



Hansab Group

Annual Report 2021

Hansab

We stand firmly in support of Ukraine and want to dedicate this annual report to everyone fighting for peace.

Table of Contents

| | | |
|-----------|---|--|
| 9 | Continuous innovation is key | Aigar Urva - Founder and CEO |
| 10 | Financial results of Hansab Group 2021 | Jaak Õunpuu - CFO |
| 15 | Finding opportunities | Markko Purge - Sales Manager |
| 19 | Working towards a sustainable future for all | Priit Ivanov - Innovation Manager |
| 21 | Improving monitoring & remote services | Algo Puusepp - Service and Quality Manager |
| 23 | Delivering a seamless brand experience | Sigita Babarskaitė - CMO |
| 25 | Building a strong leadership culture | Tiivi Maandi - HR Manager |
| 27 | What a way to celebrate! | Janno Kallikorm - Hansab AS |
| 29 | Uncovering opportunities | Gatis Romanovskis - Hansab SIA |
| 31 | Exceeding targets | Darius Žekonis - Hansab UAB |
| 33 | Expanding our portfolio | Alar Alumaa - Ellore |
| 35 | Moving towards stability | Ando Noormets - Hansab IT Solutions |

About Hansab

Hansab celebrates 31 years of business with a record consolidated turnover of €36.3 million and a team of more than 300 professionals. Our goal is to be the leading provider of complete technology solutions for customers. Thanks to the comprehensive product portfolio, which includes automation, security, cash handling, and finance systems, we offer the best-integrated solutions and products to make our customers' businesses more effective and secure, their employees' everyday lives more comfortable, and lift their customer experience to a new level.

One of our main strengths is creating complete solutions. They consist of consultation, software and hardware development and integration, hardware sales, project management, and after-sales services.

Among our long-term customers, we have leading organizations operating in the transport, industry, finance, state, and retail sectors.

Our home territory covers Estonia, Latvia, Lithuania, Finland and consists of seven companies: Hansab Group OÜ, Hansab AS, Hansab SIA, Hansab UAB, Hansab OY, Ellore OÜ, and Hansab IT Solutions OÜ.

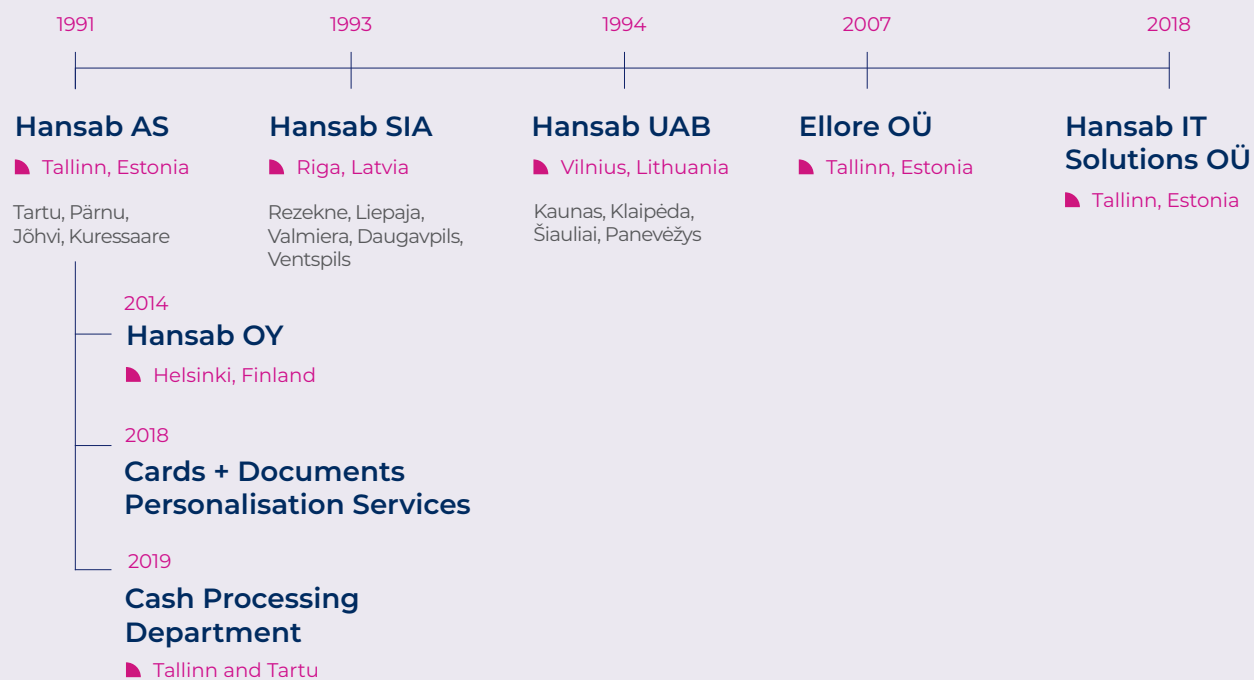
Our solutions and services portfolio is unique. An official channel partner to more than 100 suppliers, we sell, install and service solutions from the leading manufacturers such as NCR, Ingenico, Qmatic, Bosch, Sony, Samsung, Glory Global Solutions, and more.

Partnerships with the world's best-known technology companies provide us with the advantage of having the newest and most innovative technology.

Quality is a watchword for Hansab businesses, and the companies aim at the highest level, acknowledged consistently with numerous quality management awards. Services and solutions, offered by Hansab, comply with ISO 9001, ISO 14001, ISO 20000, and ISO 27001 standards.

