HANZA

Interim report January – June 2025

Q2

Improved profitability, acquisition, and market upturn

Second quarter 2025

- Net sales increased by 24% to SEK 1,516 million (1,221).
  Adjusted for currency and acquisitions, sales increased by 3%.
- Operating profit amounted to SEK 106 million (50), corresponding to an operating margin of 7.0% (4.1). For comparable units, excluding the acquisition of Leden, the operating margin amounted to 7.8% (4.1).
- Earnings per share after dilution amounted to SEK 1.13 (0.16).
- Cash flow from operating activities amounted to SEK 163 million (135).

First half of 2025

- Net sales increased by 15% to SEK 2,842 million (2,474).
  Adjusted for currency and acquisitions, sales were unchanged.
- Adjusted operating profit amounted to SEK 203 million (137), corresponding to an adjusted operating margin of 7.1% (5.5). Operating profit amounted to SEK 192 million (117), corresponding to an operating margin of 6.8% (4.7).
  For comparable units, excluding acquisitions and items affecting comparability, the operating margin amounted to 7.5% (4.7).
- Adjusted earnings per share after dilution amounted to SEK 2.23 (1.26).
  Earnings per share after dilution amounted to SEK 2.03 (0.92).
- Cash flow from operating activities amounted to SEK 231 million (166).

24%
Sales growth

7.8%
Operating margin for comparable units

163 MSEK
Cash flow in the second quarter

Financial overview

Key ratios[1] (SEK million, where not otherwise stated)	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	R12	Full year 2024
Net sales	1,516	1,221	2,842	2,474	5,219	4,851
Adjusted operating profit [2]	106	70	203	137	367	301
Adjusted operating margin (%) [2]	7.0	5.7	7.1	5.5	7.0	6.2
Operating profit	106	50	192	117	348	273
Operating margin (%)	7.0	4.1	6.8	4.7	6.7	5.6
Adjusted earnings per share after dilution (SEK) [2]	1.13	0.58	2.23	1.26	4.08	3.11
Earnings per share after dilution (SEK)	1.13	0.16	2.03	0.92	3.65	2.54
Cash flow from operating activities	163	135	231	166	634	569
Interest bearing net-debt	1,133	978	1,133	978	1,133	700
Net debt/adjusted EBITDA (times) [3]	2.1	2.2	2.1	2.2	2.1	1.7
Equity ratio (%)	34.8	37.1	34.8	37.1	34.8	40.7

[1] See *Key ratios and definitions* for information on the key figures.
[2] Adjusted operating profit is defined as operating profit excluding items affecting comparability, see also Note 4.
[3] EBITDA from acquisitions is included for the correct ratio to net debt.

CEO comments

HANZA provides tailormade manufacturing solutions for leading product companies – more like an architect with overall responsibility than a traditional subcontractor. The business model ensures that the company is constantly evolving, even in periods of economic downturn.

Acquisitions that add expertise and create value
Profitability continued to improve sequentially during Q2. The adjusted operating margin for "old HANZA" (excluding the acquisition of Leden in March this year) amounted to 7.8% in Q2, compared with 7.3% in Q1. This is a positive development, and even more encouraging when we look at underlying profitability.

Acquisitions are an important part of our business model. They strengthen our offering by adding new technology and expertise. One example is Orbit One, a high-tech electronics company that we acquired in early 2024. However, their operating margin was around 6%, compared with HANZA's margin of just over 8%, and the company was also affected when the economic downturn hit. Although demand has not yet picked up, we have managed to raise the margin in Orbit One to the same level as the rest of HANZA. This is a result of a rapid integration process, and effective synergy work.

In March this year, we acquired Leden, an advanced mechanical engineering company where the challenge is instead a rapidly growing demand. Here, we have needed to work to ensure deliveries through a range of activities such as overtime, extra transport and production shared between several factories. These measures impact Leden's margin and thus also the Group's earnings.

Although we are still in the integration phase with Leden, we have already launched a comprehensive coordination project, both within the Finnish cluster and with other parts of the Group. The project will be completed before the end of the year and will result in a significant increase in capacity, which in turn will enable fast and positive earnings growth.

Acceleration of LYNX through acquisitions
In March 2025, we launched the LYNX market program in response to a changed global environment. The program is focused on the defense industry and has been very well received. We expect to be able to report new contracts already during the fall. At the same time, we are now seeing several existing customers raising their forecasts for the end of 2025, which is the first time since the recession began.

All of this puts demands on our capacity building. In July, we signed an agreement to acquire Milectria, a manufacturer specializing in systems for the defense industry, with operations in Finland, Estonia, and the United Arab Emirates (Abu Dhabi). The acquisition adds approximately 300 employees and a new customer base, while establishing a dedicated platform with high expertise and capacity for manufacturing in the defense sector. This will enable us to accelerate LYNX while securing capacity for our other industries and customers.

HANZA in constant motion
In addition to our major investments, a number of other activities are also ongoing. During the quarter, we moved into the new assembly hall in Töcksfors, which was inaugurated in February. We have also started an expansion of the mechanical engineering facility in Årjäng to meet increased demand from the energy sector.

In summary, we have successfully developed HANZA through a series of initiatives – during a period otherwise characterized by a weak economy. We are entering the fall in a strong position and confidently reiterate our financial targets for 2025. In parallel, work continues on HANZA 2028, our strategy for the coming years, which we plan to present at a capital markets day towards the end of the year.

We are ready for the next chapter!

