

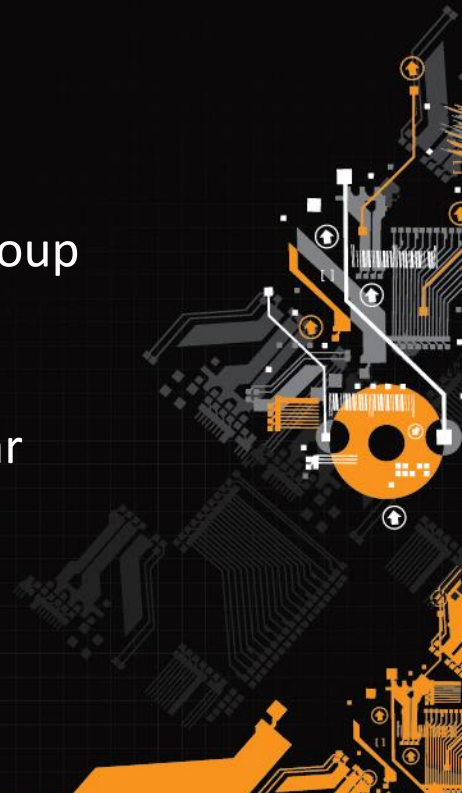
HANSAMATRIX



Innovator and Manufacturing Solution High-Tech Group

Q3 and 9 month results of 2016 – Nasdaq webinar

28 November, 2016

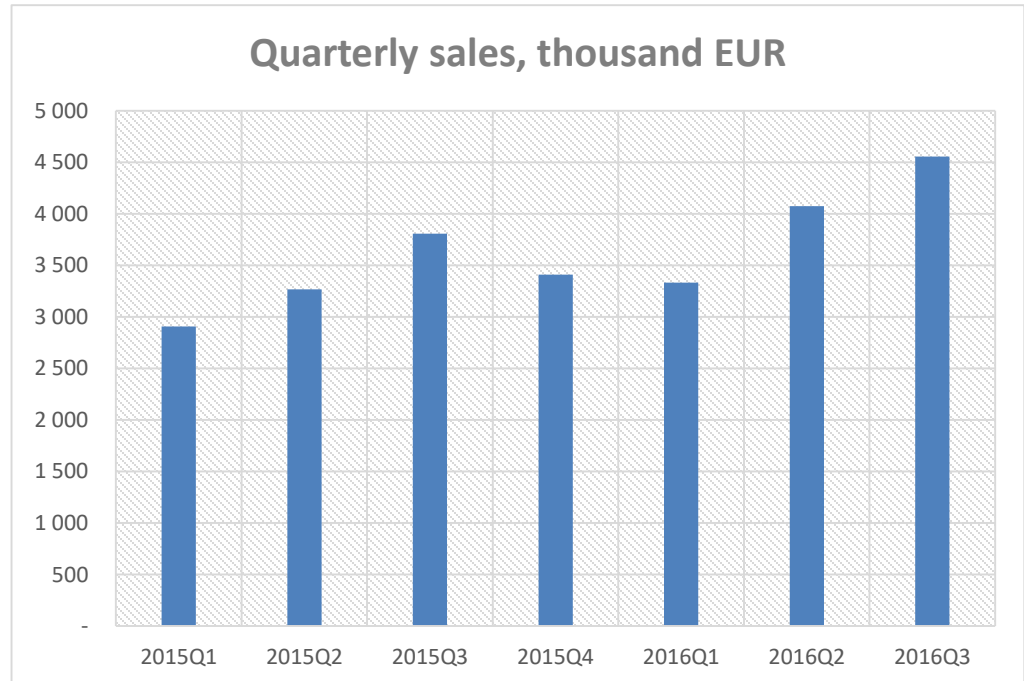


Q3 results of 2016



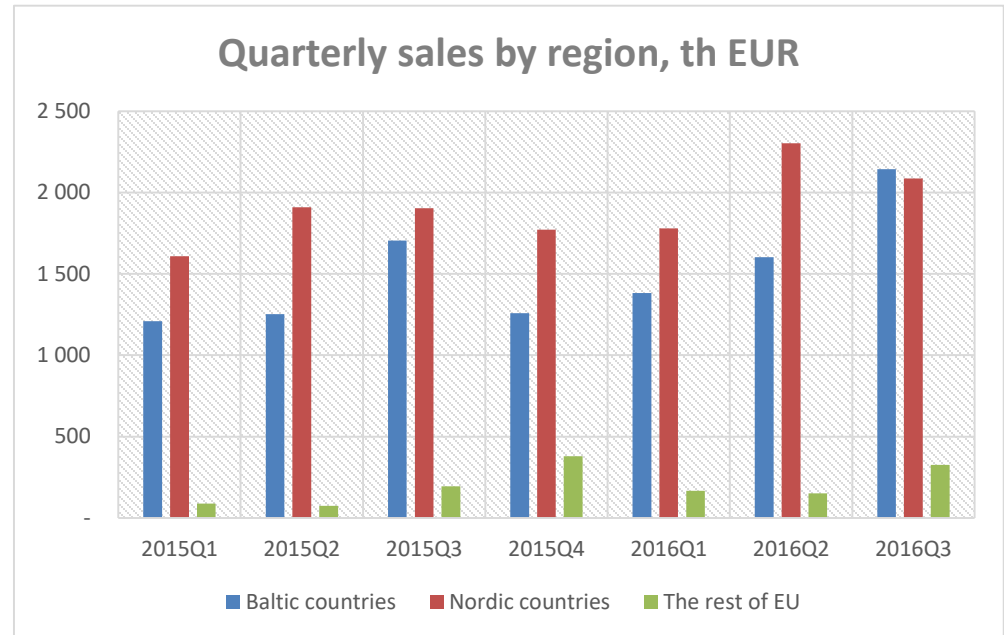
Q3 sales

- Sales slightly over 4.5 million euros;
- The second quarter in the row with largest sales in company history so far
