



heliospectra



Heliospectra AB (publ)

2022

YEAR-END REPORT



CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

During 2022, Heliospectra has undergone a lot of positive changes. As a result, we have a leaner organization with control over our costs and a clear commercial strategy moving forward, allowing us to reclaim our position as the number one SMART LED lighting company in the horticulture market.

To support our new strategy, the development team has worked hard in 2022 to finalize a SMART lighting solution for the professional greenhouse market. The result is a wireless control system using zone strategies and energy saving algorithms based on weather forecasts, natural light levels, and energy prices, to optimize the light environment for specific crops, all while minimizing energy consumption and cost. The high efficacy of Heliospectra LED lights saves up to 40% compared with the standard HPS solutions presently used. On top of that, helioCORE™ our energy-saving system can save an additional 30% of the energy costs by limiting unnecessary use of supplemental light during the day, or in specific grow zones. These latest development projects are at the heart of the company's new data-driven and wireless solution offering. The system solution has been successfully delivered to prominent growers in the Netherlands, Denmark, and the UK in Q3 and Q4 and is ready for large scales commercial installations.

This week we also announced the MITRA Flex, the market's first available wireless controlled flexible far-red fixture. The new light fixture offers customers three spectra in one, making it perfect for customizable and application-based growing, such as end-of-day or end-of-production light treatments with far-red. In addition, far-red has been proven beneficial for a wide variety of crops, especially for cut flowers and potted flower plants, where our new solution will be a game changer.

As 2022 was a transition year, cumulated sales were lower than last year however, we finished with a relatively strong Q4. One reason is that our new product offering was available first in Q3 and most installations occur in September and October. In 2022 the economic uncertainty continued due to high en-

ergy and gas prices that negatively affected our customers' willingness to invest. However, while we saw many growers struggling, we also saw the market adaptation and transition to more energy-efficient solutions accelerating, placing Heliospectra and our solutions in an advantageous position in 2023.

As previously announced, we have in 2022 carried out a significant cost-saving program and simplified our organization to meet lower sales volumes and to prepare Heliospectra for future growth. Resulting in significantly decreased operational expenditures as of Q4 2022, with overall operational costs reduced by 40% compared to 2021. We have also worked on reducing our production costs. By negotiating directly with our A-brand component suppliers, we have managed to lower our COGS, allowing us to be more competitive in the market while increasing our margins.

Our market focus has now shifted to the European greenhouse market, with a special focus on the ornamental market and leafy greens and herbs. Two segments exceptionally suited for our SMART solution and new MITRA platform. Our marketing and sales team is now working hard to bring in new projects and grow our customer base. We have already exhibited at three major trade shows in Europe these last two months – SIVAL in France, Fruit Logistica in Germany, and HortiContact in the Netherlands. We will also exhibit at Greentech Europe's leading Horticulture trade show in June.

We are also continuing to build strong relationships and expand our network with European and North American industry partners, including research organizations, crop consultants, grower associations, and greenhouse providers.

As part of simplifying our organization and decreasing costs, I also took the decision to close our legal entities in USA, Canada, and Japan. While we continue to sell in North America, we focus on building out our reseller network and partnerships



for sales in that region to secure local presence while internally keeping our helioCARE organization to ensure high-quality customer support and technical expertise.

With the significantly lower cost base and our solution market ready, we expect to finish 2023 in a break-even situation. However, as the installations of the lighting season in the Northern Hemisphere will only start in the summer, our main shareholders have committed to support Heliospectra in the coming low cash flow period in Q1 and Q2.

With our new lean organization, our dedicated team, the new targeted product offering, and our focus on the customer experience, Heliospectra is in a solid position to claim her position as a leader in Smart Lighting. I am excited to continue leading Heliospectra and build value for our customers and shareholders while redefining nature's potential.