Kista, July 22, 2025

Erik Stenfors, CEO

Significant events

- On February 11, HANZA inaugurated a new assembly hall in Töcksfors, Sweden. The new factory is an investment of approximately SEK 75 million and covers 8,800 square meters. Following the inauguration, final assembly, which was previously carried out in temporary premises, has been moved to the new factory, creating a significantly more efficient flow.

- On March 3, HANZA completed the acquisition of Finnish Leden Group Oy, a leading provider of advanced mechanical manufacturing. The acquisition strengthens HANZA's market position and mechanical expertise, as well as broadening its customer base.

- On May 13, HANZA's Board of Directors was expanded when the Annual General Meeting resolved to elect Lars-Ola Lundkvist as a new member and to re-elect Francesco Franzé, Helene Richmond, Per Holmberg, and Taina Horgan. Francesco Franzé was re-elected as Chairman of the Board.

- On July 17, HANZA signed an agreement to acquire the contract manufacturing division of Milectria, a manufacturer of electrical systems for the defense industry and other customers with demanding environments. The acquisition is part of HANZA's LYNX program, which aims to strengthen HANZA's position in the defense industry.

HANZA in Sievi, Finland. One of the factories acquired from Leden Group Oy.

HANZA acquires defense manufacturer Milectria. The photo shows three of the four owners together with Erik Stenfors, CEO of HANZA. From left: Tatu Piilola, Country Manager MENA, Mirka Ruoho, Purchase Manager, and Tomi Kaukonen, CEO of Milectria Group.

Financial calendar

At 10 am on July 22, 2025, HANZA will host a conference call for investors, analysts and media, during which CEO Erik Stenfors and CFO Lars Åkerblom will present the interim report for the second quarter.

Link to the presentation:
https://hanza.events.inderes.com/q2-report-2025

Oct 28, 2025 Interim report, third quarter 2025

Market

General
HANZA pursues a market strategy aimed at creating a well-balanced customer base within selected industries. No single customer should account for more than 10% of HANZA's annual sales, and the ten largest customers together should account for less than 50%. HANZA meets these targets, even after the recent acquisitions.

Examples of selected industries include mining, defense and security, energy, medical technology, agriculture and forestry, and recycling. Geographically, customers are mainly located in the Nordic region and Germany, but there are also some customers in other parts of the world. Sales volume to the US amounts to less than 1%.

Market development
At the beginning of 2024, the economy entered a recession, which also affected HANZA. The market situation has turned upward in late spring 2025, with several customers announcing volume increases towards the end of 2025. This upturn is in line with the market assessment made by HANZA at the start of the recession.

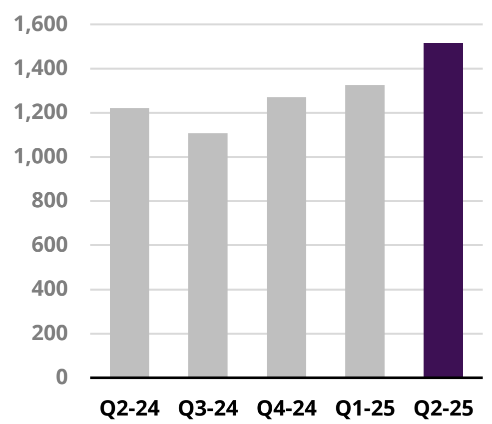
HANZA has adjusted its cost structure to the current market situation, while maintaining a very good capacity for volume increases. The acquisition of Milectria also provides new capacity for the rapidly growing defense segment.

HANZA's market position
HANZA has retained all of its customers and also secured new important contracts in 2024 that will contribute to sales in 2025 and beyond.

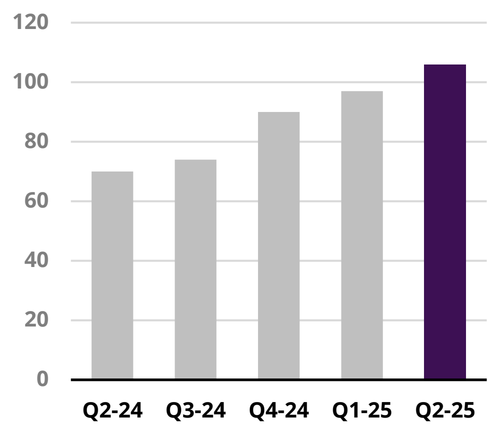
HANZA offers tailor-made manufacturing solutions that are in high demand regardless of the economic cycle. New sales remained strong in 2025, which will contribute to sales in 2026 and beyond.

Furthermore, HANZA's business model is supported by the trend toward complete and regional manufacturing. This trend has been driven primarily by trade barriers, transport costs, delivery times, environmental aspects, and the pandemic. The invasion of Ukraine has also added a political dimension, with companies with manufacturing in risk areas considering moving production closer to the market to secure their deliveries. Uncertainty about future tariffs following the US presidential election has also increased the need for local manufacturing. The economic downturn in Germany, mainly driven by the automotive segment where HANZA is not active, is creating new opportunities for so-called MIG™ contracts.

Sales, SEK million
Net sales for the last five quarters



Operating profit, SEK million
Adjusted operating profit for the last five quarters



HANZA's Sustainability work

HANZA's sustainability work is focused on three areas: Environment & Climate, Safety & Ethics, and Colleagues. The sustainability goals, together with the financial goals in the company's overall strategy "HANZA 2025", shall ensure that HANZA achieves long-term profitable and sustainable growth.

