

Heliospectra carries out rights issue and obtain bridge financing

GOTHENBURG, Sweden, February 22, 2019

Heliospectra AB (publ) ("Heliospectra" or "the Company"), which is listed on Nasdaq First North, announces that the Company's Board of Directors proposes a new share issue of approximately SEK 52.7 million with preferential rights for existing shareholders. The terms of the rights issue are that 3 existing shares entitle the shareholder to subscribe for 1 new share at the price of 4.5 SEK. The rights issue is 100 percent underwritten through subscription and guarantee commitments by the Company's largest shareholders, the Weland Group and Midroc.

Due to the Board's proposal for a rights issue, all shareholders are invited to an Extraordinary General Meeting, which will be held on March 12, 2019. Summons to the Extraordinary General Meeting will be published in a special press release.

The Company has obtained bridge financing from the Company's two largest owners, the Weland Group and Midroc, corresponding to a total of SEK 10 million. The intention is to convert the bridge loans in the present rights issue or at the latest December 31, 2019. The loans carry market interest rates.

Background and reason

Global demand for food is expected to increase for many years to come. Demand is primarily driven by the growth of global population, urbanization and higher living standards. The rising need entails challenges for the agricultural sector and food producers who need to increase the efficiency of the farming technique. Part of this is the need to farm in environments without optimal light and weather conditions, something new smart LED technology makes possible. With energy-efficient LED lamps with optimized light spectra, growers can mimic sunlight and optimize the growth of the plant in a cost-effective way.

Heliospectra was founded in 2006 and specializes in intelligent lighting technology for plant research and greenhouse cultivation. Heliospectra offers a complete solution for grow lighting, which is based on deep knowledge in plant physiology and photosynthesis, together with a unique way of utilizing modern LED technology.

The Company is a technology-leading and fast-growing player in large global markets and growth opportunities are expected to be attractive for a long time. Initially, Heliospectra focuses on the markets that are growing fastest and where the need for smart LED lighting is greatest. The market for legal cannabis in North America is such a market. Canada has recently legalized cannabis for recreational purposes and the supply deficit is significant, both for the domestic and for the export market. Investments in new cultivation capacity have begun and are expected to be significant for many years to come. Annual production is expected to increase from today's 210 tones to about 1,850 tones in 2022. Smart LED lighting will be a fundamental component of the expansion as cannabis is preferably grown indoors with artificial light. Together with its short plant cycle and high value added, it makes the crops optimal for the type of smart LED lighting in which Heliospectra is the technology leader. Heliospectra has recently started a Canadian subsidiary and will during 2019 staff the company to strengthen the local presence and take a leading role as a light supplier during the development phase.

Vertical farming, with crops stacked vertically on top of each other indoors, has increased rapidly in recent years. The main driving forces have been the demand for crops grown close to the consumer in environments with limited space and lack of optimal farming conditions. Here, artificial light is a prerequisite and smart LED lighting is the best solution for imitating sunlight and creating optimal growing conditions. Heliospectra sees good opportunities to take a leading role in this market and will in the coming years, together with customers, invest in product development for the sector.

The food industry is by far the largest market within farming. The industry is characterized by high maturity, large-scale investments and conservatism with respect to new technologies. LED lighting is still relatively unusual, but in recent years has become a viable alternative, especially when building new greenhouses. Heliospectra is convinced that the superior possibilities of smart LED lighting in the long term will mean a technology shift from alternative lighting technologies. To accelerate the shift and demonstrate Heliospectra's benefits, the Company intends to, together with leading cultivation actors, create example cultivations with Heliospectra's technology and thereby create reference customers for future sales.

