

HANSAMATRIX

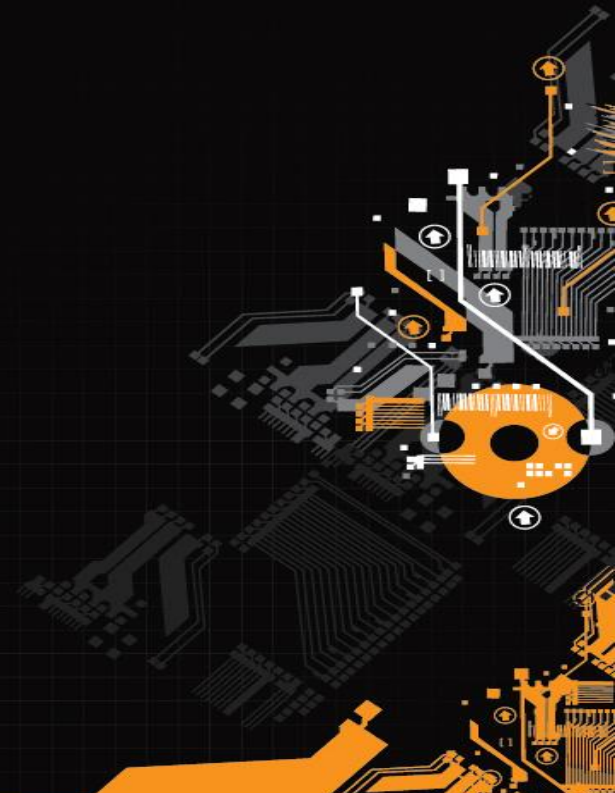


Innovator and Manufacturing Solution High-Tech Group

Q2 and 6m results of 2021 – Nasdaq webinar

Presenters: Jānis Sams, CEO and Maris Macijevskis, CFO

August 18, 2021



Executive summary



Business trends

- Due to increased growth in remote data connectivity for business, work studies, etc., the demand in data networks products is strong.
- Industrial sector is expected to experience growth as pandemic is contained
- COVID-19 developments require active situation monitoring and rapid response approach to successfully manage the potential business environment and supply chain disruptions.
- Global component shortage continues and expected to persist up to mid 2022



2021 Q2 summary

- YOY sales growth 14%.
- Very good Q2 EBITDA level – 1.151 million EUR, 19.0% EBITDA margin.
- Q2 net profit decreased by 0.5 million by provisions for EIB warrant liabilities due to increased HansaMatrix share price.
- Q2 normalized (adjusted by losses from associates, EIB loan and warrant provisions and lease interest) net profit is positive 0.488 MEUR.

Results summary, MEUR	2020 Q2	2021 Q2	y-o-y	TTM 2021 Q2
Revenue	5.290	6.042	+14%	23.985
EBITDA	0.527	1.151	+118%	4.505
EBITDA margin	9.9%	19.0%		18.8%
Net profit	-0.383	-0.327		-0.015
Net profit margin	-7.2%	-5.4%		-0.1%
Normalized net profit	-0.115	0.488		
P/E				n/a



Comparison with peers

- HansaMatrix EBITDA margin – the highest compared to industry peers
- Peer EV (Enterprise value) range 7.0x up to 13.3x EBITDA (HansaMatrix 7.4x)

TTM figures – EUR million	(EV) Enterprise value	TTM Revenue	TTM EBITDA	TTM Net Profit	EBITDA margin	Net profit margin
HansaMatrix	33	24	4.5	0.0	18.8%	-0.1%
Incap Oyj	292	131	22.2	14.3	17.0%	10.9%
Note AB	387	200	22.3	13.5	11.2%	7.3%
Kitron ASA	406	381	38.9	19.3	10.2%	5.1%
Inission AB	58	101	7.2	2.6	7.1%	2.6%
HANZA Holding	128	215	18.2	4.6	8.5%	2.1%

