

# Hancap

Written Procedure

May 12<sup>th</sup>, 2021



Information in this document is based on information from Hancap AB (publ). The corporate finance adviser, agent and legal adviser is not responsible for the information in the document. Investors are strongly encouraged to research the material and the Hancap's offer before voting. Certain financial information contained in this presentation has not been reviewed by Hancap or auditor or any other auditor or financial expert. Hence, such financial information might not have been produced in accordance with applicable or recommended accounting principles and may furthermore contain errors and/or miscalculations. The Group and is the source of the financial information, and none of the Group, nor JOOL or any of its representatives shall have any liability (in negligence or otherwise) for any inaccuracy of the financial information set forth in this presentation





## *Table of contents*

4.	Introduction
6.	Hancap Ab (publ)
9.	Westcoast Windows
12.	Voting
13.	Appendix

# Hancap

## Introduction

- Hancap AB (publ) (the “Group” or “Hancap”) is a Swedish holding company active in the North European market for construction-related niche products. Hancap and its subsidiaries have for a longer period of time been in financial difficulties, where the Group has not been able to generate sufficient revenues to cover its expenses. Additionally, the Group has incurred several unforeseen expenses due to guarantee agreements within the Group’s facade division. The guarantee agreements deterred new business which cut off revenue streams and increased costs significantly. The current pandemic and its complications has constrained the Group even further. As a result, most of the group companies have filed for bankruptcy and a recovery is no longer possible. The only revenue generating group company is Wasafönster AB through its holdings in Westcoast Windows AB (the “Company” or “WCW”).
- Efforts from management, owners, and other involved parties have not resulted in a turnaround. Nine (9) of Hancap’s group companies have filed for bankruptcy and Hancap as of now, will no longer exist in its current shape and form and the Group will file for company reconstruction within short.

## The Proposal

- Per Helander, who owns approx. 30,9% of the Group, will make a cash offer to super senior bondholders.
- The offer from Per Helander is a cash amount of 60 % to current bondholders.
- The offer requires that the written procedure is approved.
- The cash offer, if approved, will materialize at the latest 2021-06-30.
- Per Helander has a personal guarantee of SEK 50m, the current cash offer would amount to SEK 63,6m.
- After the offer has materialized, Per Helander will be entitled to the Group an its assets.
- Wasafönster AB and its holdings in Westcoast Windows AB is currently Hancap’s only asset.
- If the offer is approved, the recovery ratio (including paid out interest and default interest) will be approx. 71 % of the invested amount.

## Super senior volume

- Hancap has missed the three last interest payments for the super senior bond with ISIN: ISIN: SE0012481307, NO0010849193, NO0010849201.
- Current total outstanding amount of super senior bonds:
  - SEK: 100,800,000
  - NOK: 56,500,000
  - EUR: 1,450,000
- SEK bonds of SEK 70,800,000 out of SEK 100,800,000 will be cancelled before the cash offer materialize.

## Background to the financial difficulties

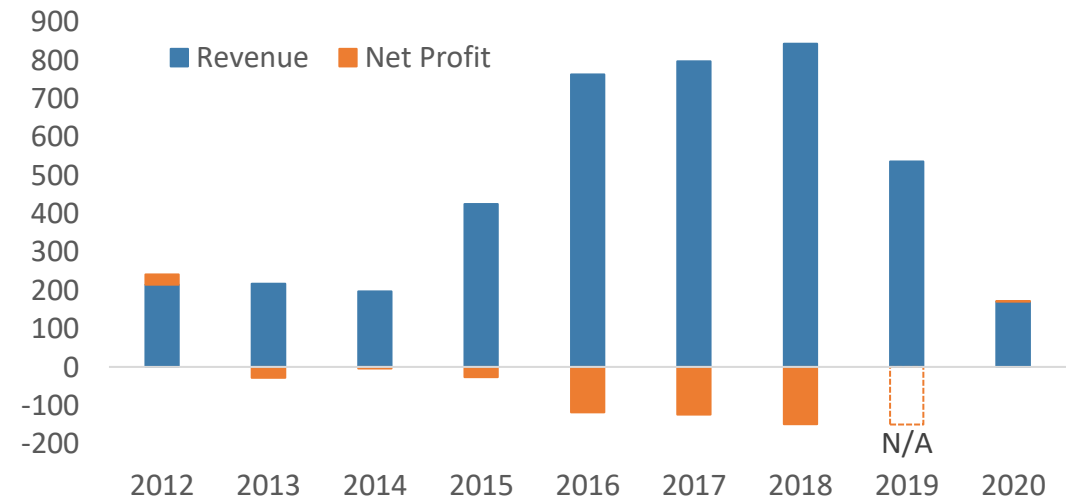
Hancap and its subsidiaries have for a longer period of time been in financial difficulties, where the Group has not been able to generate sufficient revenues to cover its expenses. The Group has incurred several unforeseen expenses due to guarantee agreements within the Group's facade division. The guarantee agreements deterred new business which cut off revenue streams while fixed costs remained consistent. The current pandemic and its complications has constrained the Group's operations even further. As a result, most of the group companies have filed for bankruptcy and a recovery is no longer possible.

