



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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2016**

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

Riga, 2016

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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 27 June 2016 (end of the day)	SIA „Macro Rīga” (64.83%) Limited partnership „FlyCap Investment F und I AIF” (22.08%) Swedbank AS clients account (7.63%)
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 Diāna Krišjāne Latvian Certified Auditor, Certificate No. 124
Financial year	1st January – 31st December 2016
Interim reporting period	1st January – 30th June 2016

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:

- LEO Pētījumu centrs, SIA – Member of council
- Latvijas Elektrotehnikas un elektronikas rūpniecības asociācija – Board member
- Campus Pārogre, SIA – Board member
- Zinātnes parks, SIA – Board member
- Zero Power Display, SIA – Board member
- HansaMatrix Ventspils, SIA – Board member
- Macro Rīga, SIA – Board member
- HansaMatrix Innovation, SIA – Board member
- Lightspace Technologies, SIA – Board member
- LEITC, SIA – Member of council
- EuroLCDs, SIA – Board member

Owned shares:

- directly: 0
- indirectly (through SIA, Macro Rīga): 1 185 938

Participation in other companies:

- SIA Macro Rīga (100%)

Ilmārs Osmanis educational background is electronic engineering later complemented by additional executive MBA studies which were not completed due to business start-up. His entrepreneurial experience includes successful development of an electronic components distribution business in the Baltic countries, a business that was subsequently successfully sold. During the last fifteen years, Ilmārs Osmanis, who created the Company, served as its CEO. The Company has subsequently evolved into one of the most modern high tech manufacturing groups in the Nordic and Baltic countries comprising 2 manufacturing plants currently employing around 240 employees.

**Alvis Vagulis**

Alvis Vagulis is a member of the Management Board of the Company, the Vice President of Operations and the Head of Ogre Plant.

Date appointed: 30 December 2015

Positions held in other companies:

- AMATEKS, SIA – Deputy Chairman of the Supervisory Board
- EUROLDCS, SIA – Member of Supervisory Board

Owned shares: 0

Alvis Vagulis holds Mechanical Engineering degree from Riga Technical University and an MBA from Brussels Business School (Master of Business Administration). His previous experience includes the position of a plant manager at Schneider Electric. Mr. Vagulis has been with the Company since 2008. He also serves as Council member at EUROLDCS, SIA and Deputy of Council Chairman at AMATEKS, SIA.

**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:

- Biznesa efektivitātes asociācija – Board member

Owned shares: 0

Aldis Cimoška holds Engineering degree in wood processing from Latvian University of Agriculture. He possesses extensive experience in managing a wooden house fabrication company. Mr. Cimoška has been with the Company since 2013.

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.

Jānis Skutelis

Jānis Skutelis is the Chairman of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Positions held in other companies:

- PURIFIED, SIA – Member of Council
- LOR Klīnika, Sabiedrība ar ierobežotu atbildību – Member of Council
- Cannelle Bakery, SIA – Member of Council
- MolPort, SIA – Chairman of Council
- PRAKSE.LV, Sabiedrība ar ierobežotu atbildību - Chairman of Council
- B2Y, Sabiedrība ar ierobežotu atbildību - Member of Council
- Mailigen, SIA - Chairman of Council
- FlyCap AIFP, SIA – Chairman of a Board
- Providencia, Sabiedrība ar ierobežotu atbildību – Member of a Board

Owned shares: 0

As FlyCap representative controls FlyCap 403 933 shares

Participation in other companies:

- Providencia, Sabiedrība ar ierobežotu atbildību (100%)
- eegloo, SIA (5%)
- FlyCap AIFP, SIA (33.33333%)
- BranchTrack, SIA (1.8%)

Jānis Skutelis is the Chairman of the Management Board at FlyCap Investment Fund. Having been involved in business transactions and supervision of more than 25 companies, Jānis Skutelis possesses 8 years of venture capital and private equity industry experience. Jānis Skutelis holds a MSc. degree from Stockholm School of Economics (Sweden). His previous experience includes entrepreneurship, managing own business, management and finance advisory functions, corporate finance and CFO roles.

Krišs Osmanis

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

Date appointed: 13 June 2016

Term of office: 13 June 2021

Owned shares: 0

Represents Macro Riga shareholding of 1 185 938 shares.

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.

Andris Bērziņš

Andris Bērziņš is a member of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Positions held in other companies:

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

Owned shares: 0

Participation in other companies:

- KBZ, Sabiedrība ar ierobežotu atbildību (100%)

- KBZ Consulting, 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.