Source: Bloomberg, August 03, 2021

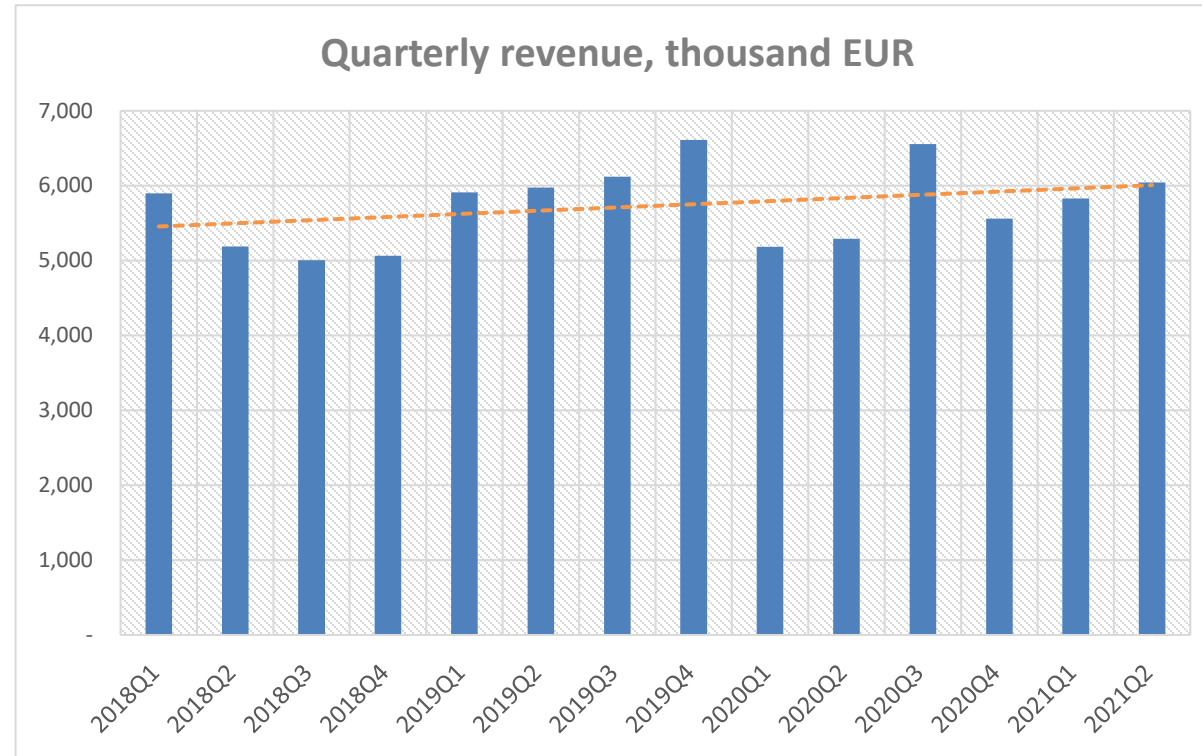


Q2 results of 2021 in detail



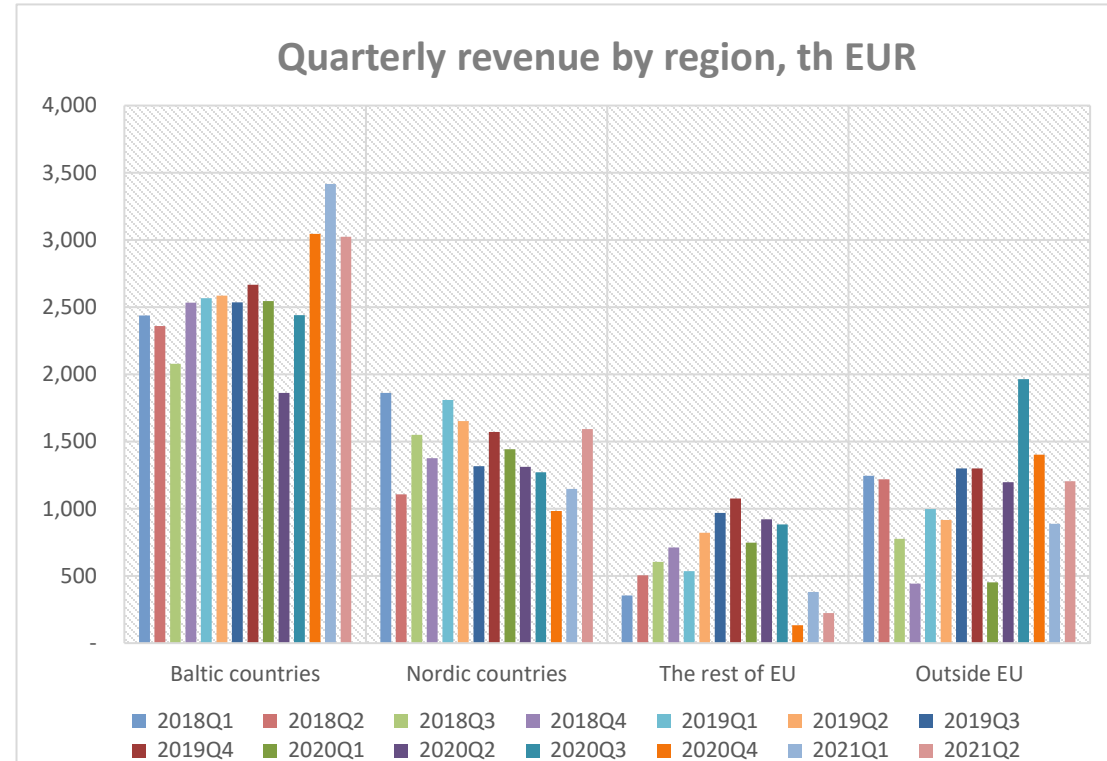
2021 Q2 revenue

- Quarterly revenue reached 6.04 MEUR
- Increase by 14% in comparison to 2020 Q2
- Increase by 4% in comparison to 2021 Q1



