



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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE 6 MONTH PERIOD ENDED JUNE 30, 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 30, 2018	<b>SIA Macro Rīga (59.04%)</b> <b>Swedbank AS clients account (15.74%)</b> <b>KS FlyCap Investment F und I AIF (9.61%)</b> <b>IPAS CBL Asset Management (6.56%)</b>
Subsidiaries	<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>Diāna 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 – 30<sup>th</sup> June 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 Ventspils, 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
- Eurolcids, SIA - Member of the Board

#### Owned shares:

- directly: 0
- indirectly (through SIA, Macro Rīga): 898 065 shares

#### Participation in other companies:

- Macro Rīga, SIA (100%)
- Lightspace Technologies, SIA (3.6%)

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 employee share options: 600

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 898 065 shares.

Positions held in other companies:

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

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
- Vika Wood, SIA, Member of the Council
- BaltCap AIFP SIA, Chairman of the Board
- SOLVINA SIA, Member of the Board
- Latvian Capital Ventures SIA, Member of the 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
- PN Prject, 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 30, 2018 (end of the day):

Major shareholders (over 5%)	Owned shares	Ownership interest
SIA MACRO RĪGA	1 080 065	59.04 %
Swedbank AS clients account	288 017	15.74 %
KS FlyCap Investment Fund I AIF	175 738	9.61 %
IPAS CBL Asset Management	120 000	6.56 %
Other shareholders (under 5%)	165 561	9.09 %
<b>TOTAL:</b>	1 829 381	100.00 %

Note: On July 20, 2018 SIA BaltCap AIFP managed fund KS BaltCap Latvia Venture Capital Fund acquired 182 000 AS HansaMatrix (HMX1R) shares, obtaining 9.95% voting rights in the Company. As a result of the transaction the qualifying holding of SIA MACRO RIGA in AS HansaMatrix has decreased to 898 065 shares or 49.09%.



## 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.

The second quarter of 2018 introduced a new deficit phase of electronic component supply chain of typical 3.4 year cycle. The leading manufacturers of multi layer ceramic capacitors – MURATA, AVX and others started allocation period for most of its popular capacitor models. Within allocation period capacitor lead time have extended up to 52...56 weeks. As a secondary effect it started price rise process.

### Finance results brief summary

During the second quarter (Q2 further in document) of 2018 the Company reported turnover of 5.188 million EUR - increase by 7% in comparison to the same period of 2017. The 2018 Q2 sales results showed 12% sales volume decrease in comparison with previous quarter – 2018 Q1.

During first 6 months (“6m” or “H1” further in the document) of 2018 the Company reported sales volume increase by 19% compared to the same period of 2017 and reached 11.085 million EUR. 2018 H1 turnover was 7% larger compared with 2017 second half of year (“H2”).

During 2018 Q2 the Company reported strong quarterly EBITDA result of 0.974 million EUR and quarterly net profit result of 0.402 million EUR. The reported EBITDA result shows 25% increase in comparison with Q2 2017 but 7% decrease compared to previous quarter of 2018 Q1. The quarterly net profit results for 2018 Q2 demonstrate 62% increase in

comparison with Q2 2017 but 19% decrease compared to previous – Q1 2018. Results represent quarterly EBITDA margin of 18.8% and net profit margin of 7.7%.

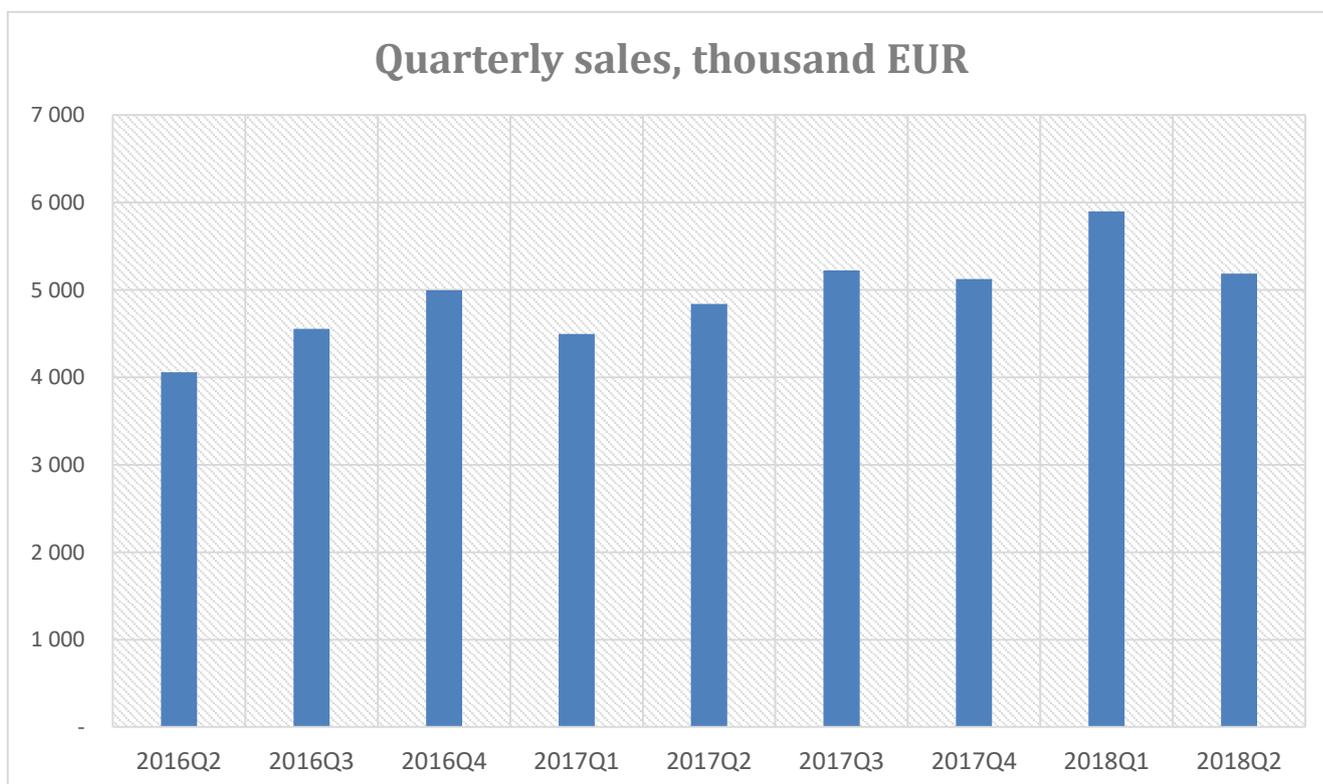
During first 6 months of 2018 (“H1”) the Company reported high half year EBITDA result of 2.025 million EUR and high half year net profit result of 0.904 million EUR. The reported EBITDA result shows 16% increase in comparison with 2017 H1 and 4% increase from previous 6 month period of 2017 H2. The 6 month net profit results for 2018 H1 demonstrate 37% increase in comparison with 2017 H1 and 5% increase from previous – 2017 H2. Results represent 6 month EBITDA margin of 19.6% and 6 month net profit margin of 8.7%.

2018 1H results and the achieved y-o-y growth level are in line with expectations and reflect the firm commitment of the Company to execute its growth strategy. Lower 2018 Q2 sales in comparison with 2018 Q1 sales are explained by the unusually hot summer and holiday season in May and June and to some extent by the particular electronic component deficit in the global market. EBITDA and net profit margins in Q2 2018 and 1H 2018 remain strong, influenced by the manufactured product mix with higher added value.

TTM - 12 month period sales (period starting at July 1, 2017 and ending with June 30, 2018) at 2018 Q2 reported to be 21.434 million EUR, showing increase of 2% in comparison with TTM period ended at 2018 Q1. EBITDA result for the TTM 12 month period reported to be 3.963 million EUR, increase by 5% in comparison with 12 month period ended at 2018 Q1. Net profit for TTM period reported 1.771 million EUR, 10% up if compared with 12 month period ended at 2018 Q1. Averaged EBITDA margin for TTM period is reported to be 18.5% and net profit margin for the same period is reported to be 8.3%.

