



Heliospectra AB (publ)

2022

**HALF-YEAR REPORT
JAN-JUN**



CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

While the first quarter focused on reviewing our organization and developing our new strategic direction including our wireless, data-driven offering, the second quarter has allowed us to focus on executing those changes, streamline the company, and continue to build our credibility and reputation as a system supplier within Smart Farming.

Therefore, the quarter and the year's first half have focused on the redesign of our MITRA fixed spectrum platform to bring production costs down and efficiency up. In the meantime, we have added additional spectra in line with the requirements of the West-European vegetables and flower customers. The product development team has done an incredible job, and I am happy to announce that the new MITRA has all the required certifications.

In June, we had the opportunity to provide growers at Greentech, the largest horticulture trade show in Europe, with a sneak peek of the new generation MITRA LED fixtures. Including our new wireless communication solution enabling our customers to control the LED lamps "over the air," adding flexibility to their light strategy.

In close partnership with our Dutch and Canadian partners, specialists in horticulture lighting and subsidizing, we have initiated numerous trials in the Netherlands and Canada, helping growers find the right solution for their crops in their specific growing environment.

Due to the energy crises in Europe, several governments have initiated energy savings programs, driving demand to replace HPS light solutions with energy-efficient LED light solutions in greenhouses. Confirming that it was the right decision to bring more focus to the European horticulture market.

As our reference base in this part of the world is still limited, it takes time to build our name. Still, with the feedback received during the meetings with our trial customers, I am convinced that both the knowledge of our application team and our data-driven solution are very much appreciated.

At the same time, resources and component shortages will continue to disrupt the worldwide supply chain. So while we are working actively to source and prepare for longer lead times, these factors increase our COGS and the industry.

To meet lower sales figures due to the refocus of our strategy as mentioned above, we have reviewed our organization and carried out cost savings, focusing on our innovation programs and decreasing our operational expenditures by 26% compared to last year. Also, in the second half of 2022, we will continue to adjust our organization and the company structure to bring the cost back in line with the topline. At the same time, create a more agile and customer-focused organization that is quick to scale up as needed.

High investments in combination with low sales figures have resulted in a strained liquidity situation. To secure liquidity in the short term, Heliospectra's three main owners - Weland Stål AB, Agarth AB, and Coespring New Technology AB, granted Heliospectra an unlimited credit facility in Q1 that extends to the publication of the Year End Report 2022. The credit facility provides us and the Board time to secure funding and liquidity in the long term, but also the ability to strategically invest to secure our position in the market.

I am convinced we are on the right track. Our new wireless solution that launches this Autumn will be a significant differentiator for Heliospectra moving forward. As growers struggle with high energy prices and inflation, this solution will allow our customers to gain additional energy savings of up to 14%, on top of the 35% savings already provided by LED fixtures.

Our customer intimacy approach and helioCARE team helps customers to shorten the learning curve in their transition to LED lighting. By combining this with our well-known range of flexible spectrum fixtures and long-term relationship with the research segment, healthy margins, cost reduction program, and the vast potential in the European horticulture market from the high demand for energy-efficient smart lighting, we have the basis for Heliospectra's future success.

Through this, we will bring value to our customers, partners, and shareholders for years to come.