Ingrīda Blūma

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

Date appointed: 13 June 2016

Term of office: 13 June 2021

Positions held in other companies:

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

Owned shares: 0

Participation in other companies::

- i-bloom, SIA (50%)

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.

Māris Rambaks

Māris Rambaks is a member of the Supervisory Board of the Company.

Date appointed: 13 June 2016

Term of office: 13 June 2021

Owned shares: 0

Māris Rambaks holds Bachelor’s degree in Business Administration from the International University Concordia Audentes, Estonia, along with Master’s degree in Law and Finance from Riga Graduate School of Law. Moreover, Mr. Rambaks holds CFA (Chartered Financial Analyst) designation. The previous experience of Māris Rambaks is in the field of banking and investment services sector and financial markets. For more than 4 years, Māris Rambaks had worked as the Head of Broker Department of AS “LHV Pank”. From 2014 to April 2016, he was in charge of the Latvian branch of AS “LHV Pank”. In addition to the aforementioned, Mr. Rambaks helped to establish one of the leading and widely-recognised investment service providers in Latvia. He also represented investors at various shareholder general meetings and took an active part in multiple investor conferences.

Major shareholders

AS HansaMatrix major shareholders as of 27 June 2016 (end of the day):

Major shareholders	Owned shares	Ownership interest
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(over 5%) Shareholder		
SIA “MACRO RĪGA”	1 185 938	64.83 %
Limited partnership “FlyCap Investment Fund I AIF”	403 933	22.08 %
Swedbank AS clients account (formerly AS Swedbank Estonia clients)	139 640	7.63 %
Other shareholders	99 870	5.46 %
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 in industrial systems, data network infrastructure, Internet of Things, medical and several other B2B (business-to-business) market segments. Building on its 16-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 on global markets.

Business environment

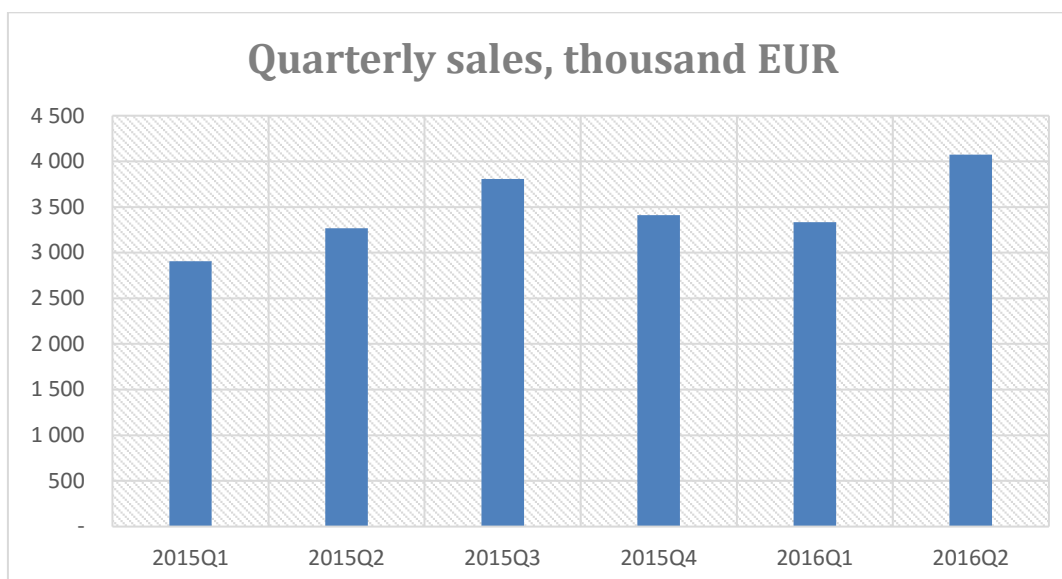
Industrial market sectors that are developing and manufacturing equipment for oil exploration and oil related businesses see substantially reduced investment into equipment and engineering development due to continuously low global oil prices. In comparison, the market for alternative, renewable energy and energy-saving related equipment is consistently growing. Also there is continuous development of global telecommunication data networks and internet infrastructure. There is a new global trend in new product development which more frequently takes place at start-up company labs rather than established corporate ones.

Finance results

During the second quarter (“Q2” further in document) of 2016 the sales volumes increased by 25% compared to the same corresponding period of 2015 and reached 4.072 million EUR. This is the largest quarterly sales figure in the Company’s history.

