



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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED MARCH 31, 2019**

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

Riga, 2019

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General information

Name of the Parent Company	HansaMatrix
Legal status of the Parent Company	Joint stock company
Parent Company unified registration number	40003454390
Place and date of registration	Riga, 30 July 1999
Registration with the Commercial Register	Riga, 27 December 2002
Registered office	Akmeņu iela 72, Ogre, Latvia, LV-5001
Shareholders (over 5%) as of May 2, 2019	SIA Macro Rīga (49.09%) Swedbank AS clients account (17.79%) KS BaltCap Latvia Venture Capital Fund (9.95 %) KS FlyCap Investment Fund I AIF (9.61%) IPAS CBL Asset Management (6.56%)
Subsidiaries	SIA HansaMatrix Ventspils (equity interest: 100%) SIA HansaMatrix Innovation (equity interest: 100%) SIA Campus Pārogre (equity interest: 100%)
Auditors	SIA Ernst & Young Baltic Licence No. 17 Diana Krišjāne Latvian Certified Auditor Certificate No. 124
Financial year	1st January – 31st December 2019
Interim reporting period	1st January – 31st March 2019

Management Board

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

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

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



Ilmārs Osmanis

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

Positions held in other companies:

- Campus Pārogre, SIA – Chairman of the Board
- HansaMatrix Ventpils, SIA – Member of the Board
- HansaMatrix Innovation, SIA – Chairman of the Board
- Zinātnes parks, SIA – Chairman of the Board
- Macro Rīga, SIA – Member of the Board
- Lightspace Technologies, SIA – Chairman of the Board
- LEO Pētījumu centrs, SIA – Member of council
- LEITC, SIA – Member of council
- Latvijas Elektrotehnikas un elektronikas rūpniecības asociācija – Member of the Board
- 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 (15.28%), including 11.68% indirectly (through Macro Rīga, SIA)

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
- Latvijas Skvoša federācija, Biedrība – Chairman of the Management Board

Owned shares: 300

Owned employee share options: 400 (as of May 25, 2019)

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: 1500 (as of May 23, 2019)

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, and 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:

There were no changes in the Company's Management Board during the reporting period.

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
- 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
- Nordigen Solutions, SIA – Member of the Board

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

Positions held in other companies:

- DD Ventures SIA, Member of the Board
- Baltic Coffee Holding SIA, Member of the Council
- EVO grupa SIA, Member 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:

- 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.

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:

- RĪGAS PIENA KOMBINĀTS, Akciju sabiedrība – Council Member
- i-bloom, SIA – Member of the Board
- Expobank, AS - Council Member
- PN Project, 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:

There were no changes in the Company's Supervisory Board during the reporting period.

Major shareholders

AS HansaMatrix major shareholders as of May 2, 2019 (end of the day):

Major shareholders (over 5%)	Owned shares	Ownership interest
SIA Macro Rīga	898 065	49.09 %
Swedbank AS clients account	325 396	17.79 %
KS BaltCap Latvia Venture Capital Fund	182 000	9.95 %
KS FlyCap Investment Fund I AIF	175 738	9.61 %
IPAS CBL Asset Management	120 000	6.56 %
Other shareholders (under 5%)	128 182	7.00 %
TOTAL:	1 829 381	100.00 %



MANAGEMENT REPORT

General information

The joint stock company HansaMatrix (hereinafter – HansaMatrix or the Company) is a leading Baltic electronic system product developer and manufacturer. The Company is actively operating integrated product manufacturing services in industrial systems, data network infrastructure, Internet of Things, medical and several other B2B (business-to-business) market sectors. HansaMatrix is actively growing its knowledge business, product development engineering teams and building knowledge platform for future innovation and business development. Building on its 19-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

Globally electronics manufacturing services markets currently been effected by ongoing US and China “trade war”. Situation with increased tariffs on China manufactured electronic circuits give good market position in US to East Europe suppliers. However situation is not stable and can change any time.

The first quarter of 2019 shown first signs that deficit phase of electronic component supply chain of typical 3..4 year cycle is coming to the end. The slow down of sales of smart phones in China market in Q4 2018 also indicates reduction of demand for multi layer ceramic capacitors – from MURATA, AVX and other suppliers.

Local labor market development in Latvia show faster then expected salary inflation. 2018 year y-o-y salary inflation reached 8.4% and consensus forecast for 2019 among bank analysts stand at 7...8% level.

Finance results brief summary

During the first quarter (Q1 further in document) of 2019 the Company reported turnover of 5.908 million EUR, which is historically highest quarterly turnover, representing a slight increase by 0.18% in comparison to the same period of 2018. The 2019 Q1 sales results showed 17% sales volume increase in comparison with previous quarter – 2018 Q4.

During 2018 Q1 the Company reported quarterly EBITDA result of 1.116 million EUR and quarterly net profit of 0.201 million EUR. The reported EBITDA result shows 6% increase in comparison with Q1 2018 and 116% increase compared to previous quarter of 2018 Q4. The quarterly net profit results for 2019 Q1 demonstrate 60% decrease in comparison with Q1 2018 and significant increase compared to previous – Q4 2018, when net profit result was negative. Results represent quarterly EBITDA margin of 18.89% and net profit margin of 3.4%.

EBITDA margin in 2019 Q1 remains at comparably high level, determined by product with higher added value proportion in the total sales volume. Net profit margin exhibits decreasing trend, explained by the increased interest payments, where interest payment provisions for European Investment Bank financing is included and explained by the increased proportional losses included in the consolidated financial statements from the associate companies.

