



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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED MARCH 31, 2020**

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

Riga, 2020

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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 14, 2020	SIA Macro Rīga (34.03%) ZGI-4 AIF KS (15.06%) KS BaltCap Latvia Venture Capital Fund (9.95%) KS FlyCap Investment Fund I AIF (9.61%) SWEDBANK AS CLIENTS ACCOUNT (7.12%) IPAS CBL Asset Management managed funds (6.56%) AS Swedbank Investeerimisfondid managed funds (5.42%) Swedbank Ieguldījumu Pārvaldes Sabiedrība AS managed funds (5.10%)
Subsidiaries	SIA HansaMatrix Ventspils (equity interest: 100%) SIA HansaMatrix Innovation (equity interest: 100%) SIA HansaMatrix Pārogre (equity interest: 100%) SIA Zinātnes Parks (equity interest: 74.67%)
Auditors	SIA Ernst & Young Baltic Licence No. 17 Diāna Krišjāne Latvian Certified Auditor Certificate No. 124
Financial year	1st January – 31st December 2020
Interim reporting period	1st January – 31st March 2020
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 two persons consisting of Chairman of the Board and one Board Member.

**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:

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

Owned shares:

- directly: 0
- indirectly (through SIA, Macro Rīga): 622 503 shares

Participation in other companies:

- Macro Rīga, SIA (100%)
- Lightspace Technologies, SIA (12.77%)

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
- FTG SIA – Member of the Board

Owned shares: 300

Owned employee share options: 1100 (as of May 16, 2020)

Participation in other companies:

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

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.

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: 29 October 2019

Term of office: 28 October 2024

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.

Ivars Ķirsons

Ivars Ķirsons is the Deputy Chairman of the Supervisory Board of the Company.

Date appointed: 29 October 2019

Term of office: 28 October 2024

Owned shares: 0

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

Positions held in other companies:

- Baltic Dairy Board, SIA – Chairman of the Council
- Mobilly, SIA - Member of Council
- ZGI Capital, SIA - Member of the Board

Participation in other companies:

- ZGI Real Estate, SIA (19.50%)
- ZGI Capital, SIA (25.00 %)
- ZGI REAL ESTATE T15, Komandītsabiedrība (investment 44 565.79 EUR)
- KALTIŅI, Namīpašnieku biedrība (6.25%)

Since 2006 Ivars Ķirsons has been founder and partner of ZGI Capital, one of the most experienced venture capital fund managers in the Baltics. Currently he is also a member of the Supervisory Council of fund ZGI-3 Portfolio Company Mobilly. Ivars has been the First Deputy Chairman and Chief Financial Officer of Latvijas Unibanka (now SEB bank), Chairman of the Supervisory Council of the Riga Stock Exchange, member of the Supervisory Board of the Latvian Chamber of Commerce and has held several other financial sector related positions.

Ingrīda Blūma

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

Date appointed: 29 October 2019

Term of office: 28 October 2024

Positions held in other companies:

- RĪGAS PIENA KOMBINĀTS, Akciju sabiedrība – Council Member
- i-bloom, SIA – Member of the Board
- 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.

Dagnis Dreimanis

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

Date appointed: 29 October 2019

Term of office: 28 October 2024

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.

Changes to the Company's Supervisory Board:

On March 09, 2020 Gundars Strautmanis resigned as HansaMatrix Supervisory Board Member. Mr. Strautmanis served on the Supervisory Board of HansaMatrix since April 27, 2017. Andris Bērziņš, Chairman of the Supervisory Board, Ivars Ķirsons, Deputy Chairman of the Supervisory Board, Ingrīda Blūma and Dagnis Dreimanis, members of the Supervisory Board, continue to serve on the Board of HansaMatrix.

Major shareholders

AS HansaMatrix major shareholders as of May 14, 2020 (end of the day):

Major shareholders (over 5%)	Owned shares	Ownership interest
SIA Macro Rīga	622 503	34.03%
ZGI-4 AIF KS	275 562	15.06%
KS BaltCap Latvia Venture Capital Fund	182 000	9.95%
KS FlyCap Investment Fund I AIF	175 738	9.61%
SWEDBANK AS CLIENTS ACCOUNT	130 172	7.12%
IPAS CBL Asset Management managed funds	120 000	6.56%
AS Swedbank Investeerimisfondid managed funds	99 200	5.42%
Swedbank Ieguldījumu pārvaldes sabiedrība AS managed funds	93 369	5.1%
Other shareholders (under 5%)	130 837	7.15%
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

Year 2020 started with Chinese year holiday extended by 2 weeks and full lockdown in some China provinces due to COVID-19 crisis. From February, 2020 it started to affect supply chains and some of customers. Several customers put on hold their orders. On supply chain side our Asian suppliers started to operate with several weeks delay and not fully staffed. Transportation networks started to limit weight per day to be shipped for one address.

Latvian Government on March 11, declared emergency situation and introduced number of restrictions to contain the spread of corona virus infection. HansaMatrix at its manufacturing sites introduced recommended health and safety measures and continued to operate the facilities. Track record for the period from Q1 has been good with no any infected workers.

There is quite complex market situation going through the crisis and after the crisis. Some of market segments – for example, industrial segment related to oil industry infrastructure, demonstrate demand decrease due to oil price drop and market over supply. Equally effected are “nice to have” type of product OEM’s.

From other hand all data network products – data router, base station product markets are affected through the crisis by supply chain and transportation logistic disruptions, but will experience demand growth after crisis when remote connectivity bandwidths will be increased.

Management believes there are still relatively high uncertainty at this moment regarding future supply chain and market situations.

Finance results brief summary

During the first quarter (Q1 further in document) of 2020 the Company reported revenue from contracts with customers (hereinafter – revenue, turnover or sales) of 5.184 million EUR, representing decrease by 12% in comparison to the same period of 2019. The 2020 Q1 sales results showed 11% sales volume decrease in comparison with previous quarter – 2019 Q4.

During 2020 Q1 the Company reported quarterly EBITDA result of 0.441 million EUR and operated with net loss result of 0.435 million EUR. The reported EBITDA result shows 60% decrease in comparison with Q1 2019 and 21% decrease

compared to previous quarter of 2019 Q4. The Company reported net loss in Q1 2020 while in Q1 2019 and Q4 2019 the company operated with net profit of 0.201 and 0.081 million respectively. Results represent quarterly EBITDA margin of 8.51%.

Sales result, EBITDA margin and net profit margin result in 2020 Q1 was influenced by COVID-19 global spread impacting and creating challenges in such business environment factors as personnel safety issues, supply chain disruptions, and transportation network disruptions. COVID-19 has influenced the Company performance already starting with the second half of January, 2020 when the virus gained momentum in China and Asia creating significant disruptions in the Company supply chain from this region.