### Quarterly sales results for 2018 Q2

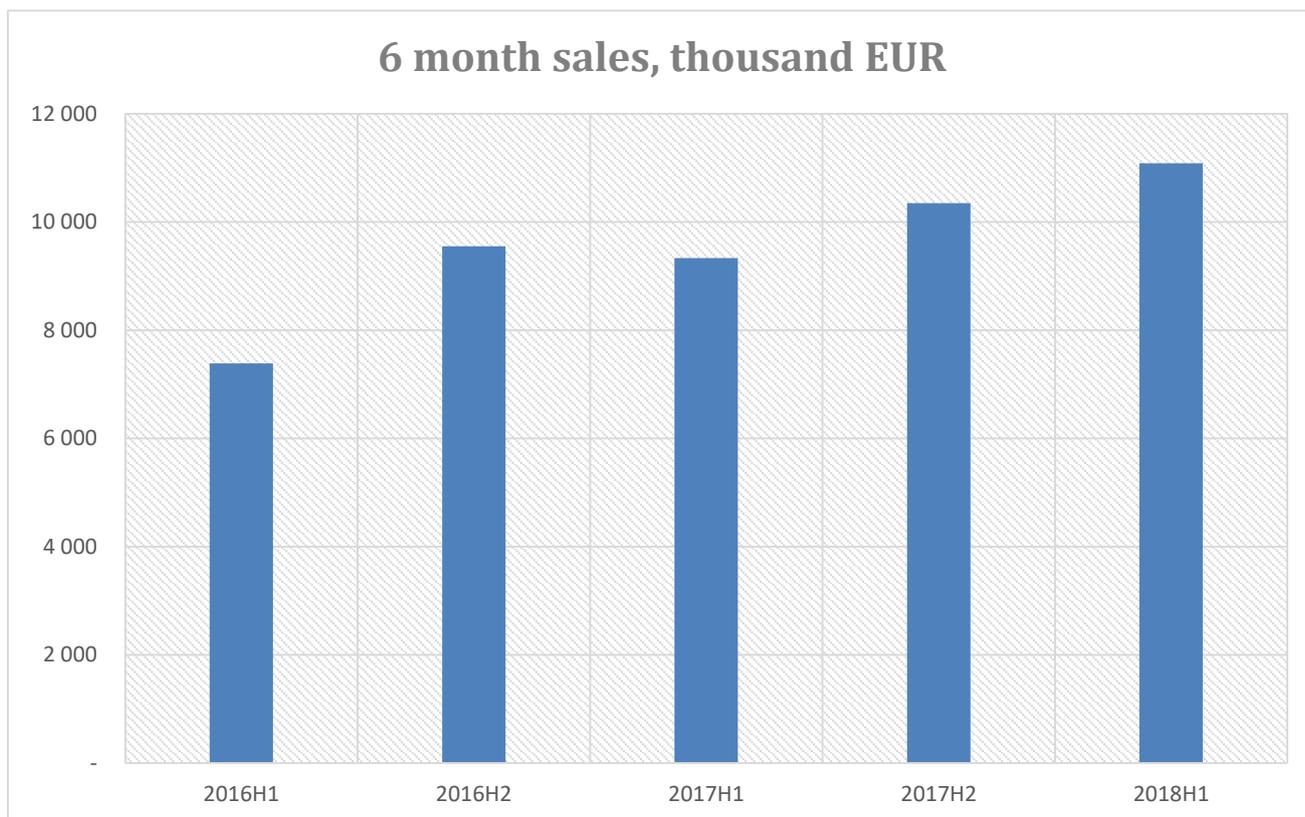
During Q2 of 2018 the Company reported turnover of 5.188 million EUR - increase by 7% in comparison to the same period of 2017. The 2018 Q2 sales results showed 12% sales volume decrease in comparison with previous quarter – 2018 Q1, explained by the unusually hot summer and holiday season in May and June and to some extent by the particular electronic component deficit in the global market.



### 2018 6 month sales results

During first 6 months (“6m” or “H1” further in the document) of 2018 the Company reported sales volume increase by 19% compared to the same period of 2017 and reached 11.085 million EUR. 2018 H1 turnover was 7% larger compared with

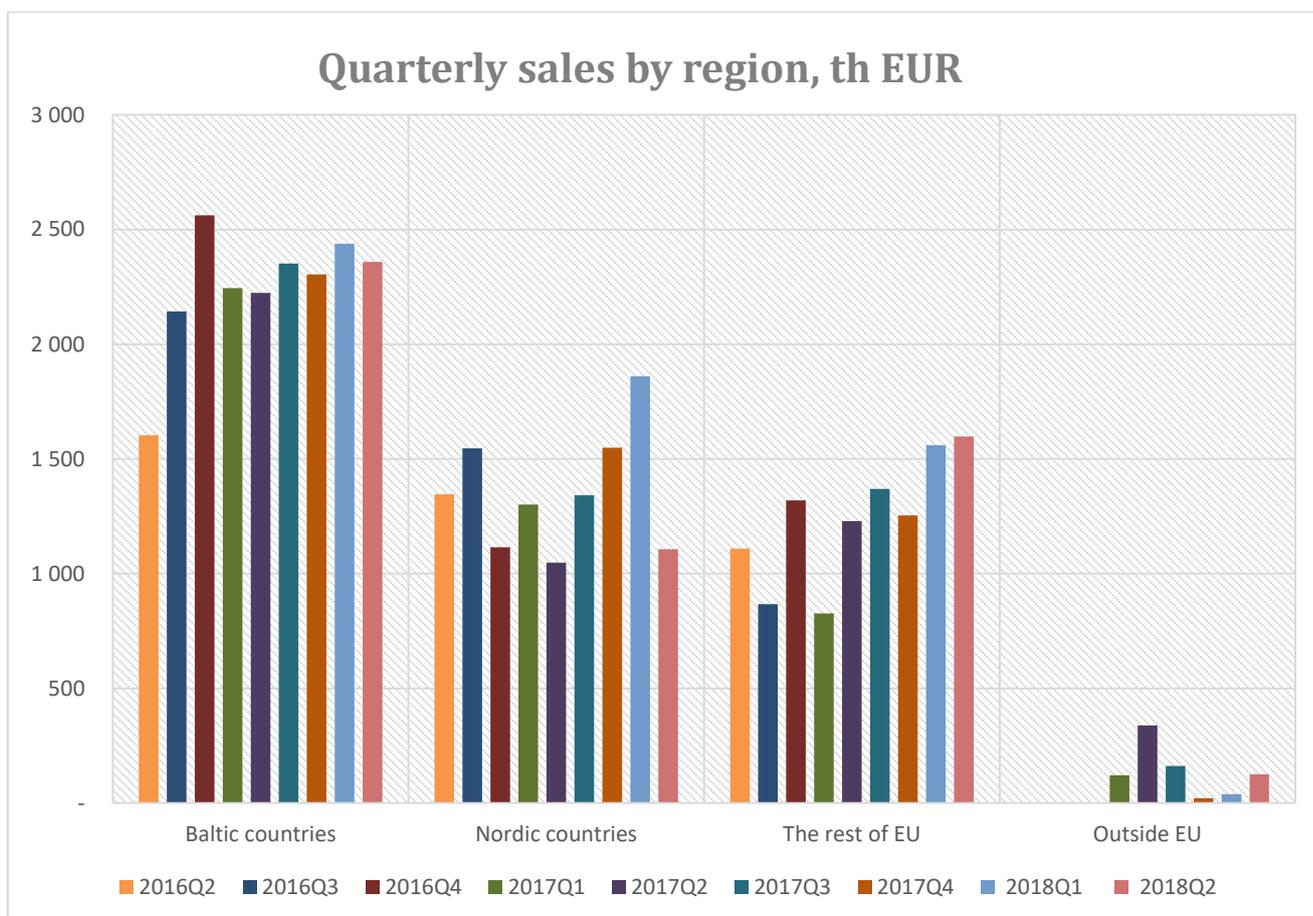
2017 second half of year (“H2”). 2018 1H results and the achieved y-o-y growth level are in line with expectations and reflect the firm commitment of the Company to execute its growth strategy.



### Quarterly sales by market region results for 2018 Q2

During 2018 Q2 Baltic states continue to be the largest market region with 45% share of turnover. Nordic and other EU sales reported as 21% and 31% of total sales. HansaMatrix during 2018 Q2 continued to deliver small amounts to customer locations outside EU. This market share in 2018 Q2 amounts to 2% of the total sales volume.

Sales dynamics of regions – Baltic sales was 6% up from 2017 Q2 and 3% down from 2018 Q1; Nordic sales was also 6% up from 2017 Q2, but 41% down in comparison with 2017 Q4, explained by the customer order flow that can exhibit quarterly fluctuations. Other EU region sales reported substantial 30% increase from 2017 Q2 and 2% increase from 2018 Q1. Outside EU deliveries decreased by 63% from 2017 Q2 and increased by 222% from 2018 Q1.



