

Greifswald, 30 May 2018

HANSEYACHTS AG: INTERIM MANAGEMENT STATEMENT ON THE 3RD QUARTER

- Revenue increased by 6% in first nine months of current financial year
- Very strong order backlog
- Start-up losses and extreme winter negatively impact 2017/2018 financial year

Further increase in revenue and higher order backlog in first nine months of 2017/2018

In the first nine months (1 July 2017 – 31 March 2018) of the financial year 2017/2018, HanseYachts AG again increased revenue (by 6% to EUR 85.2 million) and order backlog as at the end of March compared with the previous-year period (by 12.7% to EUR 69.4 million).

Results for the third quarter

In the third quarter (1 January to 31 March 2018) of financial year 2017/2018, HanseYachts AG generated total output of EUR 39.9 million, which was up by 2.3% compared to the same period of the previous year, after taking into account the increase in inventory of finished and unfinished products in the amount of EUR 5.5 million (prior-year period: increase of EUR 2.9 million) and own work capitalised of EUR 0.4 million. Other operating income in the amount of EUR 0.7 million is EUR 0.3 million higher than in the previous year. The cost of materials ratio increased by 0.8% to 58.6%. This means gross income in the third quarter of the current 2017/2018 financial year of EUR 16.5 million is unchanged compared with the same period of the previous year. The personnel cost ratio increased by 3.9 percentage points to 28.4%. On a quarterly comparison, other operating expenses rose by EUR 0.6 million to EUR 5.3 million. EBITDA (earnings before interest, taxes and depreciation and amortisation) was EUR 0.6 million as of the end of the quarter (prior-year period: EUR 2.7 million). Depreciation and amortisation fell slightly by EUR 0.1 million to EUR 1.4 million. After taking taxes and the financial result into consideration, we generated a quarterly loss of EUR 1.1 million (previous year: gain of EUR 0.7 million).

Cumulative results for the first nine months

Total output (sales revenue, change in inventory, own work capitalised) in the reporting period of July 2017 to March 2018 increased by 9.6% to EUR 98.4 million (comparable prior-year period: EUR 89.8 million). Other operating income of EUR 1.9 million is significantly below the prior-year

period of EUR 3.2 million, since the previous year included the extraordinary income of EUR 2.2 million from the write-up of the “Fjord” brand. Cost of materials of EUR 57.6 million means the cost of materials ratio of 58.5% is 1.6 percentage points higher in relation to total output compared with the prior-year period. Amongst other reasons, this is due to the temporary workers, who were reported as purchased services in cost of materials. They were needed in order to cope with increased production volume, but were also employed to offset the unusually high shortfall of personnel in February and March 2018 due a flu outbreak. Extreme weather at times during the winter months led to suppliers having weather-related delivery problems, which caused production delays and postponements. There were also a higher-than-average number of product start-ups of new yacht models recorded in the reporting period, which led to significant additional expenses. Personnel expenses in the amount of EUR 28.8 million increased by EUR 4.0 million year-on-year in absolute terms and by 1.7% in relation to total output. The personnel increase due to growth affected the personnel expenses, while the wage increase in accordance with the collective wage agreement affected the relation to total output. Other operating expenses rose by EUR 1.8 million to EUR 14.4 million. The reasons for the increase in this area are in particular: increased expenses for marketing and advertising, for example market positioning of the new brand “Privilege” and higher-quality exhibitions at trade fairs, but also increased legal and advisory costs since HanseYachts AG is currently successfully defending itself against an instance of product piracy in Italy.

EBITDA declined in the nine-month reporting period from EUR 4.6 million in the previous year to minus EUR 0.4 million in the current reporting period. Depreciation and amortisation were almost unchanged at EUR 4.3 million (previous year period: EUR 4.4 million). The financial result remained unchanged at EUR -1.3 million, most of which is the planned interest payments of the 8% 2014/2019 bond.

After income tax, consolidated net income amounted to minus EUR 5.9 million (previous year period: minus EUR 1.0 million). The non-recurring item reported in the prior-year period due to the brand write-up of EUR 2.2 million that was recognised in income, the incorporation of the Privilege

HanseGroup*Hanse**Dehler**Moody**Privilege*

VA

FJORD

SEALINE

brand into the HanseYachts brand portfolio, the higher-than-average number of product start-ups of new yacht models and unforeseeable one-time costs due to weather led to high additional expenses in the third quarter of 2017/2018 and thus ultimately to a significant deviation from the previous year. In order to improve earnings, optimisation measures will be initiated in development, production, logistics and purchasing but will not take full effect in this financial year. HanseYachts AG will therefore report a consolidated net loss as of 30 June 2018.

The Management Board assumes that the subsequent 2018/2019 financial year that begins 1 July 2018 will again show positive consolidated net income with moderate revenue growth.

As of 31 March 2018, the equity ratio amounted to 11.9% (15.9% after taking into account the long-term shareholder loans in accordance with the bond terms of the 2014/2019 bond).

Financial situation

As of 31 March 2018, there were cash balances at banks in the amount of EUR 4.4 million. In the previous financial year, our current account credit lines were expanded considerably so that there are current account credit lines in the amount of EUR 9.0 million in addition to existing bank balances. These lines were drawn down in the amount of EUR 7.7 million as of the reporting date.

Market situation and products

HanseYachts AG is globally active in the production and sale of sailing yachts and motor yachts that range in length from 9 to 21 metres. Globally, the market is growing. The most important sales regions for us are Europe and North America. HanseYachts AG meets the challenges of its industry with constant investments in developing new yachts, product maintenance of well-established models as well as a clearly separate positioning of the “Hanse”, “Dehler” and “Moody” brands and the “Sealine” and “Fjord” brands of motor yachts. The recent incorporation of the Privilege brand of catamarans complements the brand diversity. Our revenue growth and high order backlog prove the success of our strategy.

In addition to top quality and a particularly luxurious look, special product design and a high degree of individualisation are the main product characteristics of the yachts made by HanseGroup. In addition, the successful and consistent application of the multi-brand strategy and continual development of attractive yachts such as the new motor yachts Sealine C430, F430, Fjord 42 open and sailing yachts such as Hanse 348, 388, 418, 588, and Dehler 34, 42 are the foundations of our growth dynamics.

TABLE OF KEY FIGURES

In EUR m	1 July 2017- 31 March 2018	1 July 2016- 31 March 2017	1 July 2015- 31 March 2016	1 July 2014- 31 March 2015
Revenue	85.2	80.2	71.6	64.8
Cost of materials as a percentage of total output	58.5%	56.9%	60.7%	63.0%
EBITDA ¹⁾	-0.4	+2.4 ¹⁾	+0.3	-2.6
Order backlog	69.4	61.6	57.5	46.9

1) 2016/2017 adjusted for one-time income from write-up of EUR 2.2 million

End of report

Further information, comprehensive image material, specifications and much more can be found on our website under the press section at www.hansegroup.com.