The substantial losses in Hancap's subsidiaries has forced the Group to write down the value on shares and claims in bankrupted subsidiaries to zero. The same has been done for intangible assets and goodwill.

The only asset left in the Group is Westcoast Windows (AB and Ltd) which has been negatively affected since acquired by Hancap. Westcoast Windows has, from time-to-time, faced liquidity issues and not been able to make necessary investment and improvement in the production line.



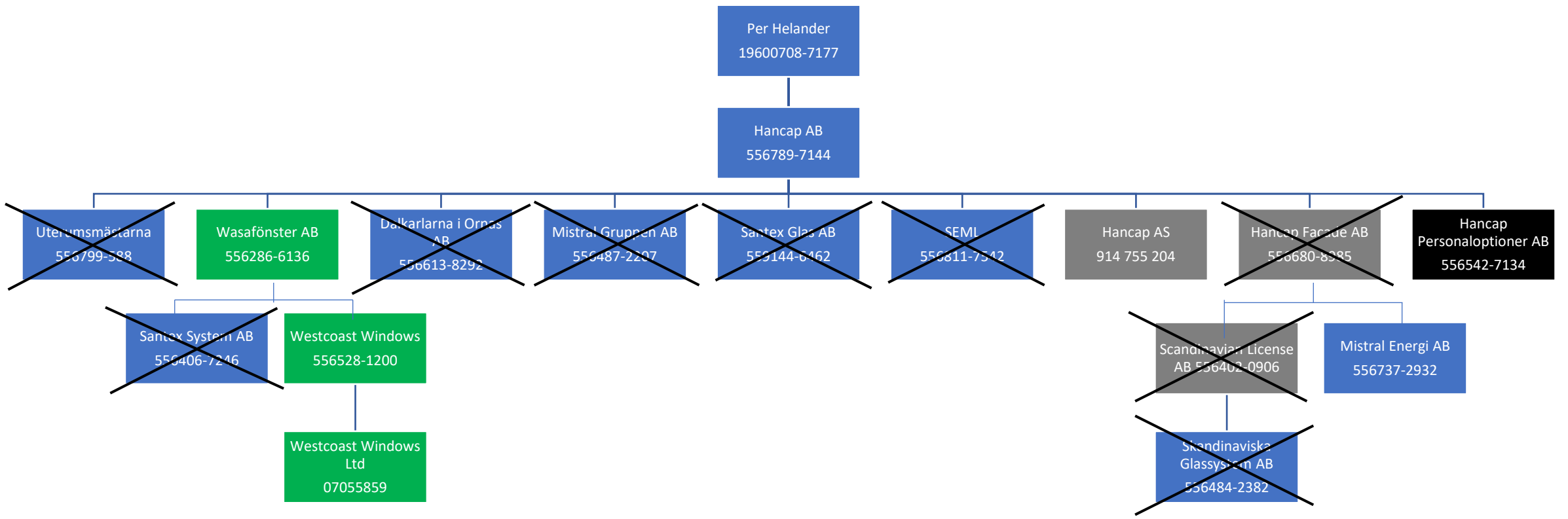
Revenue: Hancap AB (SEK)



Figures for 2020 has not been revised and has been provided by the company

# Current Group Structure

- Crossed over companies are in bankruptcy.
- Wasafönster AB is a holding company and its only asset is Westcoast Windows.
- Other companies not crossed over are not active and don't have any assets.





