the Group. The system consists of several functions. A description of some of these functions and their effectiveness is provided below in G1-3.

- Whistleblower function for reporting irregularities or non-compliance, including suspected corruption. The channel is available to both external and internal reporters. [G1-1_10c(i)]
- Training and awareness of HANZA's Code of Conduct within the company and throughout its value chain.
- A zero-tolerance policy on bribery as stated in HANZA's Code of Conduct, in line with the UN Convention against Corruption. [G1-1_10b]. Employees are not permitted to give or receive gifts intended to influence decisions. The functions most exposed to corruption risk are roles involving contact with suppliers and customers, covering fewer than 100 people within the Group. [G1-1_10h]
- Commitment to investigate all reports. Any report of misconduct or non-compliance, including suspected corruption, is always investigated independently and objectively by HANZA.
- Internal monitoring of reports. HANZA maintains a monitoring and documentation system for all internal and external issues reported, along with corresponding resolutions and actions. The number of reported cases via grievance channels and their investigation status are followed up in the CHRO's weekly reporting to the HLT. The CEO and CHRO receive notifications and ensure that cases are handled appropriately.
- Violations and non-compliance lead to appropriate actions. [G1-1_10a]

G1-3 Prevention and detection of corruption and bribery

Corruption and bribery are prevented through the following actions:

Whistleblower function

HANZA provides a confidential whistleblowing channel for reporting. Reports can be made in local languages, either directly in person (to managers or HR) or anonymously through a digital platform via an external service. The Policy for Anonymous Whistleblowing guarantees anonymity, protection against retaliation and confidentiality. [G1-1_10c(ii)] Reports must be evaluated within seven days. [G1-1_10e]. Initial reviews are carried out by an independent external partner. The internal investigation team operates based on principles of objectivity. [G1-3_18b] Feedback is provided to the reporter on the progress or outcome of the investigation within three months. A whistleblower committee — comprising the CHRO, CEO and local HR managers — collaborates with the independent partner to ensure appropriate follow-up. The number of reported cases via grievance

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policy and targets**	**Actions**	**Metrics**	**Targets**
			High standard of **business ethics** contributes to strong relationships with employees, customers, and the broader community. Damaged trust, in the event of any **violation of business ethics standards** or internal rules, may impair HANZA's relationships with customers, employees, the capital market and external stakeholders, potentially resulting in significant revenue losses and increased financing costs.	HANZA Code of Conduct: HANZA shall implement the Code of Conduct, maintain an active dialogue with stakeholders, uphold zero tolerance for bribery, report and communicate sustainability performance, provide a channel for reporting concerns and commit to investigating them.	• Trains, increases awareness of, and ensures employee access to the Code of Conduct. • Conducts annual employee engagement surveys to follow up on employees' perception of HANZA's corporate culture. • Requires suppliers to commit to complying with the Supplier Code of Conduct. • Reports sustainability performance transparently.	Proportion of employees who have been trained in or are familiar with the HANZA Code of Conduct.	No long-term target set Milestone set
			Deficiencies in **preventive work** and **detection of corruption** and bribery may damage trust within the organization and among stakeholders.	HANZA Code of Conduct: HANZA shall implement the Code of Conduct, provide a channel for reporting issues and commit to investigating them.	• Trains, increases awareness of and ensures employee access to the Code of Conduct, particularly for risk functions. • Gift prohibition. • Investigates suspected corruption through the whistleblower function.	*G1-4 Incidents of corruption or bribery.*	No long-term target set Milestone set
			Instances of non-compliance **regarding whistleblower protection** may harm not only individual people, but also trust in the entire business.	Policy for Anonymous Whistleblowing: Ensures the reporter's anonymity and protection against retaliation.	• Provides an external whistleblowing service managed by an independent partner. • Maintains a whistleblower committee that performs follow-ups.	Number of investigated whistleblowing reports.	No target or milestone set
			Reasonable payment terms benefit smaller local suppliers for whom HANZA is an important customer. **Procurement processes** that fail to meet customer requirements risk jeopardizing business opportunities.	HANZA Code of Conduct: HANZA shall provide a channel for reporting issues and commit to investigating them. Supplier Code of Conduct: Suppliers must share HANZA's and its customers' views on sustainability.	• Procurement process with a supplier evaluation system and self-assessment, improved monitoring in high-risk areas, and supplier audits at key suppliers.	• Proportion of suppliers that have confirmed the Supplier Code of Conduct. • Proportion of suppliers evaluated in EcoVadis. • *G1-6 Payment practices.*	No long-term target set Milestone set

POLICIES related to business conduct and business ethics
HANZA Code of Conduct (see section S1-1)
Policy for Anonymous Whistleblowing (see section S1-1)

channels and their investigation status are followed up in the CHRO's weekly reporting to the HLT. The Board of Directors is informed at the appropriate stage [G1-3_18a,18c]. In 2025, one report from the external whistleblowing channel was investigated, with no irregularities found.

Awareness and internal training in the HANZA Code of Conduct
All employees have access to the HANZA Code of Conduct on the mobile-friendly intranet "HANZA Hub." All new, re-employed and temporary employees receive training on the policy upon employment, while existing employees regularly receive instructions, training and information. [G1-1_10c(i)] HANZA's Quality function is responsible for conducting training sessions and communicating updates. In 2025, 100 percent of employees in risk functions within the Group, as well as management and the Board of Directors, had completed training. [G1-3_21b,21c] The training program is conducted every three years, or earlier if the Code is revised. [G1-1_10g; G1-3_21a] Suppliers are familiar with the Code, which the Supplier Code of Conduct – distributed to all suppliers – references. For other external stakeholders, the Code of Conduct is available on HANZA's external website.

Risk assessment
Risk assessments of irregularities and conflicts of interest are conducted regularly by management. To avoid suspicion of irregularities or corruption, HANZA is considering future training programs that include self-assessment of corruption risks, particularly for risk functions and certain managerial positions. [G1-3_18a]

HANZA's values

WE ARE FOCUSED – on ensuring that we can deliver what we have promised, and finish what we have started.

WE COMMUNICATE – which provides the basis for the implementation of our strategies and achievement of our goals.

WE ARE TEAM PLAYERS – we all work toward the same goal.

WE MAKE THINGS EASIER – we are always searching for new ways to improve and simplify what we do.

WE TAKE OWNERSHIP – by assuming responsibility, we can grow and develop.

The actions and mechanisms apply to the entire Group and are integrated into HANZA's business model. Their effectiveness is evaluated annually through milestones and metrics. The actions primarily involve resources from management and quality functions, and their operating costs therefore cannot be separately estimated. No other significant operating or capital costs are allocated. Policies have been established to safeguard stakeholder interests. [G1-3_]

ACCOUNTING POLICIES: CORRUPTION
Identified reports of corruption or other violations = all confirmed cases of corruption or bribery within HANZA have been investigated either through the external whistleblower process or internal whistleblower channels. Whistleblowing reports = a report submitted and investigated through the external whistleblower function.

The metrics have not been validated by a third party.

G1-4 Incidents of corruption or bribery
No cases of corruption or other violations have been identified within the Group. There are no convictions or ongoing legal proceedings regarding corruption or breaches of anti-bribery laws [G1-4_24a,24b], and no fines related to corruption have been imposed.

Targets related to business ethics and anti-corruption
In 2023, HANZA's Board of Directors established two milestones to ensure business conduct within HANZA. See next page.

G1-2 Management of relationships with suppliers

HANZA's procurement mainly consists of raw materials and components. These are primarily supplied by distributors of metals, chemicals and packaging, as well as electronic components, which in turn are purchased from subcontractors. A portion of HANZA's purchases is also delivered directly by manufacturers. In addition, HANZA engages a limited number of local suppliers for surface treatment services such as painting,

BUSINESS CONDUCT MILESTONES Business ethics and anti-corruption	The milestone in relation to HANZA's material impacts, risks and opportunities	Milestone achievement	
		2025	2024
All employees shall be informed annually about the HANZA Code of Conduct.	Reflects the objective of maintaining ethical business standards throughout the company and providing preventive anti-corruption training. It also helps prevent reputational damage.	Not achieved	Not achieved
Zero corruption incidents.	Reflects HANZA's zero tolerance for bribery and prevention of corruption.	Achieved	Achieved

MILESTONE DEFINITIONS:
BUSINESS ETHICS AND ANTI-CORRUPTION

All employees shall be informed annually about the HANZA Code of Conduct refers to the implementation of training on the Code throughout the Group, where all new, re-employed, and temporary employees receive training upon employment and participate in a training program every three years, or earlier if the Code is revised.

Zero corruption incidents refers to the number of identified cases of corruption, bribery, or non-compliance with internal guidelines for expenses related to activities intended to influence decision-making within HANZA.

The metrics and methodology are unchanged compared with the previous period.

passivation and galvanization. A total of approximately 3,000 suppliers deliver goods to HANZA.

HANZA strives for streamlined procurement that consolidates purchases with preferred suppliers while maintaining local distribution to reduce transportation. Heavy materials in mechanics are often purchased locally near the clusters. Raw materials in electronics are procured globally at Group level. HANZA's service purchases are limited, sourced locally and often linked to the clusters.

The Head of Global Strategic Sourcing is responsible for all material purchases in electronics and certain high-volume materials in mechanics, while the individual clusters purchase the remaining materials, which normally occurs locally and in smaller volumes. Each responsible purchasing organization manages supplier evaluations.

The Supplier Code of Conduct, which is based on the principles of the HANZA Code of Conduct, applies to all suppliers and defines minimum requirements. Suppliers must adhere to sustainability principles regarding the environment, human rights and labor law, fair working conditions and equal treatment. They must comply with national and international laws and regulations, including those on antitrust, bribery, financial crime and intellectual property rights. Suppliers are required to have compliance processes in place and be available for audits. Suppliers are responsible for all parts of their value chain; non-compliance may result in termination of the business relationship. The Policy on Conflict Minerals requires suppliers to disclose information about products containing conflict minerals. [G1-2_15a,15b]

The HANZA Code of Conduct states that HANZA must act honestly and with integrity in its dealings with other parties, such as suppliers. There are no specific policies addressing late payments, but HANZA complies with national and international legislation as well as industry standards, which also cover payment practices. [G1-2_14]

All the above policies are available on HANZA's website and have been established to safeguard stakeholder interests.

Procurement process [G1-2_15a,15b]

HANZA's largest suppliers undergo extensive evaluations. These evaluations cover policies, required environmental permits and processes related to environmental protection, health and safety, human rights and labor law, fair working conditions and equal treatment, as well as business ethics. Regular monitoring is performed through the supplier evaluation system (EcoVadis), and the results are presented in detailed scorecards.

HANZA has also implemented a process requiring new suppliers to complete a self-assessment regarding sustainability in HANZA's internal evaluation system, Kodiak Hub. The assessment focuses on employees' human rights and health and safety in the workplace. In addition, suppliers must either sign HANZA's Code of Conduct or allow HANZA to review and approve their own Code of Conduct.

Furthermore, HANZA conducts several on-site supplier audits each year to verify compliance with the Supplier Code of Conduct. Audits are performed based on HANZA's risk assessment regarding quality and sustainability management systems.

The procurement framework has been implemented in recent years and has significantly improved the quality of supplier evaluations. It builds on previous systems that assessed certain ESG topics. Going forward, HANZA intends to conduct annual evaluations of selected suppliers to ensure continuous improvements.

Shortcomings such as weak processes or poor results require corrective actions. If issues persist, the collaboration is terminated.

In certain identified high-risk areas, enhanced monitoring measures are undertaken:

- For the procurement of electronic components containing conflict metals, responsible sourcing from approved metal suppliers and relevant certifications are required. HANZA's due diligence process includes the following steps:
  - Internal identification of goods containing conflict minerals.
  - Requests to suppliers of such goods for Conflict Mineral Reporting Templates (CMRT), including information on the relevant smelters and refiners.
  - An internal process for assessing whether the certifications correspond to responsible sourcing in relation to human rights in mineral extraction (based on high-risk Smelters or Refiners (SORs) under the Responsible Minerals Initiative, and "conflict-affected areas" as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act, July 2010, and the EU Conflict Minerals Regulation).
- In cases of suspected hazardous substances, material safety data sheets are requested from suppliers (see section E2-4 Substances of very high concern).
- Customers may request specific certificates of origin due to international sanctions, trade embargoes, etc., or corrective actions in high-risk areas.

In cases of non-compliance, the supplier is expected to take corrective actions; otherwise, the contract with the supplier is terminated.

No supplier contracts were terminated in 2025 due to non-compliance.

Policies related to management of relationships with suppliers

Background	Contents	Scope/key stakeholders	Responsibility
HANZA Code of Conduct (see section S1-1)			
Supplier Code of Conduct (see section E1-2)			
Environmental Policy (see Section E1-2)			
Policy on Conflict Minerals			
Managing obligations regarding conflict minerals is part of HANZA's business conduct and corporate responsibility. HANZA shall comply with and protect the environment, labor rights, human rights, and business ethics, and ensure that these are also upheld by suppliers, consultants, and other representatives.	HANZA is aware of the risks associated with purchasing minerals from conflict and high-risk areas, where such trade often contributes to human rights violations, environmental damage, and conflicts. HANZA is committed to: • responsible sourcing of minerals, including 3TG, using the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. • evaluating suppliers through HANZA's Supplier Code of Conduct and responsible sourcing of traceable conflict minerals to ensure that no conflicts are financed in the countries where they are extracted. • using the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) to collect and exchange supply chain information. HANZA's suppliers shall provide an updated CMRT upon request. If HANZA identifies smelters or refiners that do not meet the requirements within its supply chain, all reasonable measures will be taken to ensure they are removed from the supply chain.	Applies to all HANZA's counterparties, including suppliers, subcontractors, joint venture partners, agents, distributors and their employees.	The COO is responsible for implementing the policy.

Milestones related to supplier evaluation

In 2023, the Board of Directors established milestones for supplier evaluations, which are followed up annually. See page 93.

G1-6 Payment practices

HANZA strives for fair supplier management and to honor agreed terms with its partners, such as paying suppliers according to agreed payment terms, which generally follow industry standards and vary depending on sector, supplier and country. For key suppliers, specific agreements are negotiated as part of the business relationship. [G1-2_33b] Currently, HANZA does not track statistics on the proportion of payments made within standard terms or the Group's average payment period. In general, suppliers are paid on time, although delays may occur due to circumstances such as incorrect invoice information. In 2025, HANZA was not involved in any ongoing legal proceedings related to late payments. [G1-6_33c]

PAYMENT PRACTICES Type of supplier	Payment terms
HANZA's significant suppliers	Generally 90 days
Other suppliers	Industry standard

SUPPLIER RELATIONSHIP MILESTONES	The milestones' relation to HANZA's material impacts, risks and opportunities	Milestone achievement	
		2025	2024
All HANZA's suppliers shall confirm the Supplier Code of Conduct.	Ensures supplier compliance with the Supplier Code of Conduct.	Not achieved	Not achieved
Each year, the proportion of suppliers (in terms of costs) evaluated in EcoVadis shall increase.		Achieved	Not applicable

MILESTONE DEFINITIONS: SUPPLIERS

All HANZA's suppliers shall confirm the Supplier Code of Conduct refers to the proportion of suppliers that have signed the Supplier Code of Conduct or had their own code reviewed and approved by HANZA. 100% for milestone fulfillment. The milestone, metrics and methodology are unchanged compared with the previous period.

Each year, the proportion of suppliers (in terms of expenditures) evaluated in EcoVadis shall increase refers to the percentage of suppliers, in terms of HANZA's costs, that have been evaluated in EcoVadis. To be achieved, the proportion for the current year must exceed that of the previous year. The milestone has been reworded compared with the previous year. It has replaced "Annual audits shall be carried out of significant suppliers via EcoVadis to ensure compliance with the Supplier Code of Conduct" to improve methodology.

Entity-specific: Information security

HANZA's strategy

As a supplier and contract manufacturer, HANZA's ability to ensure information security is crucial for both trust and competitiveness. HANZA manages information about customers' components in their products, including drawings and other shared documentation. These intangible assets must be protected; otherwise, customers may suffer consequences. A sharp increase in attempted cyber intrusions targeting authorities and large companies has heightened the importance of secure data management. Cyber intrusions that do not involve customers' intangible assets can also cause production stoppages, harming HANZA and its customers. These cyber intrusions also pose a risk to HANZA, as they lead to internal costs from production downtime and lost revenue. To address these risks and potential impacts from cyber intrusions, HANZA has implemented an information security management system that includes several preventive measures.

Information Security Policy

The Information Security Policy aims to protect HANZA's and its customers' intellectual property rights and, indirectly, to meet customer requirements for timely delivery. It refers to approximately 20 internal information security guidelines and is intended to maintain confidentiality and integrity when HANZA's employees handle customer or personal data for purposes other than those agreed upon. The guidelines cover access control to information resources, data backup, incident management, network security, and other related areas. All applications, systems, or services that HANZA purchases or implements must have a security plan and budget for their entire life cycle. Confidentiality of assets and customer security requirements must be ensured. Any exceptions to the policy must be approved by either the CEO or the Head of Information Security, depending on the nature of the exception. HANZA must also be transparent about how information is collected, used, and secured. The objective is to provide information security that meets high international standards and to comply with the strictest international requirements for information security and customer data protection by adhering to clearly defined responsibilities and roles at all HANZA facilities, among suppliers, and others with access to HANZA's systems.

The Information Security Policy is linked to the ISO-certified management system implemented by HANZA to address increasing risks of cyber intrusions and potential damage. Today, HANZA's customers require a robust information security system. The policy and guidelines, primarily intended for HANZA's employees, are available on the company's intranet.

Actions and metrics related to information security

Systematic information security efforts aim to ensure secure internal procedures and assess risks, including data breaches. The Information Security Management System (ISMS), certified

IRO Category							
Actual impact	**Potential impact**	**Risks and opportunities**	**Description of impacts, risks and opportunities**	**Policy and targets**	**Actions**	**Metrics**	**Targets**
			Potential **data leaks involving sensitive customer information may** pose financial risks for both HANZA and its customers, including their employees and owners. **Data breaches, data loss or ransomware attack**s can undermine customers' trust in HANZA and cause loss of revenue. Intrusions also contribute to internal costs due to production stoppages.	Information Security Policy: Protect the confidentiality and integrity of HANZA's and customers' information. Procedures ensuring the availability of assets/systems for a resilient and continuous manufacturing process.	• Information Security Management System (ISMS) certified under ISO 27001. • Internal training to improve employees' awareness of information security. • Maintain the availability of internal servers.	Proportion of employees who have completed the training. Hours of server availability.	No target set

POLICIES related to information security

Information Security Policy

Background	Contents	Scope/key stakeholders	Responsibility
Covers key principles and procedures for protecting the confidentiality and integrity of HANZA's and customers' information, as well as ensuring the availability of assets and systems for a resilient and continuous manufacturing process. Sets out and refers to several internal guidelines, principles, and procedures for data and information security. The purpose is to define the scope, objectives, and principles of the information security management system.	Scope: All HANZA companies, their physical locations, core and support processes, related people and assets, including HANZA's and its customers' information assets. Fulfilment criteria will be established by HANZA's management and monitored through specific KPIs. Information security shall be: • integrated throughout the life cycle of information systems, services, and applications, • considered in all projects, • implemented with a similar approach across all locations. Confidentiality and classification of assets, as well as customers' security requirements, shall be adhered to.	HANZA's employees, HANZA's customers.	The CEO is responsible for implementation.

under ISO 27001 and implemented across the Group in 2021, ensures compliance with procedures and policies and increases employees' awareness of intrusion risks. At the end of 2025, HANZA's head office and administrative offices in Sweden and Estonia, together with three factories in Sweden and the Baltics, had achieved certification.

HANZA therefore conducts continuous internal training to raise employee awareness of information security and phishing attempts, and to ensure that server availability exceeds the levels defined in the SLA. Each activity is followed up with metrics compared to fulfilment criteria to ensure appropriate levels of secure systems. In 2025, the fulfilment criteria were met.

