



heliospectra



Heliospectra AB (publ)

2023

INTERIM REPORT JAN-SEP





CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

As we wrap up the third quarter of 2023, I am delighted to share some significant developments and achievements with you. In September we had a record high turnover as a result of our focus on the greenhouse segment with a nice positive result. This is a testament to the hard work and dedication of our team, as well as the trust and support you have placed in Heliospectra.

We had a substantial improvement in net sales. We witnessed a 21% growth compared to the same quarter last year and an impressive 61% increase compared to last year. This means we are now at the same level as we closed 2022. While we acknowledge that we will not meet our 2023 high ambition objective, it's important to recognize that we faced several challenges throughout the year, as we previously mentioned. Factors such as inflation, higher interest rates, reduced energy prices, and a delayed subsidizing program in the Netherlands significantly impacted the horticulture lighting market, which saw a decline of up to -40% to -50% compared to the previous year. Consequently, many commercial growers and Agtech companies postponed their investments to later in the year or even next year, resulting in fewer potential projects and heightened competition within the market.

Despite these challenges, our operating results in Q3 improved by almost 11 MSEK, an impressive 46%, primarily due to increased sales and our diligent cost-saving and restructuring program. This demonstrates our commitment to enhancing our operational efficiency and profitability.

We won a tender with the prestigious Technical University of Denmark (DTU) for their newly built plant research department, where we will supply our fully controllable solution ELIXIA and MITRA solution, as well as Aarhus Univer-

sity, where we will implement our full wireless solution. We are also pleased to see that our new MITRA X FLEX, with flexible far-red, is gaining traction among Agtech companies and Universities, especially for applications in research greenhouses. The latest project signed in October will be with the Illinois University, where we will see both our new MITRA X FLEX and full wireless solution showcase the full value of flexible far-red light.

During the third quarter, we actively engaged with our industry by participating in two key events. In September, we had the privilege of joining the UK Tomato industry at the Annual British Tomato Conference. We proudly presented our latest innovations during this event, including our new high-intensity HPS replacement model, CERES, and the MITRA X FLEX. In October, we teamed up with our Canadian resellers, at the Canadian Greenhouse Conference (CGC) in Niagara Falls, where we had valuable discussions with North American customers regarding the challenges and possibilities in the market. Our new lighting solutions, particularly the MITRA X FLEX, garnered significant attention and interest.

At the CGC Conference, we not only showcased our products but also sponsored a session Energy Management in the New Times and participated in a panel discussion called LEDs and the Future, where we highlighted the capabilities of our energy-saving LED lights and DLI management system, included in the newly announced helioCORE™ 2.0 software set to launch in Q4. This upgraded version introduces a user-friendly click-and-drop feature for creating grow zones and integrates weather forecasts to optimize algorithm efficiency and DLI control. Our wireless solution, combined with our efficient LED lights, empowers growers to achieve up to a 35% additional reduction in energy use on



top of what the change to LED brings, thereby significantly lowering operational expenses. The new helioCORE™ 2.0 also comes with an open API enabling growers to connect the helioCORE system to their existing climate computers.

Our dedicated development team has also made significant strides in finalizing DOXA, our wireless PAR sensor introduced earlier this year at Greentech. The first units are now ready and are being dispatched for their inaugural field test at a commercial installation. DOXA promises to grant growers enhanced flexibility and control over their grow zones connected to the sensor. It also offers cost savings during installation, as no new infrastructure, such as wires, will be required. In Q4, our development team will step up the development for the long-awaited next-generation ELIXIA and DYNA with additional functionality that is scheduled to be released in 2024.

To further educate growers on the importance and efficiency of far-red light and our innovative MITRA X FLEX with a flexible far-red channel, we released a new E-Book in Q3 titled Understanding the Impact of Far-Red. This comprehensive resource provides insights into the effects of far-

red light and how growers and businesses can benefit from a targeted far-red light strategy. Showing that we are much more than a hardware LED provider but a lighting partner adding real value to our customers! We plan to follow up on this initiative with a far-red webinar on November 7th, in collaboration with our distributor and the distinguished Delphy Improvement Centre in the Netherlands.

In conclusion, I am excited about our continuous progress and the promising opportunities on the horizon. We now have an innovative and relevant product portfolio and are on a path toward sustained growth and profitability. I want to express my gratitude for your continued support and trust in Heliospectra. Together, we will navigate challenges, seize opportunities, and drive our company's success to new heights.

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 Fiskhammsgatan 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.
- Heliospectra introduced the highly anticipated helioCORE 2.0. New features include implementation of real weather forecasts in the DLI controller, a new graphical interface of the installation with a drag-and-drop feature for creating zones, and an improved data overview of the environment. helioCORE 2.0 will be released in Q4 2023.

FINANCIAL REPORT

	JAN - SEP		JUL - SEP	
TSEK	2023	2022	2023	2022
ORDER INTAKE	18,679	21,746	7,527	9,262
NET SALES	25,403	15,730	8,276	6,819
OPERATING RESULTS	-16,003	-26,993	-4,873	-8,951
RESULT BEFORE TAX	-15,376	-27,008	-4,182	-8,966

SALES AND FINANCIAL PERFORMANCE JUL - SEP

Order intake during the period July to September amounted to SEK 7,527 (9,262) thousand. Net sales during the period July to September amounted to SEK 8,276 (6,819) thousand and operating profit amounted to SEK -4,873 (-8,951) thousand. Results before tax amounted to SEK -4,182 (-8,966) thousand.

