



heliospectra



Heliospectra AB (publ)

2020

YEAR END REPORT

CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

Throughout 2020, the COVID-19 pandemic affected all aspects of our business. We faced unprecedented challenges that impacted our ability to travel and meet with customers. The pandemic has also led to restrictions for both existing and potential customers, such as Nectar Farms, which has meant that they have not been able to start their installations. As you will recall from prior letters, we quickly responded by recalibrating our strategy and right-sizing our operating model. As a result, we were able to deliver on my promise to our shareholders – which was to remain focused, continue to innovate, support and educate growers, and exit 2020 in a position of strength. We have done this with the support of our employees, customers, partners and you, our shareholders.

During the fourth quarter, we saw the results of our prior efforts to build a strong, highly skilled, and professional Sales and Marketing team in North America. With our marketing efforts and the relentless focus of our sales team throughout 2020, we connected with thousands of growers across the globe. Our Sales team worked harder than ever to solidify our connections with our growers and worked diligently with leads to turn them into customers. As a result, we were able to close the quarter strong, with a 34% improvement in our operational costs in the fourth quarter and a 51% increase in year over year sales.

Furthermore, we had a successful right issuance, raising SEK47,8M with 124% subscription. This will help us accelerate the development of helioCORE™, fluorescence sensors and existing products, drive strategic expansion throughout Europe, and reinforce the company's financial position. To complement this, we came to an agreement with two of the strongest engineering firms in Gothenburg to speed up our technology objectives around helioCORE, our sensor offerings, the new generation of MITRA, and the future development of a new suite of horticulture lighting solutions including hardware and software.

Our achievements over the last 14 years would not have been possible without our dedicated employees. We want to make sure our employees get the chance to take part in

future value development and as a result, we transferred 930,000 stock warrants of series P03 from the Company to senior executives and key personnel within the group.

As we look forward through 2021, we have strengthened our sales focus by rebalancing our pipeline to increase focus on food accounts and large and mega greenhouses. Through strategic partnership agreements, we are working to build the best network of like-minded channel partners, dedicated to achieving our EU goals together. These steps, backed by our fundraising, will enable us to increase our EU resources and therefore to expand more quickly into those markets.

In conclusion, we are excited that we ended the year strong, delivered on our promises, and focused our organization on the year ahead. We are excited to have a top-tier and cohesive team in place, and we are even more excited about delivering on our ambitions. In 2021, we are looking forward to furthering our mission to redefine nature's potential through innovation, technology, and meaningful partnerships coupled with our commitment to delivering operational excellence to our growers.

*Ali Ahmadian, CEO
Heliospectra AB (publ)*



SIGNIFICANT EVENTS DURING THE YEAR

JANUARY –DECEMBER

- The company announces a new order from Turner Construction in Miami, Florida, United States for the fully controllable ELIXIA LED light solution for green house installation project. Order value is USD\$ 228,000.
- The company announces a new order from Turner Construction in Miami, Florida, United States. The order value is USD \$270,000.
- The lighting solution orders from Turner Construction cancelled due to fraudulent activities
- The company announces a new order from Marcella Property Group, LLC in Dewey, Oklahoma, United States. The order value is USD \$120,000.
- The company receives second order from Marcella Property Group, LLC in Dewey, Oklahoma, United States. The order value is USD \$87,920.
- The company announces a new order from BBL Construction of L'Ange-Gardien, Québec, Canada. The order value is USD \$302,452.
- The company announces its' intentions to carry out a fully guaranteed rights issue of units and precedes the interim report for the third quarter of 2020 to October 27.
- The company is convening an extraordinary general meeting on Tuesday, October 27, 2020.
- The company announces a new order from Origin Coast Inc., in Cape Breton, Nova Scotia, Canada. The order value is USD \$132,278.
- The company announces a new order from a national energy efficiency firm focused on innovation and sustainability based in Marlborough, Massachusetts, USA, on behalf of a Massachusetts commercial cannabis grower. The order value is \$238,500 USD.
- The company publishes a prospectus regarding the rights issue of units.
- Heliospectra AB publishes outcomes in the rights issue. The subscription period for the rights issue in Heliospectra AB (publ) was completed on November 19, 2020, and the consolidation shows that the issue was subscribed to 124 percent. The rights issue brings the Company approximately SEK 50.6 million before issue costs.

