



JOINT STOCK COMPANY
„HANSAMATRIX”
UNIFIED REGISTRATION NUMBER 40003454390

UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 30 SEPTEMBER 2016

Prepared in accordance with International Financial Reporting
Standards, as adopted by the European Union

Riga, 2016

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General information

Name of the Parent Company	„HansaMatrix”
Legal status of the Parent Company	Joint stock company
Parent Company unified registration number	40003454390
Place and date of registration	Riga, 30 July 1999
Registration with the Commercial Register	Riga, 27 December 2002
Registered office	Akmeņu iela 72, Ogre, Latvia, LV-5001
Shareholders (over 5%) as of 27 June 2016 (end of the day)	SIA „Macro Rīga” (64.83%) Limited partnership „FlyCap Investment F und I AIF” (22.08%) Swedbank AS clients account (7.63%)
Subsidiaries	SIA „HansaMatrix Ventspils” (equity interest: 100%) SIA „HansaMatrix Innovation” (equity interest: 100%) SIA „Campus Pārogre” (equity interest: 100%)
Auditors	SIA „Ernst & Young Baltic” Licence No. 17 Diāna Krišjāne Latvian Certified Auditor, Certificate No. 124
Financial year	1st January – 31st December 2016
Interim reporting period	1st January – 30th September 2016

Management Board

The Management Board is a collegial executive body entrusted with management of the Company's business. Its members are elected by the Supervisory Board, which also elects one member of the Management Board to act as Chairman of the Management Board. In accordance with the Articles of Association of the Company, members of the Management Board are elected for an indefinite period of time.

In accordance with the Articles of Association of the Company, the Chairman of the Board has a right to represent the Company as the sole representative when entering into relationships with third parties. Alternatively, the Company can be represented by two members of the Board acting jointly.

As of the date of the statement Company's Management Board is composed of three persons consisting of Chairman of the Board and two Board Members.



Ilmārs Osmanis

Ilmārs Osmanis is the Chairman of the Management Board and the CEO of the Company
Date appointed: 30 December 2015

Positions held in other companies:

- LEO Pētījumu centrs, SIA – Member of council
- LEITC, SIA – Member of council
- Latvijas Elektrotehnikas un elektronikas rūpniecības asociācija – Board member
- Campus Pārogre, SIA – Board member
- Zinātnes parks, SIA – Board member
- HansaMatrix Ventpils, SIA – Board member
- Macro Rīga, SIA – Board member
- HansaMatrix Innovation, SIA – Board member
- Lightspace Technologies, SIA – Board member

Owned shares:

- directly: 0
- indirectly (through SIA, Macro Rīga): 1 185 938 shares

Participation in other companies:

- SIA Macro Rīga (100%)

Ilmārs Osmanis educational background is electronic engineering later complemented by additional executive MBA studies which were not completed due to business start-up. His entrepreneurial experience includes successful development of an electronic components distribution business in the Baltic countries, a business that was subsequently successfully sold. During the last fifteen years, Ilmārs Osmanis, who created the Company, served as its CEO. The Company has subsequently evolved into one of the most modern high tech manufacturing groups in the Nordic and Baltic countries comprising 2 manufacturing plants currently employing around 240 employees.

**Alvis Vagulis**

Alvis Vagulis is a member of the Management Board of the Company, the Vice President of Operations and the Head of Ogre Plant.

Date appointed: 30 December 2015

Positions held in other companies:

- AMATEKS, SIA – Deputy Chairman of the Supervisory Board
- EUROLCDs, SIA – Member of Supervisory Board

Owned shares: 0

Alvis Vagulis holds Mechanical Engineering degree from Riga Technical University and an MBA from Brussels Business School (Master of Business Administration). His previous experience includes the position of a plant manager at Schneider Electric. Mr. Vagulis has been with the Company since 2008. He also serves as Council member at EUROLCDs, SIA and Deputy of Council Chairman at AMATEKS, SIA.

**Aldis Cimoška**

Aldis Cimoška is a member of the Management Board of the Company and the Head of Ventspils Plant.

Date appointed: 30 December 2015

Positions held in other companies:

- Biznesa efektivitātes asociācija – Board member

Owned shares: 0

Aldis Cimoška holds Engineering degree in wood processing from Latvian University of Agriculture. He possesses extensive experience in managing a wooden house fabrication company. Mr. Cimoška has been with the Company since 2013.

Supervisory Board

The Supervisory Board of the Company is a collegial body exercising supervision over key activities of the Company and, where appropriate, decision making by the Management Board. As of the date of this statement, the Supervisory Board of the Company consists of 5 members, selected by the General Meeting of Shareholders for the maximum term of office of 5 years. The members of the Supervisory Board shall elect from among themselves the Chairman of the Supervisory Board and one Deputy Chairman of the Supervisory Board.

As of the date of the statement the Company's Supervisory Board is composed of the following members: Chairman of Supervisory Board, Deputy Chairman of Supervisory Board and three Members of Supervisory Board.

Jānis Skutelis

Jānis Skutelis is the Chairman of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Positions held in other companies:

- PURIFIED, SIA – Deputy Chairman of the Council
- LOR Klīnika, Sabiedrība ar ierobežotu atbildību – Member of Council
- Cannelle Bakery, SIA – Member of Council
- MolPort, SIA – Member of Council
- PRAKSE.LV, Sabiedrība ar ierobežotu atbildību - Chairman of Council
- B2Y, Sabiedrība ar ierobežotu atbildību - Member of Council
- Mailigen, SIA - Chairman of Council
- FlyCap AIFP, SIA – Chairman of a Board
- Providencia, Sabiedrība ar ierobežotu atbildību – Member of a Board

Owned shares: 0

As FlyCap representative controls FlyCap 403 933 shares

Participation in other companies:

- Providencia, Sabiedrība ar ierobežotu atbildību (100%)
- eegloo, SIA (5%)
- FlyCap AIFP, SIA (33.33333%)
- BranchTrack, SIA (1.8%)

Jānis Skutelis is the Chairman of the Management Board at FlyCap Investment Fund. Having been involved in business transactions and supervision of more than 25 companies, Jānis Skutelis possesses 8 years of venture capital and private equity industry experience. Jānis Skutelis holds a MSc. degree from Stockholm School of Economics (Sweden). His previous experience includes entrepreneurship, managing own business, management and finance advisory functions, corporate finance and CFO roles.

Krišs Osmanis

Krišs Osmanis is the Deputy Chairman of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Owned shares: 0

Represents Macro Riga shareholding of 1 185 938 shares.

Krišs Osmanis is the leading Electronics Design Engineer with the Company's R&D department since 2012. He holds a Dr.Sci.Ing degree in Electronics from Riga Technical University. The professional experience of Krišs Osmanis includes high speed FPGA architecture and design, high speed driving of DLP based optical projection systems. He is the author of several scientific publications and patents.