Hansab Group OÜ

▀ Tallinn, Estonia, Est. 2005



Hansab Group's Management Members



Aigar Urva
Founder and CEO
Hansab Group



Jaak Õunpuu
CFO
Hansab Group



Markko Purge
Sales Manager
Hansab Group



Algo Puusepp
Service & Quality
Manager
Hansab Group



Rūta Urva
Internal Audit Manager
Hansab Group



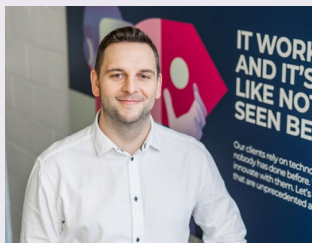
Priit Ivanov
Innovation Manager
Hansab Group



Sigita Babarskaitė
CMO
Hansab Group



Tiivi Maandi
HR Manager
Hansab Group



Reigo Rosin
IT Manager
Hansab Group



Janno Kallikorm
Chairman of the Board
Hansab Estonia and
Finland



Gatis Romanovskis
Sales and Marketing
Director Hansab Latvia



Darius Žekonis
Managing Director
Hansab Lithuania



Alar Alumaa
Chairman of the Board
Ellore



Ando Noormets
Chairman of the Board
Hansab IT Solutions

Company Timeline

90s

- 1991** Hansab AS established in Tallinn Estonia
5 employees
- 1992** Hansab starts selling security and cash handling equipment to the financial sector
- 1993** Establishment of Hansab service department. Product portfolio expands to customer management systems. The first service agreement is signed.
Hansab SIA founded in Riga, Latvia
- 1994** Hansab UAB founded in Vilnius, Lithuania
- 1995** The first financial crisis in the Baltic financial sector
- 1998** Second financial crisis in the Baltic financial sector after collapse of the Russian economy
43 employees
Turnover reaches €300 000
- 1999** Sales and service of NCR ATMs begins
Period of rapid growth in the company

00s

- 2001** ISO 9001 quality standard acquired
- 2003** 1600m² headquarters constructed in Tallinn
Product portfolio joins POS terminal sales and service
- 2005** Hansab Group OÜ founded to unify and coordinate operations across the Baltics
- 2006** A daughter company Moya OÜ founded to operate reverse vending machines
Turnover rises to €15 million
117 employees
- 2007** Ellore OÜ established by Hansab and Voicecom to develop and integrate software with equipment sold by Hansab (specifically for payment systems)
Turnover reaches €18.5 million and net profit of €1.2 million, resulting in the best financial results in the history of the company
147 employees
2500m² Lithuanian headquarters are built in Vilnius

| | | | |
|-------------|---|-------------|--|
| 2008 | <p>Global economic crisis begins</p> <p>Hansab introduces new strategy with the emphasis on key account management and additionally to finance – focus on public and retail sectors</p> <p>Shift from the product to the solution sales. New products in security field – electronic security, EAS and access control</p> | 2014 | <p>Hansab OY founded in Finland</p> <p>Turnover €20.5 million</p> |
| 2009 | <p>Hansab TOB Ukraine founded to manage operations in Ukraine.</p> <p>Hansab Kinnisvara OÜ founded in Estonia</p> <p>Turnover declines to €11.3 million</p> <p>135 employees</p> | 2015 | <p>25th Anniversary</p> <p>321 employees</p> <p>Turnover €21.2 million</p> |
| 10s | | 2016 | <p>Turnover €26.1 million</p> |
| 2010 | <p>Hansab Turtas UAB founded in Vilnius</p> | 2017 | <p>305 employees</p> <p>Turnover €25.6 million</p> <p>Entering robotics field with the humanoid robot Pepper</p> |
| 2011 | <p>ISO 20 000 certificate acquired</p> <p>Project department founded to manage complex projects and to divide responsibilities between the departments.</p> <p>Turnover recovers to pre-crisis level €17.5 million</p> <p>168 employees</p> <p>Hansab starts service export</p> | 2018 | <p>Began Estonian eID documents production</p> <p>Hansab IT Solutions OÜ founded in Estonia</p> |
| 2013 | <p>Hansab TOB Ukraine sold</p> <p>Turnover €17.4 million</p> <p>Employees: 257</p> | 2019 | <p>Estonian Cash Processing Department founded</p> |
| | | 20s | |
| | | 2020 | <p>Moya OÜ sold</p> <p>Record profit of €1.6 million</p> |
| | | 2021 | <p>30th Anniversary</p> <p>Record turnover €36.3 million</p> <p>Began export activities of Entringo a parking solution developed in-house</p> <p>Property companies separated from the Group</p> |



Aigar Urva
Founder and CEO

Continuous innovation is key

The year 2021 wasn't an easy one with the effects of the pandemic felt throughout all countries. Regardless we overcame the challenges and Hansab Group grew significantly. Special attention was turned to developing new services (growing a total of 28%). Total revenue grew by 16%, reaching a record €36.3 million.

The high value-added services provided by Hansab Group companies already cover 43% of the total revenue and help us increase our profitability and secure growth in the future. Our continuous efforts in developing our own solutions have started to pay off. We launched our parking solution Entringo in our home markets, and after receiving positive feedback have now started export activities. In addition, we developed a logistics automation solution Entringo Traffic, which sparked a lot of interest from our clients.

We at Hansab pay close attention to the green transition. Climate change is a challenge that we must tackle together. Our role as a technology company is to develop and offer products and services that assist in the overall reduction of the human environmental footprint.

We have a leading role in helping our customers digitalise and automate several of their processes. With the new rent and XAAS business models we prolong the lifespan of our solutions.

We continue to develop our activities in Finland and add higher value-added services to our portfolio, whether by developing them ourselves or through acquisitions.

Despite the war in Ukraine, the prognosis for the current year is promising. We continue growing and plan to reach at least €40 million revenue and €3.5 million EBIDTA. This is supported by high customer and employee satisfaction.

Financial results of Hansab Group 2021



Jaak Õunpuu
CFO of Hansab Group

In 2021 the economy in the Baltics recovered from the recession caused by COVID-19. The increase in GDP was 8.3% in Estonia, 4.7% in Latvia, and 4.9% in Lithuania. At the end of last year, inflation accelerated. In 2021 the average CPI was 4.5% in Estonia, 3.2% in Latvia, and 4.6% in Lithuania.

2021 financial overview

2021 was a very successful year for the group. Both the consolidated turnover and EBITDA were the best yet in the group's history.

Revenues increased by 16% to €36.3 million (€31.2 million in 2020), and EBITDA reached €2.5 million (€2.0 million in 2020).