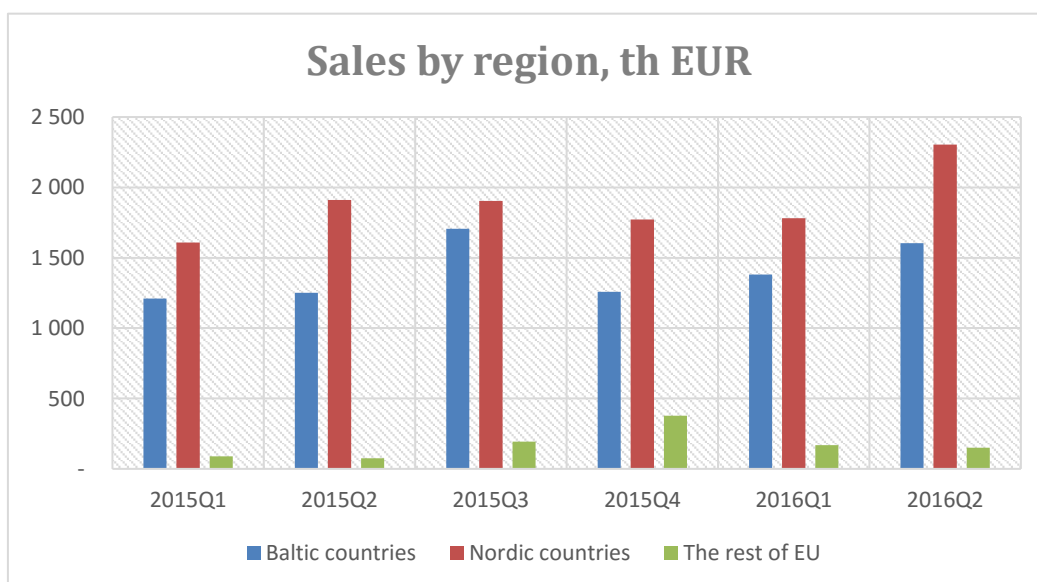
During the first quarter (“Q1” further in document) of 2016 sales volumes increased by 15% in comparison with 2015 Q1 and reached 3.333 million EUR. Despite good growth achieved in 2016 Q1, it has not been sufficient to achieve good quarterly results.

During the period of 6 months (“6m” – further in document) of 2016 sales volume has grown by 20% in comparison with the 2015 6m period and reached 7.406 million EUR.



Business customers of HansaMatrix are regionally concentrated in the **Baltic** and **Nordic** countries, which therefore reported the largest absolute growth of sales.

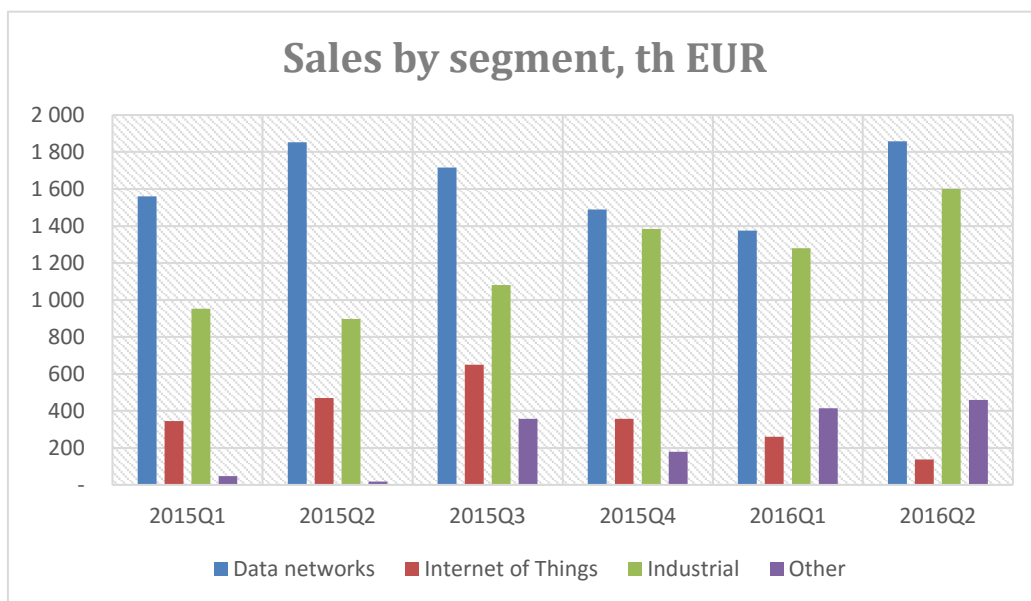
In the 2016 6m period, **Baltic** sales were up by 21% in comparison with 2015 6m, which is mainly owing to an increased demand for products in the **other** market segments in the **Baltic** region. **Nordic** countries demonstrated similar business development, and their 16% rise is associated with the growth of the **industrial** products. Other EU countries reported tremendous 95% growth due to the increased demand for **industrial** and **other** products.



