



heliospectra

Heliospectra AB (publ)

2023

HALF-YEAR REPORT JAN-JUN



CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

We are halfway through the year, and our efforts have been steadfastly directed towards addressing customer needs, extending our footprint, and enhancing the quality and efficiency of our offerings. Within this time frame, we have doubled our revenue compared to 2022, thanks to a net revenue increase of 92% after the second quarter of 2023. We also see an increase in order intake of 50% compared to last year.

While these results are positive, it's important to note that our expectations for the second quarter of 2023 were initially higher. As the quarter unfolded, several factors, including inflation, higher interest rates, reduced energy prices, and a delayed subsidizing program in the Netherlands, had a substantial impact on the horticulture lighting market. This market experienced a decline of up to -40% to -50% compared to the previous year. Consequently, many growers postponed their decisions to the third quarter, resulting in fewer potential projects and intensifying competition within the market.

Undoubtedly, the Dutch market holds immense importance for Heliospectra due to its size and significance in the horticulture sector. However, our efforts to close orders faced challenges due to a lack of reference projects. Growers often opt for more well-established vendors. To address this, our sales and marketing strategies are focused on enhancing brand awareness in the Netherlands and establishing reference growers within the ornamental and vegetable segments. To facilitate these efforts, we are planning to expand our sales and application team in Western Europe, with a strategic base in the Netherlands.

In June, we had the privilege of participating in Greentech, the world's premier Horticulture trade show held in Amsterdam. During this event, we unveiled our new marketing campaign, "Just a Perfect Day," which showcases our energy-efficient wireless solutions. This joint initiative between our marketing and sales teams is specifically targeted towards the Western European greenhouse market, with a keen emphasis on the Dutch market. As part of this campaign, we introduced a new Dutch Heliospectra website and supporting communication materials.

Our development team has made commendable efforts in realigning our product portfolio to meet the needs of commercial growers throughout 2022 and the first half of 2023. This was evident at Greentech, where we showcased our wireless solution, featuring innovative products such as the MITRA X 800W and the MITRA X Flex with dynamic far-red functionality. Additionally, our new wireless PAR sensor and the CERES LED light platform were introduced. The CERES platform, a 1000-watt high-light HPS replacement, is equipped with three targeted greenhouse spectra, pre-installed Wieland connectors, wide-beam options, and wireless dimming capabilities. This allows us to better cater to the retrofit market and high-light crops like cut flowers, tomatoes, and cucumbers. Notably, the CERES platform includes a far-red Flex version designed for end-of-day or end-of-production light treatments to expedite growth and stimulate flowering. The final step involves securing North American certification to ensure accessibility to various rebate programs for our customers.

The transformational success we've experienced is a direct outcome of the customer-centric strategy we initiated in 2022. This approach has deepened our understanding of customer needs and our ability to swiftly align our development and product offerings accordingly.

Continuing our commitment to improvement, we are excited to announce the forthcoming launch of helioCORE™ 2.0 software this fall. This upgraded version boasts a user-friendly click-and-drop feature for creating grow zones and incorporates integrated weather forecasts to enhance algorithm efficiency and DLI control. When coupled with our wireless solution, helioCORE™ allows growers to achieve up to 40% reduction in energy costs, thereby significantly lowering operational expenses. Moreover, the enhanced features render helioCORE™ eligible for rebates in specific North American states, effectively reducing investment costs and bolstering ROI for our customers.

In June, our supply chain manager and I embarked on a visit to our production partners and primary component



suppliers in China and Europe. For China, this marked our first visit post-pandemic, and we were thoroughly impressed by the quality of the facilities, the professionalism of the workforce, and the established processes. This visit reinforced our confidence in our chosen partners, ensuring Heliospectra's capacity to scale while maintaining our commitment to top-tier quality. Our ongoing price negotiations have resulted in reduced production costs, leading to a decrease in COGS and an impressive 6% margin improvement, reinforcing our competitive edge in the market.