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

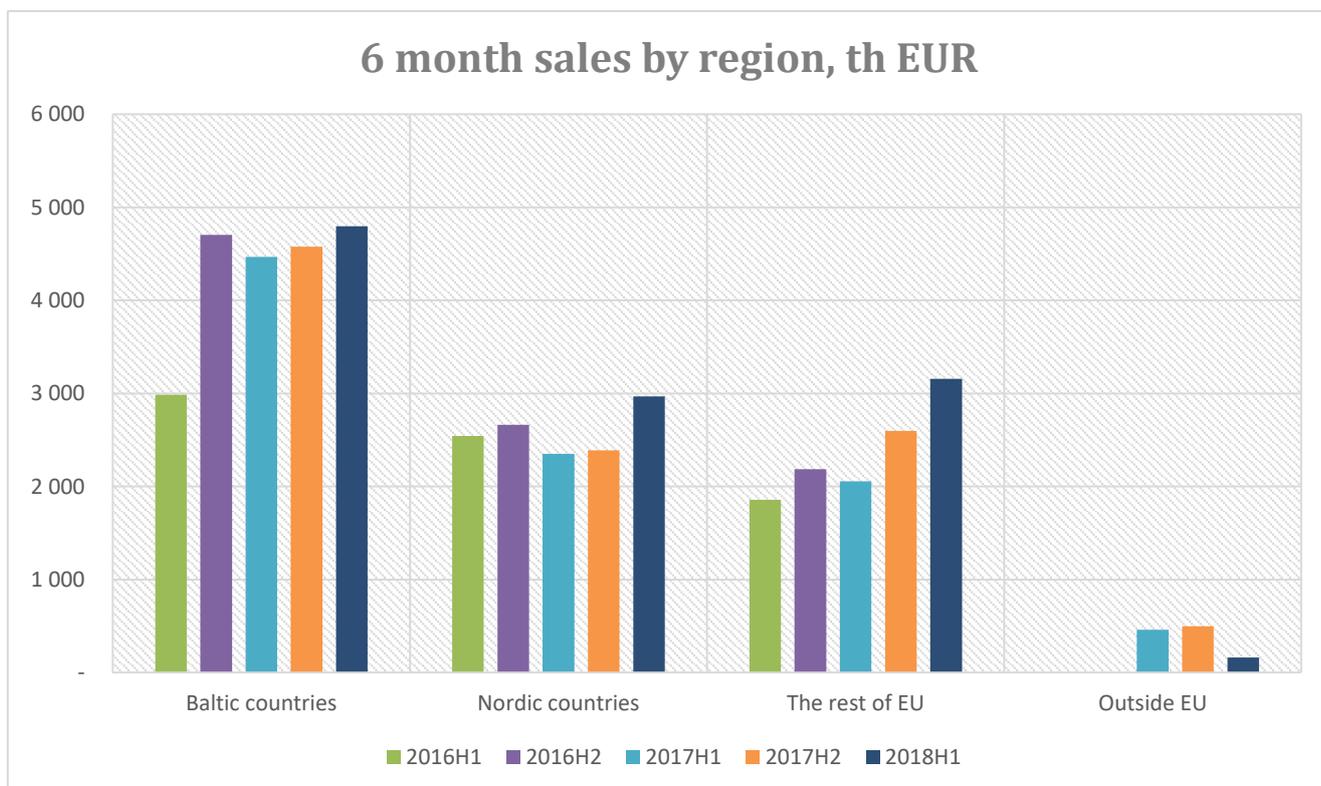
Sales, thEUR	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Baltic countries	1 382	1 603	2 143	2 562	2 244	2 224
Nordic countries	1 200	1 345	1 546	1 115	1 302	1 048
The rest of EU	748	1 109	867	1 319	827	1 229
Outside EU	-	-	-	-	121	339
<b>Total</b>	<b>3 330</b>	<b>4 057</b>	<b>4 557</b>	<b>4 996</b>	<b>4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

2017Q3	2017Q4	2018Q1	2018Q2
2 351	2 305	2 438	2 359
1 341	1 548	1 861	1 106
1 370	1 253	1 560	1 597
161	20	39	124
<b>5 222</b>	<b>5 126</b>	<b>5 898</b>	<b>5 188</b>

### 2018 6 month sales by region results

During 2018 H1 main sales drivers continue to be Baltic customers with 43% market share of sales. Nordic and other EU sales reported as 27% and 28% of total sales. Product deliveries to customer locations outside EU amounted to 1% of total sales in 2018 H1.

Sales dynamics of regions – Baltic sales was 7% up from 2017 H1 and 5% up from 2017 H2; Nordic sales was 26% up from 2017 H1 and 24% up in comparison with 2017 H2. Other EU sales was reported with 54% growth from 2017 H1 and 22% up from 2017 H2.

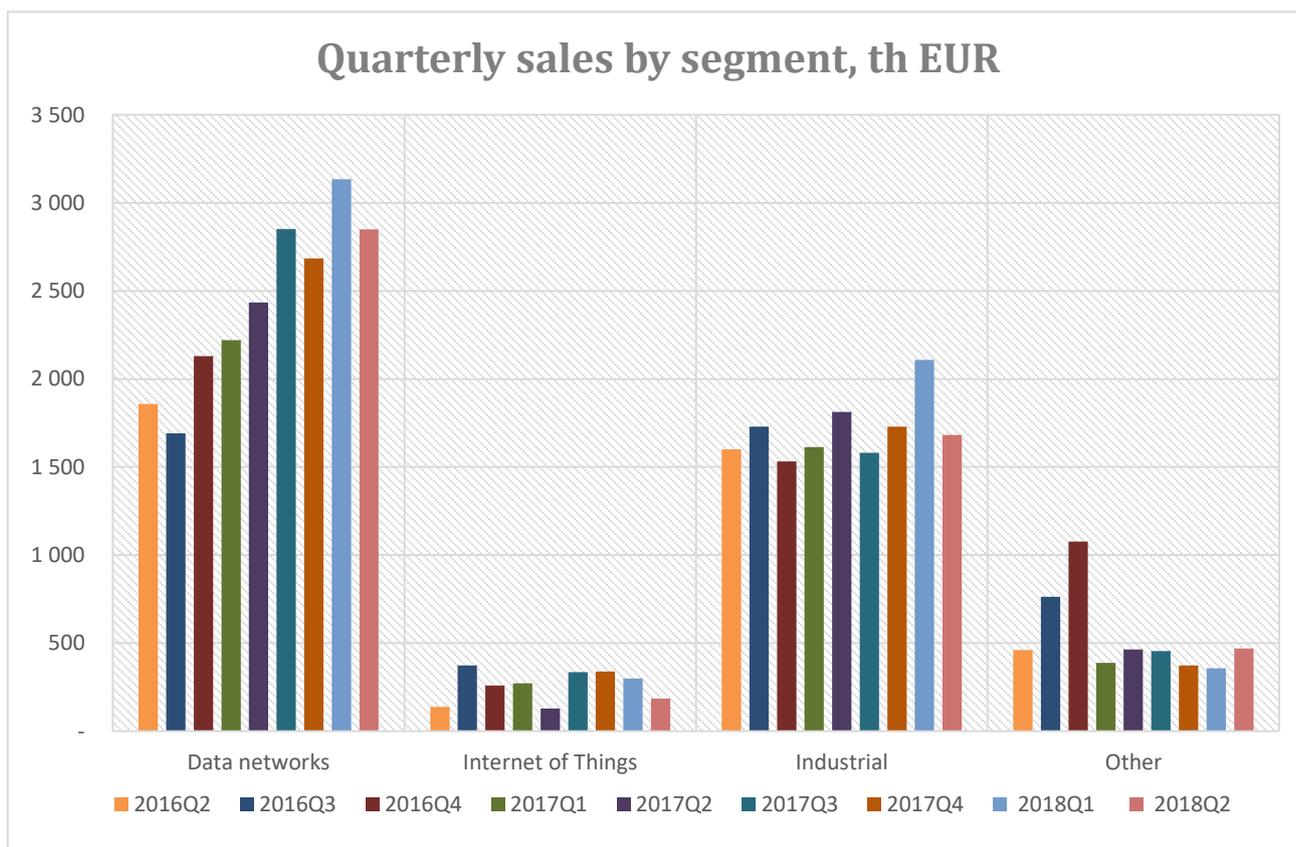


### Quarterly sales by market segment results for 2018 Q2

During 2018 Q2 data network product sales remained dominating sales driver with 54% and industrial products followed with 32% sales market share. Internet-of-things sales amounted to 4% and other products reported with 9% share.

2019 Q2 data network product sales show increase by 17%; industrial segment product sales – decrease by 7%; internet-of-things – increase by 43% and other product segment – increase by 1% in comparison with 2017 Q2. Comparison with sales results with previous - 2018 Q1 demonstrates 9% decrease in data networks; 20% decrease in industrial segment; decrease of 38% in Internet of things products and 32% increase in other product segment.

Data networks continues strong y-o-y growth. Industrial segment quarterly fluctuations are explained by the customer order flow that can exhibit quarterly fluctuations, but do not represent a longer period trend. Internet of things product segment has large future potential, however currently a significant number of projects in this segment globally are still in start-up phase.