## The Group in Brief

- Hancap AB (publ) mainly serves as a holding company with management support for the Group's subsidiaries.
- The Group has recently undergone major changes in the organization.
- Of the original 16 Group companies, 9 has filed for bankruptcy in 2020 and the only revenue generating company left is Wasafönster AB through its holdings in Westcoast Windows AB and wholly owned British subsidiary, Westcoast Windows Ltd.
- Westcoast Windows design and manufacture high performance bespoke composite windows and doors in Sweden.
- Westcoast Windows Ltd is the UK based division of the parent company Westcoast Windows AB.
- Since 2018 has Westcoast Windows experienced reduced sales and lower margins.
- During the pandemic, the company has expressed difficulties in meeting with clients and subsequently risk suffering long-term effects from fewer marketing activities.
- In addition, the British division has been subject for national lock-downs which has had a negative impact on WCW's business.
- Net sales of the Group in 2020 amounted to approx. SEK 170,8m, compared to the net sales from 2018 of approx. SEK 863m.
- WCW has 77 employees, 70 in Sweden and 7 in the UK.

Company	Status	2020*		
		Revenue	EBITDA	Employees
Hancap AB (publ)	Active	2,5	-5,5	2
Wasafönster AB (previously Santex AB)	Active	4,0	-1,0	1
Westcoast Windows AB	Active	127,0	6,5	70
Westcoast Windows Ltd	Active	37,3	1,2	7
Mistral Energi AB	Not active	-	-	-
Hancap AS	Not active	-	-	-
Hancap personaloptioner	Not active	-	-	-
Skandinaviska GlasSystem AB	In bankruptcy	N/A	-	-
Dalkarlarna i Ornäs AB	In bankruptcy	N/A	-	-
Mistral Gruppen AB	In bankruptcy	N/A	-	-
Santex System AB	In bankruptcy	N/A	-	-
Santex Glas AB	In bankruptcy	N/A	-	-
Uterumsmästarna i Sverige AB	In bankruptcy	N/A	-	-
SEML AB	In bankruptcy	N/A	-	-
Scandinavian Licence AB	In bankruptcy	N/A	-	-
Hancap Facade AB	In bankruptcy	N/A	-	-
<b>Total</b>		<b>170,8</b>	<b>1,2</b>	<b>80</b>

\* Figures provided by the Group and has not been revised

## Hancap AB (Consolidated)

(TSEK)	2017	2018	2019	2020-10-31*
<b>Net Sales</b>	797 193	842 730	569 513	N/A
Cost of goods sold	-728 452	-742 056	-553 468	N/A
<b>Gross profit</b>	<b>68 741</b>	<b>100 674</b>	<b>16 045</b>	<b>N/A</b>
Sales expenses	-66 325	-82 884	-78 301	N/A
Administrative expenses	-58 143	-64 395	-97 305	N/A
Other income	5 544	11 670	3 285	N/A
Other expenses	-8 225	-42 918	-318 662	N/A
<b>Operating profit</b>	<b>-58 408</b>	<b>-77 853</b>	<b>-474 938</b>	<b>N/A</b>
Financial income	9 174	11 925	2 664	N/A
Financial costs	-73 562	-85 630	-80 459	N/A
<b>Financial net</b>	<b>-64 388</b>	<b>-73 705</b>	<b>-77 795</b>	<b>N/A</b>
<b>Profit after financial items</b>	<b>-122 796</b>	<b>-151 558</b>	<b>-552 733</b>	<b>N/A</b>
Group contributions				N/A
Income tax	-905	2239	-652	N/A
<b>Profit after tax</b>	<b>-123 701</b>	<b>-149 319</b>	<b>-553 385</b>	<b>N/A</b>

