



**JOINT STOCK COMPANY  
HANSAMATRIX  
UNIFIED REGISTRATION NUMBER 40003454390**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE 3 MONTH PERIOD ENDED MARCH 31, 2018**

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

**Riga, 2018**

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**General information**

Name of the Parent Company	<b>HansaMatrix</b>
Legal status of the Parent Company	<b>Joint stock company</b>
Parent Company unified registration number	<b>40003454390</b>
Place and date of registration	<b>Riga, 30 July 1999</b>
Registration with the Commercial Register	<b>Riga, 27 December 2002</b>
Registered office	<b>Akmeņu iela 72, Ogre, Latvia, LV-5001</b>
Shareholders (over 5%) as of April 19, 2018	<b>SIA Macro Rīga (59.04%)</b> <b>KS FlyCap Investment F und I AIF (10.34%)</b> <b>Swedbank AS clients account (8.60%)</b> <b>IPAS CBL Asset Management (6.56%)</b>  <b>SIA HansaMatrix Ventspils (equity interest: 100%)</b> <b>SIA HansaMatrix Innovation (equity interest: 100%)</b> <b>SIA Campus Pārogre (equity interest: 100%)</b>
Auditors	<b>SIA Ernst &amp; Young Baltic</b> <b>Licence No. 17</b> <b>Dīana Krišjāne</b> <b>Latvian Certified Auditor</b> <b>Certificate No. 124</b>
Financial year	<b>1<sup>st</sup> January – 31<sup>st</sup> December 2018</b>
Interim reporting period	<b>1<sup>st</sup> January – 31<sup>st</sup> March 2018</b>

## 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:

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

#### Owned shares:

- directly: 0
- indirectly (through SIA, Macro Rīga): 1 080 065 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. He has accomplished managerial buyout of the Company in 2014 and listed HansaMatrix on Nasdaq Baltic main list at 2016.

**Māris Macijevskis**

Māris Macijevskis is a member of the Management Board of the Company and the Finance Director of the Company.

Date appointed: 16 February 2018

Positions held in other companies:

- IQ Capital SIA – Member of the Board

Owned shares: 300

Participation in other companies:

- IQ Capital SIA (100%)

Māris Macijevskis holds Bachelor of Science degree in Economics and Business Administration from Stockholm School of Economics in Riga, Master of Science degree in International Economics from University of Latvia and is Chartered Financial Analyst (CFA) charterholder. His previous experience includes the position of a Head of Corporate Client Service Department at Citadele banka AS. Mr. Macijevskis has been with the Company since 2017.

**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:

- HansaMatrix Ventspils SIA – Member of the Board

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. Aldis is also business coach at Commercial education centre in relation to production efficiency, LEAN processes, business strategy, adjustment of production processes, establishment and development of production enterprises. Mr. Cimoška has been with the Company since 2013.

**Changes to the Company's Management Board:**

On January 19, 2018, company's Council has made decision to make changes to the HansaMatrix Management Board: Member of a Management board Alvis Vagulis was released from the duties and a new member – Maris Macijevskis – appointed to the Board. Since 2017 Māris Macijevskis serves as HansaMatrix CFO.

## 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.

### Andris Bērziņš

Andris Bērziņš is the Chairman of the Supervisory Board of the Company.

Date appointed: 16 February 2018

Term of office: 16 February 2023

Owned shares: 0

Andris Bērziņš will be regarded as independent board member.

Positions held in other companies:

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

Participation in other companies:

- KBZ, 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.

### Krišs Osmanis

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

Date appointed: 16 February 2018

Term of office: 16 February 2023

Owned shares: 0

Represents Macro Riga shareholding of 1 080 065 shares.

Positions held in other companies:

- LightSpace Technologies, SIA – Chairman of the Council
- EUROLCDs, SIA – Member of a Council

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.

### Dagnis Dreimanis

Dagnis Dreimanis is a member of the Supervisory Board of the Company.

Date appointed: 16 February 2018

Term of office: 16 February 2023

Owned shares: 0

Dagnis Dreimanis will be representing interests of minority institutional investors and BaltCap joint investment in LightSpace Technologies SIA.

## Positions held in other companies:

- Baltic Coffee Holding SIA, Member of the Council
- EVO grupa SIA, Chairman of the Council
- RUNWAY SIA, Member of the Council
- Vika Wood, SIA, Member of the Council
- BaltCap AIFP SIA, Chairman of the Management Board
- SOLVINA SIA, Member of the Management Board
- Latvian Capital Ventures SIA, Member of the Management Board

## Participation in other companies:

- Latvian Capital Ventures SIA (57.5%)

Investment professional with 18 years of experience in private equity. Have invested in over 20 companies in broad range of industries. Executive MBA from NUS / UCLA, CFA and board education from BICG.

**Ingrīda Blūma**

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

Date appointed: 16 February 2018

Term of office: 16 February 2023

## Positions held in other companies:

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

Owned shares: 0

Ingrīda Blūma will be regarded as independent board member.

## Participation in other companies:

- i-bloom, SIA (100%)

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.

**Gundars Strautmanis**

Gundars Strautmanis is a member of the Supervisory Board of the Company.

Date appointed: 16 February 2018

Term of office: 16 February 2023

## Positions held in other companies:

- Latvijas Elektrotehnikas un elektronikas rūpniecības asociācija, biedrība – Member of the Board
- Inženiera Jāņa Lintera fonds – Member of the Board

Owned shares: 0

Gundars Strautmanis will be regarded as independent board member.

Dr.habil.sc.ing., Prof. Gundars Strautmanis adds highly valuable executive and professional experience to company Council. Gundars Strautmanis has graduated Riga Polytechnical Institute with engineering degree and Moscow Institute of Electronic Technologies with post graduate degree and additional business education at York University (Canada), Mastery University and Columbia University Business School (USA).

Dr. Gundars Strautmanis currently serves as a First Vice-president of Latvian Chamber of Commerce and Industry, also He is a member of the European Economic and Social committee (EESC), member of the Bureau of two internal structures of EESC- Employers group and Industrial development section (CCMI), non-executive adviser to CEO of Lattelecom Ltd.



His previous positions - President-Chairman of the Board of Directors at Lattelecom Ltd.; deputy Chairman of Supervisory Council at Latvian Mobile Telephone (LMT) Ltd.; a Supervisory Board member in European Intergovernmental satellite telecommunications organization EUTELSAT, and others.

Gundars Strautmanis has received several state awards.

#### Changes to the Company's Supervisory Board:

In response to the resignation of the Chairman of Supervisory Board – Janis Skutelis, HansaMatrix Management Board has convened an extraordinary shareholder's meeting on February 16, 2018, during which a decision was made to elect a new Supervisory Board: Andris Bērziņš, Krišs Osmanis, Dagnis Dreimanis, Ingrīda Blūma and Gundars Strautmanis.