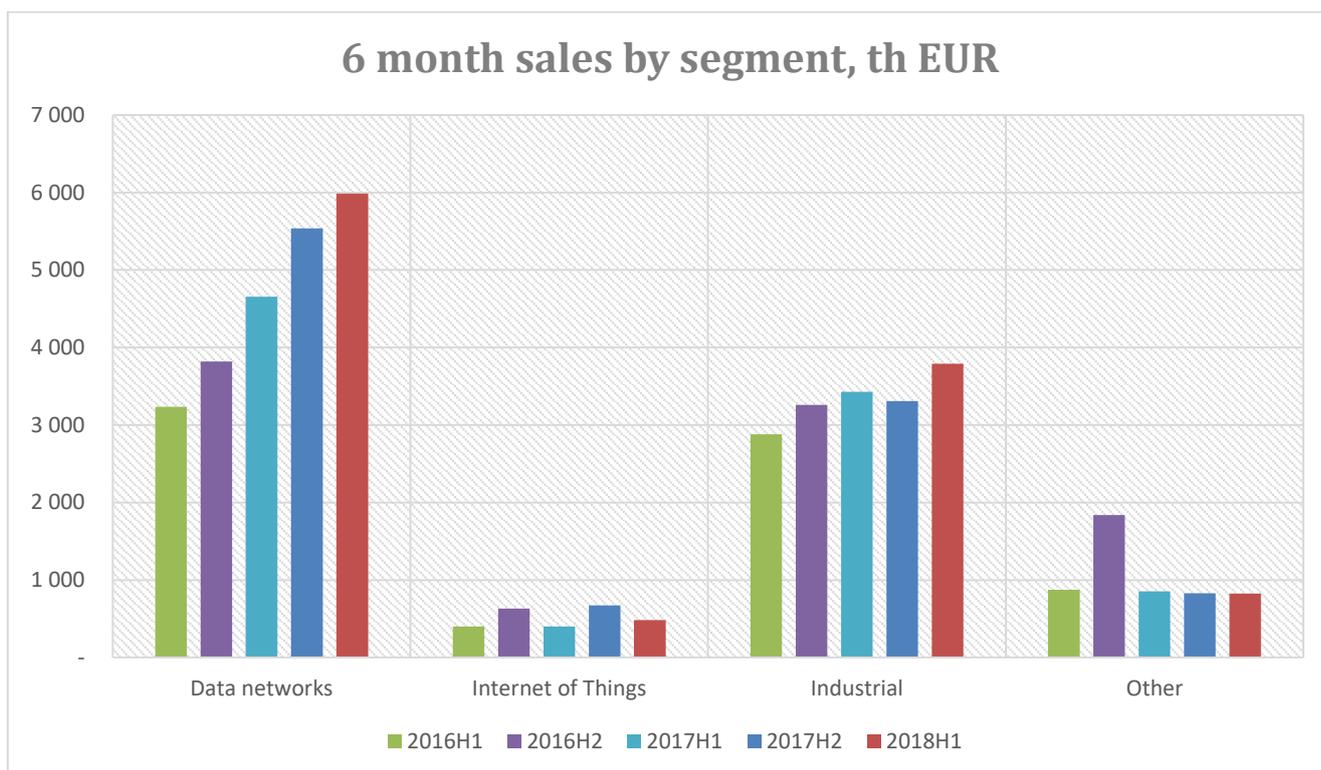
### Data table - quarterly sales by market segment results for 2018 Q2

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
<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	2018Q2
2 852	2 685	3 134	2 851
336	338	299	185
1 581	1 730	2 108	1 683
454	373	357	470
<b>5 222</b>	<b>5 126</b>	<b>5 898</b>	<b>5 188</b>

### 2018 6 month sales by market segment results

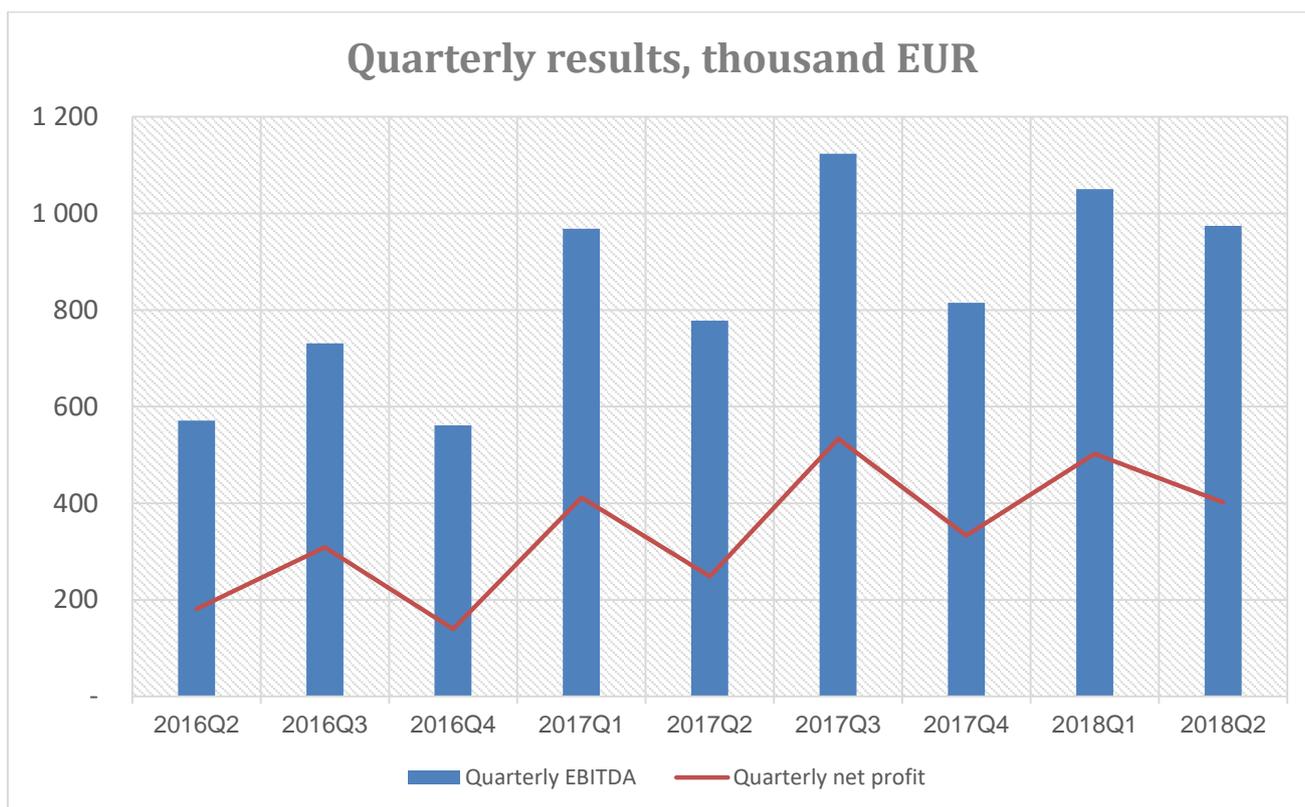
During 2018 H1 main sales contributors continue to be data network products with 54% sales share, followed by industrial product sales with 34% share in turnover. Internet of things product share in sales was 4% and other product share –7%. Sales dynamics of market segments – data network sales was 29% up from 2017 H1 and 8% up from 2017 H2; industrial product sales was 11% up from 2017 H1 and 14% up in comparison with 2017 H2. Internet of things product sales were 21% up from 2017 H1 and 28% down from 2017 H2, other product sales reported 3% decrease from 2017 H1 and stayed at the same level as in 2017 H2.



### Quarterly EBITDA and net profit results in 2018 Q2

During 2018 Q2 the Company reported strong quarterly EBITDA result of 0.974 million EUR and quarterly net profit result of 0.402 million EUR. The reported EBITDA result show 25% increase in comparison with Q2 2017 and 7% decrease compared to the previous quarter - 2018 Q1. The quarterly net profit results for 2018 Q2 demonstrate 62% increase in comparison with Q2 2017 and 19% decrease compared to previous quarter – Q1 2018. Results represent quarterly EBITDA margin of 18.8% and net profit margin of 7.7%.