SALES AND FINANCIAL PERFORMANCE JAN - SEP

Order intake during the period January to September amounted to SEK 18,679 (21,746) thousand. Net sales during the period January to September amounted to SEK 25,403 (15,730) thousand and operating profit amounted to SEK -16,003 (-26,993) thousand. Results before tax amounted to SEK -15,376 (-27,008) thousand.



CASH FLOW, JANUARY – SEPTEMBER

Operating cash flow was SEK-21,469 (-30,422) thousand. Total cash flow was SEK -2,428 (6,772) thousand. Cash equivalents at the end of the period were SEK 11,057 (17,495) 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.

COMMENTS

After Q3, we have an increase in net sales of SEK 25,403 thousand (61%) compared to 2022, leaving us on the level with Q4 2022 total. Orders are still a healthy mix between Agtech and the greenhouse segment. The cost-saving program, in combination with the increased net sales, resulted in an improvement of almost SEK 11 million (41%) in operating results compared to 2022. We have also maintained a healthy margin on our products, and thanks to the decreased COGS, the margins increased by 12% in Q3 compared to the same period in 2022. We finalized our closure of Heliospectra Canada, which had a positive impact on the cash flow adding SEK 695 thousand.

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

YEAR-END REPORT 2023	2/23/2024
ANNUAL REPORT 2023	3/21/2024
INTERIM REPORT JAN - MAR 2023	4/28/2024
ANNUAL GENERAL MEETING	5/2/2024

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, October 27, 2023,
/The Board

CONSOLIDATED INCOME STATEMENT	JAN - SEP		JUL - SEP	
	2023	2022	2023	2022
Amounts in SEK thousand (KSEK)				
Net Sales	25 403	15 730	8 276	6 819
Activated work for own account	3 092	5 035	816	1 838
Other operating income	153	256	153	-
	28 648	21 021	9 245	8 657
Operating Expenses				
Cost of goods sold	-14 872	-11 152	-4 651	-5 241
Other external expenses	-18 225	-23 723	-5 951	-8 530
Personnel expenses	-9 106	-10 699	-2 679	-3 197
Depreciations, amortizations and impairments	-2 345	-2 973	-792	-989
Other operating expenses	-104	533	-46	350
Operating profit/loss	-16 003	-26 993	-4 873	-8 950
Total financial items	628	-15	692	-15
Profit/Loss before tax	-15 376	-27 008	-4 182	-8 965
Taxes	-	-	-	-
Profit/Loss after tax	-15 376	-27 008	-4 182	-8 965

CONSOLIDATED CASH FLOW STATEMENT	JAN - SEP	
Amounts in SEK thousand (KSEK)	2023	2022
Profit/Loss after financial items	-15 376	-27 008
Adjustments for items not included in the cash flow	-261	3 346
Change in working capital	-5 832	-6 760
Operating cash flow	-21 469	-30 422
Cash flow from investing activities	-2 403	-5 421
Cash flow from financing activities	21 443	42 615
Cash flow for the period	-2 428	6 772
Cash and cash equivalent at beginning of period	13 485	10 723
Cash and cash equivalents at end of period	11 057	17 495

KEY RATIOS	JAN - SEP		JUL - SEP	
	2023	2022	2023	2022
Weighted average number of shares				
Before dilution	116 874 881	87 201 526	122 037 585	92 753 419
After dilution	116 874 881	87 614 859	122 037 585	92 753 419
Earnings per share basic	-0.13	-0.31	-0.03	-0.10
Earnings per share fully diluted	-0.13	-0.31	-0.03	-0.10
Revenue per share basic	0.22	0.18	0.07	0.07
Revenue per share diluted	0.22	0.18	0.07	0.07
Operating margin %	neg.	neg.	neg.	neg.
EBITDA, KSEK	-13 659	-24 020	-4 082	-7 961
EBITDA, margin, %	neg.	neg.	neg.	neg.

CONSOLIDATED BALANCE SHEET	2023-09-30	2022-12-31
Amounts in SEK thousand (KSEK)		
Assets		
Intangible assets	19 649	18 723
Tangible assets	237	412
Total fixed assets	19 886	19 135
Inventories	12 033	8 834
Current receivables	8 811	11 371
Cash and cash equivalents	11 057	13 485
Total current assets	31 901	33 690
Total assets	51 787	52 825
EQUITY AND LIABILITIES		
Equity	19 960	14 792
Non-current liabilities	9 000	9 000
Other equity	22 827	29 033
Total equity and liabilities	51 787	52 825

CHANGE IN CONSOLIDATED EQUITY	JAN - SEP	
Amounts in SEK thousand (KSEK)	2023	2022
Opening equity	14 792	8 033
Profit/Loss for the period after tax	-15 376	-18 042
Right Issue	21 443	16 915
Exchange rate differences	-899	205
Closing equity	19 960	7 112

KEY RATIOS	2023-09-30	2022-12-31
Number of shares, thousands	122 037 585	106 549 474
Equity per share, SEK	0.16	0.14
Equity/assets ratio	39%	28%
Quick ratio	87%	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 September 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 2023-09-30.

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	2,462,915	2.02%
SWEDBANK FÖRSÄKRING	1,243,971	1.02%
FÖRSÄKRINGSAKTIEBOLAGET SKANDIA (PUB	839,557	0.69%
NORDNET PENSIONSFORESAKRING AB	801,456	0.66%
MAGOWNY INVEST AB	545,102	0.45%
LEVIN, MARITA	485,292	0.40%
OTHER OWNERS	19,346,960	15.84%
TOTALT:	122,037,585	100.00%

Total number of stock owners are approximately 4,751.

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:

Rebecca Nordin, Head of IR, +46 (0)72 536 8116, ir@heliospectra.com

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



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