SIGNIFICANT NEWS

JANUARY –DECEMBER

- Heliospectra announces an exciting collaboration with the Institute for Sustainable Agro-ecosystem Services (ISAS), the University of Tokyo, to redefine and unleash the potential of indoor tomato production.
- Heliospectra received an order from CGR PPharma Inc. in Canada. The order is for Heliospectra's fully adjustable ELIXIAL ED lighting solution and the value is \$189,900 CAD.
- Heliospectra is the chosen LED lighting and controls provider for an inspiring international food research project, Realizing Increased Photosynthetic Efficiency (RIPE), at the University of Illinois. The goal is to Develop Resilient Food Crops for the World's Tables.
- Heliospectra has through the wholly owned subsidiary Heliospectra Personal AB ("the Subsidiary") has executed the transfer of 930,000 stock warrants of series P03 from the Company to senior executives and key personnel within the group.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Heliospectra announces a new order from Environmental Growth Chambers of Chagrin Falls, OH, United States. The order is for Heliospectra's fully adjustable ELIXIA lighting solution and the order value is \$281,720 USD.

FINANCIAL REPORT

| TSEK | JAN - DEC | | OCT - DEC | |
|-------------------|-----------|---------|-----------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| ORDER INTAKE | 20 356 | 119 848 | 9 440 | 97 334 |
| NET SALES | 38 634 | 25 530 | 11 296 | 2 784 |
| OPERATING RESULTS | -40 241 | -51 545 | -9 481 | -18 502 |
| RESULT BEFORE TAX | -40 233 | -51 677 | -9 485 | -18 514 |

SALES AND FINANCIAL PERFORMANCE, OCTOBER – DECEMBER

Net sales amounted to KSEK 11,296 (2,784). The operating loss amounted to KSEK -9,481 (-18,502) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -9,485 (-18,514).

SALES AND FINANCIAL PERFORMANCE, JANUARY– DECEMBER

Net sales amounted to KSEK 38,634 (25,530). The operating loss amounted to KSEK -40,241 (-51,545) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -40,233 (-51,677).

CASH FLOW, JANUARY – DECEMBER

Operating cash flow was KSEK 3,260 (47,559). Total cash flow was KSEK 1,215 (43,078). This includes a rights issue amounting to a total of SEK 47,864 thousand.

COMMENT

Sales increased by 51% compared with the previous year. It is mainly volume increase within the MITRA product series that is behind the increase in sales, but ELIXIA also increased in volume compared with the previous year. Covid-19 has caused delays in investment projects with customers during 2020, which has led to a large reduction in order intake compared with the previous year.

Covid-19 has caused delays in investment projects with customers during 2020, which Heliospectra has parried by keeping costs down but at the same time keeping a high level of activity both internally and towards the market to meet customers' needs after the pandemic. Other external costs thereby decreased by 20% compared with the previous year. During the first half of 2020, the company used the opportunities for short-term layoffs with support from the state, during the second half, there were no short-term layoffs. The workforce has decreased during the year and personnel costs have thus been able to be reduced by 15%. The gross margin decreased mainly due to a changing product mix, the company has launched an action plan to improve this in the future.

SIGNIFICANT RISKS AND UNCERTAINTIES

For a comprehensive – but not complete – summary of risks, we refer to Heliospectra’s 2019 Annual Report <https://www.heliospectra.com/investor-relations/reports-documents-archive>.