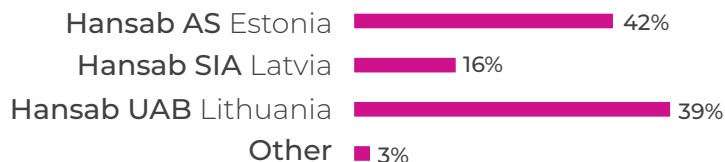
The most remarkable growth was seen in the transport sector, followed by the finance and retail sectors. Compared to 2020 revenues decreased in the public sector.

There is a continuing increase in the group's services revenues – growth over 28% compared to the previous year. Services already account for 43% of the group's total turnover. The main sources of growth in 2021 were new services by Hansab AS – cash processing and transport services, plus increase of SLA and maintenance revenues, especially in Lithuania.

The highest revenues of €16.0 million were achieved by Hansab AS (increase 34%), followed by Hansab UAB with €14.6 million (increase 2%) and Hansab SIA with €5.8 million (increase 22%).

Hansab AS generated the largest part, 42%, of the consolidated turnover in 2021. The share from Hansab UAB and Hansab SIA amounted to 39% and 16%, respectively. Other group companies accounted for 3%.

Hansab Group Turnover by Companies



In 2021, Hansab AS generated the highest net profit, €660 thousand. Followed by Hansab UAB €420 thousand, Ellore OÜ €99 thousand, Hansab SIA €31 thousand, and Hansab Oy €9 thousand. Hansab IT Solutions OÜ ended the year with a loss of €-83 thousand.

Balance sheet and investments

The volume of consolidated assets decreased to €14.6 million (€16.6 million in 2020). The level of current assets was stable. The volume of fixed assets decreased because of the separation of real estate companies from the group. Related to this, the group's long-term financial liabilities and equity also decreased.

The share of equity by the end of 2021 was 33% from the balance sheet. The consolidated return on equity (ROE) was over 16% and the return on assets (ROA) was close to 6%.

The largest investments of 2021 included:

- the opening of Hansab AS cash processing department in Tartu,
- the development of Hansab Group's new products (Entringo Parking, Entringo Traffic, Apear),
- the upgrade of financial software MS D365 and
- the development of payment solutions' management software PosPortal.

Investment into the equipment for full-service rentals continued by Hansab companies. The total amount of investment in 2021 can be summed up to €1.8 million.

Planning for 2022 and beyond

We believe that Hansab Group's financial policy, flexible cost base, new business fields and investments have created a good basis for growth in 2022 and in the future.

Consolidated Balance Sheet

in thousands of euros

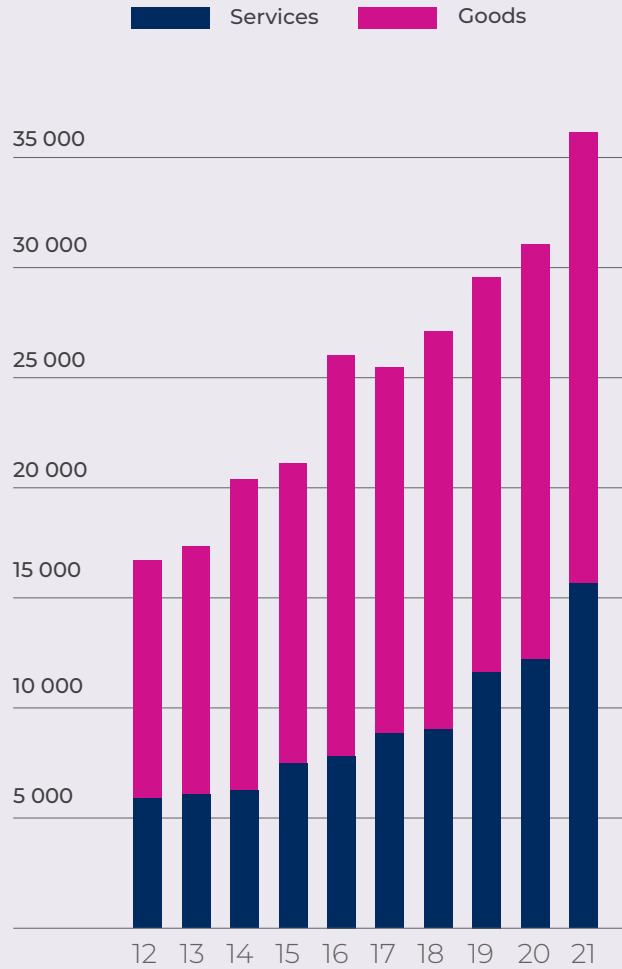
| ASSETS | 31.12.2021 | 31.12.2020 |
|---------------------------------|---------------|---------------|
| Current assets | | |
| Cash | 1 488 | 2 689 |
| Trade receivables | 4 269 | 3 081 |
| Other receivables | 596 | 432 |
| Prepayments | 436 | 595 |
| Inventories | 2 589 | 2,369 |
| Total current assets | 9 378 | 9 166 |
| Fixed Assets | | |
| Long-term financial investments | 1 074 | 404 |
| Tangible Assets | 2 933 | 5 948 |
| Intangible assets | 1 259 | 1,061 |
| Total fixed assets | 5 267 | 7 413 |
| TOTAL ASSETS | 14 645 | 16 578 |

| LIABILITIES AND EQUITY | 31.12.2021 | 31.12.2020 |
|-------------------------------------|---------------|---------------|
| Current liabilities | | |
| Loans and borrowings | 782 | 699 |
| Trade and other payables | 5 393 | 4 984 |
| Accrued expenses | 989 | 892 |
| Tax liabilities | 1 343 | 1 448 |
| Total current liabilities | 8 507 | 8 022 |
| Long-term liabilities | | |
| Loans and leasings | 1 281 | 2,145 |
| Other long-term liabilities | 62 | 150 |
| Total long-term liabilities | 1 342 | 2 295 |
| TOTAL LIABILITIES | 9 849 | 10 317 |
| EQUITY | | |
| Share capital | 10 | 3 |
| Reserves | 3 | 3 |
| Minority equity | 1 027 | 904 |
| Retained earnings | 3 128 | 4 166 |
| Net profit for the period | 627 | 1 186 |
| TOTAL EQUITY | 4 795 | 6 261 |
| TOTAL LIABILITIES AND EQUITY | 14 645 | 16 578 |