## Balance Sheet

(TSEK)	2017	2018	2019	2020-10-31*
Fixed Assets	539 091	483 377	144 380	105 831
Current Assets	163 250	174 484	132 308	18 401
<b>Total Assets</b>	<b>702 341</b>	<b>657 861</b>	<b>277 083</b>	<b>124 232</b>
Total equity	-20 224	-133 674	-319 018	-283 137
Long-term liabilities	461 182	475 323	288 249	354 235
Current liabilities	261 383	316 213	307 851	53 134
Total debts	722 565	791 536	596 100	407 369
<b>Total equity and liabilities</b>	<b>702 341</b>	<b>657 862</b>	<b>277 082</b>	<b>124 232</b>

## Westcoast Windows AB\*\*

(TSEK)	2017	2018	2019	2020
<b>Net Sales</b>	<b>141 013</b>	<b>143 554</b>	<b>117 489</b>	N/A
Cost of goods sold	-106 689	-112 168	-96 235	N/A
<b>Gross profit</b>	<b>34 324</b>	<b>31 386</b>	<b>21 254</b>	<b>N/A</b>
Sales expenses	-12 137	-12 182	-10 672	N/A
Administrative expenses	-11 403	-10 898	-11 100	N/A
Other income	980	890	1 512	N/A
Other expenses	-1 408	-847	-505	N/A
<b>Operating profit</b>	<b>10 357</b>	<b>8 350</b>	<b>490</b>	<b>N/A</b>
Financial income	0	0	0	N/A
Financial costs	-507	-727	-875	N/A
<b>Financial net</b>	<b>-507</b>	<b>-727</b>	<b>-875</b>	<b>N/A</b>
<b>Profit after financial items</b>	<b>9 850</b>	<b>7 622</b>	<b>-386</b>	<b>N/A</b>
Year-end appropriations	-10 110	-6 129	219	N/A
Income tax	0	0	0	N/A
<b>Profit after tax</b>	<b>-260</b>	<b>1 494</b>	<b>-166</b>	<b>N/A</b>

## Balance Sheet

(TSEK)	2017	2018	2019	2020
Fixed Assets	8 976	7 503	16 778	N/A
Current Assets	23 608	27 154	30 201	N/A
<b>Total Assets</b>	<b>32 584</b>	<b>34 657</b>	<b>46 979</b>	<b>N/A</b>
Total equity	9 604	11 098	10 932	N/A
Long-term liabilities	3 013	3 891	12 098	N/A
Current liabilities	19 968	19 668	23 950	N/A
Total debts	22 980	23 560	36 048	N/A
<b>Total equity and liabilities</b>	<b>32 584</b>	<b>34 657</b>	<b>46 979</b>	<b>N/A</b>

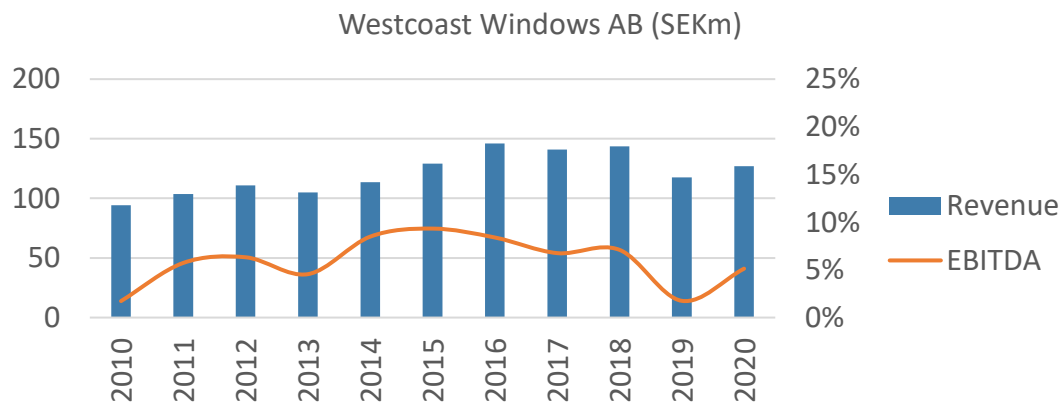
\* Figures provided by the Group and are unaudited and has not been revised. \*\* Figures for 2020 has not been provided



## Westcoast Windows AB & Ltd

Westcoast Windows AB and Westcoast Windows Ltd make out 96 % of the Groups joint revenue (74 % and 22 % respectively).

