

HANSAMATRIX



Innovator and Manufacturing Solution High-Tech Group

2020 audited financial results

Management Board report to Annual General Meeting

May 26, 2021

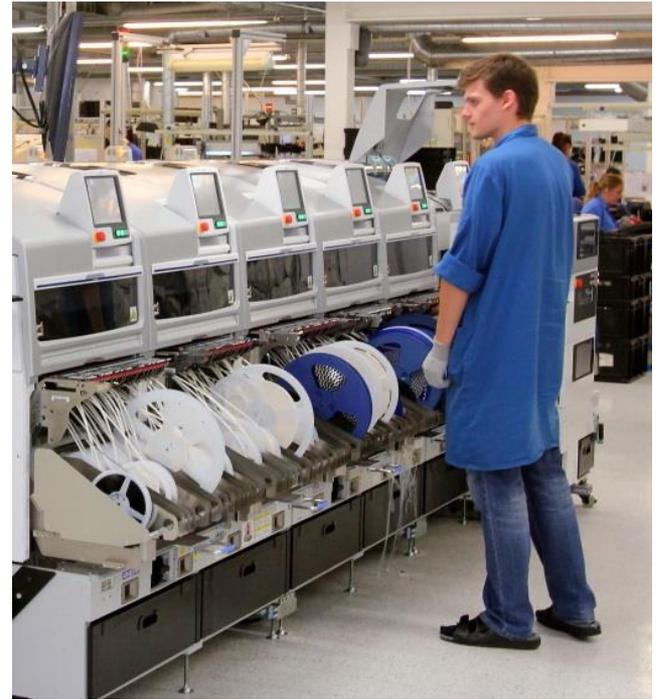


Executive summary



2020/2021 Business trends

- Due to increased growth in remote data connectivity for business, work, studies, etc., the demand in data networks products is strong.
- COVID-19 vaccination program rollout expected to diminish operational challenges and improve demand for manufacturing services in the coming 12 months, as the virus is gradually contained.
- Global component shortage and supply chain disruptions are still the factors that can influence the business performance of the Company in 2021.



2020 summary

- 8% y-o-y decrease in revenue
- 18% y-o-y decrease in EBITDA
- Revenue and EBITDA decrease explained by COVID-19 situation in supply chain and transportation network disruptions and volume decrease in H1 2020

Results summary, MEUR	2019	2020	y-o-y
Revenue	24.611	22.589	-8%
EBITDA	3.719	3.081	-18%
EBITDA margin	15.11%	13.64%	
Net profit	0.208	-0.552	
Net profit margin	0.84%	-2.44%	



Peer comparison

- HansaMatrix EBITDA margin – the highest compared to industry peers
- Peer EV (Enterprise value) range 7.2x up to 13.4x EBITDA (HansaMatrix 7.2x)

TTM figures – EUR million	(EV) Enterprise value	TTM Revenue	TTM EBITDA	TTM Net Profit	EBITDA margin	Net profit margin
HansaMatrix	28	23	3.9	-0.07	16.2%	-0.3%
Incap Oyj	224	106	16.7	9.22	15.7%	8.6%
Note AB	243	184	20.0	12.08	10.9%	6.6%
Kitron ASA	430	377	39.6	20.3	10.5%	5.4%
Inission AB	56	101	6.3	2.6	6.2%	2.6%
HANZA Holding	104	205	12.7	0.1	6.2%	0.1%

Source: Bloomberg, May 17, 2021



Share performance in 2020

- The share price increased by 39.23% in 2020.
- The number of retail investors since AGM in 2018 has increased more than 4 times.