In addition net profit margin exhibits decreasing trend, explained by the increased capital equipment depreciation due to recent sizeable investments, interest payments, where payment provisions for European Investment Bank financing is included and explained by the increased share of losses included in the consolidated financial statements from the associate companies due to increased ownership.

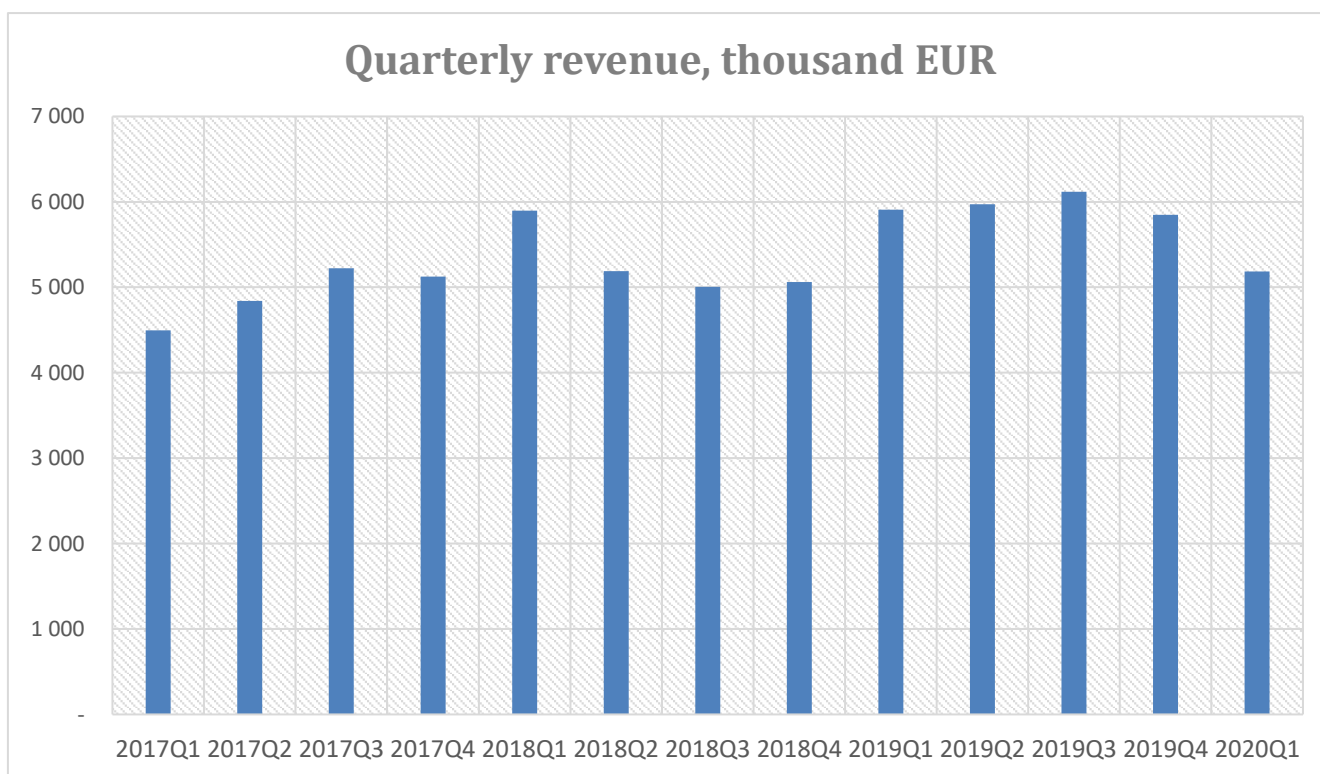
2020 Q1 R&D turnover increased by 8% compared with 2019 Q1 R&D turnover and decreased by 41% compared to the previous quarter Q4 2019 turnover, and is accounting for 8.9% share of Company's consolidated sales in 2020 Q1. R&D grant income has not been included in reported R&D sales figures. In Q1 2020 the Company continued to manufacture the high-tech optical devices and to work on R&D projects.

TTM - 12 month period sales (period starting in April 1, 2019 and ending with March 31, 2020) at 2020 Q1 reached 23.125 million EUR, showing 3% decrease compared to TTM sales for the period ended at 2019 Q4. EBITDA result for the TTM 12 month period reported to be 2.899 million EUR, a decrease of 19% in comparison with 12 month period ended at 2019 Q4. The TTM period resulted in a net loss of 0.437 million EUR. Averaged EBITDA margin for TTM period is reported 12.5%.

Quarterly revenue results for 2020 Q1

During the first quarter of 2020 the Company reported turnover of 5.184 million EUR, representing decrease by 12% in comparison to the same period of 2019. The 2020 Q1 sales results showed 11% sales volume decrease in comparison with previous quarter – 2019 Q4.

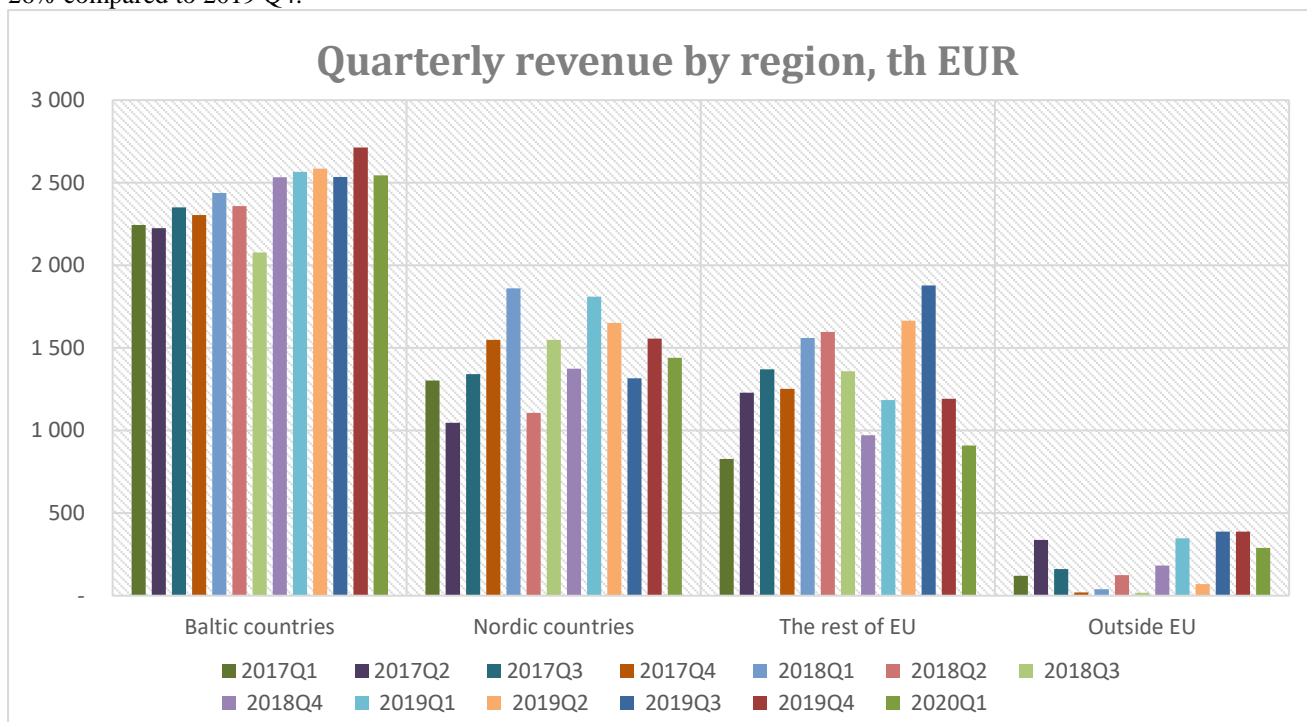
Sales result in 2020 Q1 was influenced by COVID-19 global spread impacting and creating challenges in such business environment factors as personnel safety issues, supply chain disruptions, and transportation network disruptions. COVID-19 has influenced the Company performance already starting with the second half of January, 2020 when the virus gained momentum in China and Asia creating significant disruptions in the Company supply chain from this region.