The cost reduction initiative set in motion in Q1 2022 to reduce operational expenditures and streamline production costs has yielded consistent results. When coupled with the reduced production COGS, this has culminated in an improved operating profit of 6.85 million SEK compared to 2022, representing a 38% improvement over the previous year. Although still negative, this positive trajectory underscores our progress this year.

To secure liquidity in Q1, the Heliospectra board of directors approved a rights issue in March, which garnered substantial support from the company's four largest shareholders: Weland Stål AB, Weland Värdepapper AB, Corespring New Technology AB, and Agartha AB. This endeavor resulted in approximately 82.37% subscription of the rights issue, generating issue proceeds of around SEK 21.5 million before

expenses dedicated to realize development projects that are in the pipeline and support expected growth.

The General Annual Meeting held on June 1st welcomed three distinguished board members to Heliospectra – Peter Klapwijk, Robert Ekström, and Ofelia Madsen. Each brings a wealth of experience in the horticulture industry and tech-driven markets, and their insights and networks will be instrumental as we expand across European and Canadian markets and further fortify our robust and competitive product portfolio. I eagerly anticipate the valuable discussions and contributions that lie ahead.

In closing, as we navigate the dynamic landscape of the horticulture lighting market, our steadfast commitment to innovation, customer satisfaction, and strategic partnerships remains unwavering. We are optimistic about the future and the opportunities it holds for Heliospectra's growth and continued excellence. Thank you for your continued trust and support.

With gratitude,
Bonny Heeren,
CEO and Interim CFO

SIGNIFICANT EVENTS DURING THE PERIOD

- The board of directors in Heliospectra AB announced to carry out a partially secured rights issue of shares of approximately SEK 26.2 million on March 13, 2023. The subscription price was set to SEK 1.39 per share. The company received subscription commitments from the four largest shareholders in the company, Weland Stål AB, Weland Värdepapper AB, Corespring New Technology AB, and Agartha AB, corresponding to their pro rata stakes in the rights issue, corresponding to a total of approximately SEK 20.1 million, equalling approximately 76.8 percent of the rights issue.
- Heliospectra published the outcome of the company's rights issue. A total of 15,479,851 shares, corresponding to approximately 82.33 percent of the rights issue, were subscribed with the support of subscription rights. In addition, subscription notifications for 8,260 shares, corresponding to 0.04 percent of the Rights Issue, have been received for subscription without the support of subscription rights. Through the rights issue, the company will receive issue proceeds of approximately SEK 21.5 million.
- On 1 June, Heliospectra held its annual general meeting in the company's premises at Fiskhamnsgatan 2 in Gothenburg. In accordance with the board's proposal, it was decided that in autumn 2023 the company will carry out a targeted issue of warrants to current and future employees of the company and introduce an incentive programme. Three new board members were also welcomed into the board; Peter Klapwijk, Robert Ekström and Ofelia Madsen.

OTHER EVENTS DURING THE PERIOD

- Heliospectra's board appoints Bonny Heeren as permanent CEO and interim CFO. Bonny was appointed interim CEO on January 1st, 2022. Following a transitional year for Heliospectra, he has now been appointed permanent CEO and assumed his new role as on March 1st, 2023. At the same time, Bonny also took over as interim CFO from Annika Westlund, who stepped down as CFO.
- Heliospectra launched MITRA Flex, a new flexible far-red light for application based growing. The new solutions offer customers three spectra in one without losing power, making it perfect for customizable and application-based growing, such as end-of-day or end-of-production light treatments with far-red, or to ensure a healthy crop year-round also in low light seasons.

FINANCIAL REPORT

TSEK	JAN - JUN		APR - JUN	
	2023	2022	2023	2022
ORDER INTAKE	11,152	7,387	9,503	5,346
NET SALES	17,127	8,911	10,094	3,349
OPERATING RESULTS	-11,130	-18,042	-4,656	-10,245
RESULT BEFORE TAX	-11,194	-18,042	-4,720	-10,245

SALES AND FINANCIAL PERFORMANCE APR-JUN

Order intake during the period April to June amounted to SEK 9,503 (5,346) thousand. Net sales during the period April to June amounted to SEK 10,094 (3,349) thousand and operating profit amounted to SEK -4,656 (-10,245) thousand. Results before tax amounted to SEK -4,720 (-10,245) thousand.