**Bonny Heeren,
CEO Heliospectra AB**

SIGNIFICANT EVENTS DURING THE YEAR

JANUARY – DECEMBER

- 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>.
- Heliospectra carried out a directed issues of shares by way of set-off, a total of approximately SEK 25.9 million, to four of the Company's principal shareholders, i.e., Weland Stål AB, WELAND VÄRDEPAPPER AB, Agartha AB, and Corespring New Technology AB. The subscription price is SEK 1.253 per share.
- Heliospectra announced a new order for an American AgTech company providing farmers with innovative and sustainable solutions for crop growth and pests and disease protection. The order was for Helio spectra's smart wireless solution, including the MITRA LED lighting solution, the Adelphi wireless connector, and the helioCORE™ system. The order value is \$795,000 USD.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Heliospectra AB (publ) expands product portfolio and MITRA platform with new flexible far-red light – MITRA Flex, a new flexible far-red light for application based growing. The new solutions offer customers three spectra in one without losing power. The new solution will be commercially available in May.

FINANCIAL REPORT

	JAN - DEC		OCT - DEC	
TSEK	2022	2021	2022	2021
ORDER INTAKE	34 423	-37 786	14 312	4 248
NET SALES	25 728	35 221	9 998	11 278
OPERATING RESULTS	-35 943	-59 975	-8 950	-27 894
RESULT BEFORE TAX	-36 083	-59 976	-9 075	-27 892

SALES AND FINANCIAL PERFORMANCE

Order intake during the period October - December amounted to SEK 14,312 (4,248) thousand. For the period January - December, the corresponding figure is SEK 34,423 (-37,786) thousand. Last years figure includes the canceled order from Nectar Farms, Australia, which was announced in April 2021.

Net sales during the period October - December amounted to SEK 9,998 (11,278) thousand, and operating profit amounted to SEK -8,950 (-27,894) thousand, implying a negative operating margin (negative). Profit after tax was SEK -9,075 (-27,892) thousand. For the period January - December, net sales amounted to SEK 25,728 (35,221) and operating profit amounted to SEK -35,943 (-59,975) thousand, implying a negative operating margin (negative). Profit after tax was SEK -36,083 (-59,976).

CASH FLOW, JANUARY – DECEMBER

Operating cash flow was SEK -33,848 (-33,139) thousand. Total cash flow was SEK 2,762 (-44,734) thousand. Cash equivalents at the end of the period were SEK 13,485 (10,723) 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. The company has cash and cash equivalents to cover the next 3 months. However, as the company expects low cash flow during Q1 and Q2, the company's main owner has committed to support the company during those periods.

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

ANNUAL REPORT 2022	2023-03-09
ANNUAL GENERAL MEETING	2023-04-20
INTERIM REPORT JAN-MAR 2023	2023-04-28
HALF YEAR REPORT 2023	2023-08-25
INTERIM REPORT JAN-SEP 2023	2023-10-27

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 February 24, 2023
/The Board

CONSOLIDATED INCOME STATEMENT	JAN - DEC		OCT - DEC	
	2022	2021	2022	2021
Amounts in SEK thousand (KSEK)				
Net Sales	25 728	35 221	9 998	11 278
Activated work for own account	7 110	11 609	2 075	3 966
Other operating income	1 919	1 191	1 663	864
	34 757	48 021	13 736	16 108
Operating Expenses				
Cost of goods sold	-19 782	-22 360	-8 630	-6 522
Other external expenses	-33 284	-34 902	-9 561	-6 420
Personnel expenses	-13 392	-25 061	-2 693	-8 168
Depreciations, amortizations and impairments	-3 961	-21 031	-988	-17 905
Other operating expenses	-281	-4 643	-814	-4 989
Operating profit/loss	-35 943	-59 975	-8 950	-27 895
Total financial items	-140	-1	-125	3
Profit/Loss before tax	-36 083	-59 976	-9 075	-27 892
Taxes	-	-	-	-
Profit/Loss after tax	-36 083	-59 976	-9 075	-27 892