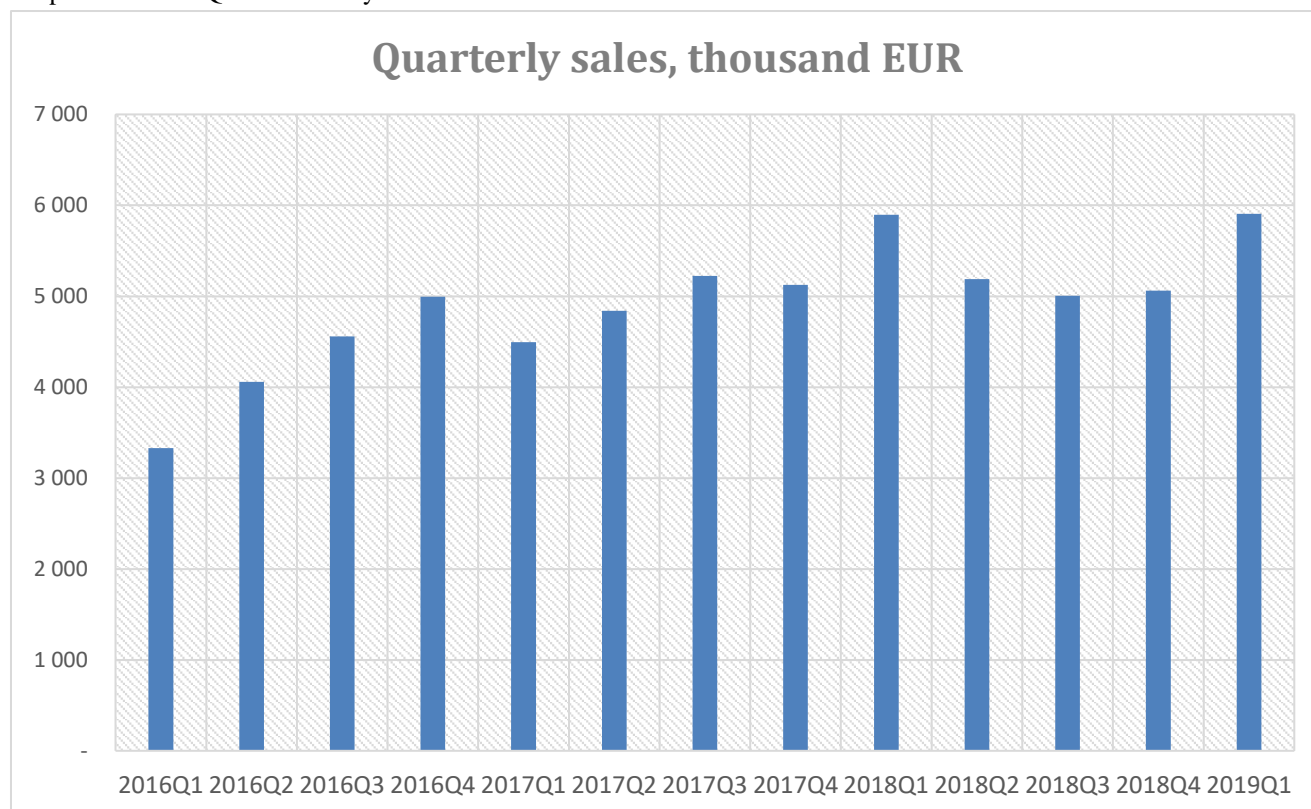
2019 Q1 R&D turnover increased by 44% compared with 2018 Q1 R&D turnover but decreased by 37% compared to the previous quarter Q4 2018 turnover, and is accounting for 7.2% share of Company's consolidated sales in 2019 Q1. R&D grant income has not been included in reported R&D sales figures.

Substantial increase in R&D sales volumes in 2019 Q1 is explained by R&D manufacturing department substantially increasing production of high-tech optical devices and by working on several other R&D projects.

TTM - 12 month period sales (period starting in April 1, 2018 and ending with March 31, 2019) at 2019 Q1 reported to be 21.162 million EUR, showing slight 0.05% increase compared to TTM sales for the period ended at 2018 Q4. EBITDA result for the TTM 12 month period reported to be 3.384 million EUR, increase by 2% in comparison with 12 month period ended at 2018 Q4. Net profit for TTM period reported 0.571 million EUR, 35% down if compared with 12 month period ended at 2018 Q4. Averaged EBITDA margin for TTM period is reported to be 16% and net profit margin for the same period is reported to be 2.7%.

Quarterly sales results for 2019 Q1

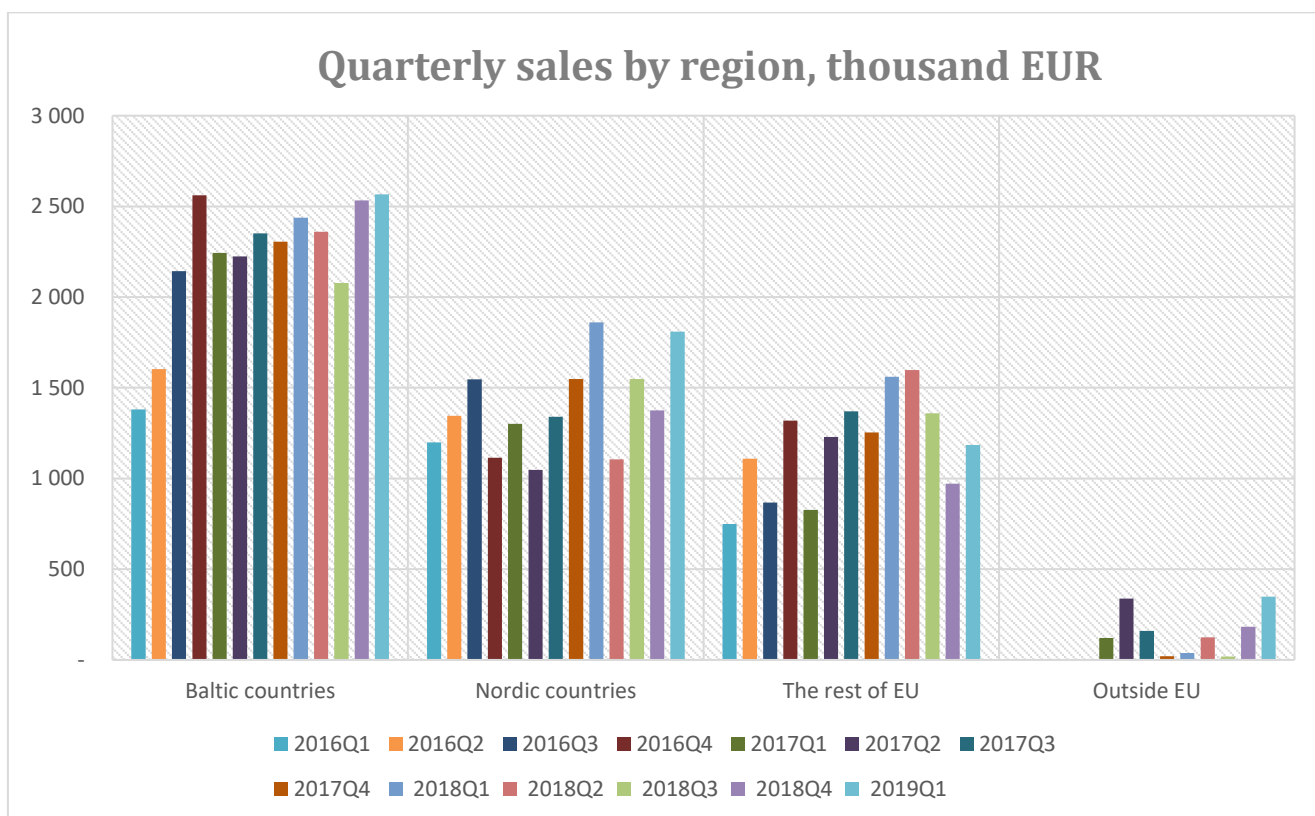
During Q1 of 2019 the Company reported turnover of 5.908 million EUR, which is historically highest quarterly turnover, representing increase by slight 0.18% in comparison to the same period of 2018. The 2019 Q1 sales results showed 17% sales volume increase in comparison with previous quarter – 2018 Q4. 2019 first quarter sales have not substantially increased on year on year basis, explained by very good Company sales performance in the first quarter of 2018, where turnover compared to 2017 Q1 increased by 31%.