Quarterly revenue by market region results for 2020 Q1

During 2020 Q1 Baltic states continue to be the largest market region with 49% share of turnover. Nordic and other EU sales respectively reported 28% and 18% of total sales. HansaMatrix during 2020 Q1 continued to deliver small amounts to customer locations outside EU. This market share in 2020 Q1 amounts to 6% of the total sales volume.

Sales dynamics of regions – Baltic sales were 1% down compared to 2019 Q1 and also 6% down compared to 2019 Q4; Nordic sales were 20% down from 2019 Q1 and 7% down in comparison with 2019 Q4. Other EU region sales reported 23% decrease from 2019 Q1 and 24% decrease from 2019 Q4. Outside EU deliveries decreased by 17% from 2019 Q1 and by 26% compared to 2019 Q4.



Data table - Quarterly revenue by region, th EUR

Revenue, thEUR	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4
Baltic countries	2 224	2 351	2 305	2 438	2 359	2 078	2 533
Nordic countries	1 048	1 341	1 548	1 861	1 106	1 549	1 375
The rest of EU	1 229	1 370	1 253	1 560	1 597	1 360	971
Outside EU	339	161	20	39	124	19	182
Total	4 839	5 222	5 126	5 898	5 188	5 005	5 061

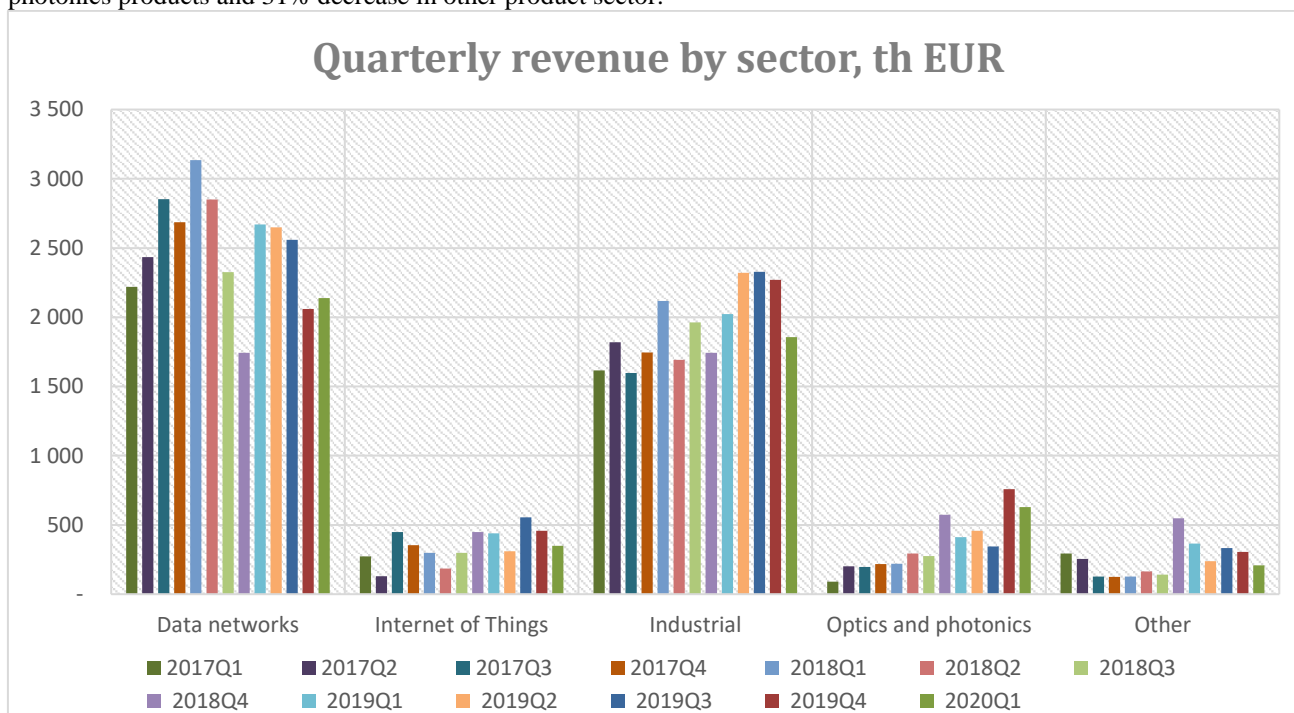
2019Q1	2019Q2	2019Q3	2019Q4	2020Q1
2 566	2 586	2 536	2 714	2 545
1 809	1 652	1 317	1 556	1 441
1 184	1 665	1 877	1 192	910
348	71	389	388	288
5 908	5 973	6 118	5 850*	5 184

* - corrected (decreased) by the sales amount, booked in Q1 2020 for one client due to the delivery conditions (Incoterms) determining the sales period.

Quarterly revenue by market sector results for 2020 Q1

During 2020 Q1 data network product sales and industrial product sales were dominating sales drivers respectively with 41% and 36% sales market share. Optics and photonics sales amounted to 12%, Internet-of-things sales amounted to 7% and other products reported with 4% share.

2020 Q1 data network product sales show a decrease by 20%; industrial sector product sales – decrease by 8%; internet-of-things – decrease by 20%, optics and photonics products sales – increase by 53% and other product sector – decrease by 43% in comparison with 2019 Q1. Comparison with sales results with previous - 2019 Q4 demonstrates 4% increase in data networks; 18% decrease in industrial sector; decrease of 24% in internet of things products; 17% decrease in optics and photonics products and 31% decrease in other product sector.