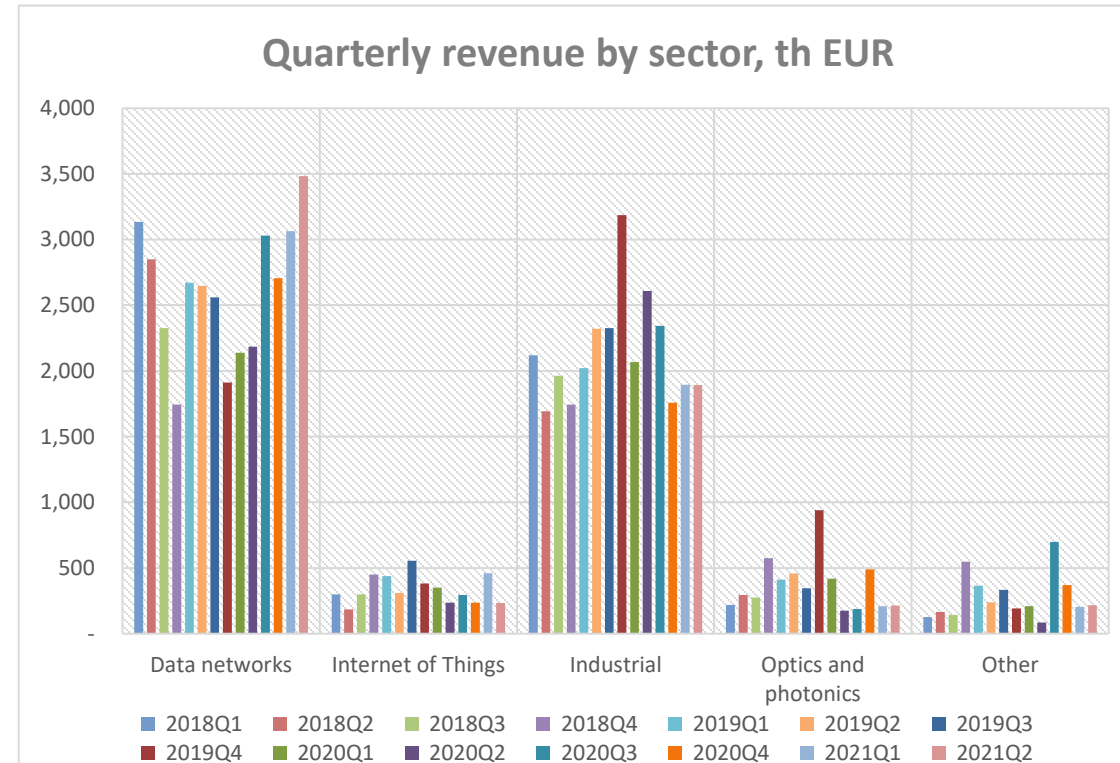
2021 Q2 revenue by region

- Baltic sales – 50%
 - ✓ 62% up from 2020Q2
- Nordic sales – 26%
 - ✓ 21% up from 2020Q2
- The rest of EU sales – 4%
 - ✓ 76% down from 2020Q2
- Outside EU – 20%
 - ✓ 1% up from 2020Q2



