



HANZA acquires Metalliset Group and carries out a rights issue, bringing 50 MSEK to HANZA

HANZA Holding AB (publ) ("HANZA" or the "Company") has as of today entered into an agreement regarding the acquisition of all outstanding shares in Metalliset Oy ("Metalliset"), a parent company in an international manufacturing group with a turnover of approx. 375 MSEK and an EBITDA of approx. 45 MSEK. The total purchase price amounts to approx. 70 MSEK, of which a substantial part consists of new shares in HANZA. Therefore, the board of directors intends to carry out an issue of new shares to the current shareholders of Metalliset, corresponding to approx. 15 % of the total shares in HANZA, in connection with the acquisition. Further, a fully guaranteed rights issue of 50 MSEK will be carried out in order to finance the acquisition and capitalize the new group.

Metalliset provides high quality mechanical manufacturing and has approx. 500 employees in Finland, Estonia, the Czech Republic and China. The customers are larger, well-known Nordic companies. Through the acquisition HANZA creates a group with a turnover of about SEK 1.5 billion and a profitability which is considerably higher than the current level, both in absolute and relative figures. Through the acquisition, the number of manufacturing technologies provided in HANZA's all-you-need-is-one™ and MIG™ concepts is increased and HANZA's geographical presence is strengthened.

The total purchase price amounts to approx. 70 MSEK and consist of one part cash and one part newly issued shares in HANZA to be paid at completion, as well as an earn-out based on the financial outcome 2015 of Metalliset group. The earn-out cannot exceed 1 MEUR. In order to finance the acquisition and capitalize the new group, the board of directors of HANZA has resolved, subject to the approval by the general meeting, on a rights issue bringing 50 MSEK to HANZA prior to transaction costs. The board of directors intends to convene an extraordinary general meeting of shareholders within shortly where the board of directors intends to propose that the general meeting approves of the board of directors' decision on the rights issue. In addition, the board of directors intends to propose that the general meeting authorises the board of directors to resolve on a directed issue of new shares corresponding to approx. 15 % of the outstanding shares in HANZA, after the rights issue and the aforementioned directed issue of new shares. The share issue shall be directed towards the current shareholders of Metalliset as a part of the agreed purchase price. Payment for the new shares in HANZA shall be made by way of set-off against the claim for payment of a part of the purchase price for the shares of Metalliset in accordance with the share purchase agreement entered into between the Company and the current shareholders of Metalliset. The completion of the acquisition of Metalliset is preconditioned upon that the general meeting resolves in accordance with the board of directors' proposal as described above and that the necessary approvals for the completion of the acquisition are obtained from the Estonian competition authority.

"Metalliset is a very well-managed enterprise and the acquisition is an important step in the development of HANZA", says Erik Stenfors, CEO of HANZA. "Our opinion is that there are great synergies to be obtained in relation to our existing mechanical division and the direction management of Metalliset has a market leading competence within the industry field and will work actively in the integration phase. Through the acquisition we will create a profitable and financially stable group, with the most modern business model on the market."

"We are happy with this deal which provides great opportunities for the Metalliset group going forward", says Matti Hirvonen, CEO of Metalliset. "HANZA's developed business model towards complete manufacturing and manufacturing solutions creates new possibilities for Metalliset's customers".

About the rights issue

On 1 July 2015 the board of directors of HANZA resolved, subject to the approval by the general meeting, on a rights issue of not more than 8 574 411 new shares in HANZA. Upon full subscription, the rights issue will bring approx. 50 million SEK to HANZA before transaction. The rights issue is fully guaranteed through subscription undertakings and underwriting guarantees by current shareholders and external investors.

The right to subscribe for new shares shall belong to those persons who on the record date for the new issue of shares are recorded as shareholders of the company, where 1 existing share shall entitle to 1 new share in the rights issue.

In the event that all new shares are not subscribed for with pre-emption rights the board of directors shall, within the limit of the maximum number of shares to be issued, resolve on allocation of shares that are not subscribed for with pre-emption rights. Such allocation shall firstly be made to the guarantors who have stated in their underwriting guarantees that they wish to have a prioritised amount in the allocation of the shares not subscribed for with pre-emption rights whereby the distribution among them shall be in accordance with the respective prioritised amount of each guarantor, or if full allocation cannot be made, pro rata in relation to each guarantor's prioritised amount; secondarily to other subscribers in relation to subscribed amount, and if this is not possible, through drawing of lots; and thirdly to the guarantors who have entered into underwriting guarantees with regards to the rights issue (including the guarantors with a prioritised amount in the allocation in accordance with the above) pro rata in relation to the guaranteed amount (after deduction of the received part of the prioritised amount, if applicable).

The board of directors intends to convene an extraordinary general meeting of shareholders within shortly where the board of directors intends to propose that the general meeting approves of the board of directors' resolution on the rights issue. The board of directors' resolution on the rights issue, in which the record date for obtaining subscription rights and the other terms of the rights issue is stated, will be included in its entirety in the notice to attend the general meeting. The Company will prepare a prospectus in connection with the rights issue. The prospectus is expected to be made public in August 2015.

About the directed issue of new shares for the fulfilment of the share part of the purchase price

The board also intends to propose that extraordinary general meeting resolves to authorise the board of directors to resolve on a directed issue to the current shareholders of Metalliset consisting of no more than 3 026 369 new shares in the Company at a subscription price of SEK 5.8 per share, as the share part of the agreed purchase price. Payment for the new shares shall be made by way of set-off against the claim for payment of a part of the purchase price for the shares of Metalliset in accordance with the share purchase agreement entered into between the Company and the current shareholders of Metalliset.

Miscellaneous

The rights issue and the authorisation described above require a decision in accordance with the board of directors' proposal at the general meeting. The board of directors intends to convene an extraordinary general meeting within shortly to discuss the questions above. Further, the board of directors also intends to propose an amendment of the articles of association in order to change the limits on the number of shares and the share capital and to propose the general meeting authorises the board of directors to resolve on share issues in certain other cases. The election committee has also announced that it, as a consequence of the acquisition of Metalliset, intends to propose changes to the composition of the board of directors as well as changed principles for the composition of the election committee.

Advisors

Advokatfirman Lindahl, Uppsala, is HANZA's legal advisor and Beringer Finance is HANZA's financial advisor in connection with the acquisition and the rights issue.

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The information in this press release is such that HANZA must disclose it in accordance with the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 10.00 am (CET), July 1, 2015. Erik Penser Bankaktiebolag is the company's certified adviser.

Important information

This press release may contain certain forward-looking statements that reflect HANZA's current views of future events and financial and operational performance. Words such as "intends", "anticipates", "expects", "may", "plan", "anticipate" or similar expressions regarding indications or predictions of future developments or trends, and are not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking statements are not guarantees regarding future results or developments and actual results may differ materially from those set forth in forward-looking information.