Consolidated Income Statement

in thousands of euros

| | 2021 | 2020 |
|--|---------------|---------------|
| Sales Revenue | 36 286 | 31 150 |
| Other operating income | 59 | 59 |
| Business expenses | | |
| Goods, materials, services | -21 406 | -18 443 |
| Operating expenses | -3 243 | -2 632 |
| Labour expenses | -9 136 | -8 057 |
| Depreciation | -1 399 | -1 010 |
| Other expenses | -53 | -35 |
| Operating profit | 1 109 | 1 032 |
| Financial expenses | -54 | 593 |
| Profit before income tax | 1 054 | 1 626 |
| Income tax | -163 | -231 |
| Net profit for the financial year | 891 | 1 395 |
| Equity holders of the parent company | 627 | 1 186 |
| Non-controlling interest | 264 | 209 |



Consolidated turnover of goods and services
in thousands of euros

Hansab Group

Finding opportunities



Markko Purge
Sales Manager

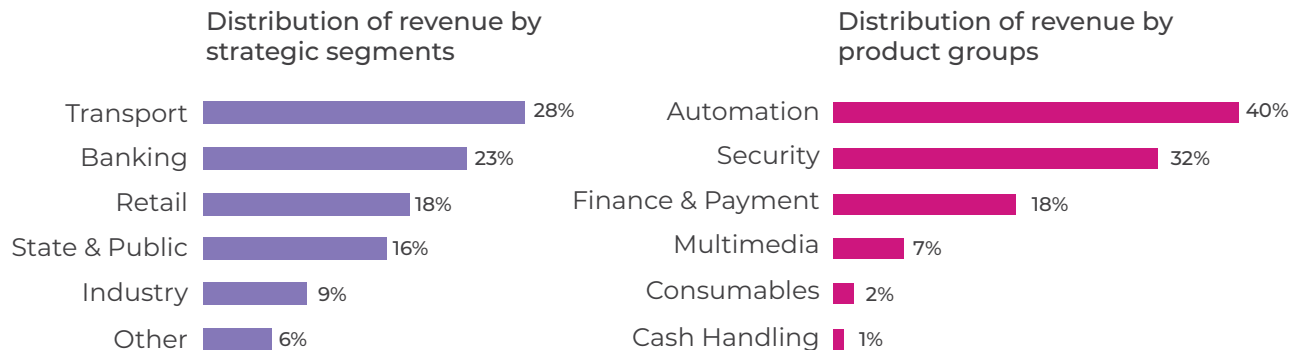
The last couple of years have been challenging for every business. The pandemic forced companies to rethink how they offer their services and find ways of becoming more efficient. Now that the economy is starting to recover, we're seeing the effects across organizations. Leaders are more readily embracing new technologies and looking to strike a balance between automation, security, and human interactions to create the best possible customer experiences.

Sales turnover of goods increases by 9%

For Hansab's sales teams, the biggest challenges were building trust through online channels, organizing marketing events and seminars, getting responses from prospects, and closing deals remotely while engaging multiple decision-makers at a company. The sales objective was to focus more on high-value-added products, software solutions, solution developed in-house and services. We are glad to announce that despite the challenging year 2021, the Hansab Group sales turnover of goods was the best yet totaling €21 million. A 9% increase compared to 2020. The best sales results were achieved by our Lithuanian sales team, followed by Estonia and Latvia.

A leap in sales of services

As we are rapidly expanding and increasing our services portfolio, we managed to increase our sales of services by 28%. The biggest services growth was gained thanks to larger installation projects, cash-in-transit service, and technical services.



Hansab is moving towards a recurring revenue model by offering XaaS or full solution rental possibilities for all our services.

It is strategically important to us because it gives the company a more stable revenue stream, lowers initial investment requirements for our customers, and has the added benefit of being environmentally friendly.

Because of such a high increase in services, we reached the point where 43% of our income comes from services. It is a remarkable achievement in Hansab's history, and we are continuing to expand it even more!

Transport segment takes the lead

All customer segments grew steadily in 2021. The leading customer sector was the transport segment, followed by finance and banking, retail, public and state, and industry sectors.

Because of the continuous need for efficient automated self-service solutions and last-mile delivery solutions, the transport sector grew by 50% compared to 2021.

By product groups, Automation took the lead. Self-service automation and security solutions have become one of the most important solutions in our product portfolio. In 2020 automated product group sales reached a sales revenue of over €10 million.

As we are selling more complex security solutions, focusing on electronic access, fire safety and comprehensive video surveillance solutions, both these product groups are making 2/3 of our sales of goods.

In the future, we see the need to develop our markets against global threats. Hansab is considered an expert by many existing and new customers to advise on security matters.

Adding value with software development

With our in-house software development team, we specialize in projects and products where software meets hardware. The aim is to offer added value through software development, support services and consulting. Considering hardware, software and integrations works according to the needs of every customer.

Thanks to that we have successfully launched our own solution developed in-house. Entringo is a fully automated digital traffic management platform.