The Group-wide IT function, including the helpdesk, operates at the factory in Tartu, Estonia. Data management routines are integral parts of the existing business model and cannot be estimated separately. Investments in equipment and licenses for more detailed network control and authentication, together with costs for third-party remote access management solutions, exceeded SEK 1 million in 2025 (included in Other external costs on page 104 in the financial statements). Future financial resources have not been allocated.

Actions and metrics related to information security

Activity	Metrics	Fulfilment criteria, %	Achievement 2025, %
Maintain server availability above the levels defined in the SLA.	Hours of server availability.	>98	99.99

ACCOUNTING POLICIES: INFORMATION SECURITY

Server availability time is based on possible downtime automatically reported by the servers.

ESRS index

Disclosure Requirement		More information	Page
BP-1	General basis for preparation of the sustainability statements		25
BP-2	Disclosures in relation to specific circumstances		26-27
GOV-1	The role of the administrative, management and supervisory bodies	Corporate Governance Report p. 19, 22-23	28-29
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		28-30
GOV-3	Integration of sustainability-related performance in incentive schemes	Management Report p.16	30
E1 ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes		30
GOV-4	Statement on due diligence		30
GOV-5	Risk management and internal controls over sustainability reporting		30
SBM-1	Strategy, business model and value chain		31-33
SBM-2	Interests and views of stakeholders		33-35
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Phase-in § 48(e)	35-44
E1 ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		44, 53
E4 ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		65
S1 ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		35, 71
S2 ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		35, 85
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		45-46
E1 ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		53
E2 ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities		47
E4 ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities		47
E5 ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		47
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements		48, 96-102
Environmental information			
ESRS E1	**Climate change**		
E1-1	Transition plan for climate change mitigation		55
E1-2	Policies related to climate change mitigation and adaptation		55-56
E1-3	Actions and resources related to climate change policies		57
E1-4	Targets for climate change mitigation and adaptation		53, 58
E1-5	Energy consumption and mix		59
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions		60-61
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not relevant	
E1-8	Internal carbon pricing	Not relevant	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in	

ESRS INDEX

Disclosure Requirement		More information	Page
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)			49-52
ESRS E2	**Pollution**		
E2-1	Policies related to pollution		56, 62
E2-2	Actions and resources related to pollution		62, 64
E2-3	Targets related to pollution	Not applicable	
E2-4	Pollution of air, water and soil	Not applicable	
E2-5	Substances of concern and substances of very high concern		62-64
E2-6	Anticipated financial effects from pollution-related risks and opportunities	Phase-in	
ESRS E4	**Biodiversity and ecosystems**		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		65
E4-2	Policies related to biodiversity and ecosystems		65
E4-3	Actions for biodiversity and ecosystems		65
E4-4	Targets for biodiversity and ecosystems	See E1 Climate change	
E4-5	Impact metrics related to biodiversity and ecosystems change	See E1 Climate change	
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	Phase-in	
ESRS E5	**Resource use and circular economy**		
E5-1	Policies related to resource use and circular economy		66
E5	Actions and resources related to resource use and circular economy		66, 68

Disclosure Requirement		More information	Page
ESRS E5	**Resource use and circular economy**		
E5-3	Targets for resource use and circular economy		68
E5-4	Resource inflows		69
E5-5	Resource outflows		70
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	Phase-in	
Social information			
ESRS 1	**Own workforce**		
S1-1	Policies related to own workforce		74-76
S1-2	Processes for engaging with own workforce and workers' representatives about impacts		77
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns		77
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		78-79, 81
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		78-79, 81-82
S1-6	Characteristics of the Undertaking's Employees		82-84
S1-7	Characteristics of non-employees in the undertaking's own workforce	Phase-in	
S1-8	Collective bargaining coverage and social dialogue	Only material for the social dialogue IRO	79-80
S1-9	Diversity metrics		82, 84

ESRS INDEX

Disclosure Requirement		More information	Page
Social information			
ESRS 1	**Own workforce**		
S1-13	Training and skills development metrics	Phase-in	
S1-14	Health and safety metrics	Phase-in § 88 (d), (e) and non-employees	79-80
S1-15	Work-life balance	Phase-in	80
S1-16	Remuneration metrics		82
S1-17	Incidents, complaints and severe human rights impacts		84
ESRS 2	**Workers in the value chain**		**87**
S2-1	Policies related to value chain workers	Phase-in subject to Quick Fix	
S2-2	Processes for engaging with value chain workers about impacts	Phase-in subject to Quick Fix	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Phase-in subject to Quick Fix	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Phase-in subject to Quick Fix	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase-in subject to Quick Fix	

Disclosure Requirement		More information	Page
Governance information			
ESRS G1	**Business conduct**		
G1-1	Business conduct policies and corporate culture		88, 92
G1-2	Management of relationships with suppliers		90-92
G1-3	Prevention and detection of corruption and bribery		88, 90
G1-4	Confirmed incidents of corruption or bribery		90
G1-6	Payment procedures		92-93
Entity-specific: Information security			94-95

Datapoints derived from other EU legislation

The table below contains all datapoints derived from other EU legislation in accordance with ESRS 2 Annex B, indicating where the datapoints can be found in our report and which datapoints are assessed as "not material."

Disclosure Requirement and related data point			SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Corporate governance report	22
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Corporate gover-nance report	19
ESRS 2 GOV-4	30	Statement on due diligence	x					30
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		No revenue	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		No revenue	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		No revenue	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		No revenue	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x		53, 55
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Not exempt	
ESRS E1-4	34	GHG emission reduction targets	x	x	x			58
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x					59
ESRS E1-5	37	Energy consumption and energy mix	x					59
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x					59
ESRS E1-6	44	Gross Scope 1,2,3 and Total GHG emissions	x	x	x			60-61
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x			60-61
ESRS E1-7	56	GHG removals and carbon credits				x	Not relevant	

ESRS INDEX

Disclosure requirement		Datapoint	SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Phase-in	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk. Location of significant assets at material physical risk		x			Phase-in	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Phase-in	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phase-in	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Not material	
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m 3 per net revenue on own operations	x				Not material	
ESRS 2-SBM 3 - E4	16 (a) i		x					47
ESRS 2-SBM 3 - E4	16 (b)		x					47
ESRS 2-SBM 3 - E4	16 (c)		x					47
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	x					70

ESRS INDEX

Disclosure requirement		Datapoint	SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS E5-5	39	Hazardous waste and radioactive waste	x					70
ESRS 2-SBM3 - S1	14 (f)	Risk of incidents of forced labor	x					71
ESRS 2-SBM3 - S1	14 (g)	Risk of incidents of child labor	x					71
ESRS S1-1	20	Human rights policy commitments	x					74-76
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			x			74
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x					74
ESRS S1-1	23	Workplace accident prevention policy or management system	x					75
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x					77
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x			80
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Phase-in	
ESRS S1-3	32 (c)	Grievance/complaints handling mechanism	x					77
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x			82, 84
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x					82
ESRS S1-17	103 (a)	Incidents of discrimination	x					84
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Not material	
ESRS 2-SBM3 – S2	11 (b)	Significant risk of child labor or forced labor in the value chain	x					85
ESRS S2-1	17	Human rights policy commitments	x					74
ESRS S2-1	18	Policies related to value chain workers	x				Phase-in	76

ESRS INDEX

Disclosure requirement		Datapoint	SFDR reference	Pillar 3 reference	Reference to the Benchmarks Regulation	Reference to EU climate legislation	Section or information	Page
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Phase-in	74
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			x		Phase-in	74
ESRS S2-4	36	Human rights matters and human rights cases linked to the company's upstream and downstream value chain	x				Phase-in	
ESRS S3-1	16	Human rights commitments	x				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Not material	
ESRS S3-4	36	Human rights matters and incidents	x				Not material	
ESRS S4-1	16	Policies related to consumers and end-users	x				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x	x	x		Not material	
ESRS S4-4	35	Human rights matters and incidents	x				Not material	
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x					88
ESRS G1-1	§10 (d)	Protection of whistleblowers	x					76, 88
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x			90
ESRS G1-4	§24 (b)	Standards of anti-corruption and anti-bribery	x					90

Financial statements

Contents

Consolidated income statement	104
Consolidated statement of comprehensive income	104
Consolidated balance sheet	105
Consolidated statement of changes in equity	106
Consolidated statement of cash flows	107
Parent Company income statement	108
Parent Company statement of comprehensive income	108
Parent Company balance sheet	109
Parent Company statement of changes in equity	110
Parent Company statement of cash flows	111
Notes	112
Declaration	144
Auditor’s Report	145
Auditor's Limited Assurance Report On HANZA AB'S Sustainability Report	150
CFO’s statement and the share	152
The share and ownership structure	153
Five-year overview	155
Definitions and key performance indicators	156
Addresses	157

GROUP

Consolidated income statement

Amounts in SEK million	Note	Jan-Dec 2025	Jan-Dec 2024
Net sales	5, 6	**6,025**	**4,851**
Raw material and supplies		-3,353	-2,722
Change in inventories in production, finished goods and work in progress on behalf of others		21	-80
Other external costs	7	-709	-522
Personnel costs	8, 29	-1,362	-1,142
Depreciation, amortization and impairment	15, 28	-242	-169
Other operating income and expenses	9	68	57
Operating profit (EBITA)	6, 10	**448**	**273**
Amortization and impairment of intangible assets	14	-35	-34
Operating profit (EBIT)		**413**	**239**
Profit/loss from financial items			
Financial income and expenses		-130	-114
Financial items – net	10, 11	**-130**	**-114**
Profit/loss before tax		**283**	**125**
Income tax	12	-37	-14
Profit for the year		**246**	**111**

Profit for the year is attributable in its entirety to the shareholders of the parent company

Earnings per share, calculated on profit or loss attributable to the shareholders of the parent company			
Earnings per share before dilution, SEK	13	5.40	2.55
Earnings per share, diluted, SEK	13	5.38	2.54

Consolidated statement of comprehensive income

Amounts in SEK million	Note	Jan-Dec 2025	Jan-Dec 2024
Profit for the year		**246**	**111**
Other comprehensive income			
Items that will not to be reversed in profit or loss			
Remeasurement of post-employment benefits	29	2	-
Tax on items not to be reversed in profit or loss		-	-
Total items not to be reversed in profit or loss, net of tax		**2**	**-**
Items that can subsequently be reversed in profit or loss			
Exchange rate differences on translation of foreign subsidiaries		-77	33
Total items that can subsequently be reversed in profit or loss, net of tax		**-77**	**33**
Other comprehensive income for the year		**-75**	**33**
COMPREHENSIVE INCOME FOR THE YEAR		**171**	**144**

Comprehensive income is attributable in its entirety to the shareholders of the parent company

GROUP

Consolidated balance sheet

Amounts in SEK million	Note	Dec. 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Goodwill	14	798	529
Other intangible assets	14	249	135
Buildings and land	15	588	418
Machinery and equipment	15	663	484
Right-of-use assets	28	612	282
Other financial assets		3	2
Deferred tax assets	16	38	37
Total non-current assets		**2,951**	**1,887**
Current assets			
Inventory	18	1,304	1,137
Accounts receivable	19	399	213
Current tax assets		36	25
Other receivables	20	76	63
Prepaid expenses and accrued income	21	51	36
Cash and cash equivalents		490	276
Total current assets		**2,356**	**1,750**
TOTAL ASSETS		**5,307**	**3,637**

Amounts in SEK million	Note	Dec. 31, 2025	Dec 31, 2024
EQUITY	22		
Equity attributable to parent company shareholders			
Share capital		4	4
Other paid-in capital		1,124	924
Reserves		34	109
Retained earnings including profit for the year		652	443
Total equity		**1,814**	**1,480**
LIABILITIES			
Non-current liabilities			
Post-employment benefits	29	88	102
Deferred tax liabilities	16	113	79
Liabilities to credit institutions	23	1,384	601
Other interest-bearing liabilities	23	37	-
Lease liabilities	23, 28	475	166
Total non-current liabilities		**2,097**	**948**
Current liabilities			
Liabilities to credit institutions	23	60	161
Lease liabilities	23, 28	98	73
Other interest-bearing liabilities	23	47	6
Accounts payable		726	590
Tax liabilities		44	32
Other liabilities	24	173	158
Accrued expenses and deferred income	25	248	189
Total current liabilities		**1,396**	**1,209**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,307**	**3,637**

GROUP

Consolidated statement of changes in equity

Amounts in SEK million	Note	Share capital	Other paid-in capital	Reserves	Retained earnings including profit for the year	Total equity
Opening balance as of January 1, 2024		**4**	**881**	**76**	**384**	**1,345**
Profit for the year		–	–	–	111	111
Other comprehensive income						
Other comprehensive income before tax		–	–	33	–	33
Tax on items in other comprehensive income		–	–	–	–	–
Total comprehensive income		**0**	**0**	**33**	**111**	**144**
Transactions with shareholders						
New share issue		–	40	–	–	40
Share-savings scheme 2025		–	4	–	–	4
Issue costs		–	-1	–	–	-1
Dividend		–	–	–	-52	-52
Total contributions from and distributions to shareholders, recognized directly in equity		**–**	**43**	**–**	**-52**	**-9**
Closing balance as of December 31, 2024		**4**	**924**	**109**	**443**	**1,480**
Opening balance as of January 1, 2025		**4**	**924**	**109**	**443**	**1,480**
Profit for the year		–	–	–	246	246
Other comprehensive income						
Other comprehensive income before tax		–	–	-75	–	-75
Tax on items in other comprehensive income		–	–	–	–	-
Total comprehensive income		**0**	**0**	**-75**	**246**	**171**
Transactions with shareholders						
New share issue		–	196	–	–	196
Share-savings scheme 2025		–	5	–	–	5
Issue costs		–	-1	–	–	-1
Dividend		–		–	-37	-37
Total contributions from and distributions to shareholders, recognized directly in equity		**–**	**200**	**–**	**-37**	**163**
Closing balance as of December 31, 2025		**4**	**1,124**	**34**	**652**	**1,814**

Share capital development and dividends paid are shown in Note 22.

GROUP

Consolidated statement of cash flows

Amounts in SEK million	Note	2025	2024
Cash flow from operating activities			
Profit/loss after financial items	30	283	125
Depreciation, amortization and impairment	6	277	203
Other non-cash items	30	-57	-35
Income tax paid		-36	-50
Cash flow from operating activities before changes in working capital		**467**	**243**
Cash flow from change in working capital			
Change in inventories		18	227
Change in accounts receivable		91	140
Change in current receivables		-11	-
Change in accounts payable		20	-6
Change in current liabilities		-68	-35
Total change in working capital		**50**	**326**
Cash flow from operating activities		**517**	**569**
Cash flows from investing activities			
Business combinations	31	-370	-367
Investments in intangible assets	14	-2	-3
Investments in property, plant and equipment	15, 30	-200	-264
Disposals of property, plant and equipment		5	2
Cash flows from investing activities		**-567**	**-632**
Cash flow from financing activities			
New share issue	22	-	39
New loans	23, 30	1,811	563
Repayment of loans	23, 30	-1,496	-562
Other		-6	-
Dividend		-37	-52
Cash flow from financing activities		**272**	**-12**

Amounts in SEK million	Note	2025	2024
Decrease/increase in cash and cash equivalents		**222**	**-75**
Cash and cash equivalents at beginning of year		276	340
Exchange differences in cash and cash equivalents		-8	11
Cash and cash equivalents at end of year		**490**	**276**

Parent Company income statement

Amounts in SEK million	Note	2025	2024
Operating income	32	**53**	**37**
Other external costs	7, 32	-28	-22
Personnel costs	8	-30	-15
Total operating expenses		**-58**	**-37**
Operating profit		**-5**	**0**
Profit/loss from financial items			
Profit/loss from shares in group companies	11, 33	40	-
Other interest income and similar income items	11, 32	66	46
Interest expense and similar items	11, 32	-78	-56
Total profit/loss from financial items		**28**	**-10**
Profit/loss after financial items		**23**	**-10**
Appropriations	34	60	45
Profit/loss before tax		**83**	**35**
Tax on profit for the year	12	-9	-7
Profit for the year		**74**	**28**

Parent Company statement of comprehensive income

Amounts in SEK million	Note	2025	2024
Profit for the year		**74**	**28**
Other comprehensive income, net of tax, for the year		**-**	**-**
Total comprehensive income for the year		**74**	**28**

PARENT COMPANY

Parent Company balance sheet

Amounts in SEK million	Note	Dec. 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	33	1,486	759
Non-current receivables from group companies	32	438	428
Total financial assets		**1,924**	**1,187**
Total non-current assets		**1,924**	**1,187**
Current assets			
Current receivables			
Receivables on group companies		426	251
Current tax assets		2	2
Prepaid expenses and accrued income	21	27	24
Total current receivables		**456**	**277**
Cash and cash equivalents			
Cash and bank balances		161	154
Total cash and cash equivalents		**161**	**154**
Total current assets		**617**	**431**
TOTAL ASSETS		**2,540**	**1,618**

Amounts in SEK million	Note	Dec. 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES			
Equity	22		
Restricted equity			
Share capital		5	4
Total restricted equity		**5**	**4**
Unrestricted equity			
Share premium reserve		853	667
Profit for the year		74	28
Total unrestricted equity		**927**	**695**
Total equity		**931**	**699**
Untaxed reserves			
Tax allocation reserves	34	2	2
Total untaxed reserves		**2**	**2**
Non-current liabilities			
Liabilities to credit institutions	23	1,257	504
Other interest-bearing liabilities		39	-
Total non-current liabilities		**1,296**	**504**
Current liabilities			
Liabilities to credit institutions	23	-	135
Other interest-bearing liabilities		42	-
Accounts payable		5	7
Tax liabilities		14	7
Liabilities to Group companies		211	235
Other liabilities	24	3	3
Accrued expenses and deferred income	25	36	26
Total current liabilities		**311**	**413**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,540**	**1,618**

Parent Company changes in shareholders' equity

	Restricted equity		Unrestricted equity	Total equity
Amounts in SEK million	**Share capital**	**Share premium reserve**	**Retained earnings including profit for the year**	
Opening balance as of January 1, 2024	**4**	**674**	**6**	**684**
Comprehensive income				
Profit for the year	-	-	28	28
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**28**	**28**
Transactions with shareholders				
New share issue	-	40	-	40
Issue costs	-	-1		-1
Allocation of profits	-	-46	46	-
Dividend	-	-	-52	-52
Closing balance as of December 31, 2024	**4**	**667**	**28**	**699**
Opening balance as of January 1, 2025	**4**	**667**	**28**	**699**
Comprehensive income				
Profit for the year	-	-	74	74
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**74**	**74**
Transactions with shareholders				
New share issue	-	196	-	196
Issue costs	-	-1	-	-1
Allocation of profits	-	-9	9	-
Dividend	-	-	-37	-37
Closing balance as of December 31, 2025	**4**	**853**	**74**	**931**

Share capital development is shown in Note 22.

Parent Company statement of cash flows

Amounts in SEK million	Note	2025	2024
Cash flow from operating activities			
Profit/loss after financial items		23	-10
Other non-cash items	30	-10	-
Group contributions received		45	8
Tax paid		-3	-3
Cash flow from operating activities before changes in working capital		**55**	**-5**
Cash flow from change in working capital			
Change in current receivables		-163	-1
Change in current liabilities		8	11
Total change in working capital		**-155**	**10**
Cash flow from operating activities		**-100**	**5**
Cash flows from investing activities			
Acquisition of subsidiaries		-448	-382
Shareholder contributions to subsidiaries	33	-	-
Cash flows from investing activities		**-448**	**-382**
Cash flow from financing activities			
New share issue	22	-	39
New loans	23	1807	500
Repayment of borrowings	23	-1205	-234
Dividend		-37	-52
Change in non-current receivables from group companies		-10	114
Cash flow from financing activities		**555**	**367**
Decrease/increase in cash and cash equivalents		**7**	**-10**
Cash and cash equivalents at beginning of year		154	164
Cash and cash equivalents at end of year		**161**	**154**

Notes

Amounts in SEK million, unless otherwise specified.