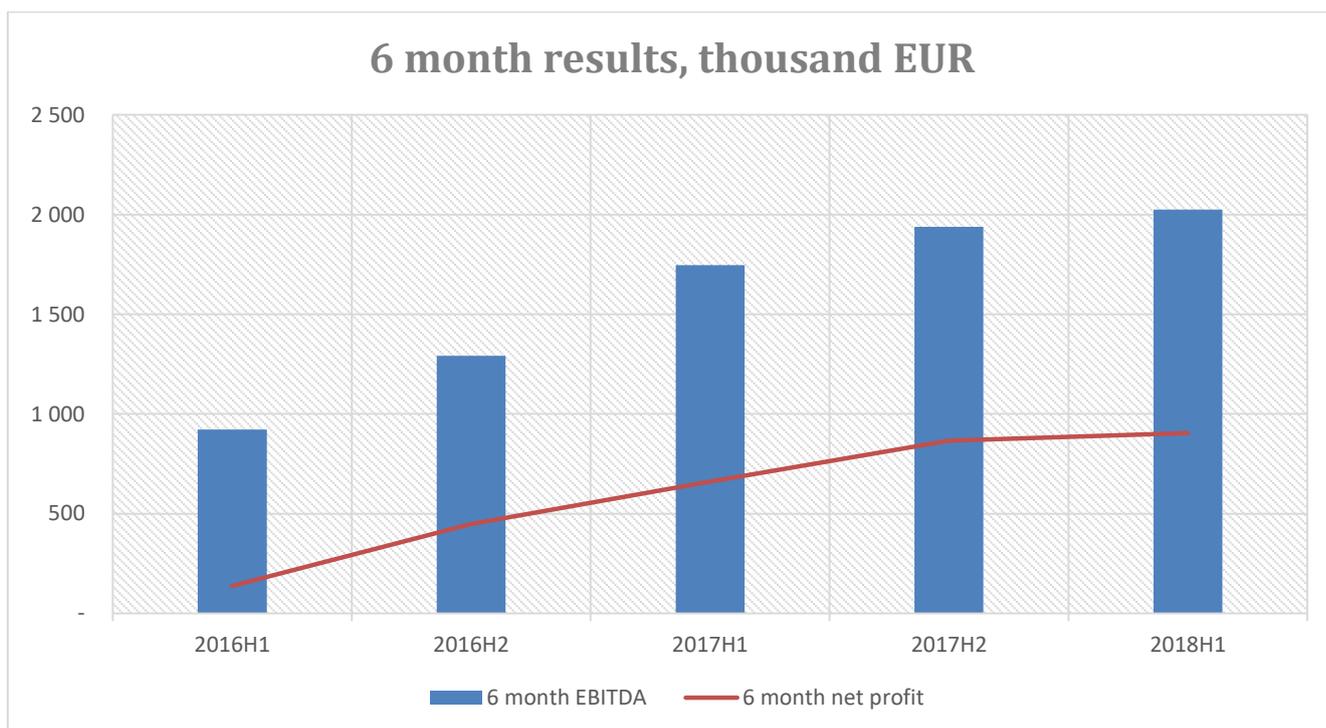
Lower 2018 Q2 sales in comparison with 2018 Q1 sales is explained by the unusually hot summer and holiday season in May and June and to some extent by the particular electronic component deficit in the global market. EBITDA and net profit margins in Q1 2018 remain strong, influenced by the manufactured product mix with higher added value.



### 2018 6 month EBITDA and net profit results

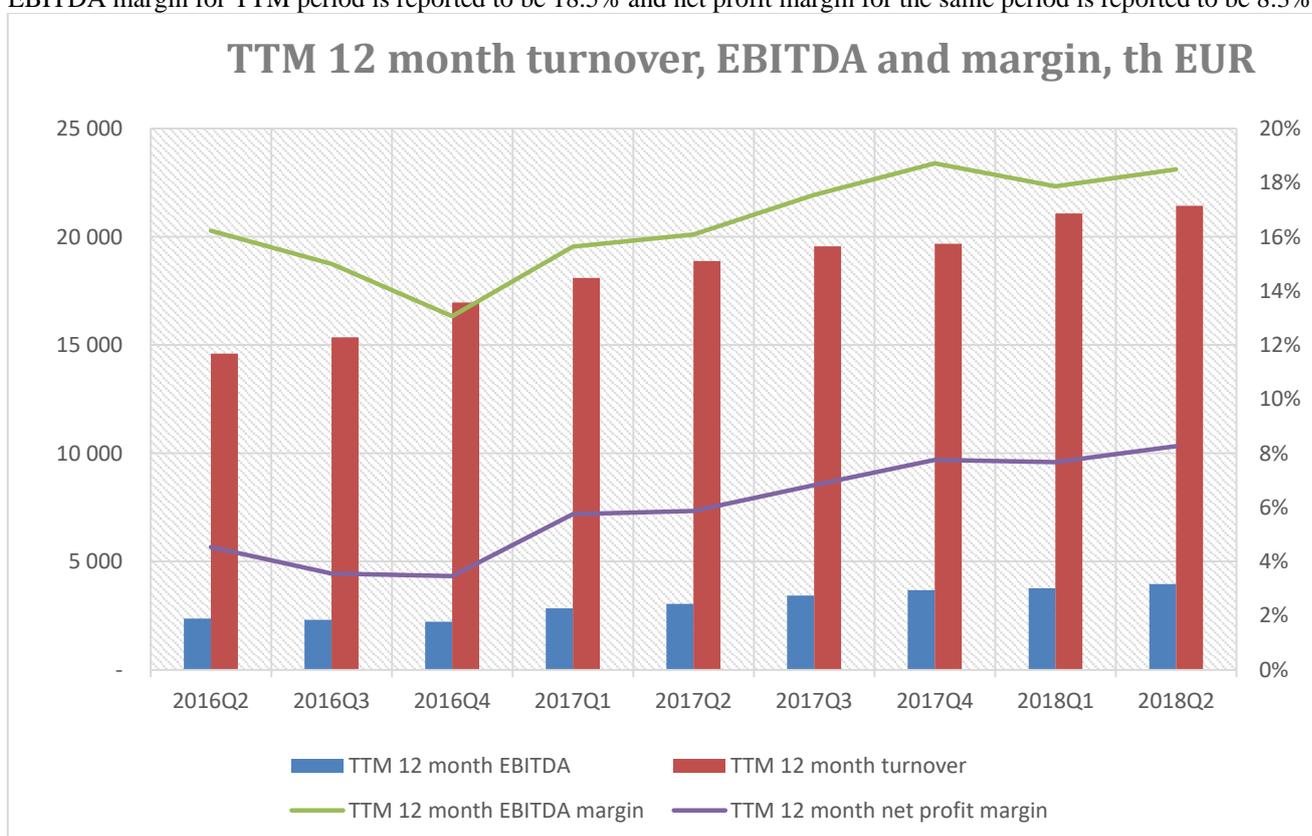
During first 6 months of 2018 (“H1”) the Company reported high half year EBITDA result of 2.025 million EUR and high half year net profit result of 0.904 million EUR. The reported EBITDA result shows 16% increase in comparison with 2017 H1 and 4% increase from previous 6 month period of 2017 H2. The 6 month net profit results for 2018 H1 demonstrate 37% increase in comparison with 2017 H1 and 4% increase from previous – 2017 H2. Results represent 6 month EBITDA margin of 19.6% and 6 month net profit margin of 8.7%.

Increasing levels of 6 month result margins to large extent can be explained by the increased market demand for higher margin products that have been manufactured and sold during 2018 Q1 and Q2 as well as increased utilization of recently invested new production capacities in production fulfilment.



### TTM (trailing twelve months) turnover, EBITDA and margin results in 2018 Q2

TTM - 12 month period sales (period starting at July 1, 2017 and ending with June 30, 2018) at 2018 Q2 reported to be 21.434 million EUR, increase of 2% in comparison with TTM period ended at 2018 Q1. EBITDA result for the TTM 12 month period reported to be 3.963 million EUR, increase by 5% in comparison with 12 month period ended at 2018 Q1. Net profit for TTM period reported 1.771 million EUR, 9% up if compared with 12 month period ended at 2018 Q1. Averaged EBITDA margin for TTM period is reported to be 18.5% and net profit margin for the same period is reported to be 8.3%.



**Summary of financial indicators for Q2 and 6 months of 2018**

The comparison of financial indicators for the periods of 2018 Q2 and 2018 6m is summarized below:

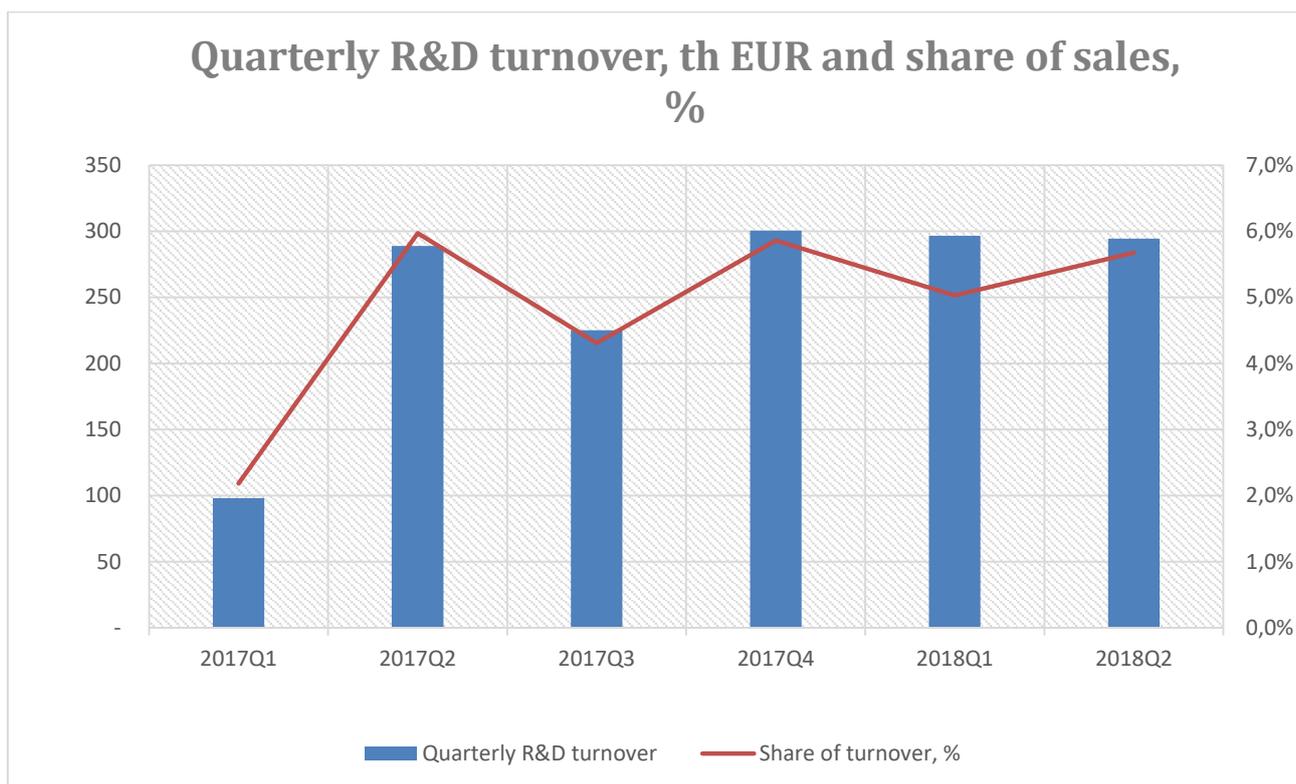
Financial indicators for period	2018Q2	2017Q2	% to previous period
Sales, thousand EUR	5 188	4 839	7%
EBITDA, thousand EUR	974	778	25%
Net profit, thousand EUR	402	249	62%
EBITDA margin	18,8%	16,1%	
Net profit margin	7,7%	5,1%	
EPS, EUR	0,22	0,14	