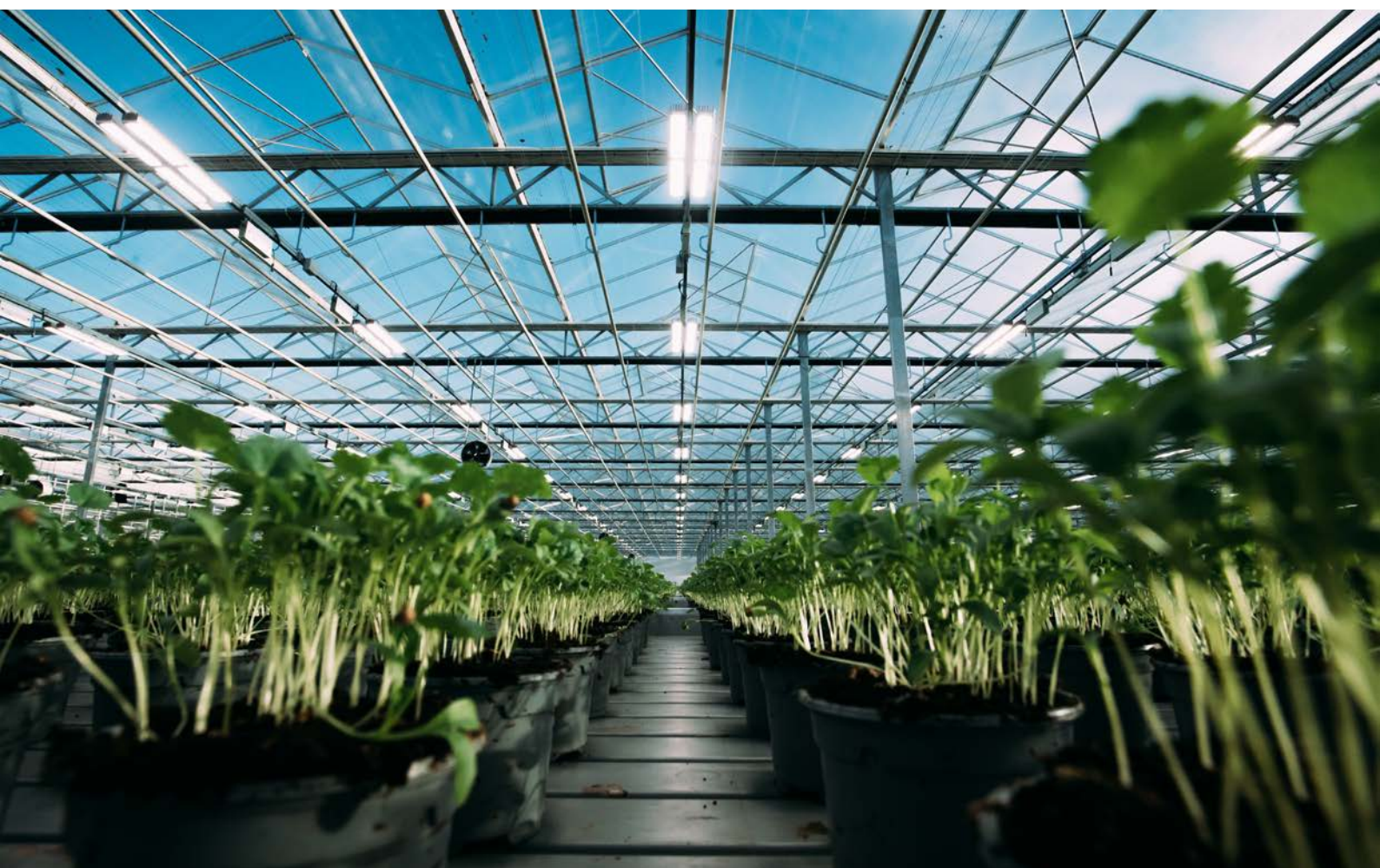
FINANCIAL CALENDAR

| | |
|---------------------------------|------------|
| ANNUAL REPORT 2020 | 4/14/2021 |
| INTERIM REPORT JAN - MAR 2021 | 4/23/2021 |
| ANNUAL GENERAL MEETING | 5/20/2021 |
| HALF YEAR REPORT JAN - JUN 2021 | 8/20/2021 |
| INTERIM REPORT JAN - SEP 2021 | 10/22/2021 |



All reports can be found on Heliospectra’s website (see link below) from the date stated above, <https://www.heliospectra.com/investor-relations/reports-documents-archive>.

