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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, July 30, 1999</b>
Registration date with the Commercial Register	<b>December 27, 2002</b>
Registered office	<b>Akmeņu iela 72, Ogre, Latvia, LV-5001</b>
Shareholders (over 5%) as of June 30, 2021	<b>SIA Macro Rīga (30.57%)</b> <b>ZGI-4 AIF KS (15.06%)</b> <b>KS BaltCap Latvia Venture Capital Fund (9.95%)</b> <b>KS FlyCap Investment Fund I AIF (8.89%)</b> <b>IPAS CBL Asset Management managed funds (6.56%)</b> <b>Swedbank Investeerimisfondid AS managed funds (5.41%)</b> <b>Swedbank Ieguldījumu Pārvaldes Sabiedrība AS managed funds (5.10%)</b>
Subsidiaries	<b>SIA HansaMatrix Ventspils (equity interest: 100%)</b> <b>SIA HansaMatrix Innovation (equity interest: 100%)</b> <b>SIA HansaMatrix Pārogre (equity interest: 100%)</b> <b>SIA Zinātnes Parks (equity interest: 100%)</b> <b>AS Lightspace Holding (equity interest: 100% voting shares)</b>
Auditors	<b>SIA “Deloitte Audits Latvia”</b> <b>Licence No. 43</b> <b>Inguna Staša</b> <b>Latvian Certified Auditor</b> <b>Certificate No. 145</b>
Financial year	<b>1<sup>st</sup> January – 31<sup>st</sup> December 2021</b>
Interim reporting period	<b>1<sup>st</sup> January – 31<sup>st</sup> December 2021</b>
<b>Management Board</b>	

The Management Board is a collegial executive body entrusted with management of the Parent 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 Parent Company, members of the Management Board are elected for an indefinite period of time.

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

As of the date of the preparation of these financial statements Parent Company's Management Board is composed of four persons consisting of Chairman of the Management Board and three Management Board Members.



**Jānis Sams**

Jānis Sams is the Chairman of the Management Board of the Parent Company  
Date appointed: 17 May 2021

Positions held in other companies:

- HansaMatrix Pārogre, SIA – Management Board Member
- HansaMatrix Ventspils, SIA – Management Board Member
- Latvian Electrical Engineering and Electronics Industry Association – Management Board Member
- Lightspace technologies, SIA – Council member

Owned shares: 0

Owned employee share options: 2400 (as of December 31, 2021)

Participation in other companies: no participations

Prior to joining HansaMatrix, Jānis Sams professional experience for 12 years has been related to electronics manufacturing, holding the position of function manager in international companies. In addition, Janis currently serves on the Management Board of Latvian Electrical Engineering and Electronics Industry Association. He holds a Master's degree in comprehensive quality management and engineering degree in production automation from Riga Technical University.

**Vitauts Galvanausks**

Vitauts Galvanausks is a member of the Management Board of the Parent Company and Ogre manufacturing plant manager.

Date appointed: 17 May 2021

Positions held in other companies:

- HansaMatrix Parogre, SIA- Management Board Member

Owned shares: 0

Owned employee share options: 0

Management Board member Vitauts Galvanauskas joined HansaMatrix on January 2021 and holds the position of Ogre manufacturing plant manager. He has more than 10 years of previous experience in various production management positions, responsible for quality, process and efficiency improvements and the operational results. Vitauts Galvanausks was responsible for implementation of operational excellence processes in the Consolis Group of companies and also acted as the manager of the Consolis plant in Latvia. Vitauts Galvanausks has a bachelor's degree in communication science from University of Latvia.

**Gatis Grava**

Gatis Grava is a member of the Management Board of the Parent Company and Ventspils manufacturing plant manager.

Date appointed: 17 May 2021

Positions held in other companies:

- HansaMatrix Ventspils, SIA- Management Board Member

Owned shares: 0

Owned employee share options: 0

Management Board member Gatis Grava has been working for the Company since March 2020 and holds the position of Ventspils manufacturing plant manager. Gatis Grava has more than 14 years of professional experience in Schneider Electric Group companies in Europe in various management positions, procurement, strategic supplier development as well as developing supply chains in Scandinavia and Eastern Europe. Gatis Grava has a degree in engineering from Riga Technical University.

**Māris Macijevskis**

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

Date appointed: 16 February 2018

**Positions held in other companies:**

- Zinātnes parks, SIA – Management Board Member
- HansaMatrix Innovation, SIA – Management Board Member
- IQ Capital, SIA – Management Board Member
- Latvian Squash Federation – Chairman of the Management Board
- FTG, SIA – Management Board Member

Owned shares: 300

Owned employee share options: 3500 (as of December 31, 2021)

**Participation in other companies:**

- IQ Capital SIA (100%)
- FTG SIA (33.33%)

Māris Macijevskis has been with the Group since 2017. His previous experience for 15 years has been related to banking sector and includes the position of a Head of Corporate Client Service Division at Citadele banka AS. 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.

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

Jānis Sams, the previous Chief Operating Officer and Member of the Management Board, was appointed as the Chief Executive Officer of HansaMatrix on May 17, 2021. Ilmārs Osmanis, previous CEO and founder of HansaMatrix left the Management Board to join the Council of the Company. With the change of the CEO, two new members have been appointed to the Management Board of HansaMatrix - Gatis Grava, HansaMatrix Ventspils manufacturing plant manager and Vitauts Galvanausks, Ogre manufacturing plant manager. Māris Macijevskis continues to serve as HansaMatrix Management Board Member and Chief Financial Officer.



**Supervisory Board**

The Supervisory Board of the Parent Company is a collegial body exercising supervision over key activities of the Group and, where appropriate, decision making by the Management Board. As of the date of this statement, the Supervisory Board of the Parent 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 these financial statements the Parent Company's Supervisory Board is composed of the following members: Chairwoman of Supervisory Board, Deputy Chairwoman of Supervisory Board and three Members of Supervisory Board.

**Baiba Anda Rubesa**

Baiba Anda Rubesa is the Chairwoman of the Supervisory Board of the Parent Company.

Date appointed: 26 May 2021

Term of office: 25 May 2026

Owned shares:0

Baiba Anda Rubesa will be regarded as independent board member.

Positions held in other companies:

- Lightspace Holding AS- Chairwoman of the Supervisory Board
- Stockholm School of Economics, Riga, foundation – Management Board Member
- Novatore, SIA – Management Board Member
- RFactor SIA, – Management Board Member
- Coffee Address Holding, SIA – Council Member
- Gren Holding Company – Council Member

Participation in other companies:

- RFactor, SIA (100%)

Baiba Anda Rubesa is an experienced international company manager with extensive experience in corporate governance, leadership skills, and sustainability requirements, bringing highly valuable experience to the Parent Company's Council in the areas of management, leadership and public relations and serving as an independent HansaMatrix Council member. Baiba Rubesa does not own HansaMatrix shares.

Rubesa works as a consultant and since 2019 has been appointed to the Management Board of the Stockholm School of Economics in Riga. From 2016 to 2019, Baiba Rubesa was member of the Supervisory Council and member of the Human Resources Committee of the Latvian energy company Latvenergo. From 2015 to 2018, B. Rubesa was the Chairman of the Management Board and the Executive Director of the joint venture RB Rail, which implements the largest railway infrastructure project of the European Union in the Baltics, Rail Baltica. Since 2014, she has been the owner of the consulting company RFactor. Prior to her position as Vice President of Corporate Social Responsibility at Statoil ASA from 2010-2013, from 2008 to 2010 Rubesa was Statoil Azerbaijan's Director of Public Relations with government institutions. From 2011-2013, B. Rubesa was a member of the Council of EITI (Extractive Industries Transparency Initiative) and from 2012 to 2015 - a member of the Council of Citadele banka. From 2004 to 2007, B. Rubesa chaired the Foreign Investors' Council in Latvia, as well as was the Vice President of the Latvian Chamber of Commerce and Industry in Latvia, from 2002 to 2009, she was a member of the Council of DnB Nord banka. Prior to that, from 2001 to 2008, B. Rubesa was the Executive Director of Statoil Latvia and from 1996 to 2000 the Marketing and Public Relations Director of Statoil Baltic States.

**Ingrīda Blūma**

Ingrīda Blūma is a Deputy Chairwoman of the Supervisory Council.

Date appointed: 26 May 2021

Term of office: 25 May 2026

Owned shares: 0

Ingrīda Blūma will be regarded as independent board member.

Positions held in other companies:

- RĪGAS PIENA KOMBINĀTS, AS – Council Member
- i-bloom, SIA – Management Board Member
- PN Project, AS – Council 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.

**Anders Lennart Borg**

Anders Lennart Borg is a member of the Supervisory Board of the Parent Company.

Date appointed: 26 May 2021

Term of office: 25 May 2026

Owned shares: 0

Anders Lennart Borg will be regarded as independent board member.

Anders Lennart Borg is an experienced professional in the electronics manufacturing industry. He graduated from Linköping University in Sweden and is endowed with extensive knowledge in engineering. The years of experience has developed his strong leadership skills. He worked as a director of electronics company Eljo AB in Sweden for 11 years. Later he was a head of the Schneider Electric electronics factory in Latvia for 5 years and the factory of the same company in Sweden for another 5 years.

**Dagnis Dreimanis**

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

Date appointed: 26 May 2021

Term of office: 25 May 2026

Owned shares: 0

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

## Positions held in other companies:

- DD Ventures SIA – Management Board Member
- UPRENT group. SIA – Council Member
- Vika Wood, SIA – Council Member
- BaltCap AIFP SIA – Chairman of the Board
- SOLVINA AS – Management Board Member
- Latvian Capital Ventures SIA – Management Board Member
- Coffee Address Holding, SIA – Council Member

## Participation in other companies:

- DD Ventures, SIA (100%)
- 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.

**Normunds Igoļnieks**

Normunds Igoļnieks is a member of the Supervisory Board of the Parent Company.

Date appointed: 26 May 2021

Term of office: 25 May 2026

Owned shares: 0

Represents ZGI Capital managed venture capital fund ZGI-4 shareholding of 275 562 shares.



## Positions held in other companies:

- Mārupes Metālserviss, AS – Chairman of Council
- ZGI Capital, SIA – Chairman of the Management Board
- I factor, SIA – Management Board Member

## Participation in companies:

- ZGI Capital, SIA (26%)
- I factor, SIA (100%)
- KOOL CONSTRUCTION, SIA (beneficial owner)

Since 2011 Normunds Igolnieks has been partner and Chairman of the Management Board of ZGI Capital, one of the most experienced venture capital fund managers in the Baltics. From 2001 to 2011, N. Igolnieks was the Chairman of the Board of the asset management company SEB Investment Management and before that held several other positions related to the financial sector.

**Changes to the Parent Company's Supervisory Board:**

On May 26, 2021 annual general meeting of HansaMatrix shareholders the new Supervisory Council was elected, in addition to the previous Supervisory Council members Ingrīda Blūma, Dagnis Dreimanis, Normunds Igolnieks un Baiba Anda Rubesa, HansaMatrix founder, Ilmārs Osmanis and the Supervisory Council member Anders Lennart Borg were appointed. Andris Bērziņš has left the composition of the HansaMatrix Council. A.Bērziņš was an independent member of the Council and has been a member of the HansaMatrix Council since October 7, 2015, serving as the Chairman of the Council since April 4, 2018.

On September 13, 2021 HansaMatrix founder Ilmārs Osmanis resigned as HansaMatrix Supervisory Board Member. I.Osmanis served on the Supervisory Board of HansaMatrix since May 26, 2021, previously serving for many years he had been the Chairman of the Management Board. He continues to be a significant shareholder and will advise Company management as needed. Baiba Anda Rubesa, the Chairwoman of the Supervisory Board, Ingrīda Blūma, Deputy Chairwoman of the Supervisory Board, Anders Lennart Borg, Dagnis Dreimanis and Normunds Igolnieks, members of the Supervisory Board, continue to serve on the Board of HansaMatrix.

**Major shareholders**

As at December 31, 2021 (end of the day), the following were the major shareholders of the Parent Company:

Major shareholders (over 5%)	Owned shares	Ownership interest
SIA Macro Rīga	559 282	30.57%
ZGI-4 AIF KS	275 562	15.06%
KS BaltCap Latvia Venture Capital Fund	182 000	9.95%
KS FlyCap Investment Fund I AIF	162 632	8.89%
IPAS CBL Asset Management managed funds	120 000	6.56%
Swedbank Investeerimisfondid AS managed funds	99 038	5.41%
Swedbank Ieguldījumu pārvaldes sabiedrība AS managed funds	93 369	5.10%
Other shareholders (under 5%)	337 498	18.45%
<b>TOTAL:</b>	<b>1 829 381</b>	<b>100.00%</b>



## MANAGEMENT REPORT

### General information

The joint stock company HansaMatrix (hereinafter – the Parent company) is a leading Baltic electronic system product developer and manufacturer, listed on the Nasdaq Baltic Main List, together with its following 100% subsidiaries: SIA HansaMatrix Pārogre, SIA HansaMatrix Ventpils, SIA HansaMatrix Innovation, SIA Zinātnes parks and AS Lightspace Holding (hereinafter – HansaMatrix or the Group), actively operate in industrial systems, data network infrastructure, the Internet of Things, medical and several other high added value B2B (business-to-business) market sectors. HansaMatrix advances knowledge-based business, product development competencies, engineering teams and an innovation platform for future business development. The Group has 22-years of experience in electronics manufacturing and its business mission is to develop global technology products and to assist its customers be competitive on global markets.