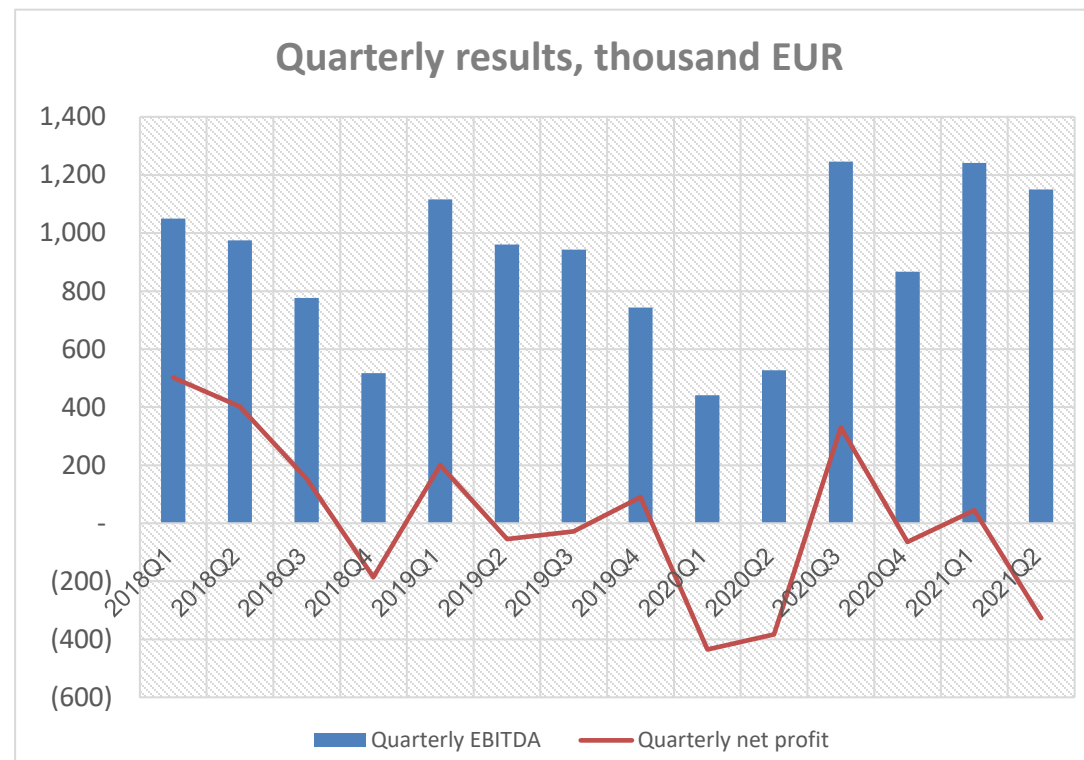
2021 Q2 revenue by market sector

- Data network products - 58%
 - ✓ 59% up from 2020Q2
- Industrial products – 31%
 - ✓ 27% down from 2020Q2
- Internet-of-things - 4%
 - ✓ 1% down from 2020Q2
- Optics and photonics - 4%
 - ✓ 22% up from 2020Q2
- Other – 4%
 - ✓ 155% up from 2020Q2



2021 Q2 profitability results

- 2021 Q2 EBITDA – 1.151 MEUR
 - ✓ 118% up from 2020 Q2
- Net loss 0.327 MEUR vs net loss 0.383 MEUR in 2020 Q2
- Net loss mostly explained by 0.5 million provisions for EIB warrant liabilities due to increased HansaMatrix share price
- Q2 EBITDA margin – 19.04%
- Q2 normalized* net profit is positive 0.488 MEUR.



*Normalized - adjusted by losses from associates, EIB loan and warrant provisions and lease interest)