The Board's assessment is that existing working capital is not sufficient for the coming twelve-month period. To finance the business, the Board has decided on the present rights issue. The shares in the rights issue are subscribed with preferential rights by existing shareholders in relation to the number of shares they already own. Upon full subscription, the Company will receive SEK 52.7 million after deduction of transaction costs. About 30 per cent of the proceeds are intended to be used to strengthen the Company's financial position, the remaining capital is intended to be used according to the prioritized order below:

- 40% for strategic repositioning of the business model towards an increased share of recurring revenue that will expand the Company's addressable market and stabilize future cash flows. This will be achieved through out licensing the helioCORE™ control system and to offer customers know-how through helioCARE™;
- 20% to showcase the new business model through reference objects with strategic customers, primarily in the food sector;

and

- 10% for continued product development in vertical farming.

Terms and Conditions Rights Issue

The rights issue means that Heliospectra's share capital is increased by a maximum of SEK 1,170,385.9 by issuing a maximum of 11,703,859 shares. Existing shareholders have preferential rights to subscribe for shares in relation to the number of shares they already own. Those who are registered as shareholders in Heliospectra on the record date have the right to subscribe for 1 new share for 3 existing shares in the company.

The subscription price amounts to 4.5 SEK per share, which means that the new share issue, upon full subscription, will bring Heliospectra approximately 52.7 MSEK before transaction costs.

Subscription and guarantee commitments

The company's two largest owners, Midroc New Technology AB and the Weland Group through Weland Värdepapper AB and Weland Stål AB, which together represent approximately 44.5% of the share capital, have undertaken to subscribe for their pro rata share in rights issue and through guarantee commitments undertaken to subscribe for the remaining 55.5% pro rata in relation to their subscription commitment. Subscription commitments have been made without compensation. Guarantee compensation of 5 per cent is payable for guarantee commitment. Subscription commitments and guarantee commitments have not been secured through advance transaction, bank guarantee or other.

Preliminary timetable for the rights issue

February 22	Summons to Extraordinary General Meeting
March 12	Extraordinary General Meeting
March 15	Last day of trading in the share with the right to participate in the rights issue
March 19	Record date for participation in the rights issue
March 19	Publication of the prospectus (expected)
March 20 - April 3	Subscription period
March 20 – April 1	Trading in subscription rights
April 8	Estimated date for publication of the outcome of the rights issue

Extraordinary general meeting

An Extraordinary General Meeting for approval of the Board's proposal of the rights issue as described above will be held on March 12, at 9.00 in Hotel Riverton, Stora Badhusgatan 26, 411 21 Göteborg. Summons to the Extraordinary General Meeting will be published through a separate press release.

Prospectus

The Company will publish a prospectus in connection with the rights issue. The full prospectus will be available on March 19 on the Company's website (www.heliospectra.se) and the Västra Hamnen Corporate Finance website (www.vhcorp.se).

Financial and legal adviser

Västra Hamnen Corporate Finance is financial advisor and MAQS Advokatbyrå is legal advisor for Heliospectra in connection with the rights issue.

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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 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, please visit <https://www.heliospectra.com>.

Forward-Looking Statements

The statements in this press release constitute forward-looking statements within the meaning of federal securities laws. Such statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, such forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Potential risks and uncertainties include, but are not limited to, technical advances in the industry as well as political and economic conditions present within the industry. We do not take any obligation to update any forward-looking statement to reflect events or developments after a forward-looking statement was made.

This Information

This information is information that Heliospectra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:30 CEST / 1:30 AM CDT on February 22nd 2018.

Important information

This press release does not constitute an offer for any securities in Heliospectra. The issue is not directed to shareholders or other investors residing in the United States, Australia, Hong Kong, Japan, Canada, Singapore, South Africa or New Zealand, or in any other country where participation in the issue would require additional prospectuses, registration or other measures than Swedish law or conflict with rules in such country. No subscription rights, paid subscription shares, shares or other securities issued by Heliospectra have been registered or will be registered under the United States Securities Act 1933, or under the securities legislation in any state in the United States or any province law in Canada. Therefore, no subscription rights, paid subscribed shares, shares or other securities issued by Heliospectra may be transferred or offered for sale in the United States or Canada other than in such exceptional cases that do not require registration. The issue is only aimed at (i) persons who are outside the UK; (ii) to professional investors covered by Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (in its current wording); or (iii) other persons to whom it may lawfully be directed.