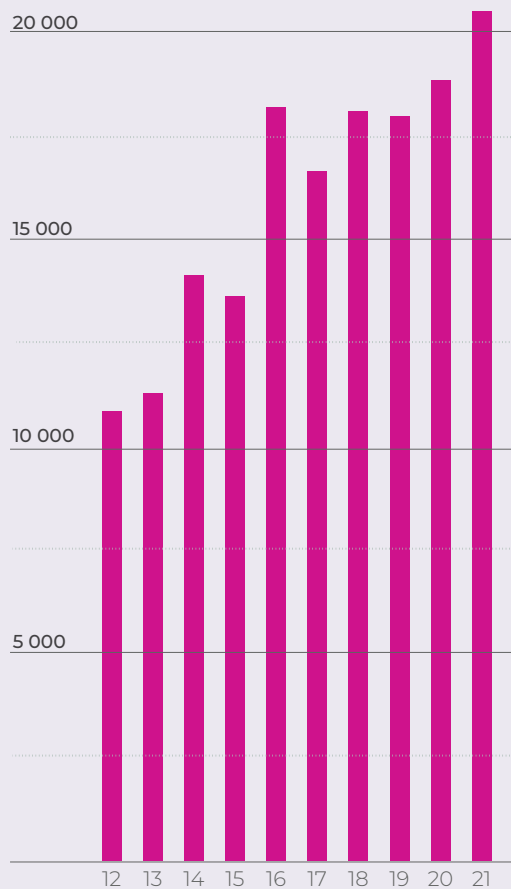
As trends in parking and traffic management are changing around the world, it allows Entringo to be one of the more sophisticated solutions for customers in our export markets. In addition, Entringo has the added benefit of offering a greener approach to parking. Ticketless parking and faster traffic management results in reduced Co2 emissions.

Reaching sustainability goals

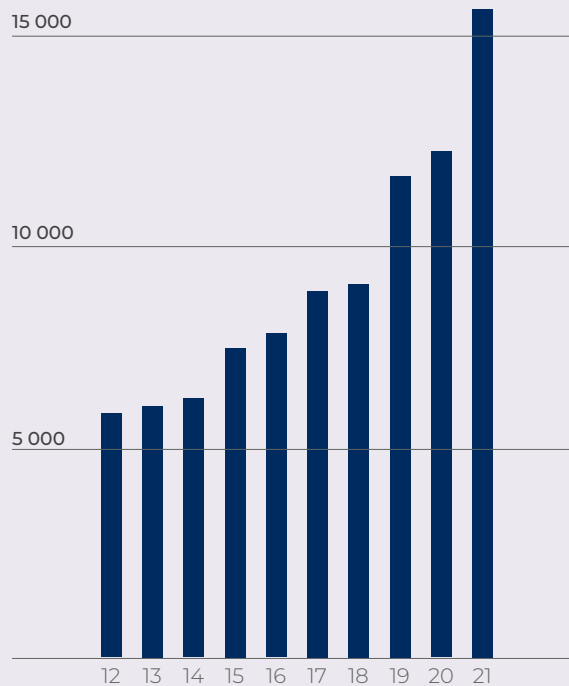
It is becoming more and more important to help our customers achieve their sustainability goals. We do that by carefully selecting the suppliers we work with and the technology we provide so that it meets our criteria for quality and environmental friendliness. Our decisions when it comes to choosing technology have an impact on our planet.

Innovation, constant development, and expansion of our services has made us stronger than ever. Thanks to our loyal customers and world-leading partners, we will continue to be the leading solution provider in our markets by offering various innovative technology solutions.

Consolidated turnover of goods and services



Consolidated turnover of goods
in thousands of euros



Consolidated turnover of services
in thousands of euros

Hansab Group

Working towards a sustainable future for all



Priit Ivanov
Innovation Manager

We are living in changing times. Resources are becoming limited, and everyone from consumers to businesses are taking steps to become more sustainable. This prompts businesses to take a closer look at their operations and identify areas that need improvement.

Hansab has been on this path for years, boosting digitalization and automation with our tools, services, and products. As a result, helping our clients reduce their environmental footprint. This year we decided to take it a step further and analyze how to apply the sustainable mindset throughout the entire company. From our marketing to product development, processes, and production. Our Entringo platform is a prime example of that approach. By choosing to design a good product – we made a sustainable product as a result.

Implementing a systematic approach

As our own products - Apear and Entringo Parking - are already in use in the market we had to review how we manage them.

In 2021, we improved our product management principles to make sure that the solutions are supported in every way. Making sure that everything, from improvements to partner relations and our sales teams in our home markets are covered.

We are constantly monitoring the market situation and use these insights to plan the development and supply. Having a central knowledge base is key in ensuring success.

Developing our strategic transport sector

The transport sector is one of our fastest growing areas. To develop and support its growth, we have been exploring new opportunities.

Entringo Traffic is one of our major projects we are working on to digitalize and automate traffic and process management at the last mile of logistics centers, ports and industries. Many pilot customers have made the decision to go ahead with Entringo Traffic, with the first installations scheduled to take place mid-2022. The feedback to our approach has been very positive which gives us the momentum to keep going and developing.

In addition to the vehicles' management, we also started to look at the last mile delivery solutions for parcels, packages, and goods.

Continuing the path

Our approach with strategic product development has shown success and we will keep developing our company and products to grow our reach from within our home territory to the global market. Going from a strategic reseller in the Baltics to a global partner.

Hansab Group

Improving monitoring & remote services



Algo Puusepp
Service & Quality
Manager

The year 2021 proved the importance of having digital remote services to manage our business continuity. Thanks to our risk management strategy, our services were up and running.

Solving incidents remotely

One of the key challenges of 2021 was how to serve our customers with fewer physical visits. To solve incidents remotely, we invested heavily into our IT team.

The total number of service calls was 71 000 (65 000 in 2020). As many as 20% of those calls were solved remotely. That is a 50% increase in incidents solved remotely. We see the amount growing by at least 25% in the coming year.

Improving first-call resolution rate

Hansab average first call resolution rate in 2021 was 95%. The improvement was thanks to better technical competence trainings for service engineers.

We received 6300 service calls related to the service of ATMs (banking sector). As many as 98% of calls were solved with one visit and service call planning accuracy reached 75%.

In 2021, we saw that more and more customers are willing to add after-sales services when buying solutions from us. The service agreement ensures an uninterrupted flow of their business.

Customer portal

During our annual customer satisfaction survey where our customers share their expectations regarding their service needs, we see that quick feedback and information are of utmost importance.

In 2021, we dedicated resources to improving our internal platforms such as the customer portal. With the update of the new website, our customers now can easily sign up to the customer portal or access it with a few clicks.

Customer portal is an important solution to keep a good level of communication with our service customers. The improvements made were related to reliability. Now customers can create orders even when the database connection with the central database is failing. Customer report functionality has also been added to the portal.