Gothenburg February 19 2021,
/The Board



| CONSOLIDATED INCOME STATEMENT | 2020 | 2019 | 2020 | 2019 |
|--|----------------|----------------|---------------|----------------|
| Amounts in SEK thousand (KSEK) | JAN-DEC | JAN-DEC | OCT-DEC | OCT-DEC |
| Net Sales | 38 634 | 25 530 | 11 296 | 2 784 |
| Other operating income | 1 422 | 1 309 | 581 | 150 |
| | 40 056 | 26 839 | 11 877 | 2 934 |
| Operating Expenses | | | | |
| Cost of goods sold | -25 093 | -14 554 | -8 365 | -1 619 |
| Other external expenses | -20 450 | -25 627 | -5 582 | -8 931 |
| Personnel expenses | -28 849 | -33 873 | -5 598 | -9 552 |
| Depreciations, amortizations and impairments | -4 138 | -3 833 | -927 | -956 |
| Other operating expenses | -1 767 | -497 | -886 | -378 |
| Operating profit/loss | -40 241 | -51 545 | -9 481 | -18 502 |
| Total financial items | 8 | -132 | -4 | -11 |
| Profit/Loss before tax | -40 233 | -51 677 | -9 485 | -18 514 |
| Taxes | 0 | 0 | 0 | 0 |
| Profit/Loss after tax | -40 233 | -51 677 | -9 485 | -18 514 |

| CONSOLIDATED CASH FLOW STATEMENT | 2020 | 2019 |
|--|---------------|---------------|
| Amounts in SEK thousand (KSEK) | JAN-DEC | JAN-DEC |
| Profit/Loss after financial items | -40 233 | -51 677 |
| Adjustments for items not included in the cash flow | 3 711 | 3 901 |
| Share Issuance | 47 864 | 97 089 |
| Change in working capital | -8 082 | -1 754 |
| Operating cash flow | 3 260 | 47 559 |
| Cash flow from investing activities | -2 230 | -3 881 |
| Cash flow from financing activities | 184 | -600 |
| Cash flow for the period | 1 215 | 43 078 |
| Cash and cash equivalent at beginning of period | 54 243 | 11 165 |
| Cash and cash equivalents at end of period | 55 458 | 54 243 |

| KEY RATIOS | 2020 | 2019 | 2020 | 2019 |
|-----------------------------------|-------------|-------------|-------------|-------------|
| | JAN-DEC | JAN-DEC | OCT-DEC | OCT-DEC |
| Weighted average number of shares | | | | |
| Before dilution | 57 934 099 | 43 889 470 | 63 200 836 | 46 815 434 |
| After dilution | 59 882 353 | 45 669 048 | 67 901 911 | 48 210 013 |
| Earnings per share basic | -0.69 | -1.18 | -0.64 | -0.40 |
| Earnings per share fully diluted | -0.67 | -1.13 | -0.14 | -0.38 |
| Revenue per share basic | 0.67 | 0.58 | 0.18 | 0.06 |
| Revenue per share diluted | 0.65 | 0,56 | 0.17 | 0.06 |
| Operating margin % | neg. | neg. | neg. | neg. |
| EBITDA, KSEK | -36 103 | -47 712 | -8 554 | -17 546 |
| EBITDA, margin, % | neg. | neg. | neg. | neg. |

