



Heliospectra AB (publ)

2021

INTERIM REPORT JUL-SEP

“With our new sensor technology, growers will be able to detect stress, quickly identify problems, and closely measure plant growth. The result is improved quality, greater precision and more control over their crops, reduced waste, and an improved cultivation economy.”s



CEO COMMENT

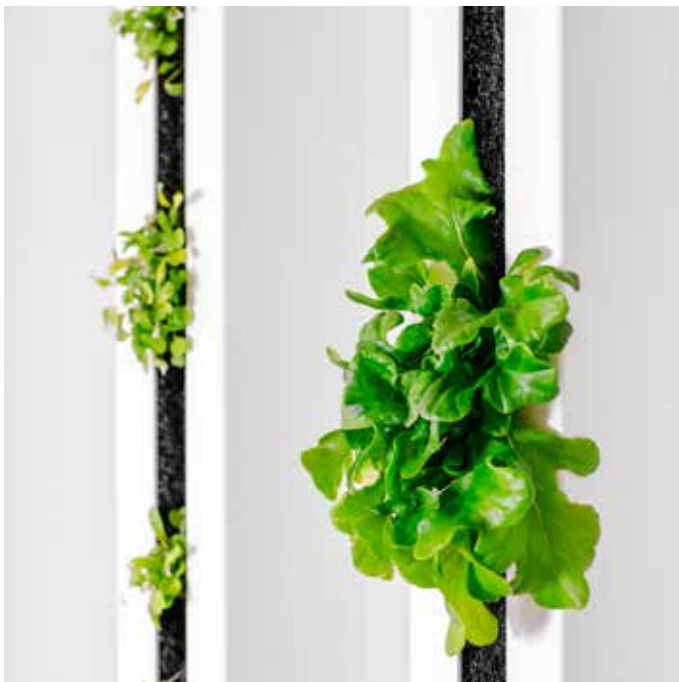
Dear Heliospectra AB (publ) Shareholder,

During the third quarter, we – and many other industries – experienced the ongoing impact from COVID, primarily supply chain issues, market uncertainty, and client construction delays. These systemic challenges prevented us from achieving our targets for this year. The North American cannabis industry, which currently represents a sizeable portion of our sales pipeline, has been affected by delays in licensing and permits and increased construction costs. The current uncertainty in the cannabis market strengthens our strategic direction taken at the beginning of the year to focus more on food growers and greenhouse installations. These segments typically have a longer sales cycle but will yield a steadier pipeline and larger sales volumes.

As previously announced, in Q3 of this year Heliospectra identified a faulty fuse in a limited production series of the MITRA model. Not only has this issue been resolved, but we also proactively worked with the customer to replace the affected fixtures. Still, the failure rates of our products fall well within the industry standard. The Heliospectra brand has always been associated with quality and reliability and we have taken strict measures to avoid problems like this from happening in the future.

This year we have allocated most of our development resources towards the development of our bio-sensor technology. Since Heliospectra's inception in 2006, the founder's vision was to develop plant lighting based on bio-feedback systems. They wanted to use sensors to measure the health of the plant, and then adapt the lighting to optimize growth and quality. By outsourcing the majority of our product development to a few reputable consultancy firms in Sweden, we have been able to fast-track our time to market and are finally starting to see that vision become a reality.

Heliospectra's patented biosensor technology works by measuring fluorescence (light given off by a plant that is not used for photosynthesis or converted into heat) from the plants' foliage. By measuring the fluorescence, the biosensor can interpret the signals using software and tell the grower how the plants are doing. Combining that with a control system and automatic adjustments can be made to optimize the light environment. Heliospectra is also developing two new modules for the helioCORE™ control system to complement this new biosensor technology: Growth Tracking Control and Optimal Light Control. Allowing us to sell the new technology as a complete solution together





with our LED lights and control system, or as a stand-alone solution compatible with most installations on the market, creating a new business opportunity with great potential.

Today, food loss or waste is a huge problem and occurs throughout the food system – during production, processing, distribution, retail, and consumption. This problem not only amounts to a major squandering of precious resources, including water, land, energy, labor, and capital but also needless production of greenhouse gas emissions, contributing to global warming and climate change. With our new sensor technology, growers will be able to detect stress, quickly identify problems, and closely measure plant growth. The result is improved quality, greater precision and more control over their crops, reduced waste, and an improved cultivation economy.