#### Major shareholders

AS HansaMatrix major shareholders as of April 19, 2018 (end of the day):

Major shareholders (over 5%)	Owned shares	Ownership interest
SIA MACRO RĪGA	1 080 065	59.04 %
KS FlyCap Investment Fund I AIF	189 138	10.34 %
Swedbank AS clients account	157 252	8.60 %
IPAS CBL Asset Management	120 000	6.56 %
Other shareholders (under 5%)	282 926	15.46 %
<b>TOTAL:</b>	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 integrated product manufacturing services in industrial systems, data network infrastructure, Internet of Things, medical and several other B2B (business-to-business) market segments. HansaMatrix is actively growing its knowledge business, product development engineering teams and building knowledge platform for future innovation and business development. Building on its 17-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 in global markets.

### Business environment

According to McKinsey recent report on “Manufacturing the future...” – “Manufacturing’s role is changing... manufacturing promotes innovation, productivity, and trade more than growth and employment.” Manufacturing of electronic, optical and precise systems continue to be global technology innovators and businesses are R&D, capital and trade intensive.

We can clearly observe new innovations in various sectors - “telecoms” with 5G, car industry becoming electrically driven and autonomous, medical systems become more sophisticated, networked systems become more M2M as IoT and Industry 4.0.

All those uses require more sophisticated electronic hardware and manufacturers that can deeper participate in R&D processes.

### Finance results brief summary

During the first quarter (Q1 further in document) of 2018 the Company reported the record turnover of 5.898 million EUR - increase by 31% in comparison to the same period of 2017. It is well in line with expectations. The 2018 Q1 sales results showed 15% sales volume increase in comparison with previous quarter – 2017 Q4.

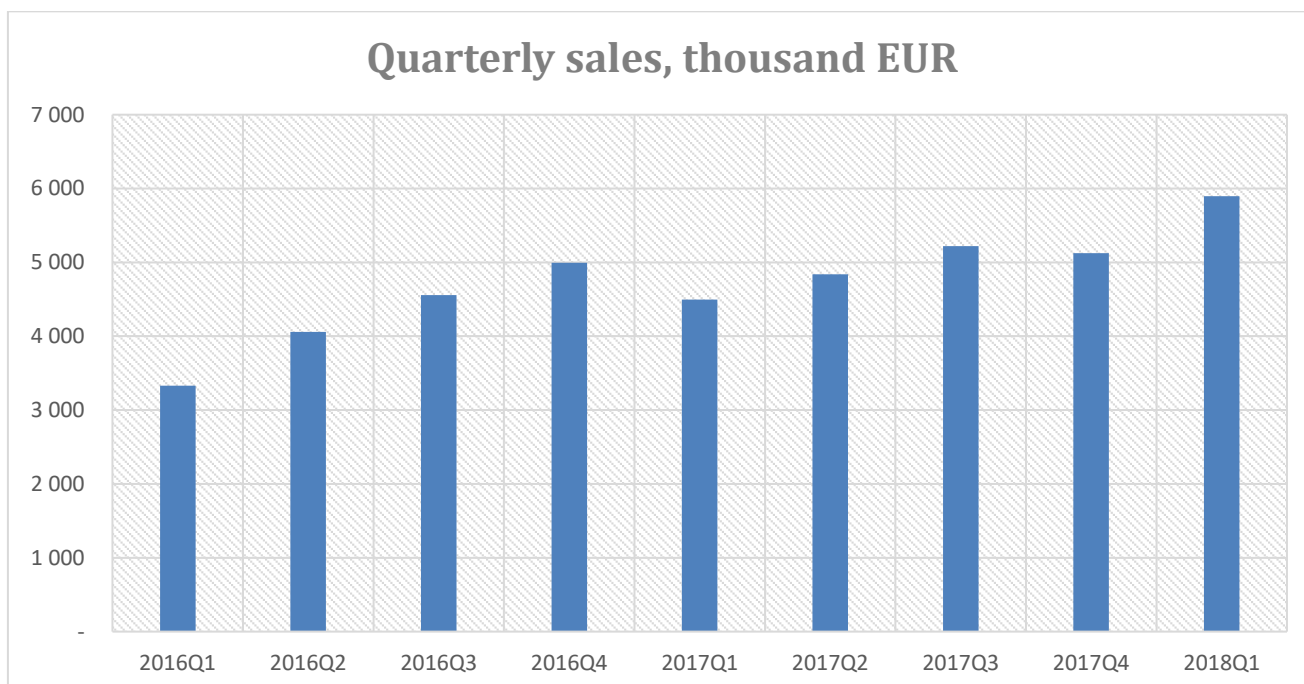
During 2018 Q1 the Company reported very strong quarterly EBITDA result of 1.050 million EUR and quarterly net profit result of 0.502 million EUR. The reported EBITDA result show 8% increase in comparison with Q1 2017 and 29% increase compared to previous quarter of 2017 Q4. The quarterly net profit results for 2018 Q1 demonstrate 22% increase in comparison with Q1 2017 and 51% increase compared to previous – Q4 2017. Results represent quarterly EBITDA margin of 17.8% and net profit margin of 8.5%.

2018 Q1 results are in line with expectations. In addition to general business volume growth, the comparison of Q1 2018 results with the previous quarter Q4 of 2017, reveals the usual seasonality pattern and slight decrease of results by traditional holiday season at the end of year. EBITDA and net profit margins in Q1 2018 remain strong, influenced by the manufactured product mix with higher added value.

TTM - 12 month period sales (period starting at April 1, 2017 and ending with March 31, 2017) at 2018 Q1 reported to be 21.085 million EUR, increase of 7% in comparison with TTM period ended at 2017 Q4. EBITDA result for the TTM 12 month period reported to be 3.766 million EUR, increase by 2% in comparison with 12 month period ended at 2017 Q4. Net profit for TTM period reported 1.617 million EUR, what is 6% up if compared with 12 month period ended at 2017 Q4. Averaged EBITDA margin for TTM period is reported to be 17.9% and net profit margin for the same period is reported to be 7.7%.