Selected activities from the second quarter

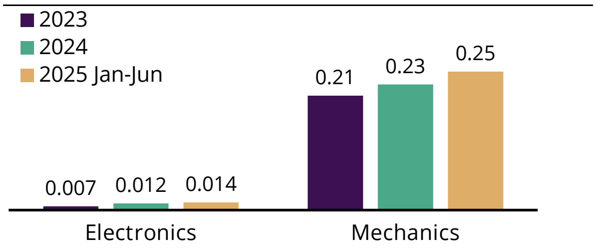
- At a global level, we have reviewed and updated our double materiality analysis (DMA) following the acquisition of Leden to ensure that our sustainability practices remain aligned with our evolving operational and ESG goals.

- Leden will be included in sustainability reporting from Q2 2025.

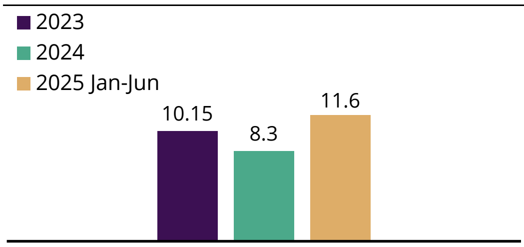
- During the second quarter, we implemented various local initiatives based on the results of our annual employee survey. In Estonia, an important initiative has been a project based on the results of last year's employee survey. The survey showed lower job satisfaction in groups with more than 60 employees. To address this, we have introduced a new group manager role that divides its time between operational and administrative work.

- At the same time, we have expanded our workforce through a socially responsible recruitment initiative involving open prisons. Inmates serving open sentences have been hired at our facilities in Tartu and Narva, and the next step is to also hire inmates in Tallinn. This initiative has not only helped to address the labor shortage, but has also led to successful long-term employment for some individuals after their release. Our cooperation with the prison authorities has been very effective, and we look forward to continuing this important partnership.

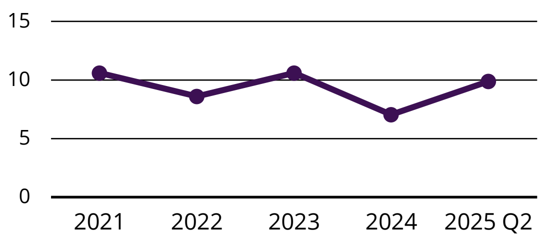
Hazardous waste (ton/SEK million)[1)2)]



Energy use (MWh/SEK million)[1)2)]



LTIFR
(Work related injuries/millions of worked hours)[1)]



[1)] The graphs also include the factories added through the acquisition of Leden in March 2025. Hazardous waste in mechanics has increased due to the dismantling of the surface treatment and paint line at the factory in Sievi.

[2)] Energy consumption during the first half of the year increased as a result of fuel consumption being included from Q2 onwards. Previously, electricity and district heating were reported.

Financial development

First quarter
Net sales amounted to SEK 1,516 million (1,221), an increase of 24%. Sales increased through acquisitions. Exchange rate fluctuations had a negative impact on consolidated sales of SEK -49 million. Excluding currency and acquisitions, organic growth was 3%.

The gross margin for the quarter was 45.1% (43.2). The increase is due to both the acquisition of Leden and internal improvement measures. EBITDA for the quarter amounted to SEK 167 million (94), which corresponds to a margin of 11.0% (7.7). The Group's operating profit amounted to SEK 106 million (50), corresponding to an operating margin of 7.0% (4.1). Excluding sales and operating profit from Leden, the Group's operating margin amounted to 7.8%.

Net financial items amounted to SEK -37 million (-35), of which exchange rate losses amounted to SEK -3 million (-6). Profit before tax for the quarter amounted to SEK 60 million (8), and profit after tax amounted to SEK 52 million (6). Income tax corresponds to a tax rate of 14.8% (21.7). Adjusted earnings per share after dilution amounted to SEK 1.13 (0.58). Earnings per share for the quarter amounted to SEK 1.13 (0.16) before dilution and SEK 1.13 (0.16) after dilution.

First half year
Net sales for the first half of the year amounted to SEK 2,842 million (2,474), corresponding to growth of 15%. Exchange rate fluctuations had a negative impact of SEK -50 million on the Group's sales. Acquisitions contributed SEK 417 million. Excluding currency and acquired units, sales were unchanged.

The gross margin for the first half of the year was 43.9% (42.6). EBITDA for the first half of the year amounted to SEK 305 million (198), corresponding to a margin of 10.7% (8.0).

During the first half of the year, items affecting comparability relate to costs for the acquisition of Leden, factory relocation in Töcksfors, adjustment of asset values upon introduction of the Group's ERP system in one of the subsidiaries in Germany, and a major restructuring project in Poland. Adjusted for these items, the comparable operating margin was 7.5% (6.6). The Group's operating profit amounted to SEK 192 million (117), corresponding to an EBITA margin of 6.8% (4.7).

Net financial items amounted to SEK -68 million (-61), of which exchange rate losses amounted to SEK -5 million (0). Profit before tax for the first half of the year amounted to SEK 108 million (43), profit after tax amounted to SEK 92 million (40). Income tax corresponds to a tax rate of 14.4% (7.1). Earnings per share for the first half of the year amounted to SEK 2.04 (0.93) before dilution and SEK 2.03 (0.92) after dilution.

Cash flow and investments
Cash flow from operating activities amounted to SEK 163 million (135) in the second quarter and SEK 231 million (166) for the first half of the year. The higher cash flow for the second quarter is mainly due to improved earnings. The change in working capital during the quarter amounted to SEK 34 million (77), and for the first half of the year to SEK 20 million (50).