NOTE 1 General information

HANZA AB (the parent company), corporate identity number 556748-8399, is a public limited company with its registered office in Stockholm, Sweden. The group is an industrial player and business partner in the contract manufacturing sector that offers its customers a combination of consultancy and customized manufacturing solutions within mechanics and electronics.

These consolidated accounts and annual accounts were approved for publication by the Board of Directors on March 25, 2026. The consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be submitted for approval at the Annual General Meeting on May 12, 2026.

All amounts are presented in millions of SEK (SEKm) unless otherwise stated. Figures in parentheses refer to the previous year.

NOTE 2 Summary of important accounting policies

The most important accounting policies applied in the preparation of these consolidated accounts are set out below. Unless otherwise specified, these principles have been applied consistently for all years presented.

2.1 Basis for the preparation of the reports

The consolidated financial statements of the HANZA AB Group have been prepared in accordance with IFRS Accounting Standards (International Financial Reporting Standards issued by the International Accounting Standards Board IASB) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU, the Swedish Sustainability and Financial Reporting Board, RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The going concern assumption has been applied.

The consolidated financial statements have been prepared under the historical cost convention except for financial assets and liabilities at fair value through profit or loss, see Note 17.

The preparation of financial statements in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management must make certain judgments in the application of the group's accounting policies; see Note 4.

2.2 Changes in accounting policies

IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after January 1, 2027) will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of performance reporting for similar entities and provide users with more relevant information and transparency. The standard is not expected to have any financial impact on HANZA as IFRS 18 does not introduce any new measurement principles, but focuses on presentation and disclosure in the financial statements. HANZA has initiated work to analyze the effects of the new standard. No other IFRS or IFRIC interpretations effective on or after January 1, 2026 are expected to have a material impact on the group or the parent company.

2.3 Parent company accounting policies

The parent company applies the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The most important differences between the accounting policies for the group and the parent company are set out below.

The income statement and balance sheet follow the presentation format of the Swedish Annual Accounts Act. The statement of changes in equity also follows the group's format but contains the columns specified in the Swedish Annual Accounts Act. Furthermore, there are differences in terms in the annual accounts, compared to the consolidated accounts, mainly regarding financial revenue and expenses and equity.

Shares in subsidiaries are recognized at cost less any impairment losses. The cost basis includes acquisition-related costs and any earn-outs. When there is an indication that shares in subsidiaries have decreased in value, the recoverable amount is calculated. If this is lower than the carrying amount, an impairment loss is recognized in the item "Profit from shares in group companies".

The parent company has signed guarantees in favor of subsidiaries. For these contracts, the parent company applies the relief rule set out in RFR 2 p2, and thus recognizes the guarantee as a contingent liability. A provision is made when the company assesses that it is likely that a payment will be required in order to settle a commitment.

The Group's cash pool is recognized as the parent company having current receivables or liabilities with participating subsidiaries.

The parent company reports group contributions, both those that have been received and those that have been made, as appropriations.

2.4 Consolidated accounts and business combinations

Subsidiaries are all companies over which the group has controlling influence. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date control ceases.

The acquisition method is used for recognition of the group's business combinations. The purchase price for the acquisition of a subsidiary consists of cash transferred, the fair value of other transferred assets, liabilities that the group incurs in respect of the former owners of the acquired company, and the shares issued by the group. The purchase price also includes the fair value of all assets or liabilities that result from an agreement regarding contingent consideration. Any contingent consideration to be transferred by the group is recognized at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration are recognized as other operating income or other operating expenses.

Acquisition-related expenses are recognized as expenses as incurred.

Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value as of the acquisition date. Goodwill is initially valued as the amount by which the total purchase price exceeds the fair value of identifiable acquired assets and assumed liabilities. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognized directly in the income statement.

Intra-group transactions, balance sheet items, revenue and expenses on intra-group transactions are eliminated. Gains and losses resulting from intra-group transactions and which are recognized in assets are also eliminated. All subsidiaries consistently apply the group's policies.

2.5 Foreign currency translation

Functional currency and reporting currency

Items included in the financial statements of the group's various subsidiaries are measured in the functional currency of each entity, which in all cases is the local currency of the subsidiary. Swedish kronor (SEK) are used in the consolidated accounts. SEK is the group's reporting currency and the parent company's functional currency.

The income statements and balance sheets of all group entities that have a functional currency other than the reporting currency are translated into the group's reporting currency. Balance sheets are translated at the closing rate. The income statements are translated at the average exchange rate (provided that this average rate represents a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, failing which revenue and expenses are translated at the transaction date rate). Goodwill and fair value adjustments that arise upon the acquisition of a foreign operation are treated as assets and liabilities of this business and are translated at the closing day rate. Translation differences arising from currency translation are recognized in other comprehensive income.

Exchange rate gains and losses attributable to loans and cash and

Note 2 cont'd

cash equivalents are recognized in the income statement as financial revenue or expenses. All other exchange rate gains and losses are recognized in operating profit.

2.6 Interests in associates
In accounting for interests in associates, IAS 28 Investments in Associates and Joint Ventures is applied. Companies in which the group has significant influence, specifically those where the group owns between 20 percent and 50 percent of the voting rights, are considered associates. Interests in associates are accounted for using the equity method, which means that HANZA's share of the companies' profit or loss is recognized as Profit from investments in associates in the consolidated income statement.

2.7 Segment reporting
HANZA practices a form of cluster-based segmentation that is considered to best reflect its business model, organization and the manner in which the Board of Directors and management team follow up on and assess the business. See also Note 6.

2.8 Revenue
When HANZA has a binding agreement with a customer, the performance commitments and transaction price are identified in accordance with this agreement. The transaction price is measured at the fair value of what will be received, and corresponds to the amounts received for goods sold less any discounts, returns and VAT. The group recognizes revenue when the performance commitment has been fulfilled.

Upon the sale of goods, which consist of components, subsystems and finished products, the performance commitment is considered to have been fulfilled upon delivery of goods to the customer, in accordance with the delivery terms. Cases where there is an agreement with the customer regarding buffer stock of finished components or products represent an exception to the foregoing. In these cases, the performance commitment is considered to have been fulfilled already when the component or product is placed into buffer stock and is thus available to the customer. For more in-depth information on assessments that affect the size and timing of the revenue, see Note 5 Revenue.

For the sale of consulting services, revenue is recognized over time, provided that HANZA is entitled to compensation for work performed even if a project should be cancelled ahead of time. If there is no such right, revenue is recognized when the project is completed and the right to compensation has been established.

2.9 Current and deferred tax
The tax expense for the period includes current and deferred tax. The current tax expense is calculated on the basis of the tax rules that have been enacted as of the balance sheet date in the countries where each company operates. Deferred tax is recognized, according to the balance sheet method, for temporary differences that arise between the tax value of assets and liabilities and their carrying amounts in the consolidated accounts. No deferred tax is recognized in cases where the company is able to control the timing of the realization of the temporary differences and it is not considered probable that this will happen in the foreseeable future. Deferred tax assets on tax loss carryforwards are recognized to the extent that it is probable that future taxable profits will be available and are offset when there is a legal right to offset.

2.10 Government grants
Government grants are recognized at fair value when there is reasonable assurance that the grant will be received, and the company will fulfill the conditions associated with the grant. Grants intended to cover investments in property, plant and equipment or intangible assets reduce the asset's cost basis and thus the depreciable amount.

2.11 Financial items
Financial income and expenses consist of interest income on bank balances and receivables, interest expense on loans and lease liabilities and exchange rate differences. Interest income and expenses are recognized using the effective interest method.

2.12 Intangible assets
Goodwill arises from business combinations and is tested for impairment annually or more frequently if there are indications of impairment. See also 2.19 below.

Customer relationships have been identified upon acquisition and constitute an intangible asset. Amortization is carried out on a straight-line basis over the expected useful life, which has been assessed at 10 years. The residual values and useful lives of customer relationships are tested at the end of each reporting period and adjusted if necessary.

Other intangible assets consist of software licenses and capitalized costs for software implementation. Amortization is carried out on a straight-line basis over the expected useful life, having regard to material residual values. The amortization period for other intangible assets is 3 years.

2.13 Property, plant and equipment
Property, plant and equipment are recognized at cost less depreciation and any impairment losses. The cost basis includes expenses that can be directly attributed to the acquisition of the asset. Incremental expenditure is added to the carrying amount of the asset or recognized as a separate asset, as appropriate. All forms of repairs and maintenance are recognized as expenses in the income statement during the period in which they arise. Construction in progress refers to ongoing investments in non-current assets under construction. The costs accumulate throughout the construction period and are not amortized until the project is completed and reclassified to the relevant category. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset is depreciated separately. No depreciation is applied to land. Depreciation on other assets, to allocate their cost down to their estimated residual value over their estimated useful lives, is calculated on a straight-line basis as follows:

Buildings	See below
Leasehold improvements	Contract period, but not more than 20 years
Machinery and other technical facilities	5–10 years
Equipment, tools and installations	5–10 years

Component depreciation is applied to buildings where the estimated useful life of the components is the basis for depreciation. The following main groups of components have been identified and form the basis for depreciation of buildings:

Buildings	10-50 years
Frame:	50 years
Additions to framework, interior walls, etc.:	20-40 years
Fixtures, fittings, heating, electricity, plumbing, ventilation etc.:	20-40 years
Exterior finishes; facades, roofs, etc.:	20-30 years
Interior finishes; mechanical equipment etc.:	10-15 years

The residual values and useful lives of assets are tested at the end of each reporting period and adjusted if necessary.

2.14 Leases
Leased assets are recognized as right-of-use assets and the liabilities under these agreements as lease liabilities in the balance sheet unless the asset is of low value or the lease term is less than 1 year. At the beginning of the lease period, the right-of-use asset and the lease liability are valued at the discounted present value of future lease payments. Right-of-use assets where the ownership of the leased item is expected to pass to the lessee at the end of the lease period are amortized according to the same principles as those for other items of property, plant and equipment, see 2.12. Right-of-use assets where the ownership of the leased item is not expected to pass to the lessee are amortized over the contract period.

Note 2 cont'd

2.15 Inventory
Inventories have been valued at the lower of either their cost basis or net realizable value as of the balance sheet date. For manufactured goods and work in progress include direct manufacturing costs as well as a fair share of indirect costs in the acquisition value. The first-in, first-out (FIFO) valuation method is applied. Inventories are reported net of estimated obsolescence risk.

2.16 Financial instruments
Financial instruments are included in most balance sheet items and are described in paragraphs 2.16 to 2.18.

2.17 Classification
Financial assets and liabilities are classified either as financial assets and liabilities at fair value through profit or loss or as assets and liabilities measured at amortized cost. The classification depends on the purpose for which the financial asset or liability was acquired. In the 2025 annual report, all financial assets have been recognized in the balance sheet at amortized cost. All financial liabilities are recognized in the balance sheet at amortized cost except for certain other interest-bearing liabilities on the balance sheet date, which in 2025 consisted of reserves for the earn-outs. The remeasurement of this liability is recognized under other operating income and expenses.

2.18 Accounts receivable
Accounts receivable are financial instruments that consist of amounts to be paid by customers for goods and services where payment is expected within one year. Accounts receivable are initially recognized at fair value, which means that expected credit losses must be taken into account based on historical experience. Since HANZA's credit losses have historically been very low, the nominal value is thought to reflect the fair value. Accounts receivable are then valued at the amounts that are expected to be received, i.e. less any provision for impairment. For assessment of future credit losses, forward-looking parameters regarding the industry and the customer's stability are used. See also Note 19.

The group's companies have entered into agreements regarding the divestment and mortgaging of customer invoices (factoring). In the majority of contracts, accounts receivable are sold and derecognized from the balance sheet as control is transferred to the buyer at the time of sale. For these, the guarantees provided are recognized as a contingent liability. Accounts receivable that have been sold but where, due to timing, payment has not yet been received are recognized as a receivable under other receivables. In a few contracts, control remains with the group. Accounts receivable are recognized as assets and the loans raised are recognized as current liabilities to credit institutions. The mortgaged accounts receivable are then also recognized under pledged collateral. Mortgaged accounts receivable are eliminated from the balance sheet when the right to receive cash flows from the account receivable has expired or been transferred and the group has transferred control to the buyer. Costs for factoring are recognized as a financial expense. See also Notes 19 and 23.

2.19 Borrowings
Borrowing is classified under current liabilities unless the group has an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

2.20 Impairment
For HANZA, intangible assets with an indefinite useful life consist solely of goodwill items. These are not amortized but are tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and is recognized whenever there is an indication that the carrying amount may not be recoverable. When assessing the need for impairment, assets are grouped at the lowest levels having essentially independent cash flows (cash-generating units). See also Note 14. Impairment losses on goodwill are not reversed.

For non-financial assets other than goodwill, an assessment of impairment is made when there are indications that this may be the case. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. For assets (other than goodwill) that have previously been written down, a review is performed on each balance sheet date to determine whether a reversal is appropriate.

For financial assets accounted for at amortized cost (loans and accounts receivable), the group applies the simplified approach to credit provisioning, i.e. the provision represents the expected loss over the entire life of the receivable. Since HANZA's credit losses have historically been very low, the nominal value is thought to reflect the fair value.

2.21 Equity
Common shares are classified as equity. Transaction costs that can be directly attributed to the issue of new common shares or options are recognized in equity as a deduction from the issue proceeds.

In 2023, a share-savings scheme was introduced whereby senior executives can be allocated shares in 2026. This is accounted for as a share-based payment under IFRS 2, whereby an estimated cost is recognized in the income statement directly against equity.

2.22 Provisions
A provision is recognized on the balance sheet when there is an existing legal or constructive obligation as a result of an event that has occurred, and it is probable that an outflow of resources will be required in order to settle the obligation, and a reliable estimate can be made of the amount. Provisions are made in the amount that represents the best estimate of what will be required in order to settle the existing obligation. When settlement is expected to take place more than 12 months into the future, the provision is calculated by discounting the expected future cash flow.

2.23 Employee benefits
Short-term employee benefits are calculated without discounting and are recognized as an expense at the time the related services are received.

Group companies have various plans for post-employment benefits, including defined-benefit and defined-contribution pension plans. A characteristic of defined-benefit plans is that they specify a lump sum for the pension benefit that an employee is to receive after retirement, usually based on one or more factors such as age, seniority and salary. HANZA has defined benefit pension plans at HANZA Assembly Remscheid GmbH in Germany and at HANZA Mechanichs Årjäng AB through insurance with PRI. The pension plans are further described in Note 29.

For defined-contribution pension plans, the group makes contributions to public or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been made. The contributions are recognized under costs of personnel when they fall due for payment. Prepaid contributions are recognized as an asset to the extent that cash repayment or reduction of future payments may accrue to the benefit of the group.

Termination benefits are payable when an employee's employment is terminated by the group before the normal retirement date or when an employee accepts voluntary retirement in exchange for such benefits. The group recognizes termination benefits at the earliest of the following times: (a) when the group is no longer able to withdraw the offer of such benefits; and (b) when the company recognizes expenses for a restructuring that falls within the scope of IAS 37 and which involves the payment of severance pay. Benefits that fall due more than 12 months after the end of the reporting period are discounted to present value.

2.24 Statement of cash flows
The statement of cash flows is prepared according to the indirect method. This means that operating profit is adjusted for material transactions that have not resulted in incoming or outgoing payments during the period and for any revenue and expenses that are attributed to the cash flows of investment or financing activities.

NOTE 3 Financial risk management

3.1 Financial risk factors

Through its operations, the group is exposed to a variety of financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimize potential adverse effects on the group's financial performance. The group uses derivative instruments to hedge certain risk exposures.

Risk management is handled by group management in accordance with policies established by the Board of Directors. Group Finance identifies, evaluates and hedges financial risks in close cooperation with the group's operating units. The Board of Directors draws up written policies for both overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk, the use of derivative instruments and non-derivative financial instruments, as well as the investment of excess liquidity.

The group does not apply hedge accounting in cases where hedges are used to mitigate financial risks.

The following is a description of the Group's estimated risk exposure and the accompanying risk management measures.

(a) Market risk

(i) Currency risk

The group operates internationally and is exposed to currency risks arising from various currency exposures, especially regarding the euro (EUR), Czech koruna (CZK), Polish zloty (PLN), US dollar (USD) and Chinese yuan (CNY). Currency risk arises through future business transactions, recognized assets and liabilities, as well as net investments in foreign operations. The group has exposure in its external borrowing, as the borrowing partly occurs in a currency other than the functional currency. Translation exposure in other financial receivables and liabilities is considered minor, as these items are essentially denominated in the individual group companies' functional currencies. The Board of Directors has introduced a policy requiring group companies to manage their currency risk vis-à-vis their functional currency. Currency risks arise when future business transactions or recognized assets or liabilities are expressed in a currency other than the unit's functional currency. These currency risks are primarily managed by using the same currency for material purchasing as for invoicing or by incorporating currency clauses in contracts with customers or material suppliers. In cases where there is a remaining currency risk that cannot be managed as outlined above, the group companies use futures if the exposure is material. The group's risk management policy is to hedge 60 to 70 percent of expected cash flows in each major currency for the following 12 months. There were only immaterial currency hedging measures in place as of December 31, 2025 and 2024.

The group has a number of holdings in foreign operations (EUR, CZK, PLN, AED and CNY) whose net assets are exposed to currency risks. Currency exposure arising from the net assets in the group's foreign operations is managed in part through borrowing in EUR where the greatest exposure is found. There is no hedging of net assets of subsidiaries other than borrowings in EUR.

If the Swedish krona had weakened by 5 percent in relation to EUR with all other variables constant, the result for the year as of December 31, 2025 would have been affected by SEK 5 million (1), while an equal weakening in relation to PLN would have affected the result by SEK 1 million (0). A strengthening or weakening of the Swedish krona relative to CNY or CZK would have had only a marginal effect on profit for the year as of December 31, 2025, as in previous years.

(ii) Interest rate risk with respect to cash flows and fair values

Because the group does not hold any material interest-bearing assets, the group's revenue and cash flow from operating activities are essentially independent of changes in market interest rates. The group's interest rate risk arises from long-term borrowing. Borrowing at variable interest rates exposes the group to interest rate risk with regard to cash flow, which is partially neutralized by cash balances that earn variable interest rates. Borrowing at fixed interest rates exposes the group to interest rate risk with regard to fair value. The group analyzes its exposure to interest rate risk dynamically. Different scenarios are simulated, taking into account refinancing, sales from existing positions, alternative financing and hedging. On the basis of these scenarios, the group calculates the impact on profit/loss that a specified interest rate change would have. The same interest rate change is used for all currencies for each simulation. The scenarios are only simulated for those liabilities that constitute the largest interest-bearing positions. Simulations show that the effect on the result of a change in the interest rate level by 1 percentage point would be a maximum increase of SEK 11 million (8) and a decrease of SEK 11 million (8).

(b) Credit risk

Credit risk is managed at group level, with the exception of credit risk related to outstanding accounts receivable. Each group company is responsible, with the support of the group's central financial function, for following up on and analyzing the credit risk of each new customer before offering standard payment and delivery terms. Credit risk arises from cash and cash equivalents, derivative instruments and balances on deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and agreed transactions. Only banks and financial institutions that have received a least credit rating of "A" by independent evaluators are accepted. If customers' creditworthiness is assessed by independent evaluators, these assessments are used. In cases where there is no independent credit assessment, a risk assessment of the customer's creditworthiness that takes into account its financial position, as well as past experience and other factors, is performed. Individual risk limits are determined on the basis of internal or external credit assessments in accordance with the limits set by the Board of Directors. The utilization of credit limits is monitored regularly. In case of low creditworthiness, advance payments may be demanded from the customer. See Note 19 for further disclosures regarding accounts receivable.