### Quarterly sales results for 2018 Q1

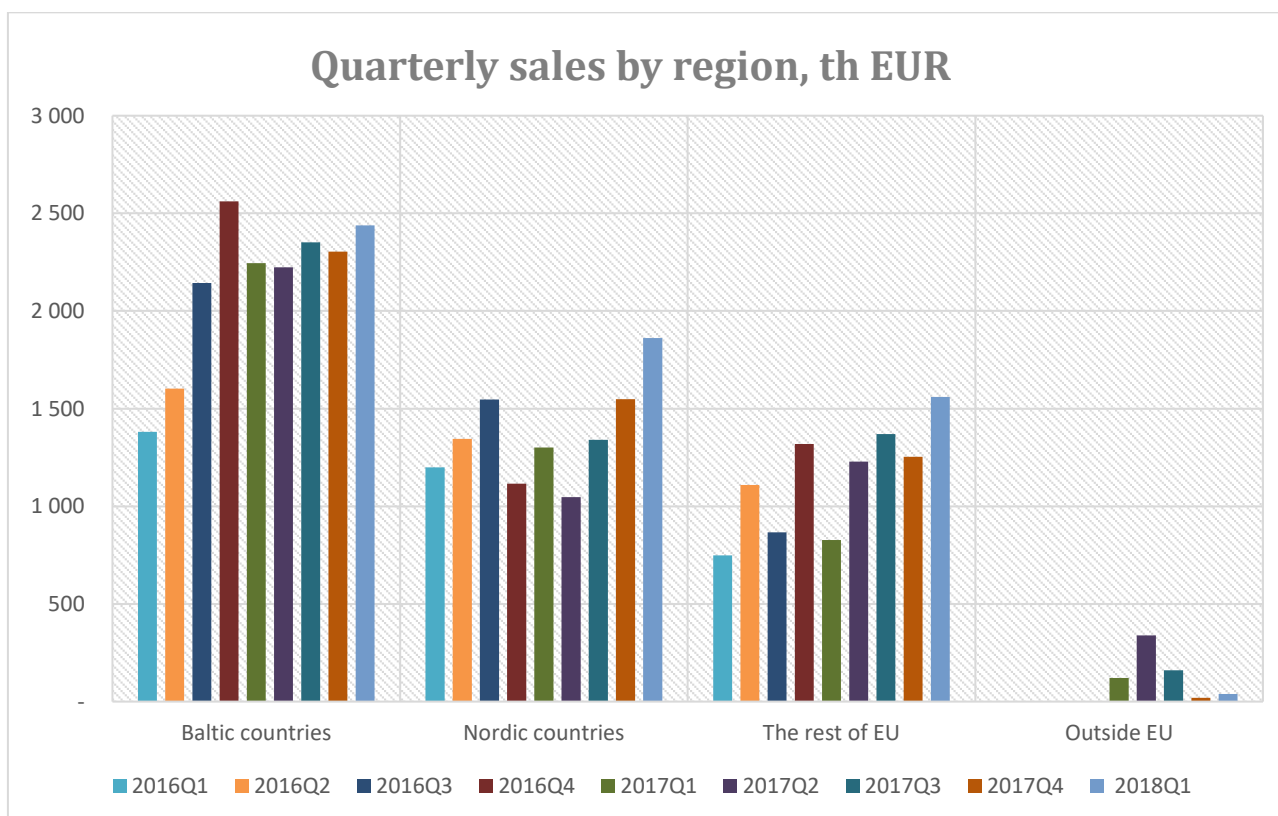
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### Quarterly sales by market region results for Q1

During 2018 Q1 largest market region continue to be Baltic customers with 41% market share of turnover. Nordic and other EU sales reported as 32% and 26% of total sales. HansaMatrix during Q1 continued to deliver small amounts to customer locations outside EU. This market share currently amounts to 0.4% of the total sales volume.

Sales dynamics of regions – Baltic sales was 9% up from 2017 Q1 and 6% up from 2017 Q4; Nordic sales demonstrated substantial growth by 43% up from 2017 Q1 and 20% up in comparison with 2017 Q4. Other EU region sales similarly reported substantial 89% increase from 2017 Q1 and 24% increase from 2017 Q4. Outside EU deliveries decreased by 68% from 2017Q1 and increased by 93% from 2017 Q4.



#### Data table - Quarterly sales by region, thEUR

Sales, thEUR	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Baltic countries	1 382	1 603	2 143	2 562	2 244	2 224
Nordic countries	1 200	1 345	1 546	1 115	1 302	1 048
The rest of EU	748	1 109	867	1 319	827	1 229
Outside EU	-	-	-	-	121	339
<b>Total</b>	<b>3 330</b>	<b>4 057</b>	<b>4 557</b>	<b>4 996</b>	<b>4 494</b>	<b>4 839</b>

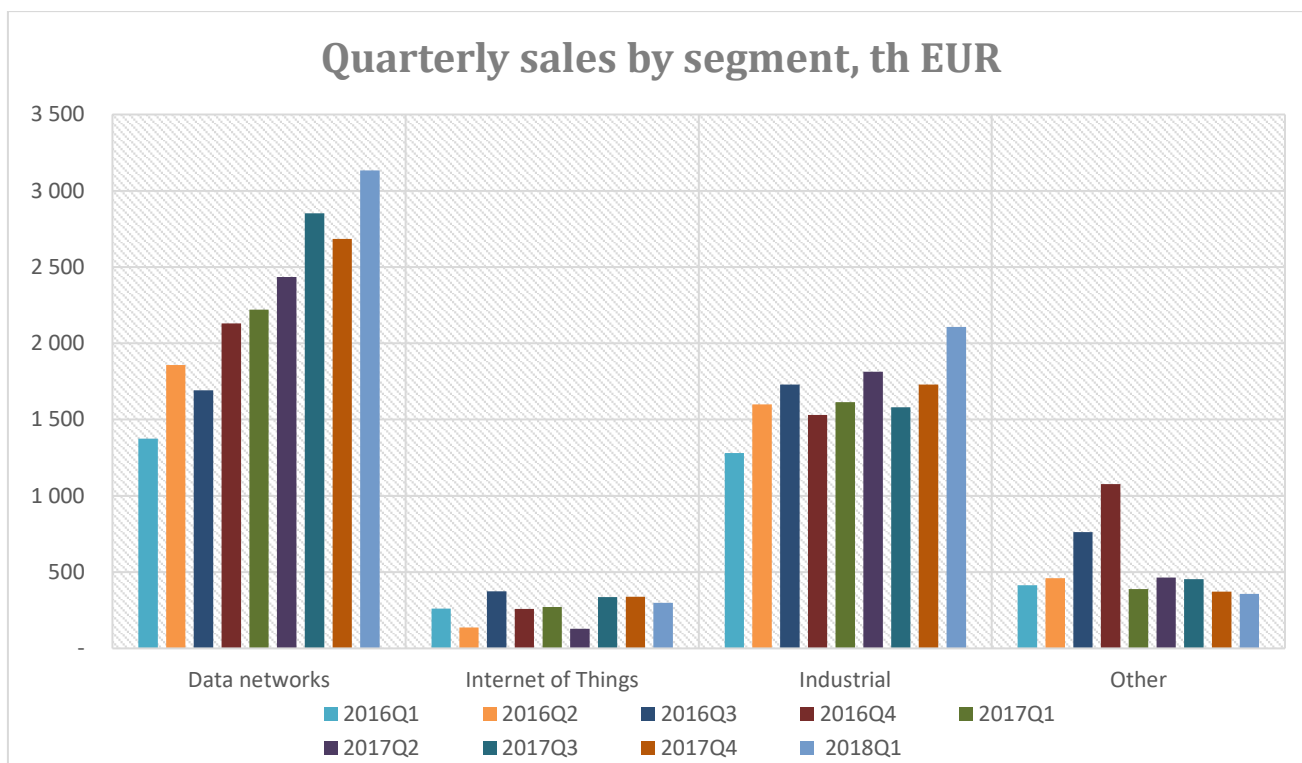
2017Q3	2017Q4	2018Q1
2 351	2 305	2 438
1 341	1 548	1 861
1 370	1 253	1 560
161	20	39
<b>5 222</b>	<b>5 126</b>	<b>5 898</b>

#### Quarterly sales by market segment results for 2018 Q1

During 2018 Q1 data network product sales remained dominating sales driver with 53% and industrial products followed with 36% sales market share. Internet-of-things sales has slightly grown to 5% and other products reported with 6% share.