Investments during the second quarter amounted to SEK 24 million (96), of which buildings accounted for SEK 2 million (18). The remaining SEK 22 million (72) consisted mainly of investments in machinery and other fixed assets. For the first half of the year, investments amounted to SEK 240 million (512), of which business acquisitions accounted for SEK 186 million (364) and investments in buildings amounted to SEK 10 million (24).

Financial position
The Group's interest-bearing net debt amounted to SEK 1,133 million (978). Cash and cash equivalents amounted to SEK 301 million (187). The increase in interest-bearing net debt compared with the previous year is due to the acquisition of Leden.

Reported net debt/adjusted EBITDA amounts to 2.4. Including the EBITDA of acquired companies prior to acquisition, this key ratio amounts to 2.1, which is below the company's financial target of 2.5.

Total assets at the end of the period amounted to SEK 4,895 million (3,765). The increase is mainly due to the acquisition of Leden. Shareholders' equity at the end of the period amounted to SEK 1,704 million (1,396), corresponding to an equity/assets ratio of 34.8% (37.1).

Annual General Meeting
At the Annual General Meeting on May 13, 2025, Board members Francesco Franzé, Helene Richmond, Per Holmberg, and Taina Horgan were re-elected. Lars-Ola Lundkvist was elected as a new Board member. Francesco Franzé was re-elected as Chairman of the Board.

The Meeting resolved to pay a dividend of SEK 0.80 (1.20) per share. The dividend amounted to a total of SEK 37 million (52) and was paid to the shareholders on May 20, 2025.

Authorizations
The Annual General Meeting authorized the Board of Directors to decide, during the period until the next Annual General Meeting, to increase the company's share capital through the issue of shares, warrants, and/or convertibles up to approximately 10% of the current share capital. The Meeting also authorized the Board of Directors, for the period until the next Annual General Meeting, on one or more occasions, to decide on the acquisition and transfer of the company's own shares, however, not exceeding 5% of the total number of shares in the company.

Parent company
The parent company's net sales consist solely of income from Group companies. No investments were made in the parent company during the quarter.

Significant risks and uncertainties
The risk factors that generally have the greatest significance for HANZA are unexpected global events, financial risks, and changes in demand. For more information on risks and uncertainties, please refer to Note 3 in the company's annual report for 2024. No significant changes in risks have occurred since the annual report for 2024 was submitted.

Related party transactions
During the quarter, there were no significant transactions between the HANZA Group and related parties other than those disclosed in Note 32 in the company's annual report for 2024.

The share
The number of shares amounted to 43,659,340 at the beginning of the year and increased by 2,300,000 during the first quarter through a directed new issue to the sellers of Leden. At the end of the period, the number of shares amounted to 45,959,340. The options that gave the sellers of Leden the right to receive a maximum of 300,000 additional shares, depending on HANZA's share price performance in 2025, were not exercised. This is because the specific conditions attached to the options were not met within the specified time frame.

Colleagues
The average number of employees was 3,004 (2,727). At the end of the period, the number of employees was 3,104 (2,636).

This report has not been subject to review by the company's auditor.

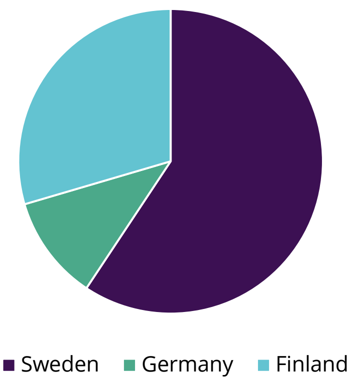
Segment overview

Description of segment reporting
HANZA divides its manufacturing operations into so-called manufacturing clusters and applies a financial segmentation based on primary customer markets. In addition, there are activities in development and consulting as well as business development. These are reported in a separate segment.

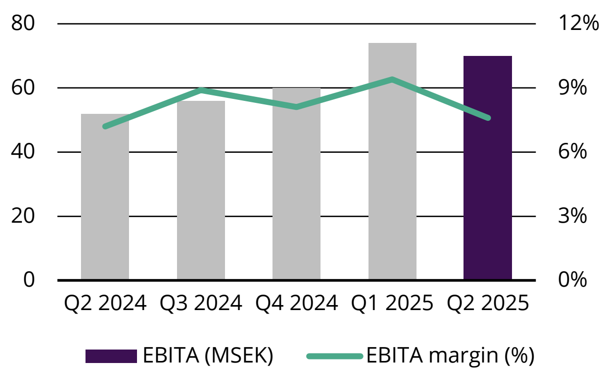
Main market segment

SEK million	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024
External net turnover	**917**	**723**	**1,704**	**1,493**
Adjusted operating profit	**70**	**52**	**144**	**106**
Adjusted operating margin (%)	7.6	7.2	8.5	7.1

Breakdown of net sales by manufacturing cluster



Adjusted operating profit



The Main Markets segment is characterized by manufacturing clusters located within or in the vicinity of HANZA's primary geographic customer markets, which currently consist of Sweden, Norway, Finland and Germany.

The segment currently includes HANZA's manufacturing clusters in Sweden, Finland and Germany. HANZA's operations in these areas are based on close cooperation with customers' development departments and proximity to their factories and/or end markets.