Andris Bērziņš

Andris Bērziņš is a member of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Positions held in other companies:

- RĪGAS EVANĢĒLISKĀ DRAUDZE – Chairman of Board
- KBZ Consulting, Sabiedrība ar ierobežotu atbildību – Member of Board
- Cits medijs, AS – Member of Council
- BuzzTale, SIA – Member of Board
- TechHub Riga, Nodibinājums – Member of Board

Owned shares: 0

Participation in other companies:

- KBZ, Sabiedrība ar ierobežotu atbildību (100%)
- KBZ Consulting, Sabiedrība ar ierobežotu atbildību (100%)

Andris Bērziņš is an entrepreneur and executive with extensive experience in C-level roles at high-growth, global venture-backed startups. He holds a Stanford MBA with a broad experience in investing, strategy, business development, sales, marketing and product management across Europe and the USA. He has a proven track record of having led global technology startups from pre-seed stage to rapid growth.

Ingrīda Blūma

Ingrīda Blūma is a member of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Positions held in other companies:

- Iespējamā misija, Nodibinājums – Chairman of Board
- Expobank, AS – Council Member
- RĪGAS PIENA KOMBINĀTS, Akciju sabiedrība – Council Member
- i-bloom, SIA – Board Member
- Sabiedrība par labām pārmaiņām – Board Member

Owned shares: 0

Participation in other companies::

- i-bloom, SIA (50%)

Ingrīda Blūma holds a MSc. degree from Stockholm University. Her additional training includes INSEAD Advanced Management Program and Strategic management and leadership training course at EBRD. Ingrīda Blūma's work experience is mainly related to the banking sector, where she has worked for almost 20 years. Her work as CEO of AS Swedbank (former AS Hansabanka), has equipped her with a unique blend of business experience in the banking industry and corporate business environment. Under her leadership, AS Hansabanka grew to become the largest bank of Latvia. Ingrīda Blūma has also served in the capacity of a member of the Supervisory Board of SIA Primekss, SIA Pure Food and JSC URSA Bank. Currently, Ingrīda Blūma serves as a member of the Supervisory Board of AS Expobank and AS Rīgas Piena Kombināts. In addition, she chairs the Management Board of the foundation Iespējamā Misija (in English "Mission Possible") forming part of Teach for All global network.

Māris Rambaks

Māris Rambaks is a member of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Owned shares: 0

Māris Rambaks holds Bachelor's degree in Business Administration from the International University Concordia Audentes, Estonia, along with Master's degree in Law and Finance from Riga Graduate School of Law. Moreover, Mr. Rambaks holds CFA (Chartered Financial Analyst) designation. The previous experience of Māris Rambaks is in the field of banking and investment services sector and financial markets. For more than 4 years, Māris Rambaks had worked as the Head of Broker Department of AS "LHV Pank". From 2014 to April 2016, he was in charge of the Latvian branch of AS "LHV Pank". In addition to the aforementioned, Mr. Rambaks helped to establish one of the leading and widely-recognised investment service providers in Latvia. He also represented investors at various shareholder general meetings and took an active part in multiple investor conferences.

Major shareholders

AS HansaMatrix major shareholders as of 27 June 2016 (end of the day):

Major shareholders (over 5%) Shareholder	Owned shares	Ownership interest
SIA “MACRO RĪGA”	1 185 938	64.83 %
Limited partnership “FlyCap Investment Fund I AIF”	403 933	22.08 %
Swedbank AS clients account (formerly AS Swedbank Estonia clients)	139 640	7.63 %
Other shareholders	99 870	5.46 %
TOTAL:	1 829 381	100.00 %



MANAGEMENT REPORT

General information

The joint stock company HansaMatrix (hereinafter – “HansaMatrix” or “the Company”) is a leading Baltic electronic system product developer and manufacturer. The Company is actively operating in industrial systems, data network infrastructure, Internet of Things, medical and several other B2B (business-to-business) market segments. Building on its 16-year experience and its business mission, which is to develop global technology products, the Company makes itself a valuable asset assisting customers in the achievement of success on global markets.

Business environment

Industrial market sectors that are developing and manufacturing equipment for oil exploration and oil related businesses see substantially reduced investment flow into equipment and engineering development due to continuously low global oil prices. In comparison, the market for alternative, renewable energy and energy-saving related equipment is consistently growing. Also there can be observed continuous development of global telecommunication data networks and internet infrastructure. There is a new global trend in new product development which more frequently takes place at start-up company labs rather than established corporate ones.

Finance results brief summary

During 3rd quarter of 2016 the company reported sales volume increase by 20% compared to the same period of 2015 and reached 4.557 million EUR. This was second quarter in row when company achieved largest quarterly sales result in the Company’s history. The 2016 Q3 sales results also show 12% sales volume increase in comparison with Q2.

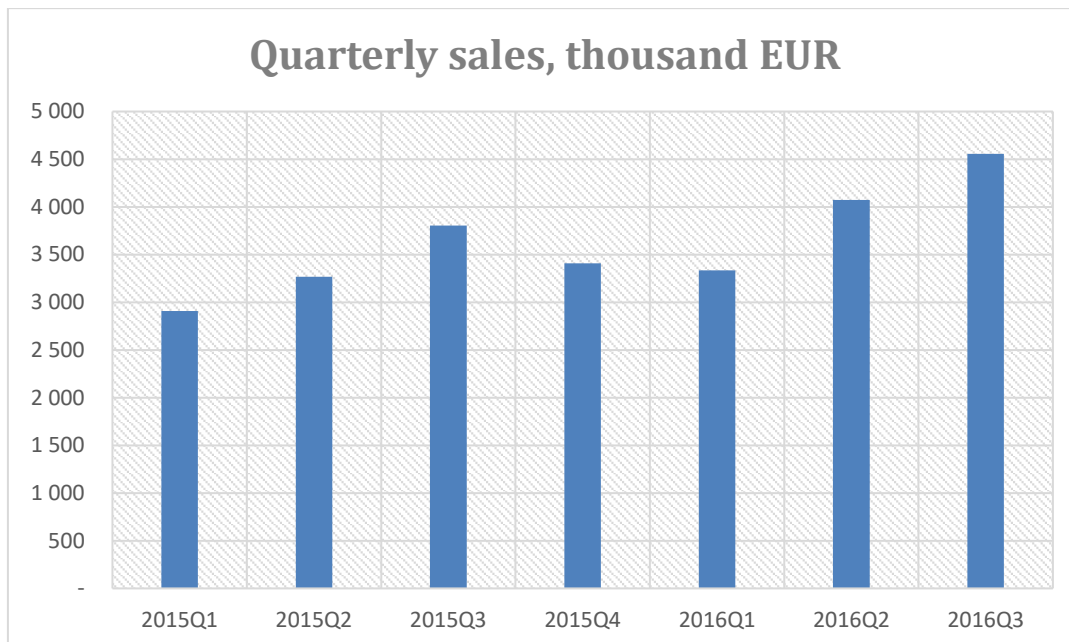
During Q3 2016 the Company reported EBITDA result of 0.722 million EUR and net profit result of 0.309 million EUR which represent the second best quarter in Company’s history. The reported period EBITDA result show 8% decrease in comparison with record Q3 2015 and 25% growth to previous - Q2 2016. The net profit results for Q3 2016 demonstrate 28% decrease in comparison with record Q3 2015 and 70% growth to previous - Q2 2016. Results represent quarterly EBITDA margin of 16% and profit margin of 7%.