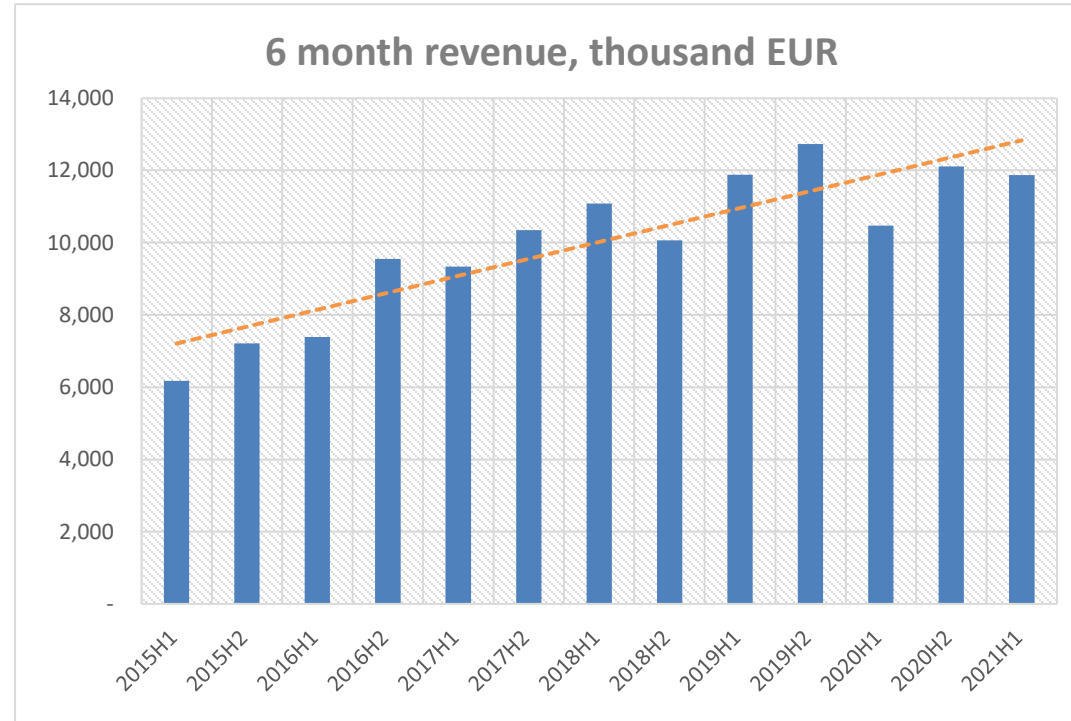


6m results of 2021 in detail



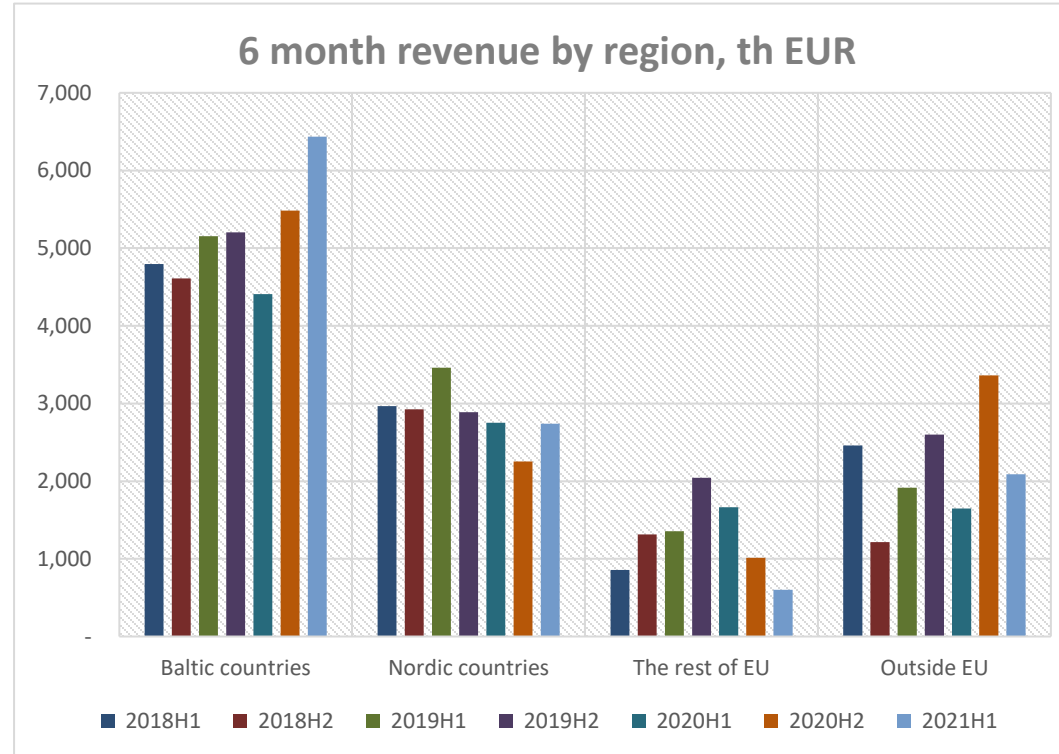
2021 6m revenue

- 2021 H1 revenue of 11.870 million EUR
- Increase by 13% in comparison to 2020 H1