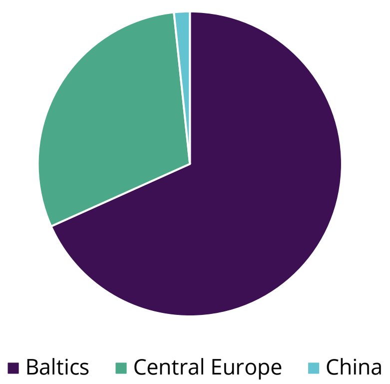
External net sales during the second quarter increased by 27% compared with the corresponding period in 2024. Adjusted for acquisitions and currency effects, net sales increased by 6%. The adjusted operating margin was 7.6% (7.2). For comparable units, the adjusted operating margin was 8.9% (7.2).

External net sales during the first half of the year increased by 14% compared with the corresponding period in 2024. Adjusted for acquisitions and currency, net sales decreased marginally. The adjusted operating margin was 8.5% (7.1). For comparable units, the adjusted operating margin was 9.1% (7.1).

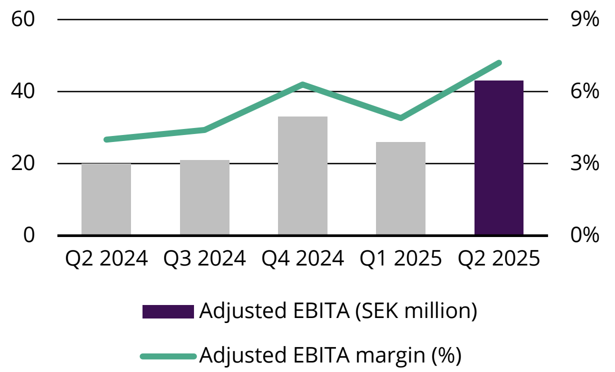
Other markets segment

SEK million	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024
External net turnover	**596**	**495**	**1,131**	**975**
Adjusted operating profit	**43**	**20**	**69**	**36**
Adjusted operating margin (%)	7.2	4.0	6.1	3.7

Breakdown of net sales by manufacturing cluster



Adjusted operating profit



The Other markets segment refers to manufacturing clusters located outside HANZA's primary geographical customer markets. Today, this segment includes HANZA's manufacturing clusters in the Baltics, Central Europe and China. The business is characterized by a high work content, extensive complex assembly, and proximity to important end customer areas.

External net sales increased by 20% in the second quarter compared with the same period last year. Adjusted for acquisitions and currency effects, sales decreased by 1% in the quarter. The adjusted operating margin was 7.2% (4.0). For comparable units, the adjusted operating margin was 7.6% (4.0).

External net sales increased during the first half of the year by 16% compared with the corresponding period last year. Adjusted for acquisitions and currency, sales increased by 1% in the quarter. Adjusted operating margin amounted to 6.1% (3.7). For comparable units, adjusted operating margin amounted to 6.2% (3.7).

Business development and services segment

Business Development and Services segment refers to revenues and expenses from the services offered by HANZA in advisory and development services, as well as costs not allocated to the manufacturing clusters, mainly related to group-wide functions within the parent company, as well as group-wide adjustments not allocated to the other segments.

Revenue from external customers amounted to SEK 3 million (3) in Q2, and adjusted operating profit was SEK -7 million (-2). Revenue from external customers amounted to SEK 7 million (6) during the first half of the year, and adjusted operating profit amounted to SEK -10 million (-5).

Financial reports

Condensed consolidated income statement

SEK million	Note	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Net turnover	4	**1 516**	**1,221**	**2 842**	**2,474**	**4,851**
Change in stocks of work in progress, finished goods and work in progress on behalf of others		-24	-1	-49	-14	-80
Raw materials and supplies		-809	-692	-1,546	-1,405	-2,722
Other external costs		-167	-132	-311	-261	-522
Personnel costs		-354	-309	-653	-621	-1,142
Depreciation and impairment of tangible fixed assets		-61	-44	-113	-81	-169
Other operating income and expenses		5	7	22	25	57
Operating profit (EBITA)	4	**106**	**50**	**192**	**117**	**273**
Depreciation and amortization of intangible assets		-9	-7	-16	-13	-34
Operating profit (EBIT)	4	**97**	**43**	**176**	**104**	**239**
Financial items – net	5	-37	-35	-68	-61	-114
Profit before tax	4	**60**	**8**	**108**	**43**	**125**
Income tax		-8	-2	-16	-3	-14
Profit for the period		**52**	**6**	**92**	**40**	**111**
Earnings per share						
Before dilution, SEK		1.13	0.16	2.04	0.93	2.55
After dilution, SEK		1.13	0.16	2.03	0.92	2.54

Consolidated statement of comprehensive income

SEK million	Note	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Profit for the period		**52**	**6**	**92**	**40**	**111**
Revaluation of post-employment benefits		-	1	2	1	-
Tax on non-recoverable items		-	-	-	-	-
Total items not to be reversed in the income statement		**-**	**1**	**2**	**1**	**-**
Exchange rate differences		31	-13	-30	22	33
Total items that may subsequently be reversed in the profit and loss account		**31**	**-13**	**-30**	**22**	**33**
Other comprehensive income for the period		**31**	**-12**	**-28**	**23**	**33**
Total comprehensive income for the period		**83**	**-6**	**64**	**63**	**144**