| CONSOLIDATED BALANCE SHEET | 2020-12-31 | 2019-12-31 |
|--------------------------------------|-------------------|-------------------|
| Amounts in SEK thousand (KSEK) | | |
| Assets | | |
| Intangible assets | 12 945 | 14 548 |
| Tangible assets | 1 819 | 2 125 |
| Total fixed assets | 14 764 | 16 673 |
| Inventories | 18 261 | 15 931 |
| Current receivables | 9 999 | 7 150 |
| Cash and cash equivalents | 55 458 | 54 243 |
| Total current assets | 83 718 | 77 324 |
| Total assets | 98 482 | 93 997 |
| EQUITY AND LIABILITIES | | |
| Equity | 67 891 | 60 687 |
| Non-current liabilities | 9 384 | 9 200 |
| Current liabilities | 21 207 | 24 110 |
| Total equity and liabilities | 98 482 | 93 997 |
| CHANGE IN CONSOLIDATED EQUITY | 2020 | 2019 |
| Amounts in SEK thousand (KSEK) | | |
| | JAN-DEC | JAN-DEC |
| Opening equity | 60 687 | 15 207 |
| Profit/Loss for the period after tax | -40 233 | -51 677 |
| Right Issue | 47 864 | 97 089 |
| Exchange rate differences | -427 | 68 |
| Closing equity | 67 891 | 60 687 |
| KEY RATIOS | 2020-12-31 | 2019-12-31 |
| Number of shares, thousands | 77 245 466 | 46 815 434 |
| Equity per share, SEK | 0.88 | 1.30 |
| Equity/assets ratio | 69% | 65% |
| Quick ratio | 309% | 255% |

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The board and CEO propose that non-restricted equity,

Amounts in SEK thousand (KSEK)

| | |
|--------------------------------------|-------------------|
| Profit brought forward | 46 627 186 |
| Share premium fund | 45 757 678 |
| Net result of the year | -40 894 396 |
| Total | 51 490 468 |
| To be appropriated as follows | |
| Carried forward | 51 490 468 |
| Total | 51 490 468 |

ACCOUNTING POLICIES AND NOTES

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3). The accounting policies are unchanged from the 2019 annual report and remain as described in said report. All amounts are reported in SEK thousands unless otherwise indicated.

DEFINITIONS

SALES PER SHARE

Net sales in relation to the number of shares

EARNINGS PER SHARE AFTER-TAX

Earnings after tax in relation to the number of shares

OPERATING MARGIN

Operating loss in relation to net sales

EBITDA

Operating profit/loss excl. depreciation and amortisation

EBITDA MARGIN

Equity in relation to number of shares

EQUITY/SHARE

EBITDA in relation to net sales

EQUITY/ASSETS RATIO

Equity in relation to total assets

QUICK RATIO

Current receivables plus cash and cash equivalents in relation to current liabilities



THE SHARE

The shares are issued in accordance with Swedish law and are denominated in Swedish kronor. There is only one class of shares. Shares are made out to the holder and the share register is maintained digitally by Euroclear Sweden.

Heliospectra's share capital on the 31th of December 2020 totals SEK 7,724,546.5 split between 77,245,465 shares, each with a quota value of SEK 0.10. Average amount of shares before dilution amounted to 57,934,099 shares. Average amount of shares after dilution amounted to 59,882,353 shares.

Heliospectra's shares and warrants are traded on First North as of June 18, 2014.

The share's First North ticker symbol is **HELIO**

The share's ISIN code is **SE0005933082**

Heliospectra may also be traded via a so-called ADR in the United States on the OTC Markets through BNYMellon.

The ADR ticker symbol on the OTC Markets OTCQB is **HLSPY**

CUSIP code for ADR: **423281104**

LIST OF OWNERS

PER 2020-12-31

| STOCK OWNER | NR OF STOCK | PERCENTAGE |
|---|-------------------|---------------|
| WELAND VÄRDEPAPPER AB | 17 344 657 | 22,5% |
| WELAND STÅL AB | 14 397 533 | 18,6% |
| ADMA FÖRVALTNINGS AB | 12 000 000 | 15,5% |
| MIDROC NEW TECHNOLOGY AB | 8 850 336 | 11,5% |
| FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION | 2 686 384 | 3,5% |
| THE BANK OF NEW YORK MELLON, CORPORATION W9 | 1 257 984 | 1,6% |
| LUNDGREN, FREDRIK | 683 044 | 0,9% |
| MAGOWNY INVEST AB | 545 102 | 0,7% |
| NORDNET PENSIONS FÖRSÄKRING AB | 487 283 | 0,6% |
| SPP SVERIGE PLUS | 463 905 | 0,6% |
| Other Owners | 18 529 237 | 24% |
| TOTAL: | 77 245 465 | 100,0% |