- An increase by 20% in comparison to 2015Q3
- An increase by 12% in comparison to 2016Q2



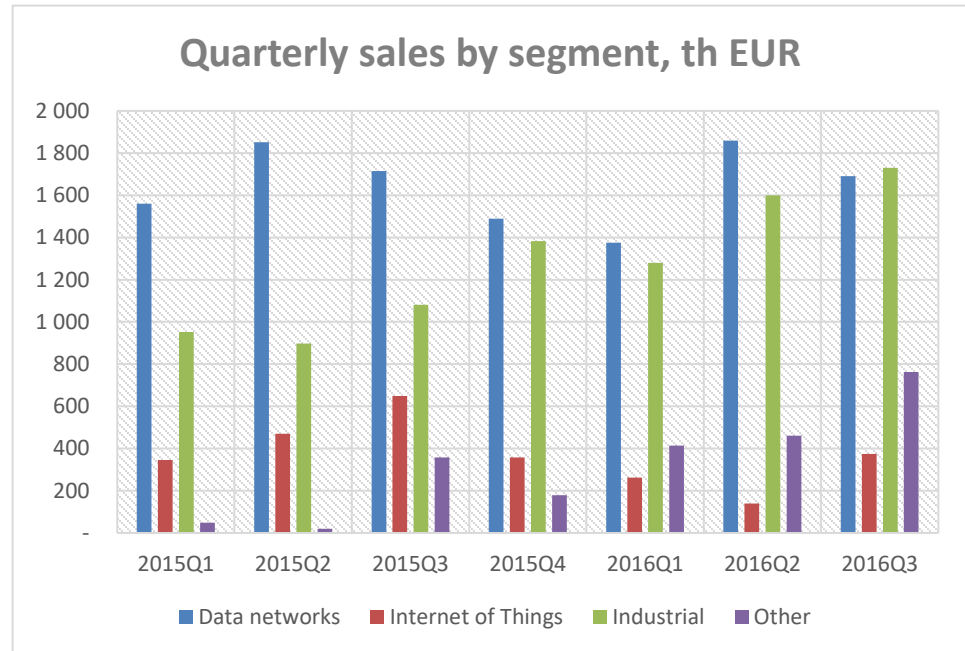
Q3 sales by region

- Baltic and Nordic sales drives the sales with 47% and 46% market shares; 7% - the rest of EU
- Baltic sales
 - ✓ 26% up from 2015Q3
 - ✓ 34% up from 2016Q2
- Nordic sales
 - ✓ 10% up from 2015Q3
 - ✓ 9% down from 2016Q2
- The rest of EU sales
 - ✓ 68% up from 2015Q3
 - ✓ 117% up from 2016Q2