Bonny Heeren,
CEO Heliospectra AB



SIGNIFICANT EVENTS DURING THE YEAR

JANUARY – JUNE

- Heliospectra received a short-term loan of approximately SEK 17 million from the three main owners Weland Stål AB, Agartha AB (formerly ADMA Förvaltnings AB), and Corespring New Technology AB. The purpose of the loans is to strengthen the company's liquidity and working capital.
- The board of directors of Heliospectra AB, agreed upon a directed issues of shares totalling approximately SEK 13.1 million, to three of the Company's main shareholders, i.e., Weland Stål AB, Agartha AB (formerly ADMA Förvaltnings AB), and Corespring New Technology AB. The issue funds have been paid by set-off of the remaining claims, in total approximately SEK 13.1, which the Main Owners had towards the Company.
- Heliospectra AB announced a new order for a Canadian controlled environment specialist conducting an installation for a global seed producer. The order is for Heliospectra's controllable ELIXIA LED lighting solution, and the order value is \$243,000 USD.
- Heliospectra AB appointed Annika Westlund as new Chief Financial Officer (CFO). Annika will take up her new position in mid-May 2022 and report to the CEO.
- Heliospectra enters into an agreement on a credit facility with the main owners Weland Stål AB, Agartha AB (former ADMA Förvaltnings AB) and Corespring New Technology AB. The purpose of the credit facility is to secure the Company's possible liquidity needs during the period up to and including the date of publication of the company's year-end report for the financial year 2022, when both the credit facility and any loans raised under it fall due.
- Heliospectra released its' Annual Report on May 3rd. The report can be found on the website under <https://www.heliospectra.com/investor-relations/reports-documents-archive>.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

FINANCIAL REPORT

TSEK	JAN - JUN		APR - JUN	
	2022	2021	2022	2021
ORDER INTAKE	7,387	-48,957	5,346	-61,492
NET SALES	8,911	18,728	3,349	8,768
OPERATING RESULTS	-18,042	-16,532	-10,245	-9,230
RESULT BEFORE TAX	-18,042	-16,537	-10,245	-9,230

SALES AND FINANCIAL PERFORMANCE

Order intake during the period April - June amounted to SEK 5,346 (-61,492) thousand. For the period January - June, the corresponding figure is SEK 7,387 (-48,957) thousand. Last years figure includes the canceled order from Nectar Farms, Australia, which was announced in April 2021.

Net sales during the period April - June amounted to SEK 3,349 (8,768) thousand, and operating profit amounted to SEK -10,245 (-9,230) thousand, implying a negative operating margin (negative). Profit after tax was SEK -10,245 (-9,230) thousand. For the period January - June, net sales amounted to SEK 8,911 (18,728) and operating profit amounted to SEK -18,042 (-16,532) thousand, implying a negative operating margin (negative). Profit after tax was SEK -18,042 (-16,537).



CASH FLOW, JANUARY – JUNE

Operating cash flow was SEK 2,741 (-14,755) thousand. Total cash flow was SEK -2,023 (-20,320) thousand. Cash equivalents at the end of the period were SEK 8,700 (35,138) thousand.

To strengthen the company's liquidity, Heliospectra's three main owners Weland Stål AB, Agartha AB and Corespring New Technology AB have granted the company a credit facility that extends until the day of publication of the company's year-end report for the financial year 2022. The credit facility is not limited to its amount and can be called by the company if necessary. This will provide the company with stability in the coming months as the company's new strategy is rolled out.

SIGNIFICANT RISKS AND UNCERTAINTIES

For a comprehensive – but not complete – summary of risks, we refer to Heliospectra's 2021 Annual Report <https://www.heliospectra.com/investor-relations/reports-documents-archive>.

FINANCIAL CALENDAR

INTERIM REPORT JAN - SEP 2022	10/22/2022
YEAR END REPORT 2022	02/24/2023



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 August 19, 2022
/The Board

CONSOLIDATED INCOME STATEMENT	JAN - JUN		APR - JUN	
	2022	2021	2022	2021
Amounts in SEK thousand (KSEK)				
Net Sales	8,911	18,728	3,349	8,768
Activated work for own account	3,197	5,507	-	3,245
Other operating income	256	166	254	13
	12,365	24,401	3,604	12,026
Operating Expenses				
Cost of goods sold	-5,911	-11,970	-3,297	-4,926
Other external expenses	-15,193	-14,927	-6,330	-9,002
Personnel expenses	-7,502	-12,238	-3,272	-5,916
Depreciations, amortizations and impairments	-1,984	-2,014	-1,017	-998
Other operating expenses	183	217	67	-414
Operating profit/loss	-18,042	-16,532	-10,245	-9,231
Total financial items	0	-5	-	-
Profit/Loss before tax	-18,042	-16,537	-10,245	-9,231
Taxes	-	-	-	-
Profit/Loss after tax	-18,042	-16,537	-10,245	-9,231