### Business environment

The demand from data transmission network market sector along with industrial products continues to experience strong growth, resulting in strong production order book of these products.

The deficit of semiconductor manufacturing capacity is continuing to play major role in holding back business development still resulting in increased lead time or potentially increased sourcing price to majority of semiconductor components used in manufacturing of electronic systems. The worldwide semiconductor shortage is expected to persist through the first half of 2022, potentially easing up in the second half of 2022, but with longer lead times for some components stretching into 2023, possibly well into 2023, according to Deloitte 2022 semiconductor industry outlook (<https://bit.ly/3HS1bxJ>).

To mitigate the component shortage HansaMatrix diversifies the supplier base, applies the alternative component management approach, works with component brokers and carries out in advance component sourcing for binding customer orders.

Inflation increase trend in 2021, among other things, supported by Q3 and Q4 2021 significant spike in energy prices (electricity and gas) in Europe and growing average salaries in Latvia, coupled with the component deficit and increasing prices, might require manufacturing services pricing adjustments to maintain the profitability levels.

Global COVID-19 pandemic is still a significant public health burden globally. Although recently more mild virus variants are in circulation, the business environment is still impacted with employee availability and supply chain issues. Until the pandemic has been fully taken under control, the business situation could rapidly change, therefore active situation monitoring and rapid response approach are critical to successfully manage the potential business environment and supply chain disruptions from the pandemic.

Forward looking management expects new business trend towards more technology penetrated economy (more data bandwidths, more robotics and automation, more remote work, increased EU independence in manufacturing through near-shoring) when recovering from COVID-19 pandemic and preparing to be ready for higher market demand and faster business growth afterwards.

### Finance results brief summary

During the fourth quarter (Q4 further in document) of 2021 the Group reported revenue from contracts with customers (hereinafter – revenue, turnover or sales) of 4.838 million EUR, representing decrease by 13% in comparison to the same period of 2020. The 2021 Q4 sales results showed 8% sales volume decrease in comparison with previous quarter – 2021 Q3.

During 12 months period ("12m" further in the document) of 2021 the Group reported sales volume of 21.962 million EUR, exhibiting a decrease by 2.77% compared to the same period of 2020.

During 2021 Q4 the Group reported quarterly EBITDA result of 0.435 million EUR and operated with net loss result of 0.516 million EUR. The reported EBITDA result shows 47% decrease in comparison with Q4 2020 and 53% decrease compared to previous quarter of 2021 Q3. In Q4 2021 the Group reported net loss 0.516 million EUR as compared to the net loss of 0.359 million EUR in Q4 2020 and net profit of 0.295 million in Q3 2021. Quarterly results represent EBITDA margin of 8.99% and net profit margin of -10.67%.

During 12 months of 2021 the Group reported EBITDA result of 3.757 million EUR and 12m net loss result of 0.502 million EUR. The reported EBITDA result shows 24% increase in comparison with 2020 12m. In 12 months of 2021, the Company operated with a net loss of 0.502 million EUR, as compared to the net loss of 0.847 million EUR in 12m 2020. In 12m of 2021, the Company operated with 17.1% EBITDA margin and -2.3% net profit margin.

Q4 2021 revenue, EBITDA and EBITDA margin decrease compared to Q3 2021 is explained by the global component deficit impeding manufacturing order execution volumes. Good performance in terms of 12m 2021 EBITDA result is explained by the increased proportion of high-value added products in manufactured product mix and by improvements in operational efficiency.

In Q4 2021 the Group carried out revaluation of fair value of warrants issued in relation to European Investment Bank (EIB) financing contract, decreasing warrant balance sheet value by 0.309 million EUR, due to decreasing average weighted price of HansaMatrix stock in Q4 2021, which by the same amount improved net profit in Q4 2021. Still in 12m 2021 in aggregate the aforementioned warrant fair value has increased by 0.228 million EUR, decreasing the Company net profit in 12m 2021 accordingly and, as one of the significant factors, explaining net loss in this period.

Net profit of the Group in Q4 and 12m 2021 is negatively influenced by several non-cash related items, including loss from investments in associates, EIB warrant fair value change provisions, EIB loan fair value change provisions and interest expense related to leases. For better inter-period profitability comparisons, the Group calculates normalized net profit which in Q4 2021 amounted to negative 0.306 million EUR and in 12m 2021 amounted to 1.021 million EUR, respectively generating -6.32% and 4.65% Normalized net profit margin.

TTM – trailing twelve-month period sales (period starting in January 1, 2021 and ending with December 31, 2021) at 2021 Q4 reached 21.962 million EUR, showing 3% decrease compared to TTM sales for the period ended at 2020 Q4 and also 3% decrease compared to TTM sales for the period ended at 2021 Q3. EBITDA result for the TTM 12-month period reported to be 3.757 million EUR, an increase of 24% in comparison with 12-month period ended at 2020 Q4 but 9% decrease compared to TTM sales for the period ended at 2021 Q3. The TTM period resulted in a net loss of -0.502 million EUR. Averaged EBITDA margin for TTM period of 17.1% was reported.

## Key Growth and Financial Ratios

In Q4 2021 revenue of the Group decreased 13% and EBITDA decreased by 50%, compared to Q4 2020. Q4 2021 revenue, EBITDA and EBITDA margin decrease compared to Q3 2021 is explained by the global component deficit impeding manufacturing order execution volumes. As at the end of Q4 2021 the liquidity of the Company has slightly improved compared to liquidity as at the end of Q4 2020.

Ratio/EUR'000	2020Q3	2020Q4*	2021Q3	2021Q4	Q3 YoY	Q4 YoY
Revenue	6 554	5 560	5 254	4 838	-20%	-13%
EBIT (operating profit)	640	310	314	-257		
EBIT (operating profit) margin	9.77%	5.57%	5.98%	-5.30%		
EBITDA	1 246	820	931	435	-25%	-47%
EBITDA margin	19.02%	14.74%	17.71%	8.99%		
Net profit	330	-359	295	-516		
Normalized net profit	596	183	282	-306		
Normalized net profit margin	9.10%	3.28%	5.37%	-6.32%		

Normalized ROA	2.14%	0.65%	1.29%	-1.03%
Normalized ROE	6.98%	2.16%	3.35%	-3.88%
Liquidity ratio	0.81	0.78	0.81	0.86
Normalized Return on Capital Employed (ROCE)	2.95%	0.92%	2.15%	-1.53%
Earnings per share (EPS)	0.18	-0.20	0.16	-0.28
Diluted EPS	0.16	-0.18	0.14	-0.25

\*restated.

In 12m 2021 revenue decreased by 3% and EBITDA increased by 22% on year-on-year basis. Revenue decrease is explained by the ongoing global electronic component deficit. EBITDA growth is explained by comparably larger proportion of high-added value products in manufactured product mix and growing demand in data networks and industrial sectors in 12m 2021 as compared to 12m 2020. As at the end of 12m 2021 the liquidity of the Company has improved, compared to liquidity as at the end of 12m 2020.

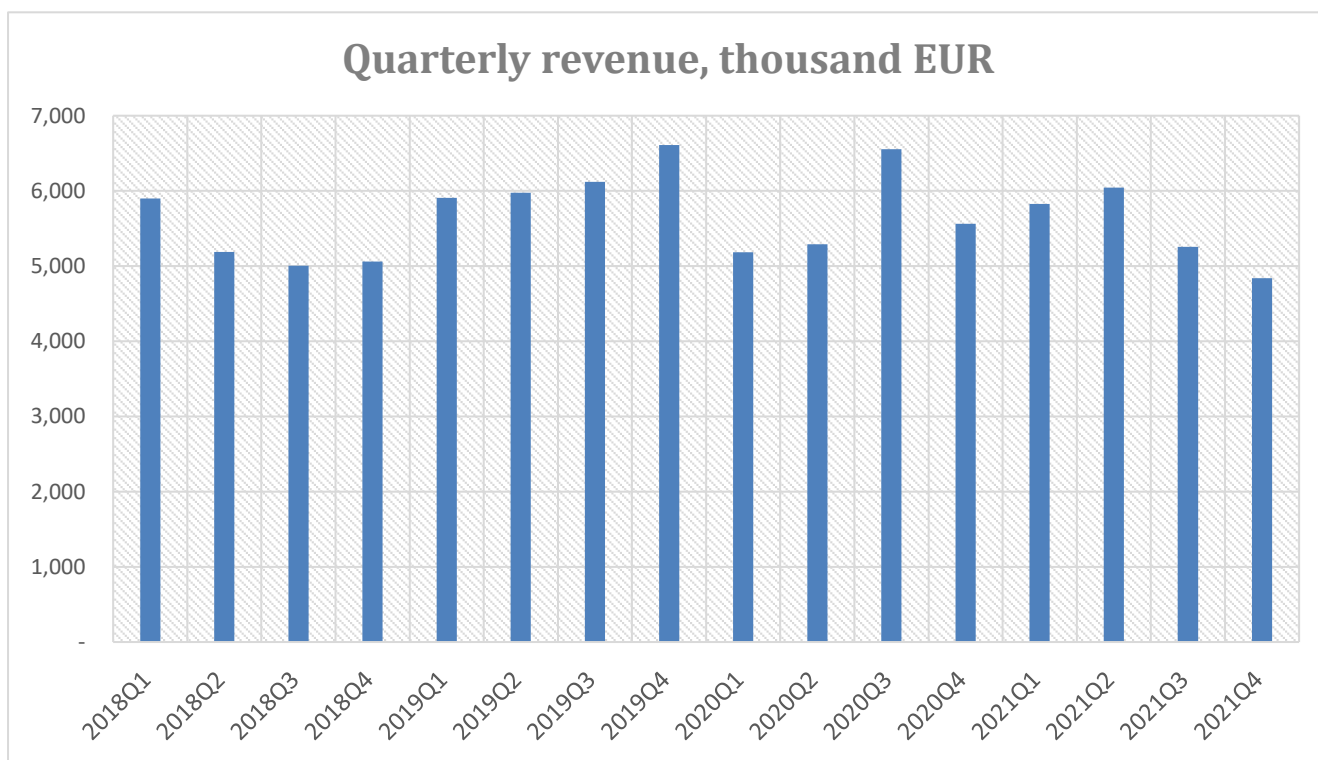
Ratio/EUR'000	2017	2018	2019	2020*	2021	12mYoY
Revenue	19 649	21 587	24 611	22 589	21 962	-3%
EBIT (operating profit)	1 877	1 395	1 316	703	1 170	
EBIT (operating profit) margin	9.55%	6.46%	5.35%	3.11%	5.33%	
EBITDA	3 685	3 297	3 761	3 034	3 757	+24%
EBITDA margin	18.75%	15.27%	15.28%	13.43%	17.11%	
Net profit	1 679	781	208	-847	-502	
Normalized net profit	1 336	1 272	1 144	449	1 021	
Normalized net profit margin	6.80%	5.89%	4.65%	1.99%	4.65%	
Normalized ROA	7.16%	5.02%	3.84%	1.56%	3.45%	
Normalized ROE	16.42%	14.51%	12.67%	5.30%	12.95%	
Liquidity ratio	0.69	1.02	0.85	0.79	0.86	
Normalized Return on Capital Employed (ROCE)	11.09%	7.01%	5.39%	2.22%	5.10%	
Earnings per share (EPS)	0.92	0.43	0.11	-0.46	-0.27	
Diluted EPS	0.92	0.38	0.10	-0.22	-0.25	

\*restated.

Alternative performance measures depicted in the tables above are explained in the Note “Definitions of alternative performance measures” under the section “Other notes to the financial statements”. Normalized net earnings, depicted in the tables above, have been recalculated and restated for historical periods with objective to obtain Normalized net profit that are more comparable between different periods. Please see Note 7 for Net profit to Normalized net profit reconciliation.