- Westcoast Windowa has 77 employees.
- Located in Trollhättan and Bury St. Edmunds.
- Markets: Sweden and UK.
- Main products: “made to measure” composite windows and doors.
- Goal of providing the market with high quality design and finish and improve the quality of life for customers.



\* Figures provided by the Group and are unaudited and has not been revised



## UC: Company valuation

A company valuation and analysis was performed of Westcoast Windows AB (WCW) on the 2021-02-10 by UC. Westcoast Windows being the only remaining revenue generating company in the structure that has not gone bankrupt. UC approximate the following for Westcoast Windows AB:

- Enterprise (EV) value in the range of SEK 31,5-41,2m, with a target valuation at SEK 35,7m.
- Market value of equity in the range of SEK 40,4-50,1m, with a target valuation at SEK 44,6m.

Further, UC performed a sector and peer analysis in order to benchmark Westcoast Windows to its peers in the industry (see next slide).



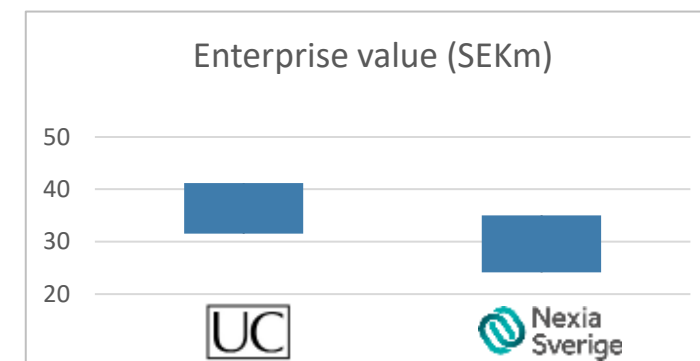
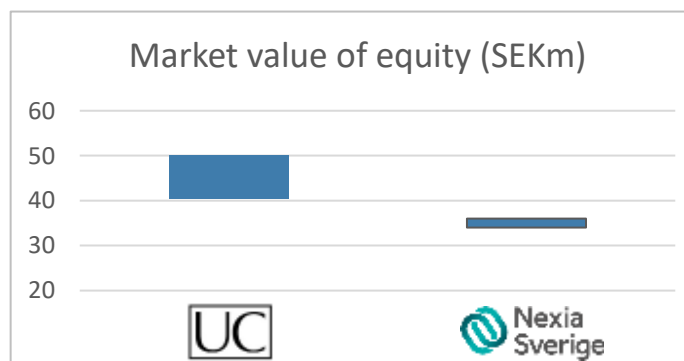
## Nexia Revision Stockholm: Company valuation

A second opinion regarding the valuation of Westcoast Windows AB was performed by Nexia Revision Stockholm on the 2021-02-10. Based on the same underlying material, Nexia come to the following conclusion:

- The market value of equity can be considered slightly high depending on what is classified as liquid assets. Adjustments to this variable gives a market value of equity around SEK 35m.
- The enterprise value is also considered slightly high and the EV/EBITDA of 5,93x is suggested to be lowered to 4-5x. This gives an EV of approx. SEK 24,1-30,1. However, Nexia does not exclude that a final EV could end up around SEK 30-35m.



Enterprise value	UC	Nexia
High (MSEK)	41,2	35
Target valuation (MSEK)	<b>35,7</b>	N/A
Low (MSEK)	31,5	24,1
Market value of equity	UC	Nexia
High (MSEK)	50,1	N/A
Target valuation (MSEK)	44,6	35,7
Low (MSEK)	40,4	N/A



## UC: Company analysis

In addition to the valuation, UC performed a sector and peer analysis in order to benchmark Westcoast Windows to its peers in the industry. The universe of peers consists of 58 swedish companies, engaged in the production of metal doors and windows. Some of the key findings from the peer analysis show:

- WCW has had a substantially lower historical revenue CAGR %.
- Costs have generally been higher than for comparable companies.
- Liquidity has been poor, which can also likely explain the low net working capital.