During 9 month period of 2016 the company reported sales volume increase of 20% compared to the same period of 2015 and have achieved 11.94 million EUR revenue, which was largest 9 month sales result in the Company’s history.

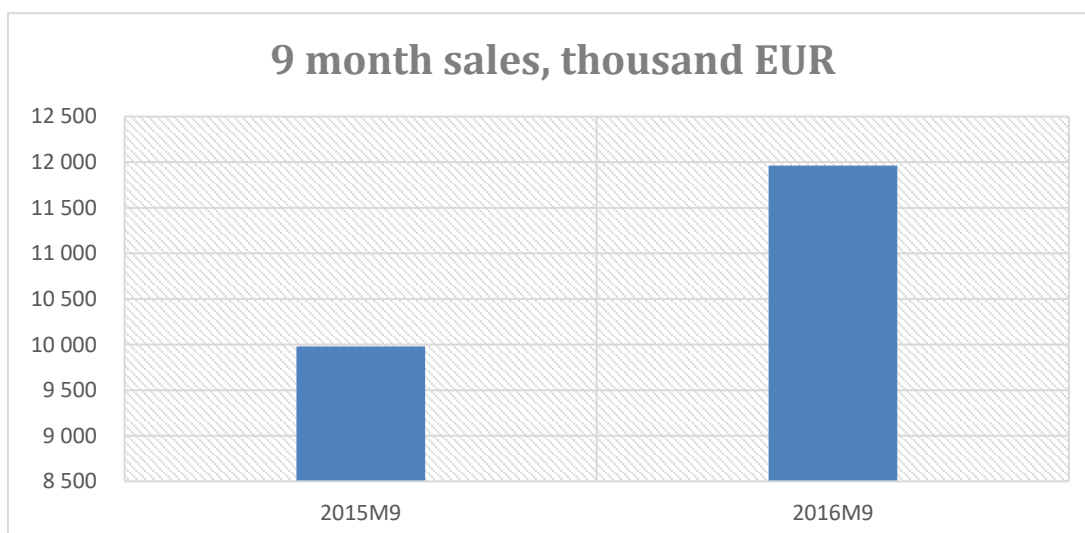
During 9 month period of 2016 the Company reported EBITDA result of 1.654 million EUR and net profit result of 0.448 million EUR. The reported period EBITDA result show 14% decrease in comparison with record 9 month period of 2015. The net profit result demonstrate 55% decrease in comparison with record 9 month period of 2015. Results represent 9 month EBITDA margin of 14% and profit margin of 4%.

Quarterly sales results

During the third quarter (“Q3” further in document) of 2016 the company reported sales volume increase by 20% compared to the same period of 2015 and reached 4.557 million EUR. This was second quarter in row when company achieved largest quarterly sales result in the Company’s history. The 2016 Q3 sales results also showed 12% sales volume increase in comparison with Q2.

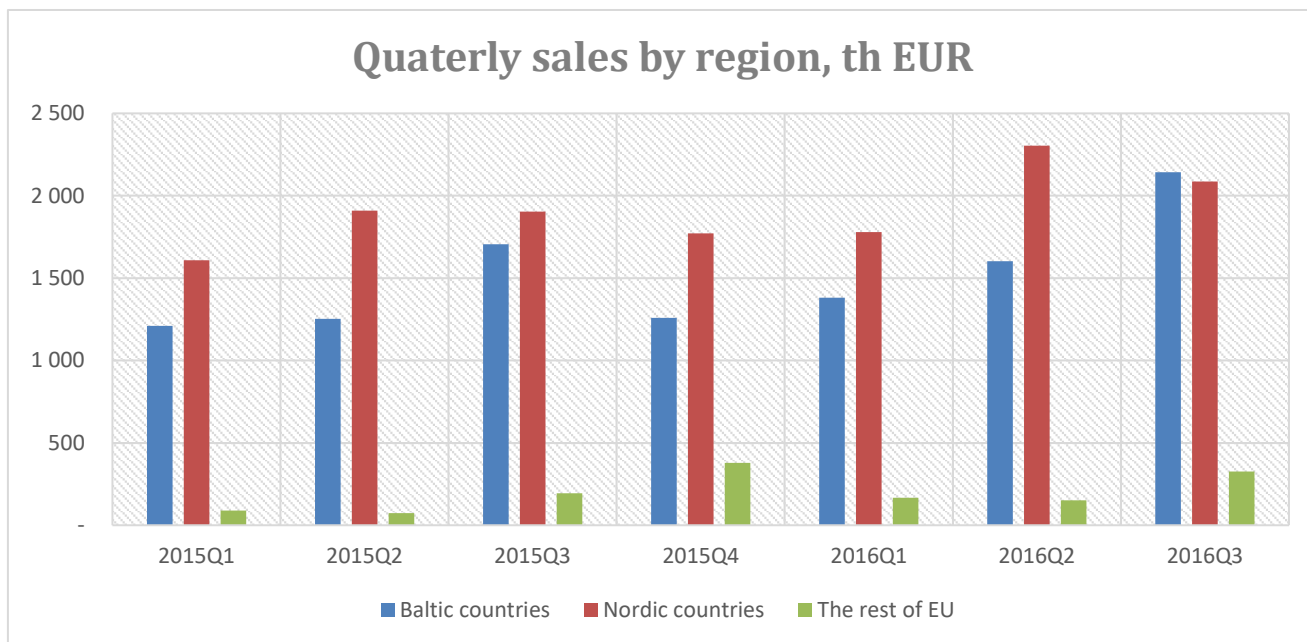
**9 month sales results**

During 9 month period of 2016 the company reported sales volume increase of 20% compared to the same period of 2015 and have achieved 11.94 million EUR revenue, which was largest 9 month sales result in the Company’s history.