The sales efforts of HansaMatrix are focused in the following three main market segments: **data network infrastructure**, **Internet of Things**, **industrial** and **other** products.

During the 6m period of 2016, **data network infrastructure** was the largest market, which accounted for 44% of sales, with a 5% decrease in comparison with the 6m period 2015. During the 2016 6m period customers started replacing their existing product range by new products that usually require some introduction period with reduced manufacturing volumes. **Industrial products** represented the second largest segment, forming 39% of sales, with substantially larger growth of 56% from the 2015 6m period. The next largest – the **other** product market segment formed 12% share of sales, and

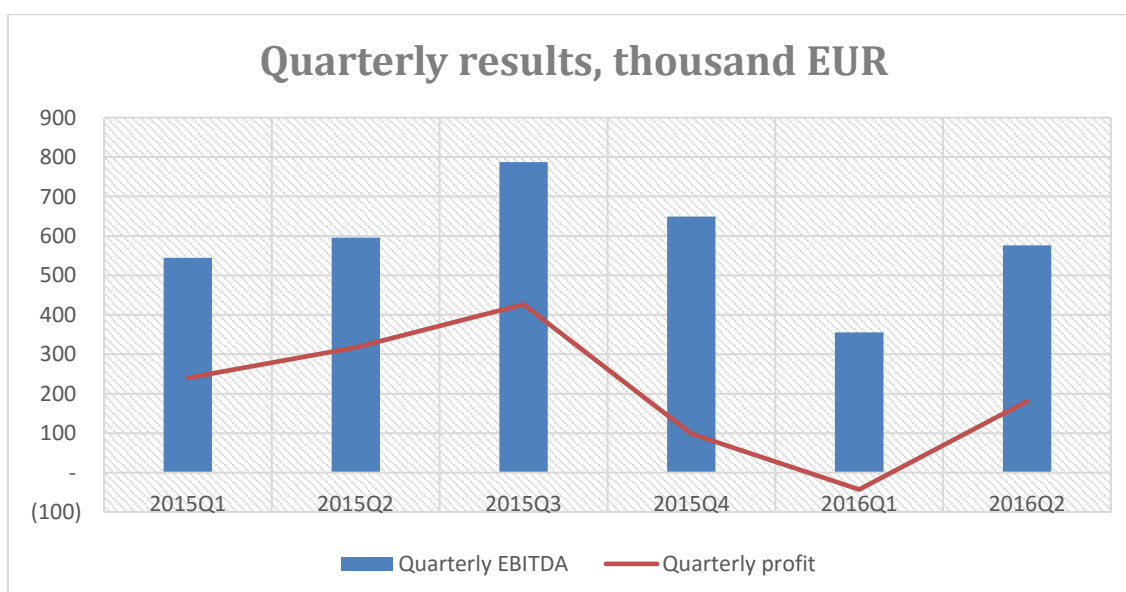
demonstrated tremendous (more than 10-fold or 1216%) volume growth from last year's 6m period. The **Internet of Things** product segment, accounting for 5% of sales, decreased by 51% from last year's 6m period results and demonstrated the sales volume's high dependence on results from a few large project realization patterns.