Outlook to 2022

Disaster recovery process is one of the key elements of Hansab service management system, and it played an important role in 2021. Our services are certified with ISO 27001 and ISO 20 000, ensuring all risks are managed and customers can be assured that the services run smoothly.

Continuous service quality improvement is what we strive for in our service offering and it will continue to be a point of focus in 2022. Also, since we started producing our own solutions we will continue improving our production processes.

We believe that together with our high-quality standards, wide service network, competent teams, we can continue meeting our customers' business needs.

Hansab Group

Delivering a seamless brand experience



Sigita Babarskaitė
CMO

In recent years, we have taken bold steps to stand out from our competitors. We focused on our digital channels, clear communication, and brand consistency with the aim of delivering a seamless brand experience no matter the country or channel. Central brand management at Hansab group helps us achieve that consistency for both Hansab and Entringo brands.

Closing the information gap

In 2021, we came to the conclusion that the Hansab websites were no longer serving our needs and needed to be redesigned. The content focused too much on products and not on value-added services and solutions. For this reason, we set out to create solution pages, which would give a high-level overview of our offer, be it parking automation or video security.

In addition, we refreshed the overall look and feel of the websites to simplify and better organize information.

In 2021 we also worked on building useful content for our traffic management brand – Entringo. Starting from the newly launched website to catalogues, email marketing campaigns and more. We have received positive feedback and will continue taking the brand further in 2022.

Content first

One of our strengths is telling compelling stories about the projects we implement. Our reference articles, videos and pictures have been noticed by many stakeholders. Last year alone, we created over 100 articles.

Hansab Group

We believe that sharing valuable content can help our customers understand the scope of our solutions and services. To spread relevant information, in 2021, we sent almost 50 marketing campaigns, with average open rate of 41% and 11% click rate.

In 2022, we will continue in the same direction.

Strategic use of social media

Traditionally social media played a minor role in B2B marketing communications, however in recent years we saw a shift and more people are using professional networks like LinkedIn.

To help our teams communicate relevant information regarding projects and trends in the market, each of Baltic subsidiary launched their local LinkedIn pages.

The goal is twofold: to inform our customers and address our future employees in their local language.

Customer feedback

The customer satisfaction index reached an all-time high of 4.4 (4.2 in 2020). Almost 400 customers shared their insights regarding our solutions, services, and overall cooperation.

Some notable quotes included: “It is a pleasure to communicate with your employees. I am constantly updated with new products and opportunities. We always find one solution or another; the issue is not left to its own devices or unresolved.” And “Whatever I need, I just call, and I know Hansab will manage”.

Sustainable marketing

Green and circular economy are part of Hansab’s strategy and is of vital importance to our customers and their end customers. Digitalization streamlines process and saves resources and is the foundation of the green transition.

As a technology company providing digitalization, automation, and security solutions, we’re well positioned to address the challenges of sustainability.

With our solutions we can rethink certain processes from the start, work together with our partners and customers and help them improve efficiency.

Hansab Group

Building a strong leadership culture



Tiivi Maandi
HR Manager

From the moment someone looks at a job opening to the moment they offboard, everything that they feel, learn, and see contributes to their employee experience.

Following the best leadership practices and building relevant leadership culture is a crucial part of our people strategy. Last year we reviewed and refreshed our leadership competencies to ensure alignment with the company's needs.

We segmented the leadership competencies into five groups, where the focal point is living Hansab values. The five groups were strategic thinking, self-performance, assurance, collaboration, and empowerment of others.

We also conducted a 360-degree leadership survey to develop our leadership culture from good to great and assist our managers in developing leadership skills and behaviors.

The collected feedback does not only highlight the points for improvement, but it also gives a good insight into what aspects are working well already, and what our managers should continue doing.

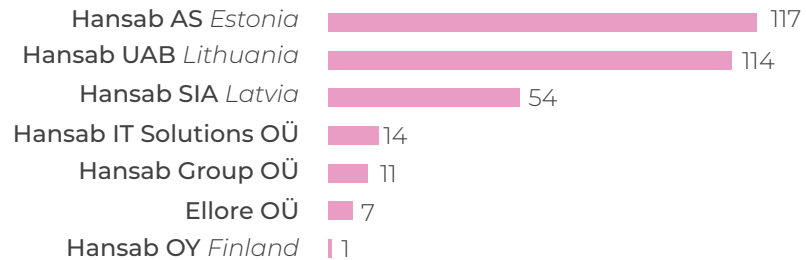
We collected 455 responses for about 40 managers. The average leadership competencies index was as high as 8.7 (on a 10-point scale).

Company culture starts from its leaders, and it was great to see that living the values got an average score of 9,0. It shows that we do live the Hansab values: We are open and reliable. We build partnerships. We work creatively and ethically.

We will continue our journey of offering a better working experience for our employees. We see the potential in growing our leadership skills and learning more on how to empower others.

Employees by Company

Date: 31.12.2021



Total 318

Annual employee opinion survey

To attract and keep great people we need to understand and meet our employees' expectations. To check where we stand, we carried out the annual employee opinion survey.

The total employee opinion score from the whole Hansab Group was as high as 4.3 (on a 5-point scale). The same level as last year, exceeding the set target level of 4.1.

We saw the biggest positive trends in the following areas: "I feel Hansab cares about the well-being of its people," "My direct manager gives me enough feedback to do my work well," "I feel our unit has a good cooperation with other units."

It is strategically important for us to be the employer of choice for our current employees so that people are willing to promote us to others. From the survey, we can see that more and more employees are ready to suggest Hansab as a great employer.

Plans for 2022

We will continue our daily activities to attract, develop, engage, and reward the right people building a strong company and leadership culture. We will also continue our close cooperation with universities and vocational schools offering internships and scholarship programs for finding new talents.

Besides the ongoing activities, we are planning on creating a new career page on our website. This page will help our future employees explore available roles and get a better understanding of what it's like to work at Hansab.

Hansab Estonia

What a way to celebrate!