**Quarterly sales by region results**

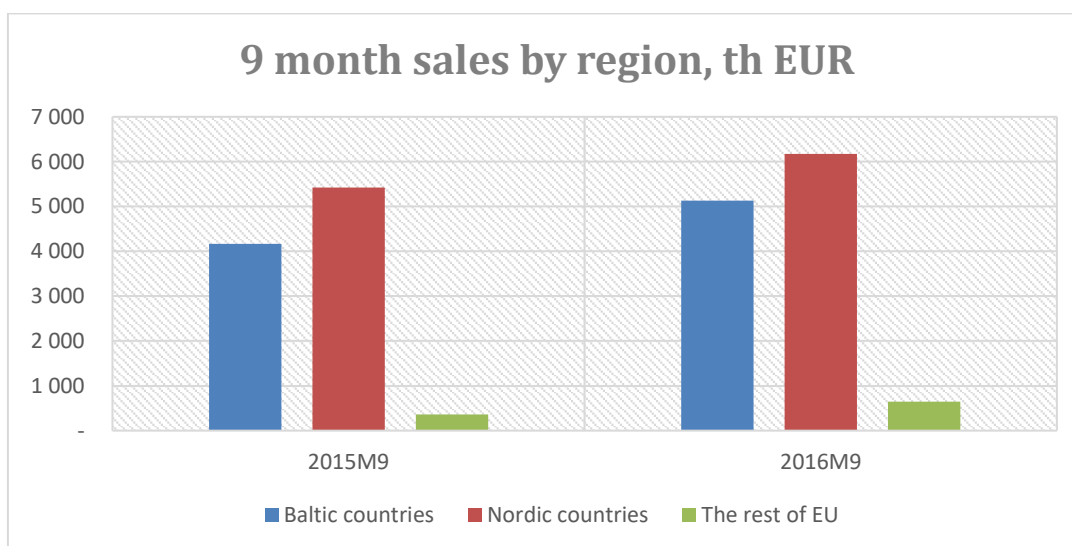
During 2016 Q3 main drivers remained the same - Baltic and Nordic sales dominated by corresponding 47% and 46% of total sales. Other EU markets resulted in 7% market share. Sales dynamics of regions – Baltic sales was 26% up from 2015 Q3 and 34% up from 2016 Q2; Nordic sales was 10% up from 2015 Q3 and 9% down from 2016 Q2 taking into

account traditional summer holiday period. Other EU sales reporting dynamic 68% growth from 2015 Q3 and 117% increase from 2016 Q2.



9 month sales by region results

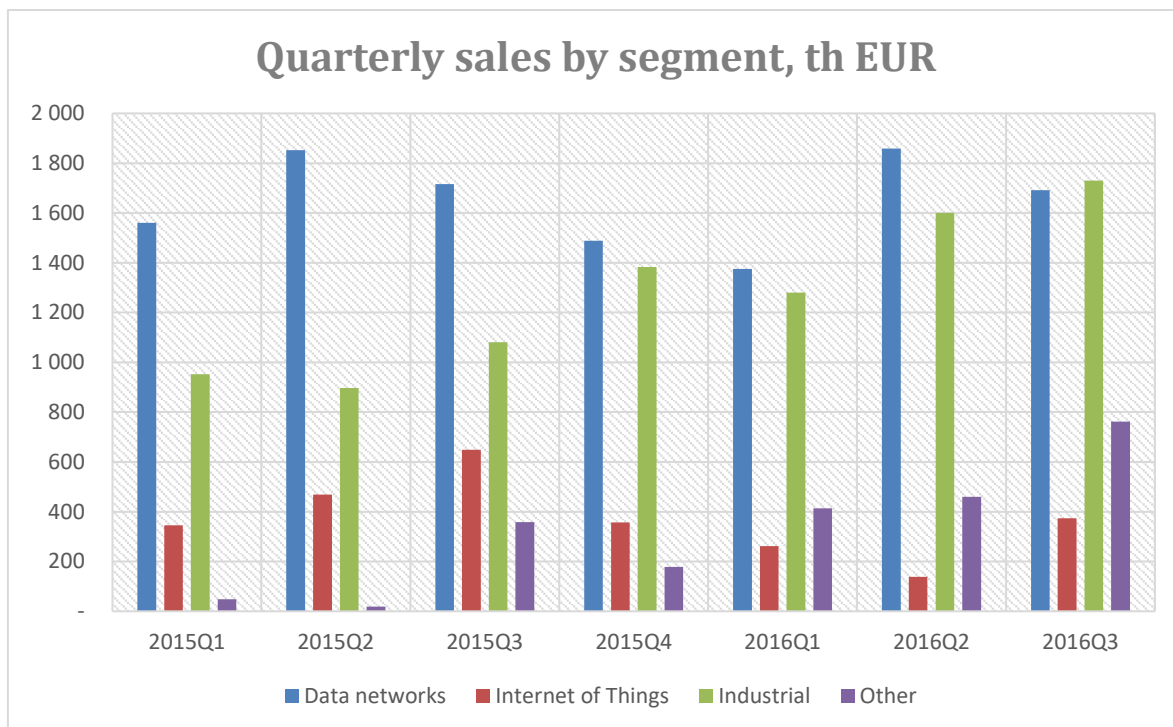
During 9 month period of 2016 sales market share demonstrated strong Nordic sales dimension with Baltic share - 43%; Nordic share – 52% and other EU – 5%. All regions contributed to 9 month 2016 sales growth to the same period of 2015 – Baltic by 23%; Nordic by 52% and other EU by 5%.



Quarterly sales by market segment results

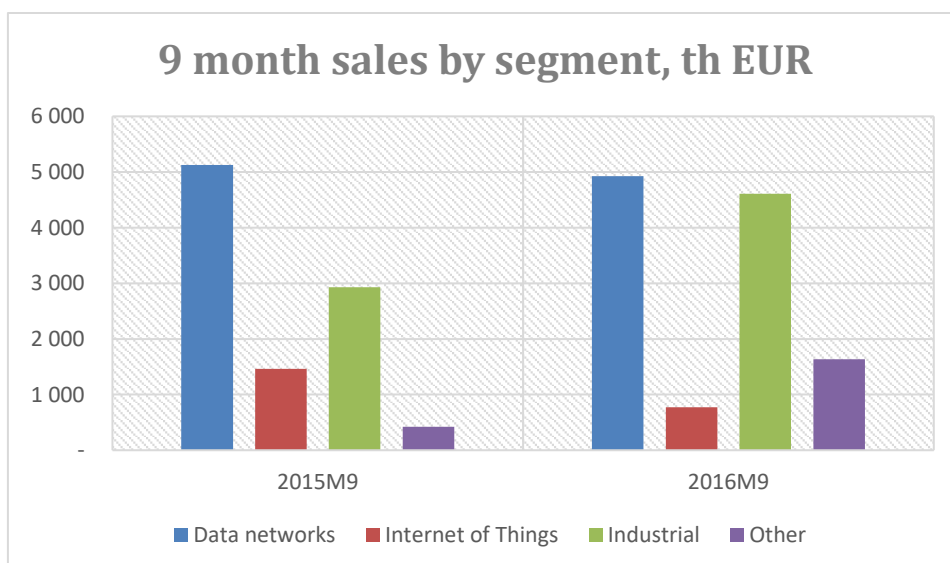
During Q3 2016 industrial and data network sales remained dominating sales drivers with 38% and 37% sales market share. Internet-of-things sales share was 8% and other products - 17%. Comparison of sales results to Q3 2015 show

industrial sales growth by 60%; data networks - small decrease by 1%; internet-of-things - decrease by 51% and other - growth by 113%. Reported decrease in sales of internet-of-things products is related to fact that during Q3 2015 one of customers was implementing large one off project that substantially increased Company's sales volume for a few month period.