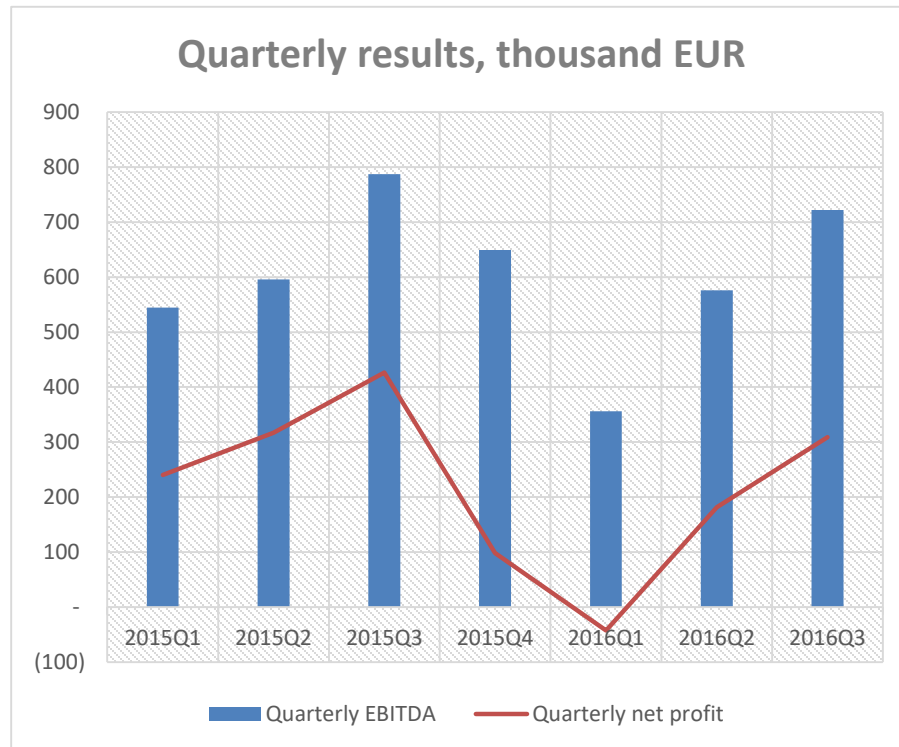
Q3 sales by market segment

- Industrial and data network sales dominate market with 38% and 37% shares, leaving internet of things and others with 8% and 17%;
- industrial segment 60% up from 2015Q3
- data network 1% down from 2015Q3
- Internet-of-things sales has decreased 51% from 2015Q3 due to large one off project realized during Q3 2015



Q3 profitability results

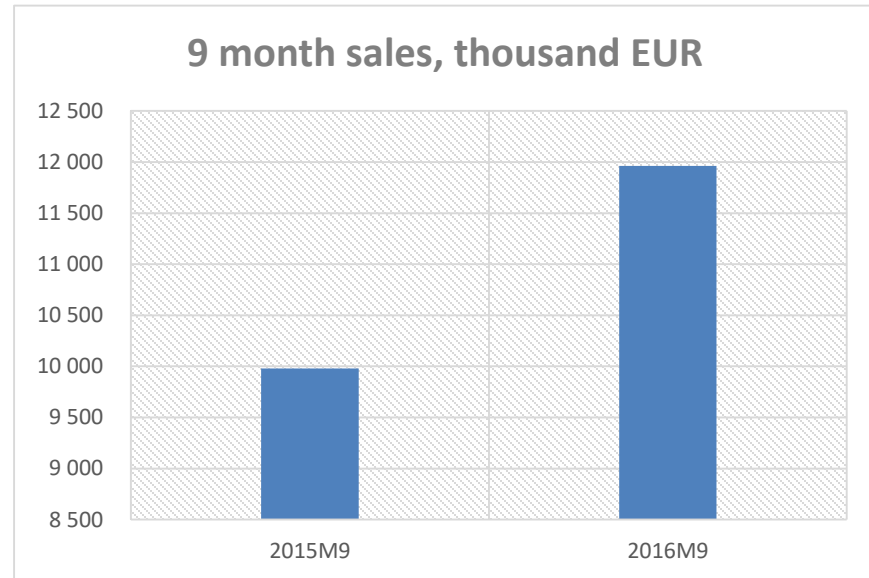
- 2016 Q3 EBITDA result - 0.722 million euros
 - ✓ 8% down from 2015Q3
 - ✓ 25% up from 2016Q2
- Net profit results – 0.309 million euros
 - ✓ 28% down from 2015Q3
 - ✓ 70% up from 2016Q2
- Q3 EBITDA margin - 16% and net profit margin – 7%