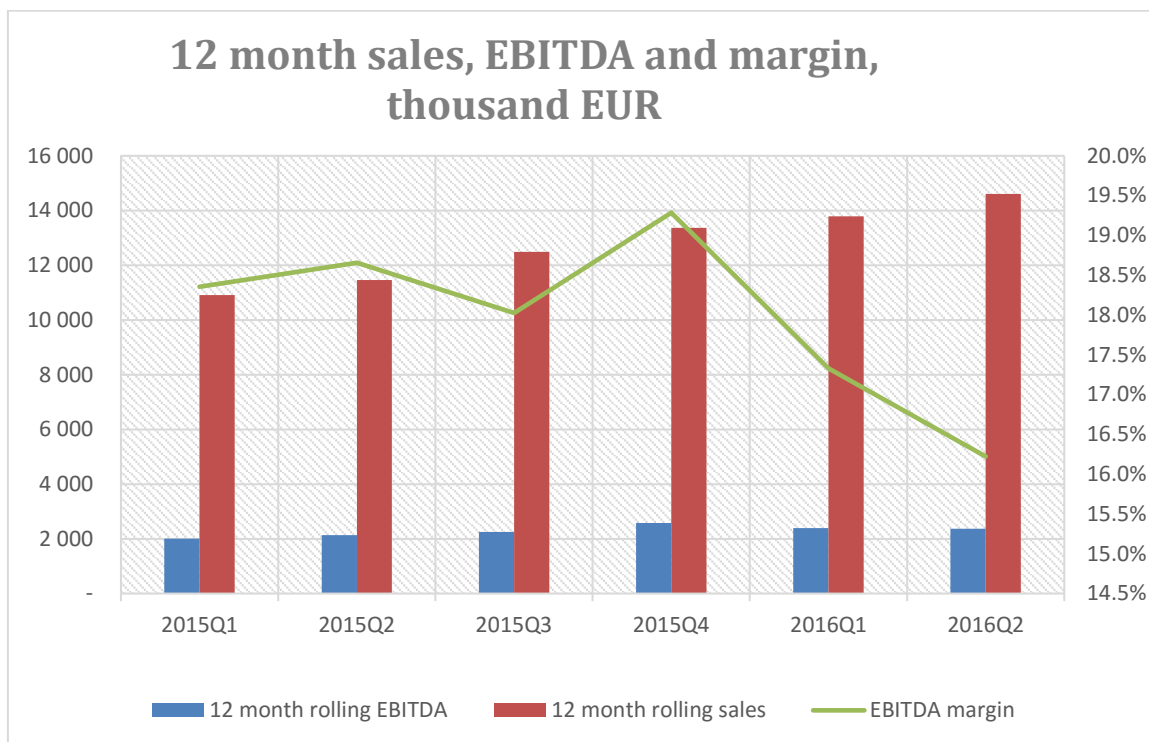
During the 6m period of 2016 the EBITDA result was 18% lower in comparison with the same period of 2015 and resulted in 0.932 million EUR. The net profit was 0.139 million EUR (-75% to 6m period of 2015).

During the period of Q2 2016 business continued to develop and EBITDA resulted in 0.576 million EUR (-3% to Q2 2015) and the net profit came to 0.181 million EUR (-43% to Q2 2015). The reason for lower net profit levels are higher levels of depreciation in 2016 due to recent investments in capacity increase.

Lower profitability and EBITDA margins during Q1 of 2016 were influenced by several factors – **data network product** segment customers started introduction of new product ranges and reduced order volumes during the changeover period of 2016 Q1 and Q2 when good sales work and increase of business of industrial and other products did not fully compensate the reduction; the other factor was the influence of the management decision to continue all R&D activity and expenses that during year 2015 were supported by a state funded grant completed by November 2015. A new grant that continues to fund started R&D activity has been signed up as of June 2016. Therefore EBITDA for Q1 2016 was 34% lower than for the period of Q1 2015 resulting in the amount of 0.356 million EUR and a net loss of 43 thousand EUR.



Summary of 12 month rolling results for sales and EBITDA at Q2 of 2016 demonstrate sales growth of 27% in comparison to the previous period ending Q2 2015 and 11% EBITDA growth. The EBITDA margin for the 12 month period ending Q2 2016 shows a decrease to 16.2% in comparison to 18.7% for the previous corresponding period.



The comparison of financial indicators for the period of Q2 and 6m has been summarized below:

Financial indicators for period	2016Q2	2015Q2	% to previous period
Sales, thousand EUR	4 072	3 266	25%
EBITDA, thousand EUR	576	596	-3%
Net profit, thousand EUR	181	317	-43%
EBITDA margin	14%	18%	
Net profit margin	4%	10%	
EPS, EUR	0.10	N/A	

Financial indicators for period	2016 6m	2015 6m	% to previous period
Sales, thousand EUR	7 406	6 173	20%
EBITDA, thousand EUR	932	1 140	-18%
Net profit, thousand EUR	139	558	-75%
EBITDA margin	13%	18%	
Net profit margin	2%	9%	
EPS, EUR	0.08	N/A	