The launch of the new biosensor is the start of a completely new and exciting phase for Heliospectra as a company. We

are finalizing our product development, and starting next year, we will begin installation trials to measure the economic value of our technology, helping to make the value proposition more transparent for growers.

Heliospectra continues to provide innovative technology and operational excellence to our growers while at the same time making cultivation more sustainable and resource efficient. By launching our biosensor technology on the market, we are now taking the next step in realizing the founders' vision of revolutionizing the cultivation industry and highlighting the importance of data-driven production.

As always, I thank you for your steadfast support and continued commitment to the Heliospectra vision.

Ali Ahmadian, VD
Heliospectra AB (publ)

SIGNIFICANT EVENTS DURING THE PERIOD

JUL – SEP

- Heliospectra releases its Half Year Report 2021.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Heliospectra announced that they have identified a faulty fuse in a limited production series of the MITRA model. So far, the company has already replaced a quarter of the affected lights, and chosen to set aside an additional SEK 5.4 million in the quarterly report to cover additional warranty and conversion costs should they arise in the future.

SIGNIFICANT NEWS DURING THE PERIOD

JUL - SEP

- Heliospectra announced a new reseller partnership with MineARC Systems, a global leader in manufacturing and supply of controlled environments, including biotechnology and agriculture applications. The company will represent Heliospectra's market-leading LED lighting and light control solutions for controlled environments agriculture in the Australian market.

FINANCIAL REPORT

TSEK	JAN - SEP		JUL - SEP	
	2021	2020	2021	2020
ORDER INTAKE	-42,034	10,916	6,923	6,735
NET SALES	23,943	27,338	5,215	7,464
OPERATING RESULTS	-32,081	-30,759	-15,549	-8,518
RESULT BEFORE TAX	-32,084	-30,747	-15,547	-8,557

SALES AND FINANCIAL PERFORMANCE, JANUARY– SEPTEMBER

Order intake during the period July - September amounted to SEK 6,923 thousand. For the period January - September, the corresponding figure is SEK -42,034 (10,916) thousand. This figure includes cancellation of orders from Nectar Farms, Australia, which was announced in April 2021. Excluding this cancellation, order bookings during the period January - September amounted to SEK 29,628 (10,916) thousand.

Net sales during the period July - September amounted to 5,215 (7,464) and operating profit amounted to SEK -15,549 (-8,518) thousand, implying a negative operating margin (negative). Profit after tax was SEK -15,547 (-8,557) thousand. For the period January - September, net sales amounted to SEK 23,943 (27,338) and operating profit amounted to SEK -32,081 (-30,759) thousand, implying a negative operating margin (negative). Profit after tax was SEK -32,084 (-30,747). As communicated on 7 October, operating profit includes a provision of SEK 5.4 million to cover any additional warranty and conversion costs that might arise in the future.

CASH FLOW, JANUARY – SEPTEMBER

Operating cash flow was SEK -25,294 (-35,442) thousand. Total cash flow amounted to SEK -32,993 (-35,743) thousand. Cash flow from investing activities mostly refers to capitalized work for own account in the form of product development.

SIGNIFICANT RISKS AND UNCERTAINTIES

For a comprehensive – but not complete – summary of risks, we refer to Heliospectra's 2020 Annual Report <https://www.heliospectra.com/investor-relations/reports-documents-archive>.

FINANCIAL CALENDAR

ANNUAL REPORT 2021	2/25/2022
INTERIM REPORT JAN - MAR 2022	04/22/2022
ANNUAL GENERAL MEETING	05/19/2022
HALF YEAR REPORT JAN - JUN 2022	08/19/2022
INTERIM REPORT JUL - SEP 2021	10/21/2022

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 October 22nd 2021,
/The Board



CONSOLIDATED INCOME STATEMENT	2021	2020	2021	2020
Amounts in SEK thousand (KSEK)	JAN-SEP	JAN-SEP	JUL-SEP	JUL-SEP
Net Sales	23,943	27,338	5,215	7,464
Activated work for own account	7,643	774	2,136	109
Other operating income	327	841	161	769
	31,912	28,953	7,511	8,342
Operating Expenses				
Cost of goods sold	-15,838	-16,728	-3,868	-5,088
Other external expenses	-28,482	-15,642	-13,555	-4,427
Personnel expenses	-16,893	-23,251	-4,655	-6,048
Depreciations, amortizations and impairments	-3,126	-3,211	-1,112	-1,057
Other operating expenses	346	-881	129	-241
Operating profit/loss	-32,081	-30,760	-15,550	-8,519
Total financial items	-4	12	1	-39
Profit/Loss before tax	-32,084	-30,747	-15,548	-8,557
Taxes	0	0	0	0
Profit/Loss after tax	-32,084	-30,747	-15,548	-8,557