## Quarterly revenue results for 2021 Q4

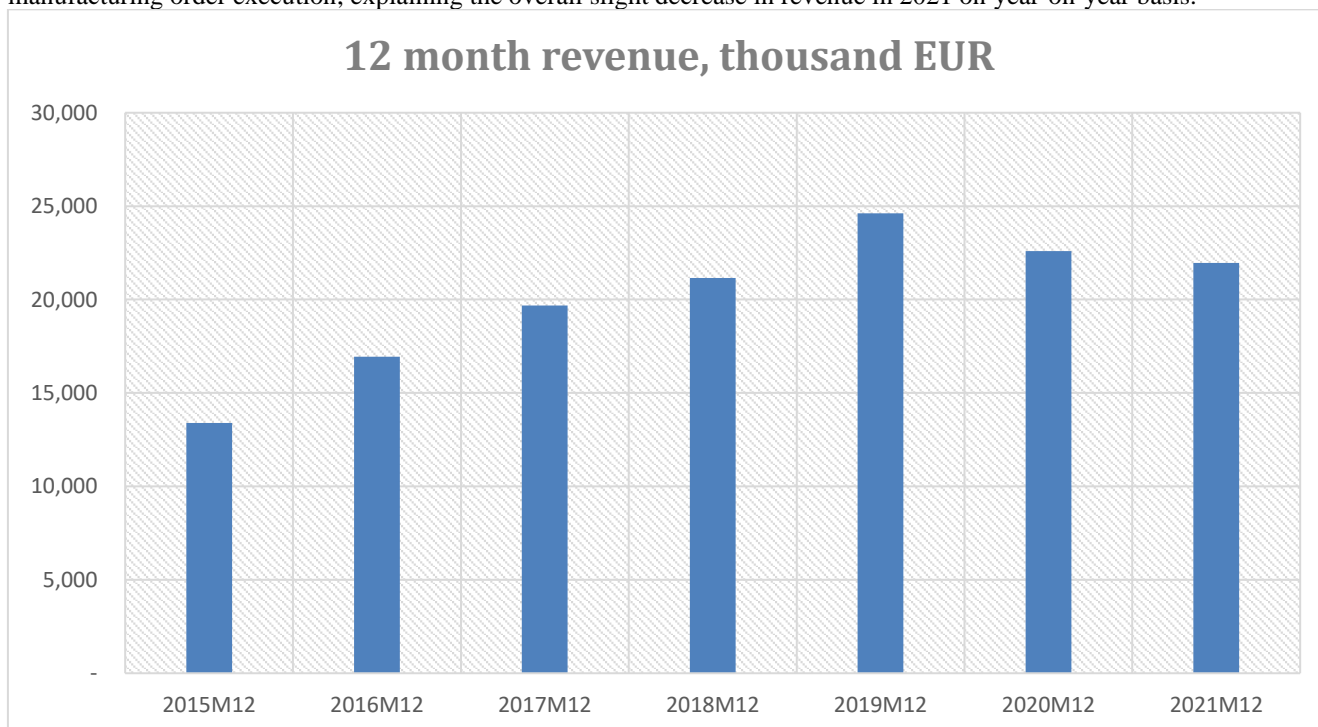
During the fourth quarter of 2021 the Group reported turnover of 4.838 million EUR, representing decrease by 13% in comparison to the same period of 2020. The 2021 Q4 sales results showed 8% sales volume decrease in comparison with previous quarter – 2021 Q3.



In 2021 Q4 the Group revenue decrease is explained by global challenges in supply chain in relation to component availability to ensure manufacturing order execution.

### 2021 12-month revenue results

During 12 months of 2021 the Company reported sales volume decrease by 3% compared to the same period of 2020 and reached 21.962 million EUR. Q1 and Q2 of 2021 were characterized by strong customer demand in data networks sector, while in Q3 and Q4 of 2021 the global electronic component deficit effects started to significantly influence the manufacturing order execution, explaining the overall slight decrease in revenue in 2021 on year-on-year basis.



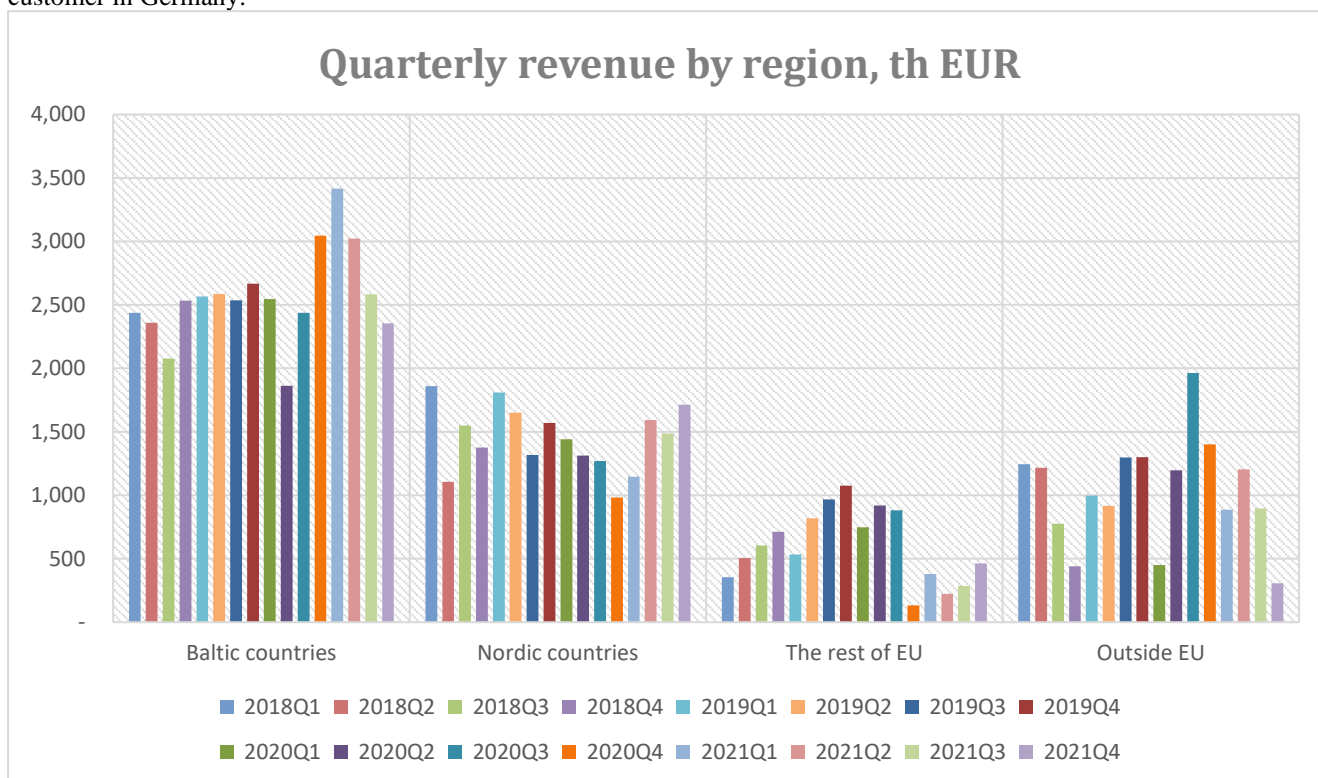


## Quarterly revenue by market region results for 2021 Q4

During 2021 Q4 Baltic states continue to be the largest market region with 49% share of turnover. Nordic and other EU sales respectively reported 35% and 10% of total sales. HansaMatrix during 2021 Q4 continued to deliver also to customer locations outside EU. This market share in 2021 Q4 amounts to 6% of the total sales volume.

Sales dynamics of regions – Baltic sales were 23% down compared to 2020 Q4 and 9% down compared to 2021 Q3; Nordic sales were 74% up from 2020 Q4 and 15% up in comparison with 2021 Q3. Other EU region sales reported 250% increase from 2020 Q4 and 62% increase from 2021 Q3. Outside EU deliveries decreased by 78% from 2020 Q4 and decreased by 66% compared to 2021 Q3.

The significant revenue volume increase in other EU is mostly related to starting of the execution of August 06, 2021 publicly announced new 3.3 MEUR manufacturing contract to supply human machine interface electronic devices to industrial sector customer in Germany.



### Data table - Quarterly revenue by region, th EUR

Revenue, thEUR	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Baltic countries	2 438	2 359	2 078	2 533	2 566	2 586	2 536
Nordic countries	1 861	1 106	1 549	1 375	1 809	1 652	1 317
The rest of EU**	354	505	604	712	534	819	967
Outside EU**	1 245	1 217	775	441	998	916	1 299
Total	5 898	5 188	5 005	5 061	5 908	5 973	6 118

2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
2 667	2 545	1 862	2 439	3 044	3 415	3 022	2 584	2 354
1 570	1 441	1 312	1 271	983	1 147	1 592	1 487	1 715
1 075	747	920	882	132	380	224	286	463
1 300	452	1 197	1 962	1 401	886	1 203	897	306
6 612*	5 184	5 290	6 554	5 560*	5 828	6 042	5 254	4 838*



\* - corrected (increased) by the sales amount to the extent of the costs incurred related to the work in progress respectively as at the end of 2019, 2020 and 2021 according to the Group accounting principles and policy.

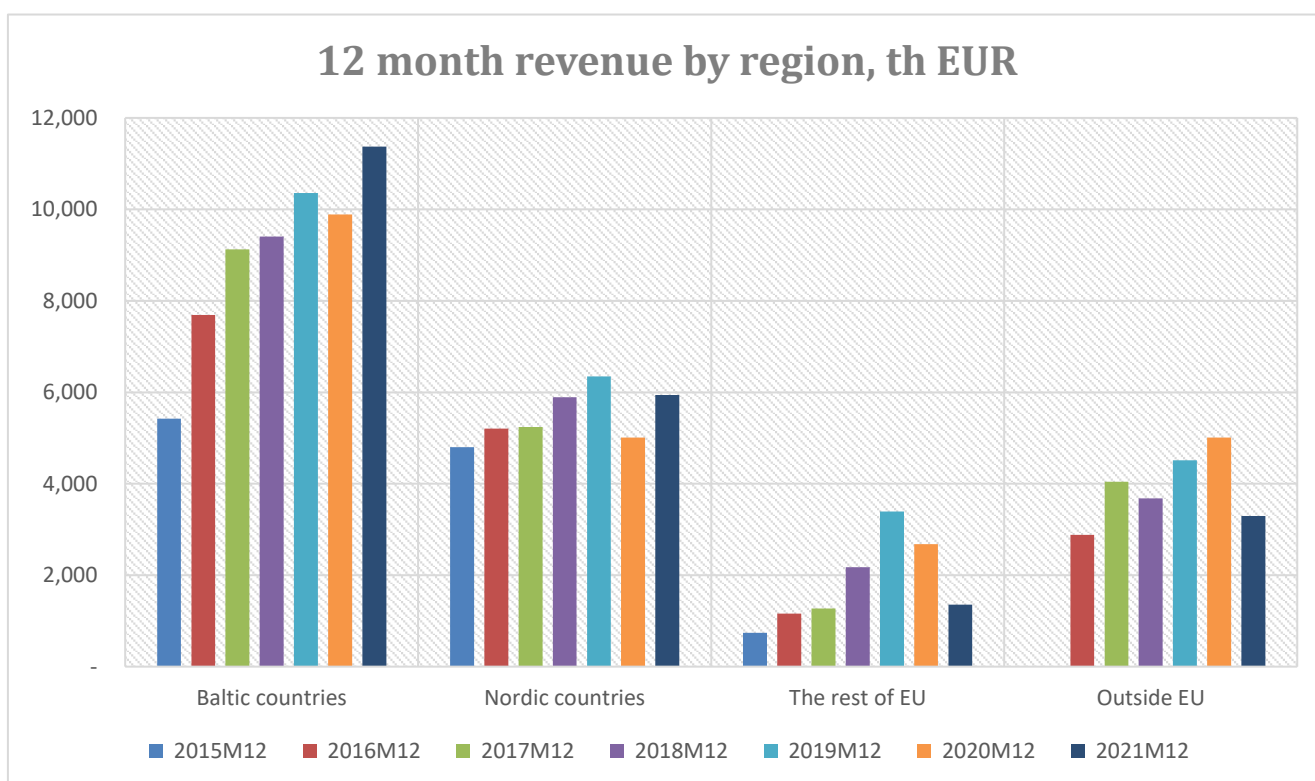
\*\* - in accordance with the UK withdrawal from the EU three clients has been reclassified by regions from “The rest of EU” to “Outside EU”, adjusting historical data accordingly.

## 2021 12 month revenue by region results

During 2021 12m main sales drivers continue to be Baltic customers with 52% market share of sales. Nordic and other EU sales reported as 27% and 6% of total sales. Product deliveries to customer locations outside EU amounted to 15% of total sales in 2021 12m.

Sales dynamics of regions compared to 2020 12m – Baltic sales were 15% up; Nordic sales were 19% up, other EU\*\* sales were reported with 50% volume decrease; outside EU\*\* sales demonstrated 34% year on year decrease.

Strong growth of revenue in 2021 on year-on-year basis in Nordics is explained by manufacturing services for IoT and Industrial customers in this region.

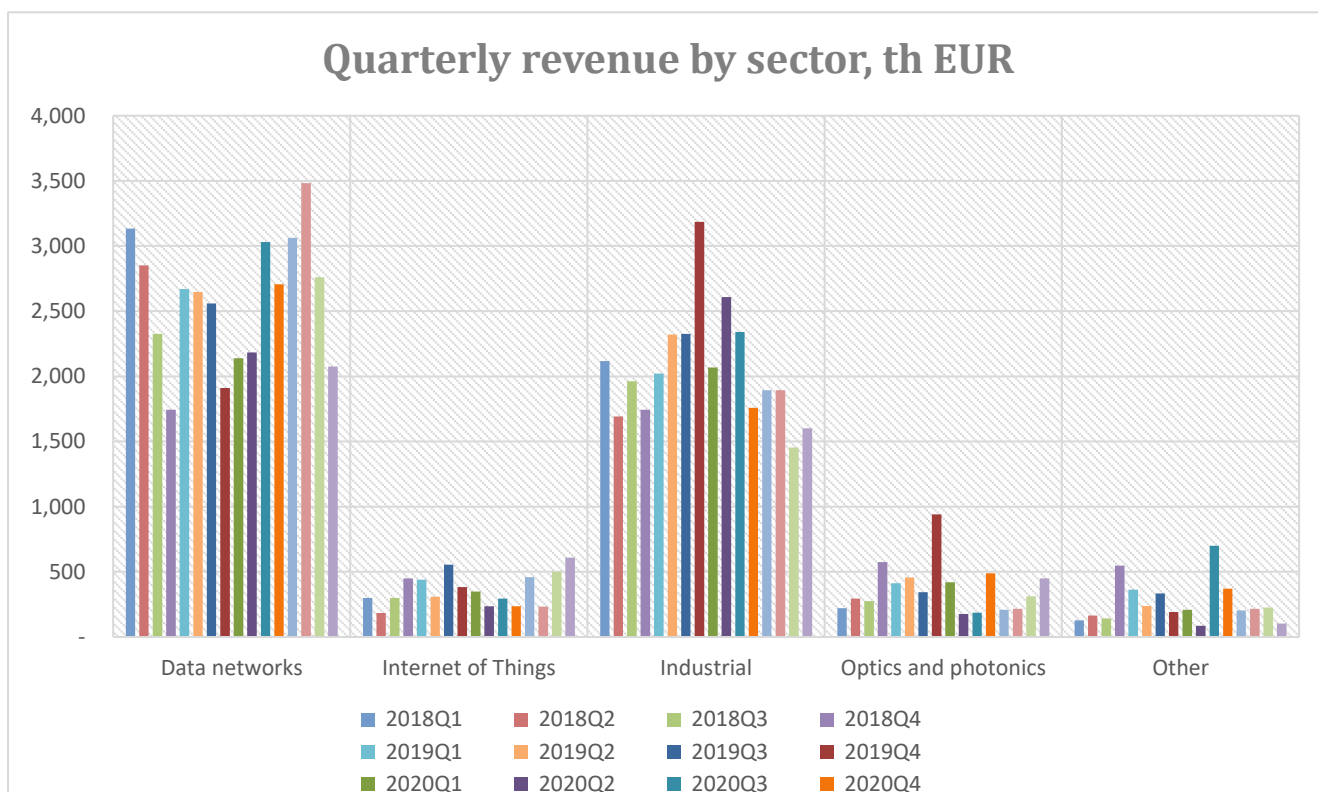


\*\* - in accordance with the UK withdrawal from the EU three clients has been reclassified by regions from “The rest of EU” to “Outside EU”, adjusting historical data accordingly.