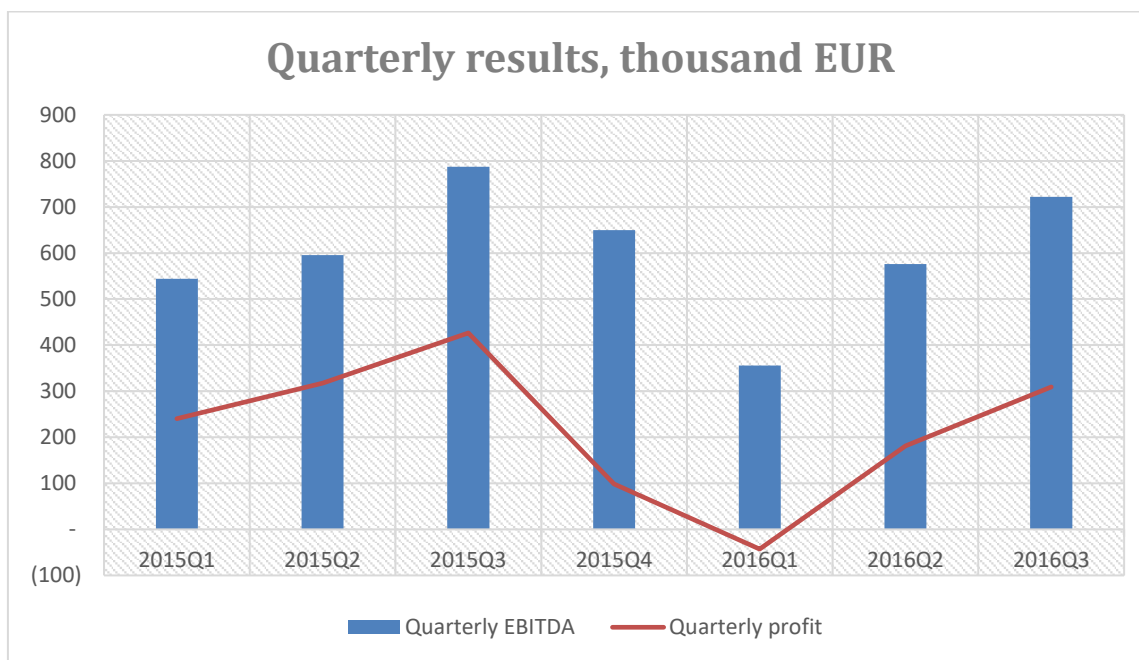
9 month sales by market segment results

During 9 month period of 2016 **industrial** and **data network** sales showed good sales diversification with 41% and 39% market share. **Internet-of-things** sales share was 6% and **other** products - 14%. Comparison of sales results by market segment to 9 months of 2015 show **industrial** sales growth by 57%; **data networks** - decrease by 4%; **internet-of-things** - decrease by 47% (reason behind this was explained in previous paragraph) and **other** - growth by 286%. Reason of surge of **other** product sales is related to large one off project being implemented during 2016.

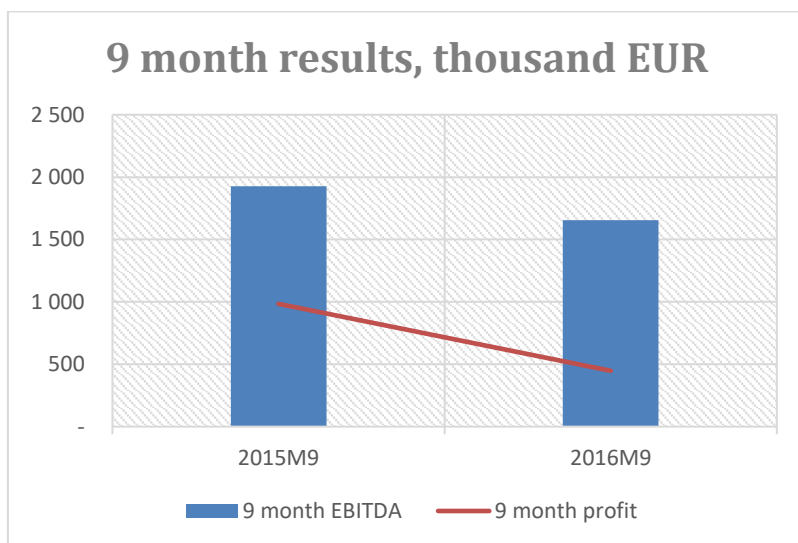


Quarterly EBITDA and profit results

During Q3 2016 the Company reported EBITDA result of 0.722 million EUR and net profit result of 0.309 million EUR which represent the second best quarter in Company's history. The reported period EBITDA result show 8% decrease in comparison with record Q3 2015 and 25% growth to previous - Q2 2016. The net profit results for Q3 2016 demonstrate 28% decrease in comparison with record Q3 2015 and 70% growth to previous - Q2 2016. Results represent quarterly EBITDA margin of 16% and profit margin of 7%.