Janno Kallikorm
Chairman of the Board
Hansab Estonia

Hansab AS, celebrating its 30th anniversary in February 2021, kept rewarding itself throughout the whole year. With a lot of focus going into the business continuity issues and restrictions due to the COVID-19 global pandemic, we were able to finally celebrate our anniversary in September by coming together in Tallinn with 300+ customers, partners and colleagues.

The country's economy also regained its confidence to once more start investing into the development of our businesses, led strongly by the governmental and logistics sectors.

All hard work and our stakeholders' commitment was awarded with record-breaking revenues to end the year with. The revenue growth was a remarkable 33% reaching a total of €16.0 million for the first time throughout our history for any group company.

Regardless of heavy increases in energy and raw material prices, we were also able to increase profits by 76% YoY, with profit before taxes reaching €0.7 million and with EBITDA reaching an all-time high of €1.7 million.

The strongest portfolio segments were automation (most prominent project being once more the parcel machines expansion for DPD) and security equipment, accounting for 33% of total sales revenues each, followed by financial solutions with 22% and audio-visual solutions with 8%.

Feedback from our stakeholders showed excellent results and continuous trust in our actions as a partner and as an employer, with ratings of 4.4 and 4.2 (on a 5-point scale) from our employee and customer satisfaction surveys.

Diversification is the key

The ever-growing diversification of our portfolio and extremely strong growth in our services segment helped us to achieve our goals. Our services portfolio, led by our cash services team, accounted for a record breaking 53% from our total revenue, being 40% higher than in 2020.

Our cash services segment saw an increase of >100% YoY and our market share at the end of 2020 reached >40% from the total market after just 2 years of operation. Revenues from technical services crawled to record highs increasing by 5% YoY, while installation services saw a 40% increase compared to 2020.

Our document personalization services also bounced back after a difficult year affected by the restrictions put in place against the pandemic, showing a moderate growth of 15% compared to 2020.

Outlook 2022

Bearing in mind our mission – to make your life easier and secure – our solutions and services will be enabling millions of transactions every day for our citizens to enjoy a safe and stable environment.

We will continue to diversify our business by entering new business and services areas. Just to name a few - as of February 1st we will be the official pensions and social benefits delivery service provider for the Welfare Office in Estonia, offering the service to their 5000+ customers.

Also, we will launch a fully new service – safe deposit locker rental – from March 1st 2022, operating in 2 major Estonian cities – Tallinn and Tartu. The safest place to store your valuables, whether they are securities, jewelry, cash, contracts, documents or other important items.

With all of our new activity fields, technology solutions, card services and cash services in full gear, we expect to show stable growth also in 2022.

Hansab Latvia

Uncovering opportunities



Gatis Romanovskis
Sales and Marketing Director
Hansab Latvia

Last year was full of challenges not only due to the ongoing pandemic but also due to the shortage of electronic components and internal personnel changes. Despite that, we have seized new opportunities and strengthened our team which has resulted in a 22% increase in turnover compared to 2020. Both customer and employee satisfaction scores (4.3 and 4.4 respectively) have proven to us that we are moving in the right direction.

Automation takes the lead

The main revenue stream came from the automation group in the transport sector accounting for 50% of the company's total income. DPD Latvija and Omniva have continued their rapid expansion. In addition, we have also begun cooperating with two other major players in the Latvian delivery sector - Venipak and Latvian Post. In 2021 we installed more than 260 parcel terminals (60 of them in December alone). For Latvian Post we delivered and installed private parcel lockers that give people the option to receive packages at home, without having to go to the post office.

Among our top 5 customers by revenue in 2021 we had a newcomer – a waste management company Clean R. Equipping vehicles with an RFID system, has been a new experience for both – Hansab and Clean R. Given the global focus on sustainability and the funding allocated to improve waste management systems in Latvia we see a promising future in the sector.

Growing our competence

As we start to work with new solutions, additional training is key. In 2021 our project managers and technicians dedicated time to improving their knowledge and skills in all fields, but especially in the security sector.

Receiving an industrial security certificate will allow us to participate in state-related projects and other projects requiring the highest level of confidentiality.

In 2021 we have also participated in business conferences sharing our opinion on e-commerce, the future of retail, cash management and transport, as well as actively engaging with the media and our customers through public articles and social media. We put the effort into being seen as opinion leaders who can advise and have an impact on future developments.

Future plans

We are looking with high ambitions to what lies ahead. We will continue maintaining relationships with our loyal customers and providing services of the highest quality. We will also continue working with the automation field, placing more emphasis on logistics and waste management sectors and positioning ourselves as opinion leaders in innovative and sustainable solutions.

After a reduction in the security field last year, this year we have put security as one of our top priorities. Due to recent events, security has become a top priority in the whole world. This presents us with opportunities to extend our security portfolio. Also, one of our main goals in the security field in 2022 is to finally begin working with fire alarm system solutions.

Hansab Lithuania

Exceeding targets



Darius Žekonis
Managing Director
Hansab Lithuania

Hansab Lithuania reached a €14.6 million annual turnover. The set target was exceeded by €0.9 million. The revenue increase was driven by sales growth in the transport and retail sectors, while similar turnover was maintained in other operating segments. At the same time, sales of services grew.

We hired almost 40 new employees, and the total number of employees increased to 114. Most employees were hired for engineering positions in the customer service and project departments.

2021 the customer satisfaction index reached an all-time high of 4.4 (on a 5-point scale). This year, as in the previous year, the results of the employee satisfaction survey have not changed - 4.2. Our staff continues to enjoy a friendly environment and new challenges.

The service revenue increased by 33% fulfilling the sales of the service level agreements (SLA) and other services targets. Our export activities focused on Sweden, implementing a tube transport project, which will continue in 2022. We have been working in Scandinavia for several years, where we install solutions, which are then taken care of by our professional team.

Transport and retail sectors lead the way

Sales in the transport sector accounted for over 30% of the total sales revenue. That is largely due to the expansion of self-service parcel terminal networks. AB Lietuvos Paštas, UAB Omniva and DPD all expanded their networks. In addition, VENIPAK made the decision to develop their own network and close to 250 new terminals were installed during the year.