9 month results of 2016 and 12 months rolling results

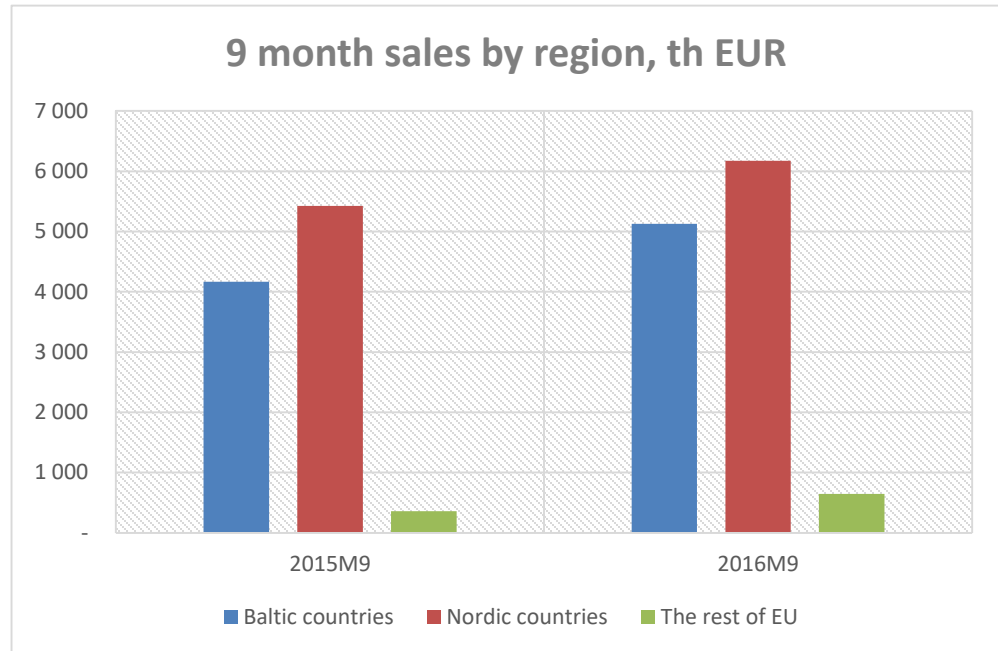
9 month sales results

- 2016 9 month sales reached 11.94 million euros
- the largest sales 9 month result in company history
- An increase by 20% in comparison to 2015 9 months