## Quarterly revenue by market sector results for 2021 Q4

During 2021 Q4 data network product sales and industrial product sales were dominating sales drivers respectively with 43% and 33% sales market share. Optics and photonics sales amounted to 9%, Internet-of-things sales amounted to 13% and other products were also reported with 2% share.

2021 Q4 data network product sales show decrease by 23%; industrial sector product sales – decrease by 9%; internet-of-things – increase by 158%, optics and photonics products sales – decrease by 8% and other product sector – decrease by 72% in comparison with 2020 Q4. Comparison with sales results with previous - 2021 Q3 demonstrates 25% decrease in data networks; 10% increase in industrial sector; increase of 21% in internet of things products; 44% increase in optics and photonics products and 54% decrease in other product sector.

**Data table - quarterly revenue by market sector results for 2021 Q4**

Revenue, thEUR	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3
Data networks	3 134	2 851	2 327	1 737	2 670	2 646	2 559
Internet of Things	299	185	298	450	439	309	555
Industrial	2 118	1 693	1 962	1 744	2 022	2 321	2 327
Optics and photonics	220	294	276	575	412	457	344
Other	127	165	142	556	364	240	333
Total	5 898	5 188	5 005	5 061	5 908	5 973	6 118

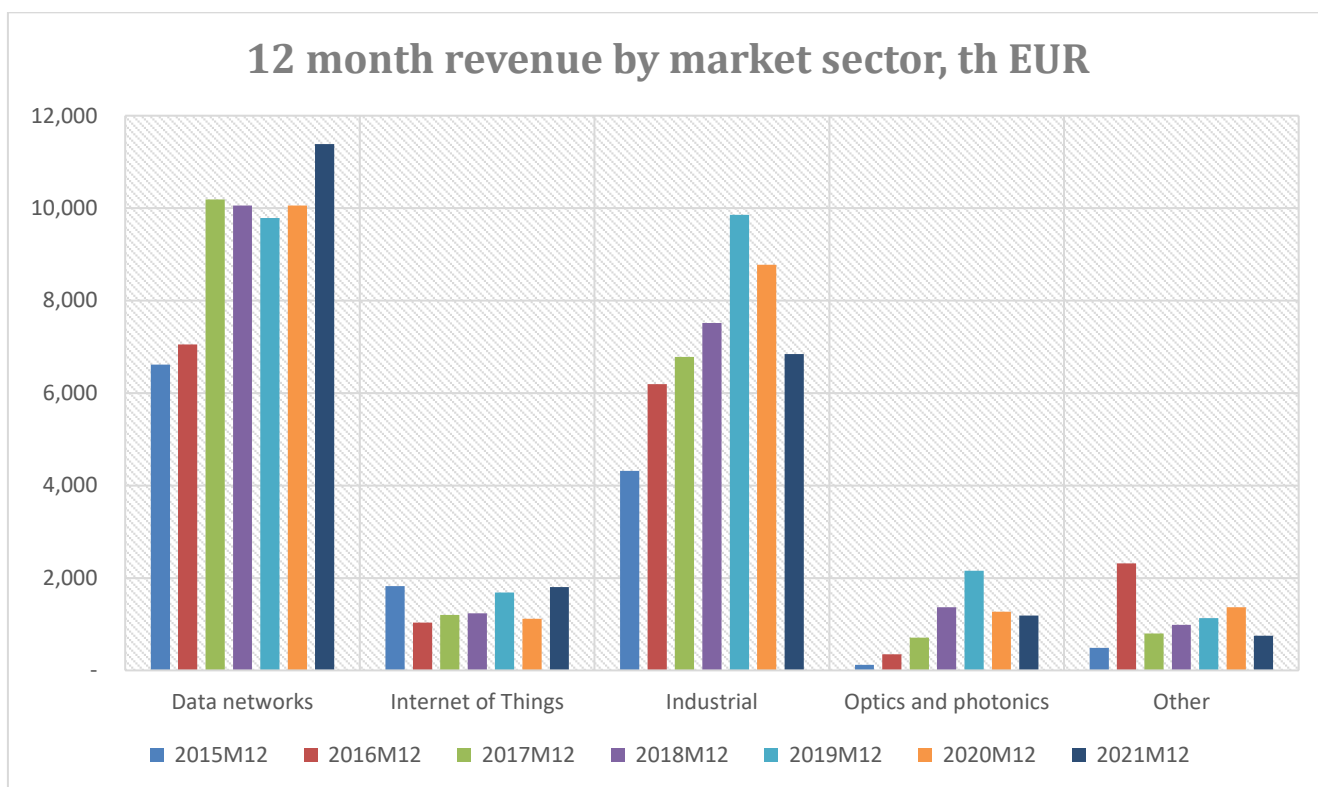
2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021 Q2	2021Q3	2021Q4
1 911	2 138	2 184	3 030	2 707	3 063	3 484	2 760	2 076
383	348	237	295	235	460	233	502	608
3 186	1 857	2 609	2 342	1 758	1 894	1 893	1 454	1 600
940	630	176	188	490	208	215	313	451
192	209	85	699	370	203	217	225	103
6 612*	5 184	5 290	6 554	5 560*	5 828	6 042	5 254	4 838*

\* - corrected (increased) by the sales amount to the extent of the costs incurred related to the work in progress respectively as at the end of 2019, 2020 and 2021 according to the Group accounting principles and policy.

**2021 12-month revenue by market sector results**

During 2021 12m main sales contributors continue to be data network products with 52% sales share and industrial product sales with 31% share in turnover. Internet of things product share in sales was 8%, optics and photonics products – 5% and other product share – 3%.

Sales dynamics of market segments compared to 2020 12m – data network sales were 13% up; industrial product sales were 22% down; optics and photonics product sales were 7% down, internet of things product sales increased 62%, other product sales reported 45% decrease.



Growth in data networks explained by expanding demand for remote connectivity solutions, whereas growth in IoT sector also explained by increased demand from current and new customers.

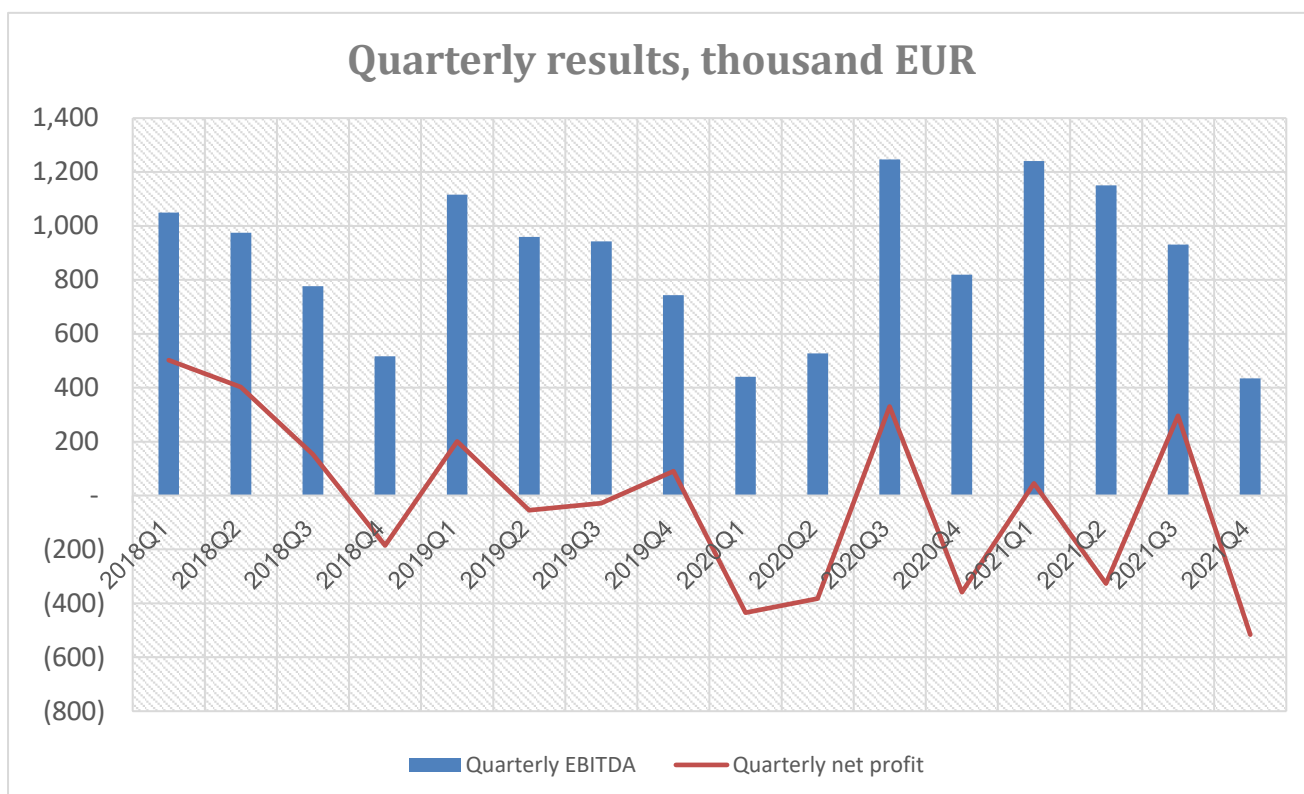
### Quarterly EBITDA and net profit results in 2021 Q4

In 2021 Q4 the Group reported quarterly EBITDA result of 0.435 million EUR and operated with net loss result of 0.516 million EUR. The reported EBITDA result shows 47% decrease in comparison with Q4 2020 and 53% decrease compared to previous quarter of 2021 Q3. In Q4 2021 the Group reported net loss 0.516 million EUR as compared to net profit of 0.295 million in 2021 Q3. Quarterly results represent EBITDA margin of 8.99% and net profit margin -10.67%.

Net profit of the company in Q4 2021 is negatively influenced by loss from investments in associates, EIB loan fair value change provisions and interest expense related to leases, but positively influenced by change in EIB warrant fair value.

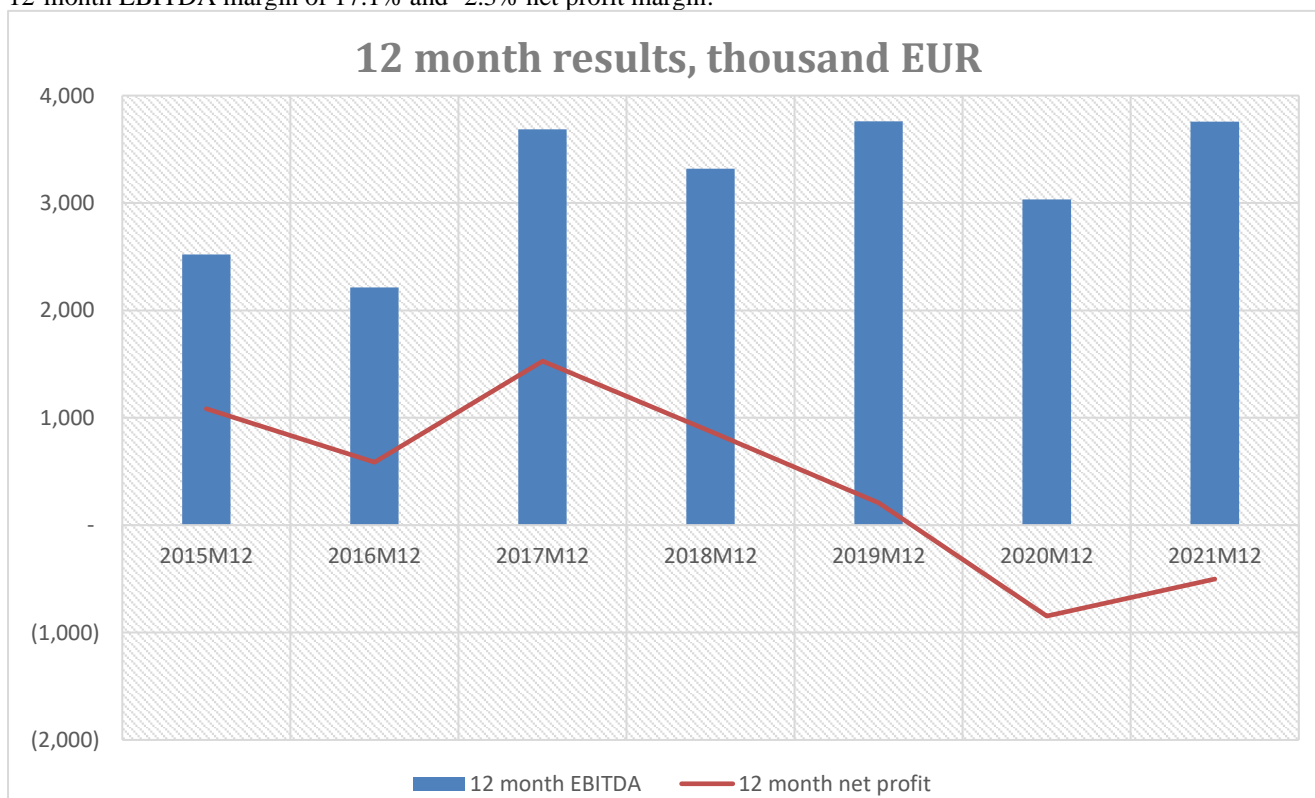
In Q4 2021 the Group carried out revaluation of fair value of warrants issued in relation to European Investment Bank (EIB) financing contract, decreasing warrant balance sheet value by 0.309 million EUR, due to decreasing average weighted price of HansaMatrix stock in Q4 2021, which improved net profit/loss in Q4 2021.