Financial indicators for period	2018 6m	2017 6m	% to previous period
Sales, thousand EUR	11 085	9 335	19%
EBITDA, thousand EUR	2 025	1 746	16%
Net profit, thousand EUR	904	661	37%
EBITDA margin	18,3%	18,7%	
Net profit margin	8,2%	7,1%	
EPS, EUR	0,49	0,36	

**Research and development**

In 2018 Q2, the Company, jointly with SIA Lightspace Technologies, has finished 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, expected to be received in 2018 Q3.

2018 Q2 R&D turnover increased by 2% compared with 2017 Q2 R&D turnover and remained at the level of the respective quarterly turnover of Q1 2018 (slight decrease of 1%), and is accounting for 5.7% share of Company's consolidated sales in 2018 Q2. R&D grant income has not been included in reported R&D sales figures.



### Data table - quarterly R&D turnover for 2018 Q2

Quarterly R&D turnover, thEUR	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2
Quarterly R&D turnover	98	289	225	300	297	294

### Investment activities

During 2018 Q2 HansaMatrix made 607 919 EUR investments and during 2018 1H 791 148 EUR investment in production capacity increase, research instruments, test systems and development of new products.

In the reporting period on May 18, 2018, SIA Campus Pārogre signed new 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 to additionally secure this leasing facility.

In the reporting period on June 29, 2018, SIA HansaMatrix Ventspils signed new industrial leasing agreement with SIA SEB lizings in amount of 61 411.08 EUR to finance the purchase of technological equipment to increase the printed circuit board component surface mount capacity in Ventspils production facility. HansaMatrix and SIA SEB lizings signed guarantee agreement to additionally secure this leasing facility.

### Investment activities in associated companies

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).

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.

In Q2 of 2018, HansaMatrix made investments into SIA Lightspace Technologies in the amount of 226 044 EUR (212,520 EUR partial paying up of earlier subscribed share capital and 13,524 EUR convertible loan). In 1H of 2018 the aggregate HansaMatrix investments into SIA Lightspace Technologies amounted to 503,259 EUR (212,520 EUR partial paying up of earlier subscribed share capital and 290,739 EUR convertible loan). At the end of the reporting period, the total HansaMatrix investment in the form of the convertible loan in SIA Lightspace Technologies amounted to 512,946 EUR.

In Q2 2018 SIA Lightspace Technologies paid up earlier subscribed share capital of SIA EUROLCDs in amount of 198,800 EUR. In H1 2018 the aggregate SIA Lightspace Technologies investments into SIA EUROLCDs amounted to 450,800 EUR (355,600 EUR partial paying up of earlier subscribed share capital and 95,200 EUR convertible loan). At the end of the reporting period, the total SIA Lightspace Technologies investment in the form of the convertible loan in SIA EUROLCDs amounted to 180,200 EUR.

During Q2 2018 HansaMatrix has provided additional 81 000 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. In 1H of 2018 the aggregate convertible loan issued to SIA Zinātnes parks amounted to 181,000 EUR. At the end of the reporting period, the total HansaMatrix investment in the form of the convertible loan in SIA Zinātnes parks amounted to 1,026,700 EUR.

## Business development overview of associated company - LightSpace Technologies

LightSpace is a Deep Tech product development company, the world leader in developing optically deep volumetric 3D image display technology with main uses in medicine, scientific visualization, defense 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.

LightSpace Technologies controls and owns majority of EUROLCDs, SIA shares (76%).

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 and Q2 2018 LightSpace has participated and organized multiple marketing events. 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.

During March 2018 LightSpace took part in European road show visiting two key industrial players in Europe – Philips Healthcare - in Medical industry; and Barco – in professional display industry. During meetings further business activities were discussed.



In April 2018 LightSpace took place in SPIE DCS 2018 expo in Orlando, FL, USA.

Several business enquiries were received during the shows and after them. Positive feedback was received from several experts. LightSpace has shipped several design kits to major car manufacturers and Tokyo University.

### LightSpace Technologies SIA profit loss statement, EUR

	6m 2018 EUR	2017 EUR
Net turnover	99 230	130 424
Cost of sales	( 190 960)	( 172 211)
<b>Gross profit / (loss)</b>	<b>( 91 730)</b>	<b>( 41 787)</b>
Distribution costs	( 65 937)	( 184 453)
Administrative expense	( 31 506)	( 48 097)
Other operating income	9 000	19 876
Other operating expense	( 2 517)	( 1 857)
<b>Operating profit</b>	<b>( 182 690)</b>	<b>( 256 318)</b>
Loss from investments in related company	( 56 485)	-
<b>Profit / (loss) before tax</b>	<b>( 239 175)</b>	<b>( 256 318)</b>
Corporate income tax	( 327)	( 334)
<b>Net profit / (loss) for the period</b>	<b>( 239 502)</b>	<b>( 256 652)</b>

**LightSpace Technologies SIA balance sheet, EUR**

ASSETS	30.06.2018.	31.12.2017.
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
Property, plant, equipment and other intangible asstes	1 562 674	1 664 657
Non-current financial assets	1 659 463	85 000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3 222 137</b>	<b>1 749 657</b>
<b>CURRENT ASSETS</b>		
Inventory	556 042	64 966
Receivables	99 294	46 656
Cash and cash equivalents	12 961	1 861
<b>TOTAL CURRENT ASSETS</b>	<b>668 297</b>	<b>113 483</b>
<b>TOTAL ASSETS</b>	<b>3 890 434</b>	<b>1 863 140</b>
<b>EQUITY AND LIABILITIES</b>		
	30.06.2018.	31.12.2017.
	EUR	EUR
<b>EQUITY</b>		
Share capital	13 871	6 685
Share premium	3 526 942	1 870 480
Other reserves	256 234	222 207
Retained earnings/ (accumulated deficit)	(806 161)	(566 660)
<b>TOTAL EQUITY</b>	<b>2 990 886</b>	<b>1 532 712</b>
<b>LIABILITIES</b>		
Current liabilities	899 548	330 428
<b>TOTAL LIABILITIES</b>	<b>899 548</b>	<b>330 428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 890 434</b>	<b>1 863 140</b>