Investment activities

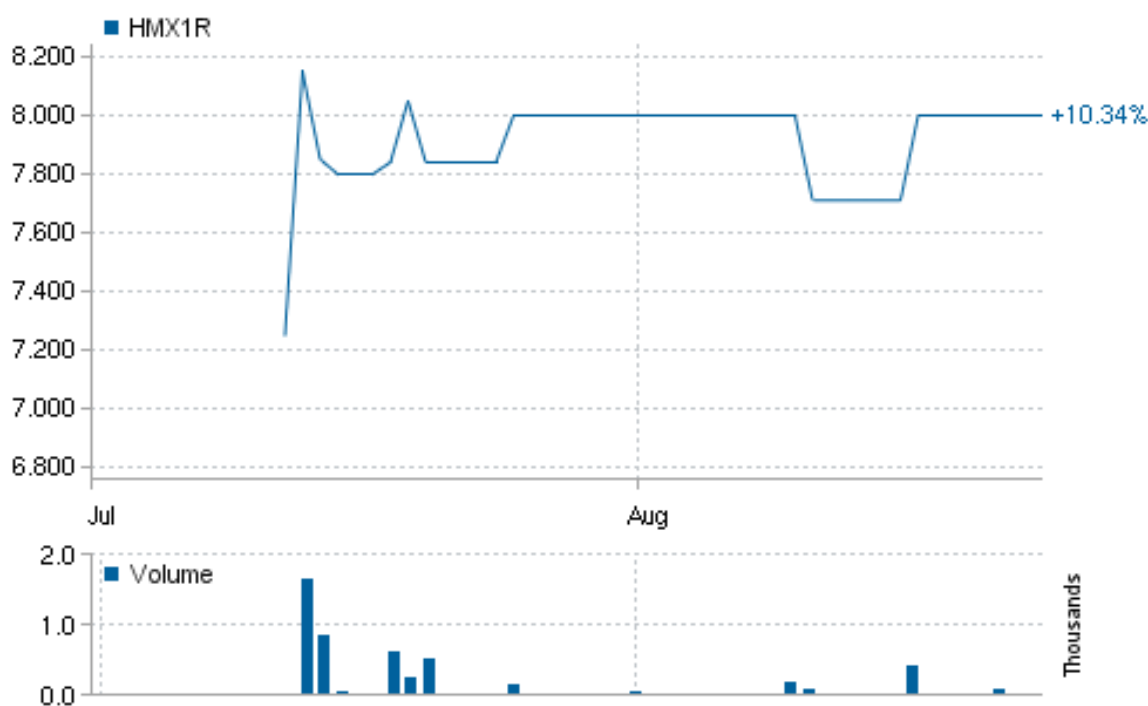
On 14th of January 2016 an agreement was signed on the purchase of a land plot of 1.535 hectares, which is adjacent to the existing land plot, at Akmeņu iela 74, Ogre, for the purposes of the further expansion of the Ogre plant. The investment amount was 280 thousand EUR. Ownership transfer in “Zemesgrāmata” (*land register*) was completed on 26th January 2016.

Research and development

Starting with June 2016 the Company commenced realization of a research and development project supervised by “Centrālās Finanšu un līgumu aģentūra” with project title “Real time 3D volumetric imaging technology development” in cooperation with SIA “LEO Pētījumu centrs”, financed by European Regional Development Funds (ERDF). Overall budget of the project - 665 046 EUR.

Significant events after end of reporting period

On 12 July 2016 started listing of AS HansaMatrix shares HMX1R on the Nasdaq Baltic Main list. During the period until 24 August 2016, the share price reached EUR 8 per share. See attached trading graph:

**Security trading history**

Price	2016
Open	6.950
High	8.150
Low	6.950
Last	8.000
Traded volume	5,832

Price

Turnover, million
Capitalisation, million

2016

0.04 EUR
14.64 EUR

26 August 2016



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 30 June 2016 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, 2015. 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.

26 August 2016



Ilmārs Osmanis
Chairman of the Board



INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated statement of comprehensive income

	2016 Q1 EUR	2015 Q1 EUR	2016 Q2 EUR	2015 Q2 EUR	2016 6m EUR	2015 6m EUR
Net turnover	3 329 644	2 909 446	4 057 006	3 236 772	7 386 650	6 146 218
Cost of sales	(3 077 946)	(2 287 809)	(3 461 541)	(2 600 763)	(6 539 487)	(4 888 572)
Gross profit	251 698	621 637	595 465	636 009	847 163	1 257 646
Distribution expense	(96 967)	(108 720)	(130 091)	(120 754)	(227 058)	(229 474)
Administrative expense	(302 488)	(212 207)	(340 593)	(255 696)	(643 081)	(467 903)
Other operating income	170 402	43 804	125 731	148 826	289 542	180 052
Other operating expense	(12 159)	(33 956)	(26 759)	(6 189)	(32 326)	(27 567)
Operating profit	10 486	310 558	223 753	402 196	234 240	712 754
Financial income	23 262		25 940	2 478	49 201	2 478
Financial expense	(76 609)	(70 237)	(68 356)	(87 092)	(144 965)	(157 329)
Profit/ (loss) before tax	(42 861)	240 321	181 337	317 582	138 476	557 903
Corporate income tax						
Deferred corporate income tax						
Net profit/ (loss) for the period	(42 861)	240 321	181 337	317 582	138 476	557 903
Other comprehensive income for the period, after tax	-	-	-	-	-	-
Total comprehensive income for the period, after tax	(42 861)	240 321	181 337	317 582	138 476	557 903