For better inter-period profitability comparisons, the Group calculates normalized net profit which in Q4 2021 amounted to -0.306 million EUR generating -6.32% Normalized net profit margin.



### 2021 12 month EBITDA and net profit results

During 12 months of 2021 the Company reported EBITDA result of 3.757 million EUR and 12m net loss result of 0.502 million EUR. The reported EBITDA result shows 24% increase in comparison with 2020 12m. In 12 months of 2021, the Company operated with a net loss of 0.502, as compared to the net loss of 0.847 million EUR in 2020 12m. Results represent 12-month EBITDA margin of 17.1% and -2.3% net profit margin.



12m 2021 EBITDA high result achieved is explained by the increased proportion of high-value added products in manufactured product mix. Taking into account the global component deficit challenges, in 12m 2021 achieved EBITDA result and EBITDA margin level could be considered as very good performance, ensured by balancing the available and necessary manufacturing capacity and actively managing the supply chain challenges.

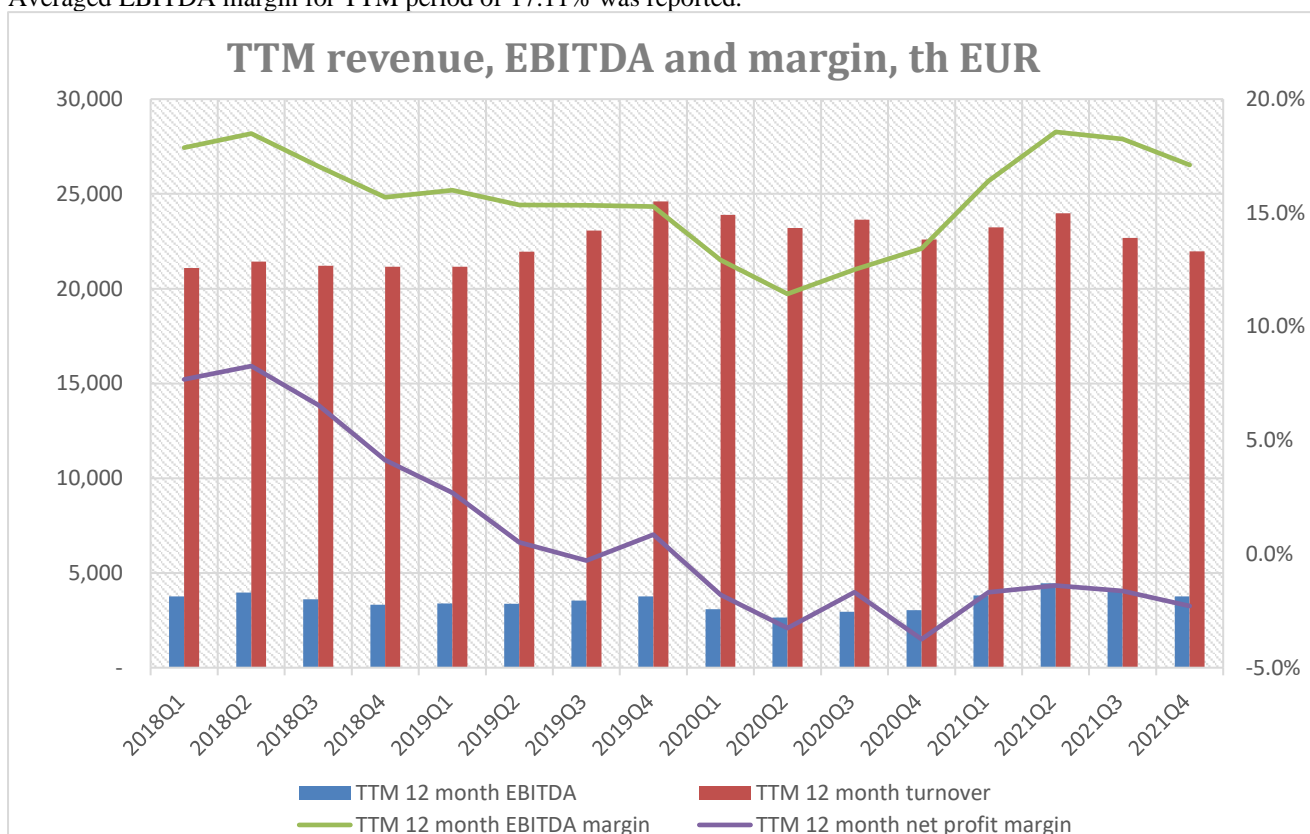
Net profit of the company in 12m 2021 is negatively influenced by several non-cash related items, including loss from investments in associates, EIB warrant fair value change provisions, EIB loan fair value change provisions and interest expense related to leases.

In 12m 2021 the Group carried out revaluation of fair value of warrants issued in relation to European Investment Bank (EIB) financing contract, increasing warrant balance sheet value by 0.228 million EUR, due to increasing average weighted price of HansaMatrix stock, which by the same amount increased net loss in 12m 2021.

For better inter-period profitability comparisons, the Company calculates normalized net profit which in 12m 2021 amounted to 1.021 million EUR, generating 4.65% normalized net profitability in the respective period.

### TTM (trailing twelve months) turnover, EBITDA and margin results in 2021 Q4

TTM – trailing twelve-month period sales (period starting in January 1, 2021 and ending with December 31, 2021) at 2021 Q4 reached 21.962 million EUR, showing 3% decrease compared to TTM sales for the period ended at 2020 Q4 and also 3% decrease compared to TTM sales for the period ended at 2021 Q3. EBITDA result for the TTM 12-month period reported to be 3.757 million EUR, an increase of 24% in comparison with 12-month period ended at 2020 Q4 and 9% decrease compared to TTM sales for the period ended at 2021 Q3. The TTM period resulted in a net loss of -0.502 million EUR. Averaged EBITDA margin for TTM period of 17.11% was reported.



### Research and development

HansaMatrix R&D business activities have been mostly concentrated on providing R&D services and manufacturing services to the associated company LightSpace technologies and also include manufacturing services provided to third parties related to high-tech optical devices in optics and photonics sector. Starting with Q1 2021 the Group has stopped separately reporting the R&D revenue as R&D services will be provided complimentary to the core business of Electronic Manufacturing Services and are not expected to constitute substantial part of the total Group revenue.

In the Q4 2021 HansaMatrix Innovation continued realization of SIA LEO petijumu centrs and Ministry of Economics managed applied research project: Project 1.2.1.1/18/A/006 research No.1.2. "Development of electronics for multifocal augmented and virtual reality displays". The project is carried out in cooperation with one partner, SIA HansaMatrix Ventspils. The total planned costs of the project were 407 thousand EUR, consisting of 280 thousand EUR (68,75%) public ERDF funding and 127 thousand EUR (31,25%) private funding. This project was completed on July 31, 2021.

In Q4 2021 HansaMatrix Innovation in cooperation with SIA "Lightspace technologies" continued realization of SIA "LEO petijumu centrs" and Ministry of Economics managed applied research project No. 1.2.1.1/18/A/006 research No.1.16. "Development of integrated electronics for head position tracking and remote assistance functionality". The expected duration of the project is 14 months, starting on November 1st, 2020. The total planned cost of the project amount to 318 thousand EUR, consisting of 218,6 thousand EUR (68,74%) public ERDF funding and 99,4 thousand EUR (31,26%) private funding.

In Q4 2021 HansaMatrix Innovation continued participation as the linked third party in the Horizon-2020 project "Next Generation Enhanced Augmented Reality 3D Glasses for medical education, pre-procedural planning, intra-procedural visualization, and patient rehabilitation — NGEAR 3D" (hereinafter- NGEAR)." The foreseen duration of the project is 24 months, starting on July 1st, 2020. The total planned cost of the project is 146 thousand EUR, including the European Commission support funding 102 thousand EUR.

### **Investment activities**

During Q4 2021 HansaMatrix made 0.124 million EUR and during 12m 2021 1.045 million EUR investments in production capacity maintenance and increase, research instruments, test systems and development of IT system.

In the reporting period HansaMatrix continued the realization of European Regional Development Fund (ERDF) funding project "Development of experimental production of 3D volumetric imaging equipment and its components" under ERDF "Operational Program "Growth and Jobs" 1.2.1 Specific Support Objective "Increase Private Investment in R&D" measure 1.2.1.4. "Support for Introduction of New Products in Production"". Total and ERDF funding eligible costs of the aforementioned project amount to 2.9 million EUR, with the planned ERDF funding 1 million EUR, or 35% of the eligible project costs.

### **Investments in subsidiaries**

SIA Zinātnes parks develops industrial real estate project, located at Riga airport area.

During Q4 2021 the Parent Company has provided additional 106 thousand EUR and during 12m 2021 in aggregate additional 356 thousand EUR funds in form of convertible loan to its subsidiary – SIA Zinātnes parks, mostly used for land plot rental payments to VAS Starptautiskā lidosta Rīga and for loan repayments to AS SEB banka.

At the end of the reporting period, the total Parent company investment in SIA Zinatnes parks amounted to 2 228 thousand EUR, consisting of convertible loan in amount of 1 422 thousand EUR, paid up capital 370 thousand EUR and goodwill 436 thousand EUR.

At the end of the reporting period, the total Group consolidated assets in relation to SIA Zinatnes parks amounted to 2 414 thousand EUR, consisting of construction in progress (capitalized fixed asset creation costs) 2 053 thousand EUR, goodwill 436 thousand EUR and accrued losses -75 thousand EUR.

AS Lightspace holding is a holding company, holding assets related to HansaMatrix associated company SIA Lightspace technologies. HansaMatrix Supervisory Board has approved the initiation of the reorganization process, whereby Lightspace holding shares owned by the Parent company are planned to be separated from HansaMatrix, establishing a new acquiring company.

HansaMatrix established AS Lightspace holding on December 27, 2021, by investing in its equity 35 thousand EUR and by investing as material contribution 17 445 or 67.7% shares in Lightspace Technologies owned by the Parent company in the amount of EUR 8 672 thousand EUR and Lightspace technologies trade receivables owed to HansaMatrix in the amount of EUR 690 thousand EUR.

### **Investment activities in associated companies**

SIA Lightspace Technologies is 3D photonics and optical solutions company, the global technological leader in multi focal AR VR near eye displays and future glasses free 3D image display technologies with main uses in medicine, defense, scientific visualization, entertainment, media and gaming.



In Q4 and 12m2021 of 2021 HansaMatrix did not carry out additional investments into SIA Lightspace Technologies, but fully converted the convertible loan issued by HansaMatrix to Lightspace technologies in amount of 4.96 million EUR.

On November 15, 2021 HansaMatrix associated company Lightspace Technologies increased its share capital by issuing 9 168 new shares. After increasing the share capital, it amounts to EUR 25 769 and consists of 25 769 shares.

The share capital was increased by the largest shareholder HansaMatrix making material contribution in a form of existing convertible loan in the amount of EUR 4.96 million, thus acquiring all the new shares.

After the share capital increase, the distribution of the share capital of Lightspace Technologies for the shareholders of the Company is the following: 67,70 % AS HansaMatrix;17,44 % KS BaltCap Latvia Venture Capital Fund AIF KOM;8,23 % Ilmars Osmanis;5,03 % KS AIF Imprimatur Capital Technology Venture Fund KOM;1,61 % KS AIF Imprimatur Capital Seed Fund KOM.

At the end of the reporting period, the total Parent company investment in SIA Lightspace Technologies amounted to 8 672 thousand EUR, consisting of paid-up capital.

At the end of the reporting period, the total Group assets in relation to SIA Lightspace Technologies amounted to 6 128 thousand EUR, consisting of paid-up capital. (at consolidated level accounted for using equity method).