Data table - quarterly revenue by market sector results for 2020 Q1

Revenue, thEUR	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4
Data networks	2 434	2 852	2 685	3 134	2 851	2 327	1 737
Internet of Things	129	449	353	299	185	298	450
Industrial	1 820	1 597	1 746	2 118	1 693	1 962	1 744
Optics and photonics	201	197	218	220	294	276	575
Other	256	128	124	127	165	142	556
Total	4 839	5 222	5 126	5 898	5 188	5 005	5 061

2019Q1	2019Q2	2019Q3	2019Q4	2020Q1
2 670	2 646	2 559	2 059	2 138
439	309	555	458	348
2 022	2 321	2 327	2 269	1 857
412	457	344	759	630
364	240	333	305	209
5 908	5 973	6 118	5 850*	5 184

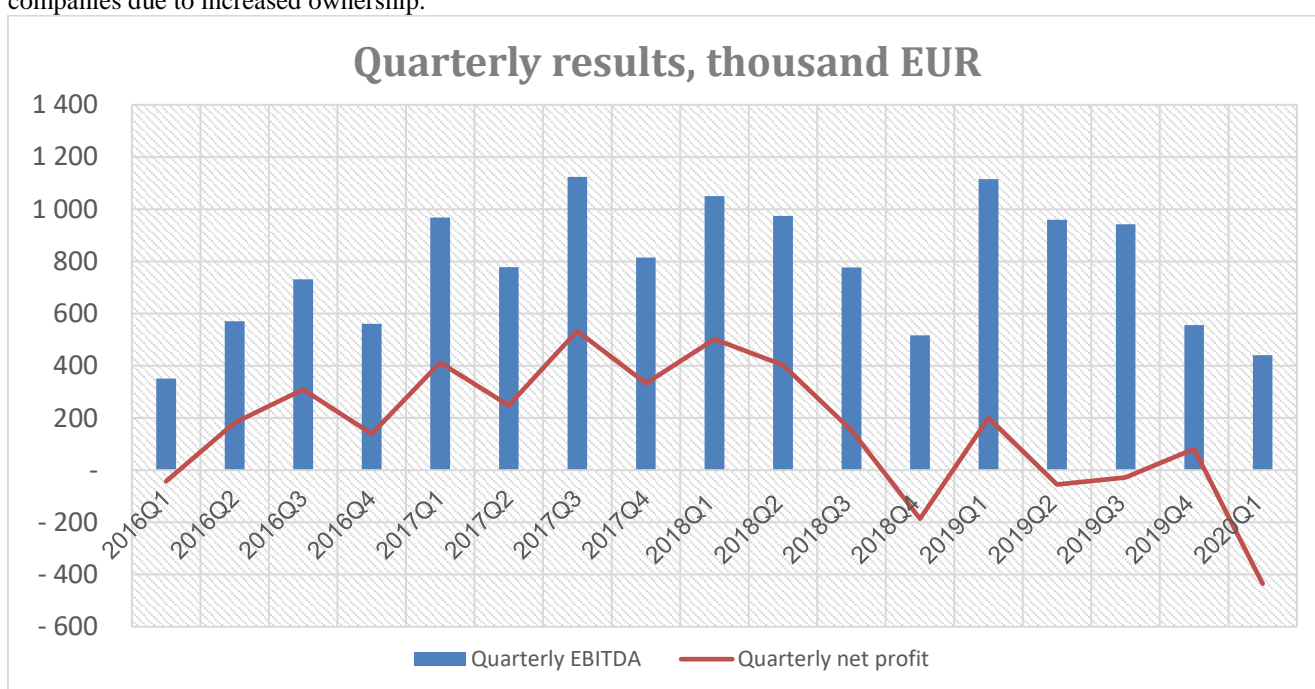
* - corrected (decreased) by the sales amount, booked in Q1 2020 for one client due to the delivery conditions (Incoterms) determining the sales period.

Quarterly EBITDA and net profit results in 2020 Q1

During 2020 Q1 the Company reported quarterly EBITDA result of 0.441 million EUR and operated with net loss result of 0.435 million EUR. The reported EBITDA result shows 60% decrease in comparison with Q1 2019 and 21% decrease compared to previous quarter of 2019 Q4. The Company reported net loss in Q1 2020 while in Q1 2019 and Q4 2019 the company operated with net profit of 0.201 and 0.081 million respectively. Results represent quarterly EBITDA margin of 8.51%.

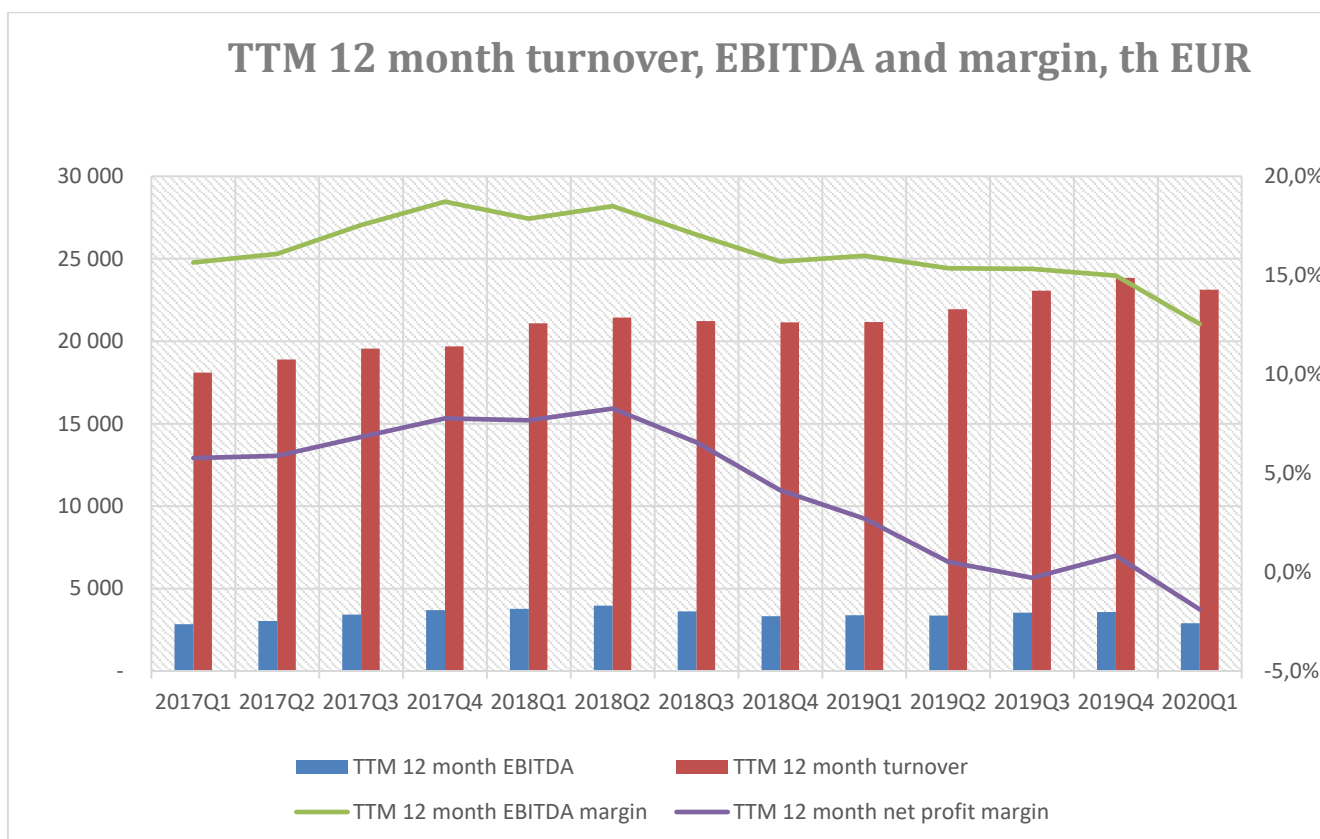
Sales result, EBITDA margin and net profit margin result in 2020 Q1 was influenced by COVID-19 global spread impacting and creating challenges in such business environment factors as personnel safety issues, supply chain disruptions, and transportation network disruptions. COVID-19 has influenced the Company performance already starting with the second half of January, 2020 when the virus gained momentum in China and Asia creating significant disruptions in the Company supply chain from this region.