Data network product sales show substantial increase by 41%; industrial segment product sales – increase by 31%; internet-of-things – increase by 10% and other product segment – decrease by 8% in comparison with 2017 Q1. Comparison with sales results with previous - 2017 Q4 demonstrates 17% increase in data networks; 22% growth in industrial segment; decrease of 12% in Internet of things products and 4% decrease in other product segment.

Both strongly growing segment - Data networks and Industrial segment substantial growth is mostly caused by existing customer strong business increase. Internet of things product segment has large future potential, however currently number of projects are still in start-up phase.



#### Data table - quarterly sales by market segment results for 2018 Q1

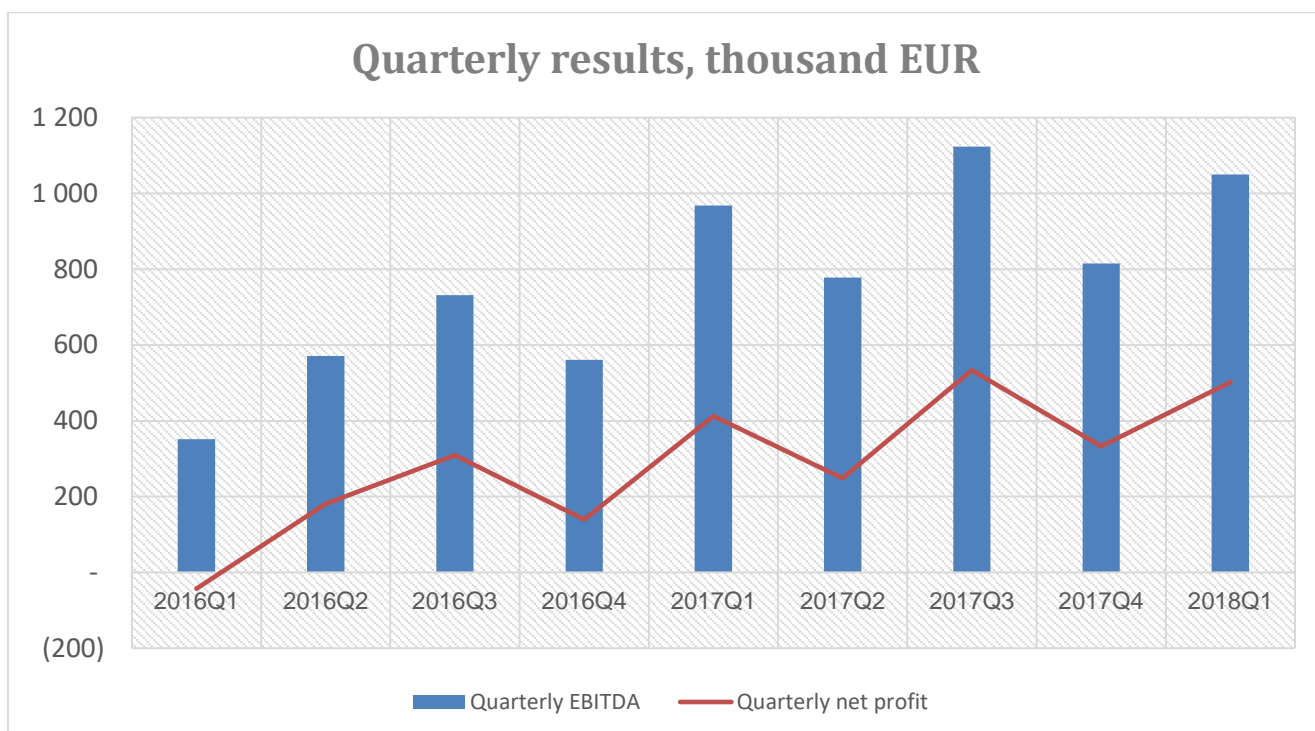
Sales, thEUR	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Data networks	1 375	1 859	1 691	2 130	2 220	2 434
Internet of Things	261	138	374	258	272	129
Industrial	1 280	1 600	1 730	1 531	1 614	1 813
Other	414	460	762	1 077	388	464
Total	3 330	4 057	4 557	4 996	4 494	4 839

2017Q3	2017Q4	2018Q1
2 852	2 685	3 134
336	338	299
1 581	1 730	2 108
454	373	357
5 222	5 126	5 898

#### Quarterly EBITDA and net profit results in 2018 Q1

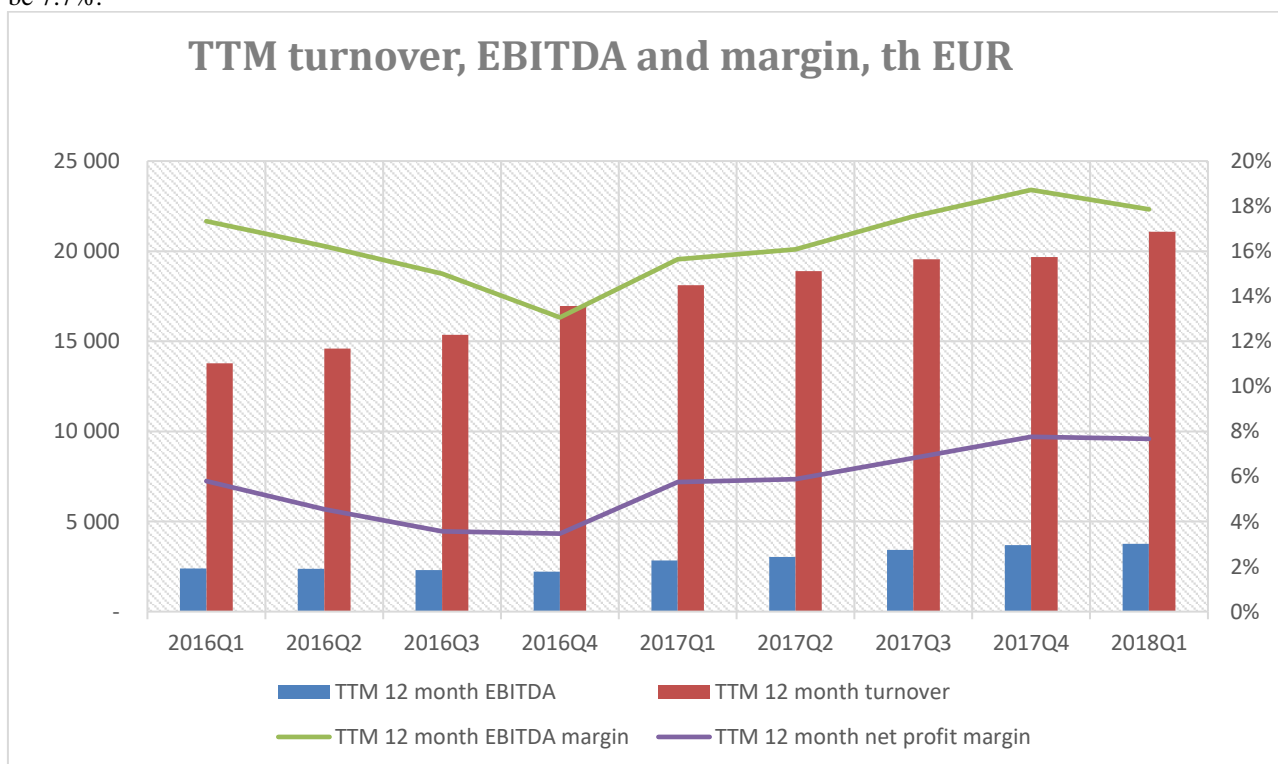
During 2018 Q1 the Company reported very strong quarterly EBITDA result of 1,050 million EUR and quarterly net profit result of 0,502 million EUR. The reported EBITDA result show 8% increase in comparison with Q1 2017 and 29% increase compared to previous quarter of 2017 Q4. The quarterly net profit results for 2018 Q1 demonstrate 22% increase in comparison with Q1 2017 and 51% increase compared to previous – Q4 2017. Results represent quarterly EBITDA margin of 17.8% and net profit margin of 8.5%.