Quarterly sales by market region results for 2019 Q1

During 2019 Q1 Baltic states continue to be the largest market region with 43% share of turnover. Nordic and other EU sales reported as 31% and 20% of total sales. HansaMatrix during 2019 Q1 continued to deliver small amounts to customer locations outside EU. This market share in 2019 Q1 amounts to 6% of the total sales volume.

Sales dynamics of regions – Baltic sales were 5% up compared to 2018 Q1 and also 1% up compared to 2018 Q4; Nordic sales were 3% down from 2018 Q1, but 32% up in comparison with 2018 Q4. Other EU region sales reported 24% decrease from 2018 Q1 but 22% increase from 2018 Q4. Outside EU deliveries increased by 801% from 2018 Q1 and increased by 91% from 2018 Q4. Significant quarterly sales fluctuations in different regions are explained by the customer order flow that can exhibit quarterly fluctuations, smoothing out in medium and long term.

**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
Total	3 330	4 057	4 557	4 996	4 494	4 839

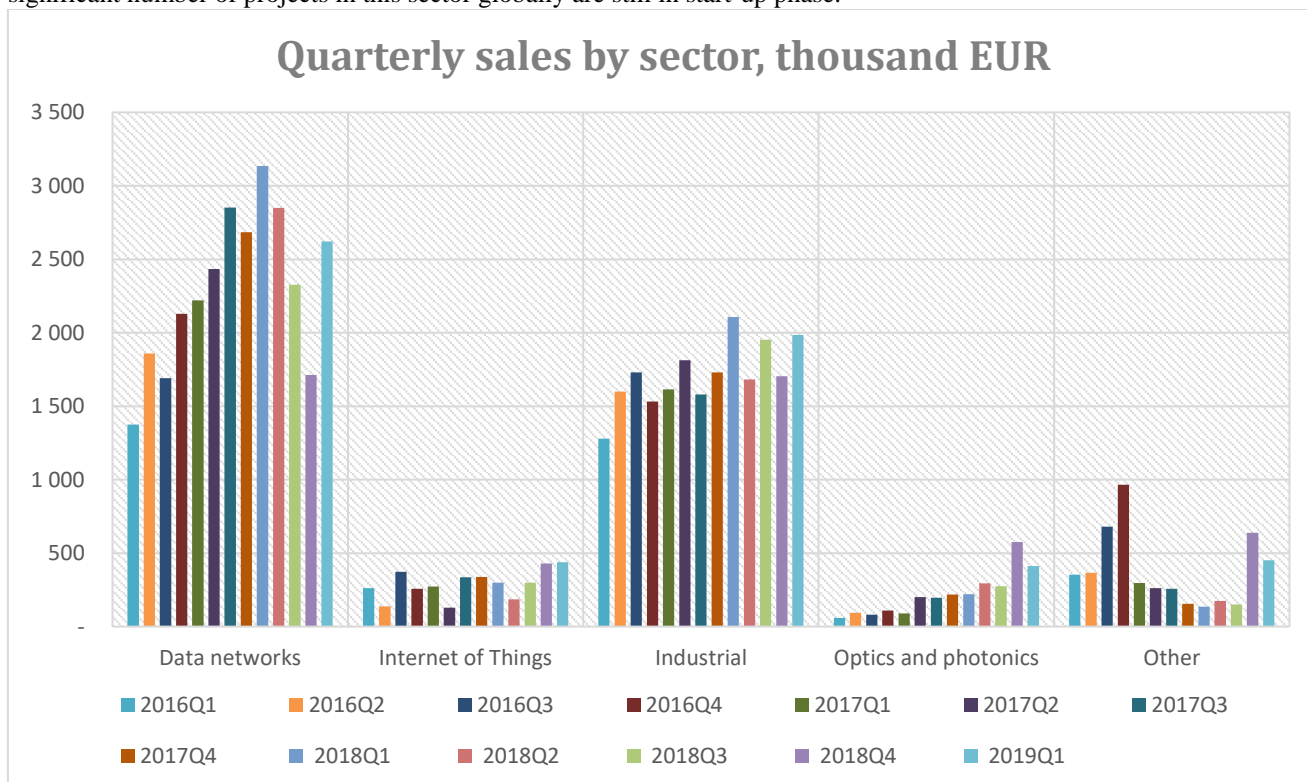
2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
2 351	2 305	2 438	2 359	2 078	2 533	2 566
1 341	1 548	1 861	1 106	1 549	1 375	1 809
1 370	1 253	1 560	1 597	1 360	971	1 184
161	20	39	124	19	182	348
5 222	5 126	5 898	5 188	5 005	5 061	5 908

Quarterly sales by market sector results for 2019 Q1

During 2019 Q1 data network product sales and industrial product sales were dominating sales drivers respectively with 44% and 34% sales market share. Internet-of-things sales amounted to 7% and other products reported with 8% share. In 2019 Q1 the Company started to report sales to new sales market sector, optics and photonics products, by separating it from the other products market sector sales. Sales results by market sector in previous quarter have been also restated by separating Optics and photonics sector from other products sales.

2019 Q1 data network product sales show decrease by 16%; industrial sector product sales – decrease by 6%; internet-of-things – increase by 47%, optics and photonics products sales – increase by 87% and other product sector – increase by 231% in comparison with 2018 Q1. Comparison with sales results with previous - 2018 Q4 demonstrates 53% increase in data networks; 16% increase in industrial sector; increase of 2% in Internet of things products; 28% increase in optics and photonics products and 29% decrease in other product sector.