SALES AND FINANCIAL PERFORMANCE -JUN

Order intake during the period January to June amounted to SEK 11,152 (7,387) thousand. Net sales during the period January to June amounted to SEK 17,127 (8,911) thousand and operating profit amounted to SEK -11,130 (-18,042) thousand. Profit after tax was SEK -11,194 (-18,042) thousand. Results before tax amounted to SEK -11,194 (-18,042) thousand.



In Q2 we had a strong increase in net sales compared to 2022, resulting in an almost doubled net sales (92%) compared to the same period in 2022. Orders coming in is a healthy mix between Agtech and the greenhouse segment. The effects of the cost saving program continues to give effect with a decrease of 18% of our operational costs compared to the same period in 2022, including personell costs. We have also maintained a healthy margin, and thanks to the decreased COGS we have managed to increase margins with 6% in Q2. Due to good claim management we were able to release SEK 1 million TSEK of the SEK 5.4 million warranty provision we made in October 2021 due to a faulty fuse in one of the MITRA C batches, decreasing external cost.

CASH FLOW, JANUARY – MARCH

Operating cash flow was SEK4,974 (2,741) thousand. Total cash flow was SEK 2,711 (-2,023) thousand. Cash equivalents at the end of the period were SEK 16,196 (8,700) thousand. To strengthen the company's liquidity, the board of directors in Heliospectra announced to carry out a partially secured rights issue of shares of approximately SEK 26.2 million on March 13, 2023. Approximately 82.37 percent of the rights issue were subscribed, resulting the company receiving issue proceeds of SEK 21.5 million in April. The SEK 16,196 thousand will cover the coming three months while waiting for the realization of order intake to net income.

SIGNIFICANT RISKS AND UNCERTANTIES

For a comprehensive – but not complete – summary of risks, we refer to Heliospectra's 2022 Annual Report

<https://heliospectra.com/investor-relations/financial-reports-documents/reports/>.

FINANCIAL CALENDAR

INTERIM REPORT JAN - SEP 2023	10/27/2023
YEAR-END REPORT 2023	2/23/2024

All reports can be found on Heliospectra's website (see link below) from the date stated above,

<https://heliospectra.com/investor-relations/financial-reports-documents/reports/>.

Gothenburg August 25, 2023,
/The Board

CONSOLIDATED INCOME STATEMENT	JAN - JUN		APR - JUN	
	2023	2022	2023	2022
Amounts in SEK thousand (KSEK)				
Net Sales	17,127	8,911	10,094	3,349
Activated work for own account	2,276	3,197	986	-
Other operating income	-	256	-	13
	19,403	12,365	11,080	3,604
Operating Expenses				
Cost of goods sold	-10,221	-5,911	-5,660	-3,297
Other external expenses	-12,274	-15,193	-5,055	-6,330
Personnel expenses	-6,427	-7,502	-4,300	-3,272
Depreciations, amortizations and impairments	-1,553	-1,984	-783	-1,017
Other operating expenses	-58	183	62	67
Operating profit/loss	-11,130	-18,042	-4,656	-10,245
Total financial items	-64	-	-	-
Profit/Loss before tax	-11,194	-18,042	-4,656	-10,245
Taxes	-	-	-	-
Profit/Loss after tax	-11,194	-18,042	-4,656	-10,245

CONSOLIDATED CASH FLOW STATEMENT	JAN - JUN	
Amounts in SEK thousand (KSEK)	2023	2022
Profit/Loss after financial items	-11,194	-18,042
Adjustments for items not included in the cash flow	524	2,240
Share Issuance	21,443	16,915
Change in working capital	-5,799	1,628
Operating cash flow	4,974	2,741
Cash flow from investing activities	-2,263	-4,764
Cash flow from financing activities	-	-
Cash flow for the period	2,711	-2,023
Cash and cash equivalent at beginning of period	13,485	10,723
Cash and cash equivalents at end of period	16,196	8,700