In the table below, Westcoast Windows specific multiples are presented and in the table to the right is the company's ranking in its universe of peers according to the valuation from UC.



Westcoast Windows	
Multiple	WCW
EV/EBITDA (historical median)	4,67
EV/EBITDA (last year)	5,93
EV/CF	6,73
EV/S	0,29
EV/BV	2,7

## Westcoast Windows (WCW) ranking compared to universe of peers (58 companies)

Ranking	Category	WCW	Population average
51	CAGR %	2,37%	12,62%
42	Personnel costs/revenue	31,39%	27,05%
37	Total operating costs/revenue	94,10%	91,73%
37	EBITDA %	5,90%	8,26%
42	Capex/revenue	1,02%	1,38%
26	Inventory/revenue	7,31%	9,43%
12	Accounts receivable/revenue	9,83%	13,29%
27	Accounts payable/revenue	7,16%	7,37%
6	Net working capital/revenue	2,03%	16,76%
18	Asset turnover	2,83	2,44
38	Debt ratio	2,67	3,77
45	Solidity	28,31%	41,23%
56	Liquidity	61,56%	154,03%
15	ROE	43,49%	19,28%
7	FCF (TSEK)	6596	3479
47	EV CAGR %	-4,30%	6,17%

## Quorum and majority

---

- Quorum is obtained in the written procedure if bondholders representing at least 50 % of the adjusted nominal amount participate in the voting and replies to the Proposals
- Approval of the Proposals require acceptance from at least 66,67 % of the registered votes
- If a quorum is not reached in the written procedure, a second written procedure will be launched for the specific bonds
- No quorum requirements apply to a second written procedure

## Timeline and delivery of votes

---

- The trustee must have received the votes by mail, courier or email at the stated adress at 12:00 pm (CET) on the 27<sup>th</sup> of May, 2021. Votes shall be sent to:

- Voting adresses:

*Email:*

trustee@intertrustgroup.com

*Mail:*

Intertrust (Sweden) AB

Attn: Beatrice Gustafsson, P.O. Box 16285,  
103 25 Stockholm

*Courier:*

Intertrust (Sweden) AB

Attn: Beatrice Gustafsson, Sveavägen 9,  
10th floor, 111 57 Stockholm

## Contact

---

Agenten: Intertrust (Sweden) AB

- Beatrice Gustafsson
- Tel: +46 70 141 10 82
- Email: trustee@intertrustgroup.com

Issuer: Hancap AB (publ)

- Per Helander, majority owner
- Tel: +33 6 50 86 3267
- Email: per.helander@wandoo.fr

JOOL

- Björn Nilsson-Törnström
- Tel: +46 72 180 00 25
- Email: bnt@joolcorp.se



## Appendix

## Appendix: Management

### Management & board of directors



**Per Helander**

*Majority owner*

- Founder and main owner of Hancap AB
- Owner of Windoor (2004-2007). Founder, owner & chairman of WinGroup
- Education: MSc. in Business and Economics, University of Linköping



**Roger Blomquist**

*CEO*

- 2020-2021: CEO of Seawing PBB AB
- 2017-2020: Chairman at MYCAB International S.A
- 2011-2020: CEO of MYCAB International S.A
- Education: Masters degree, Naval Officer, World Maritime University



**Tommy Hafvsdalen**

*Chairman of the board*

- 2017-now: CEO of Rustabo
- 2016-2017: CEO of Åkerströms Björbo AB
- 2008-2015: Group CEO of Mockfjärds AB
- Education: High school



\*Sedan Lars och Mikael började arbeta tillsammans 2009

External debt	Interest rate	Outstanding amount (SEKm)	Unpaid coupons (SEKm)
Super senior bonds	5%	176,8	10,8
Senior bonds	14%	164,5	6,3
Hancap International (owned by Per Helander)		29,1	
Per Helander		4,0	
Promissory notes		9,6	
Tax authorities		1,0	
<b>Total</b>		<b>385,0</b>	