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

26 August 2016

Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position

ASSETS	30.06.2016	31.03.2016	31.12.2015
NON-CURRENT ASSETS	EUR	EUR	EUR
Intangible assets			
ODM and other intangible assets	681 477	527 124	485 154
Intangible assets construction in progress	-	-	-
Total intangible assets	681 477	527 124	485 154
Property, plant and equipment			
Land and buildings	3 179 103	3 215 767	2 972 431
Equipment and machinery	3 821 881	3 944 457	4 137 533
Other fixtures and fittings, tools and equipment	520 666	511 477	527 040
Construction in progress	7 543	7 543	7 543
Leasehold improvements	39 362	43 946	48 275
Total property, plant and equipment	7 568 555	7 723 190	7 692 822
Non-current financial assets			
Investments in associates	960	960	960
Other financial assets	524 279	524 279	524 279
Total non-current financial assets	525 239	525 239	525 239
Prepaid expense	-	-	-
TOTAL NON-CURRENT ASSETS	8 775 271	8 775 553	8 703 215
CURRENT ASSETS			
Inventories			
Raw materials	1 632 118	1 732 794	1 292 462
Work in progress	692 527	694 335	836 905
Total inventories	2 324 645	2 427 129	2 129 367
Receivables			
Trade receivables	781 284	700 283	719 685
Loans to shareholders	2 422 441	2 398 979	2 375 744
Other receivables	393 851	250 426	285 209
Total receivables	3 597 576	3 349 688	3 380 638
Prepaid expense	107 205	105 228	26 341
Cash and cash equivalents	1 222 150	96 145	255 402
TOTAL CURRENT ASSETS	7 251 576	5 978 190	5 791 748
TOTAL ASSETS	16 026 847	14 753 743	14 494 963

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

26 August 2016



Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of financial position

EQUITY AND LIABILITIES	30.06.2016	31.03.2016	31.12.2015
EQUITY	EUR	EUR	EUR
Share capital	1 829 381	1 546 380	1 546 380
Share premium	2 435 579	1 094 987	1 094 987
Other reserves	313	313	313
Non-current asset revaluation reserve	1 362 506	1 382 086	1 401 665
Retained earnings/ (accumulated deficit):			
a) brought forward	(697 522)	(687 381)	(1 789 356)
b) for the period	138 476	(42 861)	1 082 397
TOTAL EQUITY	5 068 733	3 293 524	3 336 386
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	4 416 305	4 702 867	4 727 849
Finance lease liabilities	159 426	173 983	47 723
Deferred income	877 559	919 953	911 861
Deferred income tax liability	665 405	665 405	665 405
Total non-current liabilities	6 118 695	6 462 208	6 352 838
Current liabilities			
Loans from credit institutions	1 122 396	1 122 396	1 177 130
Finance lease liabilities	16 076	13 414	18 100
Prepayments received from customers	725 537	876 428	817 775
Trade payables	2 135 660	2 007 608	1 797 062
Taxes payable	171 589	250 291	217 305
Other liabilities	330 707	390 420	431 202
Accrued liabilities	218 364	218 364	177 588
Deferred income	119 090	119 090	169 577
Undrawn dividends	-	-	-
Total current liabilities	4 839 419	4 998 011	4 805 739
TOTAL LIABILITIES	10 958 114	11 460 219	11 158 577
TOTAL EQUITY AND LIABILITIES	16 026 847	14 753 743	14 494 963