Sector sales quarterly fluctuations are explained by the customer order flow that can exhibit significant quarterly fluctuations, sectors sales trends are to be observed in the longer term periods. Optics and photonics product sales have increased related to R&D activities in this market sector. Internet of things product sector has large future potential, however currently a significant number of projects in this sector globally are still in start-up phase.



Data table - quarterly sales by market sector results for 2018 Q4

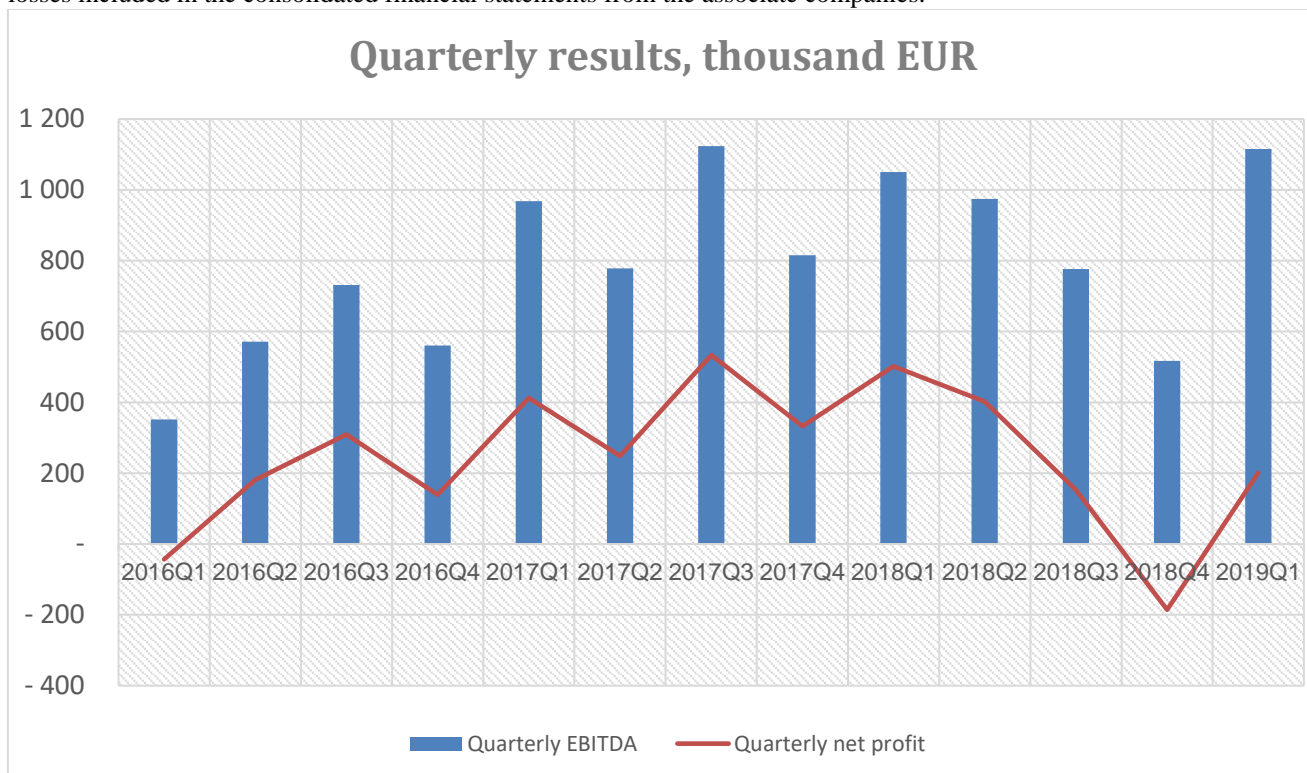
Sales, thEUR	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Data networks	1 375	1 859	1 691	2 130	2 220	2 434	2 852	2 685
Internet of Things	261	138	374	258	272	129	336	338
Industrial	1 280	1 600	1 730	1 531	1 614	1 813	1 581	1 730
Optics and photonics	60	94	82	110	91	201	197	218
Other	354	366	680	967	298	263	257	155
Total	3 330	4 057	4 557	4 996	4 494	4 839	5 222	5 126

2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
3 134	2 851	2 327	1 714	2 621
299	185	298	430	438
2 108	1 683	1 953	1 705	1 984
220	294	276	575	412
137	175	151	638	452
5 898	5 188	5 005	5 061	5 908