(c) Liquidity risk

Cash flow forecasts are prepared by the group's operating companies and are aggregated by Group Finance. Group Finance closely monitors rolling forecasts of group liquidity reserves to ensure that the group has sufficient cash balances to meet the needs of its operating activities while retaining sufficient scope in agreed credit facilities that have not been drawn on (see Note 23) so that the group does not exceed loan limits or loan terms (where applicable) for any of the group's loan facilities. Such forecasts take into account the group's debt restructuring plans, compliance with loan terms, fulfillment of internal balance sheet-based earnings measures and, where applicable, external supervisory or legal requirements – for example, currency restrictions.

The business has positive cash flow. During the year, cash flow generated was mainly used for investments in machinery, buildings and acquisitions of companies, dividends and amortization of loans.

Surplus liquidity in the group's operating companies in excess of the portion required to manage working capital needs is transferred to Group Finance. Surplus liquidity is used primarily to reduce the balance of overdraft credits. In the alternative, Group Finance invests surplus liquidity in interest-bearing current accounts, fixed-term deposits, money market instruments and marketable securities, depending on which instrument has the appropriate maturity or sufficient liquidity to meet the scope requirement as determined by the aforementioned forecasts. On the balance sheet date, the Group had cash and cash equivalents in an amount of SEK 490 million (276) and unutilized overdraft facilities in the amount of SEK 160 million (160) for managing the liquidity risk.

The following tables analyze the group and the parent company's non-derivative financial liabilities, broken down by the time remaining, as of the balance sheet date, until contractual maturity. The amounts stated in the table are the contractual, non-discounted cash flows.

Note 3 cont'd

Group Dec. 31, 2025	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	33	27	47	1335	2
Lease liabilities	65	65	107	191	366
Other interest-bearing liabilities	-	47	20	17	-
Accounts payable, etc.	779	-	-	-	-
Total	**877**	**139**	**174**	**1,543**	**368**

Group Dec. 31, 2024	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	79	159	251	364	5
Lease liabilities	37	37	68	99	19
Other interest-bearing liabilities	6	-	-	-	-
Accounts payable, etc.	675	-	-	-	-
Other current liabilities	8	-	-	-	-
Total	**805**	**196**	**319**	**462**	**24**

Parent Company Dec.31, 2025	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	-	-	-	1257	-
Other interest-bearing liabilities	-	42	20	19	-
Total	**-**	**42**	**20**	**1276**	**-**

Parent Company Dec. 31, 2024	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities to credit institutions	68	141	221	287	-
Other interest-bearing liabilities	7	-	-	-	-
Accounts payable	7	-	-	-	-
Liabilities Group companies	235	-	-	-	-
Other current liabilities	3	-	-	-	-
Total	**320**	**141**	**221**	**287**	**-**

3.2 Management of capital

The group's goal with respect to the capital structure is to safeguard the group's ability to continue its operations, so that it can continue to generate a return to shareholders and to benefit other stakeholders, and to maintain an optimal capital structure in order to keep costs down.

In order to maintain or adjust the capital structure, the group may modify the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets in order to reduce liabilities.

Like other companies in the industry, the group assesses its capital based on its net leverage ratio. This key ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowing, lease liabilities and provisions for pension liabilities, less cash and cash equivalents.

The net leverage ratio as of December 31 was as follows:

	2025	2024
Borrowings (Note 23)	1,444	768
Other interest-bearing liabilities	84	-
Lease liability (Note 23)	573	239
Provisions for pensions (Note 29)	88	102
Less: cash and cash equivalents	-490	-276
Excludes: lease liabilities for leased properties and premises (Note 23)	-460	-133
Net debt	**1,239**	**700**
Total equity	1,814	1,480
Net debt/equity ratio, %	**68**	**47**

Lease liabilities for leased properties and premises are not included in net debt. Net interest-bearing debt increased in 2025, mainly due to acquisitions made during the year.

3.3 Fair value measurement

All financial assets have been recognized in the balance sheet at amortized cost.

All financial liabilities are recognized in the balance sheet at amortized cost except for certain other interest-bearing liabilities on the balance sheet date, which in 2025 consisted of reserves for the earn-outs for the acquisitions of HANZA Electronics Mönchengladbach GmbH and Milectria Group. This should be recognized at fair value in Level 3. The earn-out for HANZA Electronics Mönchengladbach GmbH amounts to SEK 4 million (6) and is based on an agreement regarding the final level, which is expected to be settled in 2026. The earn-out for HANZA Milectria Group amounts to SEK 77 million and is based on sales growth during the period 2025–2027. The maximum earn-out of EUR 18 million assumes that Milectria more than doubles its sales. During the year, the earn-out of SEK 53 million set aside in connection with the acquisition of the Leden Group was also released. The majority of the Group's borrowing at the balance sheet date consists of a small number of loans in the parent company. These carry a variable interest rate. The group's other borrowing consists

Note 3 cont'd

of a small number of contracts entered into at different times and having different maturities. Essentially, these loans have variable interest rates. Against the background of the foregoing, carrying amounts can be considered to give a good approximation of fair values. The fair value of short-term borrowing corresponds to its carrying amount, as the effect of discounting is immaterial. Accounts receivable, accounts payable and other current receivables and liabilities have a residual useful life of less than one year. The carrying amount is considered to reflect fair value.

NOTE 4 Critical estimates and judgments

Estimates and assessments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing circumstances.

Critical accounting estimates and judgements
The group makes estimates and assumptions about the future. The accounting estimates that result from these will rarely correspond to the actual result, by definition. The estimates and assumptions that entail a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial year are outlined in general terms below.

(a) Testing for impairment of goodwill
Each year, the group examines whether there is any need for impairment of goodwill in accordance with the accounting principle described in Note 2.20. Recoverable amounts for cash-generating units have been determined through a calculation of value in use. For these calculations, certain estimates must be made about future cash flows, among other things. Further information about the estimates is presented in Note 14. The Group's goodwill at year-end amounted to SEK 798 million (529).

(b) Valuation of Customer Relationships
In the acquisitions completed in recent years, intangible assets in the form of customer relationships were identified. The planned depreciation period of the customer relationships is 10 years. The initial valuation of the customer relationships is based on a present value calculation of future profit contributions by the acquired company's customers. In order to perform the present value calculation and to determine the depreciation period, certain estimates about, among other things, the customers' long-term purchasing levels from HANZA are required. On the balance sheet date, the book value of customer relationships amounted to SEK 240 million (126).

(c) Measurement of loss carryforwards
Each year, the group assesses whether there is any need for impairment of deferred tax assets relating to tax loss carryforwards. In addition, the group investigates whether it is appropriate to capitalize new deferred tax assets relating to this year's tax loss carryforwards, or previous loss carryforwards for which the probability that they can be utilized has increased. Deferred tax assets are only recognized for loss carryforwards for which it is likely that they can be utilized against future taxable profits and against taxable temporary differences. HANZA has recognized deferred tax assets for parts of the loss carryforwards in Finland, Germany, the Czech Republic and China, as it is considered likely that these loss carryforwards can be used against future profits. See also Note 16.

(d) Measurement of deferred tax liability
No income tax is payable on reported earnings in Estonia. Instead, tax (currently 22 percent) is levied on gross dividends when retained earnings are distributed. HANZA is able to control the timing of the distribution and assesses that it is unlikely that reversal will occur in the foreseeable future, for which reason no deferred tax liability is recognized. This assessment is reviewed on an annual basis. On the balance sheet date, distributable funds in the Estonian companies amounted to SEK 711 million (362).

(e) Measurement of post-employment benefits
Recognition of debt and costs for defined-benefit pensions is based on actuarial calculations that are in turn based on significant assumptions regarding, among other things, the discount rate, future salary increases, staff turnover and remaining life expectancy. Changes in these assumptions may primarily affect the recognized liability, which at year-end amounted to SEK 88 million (102). Operating profit and profit for the year are less affected by changes in the assumptions, as changes due to changed actuarial assumptions are recognized in other comprehensive income. See Note 29 for a sensitivity analysis regarding the actuarial assumptions.

(f) Recognition of divested accounts receivable
Part of HANZA's financing operations involves selling accounts receivable to an external party. Because control in these cases has been transferred to the external party, these accounts receivable have been removed from the balance sheet. See Note 19 Accounts receivable for more information.

(g) Measurement of earn-outs
In certain business combinations, contingent consideration (earn-out) may constitute a large portion of the total purchase price for the acquired company and may also be substantial. Contingent considerations are usually dependent on the future earnings performance and/or revenue development of the acquired company. At the acquisition date, provisions for estimated contingent considerations are recognized based on forecasts of the future revenue and earnings of the acquired companies. Under IFRS 3, subsequent remeasurements of contingent consideration provisions and differences between the recognized provision and the actual outcome are recognized in the consolidated income statement. This means that future remeasurements of recognized provisions may affect the Group's reported earnings by significant amounts, both positively and negatively, in the coming years.

NOTE 5 Revenue

Description of revenue from contracts with customers
Revenue from the sale of goods
An agreement that is binding on both HANZA and the customer in terms of quantity and price is normally concluded when the customer has placed an order confirmed by HANZA. Such an order is in turn based on some type of framework agreement, yet these are not binding in terms of quantities. HANZA's revenue comes primarily from the production of products that can be components, subsystems or finished products. The products are manufactured to customer specifications, but HANZA is involved in tailoring the manufacturing process. HANZA's performance commitment is to produce and deliver a specified quantity of a product, and is considered to have been fulfilled when control of the product has passed to the customer, which is usually upon delivery. An order may include one or more products, and may thus contain one or more performance commitments. A performance commitment is almost always fulfilled at a single point in time.

Certain contracts where there is an agreement with the customer regarding buffer stock of a product represent an exception to the principle that the performance commitment is fulfilled upon delivery. In these cases, the performance commitment is considered to have been

Note 5 cont'd.

fulfilled already when the component or product is placed into buffer stock and is thus available to the customer. On the balance sheet date, the sales value of buffer stock where the performance commitment was already considered to have been fulfilled was SEK 68 million (34).

The transaction price is measured at the fair value of what will be received, and corresponds to the amounts received for goods sold less any discounts, returns and VAT. On each order the prices are specified per product, which forms the basis for allocating the transaction price to performance commitments. The group bases its assessments of returns on historical outcomes and in so doing takes into account the type of customer, the type of transaction and special circumstances in each individual case. Customers are only entitled to return products that do not meet requirements specified in advance. There is no right of return due to the customer no longer having a use for the product. Assessments of future discounts are made individually based on agreements with each customer. HANZA incurs no warranty obligations for its products, as these are manufactured according to the customer's detailed specifications. Complaints may, however, arise in the event of deficiencies in the manufacturing process as part of various warranty commitments. Causes can be, for example, machine faults, operator errors or component faults. Claims for financial compensation normally follow established industry standards. In addition, the customer may be entitled to damages. This may entail significant additional costs for HANZA, which may adversely affect the company's financial position and earnings.

As of the balance sheet date, there were no performance commitments that extend more than one year into the future.

Revenue from services

A consultancy agreement usually comprises a single performance commitment and the transaction price can be identified based on the agreement. Usually, HANZA is entitled to compensation for work performed even if a project should be cancelled prematurely. In these cases the revenue is recognized over time. In other cases, revenue is recognized when the services are delivered according to the contract and the performance commitment is thus fulfilled. HANZA's range of services is an important part of HANZA's total offering, but revenues from these services have only represented a small part of the Group's sales. HANZA has therefore chosen not to recognize these separately in the income statement. Note 6 Segment information shows net sales for the Business Development and Services segment, which includes both internal and external sales of services.

Contractual assets and contractual liabilities on the balance sheet date

The contractual assets as of the balance sheet date amounted to SEK 68 million (34).

Group-wide disclosures

The group's revenue essentially relates to the sale of goods. No individual customer accounts for 10 percent or more of the group's revenue.

The payment terms in HANZA's agreements with customers vary from 30 to 120 days. However, accounts receivable are largely sold to external parties, which means that the credit terms according to the contracts have little impact on the group's balance sheet. There are no financing agreements where the customer is entitled to postpone payment by paying interest. The group has no binding production agreements that extend more than one year into the future.

Allocation of revenue

Revenue broken down by segment, geographic market and manufacturing technology is shown in Note 6 Segment disclosures.

NOTE 6 Segment reporting

The CEO is the group's highest executive decision maker. Company management has defined the operating segments based on the information that is processed by the CEO and used as a basis for allocating resources and evaluating performance.

HANZA practices a form of cluster-based segmentation that is considered to best reflect its business model, organization and the manner in which the Board of Directors and management team follow up on and assess the business. The Chief Executive Officer assesses operations based on a cluster-based organization primarily at the EBITA level.

HANZA divides the operations into so called manufacturing clusters and applies a financial segment classification based on primary customer markets. Operations are conducted in six clusters that are reported in the following reportable segments:

- Main markets – Manufacturing clusters located in or near HANZA's primary geographical customer markets, which currently consist of Sweden, Finland, Norway and Germany. Therefore, the Main Markets segment today includes HANZA's manufacturing clusters in Sweden, Finland and Germany. The operations in these areas are characterized by closeness to the customers' factories and close collaboration with customer development departments.
- Other markets – Manufacturing clusters located outside HANZA's primary geographical customer markets. Today, the Other Markets segment includes HANZA's manufacturing clusters in the Baltics, Central Europe, United Arab Emirates and China. The operations are characterized by a high work content, extensive complex assembly and proximity to important end-customer areas.
- Business development and services – Revenues and costs from services provided by HANZA in advisory and development services and costs 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.

Revenue

Sales between segments take place on market terms. Revenue from external parties that is reported to group management is valued in the same way as in the income statement.

Note 6 cont'd

Profit by segment	2025				2024			
	Main markets	Other markets	Business develop-ment	Total	Main markets	Other markets	Business develop-ment	Total
Revenue								
Segment revenue	3,480	2,588	17	6,085	2,903	2,000	31	4,934
Less sales between segments	-9	-45	-6	-60	-39	-27	-17	-83
Revenue from external customers	**3,471**	**2,543**	**11**	**6,025**	**2,864**	**1,973**	**14**	**4,851**
Results								
EBITA	243	200	5	448	176	75	22	273
Amortization of intangible assets	-33	-2	-	-35	-25	-9	-	-34
Financial items	-69	-34	-26	-129	-52	-42	-20	-114
Profit/loss before tax	**141**	**164**	**-21**	**284**	**99**	**24**	**2**	**125**
Income tax	-22	-6	-10	-38	-1	-1	-12	-14
Profit for the year	**119**	**158**	**-31**	**246**	**98**	**23**	**-10**	**111**
EBITA excl. items affecting comparability								
EBITA	243	200	5	448	176	75	22	273
Adjustment for items affecting comparability, see below	25	6	-20	11	46	15	-33	28
EBITA excl. items affecting comparability	**268**	**206**	**-15**	**459**	**222**	**90**	**-11**	**301**
Items affecting comparability in operating result								
Remeasurement contingent consideration	-	-	-53	-53	-	-	-53	-53
Transaction costs	-	-	30	30	-	-	16	16
Provision for possible impairment of customers with elevated credit risk	13	-	-	13	-	-	-	0
Provision for warranty claims	-	6	-	6	-	-	-	0
Remeasurement of assets in connection with the change of ERP system	4	-	-	4	-	-	-	0
Integration costs, etc.	8	-	3	11	46	15	4	65
Total items affecting comparability	**25**	**6**	**-20**	**11**	**46**	**15**	**-33**	**28**
Cash flow information – Non-cash items								
Depreciation/amortization	-184	-89	-4	-277	-134	-58	-3	-195
Impairment non-current assets	-	-	-	-	-	-8	-	-8
Other non-cash items	-4	-	-53	-57	-2	-	-33	-35

Net sales and non-current assets by geographic market

	Net sales		Non-current assets[2)]	
	2025	2024	2025	2024
Sweden	2,321	2,173	523	794
Finland	1,488	721	134	205
Estonia	237	82	352	456
Germany	585	599	108	140
Poland	164	196	91	153
Czech Republic	70	79	63	78
Other EU	482	367	-	-
Norway	280	313	-	-
Other Europe	167	79	-	-
North America	141	126	-	-
Rest of the world	90	116	10	24
Total	**6,025**	**4,851**	**1,281**	**1,850**

2) Excluding deferred tax assets

Note 6 cont'd

Balance information and investments per segment	Assets		Investments[1]		Liabilities	
	2025	2024	2025	2024	2025	2024
Main markets	3,438	2,245	91	191	2,061	1,296
Other markets	1,884	1,502	29	75	876	787
Business development and services	1,010	773	0	1	1,607	957
Eliminations	−1,051	-883	-	-	−1,051	-883
Total group	**5,281**	**3,637**	**120**	**267**	**3,493**	**2,157**

1) Investments refers to investments in property, plant and equipment and intangible assets

Revenue from external customers by manufacturing technology and segment

	2025				2024			
	Main markets	Other markets	Business develop-ment	Total	Main markets	Other markets	Business develop-ment	Total
Mechanics	1,754	1,740	-	3,494	1,081	1,140	-	2,221
Electronics	1,717	803	-	2,520	1,783	833	-	2,616
Business development and services	-	-	11	11	-	-	14	14
Total group	**3,471**	**2,543**	**11**	**6,025**	**2,864**	**1,973**	**14.0**	**4,851**

NOTE 7 Remuneration of auditors

Audit services refer to the audit of the consolidated financial statements, the accounts and the administration of the Board of Directors and the President & CEO of the company; other tasks incumbent on the company's auditor; and advice or other assistance prompted by observations from such audits or the performance of other such tasks. Everything else is referred to as other services.

	Group		Parent Company	
	2025	2024	2025	2024
EY				
Audit services	8	5	3	2
Non-audit activ-ities	1	1	1	1
Total	**9**	**6**	**4**	**3**
Other audit firms				
Audit services	2	2	-	-
Other consultancy services	3	1	1	-
Total	**5**	**3**	**1**	**-**
Total	**14**	**9**	**5**	**3**

Other audit firms refer to local audit firms in FIN, POL, EST, CZ, DE, CH, UAE.

NOTE 8 Employee benefits, etc.

Salaries, other remuneration and social security costs

Group 2025	Salaries and remuneration	(of which bonuses)	Social security contributions	(of which pension costs)	Total salaries and social security costs
Board of Directors, CEO and other senior executives	39	6	10	5	49
Other employees	975	4	337	88	1,312
Group total	**1,014**	**10**	**347**	**93**	**1,361**

Group 2024	Salaries and remuneration	(of which bonuses)	Social security contributions	(of which pension costs)	Total salaries and social security costs
Board of Directors, CEO and other senior executives	29	3	10	3	39
Other employees	836	3	267	52	1103
Group total	**865**	**6**	**277**	**55**	**1142**

For further information on remuneration of senior management, see Note 29 Post-employment benefits, and Note 32 Related-party transactions.

Gender distribution in the Group (incl. subsidiaries) for board members and other senior executives

	2025		2024	
Group	Number on balance sheet date	Of which women	Number on balance sheet date	Of which women
Board members of the parent company	5	2	4	2
Chief Executive Officer and other senior executives	17	5	16	2
Group total	**22**	**7**	**20**	**4**

Board of Directors in subsidiaries consists almost exclusively of employees in the group which also are included in top management at different levels. These are therefore reported together, with each person being counted only once.