KEY RATIOS	JAN - JUN		APR - JUN	
	2023	2022	2023	2022
Weighted average number of shares				
Before dilution	114,293,530	84,425,579	122,037,585	85,855,392
After dilution	114,293,530	85,045,579	122,037,585	86,165,392
Earnings per share basic	-0.10	-0.21	-0.04	-0.12
Earnings per share fully diluted	-0.10	-0.21	-0.04	-0.12
Revenue per share basic	0.15	0.11	0.08	0.04
Revenue per share diluted	0.15	0.10	0.08	0.04
Operating margin %	neg.	neg.	neg.	neg.
EBITDA, KSEK	-9,577	-16,058	-3,873	-9,228
EBITDA, margin, %	neg.	neg.	neg.	neg.

CONSOLIDATED BALANCE SHEET	2023-06-30	2022-12-31
Amounts in SEK thousand (KSEK)		
Assets		
Intangible assets	19,549	18,723
Tangible assets	296	412
Total fixed assets	19,845	19,135
Inventories	12,551	8,834
Current receivables	7,548	11,371
Cash and cash equivalents	16,196	13,485
Total current assets	36,295	33,690
Total assets	56,140	52,825
EQUITY AND LIABILITIES		
Equity	25,026	14,792
Non-current liabilities	9,000	9,000
Current liabilities	22,114	29,033
Total equity and liabilities	56,140	52,825

CHANGE IN CONSOLIDATED EQUITY	JAN - JUN	
Amounts in SEK thousand (KSEK)	2023	2022
Opening equity	14,792	8,033
Profit/Loss for the period after tax	-11,194	-18,042
Right Issue	21,443	16,915
Exchange rate differences	-15	205
Closing equity	25,026	7,112

KEY RATIOS	2023-06-30	2022-12-31
Number of shares, thousands	122,037,585	106,549,474
Equity per share, SEK	0.21	0.14
Equity/assets ratio	45%	28%
Quick ratio	107%	86%

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 2022 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

