



Heliospectra AB (publ)

2020

Half Year Report

## CEO COMMENT

With the first half of 2020 behind us, I would like to extend our appreciation to the entire Heliospectra team for showing true leadership, resourcefulness and strength to our community during these challenging times. I would also like to thank you, our shareholders, for your unwavering support and commitment to our people, our vision and our purpose.

As governments around the globe are working hard to control the pandemic and keep its people safe, we are working on untiringly. While remaining fully operational, we have strengthened our relationships and provided support to our grower and customers through virtual avenues. These efforts combined with an enhanced marketing strategy have resulted in significantly more leads that we have seen in previous periods.

Due to the Covid-19 crisis and travel restrictions, many of our customers experienced delays in their greenfield projects, such as Nectar Farms. Additionally, in the early stages of the pandemic, there was a spike in demand for food products. This forced growers to pause plans for expansion and instead focus on supporting day to day operations. As a result of these dynamics and headwinds, Q2 did not yield sales as we had expected.

To compensate for the lower sales we took proactive measures to save on the bottom line. This includes restructuring our organization as well as using available government programs – specifically support from the Swedish Agency for Economic and a long-term government interest-free loan in Canada. We will see the cumulative effect of these initiatives in Q4, during which we expect to achieve a 10% reduction in operating costs.

During this uniquely challenging period, we were able to drive positive results from our research and development efforts, specifically improvements to our product and service portfolio. Furthermore, we have greatly increased our brand recognition by launching our digital marketing strategy. The initial phase was the introduction of the by Growers for Growers webinar series, which resulted in half a million impressions and produced over 2,000 quality leads (300% increase from previous period). The second part of our digital marketing initiative included the redevelopment and launch of our new website. This allows us to prominently highlight the benefits of our products and services, better communicate our global reach,

and further our goal of feeding and healing the world by facilitating knowledge sharing across the grower community. This quarter we achieved sales growth of 18% compared to last year with decline in our order intake due to the reasons explained above, which affect the industry as a whole. However, we are positive about the rebound in coming quarters.

Lastly, we have strengthened our partnerships with resellers by providing virtual training and other tools that will help them effectively sell our products and services to the global community. This will help us generate new opportunities and customers.

Heliospectra's mission to redefine nature's potential has never been more relevant and timelier. While there is still uncertainty in the market, we are confident we can deliver on the strong opportunities the team is working on in the near future and we remain committed to our mission to provide exceptional products, services and support to our growers.

**Ali Ahmadian,**  
**President & CEO**



## FINANCIAL REPORT

AMOUNTS IN SEK THOUSAND (KSEK)	JAN – JUN		APRIL - JUN	
	2020	2019	2020	2019
Order intake	4 181	18 111	1 717	5 802
Net sales	19 874	16 744	4 674	7 087
Operating result	-22 242	-20 842	-13 184	-11 413
Result before tax	-22 190	-20 945	-13 136	-11 462

### SALES AND FINANCIAL PERFORMANCE, JANUARY– JUNE

Net sales amounted to KSEK 19 874 (16 744) which means an increase of 19% compared to last year. Of the period's sales, the MITRA product group made up 33%. The operating loss amounted to KSEK -22 242 (-20 842) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -22 190 (-20 945).

### CASH FLOW, JANUARY – JUNE

Operating cash flow was KSEK -28 285 (-19 295). Total cash flow was KSEK -28 371 (-17 879). Of the operating cash flow, 29% (-58%) was a change in working capital.

## SIGNIFICANT EVENTS DURING THE PERIOD

### JANUARY-JUNE

- The company announces a new order from Turner Construction in Miami, Florida, United States for the fully controllable ELIXIA LED light solution for green house installation project. Order value is USD\$ 228,000.
- The company announces a new order from Turner Construction in Miami, Florida, United States. The order value is USD \$270,000.
- The lighting solution orders from Turner Construction cancelled due to fraudulent activities

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- The company announces a new order from Marcella Property Group, LLC in Dewey, Oklahoma, United States. The order value is USD \$120,000.

## SIGNIFICANT RISKS AND UNCERTAINTIES

For a comprehensive – but not complete – summary of risks, we refer to Heliospectra's 2019 Annual Report <http://ir.heliospectra.com/reports-files/>.