In addition net profit margin exhibits decreasing trend, explained by the increased capital equipment depreciation due to recent sizeable investments, interest payments, where payment provisions for European Investment Bank financing is included and explained by the increased share of losses included in the consolidated financial statements from the associate companies due to increased ownership.



TTM (trailing twelve months) turnover, EBITDA and margin results in 2020 Q1

TTM - 12 month period sales (period starting in April 1, 2019 and ending with March 31, 2020) at 2020 Q1 reached 23.125 million EUR, showing 3% decrease compared to TTM sales for the period ended at 2019 Q4. EBITDA result for the TTM 12 month period reported to be 2.899 million EUR, a decrease of 19% in comparison with 12 month period ended at 2019 Q4. The TTM period resulted in a net loss of 0.437 million EUR. Averaged EBITDA margin for TTM period is reported 12.5%.



Summary of financial indicators for 2020 Q1

The comparison of financial indicators for the period of Q1 2020 with the respective period of 2019 are reported in the following exhibit:

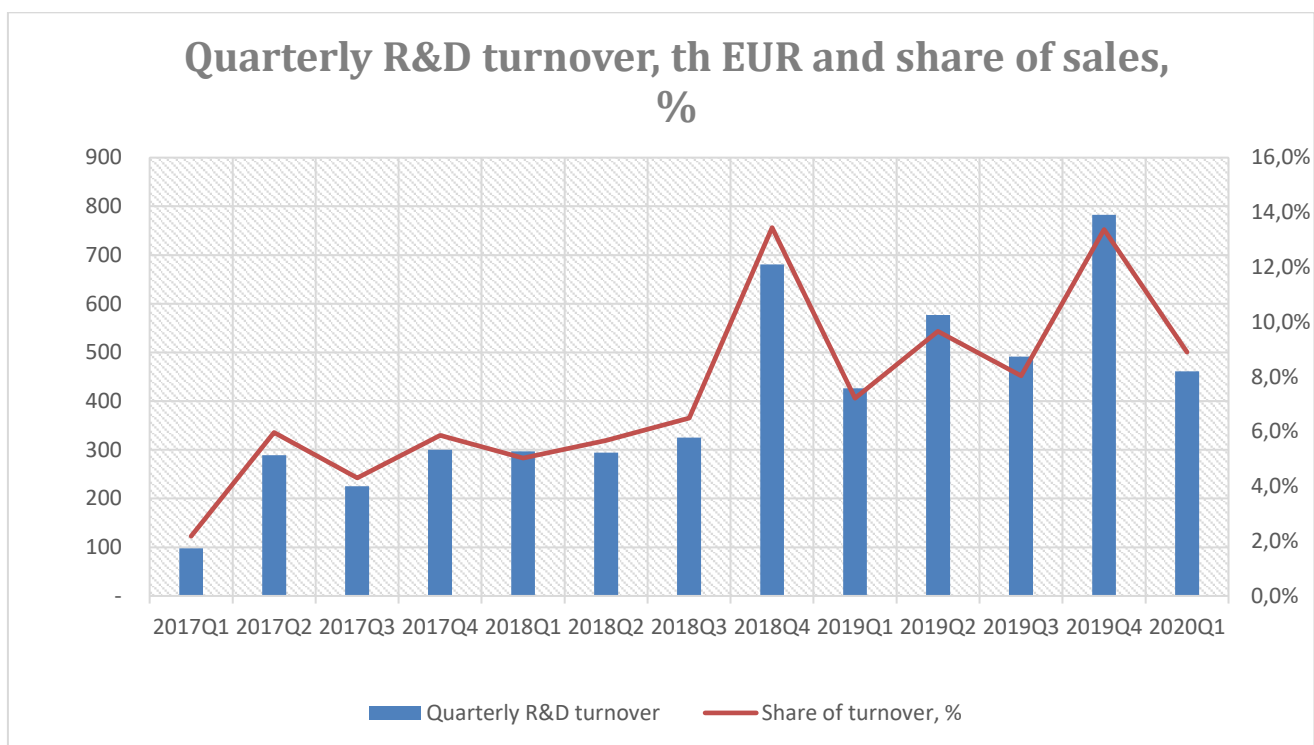
Financial indicators for period	2020Q1	2019Q1	% to previous period
Sales, thousand EUR	5 184	5 908	-12%
EBITDA, thousand EUR	441	1 116	-60%
Net profit, thousand EUR	-435	201	
EBITDA margin	8.5%	18.9%	
Net profit margin	-8.4%	3.4%	
EPS, EUR	-0.24	0.11	

Research and development

2020 Q1 R&D turnover increased by 8% compared with 2019 Q1 R&D turnover and decreased by 41% compared to the previous quarter Q4 2019 turnover, and is accounting for 8.9 % share of Company's consolidated sales in 2020 Q1. R&D grant income has not been included in reported R&D sales figures. In Q1 2020 the Company continued to manufacture the high-tech optical devices and to work on R&D projects.

In the reporting period the Company accrued 26 thousand EUR income from EU funds related to R&D expenses of the Company and accrued 214 thousand EUR expenses in inventory (work in progress) for revenue in the future periods that influence EBITDA and net profit in the reporting period.

TTM - 12 month period R&D turnover (period starting in April 1, 2019 and ending with March 31, 2020) at 2020 Q1 reported to be 2.312 million EUR, showing 2% increase compared to TTM R&D turnover for the period ended at 2019 Q4 and 34% increase compared to TTM sales for the period ended at 2019 Q1.