**Business development overview of the associated company – SIA Lightspace Technologies**

During Q4 2021, LightSpace Technologies (hereinafter – LightSpace) was attending major marketing events such as Slush and Augmented World Expo. As it becomes possible to travel again, Company resumed face-to-face meetings and showcases of demo devices to strategic partners and customers. The company also resumed its active conversations with VC and CVC investors.

In November, Lightspace was invited to participate at KTVT by the Volkswagen group – one of the world's most relevant conferences at the intersection of automotive and virtual tech. Lightspace showcased the multi-focal Augmented Reality technology focusing on automotive applications.



**Visualization of iG1050 design**

The same month, Lightspace signed a large iG1050 AR headset delivery contract with an important industrial customer. The amount of contract exceeds 2.2 M EUR for deliveries in 2022. In case of successful execution of the contract, parties expect to extend the contract for the next periods and new amounts. The agreement includes customization of iG1050 to better fit the chosen application.

The main focus of the company remains on healthcare applications. In December, Lightspace made a roadshow to Finland to demonstrate its new integration with medical-grade tracking for dental equipment manufacturer Planmed. The company received great feedback, and the work on the next steps has already begun.

During Q3 2021, Lightspace showcased its devices to Siemens AG industrial group. As Lightspace received great feedback about the image quality of the headset, the company was introduced to Siemens Healthineers. The Company provided a demo device to the cardiovascular department of Siemens Healthineers for validation of several use cases.

Lightspace is currently actively preparing the iG1050 production line and sourcing materials. The first equipment will be released in late March / April. Most of the production batch has already been allocated to Company's MedTech partners.

During Q4 2021, Lightspace has been selected as one of the Top 50 European DeepTech companies with the highest growth and financial potential by the EIC ScalingUp project.

In December, Lightspace won the award for developing the most innovative knowledge-based product in Latvia at the Export and Innovation Awards 2021 competition.

In order to strengthen management and ensure long-term strategy execution Lightspace has strengthened its team by appointing Zanda Lapane as a Business Development Officer. The new BDO actively builds and maintains business relationships with Company's partners.

The unique multi-focal technology, invented by Lightspace, is considered to be the key enabling technology required for near-distance 3D visualizations, required in Digital and Image-guided medicine. The ability of the Lightspace AR headset to display the image in real 3D coordinates opens up the possibility of using it as a CT, MRI, PET scan, 3D ultrasound data visualization tool. There is currently no device on the market that can display medically obtained data in real 3D coordinates. Lightspace is entering the medical market as a pioneer.

LightSpace is a photonics and optical solutions company, the global technology leader in multi-focal near-eye AR displays. The main uses of the product are in healthcare, manufacturing, defense, science, entertainment, media and gaming. Several key enabling technologies, including liquid crystal materials that create switching diffuser photonics devices, have been invented by the company.

Until February 9, 2022, LightSpace have submitted 48 international patent applications. Of those – 3 patent applications have been submitted in Q4 2021 and 3 patent applications have been submitted in January 2022.

SIA LightSpace Technologies fully (100%) owns Lightspace Labs Inc., Delaware (USA) Company and controls the majority of EUROLCDs, SIA shares (83.81%).

**SIA Lightspace Technologies consolidated\* profit loss statement, EUR**

	<b>2021</b>	<b>2020</b>
	<b>EUR</b>	<b>EUR</b>
Net turnover	705 634	516 912
Cost of sales	(3 036 452)	(2 152 231)
<b>Gross profit / (loss)</b>	<b>(2 330 818)</b>	<b>(1 635 319)</b>
Distribution costs	(229 743)	(243 351)
Administrative expense	(630 386)	(319 014)
Other operating income	1639 139	1044 893
Other operating expense	(64 644)	(85 235)
<b>Operating profit</b>	<b>(1 616 450)</b>	<b>(1 238 026)</b>
Interest expenses	(26 619)	(3 829)
<b>Profit / (loss) before tax</b>	<b>(1 643 069)</b>	<b>(1 241 855)</b>
Corporate income tax	(262)	(943)
<b>Net profit / (loss) for the period</b>	<b>(1 643 331)</b>	<b>(1 242 798)</b>
Profit attributable to:		
Equity holders of the Parent Company	(1 573 065)	(1 124 413)
Non-controlling interest	(70 266)	(118 385)
	<b>(1 643 331)</b>	<b>(1 242 798)</b>

**SIA Lightspace Technologies consolidated \*) balance sheet, EUR**

<b>ASSETS</b>	<b>31.12.2021</b>	<b>31.12.2020.</b>
	<b>EUR</b>	<b>EUR</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant, equipment and intangible asstes	10 624 606	9 410 754
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10 624 606</b>	<b>9 410 754</b>
<b>CURRENT ASSETS</b>		
Inventory	406 119	383 621
Receivables	590 174	954 779
Cash and cash equivalents	13 011	67 429
<b>TOTAL CURRENT ASSETS</b>	<b>1 009 304</b>	<b>1 405 829</b>
<b>TOTAL ASSETS</b>	<b>11 633 911</b>	<b>10 816 583</b>
<b>EQUITY AND LIABILITIES</b>	<b>31.12.2021</b>	<b>31.12.2020.</b>
	<b>EUR</b>	<b>EUR</b>
<b>EQUITY</b>		
Share capital	25 769	16 601
Share premium	9 978 277	5 025 712
Other reserves	1 566 294	1 570 034
Retained earnings/ (accumulated deficit)	(5 522 993)	(3 949 926)
Non-controlling interest	391 463	461 729
<b>TOTAL EQUITY</b>	<b>6 438 809</b>	<b>3 124 150</b>
<b>LIABILITIES</b>		
Non-current and current liabilities	5 195 102	7 692 433
<b>TOTAL LIABILITIES</b>	<b>5 195 102</b>	<b>7 692 433</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11 633 911</b>	<b>10 816 583</b>

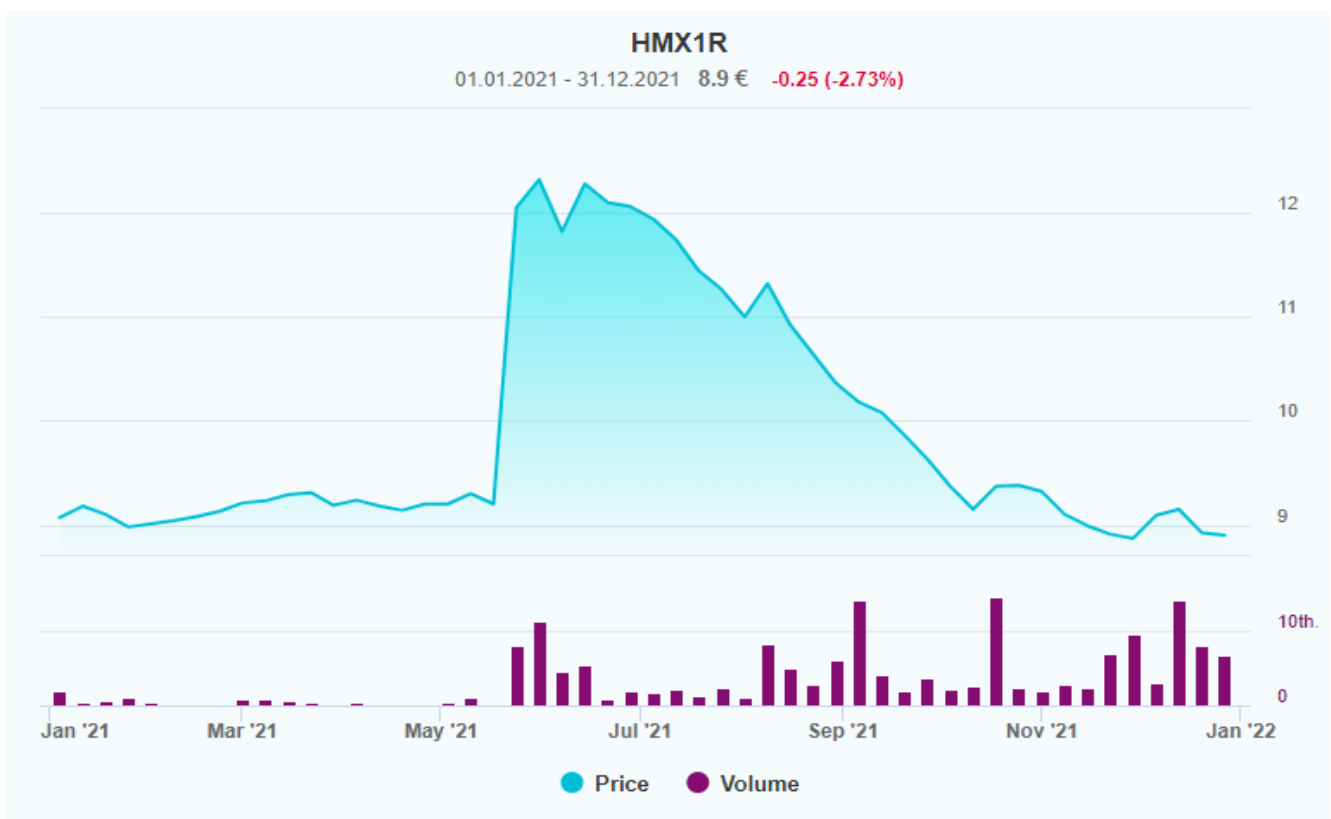
\* Consolidated 100% SIA LightSpace Technologies, 100% LightSpace Technologies Inc. and 83.81% SIA Euroldcs.

## Shares and stock market

During 2021 Q4 HansaMatrix (HMX1R) share price decreased by 6.32% - see the stock price movement chart for the period from October 1, 2021 to December 31, 2021.



During 2021 12m HansaMatrix (HMX1R) share price slightly decreased by 2.73% - see the stock price movement chart for the period from January 1, 2021 to December 31, 2021.



**Security trading history**

Price	2017	2018	2019	2020	2021
Open	7.95	8.14	6.5	6.25	9.10
High	8.83	8.5	6.65	9.05	16.80
Low	6.9	6.05	5.93	5.00	8.50
Last	8.14	6.5	6.25	9.05	8.90
Traded volume	72 941	137 505	32 591	38 141	175 092
Turnover, million	0.51 EUR	0.94 EUR	0.20 EUR	0.26 EUR	1.78 EUR
Capitalisation, million	14.89 EUR	11.89 EUR	11.43 EUR	16.56 EUR	16.28 EUR

In 12m 2021 the highest HansaMatrix (HMX1R) share price observed reached 16.80 EUR per share, lowest 8.50 EUR per share and the total traded share turnover in this period amounted to 1.78 million EUR.

**Exposure to risks and uncertainties**

The Group business operations are exposed to a variety of risks: market risk, credit risk, liquidity risk and cash flow risk, geopolitical risk, foreign currency risk as well as interest rate risk.

The ongoing COVID-19 pandemic may have a negative impact on the Group performance in the short term in the following areas: customer demand weakening, personnel safety issues and supply chain disruptions.

All business units of the Group, including Pārogre and Ventspils manufacturing plants, metal parts and optics product unit in Mārupe and head office in Mārupe are fully operational. HansaMatrix ensures safe working condition to workers present at all plants and offices of the Group and ensures remote work from home for employees where it is possible, effective and necessary. All requirements of self-isolation and quarantine stipulated by law are supported and enforced when necessary.

In response to the emergency situation HansaMatrix has introduced internal code of emergency aimed to ensure safeguarding and maintaining good health of the employees in the Group. New internal regulations and business practices have been introduced and are being regularly followed up and improved.

COVID-19 situation is impacting and going further might increase some of the risks to which the Group is exposed.

**Market risk.** The Group manages market risk according to its business development strategy, which foresees the development of a highly automated and technologically developed manufacturing process, operating in diversified market sectors with a growth tendency. Continued efforts are made for attracting new clients.

COVID-19 impact on the sectors where the Group operates is different and balances out – in data networks and medical sectors the demand is increasing, however the demand might decrease or stagnate for products in some other sectors, e.g. not first necessity electronic products, in addition for products related to aviation and tourism industries the demand has significantly decreased.

**Credit risk.** The Group and the Parent Company are exposed to *credit risk* through its trade receivables. The Parent Company has introduced various procedures to mitigate the risk of unrecoverable debts. Most trade credits are insured using non-recourse factoring. As at December 31, 2021, 45% of all trade receivables outstanding were insured. Clients, whose trade credits for any reason are not or cannot be insured, are subject to shortened payment schedules, advance payments, credit limits and other risk hedging conditions. The credit history of customers is also assessed on an ongoing basis and credit limits and terms are changed on an individual basis as applicable.

HansaMatrix continues to work closely with customers to better identify and understand the potential impact the COVID-19 situation may have on the manufacturing order book. Customers, located in the affected countries, are continuing the operations and are taking the virus spread and contraction precautionary measures. The manufacturing order volume can be influenced by potential decisions by businesses to postpone investments and by consumers to decrease expenditures and also by international travel restrictions preventing customers from promptly accepting the executed orders, which potentially can be mitigated by online solutions.

**Liquidity and cash flow risk.** Liquidity is affected by inventories and the volume of work in progress, the amount of trade credits granted to clients, balance of prepayments received, suppliers' terms of payment and the working capital available to the Group and the Parent Company. Liquidity strains can also influence the ability to carry out loan and lease payments. To mitigate liquidity risk, the Parent Company employs financial and operational management procedures. The balance of

inventories is monitored on a regular basis, orders and deliveries from suppliers are rescheduled, as are the sequence and volume of planned manufacturing in order to speed up the inventory turnover. Working capital is also monitored regularly which leads to planning of the availability of credit resources and financing instruments and the amount and repayment schedules thereof.