Quarterly EBITDA and net profit results in 2019 Q1

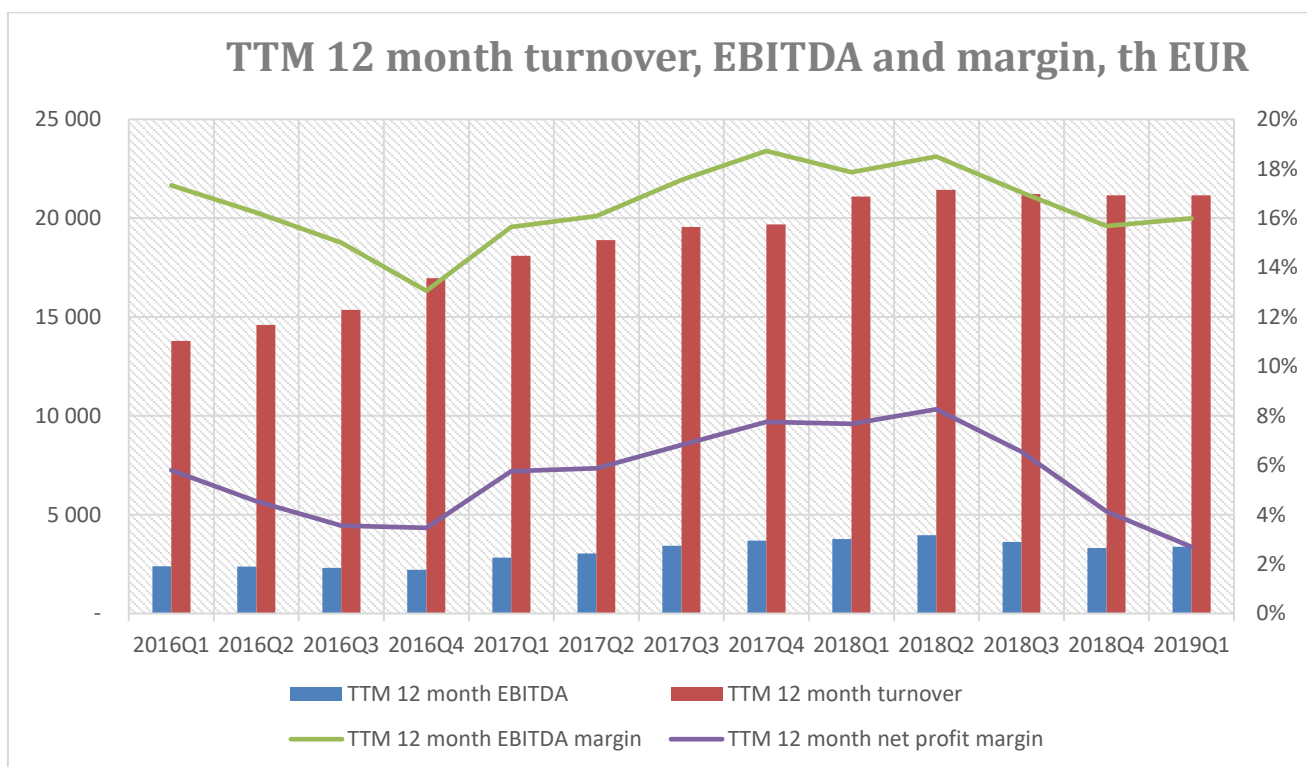
During 2018 Q1 the Company reported quarterly EBITDA result of 1.116 million EUR and quarterly net profit of 0.201 million EUR. The reported EBITDA result shows 6% increase in comparison with Q1 2018 and 116% increase compared to previous quarter of 2018 Q4. The quarterly net profit results for 2019 Q1 demonstrate 60% decrease in comparison with Q1 2018 and significant increase compared to previous – Q4 2018, when net profit result was negative. Results represent quarterly EBITDA margin of 18.89% and net profit margin of 3.4%.

EBITDA margin in 2019 Q1 remains at comparably high level, determined by product with higher added value proportion in the total sales volume. Net profit margin exhibits decreasing trend, explained by the increased interest payments, where interest payment provisions for European Investment Bank financing is included and explained by the increased proportional losses included in the consolidated financial statements from the associate companies.



TTM (trailing twelve months) turnover, EBITDA and margin results in 2018 Q4

TTM - 12 month period sales (period starting in April 1, 2018 and ending with March 31, 2019) at 2019 Q1 reported to be 21.162 million EUR, showing slight 0.05% increase compared to TTM sales for the period ended at 2018 Q4. EBITDA result for the TTM 12 month period reported to be 3.384 million EUR, increase by 2% in comparison with 12 month period ended at 2018 Q4. Net profit for TTM period reported 0.571 million EUR, 35% down if compared with 12 month period ended at 2018 Q4. Averaged EBITDA margin for TTM period is reported to be 16% and net profit margin for the same period is reported to be 2.7%.



Summary of financial indicators for Q4 and 12 months of 2018

The comparison of financial indicators for the periods of 2019 Q1:

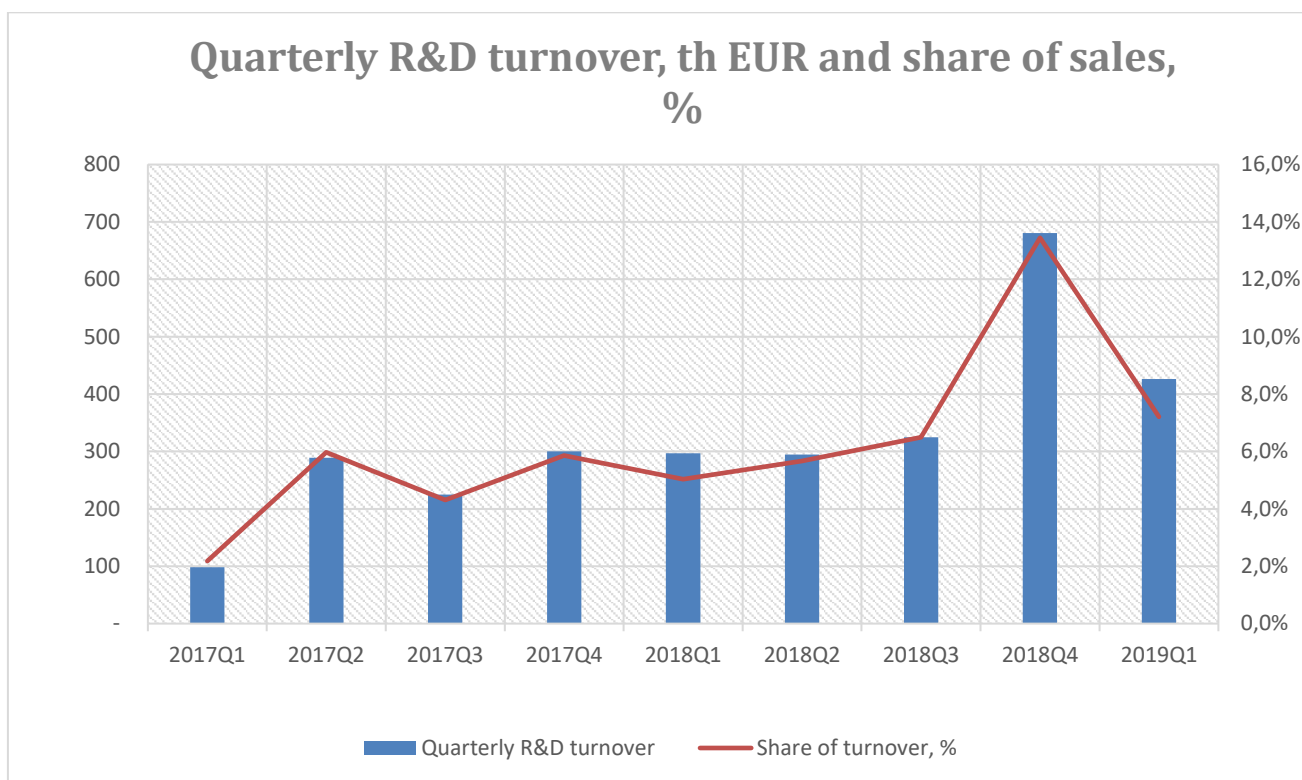
Financial indicators for period	2019Q1	2018Q1	% to previous period
Sales, thousand EUR	5 908	5 898	0,18%
EBITDA, thousand EUR	1 116	1 050	6%
Net profit, thousand EUR	201	502	-60%
EBITDA margin	18,9%	17,8%	
Net profit margin	3,4%	8,5%	
EPS, EUR	0,11	0,27	

Research and development

2019 Q1 R&D turnover increased by 44% compared with 2018 Q1 R&D turnover but decreased by 37% compared to the previous quarter Q4 2018 turnover, and is accounting for 7.2% share of Company's consolidated sales in 2019 Q1. R&D grant income has not been included in reported R&D sales figures.