Average number of employees with geographical distribution by country

	2025		2024	
Parent Company	Average number of employees	Of which women	Average number of employees	Of which women
Sweden	5	1	2	-
Subsidiaries				
Sweden	673	238	734	316
Estonia	1,171	450	762	280
Finland	651	105	210	27
China	69	41	80	46
Poland	263	189	376	260
Czech Republic	180	74	185	78
Germany	200	78	229	85
United Arab Emirates	68	23	-	-
Total subsidiaries	**3,275**	**1,198**	**2,576**	**1,092**
Group total	**3,280**	**1,198**	**2,578**	**1,092**

During the year, the parent company had 4 male employees (2) and 1 female employee (0) who are included in the category of senior executives. Salaries and remuneration paid to the Board, CEO and other senior executives during the year amounted to SEK 14 million (10), of which bonuses amounted to SEK 3 million (2). Pension costs for the Board of Directors, the CEO and other senior executives amounted to SEK 4 million (2) and other contractual social security contributions amounted to SEK 6 million (3).

No salaries or benefits were paid in the parent company to the category of other employees.

NOTE 9 Other operating income and operating expenses

Other operating income	2025	2024
Profit on disposal of non-current assets	2	3
Remeasurement of contingent consideration	53	53
Government grants	5	5
Exchange gains	23	14
Other items	13	14
Total other operating income	**96**	**89**

Other operating expenses	2025	2024
Exchange losses	-9	-19
Other items	-19	-13
Total other operating expenses	**-28**	**-32**
Total other operating income and expenses	**68**	**57**

NOTE 10 Exchange gains and losses

	Group		Parent Company	
Exchange rate differences in income statement	**2025**	**2024**	**2025**	**2024**
In operating profit	14	-5	-1	1
In net financial items	2	2	3	2
Total exchange rate differences	**16**	**-3**	**2**	**3**

NOTE 11 Profit/loss from financial items

	Group	
Financial income	**2025**	**2024**
Interest income	6	4
Exchange gains and losses – net	2	2
Total financial income	**8**	**6**
Financial expenses		
Interest expense	-81	-95
Other financial expenses	-57	-25
Total financial expenses	**-138**	**-120**
Total financial items – net group	**-130**	**-114**

	Parent Company	
Profit from shares in Group companies	**2025**	**2024**
Income from shares in subsidiaries	40	-
Total profit/loss from shares in group companies	**40**	**0**
Other interest income and similar income items		
Interest income	2	3
Interest income from group companies	44	41
Exchange gains	20	2
Other interest income and similar income items	**66**	**46**
Interest expense and similar items		
Interest expense, external	-47	-52
Interest expense to group companies	-3	-4
Other financial expenses	-11	-
Exchange losses	-17	-
Interest expense and similar items	**-78**	**-56**
Total financial items – net Parent Company	**28**	**-10**

NOTE 12 Income tax/tax on profit for the year

Tax expense in the income statement

	Group		Parent Company	
Current tax:	**2025**	**2024**	**2025**	**2024**
Current tax on profit for the year	-32	-29	-9	-7
Adjustments for prior years	-3	-1	-	-
Total current tax	**-35**	**-30**	**-9**	**-7**
Deferred tax (see Note 16)				
Origination and reversal of temporary differences	-2	16	-	0
Total deferred tax	**-2**	**16**	**0**	**0**
Total income tax	**-37**	**-14**	**-9**	**-7**

Reconciliation of tax expense to profit before tax

The income tax on profit differs from the theoretical amount that would have arisen using the Swedish tax rate, 20.6 percent for the consolidated profit before tax as follows:

	Group		Parent Company	
	2025	**2024**	**2025**	**2024**
Profit/loss before tax	**279**	**125**	**83**	**35**
Tax according to Swedish tax rate	-57	-26	-17	-7
Tax effects from:				
Diverging tax rates abroad	38	15	-	-
Non taxable income	18	13	8	-
Non deductible expenses	-12	-9	-	-
Tax losses carried forward for which no deferred tax has been recognized	-21	-6	-	-
Adjustment for prior years	-3	-1	-	-
Tax cost	**-37**	**-14**	**-9**	**-7**

The effective tax rate for the Group is 13 percent (11). Part of the group's operations are conducted in Estonia where profits are taxed only upon distribution. The tax rate for the Estonian operations has therefore been set at 0 percent for calculation purposes. Therefore, the effective tax rate and the tax effect of different tax rates in foreign countries vary depending on the proportion of profit before tax originating from Estonia and from entities where the company has determined that additional deferred tax assets cannot be recognized due to uncertainty about the ability to utilize the losses in the future (see also Note 16).

The effective tax rate for the parent company is 10 percent (21). The low tax rate is due to dividends received from subsidiaries being tax-exempt, which increases profit before tax without affecting the tax expense.

NOTE 13 Earnings per share

Basic

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

Diluted

To calculate diluted earnings per share, the weighted average number of common shares outstanding is adjusted for the dilutive effect of all potential common shares. The long-term share-savings scheme introduced in 2023 has had a dilutive effect as of the third quarter of 2023. For further information on the share-savings scheme see Note 22.

Values used in calculation	**2025**	**2024**
Profit attributable to parent company shareholders, SEKm	246	111
Weighted average number of outstanding common shares	45,568,655	43,640,057
Earnings per share before dilution, SEK	**5.40**	**2.55**

Values used in calculation	**2025**	**2024**
Profit attributable to parent company shareholders, SEKm	246	111
Weighted average number of outstanding common shares	45,568,655	43,640,057
Adjustment for estimated dilution from warrants	156,250	156,250
Weighted average number of shares, diluted	**45,724,905**	**43,796,307**
Calculated earnings per share, diluted, SEK	**5.38**	**2.54**

NOTE 14 Intangible assets

Group 2025	Goodwill	Customer relation-ships	Other intangible assets	Total
Accumulated cost				
Opening balance	537	218	27	782
Purchases	-	-	2	2
Divestment	-	-	-4	-4
Reclassification	-	-	2	2
Business combinations	290	149	2	441
Translation difference	-21	-7	-2	-30
Closing balance	**806**	**360**	**27**	**1,193**
Accumulated depre-ciation/amortization				
Opening balance	-	-92	-16	-108
Sales and disposals	-	-	4	4
Depreciation/amorti-zation for the year	-	-30	-5	-35
Translation difference		2	1	3
Closing balance	**-**	**-120**	**-16**	**-136**
Accumulated impairment				
Opening balance	-8	-	-2	-10
Impairment for the year	-	-	-	0
Closing balance	**-8**	**-**	**-2**	**-10**
Closing carrying amount	**798**	**240**	**9**	**1,047**

Group 2024	Goodwill	Customer relation-ships	Other intangible assets	Total
Accumulated cost				
Opening balance	387	140	20	547
Purchases	-	-	3	3
Reclassification	-	-	3	3
Business combinations	142	76	-	218
Translation difference	8	2	1	11
Closing balance	**537**	**218**	**27**	**782**
Accumulated depre-ciation/amortization				
Opening balance	-	-69	-12	-81
Depreciation/amorti-zation for the year	-	-22	-4	-26
Translation difference	-	-1	-	-1
Closing balance	**-**	**-92**	**-16**	**-108**
Accumulated impairment				
Opening balance	-	-	-2	-2
Impairment for the year	-8	-	-	-8
Closing balance	**-8**	**-**	**-2**	**-10**
Closing carrying amount	**529**	**126**	**9**	**664**

Other intangible assets consist mainly of capitalized software license costs, such as training costs and capitalized software implementation costs.

Impairment testing of goodwill

As shown in Note 6, Segment Information, the CEO assesses the performance of the business on the basis of an organization divided into clusters, where reported segments comprise Main markets, Other markets and Business development and services. Goodwill is monitored by the company at the operating segment level. The German subsidiary Tech Solutions GmbH is not included in the Germany cluster and is reported under Business Development and Services. The following table presents a summary of goodwill by operating segment, along with the assumptions used in the impairment test.

Note 14 cont'd

Cluster 2025	Goodwill Dec 31, 2025	EBITA margin, %	Annual volume growth, %	Long-term growth rate (after 5 years), %	Discount rate, %
Sweden	278	11	4	2	11
Finland	244	8	7	2	11
Germany	58	8	2	2	12
Baltics	142	8	6	2	11
Central Europe	61	7	3	2	11
China & Abu Dhabi	7	7	5	2	12
Business development and services	8	8	1	2	12
Total	**798**				

Cluster 2024	Goodwill Dec 31, 2024	EBITA margin, %	Annual volume growth, %	Long-term growth rate (after 5 years), %	Discount rate, %
Sweden	278	11	5	2	11
Finland	51	3	6	2	11
Germany	60	8	0	2	12
Baltics	61	6	4	2	11
Central Europe	62	2	6	2	11
China	8	2	3	2	14
Business development and services	9	9	2	2	12
Total	**529**				

The recoverable amount of a cash-generating unit has been determined based on value-in-use calculations. These calculations use estimated future pre-tax cash flows based on financial budgets approved by management covering a five-year period. The company has determined that the annual volume growth for each cash-generating unit over the five-year forecast period represents an important assumption. The EBITA margin and the sales volume in each period are the main reason for the development of results and thus cash flows. Annual volume growth is based on past performance and the company's expectations regarding market trends. The average growth rate according to these budgets is shown in the column headed Annual volume growth above.

Cash flows beyond the five-year period are extrapolated using the estimated growth rate shown in the Long-term growth rate column. The long-term growth rate used is in line with the forecasts found in industry reports, and does not exceed the long-term growth rate for the manufacturing industry where the CGU in question operates.

Future cash flows are discounted using interest rates developed specifically for each cash-generating unit. The discount rate is pre-tax and reflects specific risks that apply to the different operating segments.

The impairment test has not identified any need for impairment.

Sensitivity analysis

The table below shows the impairment needs that would have arisen in 2025 if the budgeted EBITA margin used in the calculation had been reduced by 25 percent and if the cost of capital used in the preparation of the discount rate had been 3 percentage points higher. The analyses were performed separately with the other assumptions intact.

In all clusters, a reasonable change in any of the assumptions would not result in an impairment.

In the China cluster, goodwill was impaired by SEK 8 million in the third quarter of 2024. After this, the recoverable amount is equal to the value of the goodwill allocated to the cluster.

	2025		2024	
Cluster	25% lower EBITA margin	3 percentage points higher cost of capital	25% lower EBITA margin	3 percentage points higher cost of capital
Sweden	-	-	-	-
Finland	-	-	-	-
Germany	-	-	-	-
Baltics	-	-	-	-
Central Europe	-	-	-	-
China	-	-	-8	-8
Business development and services	-	-	-	-
Total	**-**	**-**	**-8**	**-8**

NOTE 15 Property, plant and equipment

Group Dec 31, 2025	Buildings and land	Leasehold improvements	Machinery and other technical facilities	Equipment, tools and installations	Construction in progress	Total
Accumulated cost						
Opening balance	396	14	932	77	111	1,530
Purchases	11	-	21	5	163	200
Business combinations	70	8	200	3	38	319
Sales and disposals	-	-	-14	-1	-	-15
Reclassifications	144	5	120	6	-238	37
Translation difference	-20	-2	-35	-4	-2	-63
Closing balance	**601**	**25**	**1,224**	**86**	**72**	**2,008**
Accumulated depreciation/ amortization						
Opening balance	-59	-7	-509	-47	-	-622
Sales and disposals	-	-	11	1	-	12
Depreciation/amortization for the year	-18	-3	-106	-8	-	-135
Reclassifications	-	-2	-29	1	-	-30
Translation difference	3	1	18	2	-	24
Closing balance	**-74**	**-11**	**-615**	**-51**	**-**	**-751**
Accumulated impairment						
Opening balance	-4	-	-2	-	-	-6
Closing balance	**-4**	**-**	**-2**	**-**	**-**	**-6**
Closing carrying amount	**523**	**14**	**607**	**35**	**72**	**1,251**

Note 15 cont'd

Group Dec 31, 2024	Buildings and land	Leasehold improvements	Machinery and other technical facilities	Equipment, tools and installations	Construction in progress	Total
Accumulated cost						
Opening balance	332	14	746	65	89	1,246
Purchases	7	-	52	3	212	274
Business combinations	1	-	19	3	2	25
Sales and disposals	-	-	-17	-1	-	-18
Reclassifications	46	-	117	6	-195	-26
Translation difference	10	-	15	1	3	29
Closing balance	**396**	**14**	**932**	**77**	**111**	**1,530**
Accumulated depreciation/ amortization						
Opening balance	-45	-5	-439	-40	-	-529
Sales and disposals	-	-	15	1	-	16
Depreciation/amortization for the year	-12	-2	-74	-8	-	-96
Reclassifications	-	-	-1	-	-	-1
Translation difference	-2	-	-10	-	-	-12
Closing balance	**-59**	**-7**	**-509**	**-47**	**-**	**-622**
Accumulated impairment						
Opening balance	-	-	-3	-	-	-3
Impairment for the year	-4	-	-	-	-	-4
Reversal of impairment losses	-	-	1	-	-	1
Closing balance	**-4**	**-**	**-2**	**-**	**-**	**-6**
Closing carrying amount	**333**	**7**	**421**	**30**	**111**	**902**

The item 'construction in progress' includes construction in progress on both buildings and machinery and equipment. Construction in progress for buildings amounted to SEK 65 million (78) and machinery and technical facilities to 7 (33) on the balance sheet date. The transfer of property, plant and equipment to leases has taken place, which is accounted for as a reclassification to right-of-use assets (see Note 28). Consequently, the total reclassifications in this Note are not zero.

NOTE 16 Deferred tax

	Deferred tax assets			Deferred tax liabilities			
2025	**Tax loss carryfor-wards**	**Other temporary differences**	**Total**	**Non-current assets**	**Other temporary differences**	**Total**	**Deferred taxes net**
Opening balance	26	11	37	-48	-31	-79	-42
Business combinations	-	1	1	-25	-6	-31	-30
Recognized in the income statement	-1	3	2	4	-8	-4	-2
Recognized in other comprehensive income	-	-	-	-	-1	-1	-1
Exchange rate differences	-1	-1	-2	1	1	2	-
Closing balance	**24**	**14**	**38**	**-68**	**-45**	**-113**	**-75**
Of which expected to be used/expired							
– after more than 12 months	3	11	14	-54	-41	-95	-81
– within 12 months	21	3	24	-14	-4	-18	6

	Deferred tax assets			Deferred tax liabilities			
2024	**Tax loss carryfor-wards**	**Other temporary differences**	**Total**	**Non-current assets**	**Other temporary differences**	**Total**	**Deferred taxes net**
Opening balance	18	5	23	-33	-24	-57	-34
Business combinations	-	4	4	-16	-12	-28	-24
Recognized in the income statement	7	2	9	2	5	7	16
Recognized in other comprehensive income	-	-	-	-	-	-	-
Exchange rate differences	1	-	1	-1	-	-1	0
Closing balance	**26**	**11**	**37**	**-48**	**-31**	**-79**	**-42**
Of which expected to be used/expired							
– after more than 12 months	15	8	23	-33	-25	-58	-35
– within 12 months	11	3	14	-15	-6	-21	-7

There were no offsets between deferred tax assets and liabilities in the years under review.

Deferred tax assets
Deferred tax assets are recognized for tax loss carryforwards to the extent that it is probable that they can be utilized through future taxable profits. The Group has total loss carryforwards amounting to SEK 195 million (188). Of these, deferred tax assets have been recognized for losses amounting to SEK 97 million (104) while deferred tax assets have not been recognized for losses amounting to SEK 115 million (84) as it is not considered likely that they can be utilized before they expire. The tax value of the unrecognized losses amounts to SEK 31 million (18). The losses for which deferred tax assets are not recognized are predominantly in Germany, but also in Finland, the Czech Republic and China. The Finnish deficits expire after 10 years from the date they were incurred, while those in the Czech Republic and China expire after 5 years.

Group loss carryforwards by expiration date	**Dec. 31, 2025**	**Dec 31, 2024**
Within 1 year	5	28
Between 1 and 5 years	67	64
After more than 5 years	13	42
No expiration date	110	54
Total tax loss carryforwards	**195**	**188**

Other deferred tax assets relate mainly to temporary differences in provisions for post-employment employee benefits in Germany.

Deferred tax liabilities
Other temporary differences relate primarily to tax allocation reserves in Sweden.

Deferred tax relating to untaxed earnings in Estonia
No income tax is payable on reported earnings in Estonia. Instead, tax – currently 22 percent – is levied on gross dividends when retained earnings are distributed. HANZA is able to control the timing of the distribution and assesses that it is unlikely that distribution will occur in the foreseeable future. No deferred tax liability has therefore been recognized for undistributed profits. On the balance sheet date, distributable profits in the Estonian companies amounted to SEK 711 million (362), corresponding to a tax liability of SEK 156 million (72).

NOTE 17 Financial instruments by category

Carrying amounts of the Group's financial instruments by category are presented below. No significant differences between carrying amounts and fair values have been identified. See also Note 3.3 Fair value measurement.

Group Dec 31, 2025	Assets measured at amortized cost	Assets at fair value through profit or loss	Total
Accounts receivable	399	-	399
Other receivables	95	-	95
Cash and cash equivalents	490	-	490
Total	**984**	**-**	**984**

	Liabilities measured at amortized cost	Liabilities at fair value through profit or loss	Total
Liabilities to credit institutions	1,437	-	1,437
Lease liabilities	573	-	573
Other interest-bearing liabilities	3	81*	84
Accounts payable	779	-	779
Other liabilities	90	-	90
Total	**2,882**	**81**	**2,963**

Group Dec 31, 2024	Assets measured at amortized cost	Assets at fair value through profit or loss	Total
Accounts receivable	213	-	213
Other receivables	53	-	53
Cash and cash equivalents	276	-	276
Total	**542**	**-**	**542**

	Liabilities measured at amortized cost	Liabilities at fair value through profit or loss	Total
Liabilities to credit institutions	763	-	763
Lease liabilities	239	-	239
Other interest-bearing liabilities	-	6*	6
Accounts payable	675	-	675
Other liabilities	55	-	55
Total	**1,732**	**6**	**1,738**

* Refers to the earn-out for the acquisition of HANZA Electronics Mönchengladbach GmbH and GmbH Milectria, which were measured at fair value through profit or loss in Level 3. See Note 23 and Note 33 for further information.

NOTE 18 Inventory

Group	Dec. 31, 2025	Dec 31, 2024
Raw material and supplies	900	840
Work in progress	226	181
Finished goods and goods for resale	146	100
Goods in transit	32	16
Total	**1,304**	**1,137**

Group	Dec. 31, 2025	Dec 31, 2024
Inventory value before write-down for obsolescence	1,357	1,186
Obsolescence write-down	-53	-49
Net inventories	**1,304**	**1,137**

Changes in obsolescence amounted to SEK -8 million (-33) in 2025.

The value of inventory measured at net realizable value on the balance sheet date was SEK 143 million (147).

NOTE 19 Accounts receivable

Group	Dec. 31, 2025	Dec 31, 2024
Accounts receivable	338	180
Reserves for doubtful accounts	-7	-1
Accounts receivables – net	**331**	**179**
Contract receivables	**68**	**34**
Total receivables from contracts with customers	**399**	**213**

Age analysis	Dec. 31, 2025	Dec 31, 2024
Not due	265	135
Due 1-30 days	45	35
Due 31-60 days	4	2
Due > 60 days	17	7
Total	**331**	**179**

A significant portion of the Group's accounts receivable are sold to an external party. Because control in these cases has been transferred to the external party, these accounts receivable have been removed from the balance sheet. On the balance sheet date, the value of sold accounts receivable not yet settled by customers amounted to SEK 749 million (583).

NOTE 20 Other receivables

Group	Dec. 31, 2025	Dec 31, 2024
VAT receivables	33	14
Receivables from suppliers	6	6
Accounts receivable sold	25	33
Other receivables	12	10
Group total	**76**	**63**

NOTE 21 Prepaid expenses and accrued income

Group	Dec. 31, 2025	Dec 31, 2024
Prepaid rents	4	3
Prepaid lease payments	-	5
Prepaid material costs	8	14
Prepaid borrowing costs	-	3
Other prepaid costs	31	9
Other accrued income	8	2
Group total	**51**	**36**

For the parent company, prepaid expenses and accrued income amounted to SEK 27 million (24) and related mainly to prepaid acquisition costs for Leden.