Hansab Lithuania

Our own ticketless parking management platform Entringo attracted considerable interest in 2021. Today we have five locations in Lithuania where Entringo operates successfully, and more projects are on their way. Sales of traffic flow management systems and electronic security solutions for logistics centers continue to be successfully developed. We implemented several electronic safety projects for Lithuanian railways.

While the retail sector suffered the most from the restrictions imposed by Covid-19, sales in the retail sector grew the most compared to 2020. There were significant investments made in new projects. The largest of which was Ogmia Outlet's new shopping center, where we installed all electronic security systems. The Senukai retail chain also continued to expand its network.

In the manufacturing sector, we won several large projects and installed security solutions. We continue participating in the implementation of security systems for the production building of Thermo Fisher Scientific Baltics.

In the banking sector, the largest share of revenue came from regular sales ATMs and payment card terminals. Access control projects in the newly opened banking service centers have also been successfully implemented. As the banking sector is constantly optimizing the number of branches, its revenue structure remains very similar from year to year.

Looking ahead

After very strong growth in 2020, one of the goals is to maintain the results that have been achieved. In 2022, we expect to see a growth of 20%, coming from steadily growing and new investments in the manufacturing and financial sectors.

Ellore

Expanding our portfolio



Alar Alumaa
Chairman of the Board
Ellore

In 2021, Ellore's revenue reached €1 million with a profit of €115 thousand. More than 60% came from card payment-related services including software delivery, integration, and support services.

In 2021, multiple crisis-related measures helped preserve the sustainability of our services and kept the overall performance and quality level high. The challenges brought by COVID-19 also created opportunities for us to revisit our work structures and processes.

Over 40 000 active terminals in the Baltics

We delivered more than 5000 new card payment terminals in the Baltics in 2021. The high-quality Ingenico hardware combined with Voicecom's secure software application help us maintain our position as the leading provider of card payment solutions in the Baltics. We have over 40 000 total active terminals running.

COVID-19 had a sharp impact on the retail sector. Traditional in-store shopping decreased, creating demand for new technology solutions for self-service sales and contact-free delivery. We stepped in to help several new customers to automate and integrate payment in a seamless and effective way.

In total, our card payment terminals have been integrated with over 100 different software solutions.

New solutions

We introduced KKIS – a payment card system. KKIS enables retailers to establish their own electronic gift or payment card system for their shops using existing card payment terminals. All they need to do is order physical cards and register users in their system.

We also introduced the new TETRA generation all-in-one unattended Ingenico SELF/5000 terminal. It simplifies physical integrations. The touchscreen terminals have been applied in various sectors such as parcel kiosks, automated car wash stations and various vending solutions.

To improve terminal preparation and management processes within Hansab companies we released a new version of our remote management front-end solution PosPortal version 3. This significantly improves everyday processes and helps better monitor and handle our terminal network at all service levels.

Ellore with its long-term partner Swedbank began the delivery of NCR software platform APTRA Top Client Server (TCS) for their Automated Teller Machines (ATM) network in the Baltic countries.

The new software platform enables Swedbank to reduce costs and increase usability for customers through standardization, volume purchasing options and optimized processes.

The Software platform migration is scheduled to be done within the next 2 years.

Supporting Hansab Group companies

Ellore provides IT services for all Hansab Group companies, and in 2021, we increased our IT infrastructure services within Hansab Group. The satisfaction index of 3.8 provided by internal customers shows that we constantly need to improve Ellore's quality and support processes, follow the ITIL principles and keep track on ISO standards.

Our employee satisfaction index remains a high 4.8. This is solid platform to continue with organizational development and quality improvements. 2022 brings new opportunities for growth together with our existing and new customers.

Hansab IT Solutions

Moving towards stability



Ando Noormets
Chairman of the Board
Hansab IT Solutions

Hansab IT Solutions sales revenue reached €0.5 million in 2021, where the share of foreign projects accounted for 26%.

In 2021, the most important development project for the company was cash processing for the Social Insurance Agency and Unemployment Insurance Fund. It made it possible to open a new line of business for Hansab Group.

Several other projects, such as the warehousing and logistics solution Entringo Traffic, the parking system Entringo Parking, self-service kiosks and access control systems also stood out during the year for their sales potential and realization.

The completion of the project of PosPortal, an automated management system for payment terminals, was an important landmark for Hansab IT Solutions. The project launch and introduction is expected to reduce terminal management costs.

With our own products, we made important innovations in our guest registration system, which changed in both the back-end and front-end. We also created new standardized Raspberry access control controller software which can be integrated to various access gates.

From instability to stability

In 2021, we focused even more on the quality and sustainable development of our long-term, mainly internal, software projects.

We performed risk assessments of projects in terms of technologies, quality, sustainability and compilation of solutions, and made the necessary additions and adjustments to the developed systems.

Hansab IT Solutions

Similar adjustments were made to the payment terminal management system, cash management and processing system and automated digital traffic management system.

Last year, we invested more than 1,000 working hours into the quality and improvement of self-developed information systems.

Seeking the talent

For the growth of companies, it is important for us to involve new project managers, developers and team leads. In 2021, we recruited directly, also used several new outsourcing partners to cover our resource needs.

We have experienced in our recruitment that the global demand for employees has intensified. We compete globally, holding job interviews in India, Serbia, and Turkey. Recruitment and job negotiations are more time consuming and can take up to 6 months.

Hansab IT Solutions is focused more on experienced full-stack developers to create combined software and hardware solutions. In doing so, we monitor both ISO standards and customers' increased demands on the development.

We have adapted to the situation of the workforce, keeping ourselves open to everyone and their needs. Remote work, virtual customer and project meetings have become a part of our daily lives.

Outlook to 2022

2022 is more ambitious than ever. We expect a revenue growth from the sales and further development of Entringo Traffic, which has been in the development phase for a year now.

We will also continue to be active in sales activities with foreign customers and cross-group sales cooperation.

The development of Commercial off-the-shelf (COTS) solutions plays an important role in our next year goals. We will continue to contribute 360-degree solutions to customers, as well as SLA agreements.

Our offices



IT WORKS -
THANKS TO
YOU!

Hansab