2018 Q1 results are in line with expectations. In addition to general business volume growth, the comparison of Q1 2018 results with the previous quarter Q4 of 2017, reveals the usual seasonality pattern and slight decrease of results by traditional holiday season at the end of year. EBITDA and net profit margins in Q1 2018 remain strong, influenced by the manufactured product mix with higher added value.



### TTM (trailing twelve months) turnover, EBITDA and margin results in 2018 Q1

TTM - 12 month period sales (period starting at April 1, 2017 and ending with March 31, 2017) at 2018 Q1 reported to be 21.085 million EUR, increase of 7% in comparison with TTM period ended at 2017 Q4. EBITDA result for the TTM 12 month period reported to be 3.766 million EUR, increase by 2% in comparison with 12 month period ended at 2017 Q4. Net profit for TTM period reported 1.617 million EUR, what is 6% up if compared with 12 month period ended at 2017 Q4. Averaged EBITDA margin for TTM period is reported to be 17.9% and net profit margin for the same period is reported to be 7.7%.



**Summary of financial indicators for Q1 2018**

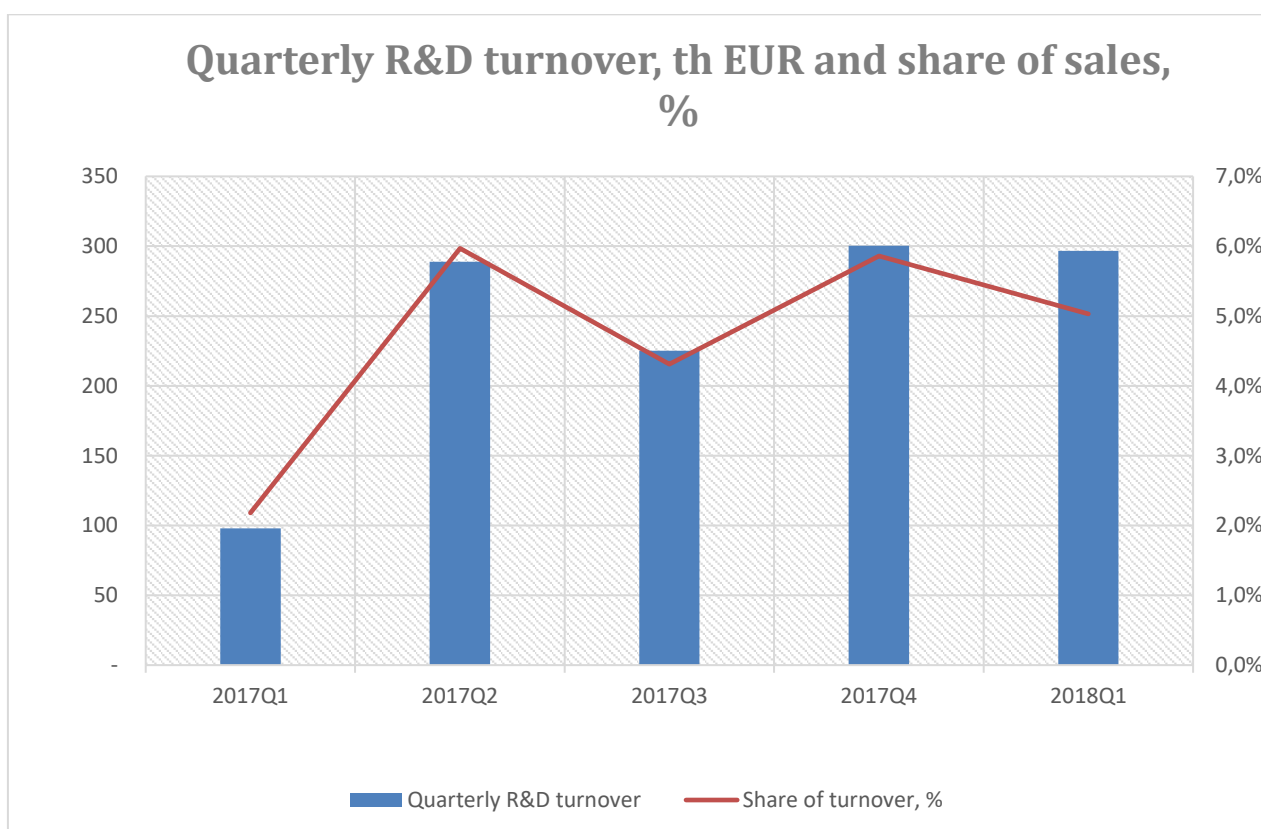
The comparison of financial indicators for the periods of 2018 Q1 and 2017 Q1 are summarized below:

Financial indicators for period	2018Q1	2017Q1	% to previous period
Sales, thousand EUR	5 898	4 495	31%
EBITDA, thousand EUR	1 050	968	8%
Net profit, thousand EUR	502	412	22%
EBITDA margin	18%	22%	
Net profit margin	9%	9%	
EPS, EUR	0,27	0,23	

**Research and development**

In January 2018, the Company, jointly with Lightspace Technologies Ltd., has started the research project "Robotic vision 3D image structured light projector with application in industrial (food) automation", supervised by the Central Finance and Contracting Agency, in co-operation with SIA Pārtikas kompetences centrs, funded by the European Regional Development Fund (ERDF). The total budget of the project is 352.1 thousand. EUR, planned total ERDF grant - 184.7 th. EUR

2018 Q1 R&D turnover increased significantly - by 203% compared with 2017 Q1 R&D turnover and remained at the level of the respective quarterly turnover of Q4 2017 (slight decrease by 1,2%), and is accounting for 5% share of Company's consolidated sales in 2018 Q1. R&D grant income has not been included in reported R&D sales figures.