Data table - quarterly R&D revenue for 2020 Q1

Quarterly R&D revenue, th EUR	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3
Quarterly R&D turnover	289	225	300	297	294	325

2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1
680	426	577	492	782	461

In the reporting period HansaMatrix Innovation continued realization of Ministry of Education and Science managed applied research project: Project 1.1.1/18/A/179 “Development of a compact, high-brightness laser image projection system for application in volumetric 3D displays”. The project is carried out in cooperation with 2 partners, SIA Lightspace Technologies and University of Latvia. The duration of the project is 24 months, starting on April 1st, 2019. The total planned cost of the project is 817 thousand EUR, consisting of 553 thousand EUR (67.7%) public ERDF funding and 237 thousand EUR (29%) private funding.

Investment activities

During 2020 Q1 HansaMatrix made 156 thousand 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.

Investments in subsidiaries

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

During Q1 2020 HansaMatrix has provided additional 78 000 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 industrial premises at Riga airport area and for loan repayments to AS SEB banka. At the end of the reporting

period, the total HansaMatrix investment amounted to 1 703 thousand EUR, consisting of convertible loan in amount of 902 thousand EUR and paid up capital 801 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 free3D image display technologies with main uses in medicine, defense, scientific visualization, entertainment, media and gaming.

In Q1 of 2020, HansaMatrix made investments in a form of convertible loan into SIA Lightspace Technologies in the amount of 365 thousand EUR in a form of convertible loan.

At the end of the reporting period, the total HansaMatrix investment in SIA Lightspace Technologies amounted to 8,536 thousand EUR, consisting of convertible loan in amount of 4 826 thousand EUR and paid up capital in amount of 3 710 thousand EUR.

Business development overview of associated company - LightSpace Technologies

LightSpace Technologies cross functional team recently has accomplished AR headset project IG1000. First time to public it was shown at SPIE AR MR VR 2020 conference in San Francisco, February 3-4. In one hall with Microsoft Hololens 2, Magic Leap ML1 and several other leaders it demonstrated superior image quality.

What's different - IG1000 is first multi focal image headset been built with matched accommodation. So use of it does not create eye strain, brain stress and other symptoms associated with vergence accommodation conflict. Also it appears that quality of 3D visual objects seen by eyes are perfect to the smallest detail.

During and after show IG1000 was demonstrated to top experts from Amazon, Apple, Lenovo, Microsoft Hololense team, Volkswagen, Philips Healthcare, Carl Zeiss. Team were continuously hearing feedback and benchmarking from all of these top experts that our product provides the best image that they have so far seen in AR. Generally LightSpace team appears are ahead in understanding how to build best near eye displays in comparison to many other AR display and headset teams.

LightSpace has started several partnerships with market leaders in Medicine and Smart manufacturing of a cars and expects to launch market ready products for those sectors already in Year 2021.

LightSpace has set IG1000/IG2000 on the commercialization path and planning to complete product design and industrialization by end of 2020 and start manufacturing at the beginning of 2021.

Multifocal image AR VR headsets has been considered as enabling requirement for near range 3D visualization in high performance 3D graphics, Digital and Smart manufacturing, Digital and Image guided medicine, training and simulations in realistic 3D environments.

LightSpace is a 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. Several key enabling technologies including liquid crystal materials that creates switching diffuser photonics devices invented by the company.

LightSpace Technology holds 5 global patents and has during last 24 months submitted 10 new patent applications (3 at this moment has been confirmed).

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



SIA Lightspace Technologies consolidated *) profit loss statement, EUR

	1Q 2020 EUR	1Q 2019 EUR
Net turnover	40 175	11 090
Cost of sales	(449 646)	(374 143)
Gross profit / (loss)	(409 471)	(363 053)
Distribution costs	(84 212)	(83 581)
Administrative expense	(111 508)	(84 032)
Other operating income	218 446	7 642
Other operating expense	(571)	(355)
Operating profit	(387 316)	(523 379)
Interest expenses	(7)	(66)
Profit / (loss) before tax	(387 323)	(523 445)
Corporate income tax	-	-
Net profit / (loss) for the period	(387 323)	(523 445)
Profit attributable to:		
Equity holders of the Parent Company	(352 032)	(453 147)
Non-controlling interest	(35 291)	(70 298)
	(387 323)	(523 445)

SIA Lightspace Technologies consolidated *) balance sheet, EUR

ASSETS	31.03.2020. EUR	31.12.2019. EUR
NON-CURRENT ASSETS		
Property, plant, equipment and other intangible assets	7 855 747	7 809 237
TOTAL NON-CURRENT ASSETS	7 855 747	7 809 237
CURRENT ASSETS		
Inventory	434 700	395 101
Receivables	434 019	469 914
Cash and cash equivalents	18 857	53 006
TOTAL CURRENT ASSETS	887 576	918 021
TOTAL ASSETS	8 743 323	8 727 258
EQUITY AND LIABILITIES	31.03.2020. EUR	31.12.2019. EUR
EQUITY		
Share capital	16 601	16 601
Share premium	5 025 712	5 025 712
Other reserves	2 451	2 562
Retained earnings/ (accumulated deficit)	(3 065 703)	(2 713 671)
Non-controlling interest	539 078	574 369
TOTAL EQUITY	2 518 139	2 905 573
LIABILITIES		
Non-current and current liabilities	6 225 184	5 821 685
TOTAL LIABILITIES	6 225 184	5 821 685
TOTAL EQUITY AND LIABILITIES	8 743 323	8 727 258

*) Consolidated 100% SIA LightSpace Technologies, 100% LightSpace Technologies Inc. and 83.81% SIA Eurolcds.

Shares and stock market

During 2020 Q1 HansaMatrix (HMX1R) share price decreased by 9.23% - see the stock price movement chart for the period from January 1, 2020 to March 31, 2020.



Security trading history

Price	2017	2018	2019	2020 Q1
Open	7.95	8.14	6.5	6.25
High	8.83	8.5	6.65	7.6
Low	6.9	6.05	5.93	5.0
Last	8.14	6.5	6.25	5.9
Traded volume	72 941	137 505	32 591	9 871
Turnover, million	0.51 EUR	0.94 EUR	0.20 EUR	0.06 EUR
Capitalisation, million	14.89 EUR	11.89 EUR	11.43 EUR	10.79 EUR

In 3m 2020 the highest HansaMatrix (HMX1R) share price observed reached 7.60 EUR per share, lowest 5.00 EUR per share and the total traded share turnover in this period amounted to 0.06 million EUR.

Other significant events in the reporting period

The current developments regarding COVID-19 globally and in the Baltic states and the declaration of emergency situation introduced by March 12, 2020 Cabinet of Ministers of Latvian Republic Order No.103 On the Declaration of Emergency Situation (Latvian Republic Official Journal "Latvijas Vēstnesis", 2020, No. 51A, 52A, 52B, 54A) and by amendments thereof are influencing HansaMatrix business operations.

HansaMatrix top priority is safety and security of its employees and continuation of the operations during COVID19 emergency situation period. As per report preparation date among the Group employees there are no infection cases. All business units operate at the available capacity.