COVID-19 situation has slowed inventory turnover for some of the Group Clients due to demand decrease and also in some cases due to supply chain disruptions. The electronic component supply chain disruptions due to coronavirus could be expected to impact HansaMatrix manufacturing order execution, potentially shifting fulfilment times, and could increase component sourcing costs.

To mitigate COVID-19 impact on liquidity, in addition to the regular procedures, the Group on ongoing basis closely monitors and utilizes the available government support for liquidity. At the end of 2020 the Group successfully extended for 1 year the necessary working capital financing agreements with SEB banka in amount of EUR 4.56 million.

In 12m 2021 the Group carried out revaluation of fair value of warrants issued in relation to European Investment Bank (EIB) Financing contract in amount of 0.228 million EUR due to increasing average weighted HansaMatrix stock market price, which by same amount decreased net profit in the reporting period. As at the end of Q4 2021 the Group has reviewed all the other values of the Group assets, inventory, goodwill and other intangible assets, property, plant, and equipment, determined according to the Group accounting policy, and has concluded that as at the end of Q4 2021 the other asset values of the Group have not been significantly impacted by COVID-19 pandemic situation or other circumstances.

### **Other significant events in Q4 2021**

On October 15, 2021 HansaMatrix announced decision to conduct a review of strategic alternatives in support of further growth of the business of the Group and to enhance shareholder value. The Parent company has appointed Superia as financial advisor to assist in the review. The review of strategic alternatives may allow the Group to identify an additional strategic direction of the business of the Group that enhances value for the shareholders, and may result in a transaction or a series of transactions, such as sale transaction of the Parent company to a strategic or financial investor, sale of parts of the Group, reorganisation of entities within the Group, including a spin-off of the Parent Company shareholding in Lightspace Technologies.

On October 18, 2021 HansaMatrix has signed a contract to supply electronic assemblies starting with Q1 2022, with yearly amount of up to 2 million EUR. The new customer is located in Nordic countries and operates in industrial sector, related to health and wellness industry.

On October 19, 2021 HansaMatrix's associated company Lightspace Technologies has attracted an investment in form of convertible loan of 800 thousand EUR from Estonian and Danish business angels and existing shareholders. These investments will help Lightspace Technologies to further develop existing and new products.

On November 15, 2021 HansaMatrix associated company Lightspace Technologies increased its share capital by issuing 9 168 new shares. After increasing the share capital, it amounts to EUR 25 769 and consists of 25 769 shares. The share capital was increased by the largest shareholder HansaMatrix making material contribution in a form of existing convertible loan in the amount of EUR 4.96 million, thus acquiring all the new shares.

On December 3, 2021 HansaMatrix associated company Lightspace Technologies has signed large iG1050 AR headset delivery contract with important industrial customer. Amount of contract exceeds 2.2 MEUR for deliveries in 2022. In case of successful execution of contract parties expect to extend contract for next periods and new amounts. Agreement includes customization of iG1050 to better fit chosen application.

On December 23, 2021 HansaMatrix has signed agreements with SEB banka and SEB lizings to extend the maturity of factoring, overdraft, guarantee and reverse factoring facilities for the next annual period of one year for aggregate amount of EUR 4.56 million for working capital financing that also include export financing transactions. In addition, SEB has approved new leasing financing limit in the amount of EUR 1 million for HansaMatrix investments in manufacturing machinery in 2022.

On December 30, 2021 following an evaluation of strategic development options, HansaMatrix has started a reorganization process to capture shareholder value and achieve strategic business development goals. As a first step, the Company has established a subsidiary JSC "Lightspace holding" by investing in its equity as material contribution 17 445 or 67.7% shares in Lightspace Technologies owned by the Company in the amount of EUR 8 671 thousand and Lightspace technologies trade receivables owed to HansaMatrix in the amount of EUR 690 thousand. HansaMatrix Supervisory Board has approved the initiation of the reorganization process, whereby Lightspace holding shares owned by the Company will be separated from HansaMatrix, establishing a new acquiring company. The separation will be subject to respecting all HansaMatrix shareholders' rights, the rights of the company and creditors, and shall be implemented in accordance with the possible legal



form. The decision to reorganize HansaMatrix is planned to be adopted at the extraordinary shareholders' meeting in the 1st quarter of 2022. Shareholders will be informed about details of the reorganization decision at least one month in advance.

### **Significant events after the reporting period**

On January 11, 2022 HansaMatrix notifies on the increase of share capital. HansaMatrix has previously informed that in accordance with the decisions adopted by the extraordinary shareholders meeting on 16 February 2018 the issuance of the Company's employee share options and the related conditional increase of the Company's share capital was approved. With the execution of conversion of employee share options, the Management Board of the Company decided on 26 November 2021 to increase the share capital of the Company by EUR 5500 (five thousand five hundred euros), by issuing new 5500 (five thousand five hundred) bearer shares with a nominal value of EUR 1 (one euro) per share, which has been registered in the Commercial Register as of 10 January 2022. After the increase of the share capital, the total share capital of the Company comprises EUR 1 834 881 (one million eight hundred thirty-four thousand eight hundred eighty-one euros).

February 15, 2022

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Jānis Sams  
Chairman of the Management Board

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A TIME STAMP

## Statement of responsibility of the management

The Management Board of HansaMatrix is responsible for preparing the consolidated financial statements of the Parent and its subsidiaries (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 December 31, 2021 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 IAS 34 Interim Financial Reporting 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, 2020. Prudent and reasonable judgments and estimates have been made by the management in the preparation of the financial statements.

The Management Board of 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 IAS 34 Interim Financial Reporting.

February 15, 2022

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Jānis Sams  
Chairman of the Management Board

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## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### Interim consolidated statement of comprehensive income

	01.10.2021- 31.12.2021	01.10.2020- 31.12.2020 restated	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020 restated
	EUR	EUR	EUR	EUR
Revenue from contracts with customers	4 837 863	5 560 390	21 962 274	22 588 982
Cost of sales	(4 483 633)	(4 692 890)	(19 063 926)	(20 016 243)
<b>Gross profit</b>	<b>354 230</b>	<b>867 500</b>	<b>2 898 348</b>	<b>2 572 739</b>
Distribution costs	(142 995)	(503 529)	(505 429)	(856 607)
Administrative expense	(536 088)	(351 534)	(1 965 335)	(1 738 345)
Other operating income	249 364	226 951	1 046 810	731 437
Other operating expense	(181 020)	22 715	(304 534)	(53 693)
<b>Operating profit or (loss)</b>	<b>(256 509)</b>	<b>262 103</b>	<b>1 169 860</b>	<b>655 531</b>
Loss from investments in associates	(381 244)	(78 743)	(816 407)	(572 611)
Finance income	311 774	2 586	497 313	10 290
Finance costs	(190 023)	(544 945)	(1 353 186)	(939 796)
<b>Profit or loss before tax</b>	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
Corporate income tax	-	-	-	-
<b>Net profit or loss for the reporting period</b>	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax</i>				
Other comprehensive income:	-	-	-	-
<b>Total comprehensive income or (loss) for the year, net of tax</b>	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
Comprehensive income or (loss) attributable to:				
Equity holders of the Parent Company	(516 002)	(358 999)	(502 420)	(845 296)
Non-controlling interests	-	-	-	(1 290)
	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
Earnings Per Share	(0.282)	(0.196)	(0.275)	(0.462)
Diluted Earnings Per Share	(0.252)	(0.176)	(0.245)	(0.413)

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

February 15, 2022

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<b>Interim consolidated statement of financial position</b>		
<b>ASSETS</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
		<b>restated</b>
<b>NON-CURRENT ASSETS</b>	<b>EUR</b>	<b>EUR</b>
<b>Intangible assets</b>		
ODM assets	394 813	310 475
Other intangible assets	562 910	575 706
Goodwill	360 653	360 653
<b>Total intangible assets</b>	<b>1 318 376</b>	<b>1 246 834</b>
<b>Property, plant and equipment</b>		
Land and buildings	3 789 000	3 428 169
Equipment and machinery	3 716 385	4 201 035
Other fixtures and fittings, tools and equipment	502 498	558 352
Right of use asset	3 659 999	2 792 929
Leasehold improvements	107 585	90 110
Construction in progress	2 057 989	2 369 063
<b>Total property, plant and equipment</b>	<b>13 833 456</b>	<b>13 439 658</b>
<b>Non-current financial assets</b>		
Investments in associates	6 127 713	1 982 387
Investments in other companies	61 582	42 086
Other investment loans	-	4 961 573
Other financial assets	-	38 564
Other non-current receivables	6 690	61 048
<b>Total non-current financial assets</b>	<b>6 195 985</b>	<b>7 085 658</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>21 347 817</b>	<b>21 772 150</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials and consumables	3 955 773	1 972 306
Work in progress	-	-
Finished goods	-	-
<b>Total inventories</b>	<b>3 955 773</b>	<b>1 972 306</b>
<b>Receivables, contract assets and prepayments</b>		
Trade receivables from contracts with customers	1 259 760	755 890
Prepayments for goods	82 935	94 152
Loan to shareholder	563 201	551 883
Prepaid expense	122 054	30 632
Contract assets	1 487 173	2 225 865
Other receivables	285 932	304 448
<b>Total receivables, contract assets and prepayments</b>	<b>3 801 055</b>	<b>3 962 870</b>
<b>Cash and cash equivalents</b>	<b>451 210</b>	<b>830 243</b>
<b>TOTAL CURRENT ASSETS</b>	<b>8 208 038</b>	<b>6 765 419</b>
<b>TOTAL ASSETS</b>	<b>29 555 855</b>	<b>28 537 569</b>
*Available unused credit line	700 000	270 554
*Available unused factoring limit	1 246 601	1 537 540

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

February 15, 2022

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**Interim consolidated statement of financial position**

	<b>31.12.2021</b>	<b>31.12.2020 restated</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	50 659	1 973
Non-current asset revaluation reserve	2 006 222	1 914 956
Retained earnings/ (accumulated loss):		
a) brought forward	2 064 848	2 842 621
b) for the period	(502 420)	(846 586)
Minority share	-	-
<b>TOTAL EQUITY</b>	<b>7 884 269</b>	<b>8 177 924</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	6 797 323	7 390 029
Lease liabilities	2 704 570	1 686 167
Other financial liabilities	1 880 003	1 652 485
Prepayments received from customers (Contract liabilities)	-	-
Government grants	618 572	724 075
Taxes payables – non-current	141 078	273 417
<b>Total non-current liabilities</b>	<b>12 141 546</b>	<b>11 726 173</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 031 779	1 829 071
Lease liabilities	796 386	960 475
Prepayments received under contracts with customers	1 123 984	788 670
Trade payables	5 392 660	3 496 960
Taxes payable	535 199	811 374
Corporate income tax	-	2 516
Other liabilities	178 834	251 387
Government grants	177 099	185 758
Accrued liabilities	294 099	307 261
<b>Total current liabilities</b>	<b>9 530 040</b>	<b>8 633 472</b>
<b>TOTAL LIABILITIES</b>	<b>21 671 586</b>	<b>20 359 645</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29 555 855</b>	<b>28 537 569</b>

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

February 15, 2022

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<b>Interim consolidated statement of cash flow</b>				
	<b>01.10.2021- 31.12.2021</b>	<b>01.10.2020- 31.12.2020 restated</b>	<b>01.01.2021- 31.12.2021</b>	<b>01.01.2020- 31.12.2020 restated</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>CASH FLOWS TO/ FROM OPERATING ACTIVITIES</b>				
Profit (loss) before tax	(516 002)	(358 989)	(502 420)	(846 586)
Adjustments for:				
Depreciation and amortization	691 345	557 609	2 587 401	2 378 195
Interest expense	29 602	352 952	129 799	552 587
Interest income	(2 929)	(2 586)	(11 420)	(10 290)
Decrease in allowances for slow-moving items and receivables	53 318	(100 388)	(100 060)	(117 976)
Income from grant recognition	(46 065)	(103 185)	(192 859)	(179 569)
Gain on disposal of property, plant and equipment	(21 803)	(13 886)	(22 038)	(13 866)
Fair value adjustment for warrants	(308 845)	306 555	227 518	306 555
Share of loss of an associates	381 244	78 743	816 407	572 611
Adjustments for:				
(Increase)/ decrease in inventories	(964 586)	683 865	(1 244 775)	1 146 084
(Increase)/ decrease in receivables	(55 049)	(808 689)	(429 308)	(263 468)
Increase/ (decrease) in payables	1 575 692	413 222	2 049 307	(110 475)
<b>Cash generated from operations, gross</b>	<b>815 922</b>	<b>1 005 223</b>	<b>3 307 552</b>	<b>3 413 802</b>
Interest paid	(29 602)	(89 528)	(129 799)	(286 732)
Corporate income tax paid	-	-	-	-
<b>Net cash flows to/ from operating activities</b>	<b>786 320</b>	<b>915 695</b>	<b>3 177 753</b>	<b>3 127 070</b>
<b>CASH FLOWS TO/ FROM INVESTING ACTIVITIES</b>				
Purchase of intangible assets and property, plant and equipment	(123 631)	(114 941)	(1 045 120)	(840 546)
Proceeds from sale of property, plant and equipment	-	110 152	-	117 002
Investments in other companies	(31 881)	(10 595)	(19 496)	(504 459)
<b>Net cash flows to/ from investing activities</b>	<b>(155 512)</b>	<b>(15 384)</b>	<b>(1 064 616)</b>	<b>(1 228 003)</b>
<b>CASH FLOWS TO/ FROM FINANCING ACTIVITIES</b>				
Grants received	-	251 455	319 185	376 707
Dividends paid	-	-	(54 881)	(849 205)
Loans repaid to credit institutions	(230 015)	(272 316)	(1 867 003)	-
Loans repaid to lease companies	-	-	-	-
Payment of principal portion of lease liabilities	(226 658)	(180 782)	(889 471)	(850 806)
<b>Net cash flows to/ from financing activities</b>	<b>(456 673)</b>	<b>(201 643)</b>	<b>(2 492 170)</b>	<b>(1 323 304)</b>
<b>Change in cash and cash equivalents for the year</b>	<b>174 135</b>	<b>698 668</b>	<b>(379 033)</b>	<b>575 763</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>277 075</b>	<b>131 575</b>	<b>830 243</b>	<b>254 480</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>451 210</b>	<b>830 243</b>	<b>451 210</b>	<b>830 243</b>

HansaMatrix 2020 financial results restated by restating (increasing) losses in associated companies in amount of 247 465 as per year 2020 audited results of Lightspace technologies and by restating (decreasing) other operating income in amount of 47 509 EUR due to decreased accrued income from R&D grants.