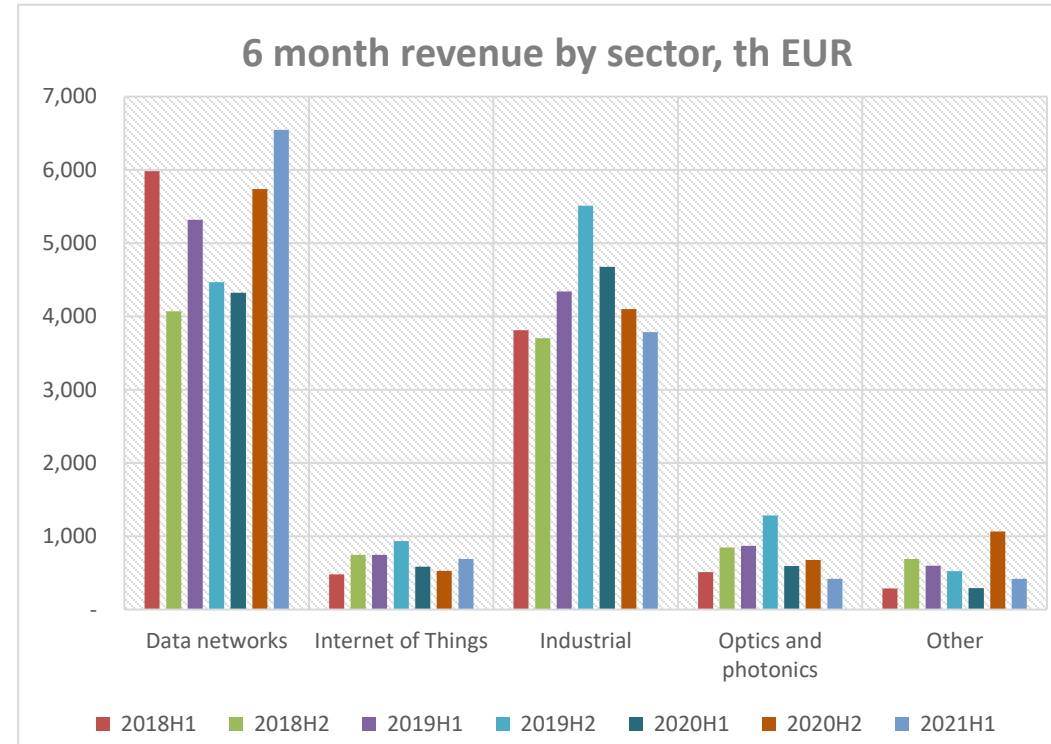
2021 6m revenue by region

- Baltic sales – 54%
 - ✓ 46% up from 2020 6m
- Nordic sales – 23%
 - ✓ 0% up from 2020 6m
- The rest of EU sales – 5%
 - ✓ 64% down from 2020 6m
- Outside EU – 18%
 - ✓ 27% up from 2020 6m