Condensed consolidated balance sheet

SEK million	Note	2025-06-30	2024-06-30	2024-12-31
ASSETS				
Fixed assets				
Goodwill		720	533	529
Other intangible assets		206	146	135
Tangible fixed assets		1,135	820	902
Right-of-use assets		677	265	282
Other fixed assets		3	2	2
Deferred tax assets		41	34	37
Total fixed assets		**2,782**	**1,800**	**1,887**
Current assets				
Stocks of goods		1,207	1,263	1,137
Accounts receivable		424	364	213
Other receivables		181	151	124
Cash and cash equivalents		301	187	276
Total current assets		**2,113**	**1,965**	**1,750**
TOTAL ASSETS		**4,895**	**3,765**	**3,637**
EQUITY				
Equity attributable to equity holders of the parent		1,704	1,396	1,480
DEBTS				
Long-term liabilities				
Post-employment benefits		97	104	102
Deferred tax liabilities		115	94	79
Liabilities to credit institutions	3	864	486	601
Leasing liabilities		532	171	166
Total long-term liabilities		**1,608**	**855**	**948**
Current liabilities				
Liabilities to credit institutions	3	277	397	161
Leasing liabilities		104	75	73
Other interest-bearing liabilities	3	60	41	6
Trade payables		643	580	590
Other liabilities		499	421	379
Total current liabilities		**1,583**	**1,514**	**1,209**
TOTAL EQUITY AND LIABILITIES		**4,895**	**3,765**	**3,637**

Consolidated statement of changes in equity in summary

SEK million	Note	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Opening balance		**1,657**	**1,454**	**1 480**	**1,345**	**1,345**
Profit for the period		52	6	92	40	111
Other comprehensive income		31	-12	-28	23	33
Total comprehensive income		**83**	**-6**	**64**	**63**	**144**
Transactions with owners						
New issue		-	-	195	40	40
Share savings program 2025		1	-	2	-1	4
Issue expenses		-	-	-	1	-1
Dividends		-37	-52	-37	-52	-52
Total contributions from and value transfers to shareholders, recognized directly in equity		**-36**	**-52**	**160**	**-12**	**-9**
Closing balance		**1,704**	**1,396**	**1,704**	**1,396**	**1,480**

Consolidated statement of cash flows in summary

SEK million	Note	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Cash flow from operating activities						
Profit after financial items		60	8	108	43	125
Depreciation and amortization		70	51	129	94	203
Other non-cash items		13	21	7	13	-35
Income tax paid		-14	-22	-33	-34	-50
Cash flow from operating activities before changes in working capital		**129**	**58**	**211**	**116**	**243**
Total change in working capital		**34**	**77**	**20**	**50**	**326**
Cash flow from operating activities		**163**	**135**	**231**	**166**	**569**
Cash flow from investing activities						
Acquisitions		-	-6	-186	-364	-367
Investments in fixed assets		-24	-90	-54	-148	-267
Disposal of fixed assets		3	1	5	3	2
Cash flow from investing activities		**-21**	**-95**	**-235**	**-509**	**-632**
Cash flow from financing activities						
New issue		-	-	-	39	39
Loans raised		8	90	324	506	564
Repayment of loans		-89	-70	-245	-313	-563
Dividends		-37	-52	-37	-52	-52
Cash flow from financing activities		**-118**	**-32**	**42**	**180**	**-12**
Increase/decrease in cash and cash equivalents		**24**	8	**38**	-163	-75
Cash and cash equivalents at the beginning of the period		281	178	276	340	340
Exchange rate differences in cash and cash equivalents		-4	1	-13	10	11
Cash and cash equivalents at the end of the period		**301**	**187**	**301**	**187**	**276**

Condensed parent company income statement

SEK million	Note	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Operating revenue		13	8	24	16	37
Operating expenses		-13	-8	-25	-16	-37
Operating result		**0**	**0**	**-1**	**0**	**0**
Financial items – net		-5	-5	-10	-5	-10
Profit/loss after financial items		**-5**	**-5**	**-11**	**-5**	**-10**
Appropriations for the financial year		-	-	-	-	45
Profit/loss before tax		**-5**	**-5**	**-11**	**-5**	**35**
Tax on profit for the period		-	-	-	-	-7
Profit/loss for the period		**-5**	**-5**	**-11**	**-5**	**28**

Condensed balance sheet of the parent company

SEK million	Note	2025-06-30	2024-06-30	2024-12-31
ASSETS				
Financial fixed assets		1,714	1,361	1,187
Short-term receivables		223	41	277
Cash and cash equivalents		-	41	154
TOTAL ASSETS		**1,937**	**1,443**	**1,618**
EQUITY AND LIABILITIES				
Equity		**846**	**666**	**699**
Untaxed reserves		2	2	2
Long-term liabilities		686	371	504
Current liabilities		403	404	413
Total liabilities		**1,091**	**777**	**919**
TOTAL EQUITY AND LIABILITIES		**1,937**	**1,443**	**1,618**

Notes

Note 1 | General information

HANZA AB (publ), corporate identity number 556748-8399, has its registered office in Stockholm municipality. Unless otherwise stated, all amounts are reported in millions of SEK (MSEK) and refer to the Group.

Figures in brackets refer to the corresponding period last year. The interim information on pages 6 to 8 forms an integral part of this financial report.

Note 2 | Basis of preparation of the reports and accounting policies

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

The accounting principles are in accordance with the principles applied in the previous financial year. For more information on these, please refer to Note 2 in HANZA AB's annual report for 2024.

Note 3 | Financial instruments – Fair value of financial liabilities measured at amortized cost

The majority of the Group's borrowings have a maturity of 5 years and bear interest at variable rates. The Group's other borrowings consist of a small number of contracts entered into at different times and with different maturities, essentially at floating rates. On this basis, the carrying amounts can be considered a good approximation of fair values. The fair value of short-term borrowings corresponds to their carrying amount, as the discounting effect is not material.