## FINANCIAL CALENDAR

Interim Report July-Sep	10/29/2020
Year End Report	02/19/2021
Annual Report 2020	04/16/2021
Interim Report Jan-March	04/23/2021
Annual General Meeting	05/20/2021



Gothenburg 21st of August 2020,  
//The Board



<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Amounts in SEK thousand (KSEK)	JAN – JUN	JAN – JUN	APRIL-JUN	APRIL-JUN
Net Sales	19 874	16 744	4 674	7 087
Other operating income	72	151	22	151
	<b>19 946</b>	<b>16 894</b>	<b>4 696</b>	<b>7 238</b>
<b>OPERATING EXPENSES</b>				
Cost of goods sold	-11 640	-9 071	-3 693	-3 719
Other external expenses	-10 550	-11 881	-3 974	-5 845
Personnel expenses	-17 203	-14 692	-8 172	-7 891
Depreciations, amortizations and impairments	-2 154	-1 906	-1 075	-959
Other operating expenses	-640	-185	-966	-235
<b>Operating profit/loss</b>	<b>-22 242</b>	<b>-20 841</b>	<b>-13 185</b>	<b>-11 411</b>
Total financial items	51	-104	47	-50
<b>Profit/Loss before tax</b>	<b>-22 190</b>	<b>-20 945</b>	<b>-13 137</b>	<b>-11 461</b>
Taxes	0	0	0	0
<b>Profit/Loss after tax</b>	<b>-22 190</b>	<b>-20 945</b>	<b>-13 137</b>	<b>-11 461</b>

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>2020</b>	<b>2019</b>
Amounts in SEK thousand (KSEK)	JAN – JUN	JAN – JUN
Profit/Loss after financial items	-22 190	-20 945
Adjustments for items not included in the cash flow	2 004	1 984
Rights emission	0	49 438
Change in working capital	-8 099	-11 182
<b>Operating cash flow</b>	<b>-28 285</b>	<b>19 295</b>
Cash flow from investing activities	-211	-1 166
Cash flow from financing activities	124	-250
<b>Cash flow for the period</b>	<b>-28 371</b>	<b>17 879</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>54 243</b>	<b>11 165</b>
<b>Cash and cash equivalents at end of period</b>	<b>25 872</b>	<b>29 044</b>

<b>KEY RATIOS</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	JAN – JUNE	JAN-JUNE	APRIL-JUNE	APRIL-JUNE
Weighted average number of shares				
Before dilution	56 178 520	40 963 505	56 178 520	46 815 434
After dilution	57 224 491	42 871 417	57 178 520	48 723 346
Earnings per share basic	-0,39	-0,51	-0,39	-0,24
Earnings per share fully diluted	-0,39	-0,49	-0,23	-0,24
Revenue per share basic	0,35	0,41	0,08	0,15
Revenue per share diluted	0,35	0,39	0,08	0,15
Operating margin %	neg.	neg.	neg.	neg.
EBITDA, KSEK	-20 088	-18 935	-12 110	-10 452
EBITDA, margin, %	neg.	neg.	neg.	neg.

<b>CHANGE IN CONSOLIDATED EQUITY</b>	<b>2020</b>	<b>2019</b>
Amounts in SEK thousand (KSEK)	JAN – JUN	JAN – JUN
Opening equity	60 687	15 207
Profit/Loss for the period after tax	-22 190	-20 945
Rights emission	0	49 438
Exchange rate differences	-100	76
<b>Closing equity</b>	<b>38 397</b>	<b>43 776</b>

<b>CONSOLIDATED BALANCE SHEET</b>	<b>2020-06-30</b>	<b>2019-12-31</b>
Amounts in SEK thousand (KSEK)		
<b>ASSETS</b>		
Intangible assets	12 877	14 548
Tangible assets	1 853	2 125
<b>Total fixed assets</b>	<b>14 730</b>	<b>16 673</b>
Inventories	12 474	15 931
Current receivables	9 409	7 150
Cash and cash equivalents	25 872	54 243
<b>Total current assets</b>	<b>47 755</b>	<b>77 324</b>
<b>Total assets</b>	<b>62 485</b>	<b>93 997</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	38 397	60 687
Non-current liabilities	9 273	9 200
Current liabilities	14 814	24 110
<b>Total equity and liabilities</b>	<b>62 485</b>	<b>93 997</b>

<b>KEY INDICATORS</b>	<b>2020-06-30</b>	<b>2019-12-31</b>
Number of shares, thousands	56 178 520	56 178 520
Equity per share, SEK	0,68	1,08
Equity/assets ratio	61%	65%
Quick ratio	238%	255%

## 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 2019 annual report and remain as described in said report. All amounts are reported in SEK thousands unless otherwise indicated. This half year report has not been audited.

## DEFINITIONS

### SALES PER SHARE

Net sales in relation to the number of shares

### OPERATING MARGIN

Operating loss in relation to net sales

### EBITDA MARGIN

EBITDA in relation to net sales

### EQUITY/ASSETS RATIO

Equity in relation to total assets

### EARNINGS PER SHARE AFTER-TAX

Earnings after tax in relation to the number of shares

### EBITDA

Operating profit/loss excl. depreciation and amortisation

### EQUITY/SHARE

Equity in relation to number of shares

### 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 2020 totals SEK 5 617 852 split between 56 178 520 shares, each with a quota value of SEK 0.10. Average amount of shares before dilution amounted to 56 178 520 shares. Average amount of shares after dilution amounted to 57 178 520 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

Heliospectra may also be traded via a so-called ADR in the United States on the OTC Markets through BNYMellon.