Substantial increase in R&D sales volumes in 2019 Q1 is explained by R&D manufacturing department substantially increasing production of high-tech optical devices and by working on several other R&D projects.

TTM - 12 month period sales (period starting in April 1, 2018 and ending with March 31, 2019) at 2019 Q1 reported to be 1.726 million EUR, showing 8% increase compared to TTM sales for the period ended at 2018 Q4 and 55% increase compared to TTM sales for the period ended at 2018 Q1.



Data table - quarterly R&D turnover for 2018 Q4

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

2018Q3	2018Q4	2019Q1
325	680	426

Investment activities

During 2019 Q1 HansaMatrix made 868 693 EUR investments in production capacity increase, research instruments, test systems and development of new products.

In the reporting period HansaMatrix continued to carry out investments in the technological equipment and 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 2 899 000 EUR, with the planned ERDF funding 1 014 650 EUR, or 35% of the eligible project costs.

Investment activities in associated companies

In Q1 of 2019, HansaMatrix made investments into SIA Lightspace Technologies in the amount of 1 448 052 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 3 902 175 EUR.

In Q1 2019 SIA Lightspace Technologies made investments into SIA EUROLCDs in the amount of 638 400 EUR, partial paying up of earlier subscribed share capital. 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 477 000 EUR.

During Q1 2019 HansaMatrix has provided additional 76 000 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. At the end of the reporting period, the total HansaMatrix investment in the form of the convertible loan in SIA Zinātnes parks amounted to 1 284 700 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 of 2019 LightSpace announced and showed on various events its new multi focal VR/AR headset display concept. It participated in world's leading forum on AR VR MR Photonics West 2019 conference and show, San Francisco, CA, US; where Ilmars Osmanis presented new concept to worlds top head mount display architects and leading companies Microsoft, Facebook, Apple and others.

Besides that LightSpace has participated in several major events: Airborn ISR &C2 in London, VRX Europe 2019 in Amsterdam. Positive feedback was received from several experts. LightSpace has shipped design kits to several Tier1 headset manufacturers and started to develop enterprise use multi focal smart glasses design.



LightSpace Technologies consolidated *) profit loss statement, EUR

	1Q 2019	2018
	EUR	EUR
Net turnover	11 090	392 480
Cost of sales	(376 077)	(1 125 308)
Gross profit / (loss)	(364 987)	(732 828)
Distribution costs	(47 701)	(205 846)
Administrative expense	(86 180)	(148 691)
Other operating income	21 784	9 405
Other operating expense	(81)	(46 536)
Operating profit	(477 165)	(1 124 496)
Loss from investments in related company	-	-
Profit / (loss) before tax	(477 165)	(1 124 496)
Corporate income tax	-	(422)
Net profit / (loss) for the period	(477 165)	(1 124 918)
Profit attributable to:		
Equity holders of the Parent Company	(408 354)	(967 462)
Non-controlling interest	(68 811)	(157 456)
	(477 165)	(1 124 918)

LightSpace Technologies consolidated *) balance sheet, EUR

ASSETS	31.03.2019.	31.12.2018.
	EUR	EUR
NON-CURRENT ASSETS		
Property, plant, equipment and other intangible asstes	5 387 903	5 551 825
Non-current financial assets	-	-
TOTAL NON-CURRENT ASSETS	5 387 903	5 551 825
CURRENT ASSETS		
Inventory	590 014	179 585
Receivables	1 278 557	797 066
Cash and cash equivalents	15 548	85 654
TOTAL CURRENT ASSETS	1 884 119	1 062 305
TOTAL ASSETS	7 272 022	6 614 130
EQUITY AND LIABILITIES	31.03.2019.	31.12.2018.
	EUR	EUR
EQUITY		
Share capital	13 871	13 871
Share premium	3 526 942	3 526 942
Other reserves	2 160	2 776
Retained earnings/ (accumulated deficit)	(1 496 083)	(1 162 729)
Non-controlling interest	344 801	413 612
TOTAL EQUITY	2 391 691	2 794 472
LIABILITIES		
Non-current and current liabilities	4 880 331	3 819 658
TOTAL LIABILITIES	4 880 331	3 819 658
TOTAL EQUITY AND LIABILITIES	7 272 022	6 614 130

*) Consolidated 100% SIA LightSpace Technologies, 100% LightSpace Technologies Inc. and 76.12% SIA EUROLCDs.

Business development overview of associated company – SIA Zinātnes Parks

During 2018 12m SIA Zinātnes Parks has invested 100.14 thousand EUR in construction technical project development. As at the end of the reporting period, the total investment in development of the hi-tech industrial park RIX Hi Tech City amounts to 1.693 million EUR.

It is planned to complete construction project development work in Q2 2019.

Shares and stock market

On March 06, 2019 funds “Swedbank pensiju ieguldījumu plāns “Dinamika””, “Swedbank ieguldījumu plāns 1990+”, „Swedbank pensiju plāns Stabilitāte+25”, „Swedbank pensiju plāns Dinamika+60” and „Swedbank pensiju plāns Dinamika+100”, managed by Swedbank Ieguldījumu Pārvaldes Sabiedrība acquired major holding in HansaMatrix (HMX1R), reaching 91600 shares or 5.01%.



During 2019 Q1 HansaMatrix (HMX1R) share price decreased by 4.62% - see the the included stock price movement chart for the period from January 1, 2019 to March 31, 2019.

Security trading history

Price	2016	2017	2018	2019
Open	6.95	7.95	8.14	6.5
High	8.15	8.83	8.5	6.75
Low	6.95	6.9	6.05	6.05
Last	7.95	8.14	6.5	6.6
Traded volume	19,574	72,941	137,505	14,912
Turnover, million	0.15 EUR	0.51 EUR	0.94 EUR	0.09 EUR
Capitalisation, million	14.54 EUR	14.89 EUR	11.89 EUR	12.07 EUR

Other significant events in the reporting period

On February 1, 2019 Nasdaq CSD SE recorded 205 298 AS HansaMatrix warrants, owned by European Investment bank (EIB), issued according to EUR 10 million financing agreement, signed by EIB and AS HansaMatrix.