HansaMatrix has a diversified supplier base. The Company has been in contact and discussed the developing COVID-19 situation with the key suppliers and logistics partners, all of which, located in the affected countries, are continuing the operations and are taking the virus spread and contraction precautionary measures. The electronic component supply chain disruptions due to coronavirus are expected to impact HansaMatrix manufacturing order execution, potentially shifting fulfillment times, and could increase component sourcing costs.

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.

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.

HansaMatrix plans to evaluate the necessity and suitability to utilize the available Latvian Republic government support mechanisms and programs for enterprises to minimize and overcome COVID-19 negative business impact.

As a result of management effort 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 Company 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.

HansaMatrix remains confident in the Group long-term prospects and growth strategy. However current international travel restrictions, large-scale quarantines and social-distancing measures, implemented by many countries in Europe and worldwide could drive fall in business and consumer spending until the end of 2020 Q2, potentially impacting business volumes in 2020 Q3 as well.

As a result of the impact of COVID-19, HansaMatrix does not expect to meet the previously announced 2020 revenue guidance. Due to dynamic changes in the COVID-19 situation it is too early to provide the estimations of the potential impact on HansaMatrix sales in Q2 and Q3 of 2020.

HansaMatrix considers the COVID-19 impact to be short-term in nature, especially taking into account China experience with containing the virus, where indicators of people and goods movement, have significantly improved in only six weeks after the initial outbreak. (source: Harvard Business review online article "How Chinese Companies Have Responded to Coronavirus", available: <http://bit.ly/38VMPaV>).

In January 2020, HansaMatrix has signed agreements with SEB banka and SEB lizings to extend the maturity of factoring, overdraft, guarantee and factoring for the next annual period of one year for a total amount of EUR 4.56 million for working capital financing that also include export financing transactions.

On February 12, 2020 LightSpace technologies announced plans to develop enterprise multi focal AR headset models based on close partnership with several global market leaders representing medical, automotive and professional 3D graphics applications. Developer kits scheduled to be available already in Q3 2020, with commercial sales scheduled to start in Q1 2021.

On March 09, 2020 Gundars Strautmanis resigned as HansaMatrix Supervisory Board Member. Mr. Strautmanis served on the Supervisory Board of HansaMatrix since April 27, 2017. Andris Bērziņš, Chairman of the Supervisory Board, Ivars Ķirsons, Deputy Chairman of the Supervisory Board, Ingrida Blūma and Dagnis Dreimanis, members of the Supervisory Board, continue to serve on the Board of HansaMatrix.

Significant events after end of reporting period

On April 22, 2020 the Management Board of HansaMatrix informed about convening the Annual General Meeting (AGM) of Shareholders on May 22, 2020 at 3.00 pm (EEST) located at Ziedleju iela 1, Marupe, LV-2167, with opportunity for Shareholders to participate the meeting remotely without physically attending the meeting and vote remotely by electronic means. The AGM agenda include the following items: approval of report of the Management Board and the Supervisory Council on results of financial year 2019, taking a decision regarding distribution of financial year 2019 profit, appointment of the auditor for the Company financial report of year 2020 and determination of reward for the auditor, revocation of the existing Council of the Company and election of the new Council, approval of the appointment of the Audit Committee duties to the newly elected Supervisory Council, and approval of new edition of the Management Board and Supervisory Council remuneration policy.

May 20, 2020



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, 2020 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, 2019. 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 20, 2020



Ilmārs Osmanis
Chairman of the Board



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated statement of comprehensive income

	2020 Q1 EUR	2019 Q1 EUR
Revenue from contracts with customers	5 184 137	5 907 883
Cost of sales	(4 851 058)	(4 895 209)
Gross profit	333 079	1 012 674
Distribution costs	(114 816)	(131 642)
Administrative expense	(442 069)	(434 816)
Other operating income	95 581	67 050
Other operating expense	(44 671)	(43 894)
Operating profit	(172 896)	469 372
Loss from investments in associates	(140 778)	(168 845)
Finance income	2 558	11 754
Finance costs	(124 029)	(111 685)
Profit before tax	(435 145)	200 596
Corporate income tax	-	-
Net profit for the reporting period	(435 145)	200 596
Other comprehensive income:	-	-
Total comprehensive income for the year, net of tax	(435 145)	200 596
Comprehensive income attributable to:		
Equity holders of the Parent Company	(434 609)	200 596
Non-controlling interests	(536)	-
	(435 145)	200 596

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

May 20, 2020

Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position

ASSETS	31.03.2020	31.12.2019
NON-CURRENT ASSETS	EUR	EUR
Intangible assets		
ODM assets	309 998	309 998
Other intangible assets	485 613	489 647
Goodwill	360 653	360 653
Total intangible assets	1 156 264	1 156 264
Property, plant and equipment		
Land and building	3 550 702	3 595 233
Equipment and machinery	4 636 090	4 826 532
Other fixtures and fittings, tools and equipment	709 868	702 687
Right of use asset	2 453 296	2 656 938
Leasehold improvements	30 219	65 660
Construction in progress	2 321 143	2 295 463
Total property, plant and equipment	13 701 318	13 701 318
Non-current financial assets		
Investments in associates	2 414 221	2 554 998
Investments in other companies	37 754	37 754
Other investment loans	4 826 446	4 461 446
Other financial assets	86 385	84 078
Other non-current receivables	56 135	63 709
Total non-current financial assets	7 387 420	7 420 941
TOTAL NON-CURRENT ASSETS	22 278 523	22 504 796
CURRENT ASSETS		
Inventories		
Raw materials and consumables	2 864 504	3 051 606
Work in progress	2 307 691	-
Finished goods	104 228	-
Total inventories	5 339 728	5 276 423
Receivables, contract assets and prepayments		
Trade receivables from contracts with customers	770 999	957 492
Prepayments for goods	116 493	50 117
Loan to shareholder	542 692	540 133
Prepaid expense	31 160	50 736
Corporate income tax	621	685
Contract assets	-	2 022 550
Other receivables	134 177	379 047
Total receivables, contract assets and prepayments	1 596 142	4 000 760
Cash and cash equivalents	291 661	254 480
TOTAL CURRENT ASSETS	7 164 226	7 306 846
TOTAL ASSETS	29 442 749	29 811 642

*Available unused credit line

270 554 EUR

*Available unused factoring limit

1 537 540 EUR

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


May 20, 2020


Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position**EQUITY AND LIABILITIES**