CONSOLIDATED CASH FLOW STATEMENT	JAN - DEC	
Amounts in SEK thousand (KSEK)	2022	2021
Profit/Loss after financial items	-36 083	-59 976
Adjustments for items not included in the cash flow	3 764	21 080
Change in working capital	-1 529	5 757
Operating cash flow	-33 848	-33 139
Cash flow from investing activities	-6 005	-11 666
Cash flow from financing activities	42 615	71
Cash flow for the period	2 762	-44 734
Cash and cash equivalent at beginning of period	10 723	55 458
Cash and cash equivalents at end of period	13 485	10 723

KEY RATIOS	JAN - DEC		OCT - DEC	
	2022	2021	2022	2021
Weighted average number of shares				
Before dilution	92 038 513	77 248 052	106 549 474	77 255 815
After dilution	92 348 513	88 126 986	106 549 474	85 208 130
Earnings per share basic	-0.39	-0.78	-0.09	-0.36
Earnings per share fully diluted	-0.39	-0.68	-0.09	-0.33
Revenue per share basic	0.28	0.46	0.09	0.15
Revenue per share diluted	0.28	0.40	0.09	0.13
Operating margin %	neg.	neg.	neg.	neg.
EBITDA, KSEK	-31 982	-55 688	-7 962	-26 734
EBITDA, margin, %	neg.	neg.	neg.	neg.

CONSOLIDATED BALANCE SHEET	2022-12-31	2021-12-31
Amounts in SEK thousand (KSEK)		
Assets		
Intangible assets	18 723	15 793
Tangible assets	412	1 298
Total fixed assets	19 135	17 091
Inventories	8 834	16 363
Current receivables	11 371	12 186
Cash and cash equivalents	13 485	10 723
Total current assets	33 690	39 272
Total assets	52 825	56 363
EQUITY AND LIABILITIES		
Equity	14 792	8 033
Non-current liabilities	9 000	9 424
Current liabilities	29 033	38 906
Total equity and liabilities	52 825	56 363
CHANGE IN CONSOLIDATED EQUITY	JAN - DEC	
Amounts in SEK thousand (KSEK)		
	2022	2021
Opening equity	8 033	67 891
Profit/Loss for the period after tax	-36 083	-59 976
Right Issue	42 615	71
Exchange rate differences	227	48
Closing equity	14 792	8 033
KEY RATIOS	2022-12-31	2021-12-31
Number of shares, thousands	106 549 474	77 276 514
Equity per share, SEK	0.14	0.10
Equity/assets ratio	28%	14%
Quick ratio	86%	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 31st of december 2022 totals SEK 10,654,947 split between 106,549,474 shares, each with a quota value of SEK 0.10. Average amount of shares during the period January - December before dilution amounted to 92,038,513 shares. Average amount of shares after dilution amounted to 92,348,513 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 2022-12-31

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND STÅL AB	25 239 495	23.7%
WELAND VÄRDEPAPPER AB	24 168 541	22.7%
AGARTHA AB	18 672 254	17.5%
CORESRING NEW TECHNOLOGY AB	13 785 196	12.9%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	2 310 708	2.2%
SWEDBANK FÖRSÄKRING AB	1 269 595	1.2%
FÖRSÄKRINGSAKTIEBOLAGET, SKANDIA	838 956	0.8%
NORDNET PENSIONS FÖRSÄKRING AB	736 337	0,7%
MAGOWNY INEST AB	545 102	0,5%
SPP SVERIGE PLUS	463 905	0.4%
OTHER OWNERS	18 519 385	17,4%
TOTAL:	106 549 474	100,0%

Total number of stock owners are approximately 4,984.

PROPOSED APPROPRIATION OF RETAINED EARNINGS

The board and CEO propose that non-restricted equity,

Amounts in KSEK

Profit brought forward	-14,739
Share premium fund	35,901
Net result of the year	-36,131
Total	-14,969
To be appropriated as follows	
Carried forward	-14,969
Total	-14,969

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) (FIRST NORTH GROWTH MARKET: 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.

For more information, please contact:

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



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