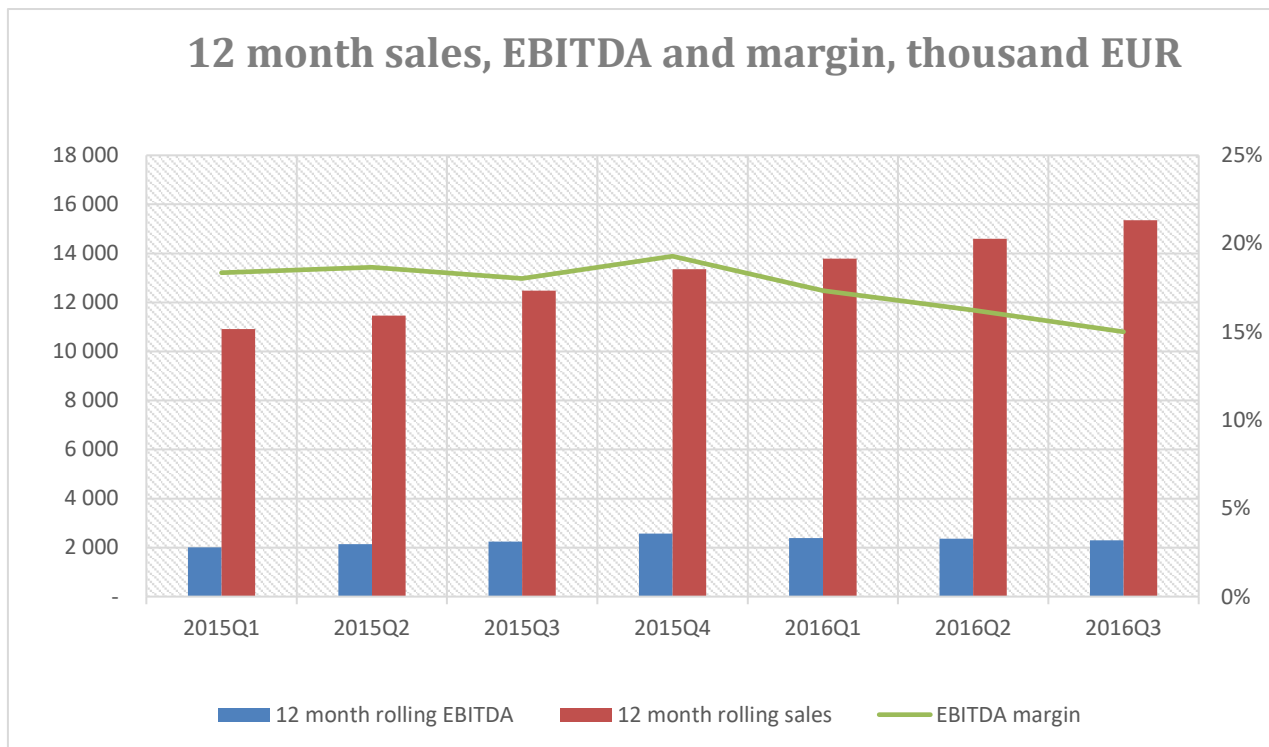
**9 month EBITDA and profit results**

During 9 month period of 2016 the Company reported EBITDA result of 1.654 million EUR and net profit result of 0.448 million EUR. The reported period EBITDA result show 14% decrease in comparison with record 9 month period of 2015. The net profit result demonstrate 55% decrease in comparison with record 9 month period of 2015. Results represent 9 month EBITDA margin of 14% and profit margin of 4%. 9 months results were negatively influenced by Q1 2016 weaker than average results that already have been commented and explained in previous financial report.



12 months rolling sales, EBITDA and EBITDA margin results

Cumulative sales of rolling 12 month period (period starting with 1st October 2015 and ending with 30th September 2016) at Q3 of 2016 was reported as 15.35 million EUR, increase of 5% in comparison with 12 month period ended at Q2 2016. EBITDA result for the same 12 month period totalled at 2.303 million EUR, slight decrease by 3% in comparison with 12 month period ended at Q2 2016. Averaged EBITDA margin for rolling 12 month period reported 15%.

**Summary of financial indicators for Q3 and 9 months 2016**

The comparison of financial indicators for the period of Q3 and 9 month 2016 has been summarized below:

Financial indicators for period	2016Q3	2015Q3	% to previous period
Sales, thousand EUR	4 557	3 805	20%
EBITDA, thousand EUR	722	787	-8%
Net profit, thousand EUR	309	426	-28%
EBITDA margin	16%	21%	
Net profit margin	7%	11%	
EPS, EUR	0.17	N/A	

Financial indicators for period	2016 9m	2015 9m	% to previous period
Sales, thousand EUR	11 962	9 978	20%
EBITDA, thousand EUR	1 654	1 927	-14%
Net profit, thousand EUR	448	984	-55%
EBITDA margin	14%	19%	
Net profit margin	4%	10%	
EPS, EUR	0.24	N/A	

Investment activities

During 2016 Q3 HansaMatrix according to investment agreement has made an investment of 444 thousand EUR in SIA, “Zinātnes Parks” what has been used in order to develop construction and business development project for Hi-tech Park that will host HansaMatrix New product accelerator and “Fast Track” manufacturing facility and is located in the Riga International Airport area. HansaMatrix own 24% shares in SIA “Zinātnes Parks”. During period of 9 months 2016 total investments in this project have grown to 607 thousand EUR.

On 26th of July 2016 SIA “Zinātnes Parks” has concluded real estate purchase contract in order to acquire printing house building site at Riga International Airport and concluded long term land lease contract with Riga International Airport. Acquisition price – 1 million EUR. The deal has been financed by 800 thousand EUR loan provided by bank Citadele AS and mezzanine loan of 400 thousand EUR issued by Finance institution ALTUM.

According to investment contract during 2016 Q3 the Company has made an investment of 108 thousand EUR in company LightSpace Technologies, SIA. It is a product development start-up with core activity in development and commercialization of ultimate world leading volumetric 3D image display systems with main applications in medicine, scientific visualization and real-time robot controls. Total investments over 9 month period amounts to 138 thousand EUR.

During 2016 Q3 the Company invested 58 thousand EUR in several customised ODM (Original Design Manufacturing) test systems which improve customer product manufacturing processes. During 9 months period R&D investments in ODM projects totaled 325 thousand EUR.