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

26 August 2016

Ilmārs Osmanis
Chairman of the Board

Interim consolidated statement of cash flow

	2016	2015	2016	2015	2016	2015
	Q1	Q1	Q2	Q2	6m	6m
	EUR	EUR	EUR	EUR	EUR	EUR
Cash flows to/ from operating activities						
Profit/ (loss) before tax	(42 861)	240 321	181 337	317 582	138 476	557 903
Adjustments for:						
Amortisation and depreciation	340 887	196 502	347 394	208 135	688 281	404 637
Interest expense	65 363	70 236	63 193	72 276	128 556	142 512
Loss/ (income) from grant recognition	(42 394)	(63 383)	(42 394)	(45 016)	(84 788)	(108 399)
(Gain)/ loss on disposal of property, plant and equipment						
Adjustments for:						
(Increase)/ decrease in inventories	(297 762)	(275 448)	102 484	(733 758)	(195 278)	(1 009 206)
(Increase) in trade receivables	(47 938)	(234 874)	(249 863)	(392 933)	(297 801)	(627 807)
Increase in trade payables	302 178	489 703	(161 255)	2 034 100	140 923	2 523 803
Cash generated from operations, gross	277 473	423 057	240 896	1 460 386	518 369	1 883 443
Interest paid	(65 363)	(70 236)	(63 193)	(72 276)	(128 556)	(142 512)
Corporate income tax paid						
Net cash flows to/ from operating activities	212 110	352 821	177 703	1 388 110	389 813	1 740 931
Cash flows to/ from investing activities						
Purchase of intangible assets and property, plant and equipment	(413 225)	(151 087)	(347 113)	(1 928 530)	(760 338)	(2 079 617)
Proceeds from sale of property, plant and equipment						
Acquisition of shares				(960)		(960)
Net cash flows to/ from investing activities	(413 225)	(151 087)	(347 113)	(1 929 490)	(760 338)	(2 080 577)
Cash flows to/ from financing activities						
Dividends paid	-	-	(29 721)	-	(29 721)	-
Increase in share capital	-	-	1 623 593	-	1 623 593	-
Grants received from the Investment and Development Agency of Latvia	-	-	-	97 282	-	97 282
Loans received from credit institutions	154 000	-	-	980 000	154 000	980 000
Loans received from lease companies	251 803	-	-	70 036	251 803	70 036
Loans repaid to credit institutions	(233 716)	(276 735)	(286 562)	(279 335)	(520 278)	(556 070)
Loans repaid to lease companies	(130 229)	-	(11 895)	(4 145)	(142 124)	(4 145)
Net cash flows to/ from financing activities	41 858	(276 735)	1 295 415	863 838	1 337 273	587 103
Change in cash and cash equivalents for the period	(159 257)	(75 001)	1 126 005	322 458	966 748	247 457
Cash and cash equivalents at the beginning of the period	255 402	93 265	96 145	18 264	255 402	93 265
Cash and cash equivalents at the end of the period	96 145	18 264	1 222 150	340 722	1 222 150	340 722

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

Interim consolidated statement of changes in equity

	Share capital EUR	Share premium EUR	Other reserves EUR	Non- current asset revaluation reserve EUR	Retained earnings/ (accumulated deficit) EUR	Profit/ (loss) for the year EUR	Total EUR
As at 31 December 2014	1 280 272	761 415	313	1 468 231	178 657	(2 045 484)	1 643 404
Profit for the reporting year	-	-	-	-	-	1 082 397	1 082 397
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	1 082 397	1 082 397
Share capital increase	266 108	333 572	-	-	-	-	599 680
Depreciation of revalued items of property, plant and equipment	-	-	-	(78 314)	78 314	-	-
Deferred corporate income tax related to revalued items of property, plant and equipment	-	-	-	11 748	(11 748)	-	-
Transfer of prior year result	-	-	-	-	(2 034 579)	2 045 484	10 905
As at 31 December 2015	1 546 380	1 094 987	313	1 401 665	(1 789 356)	1 082 397	3 336 386
Profit for the reporting period	-	-	-	-	-	138 476	138 476
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	138 476	138 476
Share capital increase	283 001	1 340 592	-	-	-	-	1 623 593
Depreciation of revalued items of property, plant and equipment	-	-	-	(39 159)	39 157	-	(2)
Transfer of prior year result	-	-	-	-	1 082 397	(1 082 397)	-
Dividends paid	-	-	-	-	(29 720)	-	(29 720)
As at 30 June 2016	1 829 381	2 435 579	313	1 362 506	(697 522)	138 476	5 068 733

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 2016 through 30 June 2016.

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 2015. The Group has evaluated new and amended IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2016. No impact on the interim financial statements of the Group was identified.

The Group has not applied and has not evaluated the impact of the application of the IFRS and IFRIC interpretations that have been issued as of the date of authorisation 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	Description of the transaction	Balances due to/ from related parties as at 31/12/2015	Counter-performance	Payment	Balances due to/ from related parties as at 30/06/2016
SIA Macro Rīga	Sale of SIA HM Holdings - loan	2 321 646	-	-	2 321 646
SIA Macro Rīga	Loan interest	54 098	54 741	-	108 839
SIA Macro Rīga	Dividends calculated	-	(24 605)	24 605	-
Limited partnership FlyCap Investment F und I AIF	Dividends calculated	-	(5 115)	5 115	-
TOTAL:		2 375 744	25 021	29 720	2 430 485

5. Dividends paid and proposed

During the reporting period, calculated and paid dividends for 2015 year – total amount EUR 29 720

6. Events after the reporting period

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