**Data table - quarterly R&D turnover for 2018 Q1**

Quarterly R&D turnover, thEUR	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1
Quarterly R&D turnover	98	289	225	300	297



## Investment activities

During 2018 Q1 HansaMatrix made 183 229 EUR investments in production capacity increase, research instruments, test systems and development of new products.

During reporting period the Company has signed technological equipment delivery contracts for total amount of 850 thousand EUR to be invested in Q2. Investments would allow to increase manufacturing capacity as well as improve productivity of production sites in Ventspils and Pārogre. Investments will be financed 20% by HansaMatrix own funds and 80% by using SEB bank industrial leasing funding.

During the Q1 of 2018, the Company and the Company subsidiaries refinanced and consolidated all the loans and leasings from Citadele bank, Citadele leasing and Swedbank leasing to SEB bank.

## Investment activities in associated companies

In the first quarter of 2018, HansaMatrix issued a convertible loan to SIA LightSpace Technologies in the amount of 277 215 EUR. At the end of the reporting period, the total HansaMatrix investment in the form of the convertible loan in SIA LightSpace Technologies amounted to 499 422 EUR.

During Q1 2018 HansaMatrix has provided additional 100 thousand EUR funds in form of convertible loan to associated company – SIA Zinātnes parks, for land plot rental payments to VAS Starptautiskā lidosta Rīga, construction technical project development for new high-tech industrial site RIX Hi Tech City at Riga airport area and for loan repayments to AS SEB banka. At the end of the reporting period, the total HansaMatrix investment in the form of the convertible loan in SIA Zinātnes parks amounted to 945.7 thousand EUR.

On February 13, 2018, EUROLCDs had increased the share capital by issuing of the 1 019 new shares. 1 000 of the new shares of EUROLCDs were subscribed by LightSpace Technologies for investment of EUR 1 400 000. Investment will be made in several tranches over 6 month period. As a result LightSpace Technologies obtained 30.73% of company shares, AS HansaMatrix - 11.06% of shares, Hornell Teknikinvest AB - 23.88% of shares and KS BaltCap Latvia Venture Capital Fund - 34.33% of shares in EUROLCDs.

## Business development overview of associated company - LightSpace Technologies

There is an ongoing product development and engineering services agreement between LightSpace Technologies and HansaMatrix Innovation which is 100% R&D subsidiary of AS HansaMatrix.

LightSpace is a Deep Tech product development start-up, the world leader in developing optically deep volumetric 3D image display technology with main uses in medicine, scientific visualization and AR/MR applications.

SIA LightSpace Technologies fully (100%) owns LightSpace Technologies Inc., Delaware, USA incorporated corporation, which owns IP in form of worldwide patents protecting volumetric 3D imaging technology.

Last 4 years SIA LightSpace Technologies (LightSpace further in the text) have been working on developing world leading multi-plane (volumetric) 3D image display technology with main uses in medicine, scientific visualization and AR/MR applications. It holds patents for worlds all major markets.



During Q1 2018 LightSpace has made several marketing efforts. It participated in two world's leading forums - SPIE Photonics West 2018, San Francisco, CA, USA; where Dr.Sci.Eng. Kriss Osmanis presented invited speech in advanced



liquid crystal display conference session and first time participated in Electronic Imaging 2018 conference and expo showing its concept display device x1406 and visualization software View4X.

Several business enquiries were received during the show and after it. Positive feedback was received from several experts.

### LightSpace Technologies SIA profit loss statement, EUR

	1Q 2018 EUR	2017 EUR
Net turnover	29 076	130 424
Cost of sales	( 64 122)	( 172 211)
<b>Gross profit / (loss)</b>	<b>( 35 046)</b>	<b>( 41 787)</b>
Distribution costs	( 36 881)	( 184 453)
Administrative expense	( 15 539)	( 48 097)
Other operating income	-	19 876
Other operating expense	( 1 911)	( 1 857)
<b>Operating profit</b>	<b>( 89 377)</b>	<b>( 256 318)</b>
<b>Profit / (loss) before tax</b>	<b>( 89 378)</b>	<b>( 256 318)</b>
Corporate income tax	( 327)	( 334)
<b>Net profit / (loss) for the period</b>	<b>( 89 705)</b>	<b>( 256 652)</b>

### LightSpace Technologies SIA balance sheet, EUR

ASSETS	31.03.2018. EUR	31.12.2017. EUR
<b>NON-CURRENT ASSETS</b>		
Property, plant, equipment and product development investments	1 615 223	1 664 657
Non-current financial assets	337 000	85 000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1 952 223</b>	<b>1 749 657</b>
<b>CURRENT ASSETS</b>		
Inventory	320 857	64 966
Receivables	69 389	46 656
Cash and cash equivalents	7 524	1 861
<b>TOTAL CURRENT ASSETS</b>	<b>397 770</b>	<b>113 483</b>
<b>TOTAL ASSETS</b>	<b>2 349 993</b>	<b>1 863 140</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.03.2018. EUR</b>	<b>31.12.2017. EUR</b>
<b>EQUITY</b>		
Share capital	6 685	6 685
Share premium	1 870 480	1 870 480
Other reserves	503 213	222 207
Retained earnings/ (accumulated deficit)	(656 365)	(566 660)
<b>TOTAL EQUITY</b>	<b>1 724 013</b>	<b>1 532 712</b>
<b>LIABILITIES</b>		
Current liabilities	625 980	330 428
<b>TOTAL LIABILITIES</b>	<b>625 980</b>	<b>330 428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 349 993</b>	<b>1 863 140</b>

**Business development overview of associated company – Zinātnes Parks SIA**

During Q1 2018 SIA Zinātnes Parks has invested 47.5 thousand EUR in construction technical project development. As at the end of the reporting period, the total investment in development of the hi-tech industrial park RIX Hi Tech City amounts to 1.64 million EUR.

It has been planned to complete construction project development work in Q3 2018.

**Shares and stock market**

On 4 January 2018 shareholder KS FlyCap Investment F und I AIF sold 120 000 (6.56%) shares of HansaMatrix (HMX1R) at a price of EUR 6.55 per share. As a result of the transaction the free float of HansaMatrix increased by 6.56%.

On January 19, 2018 shareholder KS FlyCap Investment F und I AIF sold 71 417 (3.90%) shares of HansaMatrix (HMX1R) at a price of EUR 6.75 per share. As a result of the transaction the free float of HansaMatrix increased by further 3.90%.

On January 26, 2018 shareholder SIA Macro Rīga sold 24 664 (1.35%) shares of HansaMatrix (HMX1R) at a price of EUR 7.50 per share.