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



**Interim consolidated statement of changes in equity**

	Share capital	Share premium	Reserves	Non-current asset revaluation reserve	Retained earnings/ (accumulated loss)	Non- controlling interest	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Balance as at 31 December 2019</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>688</b>	<b>2 038 647</b>	<b>2 606 875</b>	<b>117 047</b>	<b>9 028 217</b>
Profit for the reporting year	-	-	-	-	(845 296)	(1 290)	(846 586)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(845 296)	(1 290)	(846 586)
Depreciation of revalued items of property, plant and equipment	-	-	-	(123 691)	123 691	-	-
Share option reserves	-	-	1 285	-	-	-	1 285
Minority share	-	-	-	-	110 765	(115 757)	(4 992)
<b>Balance as at 31 December 2020</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>1 973</b>	<b>1 914 956</b>	<b>1 996 035</b>	<b>-</b>	<b>8 177 924</b>
<b>Balance as at 31 December 2020</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>1 973</b>	<b>1 914 956</b>	<b>1 996 035</b>	<b>-</b>	<b>8 177 924</b>
Profit for the reporting year	-	-	-	-	(502 420)	-	(502 420)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(502 420)	-	(502 420)
Revaluation of fixed assets	-	-	-	214 960	-	-	214 960
Depreciation of revalued items of property and plant	-	-	-	(123 694)	123 694	-	-
Share option reserves	-	-	48 686	-	-	-	48 686
Dividends paid	-	-	-	-	(54 881)	-	(54 881)
<b>Balance as at 31 December 2021</b>	<b>1 829 381</b>	<b>2 435 579</b>	<b>50 659</b>	<b>2 006 222</b>	<b>1 562 428</b>	<b>-</b>	<b>7 884 269</b>

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

## Notes to the consolidated financial statements

### 1. Corporate information

The interim condensed consolidated financial statements of HansaMatrix and its subsidiaries (collectively, the Group) for the twelve months ended December 31, 2021 were authorized for issue in accordance with a resolution of the Management Board of the Parent Company on February 15, 2022.

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 shares of the Parent Company are listed on Riga Stock Exchange, Latvia. The registered office of the Parent Company is at Akmeņu iela 72, Ogre. The Group is principally engaged in product design, industrialization and complete manufacturing services in data networking, Internet of Things, industrial segments and other high added value business sectors.

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

#### 2.1. Basis of preparation

The interim condensed consolidated financial statements for the twelve months ended December 31, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

#### 2.2. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**3. Related party disclosures**

		Amounts owed by related parties (gross)		Amounts owed to related parties (gross)		
Related party	Type of services		EUR		EUR	
1. Associates						
SIA Lightspace Technologies (AS HansaMatrix share: 67.70%)	Loan	31.12.2020	4 961 573		-	
		31.12.2021	-		-	
	Services, purchase of materials, sales	31.12.2020	447 252		338 853	
		31.12.2021	843 381		37 379	
	TOTAL		31.12.2020	5 408 825		338 853
	TOTAL		31.12.2021	843 381		37 379
2. Entities with significant influence over the Parent Company						
SIA MACRO RĪGA (shareholder)	Loans	31.12.2020	551 883		-	
		31.12.2021	563 201		-	
	Purchase of services; sale of materials	31.12.2020	2 067		-	
		31.12.2021	829		-	
	TOTAL		31.12.2020	553 950		-
	TOTAL		31.12.2021	564 030		-

**4. EBITDA calculation**

	01.10.2021- 31.12.2021	01.10.2020- 31.12.2020 restated	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020 restated
	EUR	EUR	EUR	EUR
NET sales	4 837 863	5 560 390	21 962 274	22 588 982
Operating profit	(256 509)	262 103	1 169 860	655 531
Depreciation and amortization	691 345	557 609	2 587 401	2 378 195
<b>EBITDA, EUR</b>	<b>434 836</b>	<b>819 712</b>	<b>3 757 261</b>	<b>3 033 726</b>
<b>EBITDA, %</b>	<b>9%</b>	<b>15%</b>	<b>17%</b>	<b>13%</b>

**5. The fair value measurement hierarchy of the Group's assets and liabilities at December 31, 2021**

	Fair value measurement using				
	Total at carrying amount	Total at fair value	quoted prices in active markets (level 1)	significant observable inputs (level 2)	significant unobservable inputs (level 3)
	EUR	EUR	EUR	EUR	EUR
<b>Assets and liabilities measured at fair value</b>					
Warrants	1 880 003	1 880 003	-	1 880 003	-
Investments in other companies	61 582	61 582	-	-	61 582
<b>Assets and liabilities for which fair value is disclosed</b>					
Loan to shareholder	563 201	563 201	-	-	563 201
Loans from credit institutions	7 829 102	7 829 102	-	7 829 102	-

As at the end of Q4 2021 the Group has reviewed the key assumptions of the fair value measurement, carried out for the Group's annual consolidated financial statements as at December 31, 2021, of the depicted above assets and liabilities and concluded that the carrying amounts of these assets and liabilities as of December 31, 2021 are reasonable approximations of the fair values, except that in Q4 2021 the Group carried out revaluation of fair value of warrants issued in relation to European Investment Bank (EIB) Financing contract in amount of 0.309 million EUR by decreasing the value of the warrants due to decreasing HansaMatrix stock market price, which increased net profit in Q4 2021 and in 12m 2021 in amount of 0.228 million EUR by increasing the value of the warrants due to increasing HansaMatrix stock market price, which decreased net profit in 12m 2021.

Nevertheless, the key assumptions of the fair value measurement could change going forward and as of the date of preparing the Group's annual audited consolidated financial statements for the year ended December 31, 2021.

## 6. Earnings per share

	01.10.2021- 31.12.2021	01.10.2020- 31.12.2020 restated	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020 restated
	EUR	EUR	EUR	EUR
<b>Net profit or loss for the reporting period</b>	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
Other comprehensive income:	-	-	-	-
<b>Total comprehensive income or (loss) for the year, net of tax</b>	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
Comprehensive income or (loss) attributable to:				
Equity holders of the Parent Company	(516 002)	(358 999)	(502 420)	(845 296)
Non-controlling interests	-	-	-	(1 290)
	<b>(516 002)</b>	<b>(358 999)</b>	<b>(502 420)</b>	<b>(846 586)</b>
HansaMatrix AS number of shares	1 829 381	1 829 381	1 829 381	1 829 381
Earnings per share	-0.282	(0.196)	-0.275	(0.462)
HansaMatrix AS employees share options	12 650	9 600	12 650	9 600
EIB warrants	205 298	205 298	205 298	205 298
Diluted Earnings Per Share	-0.252	(0.176)	-0.245	(0.413)

## 7. Normalized net profit

Normalized net profit calculation for Q1-Q4, 2020 and Q1-Q4, 2021:

	01.10.2021 31.12.2021	01.07.2021 30.09.2021	01.04.2021 30.06.2021	01.01.2021 31.03.2021	01.10.2020 31.12.2020 restated	01.07.2020 30.09.2020	01.04.2020 30.06.2020	01.01.2020 31.03.2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Net profit</b>	<b>(516 002)</b>	<b>295 065</b>	<b>(326 625)</b>	<b>45142</b>	<b>(358 999)</b>	<b>330 139</b>	<b>(382 581)</b>	<b>(435 145)</b>
Loss/Profit from investments in associates	381 244	53 856	196 110	185 197	78 743	164 166	188 924	140 778
EIB warrant fair value change provisions	(308 845)	(177 048)	504 402	209 009	306 555	-	-	-
EIB loan fair value change provisions	80 403	79 419	82 459	83 446	74 133	87 646	65 979	65 980
Interest expense related to operating leases	57 659	30 813	32 110	32 914	82 102	14 313	12 554	14 084
Deferred tax liabilities	-	-	-	-	-	-	-	-
<b>Normalized earnings</b>	<b>(305 541)</b>	<b>282 105</b>	<b>488 456</b>	<b>555 708</b>	<b>182 534</b>	<b>596 264</b>	<b>(115 124)</b>	<b>(214 303)</b>

Normalized net profit calculation for 2017-2021:

	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020 restated	01.01.2019- 31.12.2019	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
	EUR	EUR	EUR	EUR	EUR
<b>Net profit</b>	<b>(502 420)</b>	<b>(846 586)</b>	<b>207 888</b>	<b>781 018</b>	<b>1 678 990</b>
Loss/Profit from investments in associates	816 407	572 611	623 202	483 143	107 712
EIB warrant fair value change provisions	227 518	306 555	-	-	-
EIB loan fair value change provisions	325 727	293 738	246 346	8 117	-
Interest expense related to operating leases	153 496	123 053	66 088	-	-
Deferred tax liabilities	-	-	-	-	(451 051)
<b>Normalized earnings</b>	<b>1 020 728</b>	<b>449 371</b>	<b>1 143 524</b>	<b>1 272 278</b>	<b>1 335 651</b>

## 8. Dividends paid and proposed

On June 11, 2021 HansaMatrix paid out dividends in amount of 54 881.43 EUR (fifty-four thousand eight hundred eighty-one and 43/100 euro) or in amount of 0.03 EUR (three cents) per share.

**9. Definitions of Alternative Performance Measures**

No.	APR, definition, components	Relates to past or future reporting periods	ASR usefulness	The Group uses APM for
1	EBIT: Operating profit	Past	Shows the entity's ability to generate enough earnings to be profitable, pay down debt and taxes and fund ongoing operations.	Liquidity management and assessment of earning capacity and cash flows
2	EBIT margin: EBIT/ Revenue	Past	<i>Shows the proportion of revenues that are available to cover non-operating costs.</i>	Profitability assessment
3	EBITDA: Operating profit + Depreciation and amortization	Past	Shows an indicative amount of operating cash flows before changes in current assets	Liquidity management and assessment of earning capacity and cash flows
4	EBITDA margin: EBITA/ Revenue	Past	Shows the entity's ability to generate operating cash flows	Profitability assessment
5	Normalized net profit: Net profit adjusted by the most significant expense or income that are not associated with actual cash expenditures (except depreciation).	Past	Shows the entity's earning capacity by enhancing comparability between the periods, when applicable and necessary.	Liquidity management and assessment of earning capacity and cash flows
6	P/E ratio: Share price / Net profit per share	Past	Can be used in making conclusions as to whether the Nasdaq Riga market price of the Group's shares is overstated or understated in comparison to other similar companies or the average market price	Determining the relative value per share
7	Normalized P/E ratio: Share price / Normalized net profit per share	Past	Can be used in making conclusions as to whether the Nasdaq Riga market price of the Group's shares is overstated or understated in comparison to other similar companies or the average market price	Determining the relative value per share
8	Net profit margin: Net profit / Revenue	Past	Shows the entity's earning capacity	Profitability assessment
9	Normalized net profit margin: Normalized net profit / Revenue	Past	Shows the entity's earning capacity	Profitability assessment
10	Normalized ROA: Normalized net profit / Total assets	Past	Shows how efficiently the assets are used to generate earnings.	Assessment of return on assets



11	Normalized ROE: Normalized net profit / Equity	Past	Shows how efficiently the equity is used to generate earnings	Determining return on equity
12	Current ratio: Current assets/ Current liabilities	Past	<i>Shows the extent to which an entity has sufficient current assets to cover its current liabilities</i>	Liquidity assessment
13	Normalized Return on Capital Employed (ROCE): Normalized net profit / (Total assets – Current liabilities)	Past	Shows how efficiently the capital employed is used to generate earnings	Assessment of return on capital employed
14	Compound annual growth rate (CAGR): (Investment's ending value/ Investment's beginning value)^(1/Number of periods)-1. CAGR is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan.	Past	Shows a growth rate of a financial measure over a certain period of time assuming that the growth rate is the same over the equal span of time of the said period.	Assessment of the dynamics of financial indicators

Two APR's added – No.6 and No.8 to reflect both profitability margins for net profit and for normalized net profit as well as if necessary to calculate P/E using both net profit and also normalized net profit. Names have been changed for APR's No.5, 7, 9, 10, 11 and 13 to better reflect the substance of these ratios.