



HANSAMATRIX
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AS HansaMatrix
Registration No. 40003454390
To: Annual General Meeting

Supervisory Board report

AS HansaMatrix (hereinafter - the “Company”) and its subsidiary SIA HansaMatrix Ventpils, SIA HansaMatrix Pārogre, SIA HansaMatrix Innovation, SIA Zinātnes parks and AS Lightspace holding (hereinafter the Company and its subsidiaries are collectively referred to as the “Group”) business results in 2022 were influenced by global component shortage, energy, and general inflation as well as increasing interest rates. The Supervisory Board is satisfied with the Group's ability to significantly increase revenue.

In 2022, HansaMatrix Group's revenue from contracts with customers (hereinafter referred to as sales, revenue or turnover) amounted to EUR 28.89 million, which is a 32% increase compared to year 2021 revenue of EUR 21.96 million. In the reporting period, EBITDA amounted to EUR 2.912 million, which is a 22% decrease compared to EUR 3.732 million in 2021. The Group's net profit was negative at EUR 2.146 million. EUR compared to a net loss of EUR 1.821 million in 2021.

For a better comparison of interim profitability, the Group calculates the normalized profit, which amounted to EUR 0.404 million in 2022 and was 65% less than the corresponding indicator for 2021 of EUR 1.165 million.

The Group's revenue growth was driven by high demand in key industries, which, together with the active sales process and the still existing global semiconductor shortage, has delivered a significant volume of orders at the end of 2022 of 24.2 million EUR.

The decrease in EBITDA in 2022 compared to 2021 is explained by the relatively smaller share of high value-added products in the range of manufactured products, which was affected by the global component deficit in Q2 and Q4 of 2022.

The Group's significant losses for 2022 can be explained mainly by the Group's determination of fair value for investments in SIA Zinātnes Parks amounting to EUR 0.806 million and with losses from the associate company SIA Lightspace technologies, recognized in the Group's 2022 statement of comprehensive income of EUR 1.421 million.

Aware of the impact of geopolitical and macroeconomic events on the possible decrease in revenues and profitability, HansaMatrix in 2022 carried out regular liquidity monitoring, implemented measures for more efficient operations of the Company and strictly disciplined working capital management.

In 2022, the Company continued to strengthen corporate governance and compliance processes, the Ethics and Anti-corruption Policy was approved and implemented, which includes not only principles related to work ethics and professionalism, but also the rules of fair competition, and the main principles of identifying and preventing conflicts of interest. In 2022, compliance policies have also been approved, i.e. - Business partner research and transaction monitoring guidelines, which include both sanctions risk management issues and general onboarding guidelines for business partners (using the principles established

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in the respective regulations), as well as the Personal Data Protection Policy, which provides for data processing procedures for HansaMatrix.

In the 4th quarter of 2022, the private and venture capital investment fund BaltCap group company of SIA Emsco announced plans to make a voluntary share buyback offer to HansaMatrix shareholders for the purchase of at least 75% of HansaMatrix shares, which in the 2nd quarter of 2023 resulted in SIA Emsco purchasing 93.1% of HansaMatrix shares. The management board of the company has made a significant contribution to the investor attraction process. The new ownership structure will allow the Group to better attract additional capital in order to use future growth potential more effectively.

During the reporting period, the HansaMatrix Supervisory board has participated in the management of the Company, following the procedure established by the regulatory acts. During the reporting period, at the annual shareholders' meeting of HansaMatrix on May 31, 2022, a new composition of the Supervisory Council was elected, in which, in addition to the previous members of the Supervisory Council Anders Lennart Borg, Dagnis Dreimanis, Normunds Igolnieks and Baiba Anda Rubesa, Aleksis Orlovs was elected. Ingrīda Blūma, who has been an independent member of the Supervisory Council and has served on the Supervisory Council since 2016, and has served as Deputy Chairperson of the Supervisory Council for the past two years, has left the Supervisory Council of HansaMatrix. 25 Council meetings have been held during the reporting period, in which Council members and other invited persons have participated, as necessary.

Considering the aforementioned in this report, the Supervisory Board evaluates the work and contribution of the Management Board of the Company in 2022 as “good”.

The Supervisory Board accepts the annual report of the Group and the Company for 2022 prepared by the Management Board of the Company and audited by Deloitte in accordance with International Financial Reporting Standards (IFRS) and does not see any necessary amendments to it. The Supervisory Board notes the risk factors mentioned by the auditors and qualified opinion provided due to SIA EOROLCDS legal protection process possible impact on asset valuation, and will continue to pay attention to the fair values of the Company's investments and liquidity situation.

Kind regards,
Baiba Anda Rubesa
Supervisory Board Chair

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