

Heliospectra (publ) Publish Year-End Report 2021

(Gothenburg, Sweden February 25, 2022, at 08:40 CET)– Heliospectra AB (publ (Nasdaq First North Growth Market: HELIO), a world leader in intelligent lighting technology for greenhouse and controlled plant growth environments, presents its' Year-End Report for 2021.

Full report is enclosed to this press release and is also uploaded at <https://www.heliospectra.com/investor-relations/investor-relations>.

SUMMARY OF REPORT:

Financial Performance for the period October - December and January – December

Order intake during the period October - December amounted to SEK 4,248 (9,440) thousand. For the full year, the corresponding value is SEK -37,786 (20,356) thousand. This value includes cancellation of the order from Nectar Farms, Australia as announced in April 2021. Excluding the cancellation, the order value in 2021 amounted to SEK 33,876 (20,356) thousand.

Net sales during the period October - December amounted to SEK 11,278 (11,296) thousand and operating profit amounted to SEK -27,895 (-9,481) thousand, implying a negative operating margin (negative). Profit after tax was SEK -27,892 (-9,485) thousand. For the full year, net sales amounted to SEK 35,221 (38,634) and operating profit amounted to SEK -59,975 (-40,241) thousand, implying a negative operating margin (negative). Profit after tax was SEK -59,976 (-40,233) thousand.

Operating cash flow for the period January - December was SEK -33 069 (3 260) thousand. Total cash flow was SEK -44 734 (1 214) thousand. Cash equivalents at the end of the period were SEK 10,723 thousand.

CEO COMMENT

Dear Shareholders,

Beginning 2022, I took over the leadership role at Heliospectra. As a board member since May 2021, I was, of course, already familiar with the important strategic topics of Heliospectra. However, from January 1st, I took a deep dive into the operations and used the first month to familiarize myself in detail with the organization and all pending projects. In short, Heliospectra has a very competent and motivated team, but in my view, too much focused on product development and too less on the customer and market. That is why I have created a helioCARE™ team under the responsibility of the marketing manager and took sales and innovation directly under my responsibility. The number one priority for the whole organization is to bring our innovative solutions as soon as possible to the market.

Commenting on our financial performance, we can conclude that sales did not live up to expectations during 2021. Although our sales team worked harder than ever to solidify our connections with growers, we can't deny that the Covid pandemic has significantly impacted the company. The Nectar Farms order in Australia was cancelled following the company's voluntary liquidation. The economic uncertainty mainly related to increasing energy prices and disruption in the worldwide supply chain has negatively affected the level of investments in lighting systems in

the horticulture industry. We, and the industry, are also struggling with a shortage of components resulting in increased production costs and prolonged lead times, negatively impacting our margin and sales.

Heliospectra started adjusting and lowering its operating costs beginning of Q3 to mitigate the lower sales numbers and pressure on the margin. In the process of reducing structural our operational costs and product cost basis, the company has had significant non-recurring operating expenses during the fourth quarter, including write-offs of components and intangible assets as well as other costs connected to changes in the product and overall strategy of the company to a total of SEK 16,7 million.

As previously announced, in Q3 the company discovered a faulty fuse in a limited production series of the MITRA model. All reported support cases, which represent half of the affected products, have been handled. Another SEK 4 million is carried to cover additional warranty and conversion costs, should they arise.

New strategic direction

2021 ended with the company announcing a strategic shift towards sustainable data-driven cultivation. As a result, the company repositions itself from being mainly a supplier of LED lights, targeting greenhouse and indoor growers needing new lighting, to a system supplier within Smart Farming. Combining sensors, controllable LED lighting, our helioCORE™ light software, and the expertise of our helioCARE™ team, Heliospectra offers a unique solution for the high-tech horticulture industry.

With our wireless solutions, we can control each individual fixture in a greenhouse or indoor facility. When combined with our AI solutions, we provide significant energy savings for our customers, maintaining target light quantity and quality compared with present light solutions in the market. With our knowledge, we will help customers choose the right light spectrum for their specific condition to maximize yield and/or quality and to speed up the learning curve growing with LED lights.

We move from a product-centric to a customer-centric organization by placing the customer at the centre of all that we do. By identifying our customers' needs, challenges, and pain points related to lighting and energy consumption, building Smart solutions, and focusing on the whole customer experience, Heliospectra will claim her position as a leader in Smart Lighting.

Heliospectra was already in 2014 in the forefront of Smart Lighting with the fully controllable ELIXIA platform. The company has had a strong, reliable brand image within the AgTech and University segment, where precision and flexibility are critical for a trial's success. In the last couple of years, the need for control and automation has also reached the commercial greenhouse industry. The driving forces behind these trends are the ambition for more sustainable, efficient, automated, and predictable crop production.

Heliospectra is continuously working with leading Universities and researchers to build on our expertise. In 2021 we joined two new research projects; A new partnership with Carlton College, a private College in Northfield, Minnesota, USA, was established as they upgraded their greenhouse and research facility for more control and flexibility. We also started a new research project with LEDs Make it Resilient, a Belgian research project studying how light affects crop output and resilience, focusing on bumblebees and biocontrol agents.

Finalizing development projects

Our focus has always been on delivering sustainable, innovative technology with tangible results for our growers. As previously announced, 2022, will be a transitional year where we will finish new functionalities in our present offer and will launch several new updates and new partnerships to enhance the company's new data-driven and wireless solution offering. Including an updated

version of the company's control system helioCORE™, a new generation of the MITRA LED lighting, and the Adelfi, a WIRELESS connector that enables MITRA integration with the helioCORE™ control system and sensors. This will create promising opportunities in the post-pandemic era.

Last, but not least, I want to mention our patented Bio-feedback sensor. In April, Heliospectra was awarded a research grant of MSEK 1,750 from Vinnova, the Swedish Innovation Authority, for continued development of the company's patented Bio-feedback system. The project has continued through 2021, and the plan is to initiate field tests of the company's unique biosensor in 2022. With the feedback from the field trials and our customers, we will finetune the functionality and finalize our plan on how we will bring this unique solution to the market.

In 2022, we look forward to furthering our mission to redefine nature's potential through our new strategic direction, focusing on sustainable Smart data-driven farming, innovation, technology, and meaningful partnerships coupled with our commitment to delivering operational excellence to our growers.

Bonny Heeren,
CEO Heliospectra AB

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This information is such which Heliospectra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:40 CET, February 25th, 2022.

Heliospectra AB (publ) (Nasdaq First North Growth Market: HELIO) was founded in 2006 in Sweden by plant scientists and biologists with one vision – to make crop production more intelligent and resource-efficient. Today, with customers across seven continents, Heliospectra is the global leader in innovative horticulture lighting technology, custom light control systems and specialized services for greenhouse and controlled plant growth environments. Designed by growers for growers, Heliospectra builds customized LED lighting strategies and controls to automate production schedules, forecast yields and monitor crop health and performance with real-time data and response, to deliver the light plants love and the consistent results growers need.

For more information, please visit <https://www.heliospectra.com>.

Company HELIO is listed at Nasdaq First North Growth Market with Redeye AB as Certified Adviser:

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