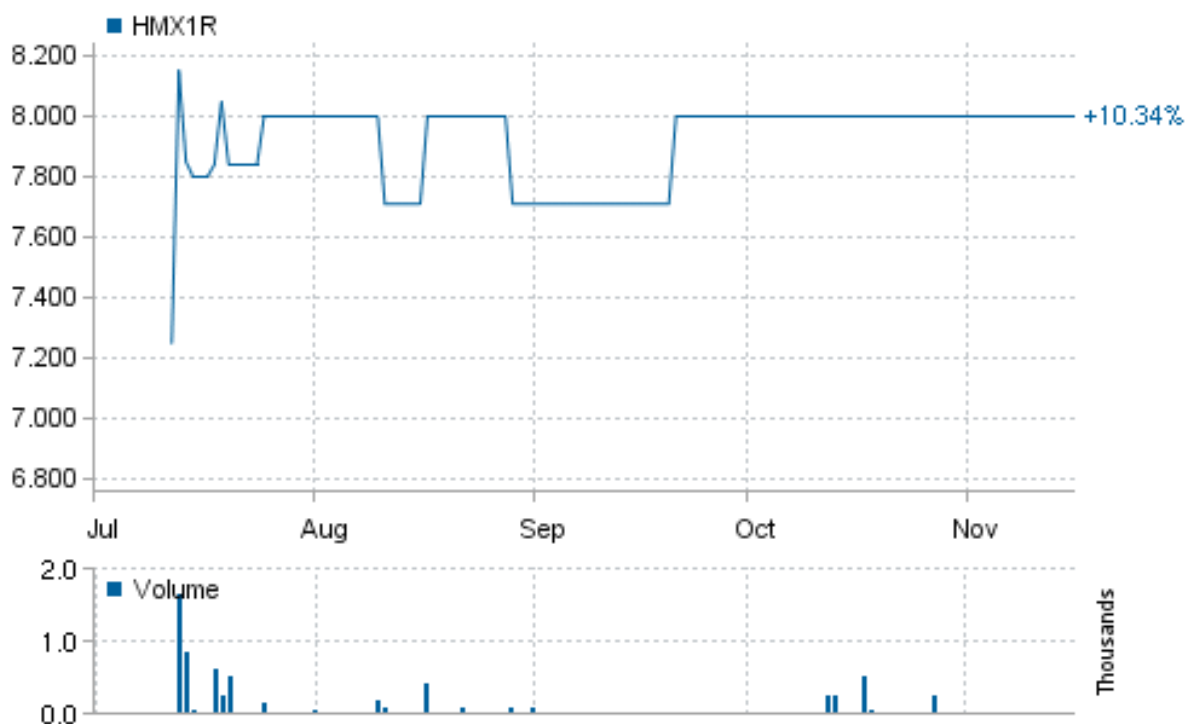
Research and development

During Q3 2016 the Company 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” in cooperation with SIA “LEO Pētījumu centrs”, 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 group company - HansaMatrix Innovation has increased R&D staff by three more engineers.

Shares and stock market

On 12 July 2016 started listing of AS HansaMatrix shares HMX1R on the Nasdaq Baltic Main list. During the period until 24 November 2016, the share price reached EUR 8 per share. See attached trading graph:



Security trading history

Price	2016
Open	6.950
High	8.150
Low	6.950
Last	8.000
Traded volume	7,225
Turnover, million	0.06 EUR
Capitalisation, million	14.64 EUR

Significant events after end of reporting period

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.

25 November 2016

Ilmārs Osmanis
Chairman of the Board

Statement of responsibility of the management

The Board of AS HansaMatrix is responsible for preparing the consolidated financial statements of the Parent and its subsidiaries (hereinafter - the Group).

The consolidated financial statements are prepared in accordance with the source documents and present fairly the consolidated financial position of the Group as of 30 September 2016 and the consolidated results of its financial performance and cash flows for the reporting period.

The interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and are prepared on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. The consolidated interim financial statements have been prepared based on the same accounting principles applied in the Consolidated Financial Statements for the year ended on December 31, 2015. Prudent and reasonable judgments and estimates have been made by the management in the preparation of the financial statements.

The Management Board of AS HansaMatrix is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position, financial performance and cash flows of the Parent Company and the Group and enable them to ensure that financial statements drawn up from them comply with International Financial Reporting Standards as adopted by the EU.

25 November 2016



Ilmārs Osmanis
Chairman of the Board



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated statement of comprehensive income

	2016 Q3 EUR	2015 Q3 EUR	2016 9m EUR	2015 9m EUR
Net turnover	4 556 609	3 798 728	11 943 259	9 944 946
Cost of sales	(3 892 959)	(3 001 784)	(10 432 446)	(7 890 356)
Gross profit	663 650	796 944	1 510 813	2 054 590
Distribution expense	(112 364)	(120 975)	(339 422)	(350 449)
Administrative expense	(318 200)	(250 623)	(961 281)	(718 526)
Other operating income	138 985	75 024	423 987	255 076
Other operating expense	(11 867)	(14 256)	(39 653)	(41 823)
Operating profit	360 204	486 114	594 444	1 198 868
Financial income	23 036	-	72 259	2 478
Financial expense	(74 209)	(30 216)	(219 196)	(217 545)
Profit/ (loss) before tax	309 031	455 898	447 507	983 801
Corporate income tax	-	-	-	-
Deferred corporate income tax	-	-	-	-
Net profit/ (loss) for the period	309 031	455 898	447 507	983 801
Other comprehensive income for the period, after tax	-	-	-	-
Total comprehensive income for the period, after tax	309 031	455 898	447 507	983 801

The accompanying notes form an integral part of these financial statements.

25 November 2016


Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position

ASSETS	30.09.2016	31.12.2015
	EUR	EUR
NON-CURRENT ASSETS		
Intangible assets		
ODM and other intangible assets	712 364	485 154
Intangible assets construction in progress	-	-
Total intangible assets	712 364	485 154
Property, plant and equipment		
Land and buildings	3 142 438	2 972 431
Equipment and machinery	3 718 741	4 137 533
Other fixtures and fittings, tools and equipment	490 011	527 040
Construction in progress	12 543	7 543
Leasehold improvements	34 561	48 275
Total property, plant and equipment	7 398 294	7 692 822
Non-current financial assets		
Investments in associates	960	960
Other financial assets	1 286 479	524 279
Total non-current financial assets	1 287 439	525 239
Prepaid expense	-	-
TOTAL NON-CURRENT ASSETS	9 398 097	8 703 215
CURRENT ASSETS		
Inventories		
Raw materials	1 365 045	1 292 462
Work in progress	799 344	836 905
Total inventories	2 164 389	2 129 367
Receivables		
Trade receivables	1 087 936	719 685
Loans to shareholders	2 445 477	2 375 744
Other receivables	231 283	285 209
Total receivables	3 764 696	3 380 638
Prepaid expense	99 524	26 341
Cash and cash equivalents	507 762	255 402
TOTAL CURRENT ASSETS	6 536 371	5 791 748
TOTAL ASSETS	15 934 468	14 494 963

The accompanying notes form an integral part of these financial statements.

25 November 2016



Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position

EQUITY AND LIABILITIES	30.09.2016	31.12.2015
	EUR	EUR
EQUITY		
Share capital	1 829 381	1 546 380
Share premium	2 435 579	1 094 987
Other reserves	313	313
Non-current asset revaluation reserve	1 342 929	1 401 665
Retained earnings/ (accumulated deficit):		
a) brought forward	(677 943)	(1 789 356)
b) for the period	447 507	1 082 397
TOTAL EQUITY	5 377 766	3 336 386
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	4 100 741	4 727 849
Finance lease liabilities	135 651	47 723
Deferred income	835 165	911 861
Deferred income tax liability	665 405	665 405
Total non-current liabilities	5 736 962	6 352 838
Current liabilities		
Loans from credit institutions	1 122 396	1 177 130
Finance lease liabilities	27 863	18 100
Prepayments received from customers	670 087	817 775
Trade payables	2 304 470	1 797 062
Taxes payable	221 006	217 305
Other liabilities	184 119	431 202
Accrued liabilities	170 709	177 588
Deferred income	119 090	169 577
Undrawn dividends	-	-
Total current liabilities	4 819 740	4 805 739
TOTAL LIABILITIES	10 556 702	11 158 577
TOTAL EQUITY AND LIABILITIES	15 934 468	14 494 963