CONSOLIDATED CASH FLOW STATEMENT	JAN - JUN	
Amounts in SEK thousand (KSEK)	2022	2021
Profit/Loss after financial items	-18,042	-16,537
Adjustments for items not included in the cash flow	2,240	2,031
Share Issuance	16,915	-
Change in working capital	1,628	-249
Operating cash flow	2,741	-14,755
Cash flow from investing activities	-4,764	-5,565
Cash flow from financing activities	-	-
Cash flow for the period	-2,023	-20,320
Cash and cash equivalent at beginning of period	10,723	55,458
Cash and cash equivalents at end of period	8,700	35,138

KEY RATIOS	JAN - MAR		APR - JUN	
	2022	2021	2022	2021
Weighted average number of shares				
Before dilution	84,425,579	77,245,465	85,855,392	77,245,465
After dilution	85,045,579	89,295,439	86,165,392	89,002,188
Earnings per share basic	-0.21	-0.21	-0.12	-0.12
Earnings per share fully diluted	-0.21	-0.19	-0.12	-0.10
Revenue per share basic	0.11	0.24	0.04	0.11
Revenue per share diluted	0.10	0.21	0.04	0.10
Operating margin %	neg.	neg.	neg.	neg.
EBITDA, KSEK	-16,058	-14,518	-9,228	-8,232
EBITDA, margin, %	neg.	neg.	neg.	neg.

CONSOLIDATED BALANCE SHEET	2022-06-30	2021-12-31
Amounts in SEK thousand (KSEK)		
Assets		
Intangible assets	19,244	15,793
Tangible assets	627	1,298
Total fixed assets	19,872	17,091
Inventories	14,562	16,363
Current receivables	9,758	12,186
Cash and cash equivalents	8,700	10,723
Total current assets	33,020	39,272
Total assets	52,892	56,363
EQUITY AND LIABILITIES		
Equity	7,112	8,033
Non-current liabilities	9,475	9,424
Current liabilities	36,305	38,906
Total equity and liabilities	52,892	56,363
CHANGE IN CONSOLIDATED EQUITY	JAN-JUN	
Amounts in SEK thousand (KSEK)	2022	2021
Opening equity	8,033	67,891
Profit/Loss for the period after tax	-18,042	-16,537
Right Issue	16,915	-
Exchange rate differences	205	-11
Closing equity	7,112	51,344
KEY RATIOS	2022-06-30	2021-12-31
Number of shares, thousands	85,855,392	77,245,465
Equity per share, SEK	0.08	0.10
Equity/assets ratio	13%	14%
Quick ratio	51%	59%

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 2021 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 30th of June 2022 totals SEK 8,585,539 split between 85,855,392 shares, each with a quota value of SEK 0.10. Average amount of shares before dilution amounted to 85,855,392 shares. Average amount of shares after dilution amounted to 86,165,392 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**

LIST OF OWNERS

PER 2022-06-30

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND VÄRDEPAPPER AB	17,344,657	20.2%
WELAND STÅL AB	19,575,094	22.8%
AGARTHA AB	13,952,608	16.3%
CORESPRING NEW TECHNOLOGY AB	10,299,045	12.0%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	2,352,937	2.8%
SWEDBANK FÖRSÄKRING AB	1,124,333	1.3%
FÖRSÄKRINGSAKTIEBOLAGET, SKANDIA	838,956	1.0%
NORDNET PENSIONS FÖRSÄKRING AB	739,075	0.9%
MAGOWNY INEST AB	545,102	0.6%
SPP SVERIGE PLUS	463,905	0.5%
OTHER OWNERS	18,619,680	21.7%
TOTAL:	85,855,392	100.0%

Total number of stock owners are approximately 5,109.

STOCK WARRANTS FOR SENIOR EXECUTIVES AND KEY PERSONELL

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 was estimated to be about 1.3%. None of the above warrants were exercised.



HELIOSPECTRA IN SHORT

Heliospectra AB (publ) (OTCQB: HLS, FIRST NORTH: HELIO) is the global leader in smart LED light 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 2021 Annual Report <https://www.heliospectra.com/investor-relations/reports-documents-archive>. and the heliospectra website www.heliospectra.com.

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



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