In the last year, in the period from June 2017 to October 2017, the stock price increased sharply, reaching the maximum price of 8.83 euros for 1 share. At the end of the first quarter of 2018, the price of one share was EUR 7.75 or 8.85% up in the period of 12 months. See the attached trading schedule for the period from 1 April 2017 to 31 March 2018:



**Security trading history**

Price	2016	2017	01.01.2018 -21.05.2018
Open	6.95	7.95	8.14
High	8.15	8.83	8.5
Low	6.95	6.9	7.5
Last	7.95	8.14	7.6
Traded volume	19,574	72,941	97 398
Turnover, million	0.15 EUR	0.51 EUR	0.67 EUR
Capitalisation, million	14.54 EUR	14.89 EUR	13.9 EUR

**Significant events after end of reporting period**

On April 26, 2018, HansaMatrix meeting of the shareholders approved year 2017 profit distribution and the payment of dividends in the amount of 0.08 EUR per share, totaling 146 350.48 EUR. Dividend payments will be made in two installments: 25 May 2018, the date of payment for the first tranche of dividends in amount of 73 175.24 EUR, and 15 November 2017, the date of payment for the second tranche of dividends in amount of 73 175.24 EUR.

On April 20, 2018, the KS Flycap investment fund I AIF has reduced its shareholding in HansaMatrix to 175,808 shares or 9.61%.

On May 08, 2018 AS HansaMatrix associated company SIA Lightspace Technologies increased its share capital by issuing 7 186 new shares. After increasing the share capital, it amounts to 13 871 EUR and consists of 13 871 shares.

The share capital was increased by following investments: a) KS BaltCap Latvia Venture Capital Fund acquiring 4 300 new shares in SIA Lightspace technologies, making a contribution in the form of 34.33% or 1 117 equity shares of SIA EUROLCDs, in the amount of 892 501.48 EUR; b) AS HansaMatrix acquiring 2 386 new shares of SIA Lightspace technologies by making a contribution in the form of 11.06% or 360 equity shares of SIA EUROLCDs shares in the amount of 287 646.06 EUR and making 483 000 EUR contribution in cash from AS HansaMatrix operating activities cash flow; c) AS HansaMatrix Chairman of the Board, Ilmars Osmanis, acquiring 500 shares of SIA Lightspace Technologies, by making investment in cash in the amount of 500 EUR.

After the share capital increase, the distribution of the share capital of Lightspace Technologies for the shareholders of the Company is the following: 44.08% shares owned by KS BaltCap Latvia Venture Capital Fund, 39.99% - by AS HansaMatrix, 9.34% - by KS AIF Imprimatur Capital Technology Venture Fund, 3.60% - by Ilmārs Osmanis and 2.99% - by KS AIF Imprimatur Capital Seed Fund;

The payment for the new shares of SIA Lightspace technologies with the aforementioned in kind contributions was made on April 26, 2018, by transferring (investing) 34,33% or 1 117 SIA EUROLCDs shares owned by KS BaltCap Latvia Venture Capital Fund and 11.06% or 360 SIA EUROLCDs shares owned by HansaMatrix to SIA Lightspace technologies (share swap) to .

After the transaction SIA Lightspace technologies has acquired 76.12% of the shares of the main supplier SIA EUROLCDs, ensuring optimal business structure and reducing supply chain risks. The remaining 23.88% SIA EUROLCDs is owned by the Swedish company Hornell Teknikinvest AB.

On May 18, 2018 SIA Campus pārogre signed industrial leasing agreement with SIA SEB lizings in amount of 337 516.26 EUR to finance the purchase of technological equipment to increase the printed circuit board component surface mount capacity in Pārogre production facility. HansaMatrix and SIA SEB lizings signed guarantee agreement in amount up to 525 000 EUR to additionally secure this leasing facility.

May 23, 2018



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 March 31, 2018 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, 2017. 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.

May 23, 2018



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Ilmārs Osmanijs  
Chairman of the Board




## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Interim consolidated statement of comprehensive income

	2018 Q1 EUR	2017 Q1 EUR
Net turnover	5 897 505	4 495 164
Cost of sales	(4 747 725)	(3 621 776)
<b>Gross profit</b>	<b>1 149 780</b>	<b>873 388</b>
Distribution costs	(193 140)	(133 098)
Administrative expense	(447 870)	(338 853)
Other operating income	95 744	202 522
Other operating expense	(12 766)	(14 378)
<b>Operating profit</b>	<b>591 748</b>	<b>589 581</b>
Loss from investments in associates	(50 159)	(14 690)
Financial income	11 535	23 419
Financial expense	(50 946)	(64 464)
<b>Profit before tax</b>	<b>502 178</b>	<b>533 846</b>
Corporate income tax	-	(44 596)
Deferred corporate income tax	-	(77 253)
<b>Net profit for the reporting period</b>	<b>502 178</b>	<b>411 997</b>
<b>Other comprehensive income for the reporting year after tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the reporting year after tax</b>	<b>502 178</b>	<b>411 997</b>
Profit and comprehensive income attributable to:		
Equity holders of the Parent Company	502 178	411 997
Non-controlling interests	-	-
	<b>502 178</b>	<b>411 997</b>

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

May 23, 2018

  
 Ilmārs Osmanis  
 Chairman of the Board

### Interim consolidated statement of financial position

ASSETS		
	31.03.2018	31.12.2017
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
ODM assets	19 208	21 002
Other intangible assets	195 367	190 502
<b>Total intangible assets</b>	<b>214 575</b>	<b>211 504</b>
<b>Property, plant and equipment</b>		
Land and buildings	3 704 976	3 753 000
Equipment and machinery	4 344 025	4 603 940
Other fixtures and fittings, tools and equipment	616 330	604 064
Leasehold improvements	33 684	37 856
Construction in progress	236 060	214 460
<b>Total property, plant and equipment</b>	<b>8 935 075</b>	<b>9 213 320</b>
<b>Non-current financial assets</b>		
Investments in associates	1 006 921	1 006 921
Investments in other companies	662 818	662 818
Other investment loans	1 344 638	1 017 583
Loans to shareholders	1 923 763	1 912 227
Other non-current receivables	-	52 956
<b>Total non-current financial assets</b>	<b>4 938 140</b>	<b>4 652 505</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>14 087 790</b>	<b>14 077 329</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials and consumables	1 973 578	1 848 213
Work in progress	961 882	835 349
<b>Total inventories</b>	<b>2 935 460</b>	<b>2 683 562</b>
<b>Receivables and prepayments</b>		
Trade receivables and receivables from related companies	1 075 044	911 892
Prepayments for goods	103 280	41 828
Loans to shareholders	550 000	550 000
Prepaid expense	59 817	42 125
Corporate income tax	-	1 000
Other receivables	86 426	95 216
<b>Total receivables and prepayments</b>	<b>1 874 567</b>	<b>1 642 061</b>
<b>Cash and cash equivalents*</b>	<b>76 650</b>	<b>259 185</b>
<b>TOTAL CURRENT ASSETS</b>	<b>4 886 677</b>	<b>4 584 808</b>
<b>TOTAL ASSETS</b>	<b>18 974 467</b>	<b>18 662 137</b>
*Available unused credit line		
*Available unused factoring limit		
	42 384	EUR
	408 065	EUR