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

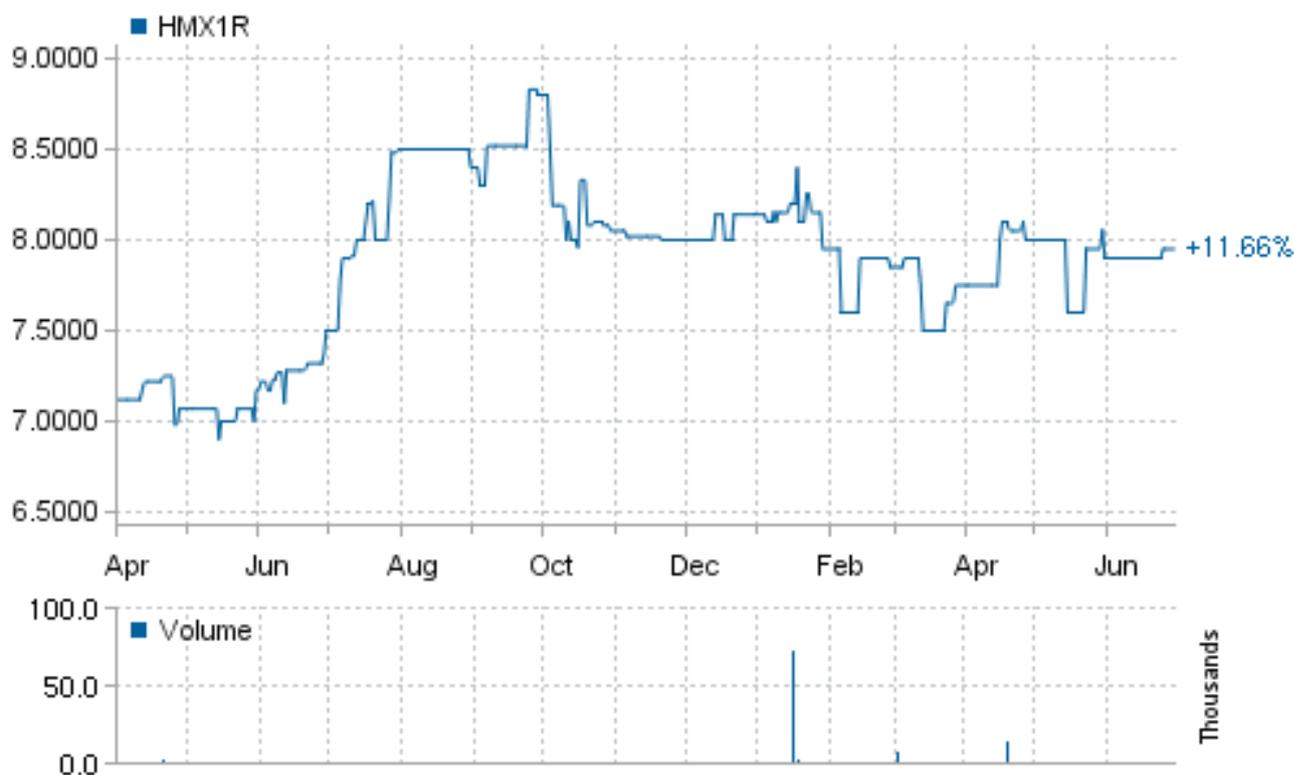
During 2018 H1 SIA Zinātnes Parks has invested 47.5 thousand EUR (all amount in Q1 2018) in construction technical project development. As at the end of the reporting period, the total investment in development of the hi-tech industrial park RIX Hi Tech City amounts to 1.64 million EUR.

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

## Shares and stock market

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

In the period of Trailing Twelve Months (TTM) ending on June 30, 2018, HansaMatrix (HMX1R) share price increased by 6%. During 2018 Q2 HansaMatrix (HMX1R) share price increased by 11.6% - see the included stock price movement chart for the period from April 1, 2018 to June 30, 2018.



## Security trading history

Price	2016	2017	2018 (01.01.2018.-30.06.2018.)
Open	6.95	7.95	8.14
High	8.15	8.83	8.5
Low	6.95	6.9	7.4
Last	7.95	8.14	8
Traded volume	19,574	72,941	98,412
Turnover, million	0.15 EUR	0.51 EUR	0.67 EUR
Capitalisation, million	14.54 EUR	14.89 EUR	14.64 EUR

## Other significant events in the reporting period

On June 19, 2018 HansaMatrix increased SIA HansaMatrix Innovation share capital by issuing new 2800 shares with nominal value 100 EUR each. SIA HansaMatrix Innovation share capital after the increase consists of 3000 shares with nominal value 100 EUR each, 100% owned by HansaMatrix and with total value 300,000 EUR.

On June 21, 2018 HansaMatrix signed subscription agreement with SIA AIFP Buildit Latvia, committed to invest 150,000 EUR and will become 6.67% shareholder in KS Buildit Latvia Seed Fund AIF, AS Development Finance Institution Altum co-operational acceleration fund, managed by SIA AIFP Buildit Latvia. KS Buildit Latvia Seed Fund AIF plans to provide up to 250 thousand EUR per company seed stage investments to start-ups from any country, with particular focus on Internet of Things (IoT) and hardware segments. Participation in the aforementioned fund is in line with HansaMatrix strategy, promoting knowledge sharing and bringing potential synergies of cooperation with start-ups.

On June 29, 2018 HansaMatrix group has signed agreements with SIA Swedbank Līzings to prolong the maturity for one year of the existing factoring financing limits in the aggregate amount of 2,760,000 EUR to be used for working capital financing, including export transactions.

### Significant events after end of reporting period

On July 11, 2018 AS HansaMatrix increased the existing overdraft facility by 400,000 EUR (from 600,000 EUR to 1,000,000 EUR) to further facilitate the working capital needs of the Company growing business volumes.

On July 18, 2018 AS HansaMatrix signed unsecured Supply Chain Factoring agreement with SIA SEB lizings in amount of 300,000 EUR to optimize cash flow related to working capital and to improve cooperation with suppliers, providing them with additional options to finance their receivables.

On July 20, 2018 SIA BaltCap AIFP managed fund KS BaltCap Latvia Venture Capital Fund acquired 182 000 AS HansaMatrix (HMX1R) shares, obtaining 9.95% voting rights in the Company. As a result of the transaction the qualifying holding of SIA MACRO RIGA in AS HansaMatrix has decreased to 898 065 shares or 49.09%.

On July 28, 2018 SIA MACRO RIGA acquired 1620 or 11.68% SIA Lightspace Technologies shares from SIA BaltCap AIFP managed fund KS BaltCap Latvia Venture Capital Fund. After the transaction, the distribution of the share capital of SIA Lightspace Technologies for the shareholders of the Company is the following: 39.99% shares owned by AS HansaMatrix, 32.40% - by KS BaltCap Latvia Venture Capital Fund, 11.68% - by SIA MACRO RIGA, 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.

On August 1, 2018, AS HansaMatrix signed new industrial leasing agreement with SIA SEB lizings in amount of 168,592.28 EUR to finance the purchase of technological equipment to increase the precision metal parts production capacity in Riga production facility.

On August 20, 2018, a fire broke out in one of AS HansaMatrix client's warehouses and is expected to have negative impact on HansaMatrix data networks segment sales in 2018 Q3 and Q4 due to supply chain delivery times of additional new components, but is not expected to impact the segment sales volume in the longer term. At the moment it is not possible to estimate the exact impact of the aforementioned fire accident on turnover and results. HansaMatrix assets were not damaged in the accident.

August 22, 2018



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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 June 30, 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.

August 22, 2018



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Ilmārs Osmanis  
Chairman of the Board



## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Interim consolidated statement of comprehensive income

	2018 Q2 EUR	2017 Q2 EUR	2018 6m EUR	2017 6m EUR
Net turnover	5 187 550	4 839 398	11 085 055	9 334 562
Cost of sales	(4 256 451)	(4 027 658)	(9 004 176)	(7 649 434)
<b>Gross profit</b>	<b>931 099</b>	<b>811 740</b>	<b>2 080 879</b>	<b>1 685 128</b>
Distribution costs	(160 057)	(142 343)	(353 197)	(275 441)
Administrative expense	(488 248)	(404 234)	(936 118)	(743 087)
Other operating income	279 372	127 050	362 251	329 572
Other operating expense	(52 572)	(11 368)	(52 473)	(25 746)
<b>Operating profit</b>	<b>509 594</b>	<b>380 845</b>	<b>1 101 342</b>	<b>970 426</b>
Loss from investments in associates	(70 452)	(36 200)	(120 611)	(50 890)
Financial income	11 664	22 742	23 199	46 161
Financial expense	(46 844)	(72 176)	(97 790)	(136 640)
<b>Profit before tax</b>	<b>403 962</b>	<b>295 211</b>	<b>906 140</b>	<b>829 057</b>
Corporate income tax	(1 578)	(52 094)	(1 578)	(96 690)
Deferred corporate income tax	-	5 609	-	(71 644)
<b>Net profit for the reporting period</b>	<b>402 384</b>	<b>248 726</b>	<b>904 562</b>	<b>660 723</b>
<b>Other comprehensive income for the reporting period after tax</b>	-	-	-	-
<b>Total comprehensive income for the reporting period after tax</b>	<b>402 384</b>	<b>248 726</b>	<b>904 562</b>	<b>660 723</b>
Profit and comprehensive income attributable to:				
Equity holders of the Parent Company	402 384	248 726	904 562	660 723
Non-controlling interests	-	-	-	-
	<b>402 384</b>	<b>248 726</b>	<b>904 562</b>	<b>660 723</b>