EQUITY	31.03.2020 EUR	31.12.2019. EUR
Share capital	1 829 381	1 829 381
Share premium	2 435 579	2 435 579
Reserves	762	688
Non-current asset revaluation reserve	2 007 723	2 038 647
Retained earnings/ (accumulated loss):		
a) brought forward	2 637 799	2 392 385
b) for the period	(434 609)	214 490
Minority share	116 511	117 047
TOTAL EQUITY	8 593 146	9 028 217
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	7 594 018	7 930 600
Lease liabilities	1 493 985	1 729 235
Other financial liabilities	1 345 930	1 345 930
Prepayments received from customers (Contract liabilities)	149 845	149 845
Deferred income	997 006	1 022 466
Total non-current liabilities	11 580 784	12 178 076
Current liabilities		
Loans from credit institutions	2 085 734	1 874 479
Lease liabilities	839 828	826 058
Prepayments received under contracts with customers	1 257 943	1 042 633
Trade payables	3 956 382	3 724 298
Taxes payable	515 137	558 704
Corporate income tax	-	809
Other liabilities	238 876	239 734
Deferred income	101 845	101 845
Accrued liabilities	273 074	236 789
Total current liabilities	9 268 819	8 605 349
TOTAL LIABILITIES	20 849 603	20 783 425
TOTAL EQUITY AND LIABILITIES	29 442 749	29 811 642

The accompanying notes form an integral part of these financial statements.
May 20, 2020


 Ilmārs Osmanis
 Chairman of the Board

Interim consolidated statement of cash flow

	2020 Q1 EUR	2019 Q1 EUR
Cash flows to/ from operating activities		
Profit before tax	(435 145)	200 596
Adjustments for:		
Depreciation and amortization	613 972	645 067
Depreciation included in the cost of work in progress		-
Interest expense	54 094	105 724
Interest income	(2 558)	(11 754)
Decrease in allowances for slow-moving items and receivables	(15 912)	13 361
Income from grant recognition	(25 461)	(42 394)
Gain on disposal of property, plant and equipment	20	(965)
Group's share of loss of an associate recognized in the statement of comprehensive income	140 778	168 845
Adjustments for:		
(Increase)/ decrease in inventories	(202 267)	(921 451)
(Increase)/ decrease in receivables	397 980	(296 284)
Increase/ (decrease) in payables	360 287	1 300 391
Cash generated from operations, gross	885 788	1 161 136
Interest paid	(54 094)	(105 724)
Corporate income tax paid	-	-
Net cash flows to/ from operating activities	831 694	1 055 412
Cash flows to/ from investing activities		
Purchase of intangible assets and property, plant and equipment	(156 039)	(868 751)
Investments in and loans to other companies	(365 000)	(1 524 052)
Net cash flows to/ from investing activities	(521 039)	(2 392 803)
Cash flows to/ from financing activities		
Loans received from credit institutions	473 184	309 626
Loans repaid to credit institutions	(679 184)	(579 663)
Loans from lease companies	-	172 934
Loans repaid to lease companies	(67 474)	(52 807)
Net cash flows to/ from financing activities	(273 474)	(149 910)
Change in cash and cash equivalents for the year	32 714	(1 487 301)
Cash and cash equivalents at the beginning of the period	254 480	2 376 781
Cash and cash equivalents at the end of the period	291 661	889 480

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
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	-	-	-	-	214 490	(6 602)	207 888
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	214 490	(6 602)	207 888
Depreciation of revalued items of property, plant and equipment	-	-	-	(123 692)	123 692	-	-
Share option reserves	-	-	(636)	-	-	-	(636)
Dividends paid	-	-	-	-	(73 175)	-	(73 175)
Acquisition of subsidiary	-	-	-	-	-	123 649	123 649
Balance as at 31 December 2019	1 829 381	2 435 579	688	2 038 647	2 606 875	117 047	9 028 217
Profit for the reporting year	-	-	-	-	(434 609)	(536)	(435 145)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(434 609)	(536)	(435 145)
Depreciation of revalued items of property, plant and equipment	-	-	-	(30 924)	30 924	-	-
Share option reserves	-	-	74	-	-	-	74
Dividends paid	-	-	-	-	-	-	-
Balance as at 31 March 2020	1 829 381	2 435 579	762	2 007 723	2 203 190	116 511	8 593 146

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 2020 through 31 March 2020.

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 2019. 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.

IFRS 16 standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

HansaMatrix applies IFRS 16 Leases for annual periods beginning on or after 1 January 2019. IFRS 16 was adopted applying the modified retrospective approach. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. (The standard also requires revising 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 Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Group applied the available practical expedients wherein it:

1. Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
2. Relied on its assessment of whether leases are onerous immediately before the date of initial application;
3. Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
5. Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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. The right-of-use assets for all leases were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. A right-of-use asset is recognized under property, plant and equipment.

A right-of-use asset is depreciated and tested for impairment as any other long-term asset owned by the entity. When discounting is used, interest expense on the lease liability is recognized.

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

4. Related party disclosures

Related party	Type of services		Amount of transactions		Balance	
			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)
			EUR	EUR	EUR	EUR
1. Associates						
SIA Lightspace Technologies (AS HansaMatrix share: 40%)	Loan	31.12.2019	2 007 323	-	4 461 446	-
		31.03.2020	365 000	-	4 826 446	-
	Services, purchase of materials, sales	31.12.2019	4 378	690	1 020	690
		31.03.2020	-	-	-	-
	TOTAL	31.12.2019	2 011 701	690	4 462 466	690
	TOTAL	31.03.2020	365 000	-	4 826 446	-
2. Entities with significant influence over the Parent Company						
SIA MACRO RĪGA (shareholder)	Loans	31.12.2019	32 585	-	540 133	-
		31.03.2020	2 559	-	542 692	-
	Purchase of services; sale of materials	31.12.2019	-	-	-	-
		31.03.2020	-	-	-	-
	TOTAL	31.12.2019	32 585	-	540 133	-
	TOTAL	31.03.2020	2 559	-	542 692	-
3. Other related companies						
	Services, purchase of materials, sales	31.12.2019	9 257	10 089	-	720
		31.03.2020	-	763	-	720
	TOTAL	31.12.2019	9 257	10 089	-	720
	TOTAL	31.03.2020	-	763	-	720

5. EBITDA calculation

Item:	2020	2019
	Q1 EUR	Q1 EUR
NET sales	5 184 137	5 907 883
Operating profit	(172 896)	469 372
Depreciation and amortization	613 972	645 067
EBITDA, EUR	441 076	1 114 439
EBITDA, %	9%	19%

6. Dividends paid and proposed

The planned Annual General Meeting of HansaMatrix shareholders on May 22, 2020 proposed agenda includes year 2019 profit distribution item. Taking into account COVID-19 situation global developments and high uncertainty of the economic environment, it is proposed not to distribute dividends and leave all net profit of financial year 2019 undistributed to increase the retained earnings.

7. Definitions of Alternative Performance Measures

APM, definition, components	Relates to past or future reporting periods	APM 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/ Revenue	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/ Revenue	Past	Shows the entity's ability to generate operating cash flows	Profitability assessment
Net profit margin: Normalized earnings / Revenue	Past	Shows the entity's earning capacity	Profitability assessment