HansaMatrix shareholder dynamics

25.05.2021

Investor category	18.05.2021			14.05.2020			02.05.2019			19.04.2018		
	shares	number	%	shares	number	%	shares	number	%	shares	number	%
Retail	43549	273	2.38%	44817	168	2.45%	43,459	124	2.38%	27,904	66	1.53%
Institutional	1162736	35	63.56%	1162061	40	63.52%	887,857	37	48.53%	721,412	31	39.43%
Founder	623096	1	34.06%	622503	1	34.03%	898,065	1	49.09%	1,080,065	1	59.04%
Total	1,829,381	309	100.00%	1,829,381	209	100.00%	1,829,381	162	100.00%	1,829,381	98	100.00%

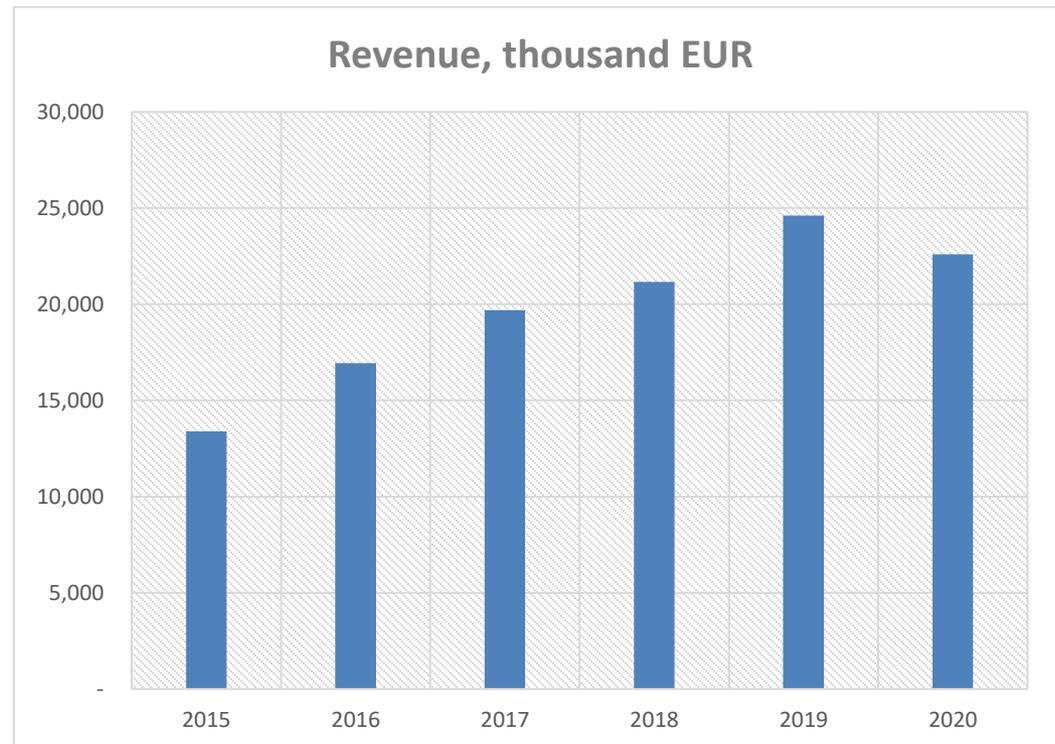


2020 financial results in detail



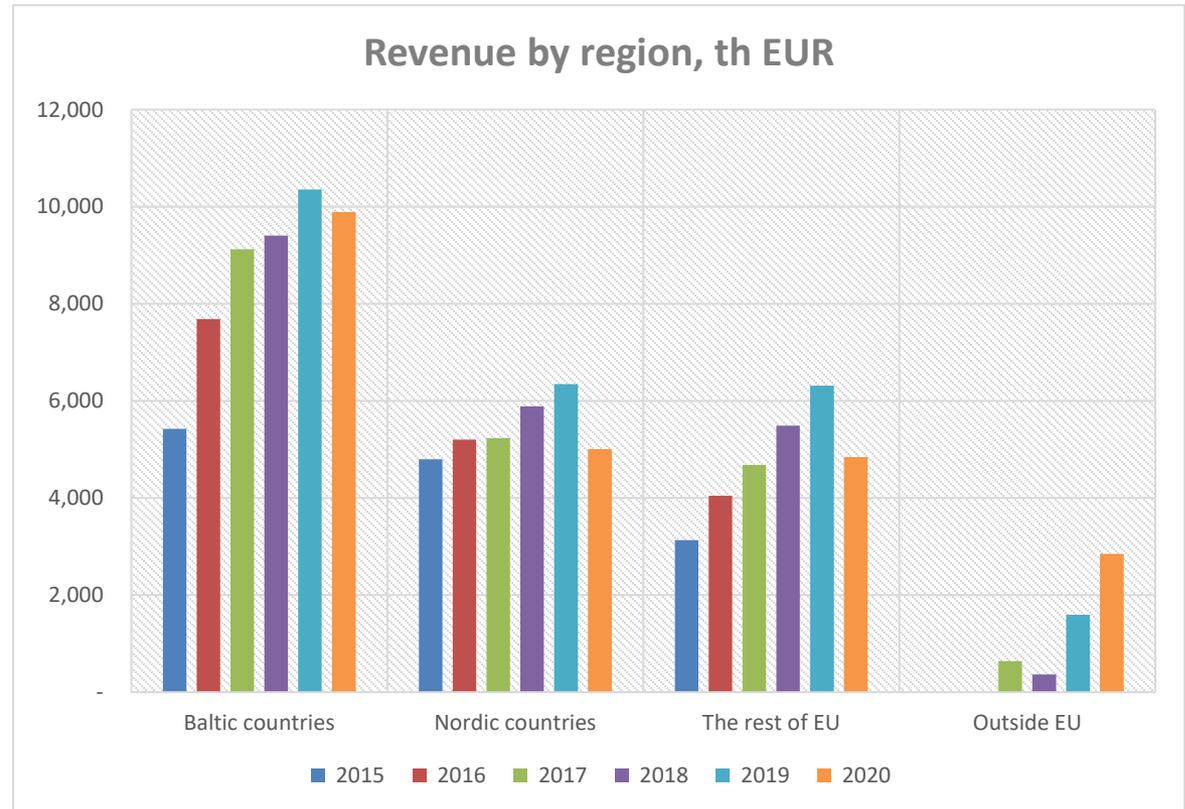
2020 revenue

- 2020 sales of 22.589 million EUR
- A decrease by 8% in comparison to 2019



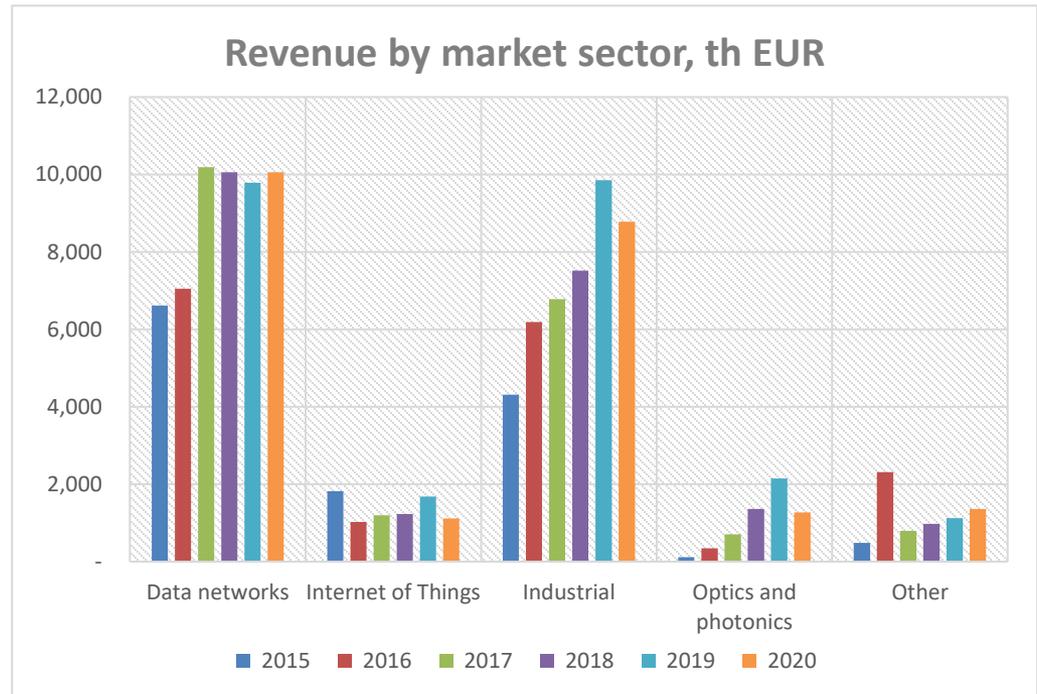
2020 revenue by region

- Baltic sales – 44%
 - ✓ 4% down y-o-y