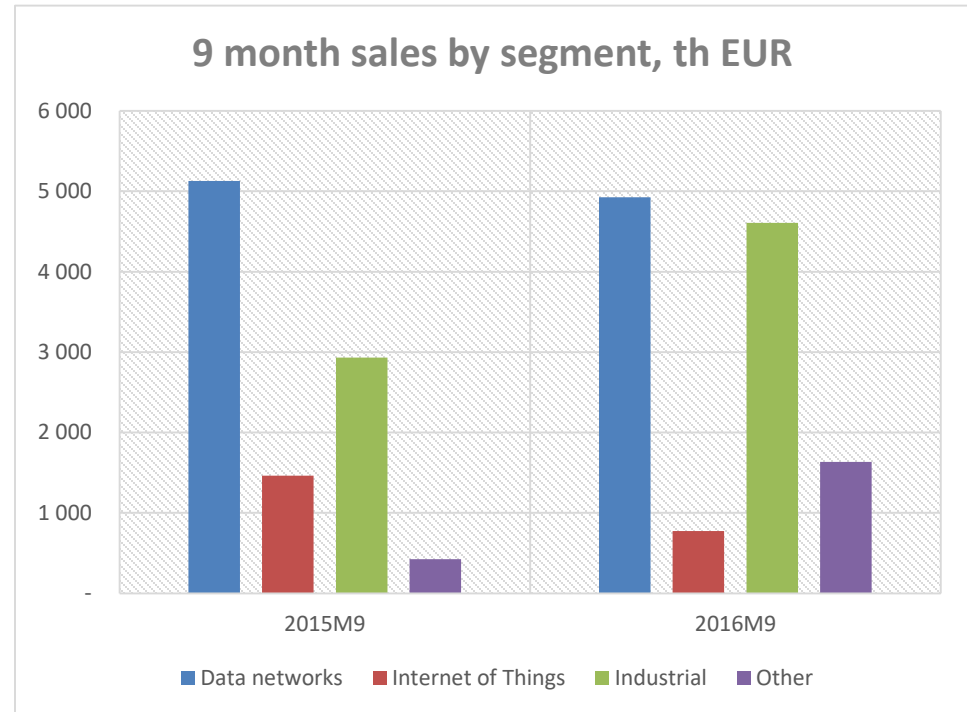
9 month sales by region results

- Strong sales in Baltic and Nordic regions with 43% and 52% market shares. The rest of EU – 5%
- Increase in Baltic sales by 23% in comparison to 2015 9 months
- Increase in Nordic sales by 14% in comparison to 2015 9 months
- Increase in rest of EU sales by 80% in comparison to 2015 9 months period



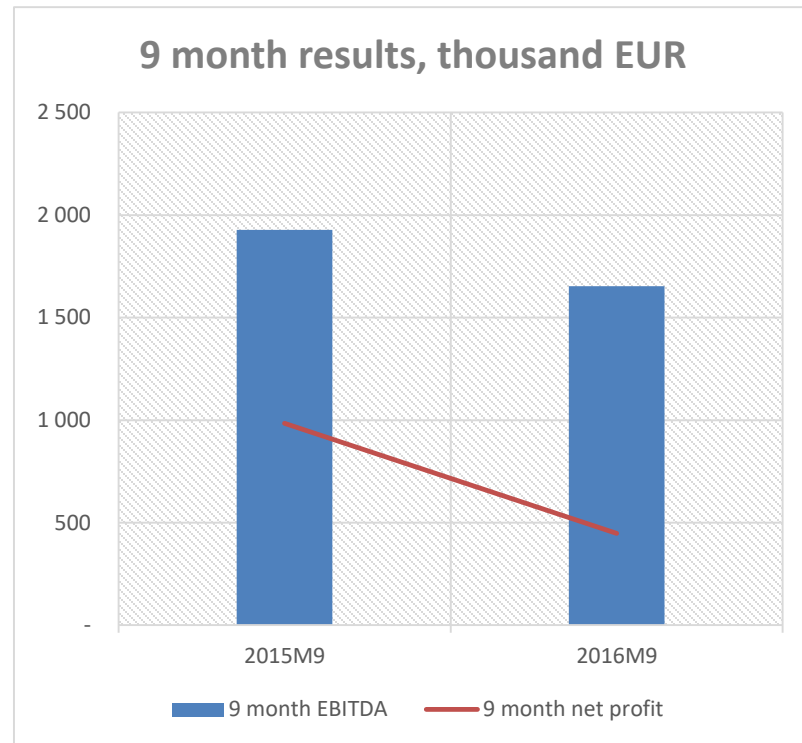
9 months sales by segment

- 2016 9 months sales by market segment demonstrates improved diversification of data network and industrial segments with 41% and 39% sales shares
- Internet of things products were at 6% and others at 14% sales share
- Largest growth in a period showed industrial product sales 57% on y-to-y base
- Decrease of Internet of Things products sales by 47% on y-to-y basis due to large one off projects in 2015