Note 4 | Revenue and segment information

Description of revenue from contracts with customers

HANZA's revenue comes primarily from the production of components, subsystems and complete assembled products according to customer specifications, but where HANZA has been involved in customizing the manufacturing process. HANZA's performance obligation is deemed to be fulfilled when the component or assembled product is delivered to the customer. Exceptions to this are in cases where there is an agreement with the customer on buffer stocks of finished components or products. In these cases, the performance obligation is considered fulfilled already when the component or product is placed in the buffer stock and is thus available to the customer.

The breakdown of external revenue by segment, which follows the Group's clustered organization, is shown in the segment information on pages 8-9. In addition, external revenues are presented by manufacturing technology, Mechanics and Electronics, at the end of this note.

Note 4 | Revenue and segment information, *cont.*

Profit by segment

Segment results are reconciled to profit before tax as follows

SEK million	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Operating profit (EBITA)					
Main markets	70	34	135	73	176
Other markets	43	18	69	30	75
Business development and services	-7	-2	-12	14	22
Total EBITA	**106**	**50**	**192**	**117**	**273**
Amortization of intangible assets	-9	-7	-16	-13	-34
Operating profit (EBIT)	**97**	**43**	**176**	**104**	**239**
Financial items - net	-37	-35	-68	-61	-114
Profit before tax	**60**	**8**	**108**	**43**	**125**
Items affecting comparability					
Revaluation of acquisition purchase price	-	-	-	20	53
Transaction costs	-	-	-2	-	-16
Costs for integration and factory relocation	-	-20	-5	-40	-65
Revaluation of assets when changing ERP system	-	-	-4	-	-
Total	**-**	**-20**	**-11**	**-20**	**-28**
EBITA by segment excluding items affecting comparability					
Main markets	70	52	144	106	222
Other markets	43	20	69	36	90
Total	**113**	**72**	**213**	**142**	**312**
Business development and services	-7	-2	-10	-5	-11
Total	**106**	**70**	**203**	**137**	**301**
Items affecting comparability	-	-20	-11	-20	-28
EBITA	**106**	**50**	**192**	**117**	**273**
Revenue from external customers by manufacturing technology					
Mechanics	922	569	1,600	1,153	2,221
Electronics	591	649	1,235	1,315	2,616
Business development and services	3	3	7	6	14
Total	**1,516**	**1,221**	**2,842**	**2,474**	**4,851**

Note 5 | Financial items – net

SEK million	Apr–Jun 2025	Apr–Jun 2024	Jan–Jun 2025	Jan–Jun 2024	Full year 2024
Financial income and expenses					
Interest income	1	1	2	2	4
Interest costs	-30	-24	-55	-51	-95
Other financial expenses	-5	-6	-10	-12	-25
Total financial income and expenses	**-34**	**-29**	**-63**	**-61**	**-116**
Net exchange rate gains and losses	-3	-6	-5	-	2
Total financial items	**-37**	**-35**	**-68**	**-61**	**-114**

Note 6 | Asset and business combinations

Acquisitions during the year

On March 3, 2025, all shares in Leden Group Oy in Finland were acquired. The company is a leading player in advanced mechanical manufacturing and had approximately 620 employees at the time of the acquisition. Transaction costs amounted to approximately SEK 18 million, of which SEK 16 million was charged to Q4 2024 and SEK 2 million to Q1 2025. The costs are reported as other external costs.

The purchase price was calculated at SEK 479 million based on the company's balance sheet as of February 28, 2025, and the initially estimated remaining purchase price. Upon completion, SEK 230 million was paid, and shares and options worth SEK 196 million were issued. The options entitling the acquirer to receive a maximum of 0.3 million additional shares, depending on HANZA's share price performance in 2025, could not be exercised. This is because the specific conditions attached to the options were not met. In addition to the initial purchase price, an additional purchase price of a maximum of EUR 15 million may be paid, depending on the financial development of Leden. The remaining purchase price is estimated in the acquisition analysis at SEK 56 million (EUR 5 million), which is discounted to SEK 53 million.

The acquisition identified an intangible asset in the form of customer relationships amounting to SEK 83 million. The amortization period for these customer relationships is estimated at 10 years. Deferred tax liability relating to this item amounts to SEK 17 million. In addition, goodwill of SEK 198 million is reported in the acquisition. This goodwill consists mainly of market position and personnel, as well as synergies with HANZA's other operations in Finland and Estonia. It is not tax deductible. The acquisition analysis is still preliminary.

The table on the right summarizes the purchase price for Leden and the fair value of acquired assets and assumed liabilities recognized on the acquisition date, as well as cash flow from the acquisition. Revenue in the acquired companies amounted to SEK 626 million in the first half of the year, of which SEK 209 million is attributable to the period prior to the acquisition and SEK 417 million is included in the Group's sales. Profit after tax for the first half of the year amounted to SEK 7 million, of which SEK 0 million is attributable to the period prior to the acquisition and SEK 7 million is included in the Group's profit.