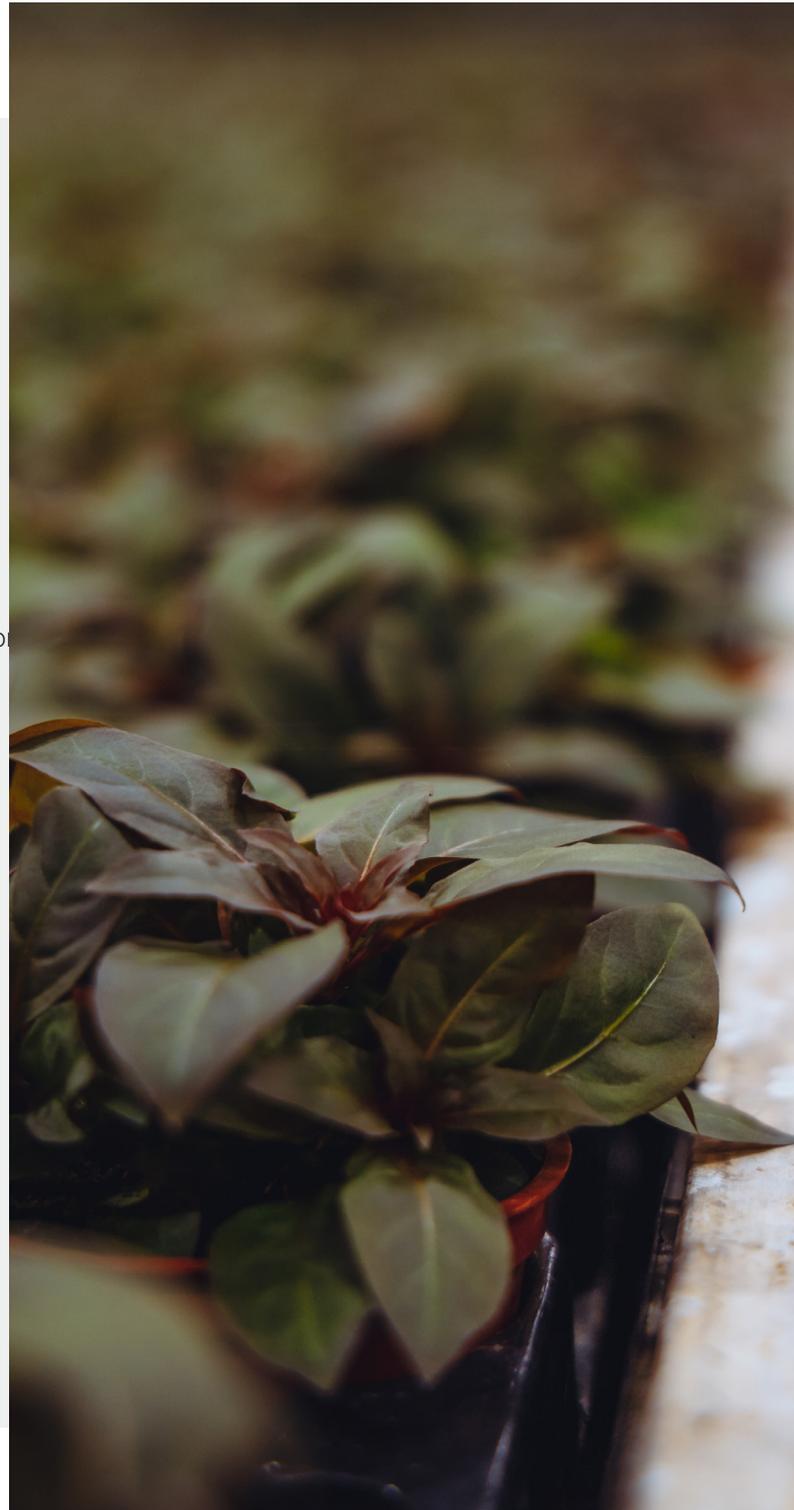
EBITDA in relation to net sales

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 2023 totals SEK 12,203,759 split between 122,037,585 shares, each with a quota value of SEK 0.10. Average amount of shares before dilution amounted to 122,037,585 shares. Average amount of shares after dilution amounted to 122,037,585 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 2023-06-30.

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND STÅL AB	29,693,523	24.33%
WELAND VÄRDEPAPPER AB	28,433,577	23.30%
AGARTHA AB	21,967,355	18.00%
CORESPRING NEW TECHNOLOGY AB	16,217,877	13.29%
AVANZA PENSION	2,489,287	2.04%
SWEDBANK FÖRSÄKRING	1,243,971	1.02%
FÖRSÄKRINGSAKTIEBOLAGET SKANDIA (PUB	839,557	0.69%
NORDNET PENSIONS FÖRSÄKRING AB	785,201	0.64%
MAGOWNY INVEST AB	545,102	0.45%
LEVIN, MARITA	485,292	0.40%
OTHER OWNERS	102,700,742	15.84%
TOTALT:	122,037,585	100.00%

Total number of stock owners are approximately 4,804.

STOCK WARRANTS FOR SENIOR EXECUTIVES AND KEY PERSONELL

At the Annual General Meeting on June 1st, 2023, a warrant program for senior executives and key personnel of series 2023/26:1 was voted through. This includes a maximum of 8,000,000 options. Each warrant entitles to a new subscription for one share in the company. New subscription of shares, with the support of the warrants of series 2023/26:1, must take place during the period from and including July 1, 2026 to and including October 31, 2026. The market value will be calculated by an actor independent of the company using the Black & Scholes valuation model.



HELIOSPECTRA IN SHORT

Heliospectra AB (publ) (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 2022 Annual Report <https://heliospectra.com/investor-relations/financial-reports-documents/reports/>. 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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