- Nordic sales – 22%
 - ✓ 21% down y-o-y
- The rest of EU sales – 21%
 - ✓ 23% down y-o-y
- Outside EU – 13%
 - ✓ 79% up y-o-y



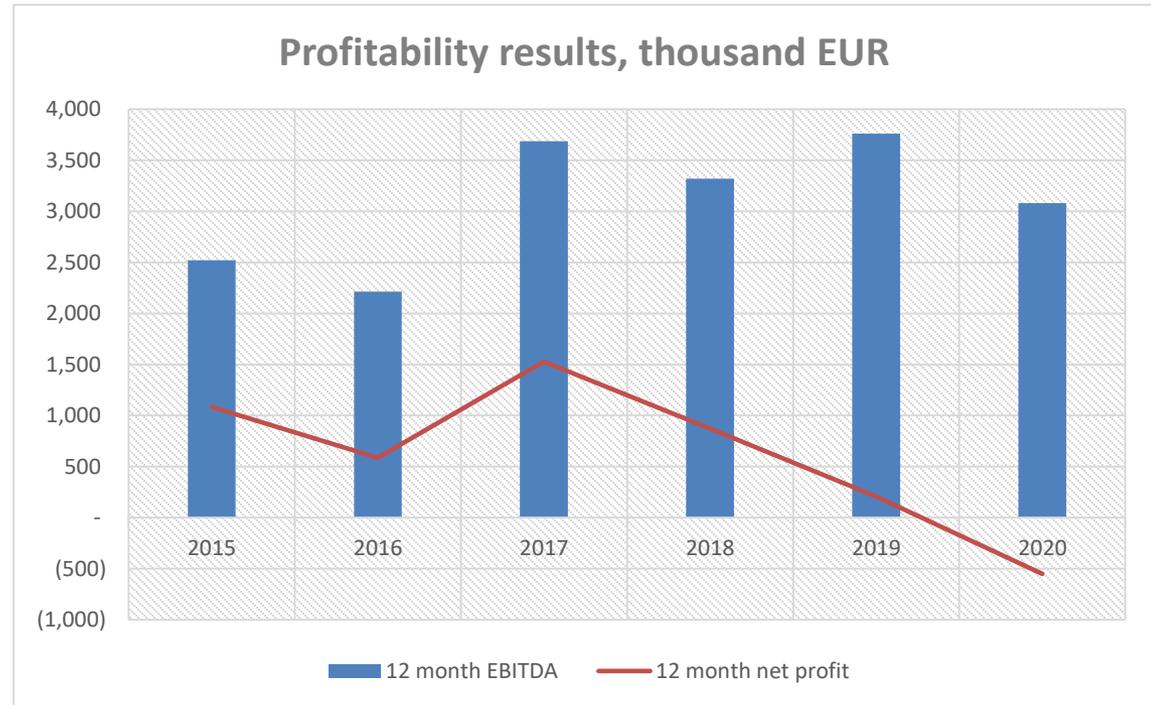
2020 revenue by market sector

- Data network products - 45%
 - ✓ 3% up y-o-y
- Industrial segment – 39%
 - ✓ 11% down y-o-y
- Internet-of-things - 5%
 - ✓ 34% down y-o-y
- Optics and photonics - 6%
 - ✓ 41% down y-o-y
- Other – 6%
 - ✓ 21% up y-o-y