Significant events after end of reporting period

On May 13 the Company annual general shareholder meeting approved to distribute dividends from year 2018 profit to shareholders in amount of 0.04 EUR (four cents) per share or in the total amount of 73175.24 EUR (seventy three thousand one hundred seventy five and 24/100 euro) and decided to set and announce May 29, 2019 as Ex-date, to set May 30, 2019, as a record date for dividends and May 31, 2019, as a date of payment of dividends.

May 23, 2019



Ilmārs Osmanis
Chairman of the Board

Statement of responsibility of the management

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

The consolidated financial statements are prepared in accordance with the source documents and present fairly the consolidated financial position of the Group as of March 31, 2019 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, 2018. Prudent and reasonable judgments and estimates have been made by the management in the preparation of the financial statements.

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

May 23, 2019



Ilmārs Osmanis
Chairman of the Board



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated statement of comprehensive income

	2019 Q1 EUR	2018 Q1 EUR
Revenue from contracts with customers	5 907 883	5 897 505
Cost of sales	(4 895 209)	(4 747 725)
Gross profit	1 012 674	1 149 780
Distribution costs	(131 642)	(193 140)
Administrative expense	(434 816)	(447 870)
Other operating income	67 050	95 744
Other operating expense	(43 894)	(12 766)
Operating profit	469 372	591 748
Loss from investments in associates	(168 845)	(50 159)
Finance income	11 754	11 535
Finance costs	(111 685)	(50 946)
Profit before tax	200 596	502 178
Corporate income tax	-	-
Deferred corporate income tax	-	-
Net profit for the reporting period	200 596	502 178
Other comprehensive income for the reporting period after tax	-	-
Total comprehensive income for the period, net of tax	200 596	502 178
Comprehensive income attributable to:		
Equity holders of the Parent Company	200 596	502 178
Non-controlling interests	-	-
	200 596	502 178

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

May 23, 2019

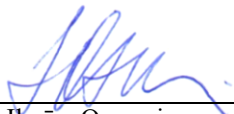
Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position

ASSETS			
		31.03.2019	31.12.2018
		EUR	EUR
NON-CURRENT ASSETS			
Intangible assets			
	ODM assets	14 292	16 113
	Other intangible assets	203 610	179 814
	Total intangible assets	217 902	195 927
Property, plant and equipment			
	Land and buildings	3 512 882	3 560 905
	Equipment and machinery	5 620 928	5 310 730
	Other fixtures and fittings, tools and equipment	710 399	649 194
	Leasehold improvements	48 993	44 539
	Construction in progress	290 560	284 160
	Right of use asset	1 558 600	-
	Total property, plant and equipment	11 742 362	9 849 528
Non-current financial assets			
	Investments in subsidiaries	1 512 676	1 675 977
	Investments in associates	20 333	20 333
	Investments in other companies	5 107 211	3 588 703
	Other investment loans	2 513 994	2 502 240
	Loan to shareholder	127 295	123 987
	Other financial assets	54 175	52 566
	Other non-current receivables	9 335 684	7 963 806
Total non-current financial assets			
	TOTAL NON-CURRENT ASSETS	21 295 948	18 009 261
CURRENT ASSETS			
Inventories			
	Raw materials and consumables	3 016 343	2 496 197
	Work in progress	1 645 787	1 083 825
	Finished goods	24 530	185 187
	Total inventories	4 686 660	3 765 209
Receivables and prepayments			
	Trade receivables from contracts with customers	903 293	857 198
	Prepayments for goods	152 086	33 676
	Prepaid expense	86 683	50 848
	Corporate income tax	3 592	-
	Other receivables	337 698	257 008
	Total receivables and prepayments	1 483 352	1 198 730
Cash and cash equivalents		889 480	2 376 781
	TOTAL CURRENT ASSETS	7 059 492	7 340 720
TOTAL ASSETS		28 355 440	25 349 981
	*Available unused credit line	17 200	EUR
	*Available unused factoring limit	1 120 139	EUR

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

May 23, 2019



 Ilmārs Osmanis
 Chairman of the Board

Interim consolidated statement of financial position

EQUITY AND LIABILITIES		
EQUITY	31.03.2019 EUR	31.12.2018 EUR
Share capital	1 829 381	1 829 381
Share premium	2 435 579	2 435 579
Reserves	2 007	1 324
Non-current asset revaluation reserve	2 131 415	2 162 339
Retained earnings/ (accumulated loss):		
a) brought forward	2 372 792	1 560 850
b) for the period	200 596	781 018
TOTAL EQUITY	8 971 770	8 770 491
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	6 551 529	6 503 051
Finance lease liabilities	637 454	662 796
Operating lease liabilities	1 081 509	-
Other financial liabilities	1 345 930	1 345 930
Prepayments received from customers	334 406	463 638
Deferred income	360 736	403 130
Total non-current liabilities	10 311 564	9 378 545
Current liabilities		
Loans from credit institutions	1 739 766	2 037 520
Finance lease liabilities	342 326	193 046
Operating lease liabilities	474 437	-
Prepayments received under contracts with customers	753 173	689 486
Trade payables	4 696 772	3 090 852
Taxes payable	346 941	564 012
Other liabilities	282 599	206 362
Deferred income	169 577	169 577
Accrued liabilities	266 515	250 090
Total current liabilities	9 072 106	7 200 945
TOTAL LIABILITIES	19 383 670	16 579 490
TOTAL EQUITY AND LIABILITIES	28 355 440	25 349 981