**The ADR ticker symbol on the OTC Markets OTCQB is** HLSPY

**CUSIP code for ADR:** 423281104

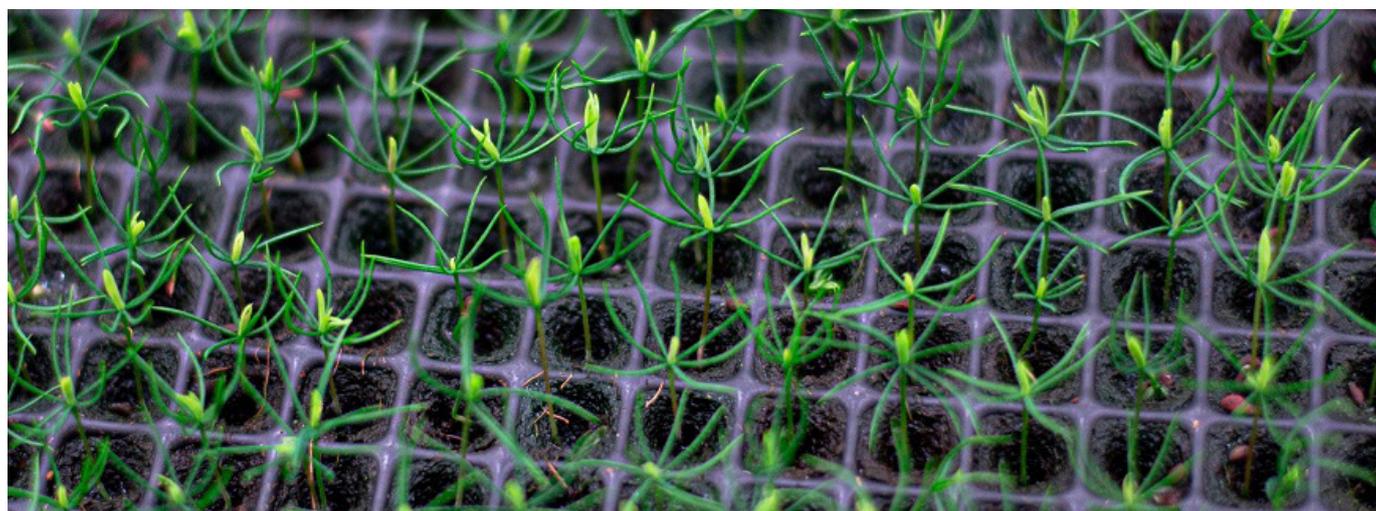
## LIST OF OWNERS

PER 2020-06-30

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND VÄRDEPAPPER AB	12 614 296	22,5%
WELAND STÅL AB	10 470 935	18,6%
ADMA FÖRVALTNINGS AB	8 000 000	14,2%
MIDROC NEW TECHNOLOGY AB	6 436 608	11,5%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 820 509	3,4%
THE BANK OF NEW YORK MELLON, CORPORATION W9	1 232 688	2,2%
MAGOWNY INVEST AB	545 102	1,0%
PIBA AB	386 000	0,7%
SPP SVERIGE PLUS	334 876	0,6%
NORDNET PENSIONS FÖRSÄKRING AB	316 946	0,6%
Other owners	14 020 560	24,7%
<b>TOTAL</b>	<b>56 178 520</b>	<b>100,0%</b>

## STOCK WARRANT FOR SENIOR EXECUTIVES

At the Extraordinary General Meeting on March 12, 2019, a warrant program was decided for senior executives and key personnel. This includes 1,000,000 options where each option entitles the holder to subscribe for one new share at a subscription price of SEK 6.13 per share during the period March 1, 2021 through April 30, 2021. Based on this, the dilution is estimated to be about 2%.



## HELIOSPECTRA IN SHORT

Heliospectra AB (publ) (OTCQB: HLS, First North: 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 com-

mercial 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.

For more information, we refer to Heliospectra's 2019 Annual Report

<https://www.heliospectra.com/investor-relations/reports-presentations/> and the heliospectra website [www.heliospectra.com](http://www.heliospectra.com).



### FOR MORE INFORMATION, PLEASE CONTACT:

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**THIS REPORT HAS NOT BEEN REVIEWED BY THE COMPANY'S AUDITORS.**

### Heliospectra AB (publ)



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