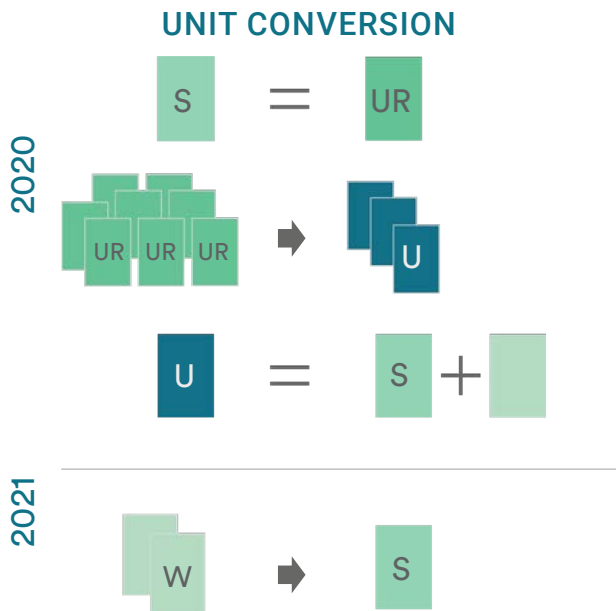
Total number of stock owners are approximately 5,427.

2020 RIGHTS ISSUANCE

The Company's Board of Directors announced on September 25, 2020, a fully guaranteed Right Issuance of shares and warrants ("Units"), with preferential rights for existing shareholders (the "Rights Issue"). The Rights issue was subscribed to 124%, providing Heliospectra with approximately SEK 50.6 million before costs related to the share issuance. In the case that all attached warrants are exercised, an additional SEK 32.7 million will be added to the Company before costs.

Shareholders in the company received one (1) unit right for each (1) share held on the record date. Eight (8) unit rights give the right to subscribe for three (3) Units in the company. Each Unit contains one (1) newly issued share and one (1) free warrant of series 2020/21. Two (2) warrants are exercised against one (1) share during the period from 1 November 2021 to 30 November 2021 at a subscription price of SEK 3.1. The rights issue consists of a maximum of 21,066,945 units.

After the Rights Issue, the share capital increased by SEK 2,106,694.5, from SEK 5,617,852 to 7,724,546.5 SEK.



STOCK WARRANTS FOR SENIOR EXECUTIVES

At the Extraordinary General Meeting on March 12, 2019, a warrant program was decided for senior executives and key personnel of series P02. This includes 1,000,000 options where each option entitles the holder to subscribe for one new share at a subscription price of SEK 6.13 per share during the period March 1, 2021 through April 30, 2021. Based on this, the dilution is estimated to be about 1,3%.

At the General Meeting on May 14, 2020, a warrant program was decided for senior executives and key personnel of series P03. This includes 1,000,000 options where each option entitles the holder to subscribe for one new share at a subscription price of SEK 3.19 per share during the period March 1, 2022 through April 30, 2022. Based on this, the dilution is estimated to be about 1,3%. A total of 930,000 warrants have so far been handed over, the remaining 70,000 warrants may in future be offered to senior executives and key personnel.



HELIOSPECTRA IN SHORT

Heliospectra AB (publ) (OTCQB: HLS, FIRST NORTH: HELIO) is the global leader in intelligent lighting technology, light control systems and related services for greenhouse and controlled plant growth environments. With the vision to make commercial crop production more connected and resource-efficient, Heliospectra integrates customized LED spectral strategies with real-time response and artificial intelligence to create predictable and reliable business forecasts and harvest results. Founded in 2006, Heliospectra is committed to helping growers and commercial producers across six continents consistently increase yields and produce crops with quality appearance, superior nutritional or medicinal value and longer shelf life, harvest after harvest. Heliospectra is the recipient of multiple international awards and recognitions.

For more information, we refer to Heliospectra's 2019 Annual Report <https://www.heliospectra.com/investor-relations/reports-documents-archive>. and the heliospectra website www.heliospectra.com.

For more information, please contact:

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This report has not been reviewed by the company's auditors.



heliospectra

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