The accompanying notes form an integral part of these financial statements.
25 November 2016

Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of cash flow

	2016 Q3 EUR	2015 Q3 EUR	2016 9m EUR	2015 9m EUR
Cash flows to/ from OPERATING activities				
Profit/ (loss) before tax	309 031	425 898	447 507	983 801
Adjustments for:				
Amortisation and depreciation	361 679	274 476	1 059 280	679 113
Interest expense	74 209	75 034	219 196	217 545
Interest income	(23 036)		(72 259)	
Increase in allowances for slow-moving items and receivables				
Loss/ (income) from grant recognition	(56 473)	(60 875)	(141 261)	(172 966)
(Gain)/ loss on disposal of property, plant and equipment				
Adjustment of the investment value				
Adjustments for:				
(Increase)/ decrease in inventories	160 257	(187 225)	(35 021)	(1 196 431)
(Increase) / decrease in trade receivables	(153 504)	340 776	(390 963)	(287 031)
Increase / (decrease) in trade payables	(31 386)	(1 213 031)	109 537	1 407 675
Cash generated from operations, gross	640 777	(344 947)	1 196 016	1 631 706
Interest paid	(74 209)	(75 034)	(219 196)	(217 545)
Corporate income tax paid				
Net cash flows to/ from operating activities	566 568	(419 981)	976 820	1 414 161
Cash flows to/ from INVESTING activities				
Purchase of intangible assets and property, plant and equipment	(222 304)	(478 570)	(1 003 081)	(2 558 187)
Proceeds from sale of property, plant and equipment	14 000		14 000	
Acquisition of shares	(745 100)	(508 354)	(745 100)	(508 354)
Net cash flows to/ from investing activities	(953 404)	(986 924)	(1 734 181)	(3 066 541)
Cash flows to/ from FINANCING activities				
Dividends paid	-	-	(29 721)	-
Increase in share capital	-	599 680	1 623 593	599 680
Grants received from the Investment and Development Agency of Latvia	-	805 500	-	808 611
Loans received from credit institutions	-	-	154 000	980 000
Loans received from lease companies	-	4 010	251 803	74 046
Loans repaid to credit institutions	(315 564)	(307 627)	(835 842)	(863 697)
Loans repaid to lease companies	(11 988)	(3 625)	(154 112)	(7 770)
Net cash flows to/ from financing activities	(327 552)	1 097 938	1 009 721	1 590 870
Change in cash and cash equivalents for the period	(714 388)	(308 967)	252 360	(61 510)
Cash and cash equivalents at the beginning of the period	1 222 150	340 722	255 402	93 265
Cash and cash equivalents at the end of the period	507 762	31 755	507 762	31 755

The accompanying notes form an integral part of these financial statements.

Interim consolidated statement of changes in equity

	Share capital EUR	Share premium EUR	Other reserves EUR	Non-current asset revaluation reserve EUR	Retained earnings/ (accumulated deficit) EUR	Profit/ (loss) for the year EUR	Total EUR
As at 31 December 2014	1 280 272	761 415	313	1 468 231	178 657	(2 045 484)	1 643 404
Profit for the reporting year	-	-	-	-	-	1 082 397	1 082 397
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	1 082 397	1 082 397
Share capital increase	266 108	333 572	-	-	-	-	599 680
Depreciation of revalued items of property, plant and equipment	-	-	-	(78 314)	78 314	-	-
Deferred corporate income tax related to revalued items of property, plant and equipment	-	-	-	11 748	(11 748)	-	-
Transfer of prior year result	-	-	-	-	(2 034 579)	2 045 484	10 905
As at 31 December 2015	1 546 380	1 094 987	313	1 401 665	(1 789 356)	1 082 397	3 336 386
Profit for the reporting year	-	-	-	-	-	447 507	447 507
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	447 507	447 507
Share capital increase	283 001	1 340 592	-	-	-	-	1 623 593
Depreciation of revalued items of property, plant and equipment	-	-	-	(58 736)	58 736	-	-
Transfer of prior year result	-	-	-	-	1 082 397	(1 082 397)	-
Dividends paid	-	-	-	-	(29 720)	-	(29 720)
As at 30 September 2016	1 829 381	2 435 579	313	1 342 929	(677 943)	447 507	5 377 766

The accompanying notes form an integral part of these financial statements.

Notes to the consolidated financial statements**1. Corporate information**

AS HansaMatrix (hereinafter – the Parent Company) was registered with the Republic of Latvia Enterprise Register on 30 July 1999 and re-registered with the Republic of Latvia Commercial Register on 27 December 2002 under unified registration number 40003454390. The registered office of the Parent Company is at Akmeņu iela 72, Ogre. The shares of the Parent Company are listed on Riga Stock Exchange, Latvia.

2. Basis of preparation and changes to the Group's accounting policies**Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Consolidated financial statements are prepared using the historical cost basis, except when described otherwise in the accounting policies below. The financial statements of the Parent Company and its subsidiaries are prepared separately according to the relevant national legislation applicable in the reporting year.

The monetary unit used in the consolidated financial statements is the euro (EUR). The consolidated financial statements cover the period 1 January 2016 through 30 September 2016.

Amounts disclosed in the consolidated financial statements are based on the accounting records of the Group companies kept in accordance with IFRS as adopted by the EU.

3. Changes in accounting policy and disclosures

The accounting policies are consistent with those followed in the preparation of the Group's annual financial statement for the previous period 2015. The Group has evaluated new and amended IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2016. No impact on the interim financial statements of the Group was identified.

The Group has not applied and has not evaluated the impact of the application of the IFRS and IFRIC interpretations that have been issued as of the date of authorisation of these financial statements for issue, but which are not yet effective. The Group plans to adopt these standards and interpretations on their effectiveness dates provided they are endorsed by the EU.

4. Related party disclosures

Related party	Description of the transaction	Balances due to/ from related parties as at 31/12/2015	Counter-performance	Payment	Balances due to/ from related parties as at 30/09/2016
SIA Macro Rīga	Sale of SIA HM Holdings - loan	2 321 646	-	-	2 321 646
SIA Macro Rīga	Loan interest	54 098	69 733	-	123 831
SIA Macro Rīga	Dividends calculated	-	(24 605)	24 605	-
Limited partnership FlyCap					
Investment F und I AIF	Dividends calculated	-	(5 115)	5 115	-
TOTAL:		2 375 744	40 013	29 720	2 445 477

5. Dividends paid and proposed

During the reporting period, calculated and paid dividends for 2015 year – total amount EUR 29 720

6. Events after the reporting period

Details of events after the reporting period end are described in Management Report accompanying these interim financial statements.