NOTE 22 Paid-in capital

Outstanding shares, share capital and other paid-in capital	Number of outstanding shares	Share capital	Other paid-in capital	Total
As of December 31, 2023	**43,188,840**	**4**	**881**	**885**
New share issue	470,500	-	39	39
Share-savings scheme	-	-	4	4
As of December 31, 2024	**43,659,340**	**4**	**924**	**928**
New share issue	2,300,000	-	195	195
Share-savings scheme	-	-	5	5
As of December 31, 2025	**45,959,340**	**4**	**1,124**	**1,128**

On the balance sheet date, share capital consisted of 45,959,340 shares with a quota value of SEK 0.10. Each share carries the right to one vote. All shares issued by the parent company are fully paid. During the year, a dividend of SEK 0.80 (1.20) per share was paid.

New share issue
In March, a directed share issue was carried out in connection with the acquisition of Leden, whereby 2,300,000 shares were issued.

Share-savings scheme
According to a decision by the AGM in 2023, a share-savings scheme aimed at 13 senior executives was introduced during the year, through which participants can be allocated shares in 2026, provided that the participant invested in shares in HANZA in 2023 and that the financial targets for 2025 are met. A maximum of 175,000 shares can be allocated to participants.

Other paid-in capital
Other contributed capital consists entirely of contributions from shareholders and premiums paid in connection with new issues.

Retained earnings and reserves
Reserves
Reserves in equity consist entirely of foreign currency translation reserves.

Retained earnings including profit for the year
Retained earnings including profit for the year consist of profits earned in the parent company and its subsidiaries from previous years and during the year.

NOTE 23 Borrowings

Group

During the year, the Group's loans were refinanced with a smaller number of larger loans in the Parent Company from a consortium of three banks, a 'club deal'. The new loan runs for 3 years with an option to extend for 1+1 years. Each bank loan may have a term of one, three, or six months, but the loan amounts may thereafter be fully reborrowed within the total amount of the credit facility. Interest is adjusted in connection with the rollover of each loan. The group's other borrowings consist of a small number of contracts entered into at different times and with different maturities that are essentially variable rate. Changes in borrowings during the year are shown in the tables below.

2025	Liabilities to credit institutions	Overdraft facility	Lease liabilities	Other interest-bearing liabilities	Total borrowings
Opening balance	762	0	238	6	1,006
Repayment of borrowings	−1,378	-9	-109	-	1,496
New loans	1,811	-	13	-	1,824
Acquisition of companies	267	9	447	132	855
Capitalized interest	-	-	-	1	1
Changes in existing leases	-	-	6	-52	-46
Translation difference	-18	-	-22	-3	-43
Closing balance	**1,444**	**0**	**573**	**84**	**2,101**
Of which – non-current	1,384	-	475	37	1,896
– current	60	-	98	47	205

2024	Liabilities to credit institutions	Overdraft facility	Lease liabilities	Other interest-bearing liabilities	Total borrowings
Opening balance	412	99	167	11	689
Repayment of borrowings	-353	-110	-100	-6	-569
New loans	530	-	125	-	655
Acquisition of companies	163	11	38	53	265
Capitalized interest	-	-	3	1	4
Remeasurement through profit or loss	-	-	-	-53	-53
Changes in existing leases	-	-	-1	-	-1
Translation difference	10	-	6	-	16
Closing balance	**762**	**0**	**238**	**6**	**1,006**
Of which – non-current	601	-	166	-	767
– current	161	-	73	6	240

The Group's interest-bearing liabilities had an average interest rate of 6 percent (7) in 2025.

Liabilities to credit institutions

After refinancing, the group's borrowing from credit institutions is mainly raised in the parent company and is divided between loans in SEK and EUR. Other borrowings consist mainly of real estate loans denominated in EUR, CZK and PLN. The table below shows a summary of the breakdown of loans by currency, type and maturity.

			Maturity date			
Dec. 31, 2025Type of borrowing	Currency	Carrying amount	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Later than 5 years
Bank loans	SEK, EUR, CNY, CZK, PLN	1,332	15	9	1,306	2
Installment contract		112	18	18	76	-
Total		**1,444**	**33**	**27**	**1,382**	**2**

Note 23 cont'd

Dec 31, 2024			Maturity date			
Type of borrowing	**Currency**	**Carrying amount**	**Less than 6 months**	**Between 6 months and 1 year**	**Between 1 and 5 years**	**Later than 5 years**
Bank loans	SEK, EUR, CNY, CZK, PLN	763	78	152	529	4
Total		**763**	**78**	**152**	**529**	**4**

Liabilities related to leases
Information on the maturity dates and other details of lease liabilities can be found in Note 28.

Overdraft facility
The Group's overdraft facility is held in a Group-wide cash pool in the Parent Company. Utilized overdraft facilities amounted to SEK 0 million (0) on the balance sheet date. Credit granted amounts to SEK 160 million (160).

Other interest-bearing liabilities
Other interest-bearing liabilities include expected earn-out for acquisitions as described in the next paragraph. These are financial liabilities measured at fair value through profit or loss in Level 3. The change in these liabilities is shown in the table below.

The earn-out for HANZA Electronics Mönchengladbach GmbH amounts to SEK 4 million (6) and is based on an agreement regarding the final level, which is expected to be settled in 2026. The earn-out for HANZA Milectria Group amounts to SEK 77 million and is based on sales growth during the period 2025–2027. The maximum earn-out of EUR 18 million assumes that Milectria more than doubles its sales. During the year, the earn-out of SEK 53 million set aside in connection with the acquisition of the Leden Group was also released.

Change in financial liabilities at fair value through profit or loss in Level 3	**2025**	**2024**
Opening balance	6	11
Repayment of borrowings	-	-5
Acquisitions of companies	128	-
Remeasurement	-53	-
Closing debt	**81**	**6**

Parent Company 2025	**Liabilities to credit institutions**	**Overdraft facility**	**Liabilities to Group companies**	**Other interest-bearing liabilities**	**Total borrowings**
Opening balance	639	-	235	0	874
Repayment of borrowings	−1,180	-	-24	-	−1,204
New loans	1,807	-	-	82	1,889
Other changes	-9	-	-	-1	-10
Closing balance	**1,257**	**-**	**211**	**81**	**1,549**
Of which – non-current	1,257	-	-	39	1,296
– current	-	-	211	42	253

Parent company 2024	**Liabilities to credit institutions**	**Overdraft facility**	**Liabilities to Group companies**	**Other interest-bearing liabilities**	**Total borrowings**
Opening balance	270	99	-	-	369
Repayment of borrowings	-135	-99	-	-	-234
New loans	500	-	235	-	735
Other changes	3	-	-	-	3
Closing balance	**639**	**-**	**235**	**-**	**874**
Of which – non-current	504	-	-	-	504
– current	135	-	235	-	370

NOTE 24 Other liabilities

Group	Dec. 31, 2025	Dec 31, 2024
VAT liabilities	29	19
Employee taxes withheld	67	47
Prepayments from customers	47	76
Other current liabilities	30	16
Group total	**173**	**158**

Other current liabilities consist largely of staff-related liabilities such as salaries and fixed social security contributions due the following month.

For the parent company, other liabilities amounted to SEK 3 million (3) and mainly relate to liabilities concerning VAT.

NOTE 25 Accrued expenses and deferred income

Group	Dec. 31, 2025	Dec 31, 2024
Accrued wages	49	32
Accrued vacation costs	94	64
Accrued social security contributions	30	22
Accrued material costs	22	27
Accrued consultancy and audit costs	17	18
Other accrued expenses and deferred income	36	26
Group total	**248**	**189**

The Parent Company's accrued expenses and deferred income amounted to SEK 36 million (26) and mainly relate to accrued consulting and audit costs, as well as a provision for the share-savings scheme.

NOTE 26 Pledged assets

Group	Dec. 31, 2025	Dec 31, 2024
For liabilities to credit institutions and bank overdraft:		
Real estate mortgages	274	226
Business mortgages	227	124
Machines with retention of title, etc	225	46
Shares in subsidiaries	-	1,462
Total	**726**	**1,858**

Parent Company	Dec. 31, 2025	Dec 31, 2024
For liabilities to credit institutions:		
Shares in subsidiaries	-	652
Total	**-**	**652**

NOTE 27 Contingent liabilities

Group	Dec. 31, 2025	Dec 31, 2024
Guarantees issued	145	41
Total	**145**	**41**

Parent Company	Dec. 31, 2025	Dec 31, 024
Guarantee commitments of subsidiaries	38	29
Total	**38**	**29**

Guarantees issued by the group and guarantees given by the parent company are not expected to result in an outflow of resources.

NOTE 28 Leases

Group

The group rents most of its production premises, warehouses and the offices used in its operations, as well as some production machinery, forklift trucks, certain IT equipment and a number of cars.

Subletting only occurs in exceptional cases and at marginal amounts.

Right-of-use assets 2025	Buildings and premises	Machinery and other technical facilities	Equipment, tools and vehicles	Total
Opening balance	129	134	19	282
Extension and remeasurement of existing contract	10	-	-	10
Purchases	-	4	8	12
Business combinations	393	52	7	452
Sales and disposals	-	-	-3	-3
Depreciation/amortization for the year	-74	-25	-8	-107
Reclassifications	-	-9	-	-9
Translation difference	-17	-8	-	-25
Closing carrying amount	**441**	**148**	**23**	**612**

Right-of-use assets 2024	Buildings and premises	Machinery and other technical facilities	Equipment, tools and vehicles	Total
Opening balance	85	91	10	186
Extension and remeasurement of existing contract	48	5	-	53
Purchases	1	23	10	34
Business combinations	33	13	5	51
Sales and disposals	-	-3	-1	-4
Depreciation/amortization for the year	-41	-23	-5	-69
Reclassifications	-	24	-	24
Translation difference	3	4	-	7
Closing carrying amount	**129**	**134**	**19**	**282**

Lease liabilities, change during the year	2025	2024
Opening balance	238	167
Extension and remeasurement of existing contract	6	-1
Repayment of borrowings	-109	-100
New contracts	13	125
Acquisition of companies	447	38
Capitalized interest	-	3
Translation difference	-22	6
Closing balance	**573**	**238**

	2025		2024	
Lease liabilities, maturity dates	**Nominal amounts**	**Discounted amounts**	**Nominal amounts**	**Discounted amounts**
Short-term within 1 year	130	98	74	73
Long-term 1-2 years	107	109	68	64
Long-term 2-5 years	191	267	99	87
Long-term later than 5 years	366	99	19	15
Total future lease payments	**794**	**573**	**260**	**239**

Lease liabilities are recognized in the balance sheet at their discounted present values. The table above also shows the nominal values, which are the undiscounted future cashflows.

Total lease costs in the consolidated income statement	2025	2024
Lease payments referring to contracts shorter than 1 year (included in Other external costs)	-6	-11
Lease payments referring to low value assets (included in Other external costs)	-9	-4
Depreciation of right-of-use assets for the year	-107	-69
Interest expense on lease liabilities for the year	-22	-10
Total lease costs in the income statement	**-144**	**-94**

The Group has no leases with variable lease payments.

NOTE 29 Post-employment benefits

Group

Sweden

In Sweden there are individual defined-contribution pension agreements, agreements under the defined-contribution ITP 1 plan, and agreements under the ITP 2 plan. The ITP 2 plan's defined-benefit pension commitments for retirement and family pension are assured through a policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for the ITP 2 pension plan financed by insurance in Alecta, this is a multi-employer defined benefit plan. For the 2025 financial year, the company did not have access to the information needed to be able to report its proportional share of plan obligations, plan assets and costs, as a result of which it was not possible to recognize the plan as a defined-benefit plan. The ITP 2 pension plan, which is assured through a policy with Alecta, is therefore recognized as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and depends, among other things, on salary, previously vested pension and the expected remaining period of service. Expected contributions for the next reporting period for ITP 2 insurance policies taken out with Alecta run to SEK 3 million (SEK 4 million paid in 2025). The group's share of total contributions to the plan is negligible.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations, calculated in accordance with Alecta's actuarial methods and assumptions, which are not in line with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, measures must be taken to create the conditions needed for the consolidation level to revert to the normal range. In the event of low consolidation, one measure could be to increase the agreed contractual price for taking out a new policy and increasing existing benefits. In the event of high consolidation, one measure could be to introduce premium reductions. At the end of 2025, Alecta's surplus, in the form of the collective consolidation level, ran to 167 percent (162).

One Swedish subsidiary has a PRI plan covering 32 people (30) of which 7 (4) are active in the company. This is accounted for as a defined benefit plan. At year-end, the defined-benefit pension plan in Sweden amounted to SEK 13 million (12).

Germany

In the German subsidiary HANZA Assembly Remscheid GmbH, there is a defined benefit pension plan covering 262 people (276), of which 99 (114) are active in the company and the rest are paid-up policy-holders and retirees. The plan, which is administered by an external trustee, covers the majority of employees, but not those hired in 2018 or later. At year-end, the funding ratio for the plan amounted to 37 percent (33).

	2025			2024		
Total pension costs in the income statement	**Germany**	**Other**	**Total**	**Germany**	**Other**	**Total**
Pension costs for defined contribution plans	-	91	91	-	53	53
Pension costs for defined benefit plans	2	-	2	2	-	2
Total pension costs	**2**	**91**	**93**	**2**	**53**	**55**

DEFINED BENEFIT PENSIONS

	2025			2024		
Recognition in the balance sheet	**Germany**	**Sweden**	**Total**	**Germany**	**Sweden**	**Total**
Defined benefit obligations, funded plans	119	-	119	135	-	135
Defined benefit obligations, unfunded plans	-	13	13	-	12	12
Plan assets, fair value	-44	-	-44	-45	-	-45
Provisions for pensions	**75**	**13**	**88**	**90**	**12**	**102**

NOTE 30 Statement of cash flows

Group

Other non-cash items	**2025**	**2024**
Profit/loss on disposal of non-current assets	2	-3
Remeasurement contingent consideration	-53	-53
Cost of share-savings scheme	5	4
Unrealized exchange rate differences	-9	-5
Other	-2	22
Total	**-57**	**-35**

Interest paid during the year amounted to SEK 95 million (64).

Cash flow from investments in property, plant and equipment	**2025**	**2024**
Investments in property, plant and equipment	-200	-274
Accounts payable related to ongoing construction projects	-	10
Cash flow	**-200**	**-264**

Cash flow from borrowings	**2025**	**2024**
Borrowings according to Note 23	1,833	655
New leases with no cash flow	-13	-125
Investment transferred to lease	-9	33
Cash flow	**1,811**	**563**

Cash flow from amortization	**2025**	**2024**
Amortization according to Note 23	1,496	-569
Other	-	7
Cash flow	**1,496**	**-562**

Parent company

Interest received during the year amounted to SEK 46 million (44). Interest paid during the year amounted to SEK -61 million (-56).

NOTE 31 Asset acquisitions and business combinations

Acquisitions during 2025

All shares were acquired in two businesses: Leden Group Oy and Milectria Oy. Revenue in the acquired companies for the period January to December amounted to SEK 1,624 million, of which SEK 466 million is attributable to the period before the acquisition and SEK 1,158 million is included in the Group's sales. Profit after tax amounted to SEK 57 million, of which SEK 31 million is attributable to the period before the acquisition and SEK 26 million is included in consolidated profit. Transaction costs amounted to approximately SEK 30 million (16) and are recognized as other external costs.

On March 3, 2025, all shares in Leden Group Oy, Finland were acquired. The company is a leading player in advanced mechanical manufacturing and had approximately 620 employees at the time of acquisition. The purchase price was estimated at SEK 479 million based on the company's balance sheet as of February 28, 2025 and the initially assessed earn-out. At closing, SEK 230 million was paid and shares and warrants worth SEK 196 million were issued. The warrants that entitled holders to receive up to a maximum of 0.3 million shares, depending on HANZA's share price performance in 2025, could not be exercised and have expired. In addition to the initial purchase price, an earn-out of up to EUR 15 million may be payable, depending on Leden's financial performance. In the purchase price allocation, the earn-out was estimated at SEK 56 million (EUR 5 million), which is discounted to SEK 53 million. In the third quarter of 2025, the estimated purchase price was remeasured. The reversal, recognized as other operating income and adjusted for discounting, amounts to SEK 53 million. An intangible asset in the form of customer relationships of SEK 83 million was identified. The amortization period for these customer relationships is estimated at 10 years. The deferred tax liability for this item amounts to SEK 17 million. In addition, goodwill of SEK 198 million is recognized. This goodwill consists mainly of market position and personnel as well as synergies with HANZA's other operations in Finland and Estonia. The goodwill item is not tax deductible. The purchase price allocation is still preliminary.

On October 1, 2025, the acquisition of Milectria with net sales of approximately SEK 300 million and 300 employees was completed. The company is engaged in contract manufacturing of electrical systems with a focus on the defense sector, with one production facility in Finland, one in Estonia, and one entity in the United Arab Emirates. The initial purchase price for 100 percent of the company was SEK 189 million. In addition, there is an earn-out estimated at SEK 77 million (which may amount to a maximum of EUR 18 million) based on sales growth during the period 2025–2027. The maximum earn-out assumes that Milectria more than doubles its sales.

Acquisitions in 2024

On January 4, 2024, all shares in Orbit One AB were acquired. The company offers electronics manufacturing in Sweden and Poland and employed around 620 people at the time of acquisition. Transaction costs amounted to approximately SEK 10 million and were recognized in other external costs in Q4 2023. The purchase consideration was estimated at SEK 425 million based on the company's balance sheet as of November 30, 2023 and the initially assessed earn-out. SEK 367 million was paid at the time of possession and SEK 5 million during the second quarter of 2024. In addition, an earn-out was linked to an improvement in earnings in 2024 compared to 2023, as assessed at the time of acquisition, with a maximum amount of SEK 116 million. The earn-out was valued at SEK 61 million in the purchase price allocation, discounted to SEK 58 million. During 2024, the estimated residual purchase price was gradually reduced and in Q3 it was assessed at zero. The reversal, recognized as other operating income and adjusted for discounting, amounts to SEK 53 million.

Note 31 cont'd

Purchase price allocation LEDEN, SEKm	
Cash paid on acquisition	230
Newly issued shares and warrants	196
Initially estimated residual purchase price	53
Total estimated purchase price	**479**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	44
Intangible assets	85
Property, plant and equipment	245
Right-of-use assets	453
Other non-current assets	1
Inventory	153
Accounts receivable and other receivables	258
Deferred tax asset	-23
Liabilities to credit institutions	-255
Lease liabilities	-439
Accounts payable and other liabilities	-241
Total identified net assets	**281**
Goodwill	198
Total net assets transferred	**479**

Cash flow effect of the acquisition	
Cash paid on acquisition	-230
Purchase price paid	0
Cash and cash equivalents in the company	**44**
Cash flow effect of the acquisitions	**-186**

Purchase price allocation MILECTRIA, SEKm	
Cash paid on acquisition	189
Initial estimated earn-out	77
Total estimated purchase price	**266**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	7
Intangible assets	66
Property, plant and equipment	62
Right-of-use assets	0
Other non-current assets	0
Inventory	75
Accounts receivable and other receivables	61
Deferred tax asset	-9
Liabilities to credit institutions	-22
Lease liabilities	0
Accounts payable and other liabilities	-63
Total identified net assets	**177**
Goodwill	89
Total net assets transferred	**266**

Cash flow effect of the acquisition	
Cash paid on acquisition	-189
Cash and cash equivalents in the company	7
Cash flow effect of the acquisitions	**-182**

NOTE 32 Related party transactions

The group's related parties include the largest shareholders, the Board of Directors, the CEO and other senior executives, as well as their family members. For the Parent Company, all subsidiaries in the Group are also included as related-parties. The parent company's transactions with them are disclosed separately at the end of this Note.