Purchase price, SEK million	
Purchase price paid	230
Newly issued shares and options	196
Initial estimated remaining purchase price	53
Total estimated purchase price	**479**
Reported amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	44
Intangible fixed assets	85
Tangible fixed assets	245
Right-of-use assets	453
Other fixed assets	1
Stocks of goods	153
Trade and other receivables	258
Deferred tax liability	-23
Liabilities to credit institutions	-255
Leasing liabilities	-439
Trade and other payables	-241
Total net assets identified	**281**
Goodwill	198
Total net assets contributed	**479**
Cash flow effect of the acquisition	
Cash and cash equivalents paid at closing	-230
Cash and cash equivalents in the company	44
Cash flow from the acquisition	**-186**

Key ratios and definitions

	Apr–jun 2025	Apr–jun 2024	Jan–Jun 2025	Jan–jun 2024	Helår 2024
Alternative performance measures					
EBITDA, SEK million	167	94	305	198	442
EBITDA margin, %	11.0	7.7	10.7	8.0	9.1
Operating segments EBITA, SEK million	113	52	204	103	251
Business development and services segment EBITA, SEK million	-7	-2	-12	14	22
Operating EBITA margin, %	7.5	4.3	7.2	4.2	5.2
Operating profit (EBITA), SEK million	106	50	192	117	273
EBITA margin, %	7.0	4.1	68	4.7	5.6
Adjusted operating profit, SEK million	106	70	203	137	301
Adjusted operating margin, %	7.0	5.7	7.1	5.5	6.2
Operating capital, SEK million	3,337	2,483	3,337	2,483	2,313
Return on operating capital, %	3.2	2.0	7.5	5.5	13.3
Capital turnover on operating capital, times	0.5	0.5	2.2	2.3	4.7
Return on capital employed, %	2.7	1.6	6.1	4.3	10.1
Net interest-bearing debt, SEK million	1,133	978	1,133	978	700
Net debt/equity ratio, times	0.7	0.7	0.7	0.7	0.5
Net debt / adjusted EBITDA, times	2.4	2.4	2.4	2.4	1.7
Equity ratio, %	35	37	35	37	40.7
Equity per share at the end of the period, SEK	37.07	31.98	37.07	31.98	33.89
Weighted average number of shares before dilution	45,959,340	43,659,340	45,171,495	43,620,563	43,640,057
Adjustment for the calculation of diluted earnings per share:	156,250	163,000	156,250	163,000	156,250
Weighted average number of shares after dilution	46,115,590	43,822,340	45,327,745	43,783,563	43,769,307
Number of shares at the end of the period	45,959,340	43,659,340	45,959,340	43,659,340	43,659,340

Key figures according to IFRS

EBIT
Earnings before interest and taxes. Operating profit before net financial items, appropriations and taxes.

Alternative performance measures

The following alternative performance measures are used in this report. Reconciliation tables for alternative performance measures and the reasons for using each individual measure are published on the company's website www.hanza.com.

Return on capital employed
Operating profit after adding back financial items divided by average capital employed.

Gross margin
Net sales less the cost of raw materials and consumables and changes in work in progress, finished goods and work in progress divided by net sales.

EBITDA
Earnings before interest, taxes, depreciation, and amortization. Earnings before interest, taxes, depreciation, amortization and impairment of tangible and intangible assets.

EBITDA margin
EBITDA divided by net sales.

EBITA
Earnings before interest, taxes, and amortization. Earnings before amortization and impairment of intangible assets, net financial items, appropriations and taxes.

EBITA margin
EBITA divided by net sales.

Equity per share
Equity at the balance sheet date adjusted for unregistered share capital divided by the registered number of shares at the balance sheet date.

Adjusted operating profit
Operating profit before amortization and impairment of intangible assets, adjusted for items affecting comparability.

Adjusted EBITDA
EBITDA adjusted for depreciation of additional right-of-use assets for leased properties according to IFRS 16.

Items affecting comparability
Items of income and expense in operating profit that arise only exceptionally in the course of business. Items affecting comparability include income and expenses such as acquisition costs, the translation of contingent considerations, gains and losses on the sale of land and buildings, debt forgiveness, costs of major restructuring such as the relocation of entire plants and major impairment losses.

Capital turnover on average operating capital
Net sales divided by average operating capital.

Net debt/equity ratio
Net interest-bearing debt divided by equity.

Net debt to adjusted EBITDA ratio
Net debt at the end of the period divided by adjusted EBITDA rolling 12 months.

Operating segments EBITA
Operational EBITA. EBITA for the segments Main markets and Other markets.

Operational EBITA margin
Operating segments' EBITA divided by operating segments' net sales.

Operational capital
Balance sheet total less cash and cash equivalents, financial assets and non-interest-bearing liabilities.

Return on operating capital
EBITA divided by average operating capital.

Net interest-bearing debt
Interest-bearing liabilities including provisions for post-employment benefits excluding estimated financial liabilities right-of-use assets for leased properties and premises under IFRS 16 less cash and similar assets and short-term investments.

Equity ratio
Equity divided by total assets.

Capital employed
Balance sheet total minus non-interest-bearing provisions and liabilities.

When performance measures are given for rolling 12 months, this refers to the sum of the last 12 months up to the period indicated.

About HANZA

HANZA is a global knowledge and manufacturing company that modernizes and streamlines the manufacturing industry. Through supply chain advisory services and with our own factories grouped into regional manufacturing clusters, we create stable deliveries, increased profitability and an environmentally friendly manufacturing process for our customers.

HANZA was founded in 2008 and had an annual turnover of approximately SEK 4.9 billion in 2024. The company has approximately 3,100 employees in seven countries: Sweden, Finland, Germany, Estonia, Poland, Czech Republic and China.

Among HANZA's clients are leading product companies such as 3M, ABB, EATON, Epiroc, GE, Getinge, John Deere, Mitsubishi, SAAB, Sandvik, Siemens and Tomra.

HANZA is listed on Nasdaq Stockholm's main list.

On www.hanza.com you can find further information about the HANZA Group, as well as financial reports, presentations and press releases.

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This report has been prepared in both Swedish and English versions and in case of discrepancies between the two, the Swedish version shall prevail.

HANZA