2020 profitability results

- 2020 EBITDA result – 3.081 million EUR
 - ✓ 18% down y-o-y
- Net loss – 0.552 million euros
- EBITDA margin – 13.6%
- 2020 net loss explained by the level of fixed cost base, losses from investments in associates and by EIB warrant value change cost due to increasing HansaMatrix stock market price



Update on other activities



Investments during 2020

- During 2020 HansaMatrix made 0.84 MEUR investments.
- Due to COVID-19 situation the investments were mostly carried out to maintain the manufacturing equipment and other assets.
- Most significant investments in 2020:
 - Plastic parts production equipment to start injection moulding production to increase added value and to reduce outsourcing non quality and logistic costs



Investments in associated companies and subsidiaries in 2020

LightSpace Technologies:

- 0.5 MEUR invested into Lightspace Technologies to finance the development and commercialization of 3D display technologies.
- As of end of 2020 investment in LightSpace Technologies amounted to 8.7 MEUR (4.96 MEUR convertible loan and 3.71 MEUR equity).

Zinātnes parks:

- 0.24 MEUR investments in 2020 in form of convertible loan in Zinātnes parks for industrial real estate project maintenance at Riga airport.
- As of end of 2020 investment in Zinātnes parks in total amounted to 2.34 MEUR (2.04 MEUR capitalized fixed asset creation cost and 0.36 MEUR Zinātnes parks share acquisition goodwill).



Business development of LightSpace Technologies

- Signed Grant Agreement with European Commission to receive grant funding of 2.25 Million EUR from European Union's Horizon 2020 research and innovation programme.
- Started product development work to design new concept, best of class headset iG2000 for industry use.
- iG2000 is set on the commercialization path and planning to complete the product design by end of 2021 and start industrialization and manufacturing later in the year 2022.
- Further up to 1.7 Million EUR equity investment by EIC Fund is expected to be signed and received by LightSpace Technologies as blended financing contribution.



Other events during reporting period

- **May, 2020: HansaMatrix supervisory board reelected:**
 - Normunds Igoļnieks, representative of ZGI capital and Baiba Rubesa, experienced international business executive joined as new board members.
 - Andris Bērziņš, Ingrīda Blūma and Dagnis Dreimanis were reelected.
- **December, 2020: First report on HansaMatrix published in the Research programme supported by EBRD (European Bank for Reconstruction and Development) to cover companies listed on Nasdaq Baltic:**
 - HansaMatrix included in the research program for 2 years.
 - Equity research available to public: <https://bit.ly/3oWow54>.



Events after reporting period

- **January, 2021: Opening of a new manufacturing plant in Ventspils campus:**
 - 10-year lease agreement with Freeport of Ventspils authority.
 - Total area of 4600 square meters.
 - Doubles existing Ventspils manufacturing campus box build capacity.
- **May, 2021: Jānis Sams appointed as CEO of HansaMatrix:**
 - J.Sams has extensive experience in managerial roles in electronics industry, including Schneider Electric.
 - I.Osmanis to continue to develop LightSpace Technologies as its founder and current CEO.
 - Pārogre plant manager Vitauts Galvanausks and Ventspils plant manager Gatis Grava were appointed as HansaMatrix board members
- **May, 2021: Manufacturing agreement with new customer signed:**
 - High complexity electronic device to new customer in transportation industrial sector in Nordic country.
 - Forecasted revenue from the new contract 1.5 million until the end of 2022.





Thank you!