The largest shareholder is Gerald Engström who, through his wholly owned company Färna Invest, held just under 23 percent of the shares and votes in Hanza AB at year-end. RVM Systems AS is a wholly owned subsidiary of Färna Invest. HANZA has sold manufacturing services for SEK 401 million (234) to the RVM Group. The sale was made on market terms.

Following the acquisition of Orbit One, HANZA owns 40 percent of Spectrum Technology AB. The company has sold to HANZA for SEK 1 million (1). The sale was made on market terms.

Apart from this, no transactions between the HANZA Group and related parties that materially affected the Group's financial position and performance took place during the year, other than the dividend and customary payments of Board fees to the Board of Directors and salaries to the company's management.

Remuneration to senior executives

Complete guidelines for remuneration to senior executives are set out in the management report, pages 16-17.

Fees are paid to the Chairman and members of the Board of Directors as decided by the Annual General Meeting. Remuneration is also paid for work on the Audit Committee and the Remuneration Committee.

Remuneration to the CEO and other senior executives consists of basic salary, pension and a benefit in the form of a company car. Other senior executives are considered those persons who, together with the CEO, constitute the group management team. Senior executives totaled 5 individuals (2) during the year.

The group's senior executives only have defined-contribution pension plans. Pension cost refers to the cost that affected the profit for the year. For further pension disclosures, see below. The Chairman of the Board has received a small travel allowance and benefit in addition to the Board fee.

Share-based payment

The Annual General Meeting on May 8, 2023 decided to introduce a long-term share-savings scheme, LTIP 2023. The scheme targets up

Note 32 cont'd

to 13 senior executives and key individuals within the company, who were offered performance share rights entitling them to receive a number of HANZA shares, contingent upon the participant's personal investment in HANZA shares and/or the fulfillment of specific performance criteria. Should LTIP 2023 achieve its maximum potential, up to 175,000 performance shares could be allocated.

Pensions
The retirement age for the CEO is 65. The pension premium shall amount to 25 percent of pensionable salary which is the basic salary.

For other senior executives the retirement age is 65. The pension agreements stipulate that pension payments must adhere to a premium scale established by the company.

Severance pay
A mutual notice period of six months applies between the company and the CEO. In the event of dismissal by the company, a severance payment of six months' salary is paid. The severance pay is not offset against other income. No severance pay is payable in the event of resignation by the CEO.

A mutual notice period of six months applies between the company and other senior executives. The CFO, COO, CHRO and CSO have a severance agreement of six months.

Parent company's balances and transactions with group subsidiaries
Receivables from and liabilities to Group companies
At the balance sheet date, the Parent Company had non-current receivables from Group companies amounting to SEK 438 million (428). These receivables consist of intra-group loans that bear market interest rates. In 2024, the Parent Company implemented a cash pool that includes several of its subsidiaries and this has resulted in current receivables and liabilities depending on the subsidiaries' account balances. The Parent Company had current receivables from Group companies amounting to SEK 426 million (251) and current liabilities of SEK 211 million (235) as of the balance sheet date.

The parent company's sales to and purchases from group companies
Services to group companies are bought and sold on normal commercial terms, the amounts shown below.

SEK million	2025	2024
Sales of services to subsidiaries	52	37
Interest income from subsidiaries	44	41
Purchase of services from group companies	14	9
Interest expense from subsidiaries	3	4

2025 Amounts in SEK thousand	Basic salary/ Board fee	Variable remuneration	Pension cost	Other benefits	Total
Chairman Francesco Franzé	610	-	-	-	610
Board member Lars-Ola Lundkvist	146	-	-	-	146
Board member Taina Horgan	281	-	-	-	281
Board member Per Holmberg	355	-	-	-	355
Board member Helene Richmond	308	-	-	-	308
CEO Erik Stenfors	3,722	1,080	960	130	5,892
Other senior executives (5 people)	8,420	1,608	2,839	515	13,382
Total	**13,842**	**2,688**	**3,799**	**645**	**20,974**

2024 Amounts in SEK thousand	Basic salary/ Board fee	Variable remuneration	Pension cost	Other benefits	Total
Chairman Francesco Franzé	564	-	-	-	564
Vice-Chairman Gerald Engström (resigned)	125	-	-	-	125
Board member Sofia Axelsson (resigned)	136	-	-	-	136
Board member Taina Horgan	135	-	-	-	135
Board member Per Holmberg	325	-	-	-	325
Board member Helene Richmond	262	-	-	-	262
CEO Erik Stenfors	3,340	437	866	123	4,766
Other senior executives (4 people)	4,590	400	1,604	265	6,859
Total	**9,477**	**837**	**2,470**	**388**	**13,172**

NOTE 33 Shares in group companies

Parent Company	2025	2024
Opening cost	759	377
Acquisition of shares in Orbit One AB	-	382
Acquisition of shares in Leden Group OY	441	-
Acquisition of shares in Milectria OY	126	-
Acquisition of shares in Kiinteistö Oy Kanungin Karhu	6	-
Acquisition of shares in Milectria Oü	154	-
Closing carrying amount	**1,486**	**759**

					Carrying amount	
Name	**Corporate ID no.**	**Domicile**	**Ownership interest, %**	**Number of shares**	**Dec. 31, 2025**	**Dec 31, 2024**
Directly owned subsidiaries						
Holding companies						
HANZA Operations AB	556746-2436	Årjäng, Sweden	100%	128,205	139	139
Leden Group Oy	3186355-4	Oulu, Finland	100%	15,342,210	441	-
Milectria Oü	11524870	Pärnu, Estland	100%	1	154	-
HANZA Germany GmbH	HRB31879	Remscheid, Germany	100%	1	130	130
Manufacturing subsidiaries						
Milectria Oy	2842255-5	Hattula, Finland	100%	80	126	-
HANZA Mechanics Heinävesi Oy	0735704-5	Heinävesi, Finland	100%	1,626	108	108
HANZA Electronics Ronneby AB	556459-1906	Ronneby, Sweden	100%	81,640	382	382
Subsidiaries for intra-group services						
Kiinteistö Oy Kanungin Karhu	2875405-8	Hattula, Finland	100%	80	6	-
Dormant subsidiaries						
HANZA KA Åtvidaberg AB	556404-2371	Åtvidaberg, Sweden	100%	227,292	-	-
					1,486	**759**

Note 33 cont'd

Name	Corporate ID no.	Domicile	Ownership interest, %	Number of shares
Indirectly owned subsidiaries				
Manufacturing subsidiaries				
HANZA Electric (Suzhou) Co. Ltd.	9132059472801435XQ	Suzhou, China	100%	1
HANZA Electronics Årjäng AB	556253-8289	Årjäng, Sweden	100%	20,000
HANZA Mechanics Årjäng AB	556497-3237	Årjäng, Sweden	100%	2,210
HANZA Mechanics Tartu AS	10019012	Tartu, Estonia	100%	75,000
HANZA Electronics Brzeg Dolny Sp. Z.o.o	302360	Brzeg Dolny, Poland	100%	175
HANZA Mechanics Narva AS	11011627	Narva, Estonia	100%	1,000
HANZA Mechanics Kunovice s.r.o	26217465	Kunovice, Czech Republic	100%	1
HANZA Mechanics Iisalmi Oy	1895668-4	Iisalmi, Finland	100%	199
HANZA Mechanics Töcksfors AB	556560-4187	Årjäng, Sweden	100%	1,000
HANZA Assembly Zabreh s.r.o	25862839	Ostrava, Czech Republic	100%	1
HANZA Mechanics Joensuu Oy	2424893-2	Joensuu, Finland	100%	750,000
HANZA Electronics Mönchen-gladbach GmbH	HRB2861	Mönchengladbach, Germany	100%	10
HANZA Assembly Remscheid GmbH	HRB30263	Remscheid, Germany	100%	1
HANZA Electronics Prabuty Sp. Z.o.o	524746906	Prabuty, Poland	100%	1,165
Leden Estonia AS	10258449	Tallinn, Estonia	100%	292,607
Leden Finland Oy	2049995-3	Oulainen, Finland	100%	47,500
Konepaja Stamac Oy	1103147-8	Seinäjoki, Finland	100%	376
Milectria Est Oü	11310695	Pärnu, Estland	100%	1
Milectria Middle East Cables LLC	CN-2365926	Abu Dhabi, United Arab Emirates	90%	90
Research and development subsidiaries				
HANZA Tech Solutions GmbH	HRB12729	Münster, Germany	100%	1
Subsidiaries for intra-group services				
HANZA Shared Service Center AB	556893-0449	Årjäng, Sweden	100%	500
HANZA Shared Service Tartu OÜ	12775321	Tartu, Estonia	100%	1
HANZA Fastigheter AB	559368-5083	Årjäng, Sweden	100%	250
Dormant subsidiaries				
HANZA Alfaram Finland Oy	1065763-9	Kaarina, Finland	100%	55
HANZA Tarkon Sweden AB	556833-2257	Stockholm, Sweden	100%	100,000
Associates				
Spectrum Technology AB	559048-4761	Karlshamn, Sweden	42.30%	275

Following the acquisition of HANZA Electronics Ronneby AB, the Group owns 42.3 percent of the shares in Spectrum Technology AB. The shares are accounted for using the equity method. The carrying amount at the balance sheet date is SEK 2 million. Profit for the year from the holding amounts to SEK 0 million.

HANZA Electronics Ronneby AB was formerly known as Orbit One AB at the time of acquisition

HANZA Electronics Prabuty Sp. z o.o. was formerly known as Orbit One Sp. z o.o. at the time of acquisition

HANZA Oulu Oy was formerly known as Leden Group Oy at the time of acquisition

HANZA Mechanics Tallinn AS was formerly known as Leden Estonia AS at the time of acquisition

HANZA Mechanics Oulainen Oy was formerly known as Leden Finland Oy at the time of acquisition

HANZA Mechanics Seinäjoki Oy was formerly known as Konepaja Stamac Oy at the time of acquisition

HANZA Assembly Pärnu Oü was formerly known as Milectria Est Oü at the time of acquisition

HANZA Assembly Abu Dhabi LLC was formerly known as Milectria Middle East Cables LLC at the time of acquisition

HANZA Assembly Parola Oy was formerly known as Milectria Oy at the time of acquisition

HANZA Kanungin Karhu Oy was formerly known as Kiinteistö Oy Kanungin Karhu at the time of acquisition

NOTE 34 Appropriations and untaxed reserves

Parent company appropriations consist of the following items:

Appropriations	2025	2024
Group contributions received from Swedish Group companies	60	45
Total appropriations	**60**	**45**

Untaxed reserves	2025	2024
Tax allocation reserve 2020	1	1
Tax allocation reserve 2021	1	1
Total untaxed reserves	**2**	**2**

NOTE 35 Events after the balance sheet date

Acquisition of BMK

On January 7, 2026, HANZA took possession of the shares in the German company BMK Group GmbH ('BMK'). BMK has annual sales of approximately SEK 3,300 million and about 1,500 employees. The company is a leading player in Europe in electronics manufacturing and complex assembly, with its main operations in Augsburg, Germany, a manufacturing subsidiary in the Czech Republic, a strategic sourcing unit in China, and a manufacturing company in Israel.

The purchase consideration for 100 percent of the shares in BMK consists of 16,999,998 newly issued shares in HANZA AB, distributed equally among the three sellers.

The Board of Directors exercised an authorization from the Extraordinary General Meeting on November 21, 2025, to carry out the non-cash issue. The new shares were issued at a subscription price of SEK 126.60 per new share, and payment was made by contributing non-cash consideration in the form of the sellers' shares in BMK, corresponding to a total value of SEK 2,152 million, based on the closing price of the HANZA share on Nasdaq Stockholm on January 5, 2026.

According to the preliminary purchase price allocation, goodwill and unallocated surplus value amount to approximately SEK 1,882 million.

The work to determine the fair value of the property, plant and equipment and intangible assets is underway, as is the audit of BMK's annual financial statements as of December 31, 2025. The preliminary purchase price allocation s has not yet been adjusted in accordance with IFRS 16.

PRELIMINARY PURCHASE PRICE ALLOCATION, BMK	SEK million
Non-current assets	
Intangible assets	1,882
Property, plant and equipment	162
Total non-current assets	**2,045**
Other current assets	1,244
Cash and cash equivalents	141
Total current assets	**1,385**
Total assets	**3,429**
Equity	**2,153**
Non-current interest-bearing liabilities	87
Non-current other liabilities	325
Current interest-bearing liabilities	563
Current other liabilities	303
Total liabilities	**1,277**
TOTAL EQUITY AND LIABILITIES	**3,429**

New financial targets

In connection with its Capital Markets Day on March 10, 2026, HANZA presented its operational plan for HANZA 2028, along withnew financial targets:

- Net sales: at least SEK 14 billion
- Operating margin (EBITA): at least 9%
- Equity ratio: at least 30%
- Net debt should not exceed 2.5x EBITDA
- Annual dividend of approximately 30% of profit after tax

NOTE 36 Proposed appropriation of profit

The Board of Directors proposes a dividend for 2025 of SEK 1.50 per share (0.80), corresponding to a total dividend of SEK 94 million (37) based on the number of outstanding shares as of February 28, 2026. The proposed record date is expected to be May 15, 2026.

The following profit (SEK) in the Parent Company is at the disposal of the AGM	
Share premium reserve	852,713,579
Profit for the year	73,546,957
Total	**926,260,536**
The Board proposes that these retained funds be	
paid as dividend to the shareholders, SEK 1.50 per share, in total	94,439,007
Carried forward	831,821,529
Total	**926,260,536**

The Board's opinion on the proposed dividend

The Board of Directors proposes a dividend to the shareholders of SEK 1.50 per share (0.80) corresponding to SEK 94 million (35). The sellers of BMK, who own a total of 17 million shares, have a commitment under the acquisition agreement to return HANZA's 2025 dividend to the company in the form of a shareholder contribution. This means that the net dividend will be SEK 69 million, which corresponds to 28 percent of 2025 profit after tax. The Board is of the opinion that the proposed dividend is consistent with the prudence principle of the Swedish Companies Act with regard to the requirements on the company's equity, investment needs, liquidity and financial position and the risks associated with the type and size of the business.

Declaration

The annual report and the consolidated financial statements have been approved for publication by the Board of Directors on March 25, 2026. The consolidated income statement and balance sheet will be submitted for approval at the AGM on May 12, 2026.

The Board of Directors and the President and CEO declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the group's financial position, results of operations and cash flows.

The annual report has been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the parent company's financial position and results of operations.

The Management Report of the Group and the parent company provides a fair review of the development of the group's and the parent company's operations, financial position and results of operations and describes material risks and uncertainties facing the parent company and the companies included in the group.

The annual report and the consolidated financial statements also contain the group's and the parent company's sustainability report according to the Annual Accounts Act, Chapter 6, Section 11, see pages 12-53 and 115-124.

The content of this Annual Report was approved on March 25, 2026

Stockholm, March 25, 2026

Francesco Franzé
Chairman of the board

Per Holmberg
Board member

Helene Richmond
Board member

Taina Horgan
Board member

Lars-Ola Lundkvist
Board member

Erik Stenfors
President and CEO

Our auditor's report on the Annual Report and the consolidated financial statements was submitted on March 25, 2026.
Our limited assurance report on the statutory Sustainability Report was submitted on March 25, 2026.

Ernst & Young AB

Linn Haslum Lindgren
Authorized public accountant
Auditor in charge

Auditor's Report

To the annual general meeting of the shareholders of HANZA AB, corporate identity number 556748-8399

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and the consolidated accounts of HANZA AB for the year 2025, with the exception of the corporate governance report and the sustainability report on pages 18-21 and pages 24 and 102 respectively. The company's annual accounts and consolidated accounts are included on pages 13-17 and 103-143 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2025 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report and the sustainability report on pages 18–21 and 24–102 respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, however we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

Description of key audit matter

Net sales for 2025 amount to SEK 6,025 million in the group. The revenues of the group primarily consist of revenues from sales of goods such as components, underlying systems and finished composited products to customers in many different countries. The products are manufactured to the customers' specification, but with the company's involvement in customizing the manufacturing process. This means that the price model, manufacturing process and delivery terms are individual for each single customer agreement. Revenue recognition requires a well-functioning process, including orders, invoicing, deliveries and terms of delivery.

These conditions apply to most subsidiaries and require policies and procedures as well as management judgment to determine the appropriate method and period for proper revenue recognition.

We have identified revenue recognition as a key audit matter based on the size of revenue in relation to other income items and the volume of transactions.

For information on revenue, see Accounting policies and note 5 Revenue and note 6 Segment information.

How our audit addressed this key audit matter

We have reviewed the group's revenue recognition policies to verify compliance with IFRS.

Review and evaluation of internal controls to ensure that revenue is recognized at the right time and in the right amount.

We have conducted analytical reviews of revenues by customer contracts and geographical markets.

Detailed testing of delivery documents to ensure that revenue has been recorded in the correct period. Furthermore, we examined significant contracts and checked credit notes after the balance sheet date.

In addition, we have also performed data analytics on revenue recognition. We have also assessed the disclosures made in the annual report.

Valuation of goodwill and shares in group companies

Description of key audit matter

Goodwill is reported at SEK 798 million as of December 31, 2025. Overall, goodwill represents 15 percent of the group's total assets. See also Note 14. Shares in group companies amount to SEK 1,486 million in the parent company as of December 31, 2025. See also note 33.

Goodwill with an indefinite life shall be tested for impairment annually. HANZA tests at least annually, and when there is an indication of impairment, that the carrying amounts do not exceed the recoverable amount of the assets. Shares in group companies are assessed throughout the year for indications of impairment and if so, the recoverable amount of the asset is calculated.

The recoverable amounts of goodwill and shares in group companies are determined by calculating the present value of future cash flows per cash flow generating unit and are based on the expected outcome of a number of factors based on management's business plans and forecasts. A description of the impairment test is provided in note 2 and in the section "intangible assets" on page 113 and the section "impairment" on page 114. Further information is provided in note 14 on page 124 for goodwill and note 33 on page 141 for shares in group companies. Changes in management's assumptions underlying the assessment of recoverable amounts such as future cash flows, growth, discount rate and investment needs could lead to an impairment requirement with a significant financial impact on the group and the parent company. We therefore considered the valuation of goodwill and shares in group companies to be a key audit matter.

How our audit addressed this key audit matter

We evaluated and tested management's process for preparing impairment tests for goodwill and shares in group companies, evaluated future projections and performed sensitivity analyses on key assumptions. With the support of our valuation specialists, we reviewed management's model and methodology for performing impairment tests for goodwill and shares in group companies and evaluated the reasonableness of the discount rate assumptions, using peer group data and applied long-term growth rates. We have also assessed the disclosures made in the annual report.

Valuation of inventories

Description of key audit matter

As of December 31, 2025, the group's inventory amounts to SEK 1,304 million. The group's production units hold stocks of raw materials and supplies, work in progress, finished goods and goods for resale, and goods in transit. In order to offer short and reliable delivery times and provide customized solutions, most customers have a certain amount of stock that can be used for call-offs.

Accurately accounting for the acquisition cost is challenging when purchasing, manufacturing and logistics processes are complex. In product costing, there are a number of trade-offs that need to be made by management that have an impact on the reported values. Important areas are the determination of methodology, establishing normal production and allocation keys for direct and indirect costs. The valuation also includes assessments such as estimating the net realizable value by applying the lowest value principle and assessing the obsolescence of inventories. We have therefore considered the valuation of inventories to be a key audit matter.

How our audit addressed this key audit matter

In our audit, we have gained an understanding and evaluated the group's processes for product costing, raw material purchasing, manufacturing, inventory and obsolescence assessment.

We have carried out price tests on raw materials, checks on calculations and tests on the accrual of incoming and outgoing deliveries.

We have taken note of management's considerations regarding inventory obsolescence and their assessment of slow moving products.