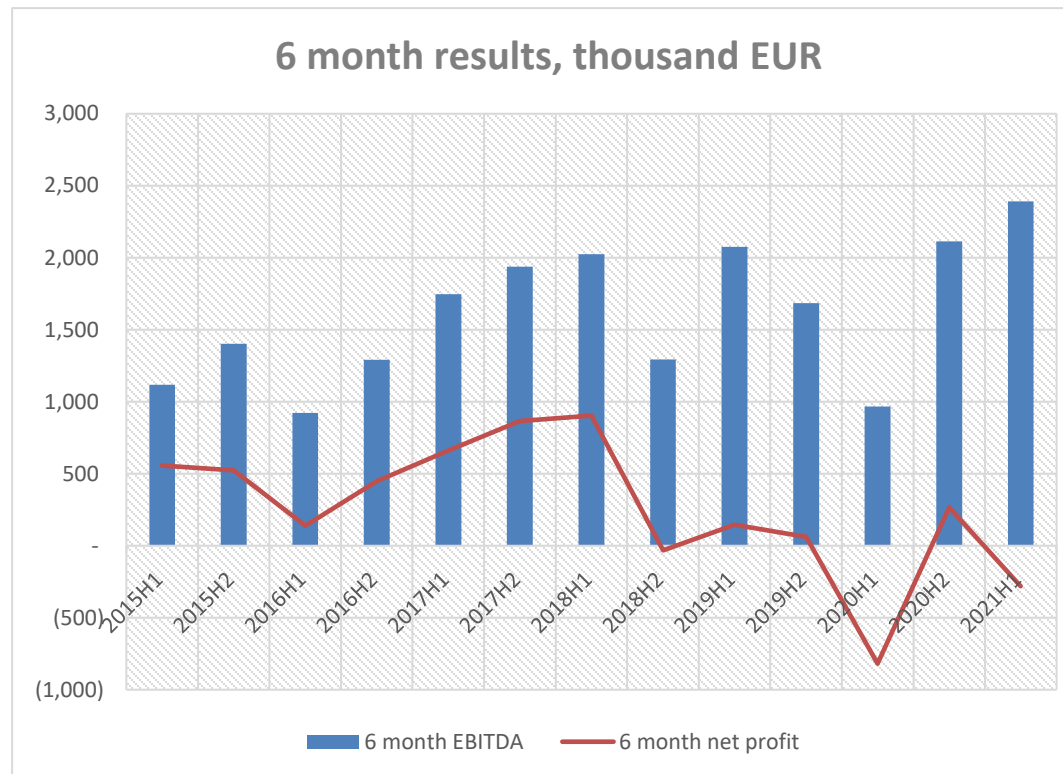
2021 6m revenue by market sector

- Data network products - 55%
✓ 51% up from 2020 6m
- Industrial segment – 32%
✓ 19% down from 2020 6m
- Internet-of-things - 6%
✓ 18% up from 2020 6m
- Optics and photonics - 4%
✓ 29% down from 2020 6m
- Other – 4%
✓ 43% up from 2020 6m



2021 6m profitability results

- 2021 6m EBITDA – 2.392 MEUR
 - ✓ 147% up from 2020 6m
- Net loss 0.281 MEUR vs net loss 0.818 MEUR in 2020 6m
- Net loss mostly explained by 0.7 million provisions for EIB warrant liabilities due to increased HansaMatrix share price
- 6m EBITDA margin – 20.15%
- 6m normalized* net profit is positive 1.044 MEUR.



*Normalized - adjusted by losses from associates, EIB loan and warrant provisions and lease interest)