CONSOLIDATED CASH FLOW STATEMENT	2021	2020
Amounts in SEK thousand (KSEK)	JAN-SEP	JAN-SEP
Profit/Loss after financial items	-32,084	-30,747
Adjustments for items not included in the cash flow	3,166	3,054
Change in working capital	3,625	-7,748
Operating cash flow	-25,294	-35,442
Cash flow from investing activities	-7,699	-381
Cash flow from financing activities		80
Cash flow for the period	-32,993	-35,743
Cash and cash equivalent at beginning of period	55,458	54,243
Cash and cash equivalents at end of period	22,465	18,500

KEY RATIOS	2021	2020	2021	2020
	JAN-SEP	JAN-SEP	JUL-SEP	JUL-SEP
Weighted average number of shares				
Before dilution	77,245,465	56,178,520	77,245,465	56,178,520
After dilution	89,099,938	57,209,167	88,708,938	57,178,520
Earnings per share basic	-0.42	-0.55	-0.20	-0.15
Earnings per share fully diluted	-0.36	-0.54	-0.18	-0.15
Revenue per share basic	0.31	0.49	0.07	0.13
Revenue per share diluted	0.27	0.48	0.06	0.13
Operating margin %	neg.	neg.	neg.	neg.
EBITDA, KSEK	-28,955	-27,549	-14,438	-7,462
EBITDA, margin, %	neg.	neg.	neg.	neg.

CONSOLIDATED BALANCE SHEET	2021-09-30	2020-12-31
Amounts in SEK thousand (KSEK)		
Assets		
Intangible assets	17,917	12,945
Tangible assets	1,421	1,819
Total fixed assets	19,338	14,764
Inventories	20,013	18,261
Current receivables	11,375	9,999
Cash and cash equivalents	22,465	55,458
Total current assets	53,853	83,718
Total assets	73,191	98,482
EQUITY AND LIABILITIES		
Equity	35,816	67,891
Non-current liabilities	9,415	9,384
Current liabilities	27,960	21,207
Total equity and liabilities	73,191	98,482

CHANGE IN CONSOLIDATED EQUITY	JAN-SEP	
Amounts in SEK thousand (KSEK)	2021	2020
Opening equity	67,891	60,687
Profit/Loss for the period after tax	-32,084	-30,747
Exchange rate differences	9	-145
Closing equity	35,816	29,795

KEY RATIOS	2021-09-30	2020-12-31
Number of shares, thousands	77,245,465	77,245,465
Equity per share, SEK	0.46	0.88
Equity/assets ratio	49%	69%
Quick ratio	121%	309%

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 2020 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 2021 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 77,245,465 shares. Average amount of shares after dilution amounted to 89,099,938 shares.

Heliospectra's shares and warrants are traded on First North Growth Market 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 2021-09-30

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	2,322,168	3.1%
THE BANK OF NEW YORK MELLON, CORPORATION W9	1,265,962	1.7%
FÖRSÄKRINGSAKTIEBOLAGET SKANDIA (PUB	845,701	1.1%
NORDNET PENSIONS FÖRSÄKRING AB	722,389	0.8%
MAGOWNY INVEST AB	545,102	0.7%
SWEDBANK FÖRSÄKRING	480,719	0.6%
Other Owners	18,470,898	23.9%
TOTAL:	77,245,465	100.0%

Total number of stock owners are approximately 5,454.

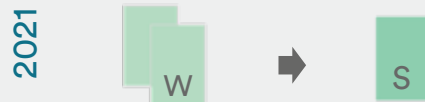


WARRANTS 2020/21

During 2020, a rights issue was carried out of units consisting of shares and warrants.

During the period from 1 November 2021 to 30 November 2021, those who have subscribed for options are given the right to redeem two (2) warrants against one (1) share at a subscription price of SEK 3.1.

The rights issue consists of a maximum of 21,066,945 units. At full subscription, the dilution is estimated to be about 12%.



STOCK WARRANTS FOR SENIOR EXECUTIVES

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.

The P02 series was not executed and therefore brought forward no dilution.



HELIOSPECTRA IN SHORT

Heliospectra AB (publ) (OTCQB: HLS, FIRST NORTH GRWOTH MARKET: 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 2020 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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