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

May 23, 2019


Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of cash flow

	2019	2018
	Q1	Q1
	EUR	EUR
CASH FLOWS TO/ FROM OPERATING ACTIVITIES		
Profit before tax	200 596	502 178
Adjustments for:		
Depreciation and amortization	645 067	458 403
Interest expense	105 724	41 434
Interest income	(11 754)	(11 535)
Decrease in allowances for slow-moving items and receivables	13 361	(171)
Income from grant recognition	(42 394)	(42 394)
Gain on disposal of property, plant and equipment	(965)	-
Group's share of loss of an associate recognized in the statement of comprehensive income	168 845	50 159
Adjustments for:		
(Increase)/ decrease in inventories	(921 451)	(251 898)
(Increase)/ decrease in receivables	(296 284)	(179 379)
Increase/ (decrease) in payables	1 300 391	(177 521)
Cash generated from operations, gross	1 161 136	389 276
Interest paid	(105 724)	(41 434)
Corporate income tax paid	-	-
Net cash flows to/ from operating activities	1 055 412	347 842
Cash flows to/ from INVESTing activities		
Purchase of intangible assets and property, plant and equipment	(868 751)	(183 229)
Investments in and loans to other companies	(1 524 052)	(377 215)
Net cash flows to/ from investing activities	(2 392 803)	(560 444)
Cash flows to/ from FINANcing activities		
Loans received from credit institutions	309 626	5 558 129
Loans repaid to credit institutions	(579 663)	(4 502 178)
Loans from lease companies	172 934	-
Loans repaid to lease companies	(52 807)	(1 025 884)
Net cash flows to/ from financing activities	(149 910)	30 067
Change in cash and cash equivalents for the period	(1 487 301)	(182 535)
Cash and cash equivalents at the beginning of the period	2 376 781	259 185
Cash and cash equivalents at the end of the period	889 480	76 650

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

Interim consolidated statement of changes in equity

	Share capital EUR	Share premium EUR	Reserves EUR	Non-current asset revaluation reserve EUR	Retained earnings/ (accumulated loss) EUR	Total EUR
Balance as at 31 December 2017	1 829 381	2 435 579	313	2 286 031	1 583 508	8 134 812
Profit for the reporting year	-	-	-	-	781 018	781 018
Total comprehensive income	-	-	-	-	781 018	781 018
Depreciation of revalued items of property, plant and equipment	-	-	-	(123 692)	123 692	-
Share option reserves	-	-	1 011	-	-	1 011
Dividends paid	-	-	-	-	(146 350)	(146 350)
Balance as at 31 December 2018	1 829 381	2 435 579	1 324	2 162 339	2 341 868	8 770 491
Profit for the reporting year	-	-	-	-	200 596	200 596
Total comprehensive income	-	-	-	-	200 596	200 596
Depreciation of revalued items of property, plant and equipment	-	-	-	(30 924)	30 924	-
Share option reserves	-	-	683	-	-	683
Balance as at 31 March 2019	1 829 381	2 435 579	2 007	2 131 415	2 573 388	8 971 770

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 2019 through 31 March 2019.

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 2018. The Group has evaluated new and amended IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2019 and has applied IFRS 16 standard Leases in relation to the annual period, starting with January 1, 2019.

AS HansaMatrix adopted IFRS 16 retrospectively, using simplified approach. The standard requires to revise the leases signed before 1 January 2019, only allowing for not reassessing the compliance of the contract with the lease definition and not applying the standard to the leases expiring in 2019.

The lessee recognizes in its accounting: (a) assets and liabilities from all lease agreements with a lease term of more than 12 months, except for low value asset leases; and (b) the cost of depreciation of leased assets separately from the cost of the lease liability.

Within the meaning of IFRS 16, a lease can be recognized if there is an identified asset and if the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use. First, a lease liability is measured at the present value of all contractual future lease payments discounted using the interest rate implicit in the lease (or similar borrowing rate). Lease liabilities are recognized as any other liabilities. A right to use asset is recognized under property, plant and equipment or as a separate item under non-current assets. When discounting is used, interest expense on the lease liability is recognized.

As a result of the adoption of IFRS 16 as of 1 January 2019, the asset amount has increased by EUR 1 674 287, current liabilities – by 474 437 EUR and non-current liabilities – by 1 199 850 EUR. In addition in the consolidated statement of comprehensive income in 2019 1Q fixed asset depreciation increased by 108 062.85 EUR leased assets depreciation and interest expense increased by 8 858 EUR discounting interest expense. Lease payments in amount of 144 094 EUR are reflected in the consolidated cash flow statement of 2019 1Q.

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

4. Related party disclosures

			Goods and services delivered to/ loans issued to related parties	Goods and services received from / loans received from related parties	Amounts owed by related parties (gross)	Amounts owed to related parties (gross)
Related party	Type of services		EUR	EUR	EUR	EUR
1. Associates						
SIA Zinātnes parks (AS HansaMatrix share: 24%)	Loan, contribution in share capital	31.12.2018	363 000	-	1 208 700	-
		31.03.2019	76 000	-	1 284 700	-
SIA Lightspace Technologies (AS HansaMatrix share: 40%)	Loan	31.12.2018	2 231 916	-	2 454 123	-
		31.03.2019	1 448 052	-	3 902 175	-
	Services, purchase of materials, sales	31.12.2018	1 362 034	717	499 299	-
		31.03.2019	836	-	836	-
	TOTAL	31.12.2018	3 956 950	717	4 162 122	-
	TOTAL	31.03.2019	1 524 888	-	5 187 711	-
2. Entities with significant influence over the Parent Company						
SIA MACRO RĪGA (shareholder)	Loans	31.12.2018	46 783	-	2 502 240	-
		31.03.2019	11 754	-	2 513 994	-
	Purchase of services; sale of materials	31.12.2018	1 422	-	-	-
		31.03.2019	-	-	-	-
	TOTAL	31.12.2018	48 205	-	2 502 240	-
	TOTAL	31.03.2019	11 754	-	2 513 994	-
3. Other related companies						
	Services, purchase of materials, sales	31.12.2018	54 607	6 805	-	1 325
		31.03.2019		2 327	-	720
	TOTAL	31.12.2018	54 607	6 805	-	1 325
	TOTAL	31.03.2019	-	2 327	-	720

5. Dividends paid and proposed

On May 13, 2019, HansaMatrix meeting of the shareholders approved year 2018 profit distribution and the payment of dividends in the amount of 0.04 EUR per share, totaling 73 175,24 EUR. Dividend payments will be made on 31 May 2019.

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

APR, definition, components	Relates to past or future reporting periods	ASR usefulness	The Group uses APM for
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
EBIT margin: EBIT/ Net turnover	Past	Shows the proportion of revenues that are available to cover non-operating costs.	Profitability assessment
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

EBITDA margin: EBITA/ Net turnover	Past	Shows the entity's ability to generate operating cash flows	Profitability assessment
Net profit margin: Normalized earnings / Net turnover	Past	Shows the entity's earning capacity	Profitability assessment