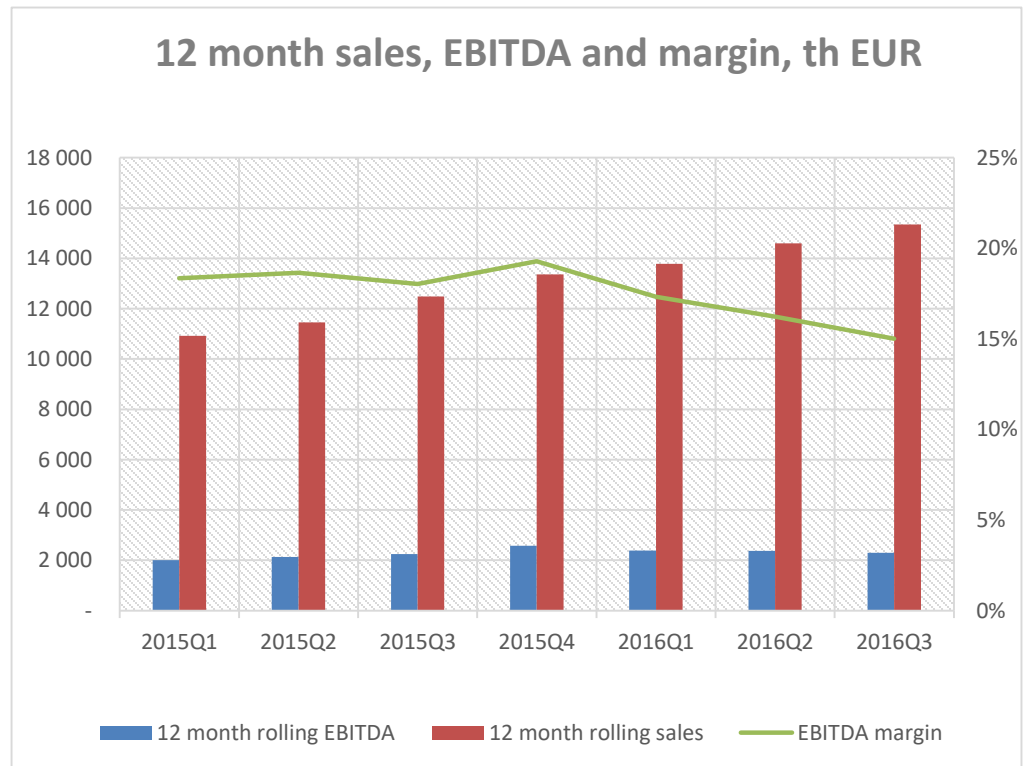
9 month profitability results

- 2016 9 month EBITDA result
1.654 million euros
 - ✓ 14% down from 2015 9 months
- Net profit result – 0.448 million euros
 - ✓ 55% down from 2015 9 months
- 2016 9 months EBITDA margin - 14% and net profit margin – 4%



12 months rolling sales and results

- rolling 12 months represents period starting with 1st October 2015 and ending with 30th September 2016
- rolling 12 months sales grown to 15.35 million euros what is increase by 5% from period ending at Q2 2016
- rolling 12 months EBITDA result is 2.303 million euros what is slight 3% decrease from period ending at Q2 2016
- Rolling 12 months EBITDA margin was 15%



Update on other activities

Investments during 2016 Q3

- HansaMatrix has invested 444 thousand EUR in SIA «Zinatnes Parks». Over period of 9 months investment totaled to 607 thousand EUR. HansaMatrix owns 24% shares into Zinatnes Parks.
- Company *Zinātnes Parks, SIA* on 26th July 2016 has acquired 4.51ha building site at 1 million euros (financed by bank Citadele 800 thousand euros loan and Finance institution Altum mezzanine loan 400 thousand euros) and on 30th of July – received building permit in Riga International Airport and started construction project development.
- Jointly with financial investors the Company has made 108 thousand euros investment in LightSpace Technologies, SIA. Total investments over 9 month period amounts to 138 thousand EUR.
- Company invested 58 thousand euros in several customized ODM (Original Design Manufacturing) test systems which improve customer product manufacturing process. During 9 month period R&D investments in ODM project totaled 325 thousand euros.



Research and development activities

- During Q3 2016 the Company in cooperation with LightSpace Technologies continued realization of a research and development project supervised by “Centrālās Finanšu un līgumu aģentūra” with project title “Real time 3D volumetric imaging technology development”, part financed by European Regional Development Funds (ERDF). Overall budget of the project - 665 046 EUR.
- During Q3 2016 the Company started fulfillment of two more new product development contracts with existing and new customers.
- HansaMatrix Innovation has increased R&D staff by three additional engineers in optomechanics and electronics.



Events after end of 2016 Q3

- Reorganization process of LightSpace Technologies, SIA and EUROLCDs, SIA has been completed on 30th October, 2016. As a result of it HansaMatrix AS has received direct ownership of 16.11% shares in LightSpace Technologies, SIA.



Existing guidance

- Consolidated revenue target for 2018: EUR 20m
- Subject to ongoing revenue growth, absolute EBITDA levels are expected to increase over time
- EBITDA margins may gradually decrease over time due to the incorporation of a greater percentage of high value components (which typically carry lower margins). Nevertheless, the Company expects this to be higher than basic EMS peers due to the incorporation of its 'knowledge business' (proprietary technology) and selection of customers/products.



Q&A Session

We welcome your questions during webinar !

Please use investor contact for any other enquiries:

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Thank you!