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

May 23, 2018

Ilmārs Osmanis  
Chairman of the Board

## Interim consolidated statement of financial position



**EQUITY AND LIABILITIES**

	<b>31.03.2018</b>	<b>31.12.2017.</b>
<b>EQUITY</b>	<b>EUR</b>	<b>EUR</b>
Share capital	1 829 381	1 829 381
Share premium	2 435 579	2 435 579
Reserves	313	313
Non-current asset revaluation reserve	2 255 107	2 286 031
Retained earnings/ (accumulated loss):		
a) brought forward	1 614 432	(95 482)
b) for the period	502 178	1 678 990
<b>TOTAL EQUITY</b>	<b>8 636 990</b>	<b>8 134 812</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	4 049 483	2 715 009
Finance lease liabilities	2 044	618 154
Deferred income	530 312	572 707
Deferred income tax liabilities	-	-
<b>Total non-current liabilities</b>	<b>4 581 839</b>	<b>3 905 870</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 243 545	1 529 016
Finance lease liabilities	49 087	437 872
Prepayments received from customers	419 609	517 148
Trade payables	2 842 883	2 772 580
Taxes payable	360 799	491 521
Corporate income tax	177 702	177 702
Other liabilities	221 598	207 072
Deferred income	169 577	169 577
Accrued liabilities	270 838	318 967
<b>Total current liabilities</b>	<b>5 755 638</b>	<b>6 621 455</b>
<b>TOTAL LIABILITIES</b>	<b>10 337 477</b>	<b>10 527 325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18 974 467</b>	<b>18 662 137</b>

The accompanying notes form an integral part of these financial statements.  
May 23, 2018

Ilmārs Osmanis  
Chairman of the Board



**Interim consolidated statement of cash flow**

	<b>2018 Q1 EUR</b>	<b>2017 Q1 EUR</b>
<b>CASH FLOWS TO/ FROM OPERATING ACTIVITIES</b>		
Profit before tax	502 178	533 846
Adjustments for:		
Depreciation and amortization	458 403	378 748
Interest expense	41 434	57 620
Interest income	( 11 535)	( 23 419)
Increase/ (decrease) in allowances for slow-moving items and receivables	( 171)	( 5 118)
Income from grant recognition	( 42 394)	( 42 394)
Group's share of loss of an associate recognized in the statement of comprehensive income	50 159	14 690
Adjustments for:		
Decrease/ (increase) in inventories	( 251 898)	( 753 973)
Decrease/ (increase) in receivables	( 179 379)	( 41 369)
Increase in payables	( 177 521)	576 669
<b>Cash generated from operations, gross</b>	<b>389 276</b>	<b>695 300</b>
Interest paid	( 41 434)	( 57 620)
<b>Net cash flows to/ from operating activities</b>	<b>347 842</b>	<b>637 680</b>
<b>Cash flows to/ from Investing activities</b>		
Purchase of intangible assets and property, plant and equipment	( 183 229)	( 387 550)
Investments in and loans to other companies	( 377 215)	( 187 000)
<b>Net cash flows to/ from investing activities</b>	<b>( 560 444)</b>	<b>( 574 550)</b>
<b>Cash flows to/ from Financing activities</b>		
Loans received from credit institutions	5 558 129	-
Loans repaid to credit institutions	(4 502 178)	( 421 940)
Loans from lease companies	-	193 920
Loans repaid to lease companies	(1 025 884)	( 13 646)
<b>Net cash flows to/ from financing activities</b>	<b>30 067</b>	<b>( 241 666)</b>
<b>Change in cash and cash equivalents for the period</b>	<b>( 182 535)</b>	<b>( 178 536)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>259 185</b>	<b>381 891</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>76 650</b>	<b>203 355</b>

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

**Interim consolidated statement of changes in equity**

	Share capital	Share premium	Other reserves	Non-current asset revaluation reserve	Retained earnings/ (accumulated loss)	Total
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Balance as at 31 December 2016</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>313</b>	<b>1 335 097</b>	<b>(118 914)</b>	<b>5 481 456</b>
Profit for the reporting year	-	-	-	-	1 678 990	1 678 990
Other comprehensive income	-	-	-	686 344	-	686 344
Total comprehensive income	-	-	-	686 344	1 678 990	2 365 334
Depreciation of revalued items of property, plant and equipment	-	-	-	(78 315)	78 315	-
Deferred corporate income tax correction	-	-	-	342 905	(2)	342 903
Dividends paid	-	-	-	-	(54 881)	(54 881)
<b>Balance as at 31 December 2017</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>313</b>	<b>2 286 031</b>	<b>1 583 508</b>	<b>8 134 812</b>
Profit for the reporting year	-	-	-	-	502 178	502 178
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	502 178	502 178
Depreciation of revalued items of property, plant and equipment	-	-	-	(30 924)	30 924	-
Dividends paid	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>313</b>	<b>2 255 107</b>	<b>2 116 610</b>	<b>8 636 990</b>

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 2018 through 31 March 2018.

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 2017. The Group has evaluated new and amended IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2018. 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 authorization 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**

			Goods and services delivered to/ loans issued to related parties	Goods and services received from / loans received from related parties	Amounts owed by related parties (gross)	Amounts owed to related parties (gross)	
Related party	Type of services		EUR	EUR	EUR	EUR	
1. Associates							
SIA Zinātnes parks (AS HansaMatrix share 24%)	Loan, contribution in share capital	31.12.2017	159 000	-	845 700	-	
		31.03.2018	100 000	-	945 700	-	
SIA Lightspace Technologies (AS HansaMatrix share 47%)	Loan, contribution in share capital	31.12.2017	22 207	-	222 207	-	
		31.03.2018	277 215	-	499 422	-	
	Services, material supplies, sale of materials	31.12.2017	17 324	2 183	-	271	
		31.03.2018	-	-	-	-	
	TOTAL		31.12.2017	198 531	2 183	1 067 907	271
	TOTAL		31.03.2018	377 215	-	1 445 122	-
2. Entities with significant influence							
SIA MACRO RĪGA (shareholder)	Loan	31.12.2017	93 591	-	2 462 227	-	
		31.03.2018	11 535	-	2 473 763	-	
	Purchase of services, spare parts; sale of materials	31.12.2017	8 044	-	-	-	
		31.03.2018	-	-	-	-	
	TOTAL		31.12.2017	101 635	-	2 462 227	-
	TOTAL		31.03.2018	11 535	-	2 473 763	-
3. Other related companies							
	Services, material supplies, sale of materials	31.12.2017	8 185	51 780	7 698	4 055	
		31.03.2018	20 660	1 966	7 788	1 368	
	TOTAL		31.12.2017	8 185	51 780	7 698	4 055
	TOTAL		31.03.2018	20 660	1 966	7 788	1 368

**5. Dividends paid and proposed**

On April 26, 2018, HansaMatrix meeting of the shareholders approved year 2017 profit distribution and the payment of dividends in the amount of 0.08 EUR per share, totaling 146 350.48 EUR. Dividend payments will be made in two installments: 25 May 2018, the date of payment for the first tranche of dividends in amount of 73 175.24 EUR, and 15 November 2017, the date of payment for the second tranche of dividends in amount of 73 175.24 EUR.

**6. Events after the reporting period**

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

**7. Definitions of Alternative Performance Measures**

EBITDA: Operating profit + Depreciation and Amortization

EBITDA margin: EBITDA/ Net turnover