We have also participated in inventories and carried out our own control calculations at the most important storage sites in order to confirm numbers. We have also assessed the disclosures made in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-12 and 24-102. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also consider our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS accounting standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts

that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- we conclude on the appropriateness of the Board of Directors and the Managing Director using the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may render a company unable to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of HANZA AB for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Management Report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities are further described in the Auditor's responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we have examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Swedish Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for HANZA AB for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is further described in the Auditor's responsibilities section. We are independent of HANZA AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to obtain reasonable assurance about whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards, and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the corporate governance statement on pages 18-21 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's recommendation RevR 16 The auditor's review of the corporate governance report. This means that our review of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the review has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the other parts of the annual accounts and consolidated accounts and in accordance with the Annual Accounts Act.

Ernst & Young AB was appointed auditor of HANZA AB by the general meeting on May 13, 2025 and has been the company's auditor since June 3, 2016.

Stockholm, March 25, 2026

Ernst & Young AB

Linn Haslum Lindgren
Authorized public accountant

Auditor's Limited Assurance Report On HANZA AB'S Sustainability Statement

To the annual general meeting of the share holders of HANZA AB, corporate identity number 556748-8399

Conclusion

We have conducted a limited assurance engagement of the sustainability statement prepared by HANZA AB (the Company) for the financial year 2025. The sustainability statement is included on pages 24-102 of this document.

Based on our limited assurance engagement as described in the Auditor's responsibilities section, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement, and
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the assurance engagement in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. Our responsibility under this recommendation is further described in the Auditor's responsibilities section.

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

Other information

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. Accordingly, no review of the comparative figures in the 2025 sustainability statement has been performed.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for preparing the sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion with limited assurance on whether the sustainability statement has been prepared in accordance with Chapter 6 12-12 f §§ of the Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 The auditor's limited assurance regarding the statutory sustainability statement. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

The audit firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of HANZA AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of individuals responsible for preparing the sustainability statement, performing analytical review, and carrying out other limited review procedures.

The assurance procedures mainly include:

Our assurance procedures regarding the process carried out by the company to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by performing inquiries to understand the sources of information used by

management (e.g., stakeholder dialogues, business plans and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures on the process implemented by the company is consistent with the description of the process on page 45 of the sustainability statement.

Our assurance procedures regarding the sustainability statement included, but were not limited to:
- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of information in the sustainability statement.
- Evaluating whether information identified as material through the process conducted by the company to determine the content of the sustainability statement is also included.
- Evaluating whether the structure and the presentation of the sustainability statement are in accordance with ESRS;
- • Performing inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performing substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, obtaining evidence regarding the methods used to develop material estimates and forward-looking information and understanding how these methods were applied.

Our assurance procedures regarding the taxonomy disclosures included, but were not limited to:
- Obtaining an understanding of the process to identify economic activities that are eligible and aligned with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement.
- Performing inquiries of relevant personnel and analytical procedures on the taxonomy disclosures;
- Performing inquiries to understand the sources of information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is in accordance with the requirements of the EU Taxonomy Regulation.

Limitations

When reporting forward-looking information in accordance with ESRS, the Board of Directors and management of HANZA AB must prepare forward-looking information based on stated assumptions about events that may occur in the future and possible future activities of HANZA AB. Actual outcomes are likely to differ, as anticipated events often do not occur as expected.

Stockholm, March 25, 2026

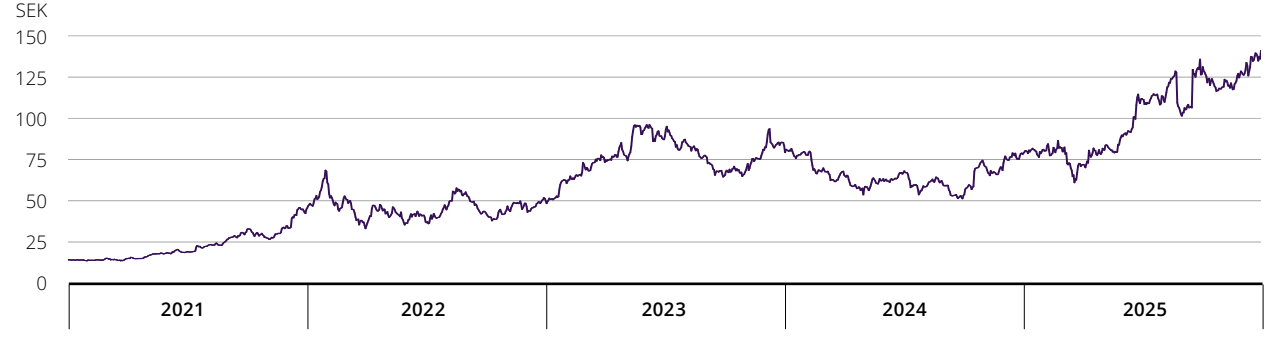
Ernst & Young AB

Linn Haslum Lindgren
Authorized public accountant

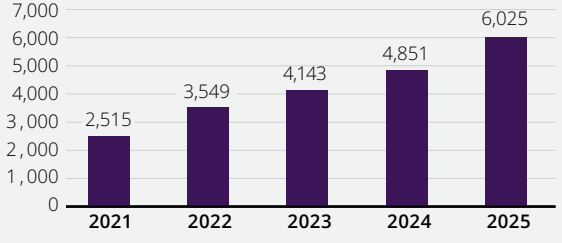
CFO's statement and the share

In 2025, we significantly expanded our operations by opening newly built factories and carrying out strategic acquisitions while improving profitability. The starting point for all development at HANZA, however, remains the same – to increase customer value by broadening the offering. This lays the foundation for long-term profitable growth and thus sustainable value creation for the company's shareholders. In addition, the acquired company BMK, which was completed in January 2026, will be included in 2026. We are entering the next phase of our strategy, HANZA 2028, with a stable platform for customers in Europe.

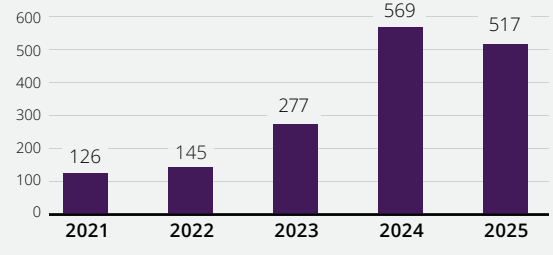
Share price 5 years, 2021-2025



Sales
SEKm



Cash flow from operating activities
SEKm



The HANZA share as an investment

The share

Over the past five years, the share price has increased in value from SEK 13.95 at the end of 2020 to SEK 127.20 at the end of 2025. Since 2018, we have paid dividends every year (with the exception of 2020 due to the pandemic). The share price performance, along with the dividends paid, has resulted in a nine-fold increase in value.

Ownership

The largest shareholder is Färna Invest (Gerald Engström), holding just under 17 percent of the shares. In connection with the acquisition of BMK, the three former owners each received 9 percent of the shares. In addition, we have several institutional owners, including the Third and Fourth Swedish National Pension Funds. Management has increased its ownership over the years and currently holds 940,550 shares, representing 1.5 percent.

Growth and improved profitability

Over the past two years, HANZA has increased its sales by 50 percent, from SEK 4 billion in 2023 to SEK 6 billion in 2025. The average growth rate (CAGR) over the past five years is 23 percent. At the same time, the EBITA margin rose from 6.0 percent to 7.6 percent, while earnings per share increased from SEK 3.30 to SEK 5.38.

Strong and proven business model

HANZA's progress has demonstrated that the concept of regional cluster manufacturing in Europe works, leading to growth alongside improved profitability and strong cash flows. The ambitious financial targets for 2025 were achieved.

With the acquisition of BMK, we enter 2026 with sales exceeding SEK 10 billion and new financial targets to reach SEK 14 billion in sales by 2028 with an operating margin of 9 percent.

Lars Åkerblom, Vice President and CFO

The share and ownership structure

HANZA's share has been listed on Nasdaq Stockholm since March 25, 2019. As of January 2, 2024, the share is traded on Mid Cap. Before the listing on Nasdaq Mid Cap, the share was listed on Nasdaq First North Premier since 2014. The share price at year-end was SEK 127.20.

At the beginning of the year, the number of shares was 43,659,340 and share capital was SEK 4,318,884. In March 2025, the number of shares increased by 2,300,000 through a directed share issue to the sellers of Leden. At the end of the year, the number of shares amounted to 45,959,340. In January 2026, the number of shares increased by 16,999,998 as the Board of Directors used an authorization from an extraordinary general meeting to carry out a non-cash share issue in connection with the acquisition of BMK. Accordingly, the number of shares amounts to 62,959,338 at the time of publication of this Annual Report.

Authorizations

At the Annual General Meeting on May 13, 2025, it was decided, in accordance with the Board's proposal, to authorize the Board to, at one or more occasions, during the period up to the 2026 Annual General Meeting, decide to increase the company's share capital by SEK 455,000 (corresponding to 4,550,000 shares) through the issue of shares, warrants and/or convertibles. The Board may, with the authorization, decide on the issue of shares, warrants and/or convertibles.

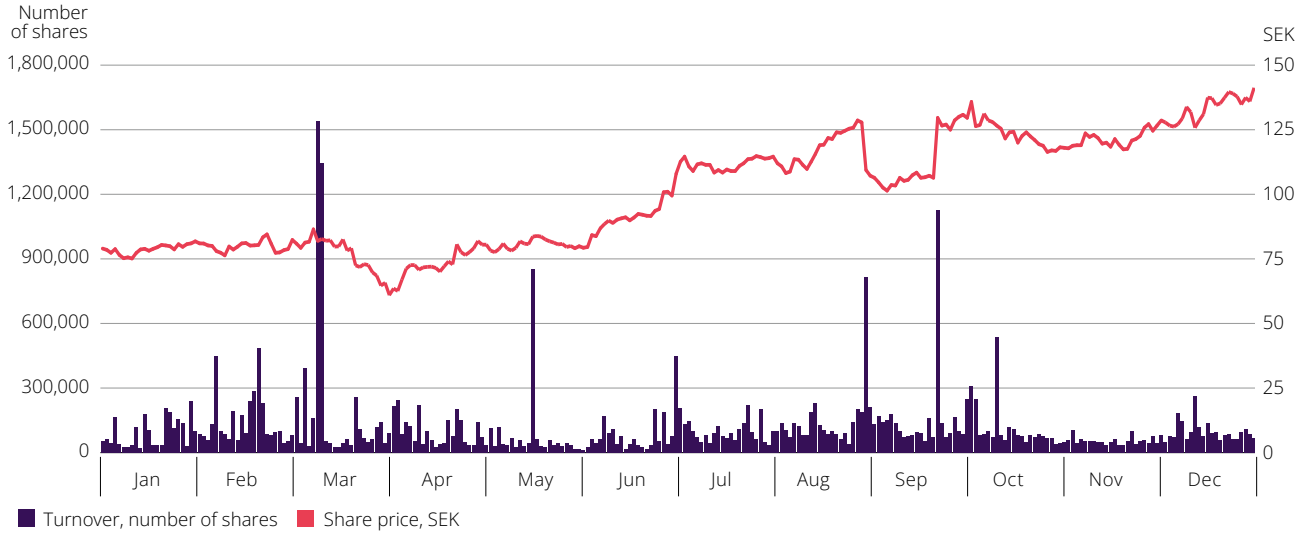
This takes place with deviation from shareholders' preferential rights and/or with provisions for non-cash, set-off or other conditions in accordance with the Swedish Companies Act. The authorization corresponded to approximately 9.9 percent of the share capital at the time of issuance.

The Annual General Meeting also authorized the Board of Directors, on one or more occasions up until the next Annual General Meeting, to decide on the repurchase of the company's own shares such that the company's total holding of own shares amounts to no more than five percent of all shares in the company. These authorizations have not been used.

Lock-up agreement

At the time of the publication of this annual report, there are no lock-up agreements regarding the Board of Directors or senior executives in HANZA. Approximately 14.45 million shares held by the sellers of BMK are subject to lock-up restrictions for up to three years from the completion date, with customary exceptions. The number of shares subject to the lock-up gradually decreases after 12 and 24 months from the completion date.

Share price and sales 2025



Share capital development

Year	Event	Quota per share SEK	Change in share capital SEK	Number of shares	Total number of shares
2023	Exercise of warrant program	0.1	85,000	850,000	40,129,928
2023	New share issue	0.1	305,891	3,058,912	43,188,840
2024	New share issue	0.1	47,050	470,500	43,659,340
2025	New share issue	0.1	230,000	2,300,000	45,959,340

Dividend policy

The 2024 Annual General Meeting resolved to implement a long-term share-savings scheme, LTIP 2023. The program was aimed at 13 senior executives and key individuals within the company, who were offered performance share rights entitling them to receive a number of HANZA shares, contingent upon the participant's personal investment in HANZA shares and/or the fulfillment of specific performance criteria. Should LTIP 2023 achieve its maximum potential, up to 163,000 performance shares could be allocated.

Participation in the share-savings scheme was high, with the 13 people offered the scheme investing in 32,600 of a maximum of 33,450 shares. As of the time this annual report was submitted, 12 individuals remain in the program.

Earnings are primarily to be reinvested in the business in order to enable continued development of the group's business and thereby create sales and profit growth. Therefore, when assessing the size of the dividend, the primary consideration is that the group's development must allow for financial strength and maneuverability. Business development permitting, the dividend must correspond to approximately 30 percent of profit after tax.

Dividend

The Board of Directors proposes a dividend of SEK 1.50 per share (0.80), corresponding to a total amount of SEK 94 million (35). The sellers of BMK, who own a total of 17 million shares, have a commitment under the acquisition agreement to return HANZA's 2025 dividend to the company in the form of a shareholder contribution. This means that the net dividend will be SEK 69 million, which corresponds to 28 percent of 2025 profit after tax. The Board of Directors' proposal is based on the company's dividend policy, strategy and financial position.

Ownership

The number of shareholders at January 31, 2026 was 9,629. The largest shareholders are shown below.

Ownership structure Jan 31, 2026	Number of shares[1]	Capital, %	Votes, %
Färna Invest AB	10,494,627	16.67	16.67
Alois Knöferle	5,666,666	9.00	9.00
Stephan Baur	5,666,666	9.00	9.00
Dieter Müller	5,666,666	9.00	9.00
Francesco Franzé [2, 3]	3,505,000	5.57	5.57
Third Swedish National Pension Fund	1,781,351	2.83	2.83
Nordnet Pensionsförsäkring AB	1,695,161	2.69	2.69
Indépendance AM	1,236,513	1.96	1.96
Norges Bank	1,184,746	1.88	1.88
Fourth Swedish National Pension Fund	1,137,187	1.81	1.81
10 largest shareholders	38,034,583	60.41	60.41
Other members of the Board	324,894	0.52	0.52
Group management	940,550	1.49	1.49
Other shareholders	23,659,311	37.58	37.58
Total number of shares	**62,959,338**	**100.00**	**100.00**

1) Refers to own holdings and those of related natural and legal persons.
2) Board members in HANZA AB
3) Francesco Franzé's controlled holding of shares in the company amounts to 2,395,717. In addition to the foregoing, Francesco Franzé owns 1,099,283 shares in the company through an endowment insurance and 10,000 shares via the wholly owned subsidiary Panarea AB. Francesco Franzé's total holding amounts to 3,505,000 shares.

Source: Euroclear

Five-year overview

	2025	2024	2023	2022	2021
Key performance indicators according to IFRS					
Net sales, SEK million	6,025	4,851	4,143	3,549	2,515
Operating profit (EBIT), SEK million	413	239	327	193	127
Profit/loss for the year, SEK million	246	111	214	121	80
Earnings per share before dilution, SEK	5.40	2.55	5.36	3.35	2.26
Earnings per share, diluted	5.38	2.54	5.31	3.30	2.25
Dividend per share, SEK[1]	1.50	0.80	1.20	0.75	0.50
Cash flow from operating activities, SEK million	517	569	277	145	126
Average number of employees	3,199	2,578	2,001	1,936	1,741
Alternative performance measurements					
EBITDA, SEK million	690	442	464	315	232
EBITDA margin, %	11.5	9.1	11.2	8.9	9.2
Operational segments EBITA, SEK million	443	251	365	219	155
Operational EBITA margin	7.3	5.2	8.8	6.2	6.2
EBITA Business development and services, SEK million	5	22	-21	-6.7	-11.7
EBITA, SEK million	448	273	344	212	143
EBITA margin, %	7.4	5.6	8.3	6.0	5.7
Operating margin EBIT, %	6.8	4.9	7.9	5.4	5.1
Operating capital, SEK million	3,513	2,313	1,796	1,559	1,298
Return on operating capital, %	16.9	13.3	20.5	14.8	12.9
Capital turnover on operating capital, times	2.3	4.7	4.9	2.5	2.3
Return on capital employed, %	13.5	10.1	17.1	12.7	10.7
Net interest-bearing debt, SEK million	1,239	700	363	556	583
Net debt/equity ratio, times	0.7	0.5	0.3	0.7	1.0
Net debt in relation to adjusted EBITDA, times	2.0	1.7	0.8	1.9	2.9
Equity ratio, %	34.2	40.7	45.9	35.3	30.0
Equity per share at end of period, SEK[1]	39.48	33.89	31.14	22.85	16.36

1) proposed dividend 2026

The alternative performance measurements above are considered relevant to give a picture of HANZA's operational profitability, the distribution between internal and external financing, return on capital provided 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 (hanza.com/investor/reports-and-presentations).

Definitions, alternative performance measurements and terms

KEY PERFORMANCE INDICATORS 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 annual report. Reconciliation tables for alternative performance measurements and motives for using each measurement are published on the company's web page (hanza.com/investor/reports-and-presentations).

Return on capital employed is the operating profit with reversal of financial items divided by the average capital employed.

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.

EBITA Business development and services includes business development costs.

EBITDA (Earnings before interest, taxes, depreciation and amortization) refers to earnings before interest, taxes, depreciation and amortization and impairment of tangible and intangible assets.

EBITDA margin is EBITDA divided by net sales.

EBITA (Earnings before interest, taxes and amortization) refers to earnings before depreciation and amortization of intangible assets, net financial items, appropriations and taxes.

Equity per share is equity at the balance sheet date adjusted for unregistered share capital divided by the registered number of shares at the balance sheet date.

Adjusted EBITDA is EBITDA adjusted for depreciation on additional right-of-use assets for leased properties under IFRS 16.

Items affecting comparability are revenue and expense items in the operating profit which only by way of exception occurs in the operations. Items affecting comparability refers to revenues and expenses such as acquisition costs, revaluation of earn-outs, 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 segment EBITA (operational EBITA) is the EBITA for segments Main Markets and Other markets.

Operating segments' operating profit (operating EBIT) is the operating profit of the Main Markets and Other Markets segments.

Operating EBITA margin is operating segment 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 in relation to adjusted EBITDA is net interest-bearing debt at year end divided by adjusted EBITDA on a rolling 12-months basis.

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

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

Net interest-bearing debt refers to interest-bearing liabilities including provisions for post-employment benefits excluding estimated financial liabilities for right-of-use assets for leased properties and premises under IFRS 16 minus cash and similar assets and short-term investments.

Operating margin (EBIT margin) is EBIT divided by net sales.

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

Capital employed is the balance sheet total minus non-interest bearing provisions and liabilities.

CONCEPTS – Definitions established by HANZA

CORE (Cluster Operational Excellence) is a method used by HANZA to develop factories operationally and is conducted in project form over a period of time.

MIG (Manufacturing Solutions for Increased Growth & Earnings) is a service developed by HANZA that analyzes and proposes improvements to the customer's total manufacturing and logistics chain.

MCS (Material Compliance Services) is a service developed by HANZA that helps the customer ensure that a product meets regulatory requirements for constituent components.

Manufacturing cluster HANZA gathers a number of contract manufacturing technologies within certain geographical areas called manufacturing clusters.

Calculations of alternative performance measures can be found on HANZA's website: hanza.com/investor/reports-and-presentations

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