Other commitments	Amount (SEKm)	Commitment
Seml AB, bankloan in Laholms Sparbank	1,5	Guarantor
Ikano Bank on behalf of SGS	0,025	Guarantor
Mistral Gruppen, credit facility at Danske bank	0,5	Guarantor
Fidelis/Aarsleff, SGS projekt Pasteurs Torn	13,5	XX
Atradius/veidekke SGS projekt Harbitz torg (not final amount)	10,1	XX
Atradius/hent SGS projekt munch (not final amount)	3,9	XX
Fidelis/PEAB SGS projekt Uppsala stadshus (not final amount)	15,3	XX
<b>Total</b>	<b>44,8</b>	

Intra Group claims	Amount (SEKm)
Wasafönster AB (short-term receivables)	7,9
SSAB (settlement)	18,6
WCW (settlement)	7,4
Hancap AS (settlement)	0,0
<b>Total</b>	<b>34,0</b>

Intra Group debt	Amount (SEKm)
Santex Glas AB (settlement)	-3,2
Uterumsmästarna (settlement)	-0,5
Dalkarlarna (settlement)	-15,3
Personaloptioner (settlement)	-0,4
Mistral Energi (settlement)	-1,4
<b>Total</b>	<b>-20,9</b>

## Noteworthy events during 2019

**2019 January 11:** The Group reports that the liquidity injection from Per Helander has been reported in an incorrect manner. The injection has been reported as loan and not as equity as it should have been. Equity is negatively affected by SEK 24,3m in the Group

**2019 January 31:** Per Helander acquires A-shares by utilizing 1,7m rights issues. All shares are acquired through conversion of existing loans to shares

**2019 February 6:** Due to difficulties from the Group regarding communicating the long-term liquidity situation, the preference shares are trade-stopped

**2019 March 13:** The company applies for delisting of its bonds and its preference shares (type A) from Nasdaq First North and announces restructuring of the Group. Simultaneously with the restructuring, the Group raise additional debt of SEK 40m to cover immediate liquidity demand

**2019 March 19:** The Group's shares and bonds are delisted from Nasdaq First North

**2019 April 1:** After a written procedure, senior bonds of SEK 316m is converted to preference shares of type D

**2019 May:** SEK 100m is raised through a super senior bond issue which is partially used to solve the loan of SEK 40m raised in March

**2019 June 12:** The board of directors decide to issue new common shares to HFO Industry Ltd to set-off HFO's claim

**2019 October 23:** Skandinaviska Glassystem file for company reconstruction

**2019 November:** Chairman of the Board, Finn Johnsson and board member Per-Johan Dahlgren resigns from their positions

**2019 December:** Wasafönster acquire PVC-fönster from "Kan Fönster Sverige AB" and "Kandre International"

**2019 December 23:** Majority owner Per Helander make a payment of SEK 20m in advance through Kandre Holding which is intended to be converted into super senior bonds in Q1, 2020



## Noteworthy events during 2020

**2020 March:** The Group issues super senior bonds of SEK 42,8m for in connection with at cash injection from Kandre AB

**2020 March 17:** In an effort to focus operations, assets in Santex Glas AB is divested to some of the personnel

**2020 May 4:** Santex System AB file for company reconstruction

**2020 May 11:** Mistral Gruppen AB file for company reconstruction

**2020 June 4:** SEML AB file for reconstruction

**2020 July:** CEO and board member Mark Baljeu resigns from his positions

**2020 July 21:** Dalkarlarna i Ornäs AB files for bankruptcy

**2020 July 21:** Santex Glas AB files for bankruptcy

**2020 July 27:** Uterumsmästarna AB files for bankruptcy

**2020 September 2:** Mistral Gruppen AB files for bankruptcy

**2020 September 28:** SEML AB files for bankruptcy

**2020 October 13:** Skandinaviska Glassystem AB files for bankruptcy

**2020 October 28:** Santex System AB files for bankruptcy

A balance sheet for liquidation purposes was produced per 2019-10-31 after substantial write-downs of shares in subsidiaries and claims in companies in bankruptcy

**2020 November 2:** Hancap Facade AB files for bankruptcy

**2020 November 2:** Skandinavien License AB files for bankruptcy

**2020 November 19:** New board of directors is appointed with Tommy Hafvsdalen as chairman of the board and Roger Blomquist is appointed as CEO

# Hancap