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

August 22, 2018

Ilmārs Osmanijs  
Chairman of the Board

**Interim consolidated statement of financial position**

ASSETS	30.06.2018	31.12.2017
NON-CURRENT ASSETS	EUR	EUR
<b>Intangible assets</b>		
ODM assets	18 182	21 002
Other intangible assets	189 740	190 502
<b>Total intangible assets</b>	<b>207 922</b>	<b>211 504</b>
<b>Property, plant and equipment</b>		
Land and buildings	3 656 953	3 753 000
Equipment and machinery	4 487 424	4 603 940
Other fixtures and fittings, tools and equipment	662 099	604 064
Leasehold improvements	27 697	37 856
Construction in progress	250 660	214 460
<b>Total property, plant and equipment</b>	<b>9 084 833</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	17 417	662 818
Other investment loans	2 226 632	1 017 583
Loans to shareholders	1 935 426	1 912 227
Other non-current receivables	-	52 956
<b>Total non-current financial assets</b>	<b>5 186 396</b>	<b>4 652 505</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>14 479 151</b>	<b>14 077 329</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials and consumables	2 151 503	1 848 213
Finished products	27 732	-
Work in progress	1 238 783	835 349
<b>Total inventories</b>	<b>3 418 018</b>	<b>2 683 562</b>
<b>Receivables and prepayments</b>		
Trade receivables and receivables from related companies	1 426 451	911 892
Prepayments for goods	85 422	41 828
Loans to shareholders	550 000	550 000
Prepaid expense	76 138	42 125
Corporate income tax	-	1 000
Other receivables	274 030	95 216
<b>Total receivables and prepayments</b>	<b>2 412 041</b>	<b>1 642 061</b>
<b>Cash and cash equivalents*</b>	<b>43 217</b>	<b>259 185</b>
<b>TOTAL CURRENT ASSETS</b>	<b>5 873 276</b>	<b>4 584 808</b>
<b>TOTAL ASSETS</b>	<b>20 352 427</b>	<b>18 662 137</b>
*Available unused credit line	5 388	EUR
*Available unused factoring limit	1 256 313	EUR

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

August 22, 2018

Ilmārs Osmanis  
Chairman of the Board

**Interim consolidated statement of financial position**

<b>PASĪVS</b>	<b>30.06.2018</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	2 224 184	2 286 031
Retained earnings/ (accumulated loss):		
a) brought forward	1 499 005	(95 482)
b) for the period	904 562	1 678 990
<b>TOTAL EQUITY</b>	<b>8 893 024</b>	<b>8 134 812</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	3 835 812	2 715 009
Finance lease liabilities	282 766	618 154
Deferred income	487 917	572 707
<b>Total non-current liabilities</b>	<b>4 606 495</b>	<b>3 905 870</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 243 545	1 529 016
Finance lease liabilities	93 861	437 872
Prepayments received from customers	572 247	517 148
Trade payables	3 647 560	2 772 580
Taxes payable	378 452	491 521
Corporate income tax	134 037	177 702
Other liabilities	287 402	207 072
Deferred income	169 578	169 577
Accrued liabilities	326 226	318 967
<b>Total current liabilities</b>	<b>6 852 908</b>	<b>6 621 455</b>
<b>TOTAL LIABILITIES</b>	<b>11 459 403</b>	<b>10 527 325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20 352 427</b>	<b>18 662 137</b>

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

August 20, 2018

Ilmārs Osmanis  
Chairman of the Board

**Interim consolidated statement of cash flow**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Q2</b>	<b>Q2</b>	<b>6m</b>	<b>6m</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>CASH FLOWS TO/ FROM OPERATING ACTIVITIES</b>				
Profit before tax	403 962	295 211	906 140	829 057
Adjustments for:				
Depreciation and amortization	464 814	398 460	923 217	777 208
Interest expense	37 707	63 465	79 141	121 085
Interest income	( 11 664)	( 22 742)	( 23 199)	( 46 161)
Increase/ (decrease) in allowances for slow-moving items and receivables	( 39 642)	8 544	( 39 813)	3 426
Income from grant recognition	( 58 532)	( 42 394)	( 100 926)	( 84 788)
Group's share of loss of an associate recognized in the statement of comprehensive income	70 452	36 200	120 611	50 890
Adjustments for:				
Decrease/ (increase) in inventories	( 482 558)	( 559 955)	( 734 456)	( 1 319 045)
Decrease/ (increase) in receivables	( 497 833)	( 75 173)	( 677 212)	( 179 283)
Increase in payables	993 882	419 676	816 361	951 787
<b>Cash generated from operations, gross</b>	<b>880 588</b>	<b>521 292</b>	<b>1 269 864</b>	<b>1 104 176</b>
Interest paid	( 37 707)	( 63 465)	( 79 141)	( 121 085)
Corporate income tax paid	-	-	-	-
<b>Net cash flows to/ from operating activities</b>	<b>842 881</b>	<b>457 827</b>	<b>1 190 723</b>	<b>983 091</b>
<b>Cash flows to/ from investing activities</b>				
Purchase of intangible assets and property, plant and equipment	( 607 919)	( 422 361)	( 791 148)	( 809 911)
Investments in and loans to other companies	( 307 044)	16 984	( 684 259)	( 170 016)
<b>Net cash flows to/ from investing activities</b>	<b>( 914 963)</b>	<b>( 405 377)</b>	<b>( 1 475 407)</b>	<b>( 979 927)</b>
<b>Cash flows to/ from financing activities</b>				
Dividends paid	( 73 175)	( 54 881)	( 73 175)	( 54 881)
Loans received from credit institutions	35 482	-	5 593 611	-
Loans repaid to credit institutions	( 249 153)	( 311 575)	( 4 751 331)	( 621 099)
Loans from lease companies	337 516	237 893	337 516	431 813
Loans repaid to lease companies	( 12 021)	( 26 034)	( 1 037 905)	( 39 680)
<b>Net cash flows to/ from financing activities</b>	<b>38 649</b>	<b>( 154 597)</b>	<b>68 716</b>	<b>( 283 847)</b>
<b>Change in cash and cash equivalents for the period</b>	<b>( 33 433)</b>	<b>( 102 147)</b>	<b>( 215 968)</b>	<b>( 280 683)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>76 650</b>	<b>203 355</b>	<b>259 185</b>	<b>381 891</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>43 217</b>	<b>101 208</b>	<b>43 217</b>	<b>101 208</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	-	-	-	-	904 562	904 562
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	904 562	904 562
Depreciation of revalued items of property, plant and equipment	-	-	-	(61 847)	61 847	-
Dividends paid	-	-	-	-	(146 350)	(146 350)
<b>Balance as at 30 June 2018</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>313</b>	<b>2 224 184</b>	<b>2 403 567</b>	<b>8 893 024</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 30 June 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**

Related party	Type of services		Goods and	Goods and	Amounts	Amounts owed
			services delivered to/ loans issued to related parties	services received from / loans received from related parties	owed by related parties (gross)	to related parties (gross)
			EUR	EUR	EUR	EUR
<b>1. Associates</b>						
SIA Zinātnes parks (AS HansaMatrix share 24%)	Loan, contribution in share capital	31.12.2017	159 000	-	845 700	-
		30.06.2018	181 000	-	1 026 700	-
SIA Lightspace Technologies (AS HansaMatrix share 40%)	Loan, contribution in share capital	31.12.2017	22 207	-	222 207	-
		30.06.2018	406 659	-	628 866	-
	Services, material supplies, sale of materials	31.12.2017	17 324	2 183	-	271
		30.06.2018	11	-	11	-
<b>TOTAL</b>	<b>31.12.2017</b>	<b>198 531</b>	<b>2 183</b>	<b>1 067 907</b>	<b>271</b>	
<b>TOTAL</b>	<b>30.06.2018</b>	<b>587 670</b>	<b>-</b>	<b>1 655 577</b>	<b>-</b>	
<b>2. Entities with significant influence</b>						
SIA MACRO RĪGA (shareholder)	Loan	31.12.2017	93 591	-	2 462 227	-
		30.06.2018	23 199	-	2 485 426	-
	Purchase of services, spare parts; sale of materials	31.12.2017	8 044	-	-	-
		30.06.2018	1 422	-	1 422	-
<b>TOTAL</b>	<b>31.12.2017</b>	<b>101 635</b>	<b>-</b>	<b>2 462 227</b>	<b>-</b>	
<b>TOTAL</b>	<b>30.06.2018</b>	<b>24 621</b>	<b>-</b>	<b>2 486 848</b>	<b>-</b>	
<b>3. Other related companies</b>						
	Services, material supplies, sale of materials	31.12.2017	8 185	51 780	7 698	4 055
		30.06.2018	36 094	3 781	-	2 535
	<b>TOTAL</b>	<b>31.12.2017</b>	<b>8 185</b>	<b>51 780</b>	<b>7 698</b>	<b>4 055</b>
<b>TOTAL</b>	<b>30.06.2018</b>	<b>36 094</b>	<b>3 781</b>	<b>-</b>	<b>2 535</b>	

**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 2018, the date of payment for the second tranche of dividends in amount of 73 175.24 EUR.

During the reporting period, paid the first tranche of dividends for the year 2017. The dividend payment was made on May 25, 2018, the total amount of paid dividends EUR 73 175.24.

**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