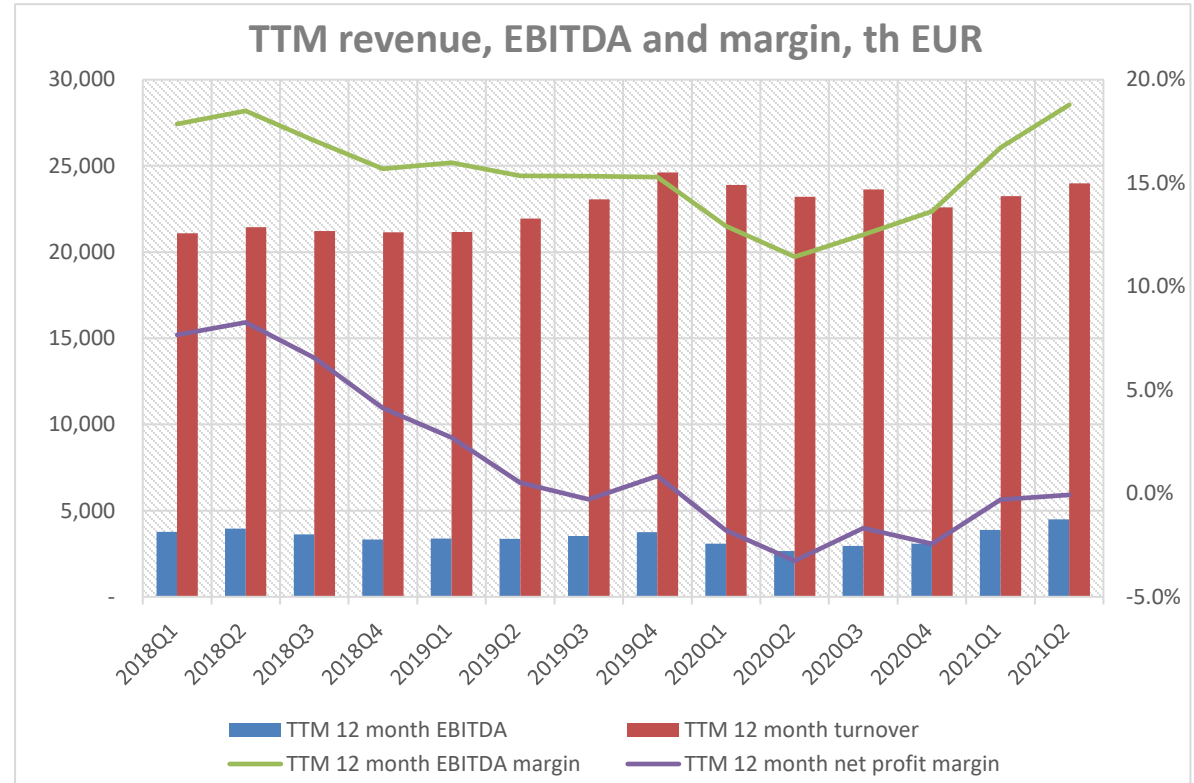


Trailing 12 months (TTM) results in detail



TTM sales and results

- TTM (trailing twelve months) period ending 2021Q2 indicator dynamics compared to TTM period ending 2020Q2:
- TTM revenue 23.98 M EUR – 3% up
- TTM EBITDA 4.50 M EUR – 70% up
- TTM net loss 0.015 M EUR
- TTM EBITDA margin reported as 18.8%



Update on other activities



Investments during 2021 Q2 and 6m

Fixed assets:

- The Company carried out 196 thousand EUR investments in 2021 Q2 and 334 thousand EUR in 2021 6m.
- Due to COVID-19 situation the investments are mostly carried out to maintain the manufacturing equipment and other assets.

LightSpace Technologies:

- There were no investments made in Q2 and 6m into LightSpace Technologies from HansaMatrix.
- As of end of Q2 2021 investment in LightSpace Technologies amounted to 8.67 MEUR (4.96 MEUR convertible loan and 3.71 MEUR equity).

Zinātnes parks:

- 86 thousand EUR investments in Q2 and 177 thousand EUR in 6m in form of convertible loan in Zinātnes parks for industrial real estate project maintenance at Riga airport.
- As of end of Q2 2021 investment in Zinātnes parks in total amounted to 2.41 MEUR (2.05 MEUR capitalized fixed asset creation cost and 0.36 MEUR Zinātnes parks share acquisition goodwill).



Business development of LightSpace Technologies

- During Q2 2021 LightSpace accomplished three product validation projects with 3 globally leading MedTech corporations with applications in surgical navigation and robotic surgeries. They highly valued image quality of model iG1000. Therefore company decided to do product evolution of it with upgraded model iG1050 manufacturing and supply them early 2022.
- In Q2 2021, the company restarted work with Europe leading car brands to identify business opportunities. As a result, LightSpace has been invited to organize demo roadshows, likely followed by validation projects.
- Up 1.7 million EUR equity investment has been approved by EIC Fund Board in June 2021 as blended financing contribution to be used until Dec 2022.

Visualization of iG1050



Significant events in 2021 Q2

- New contract signed:
 - 1.5M EUR to supply high complexity electronic device to transportation industrial customer in Nordic country.
- Changes in management:
 - Jānis Sams, experienced in managerial roles in electronics industry, including Schneider Electric, becomes CEO
 - Ilmārs Osmanis joins supervisory board of HansaMatrix and focuses on Lightspace Technologies development as its founder and current CEO
 - Baiba Anda Rubesa, experienced international company manager with extensive experience in corporate governance, becomes chairwoman of HansaMatrix supervisory board
 - Anders Lennart Borg, experienced professional in the electronics manufacturing industry, joins supervisory board as independent board member.
- 3 cents per share or 54.88 thousand EUR dividends paid out on June 11, 2021
- Deloitte Audits Latvia selected as auditor for 2021 and 2022



Significant events after the reporting period

- 2 new contracts signed:
 - 3.3M EUR to supply human machine interface electronic devices to industrial customer in Germany
 - 1.4M USD to supply high complexity electronic assemblies to industrial customer outside EU



Q&A Session

We welcome your questions during webinar !

Please use investor contact for any other enquiries:

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Q and A submitted before webinar (1)

1) Does company have pricing power? Can you pass cost pressures to clients?

Based on long-term relationship with customers and material availability difficulties, there are preliminary agreements to validate significant component price increases. In most cases the Company has managed to pass the cost pressure to clients, still remaining competitive with pricing.

2) What could be the biggest bottle necks for company for the next 24 months?

Because of accumulated order backlog due to the component availability, it is expected to have peak in capacity demand after mid 2022. To avoid potential bottle neck anticipated capacity planning is carried out in cooperation with key accounts.

3) Do you expect more standby periods for 2021?

No. The Company will focus on balancing the necessary resources versus confirmed customer demand (4-6 weeks).



Alternative performance measures

HansaMatrix Unaudited Interim Condensed Consolidated Financial Statements for the 6 month period ended June 30, 2021 on page 39 include the definitions of alternative performance indicators (APIs) used in the webinar presentation:

<https://bit.ly/37MHqVC>





Thank you!

