

Heliospectra AB (publ) Half Year Report January – June 2019

(GOTHENBURG, Sweden/SAN FRANCISCO, CA, Aug 23, 2019 –

Heliospectra AB (publ) (OTCQB: HLSPY, FIRSTNORTH: HELIO), a world leader in intelligent lighting technology for greenhouse and controlled plant growth environments, today presents the Half Year Report for 2019.

TURNOVER AND PROFIT/LOSS JANUARY – JUNE

- Net sales amounted to SEK 16,744 (17,324) thousand
- Order intake amounted to SEK 18,111 (30,309) thousand
- Operating profit/loss amounted to SEK -20,842 (-16,625) thousand
- Profit/loss after tax was SEK -20,945 (-16,476) thousand or SEK -0.45 (-0.47) per share

SIGNIFICANT EVENTS

JANUARY - MARCH

- Heliospectra's helioCORE™ light control system recognized by the American Society of Agricultural and Biological Engineers with a 2019 AE50 Award.
- Heliospectra's technical services portfolio re-branded under helioCARE™.
- Leading European Research Facility Invest in Heliospectra's LED Lighting Solutions. The research company is expanding its greenhouse production and has placed an order for Heliospectra's fully adjustable ELIXIA LED lighting solution. The order value is SEK 2,0 million (€ 189,000).
- Heliospectra AB's Year End Report was published 22 February 2019.
- Heliospectra carries out rights issue and obtain bridge financing. the Company's Board of Directors proposes a new share issue of approximately SEK 52.7 million with preferential rights for existing shareholders.
- Notice to attend the extra ordinary general meeting of Heliospectra AB was published 22 February.
- Extra ordinary meeting was held March 12, 2019 at Hotel Riverton on Stora Badhusgatan 26, 411 21 in Gothenburg. The decision was taken to conduct a right issue and introduce a new incentives program for stock warrants to senior executives and key personnel
- Hans Naess appointed new CFO of Heliospectra AB. Hans has acted as interim CFO since September 24, 2018. He began the role as CFO on March 1st, 2019.
- Publication of Heliospectra AB's prospectus in regard to the right issue was made on February 22, 2019.
- Heliospectra AB expands North America markets with formation of Heliospectra Canada, Inc in Toronto, Canada. The Company also continues to scale Heliospectra's executive leadership, sales and technical services teams with business units dedicated to commercial food producers and licensed commercial cannabis operations in both the United States and Canada.
- Ljusgård AB continues expansion with investment in Heliospectra's innovative LED lighting solutions with additional orders of Heliospectra's fully adjustable ELIXIA LED lighting solutions. The order value is SEK 5.7 million (USD \$ 611,450).

APRIL – JUNE

- Heliospectra AB publishes outcomes in the rights issue. The subscription period for the rights issue in Heliospectra AB (publ) was completed on April 3, 2019, and the consolidation shows that the issue was subscribed to just over 76 percent. Subscription with the support of subscription rights corresponded to approximately 72 percent and subscription without the support of subscription rights corresponded to approximately 4 percent of the offered shares. The rights issue brings the Company approximately SEK 52.7 million before issue costs.
- Heliospectra published complementary prospectus regarding Heliospectra's rights issue. The complementary prospectus was approved and registered by the Swedish Financial Supervisory Authority on March 19, 2019.
- Heliospectra AB sponsors the upcoming MJBizDaily Cannabis Symposium in Copenhagen, Denmark.
- Heliospectra's incentive program transfer stock warrants to senior executives and key personnel.
- Heliospectra introduces MITRA - a revolutionary modular LED lighting solution with customizable configurations. The simple, streamlined MITRA design boasts high-intensity light output and electrical efficacy of up to 2.9 µmol/J, and are designed for high light crops, including cannabis and vine crops. MITRA goes into production in October.
- Macedonian company SOG DOO looks to automate the light environment with Heliospectra's solutions, and have decided to invest in Heliospectra's fully adjustable ELIXIA LED lighting solution and helioCORE™ light control system. SOG DOO has also purchased a helioCARE™ Technical Services support package to benefit from Heliospectra's installation and

cultivation expertise. The order value is SEK 2.8 million (€ 260,000).

- Heliospectra expands intelligent LED lighting solutions to include ELIXIA 600W high-voltage adjustable spectrum light for greenhouse and indoor horticulture applications. The high input voltage ELIXIA fixture is suitable for larger facilities using industrial scale electrification for cultivation and crop production.
- Heliospectra annual meeting was held on June 27, 2019.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Västra Hamnen Corporate Finance initiates monitoring of Heliospectra AB.
- Heliospectra continues global expansion with Tokyo office. The company announced the formation of Heliospectra Japan Co., Ltd. and the opening of a new Tokyo, Japan office in July 2019 under the leadership of General Manager Yasuhiro Suzuki.

CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

We are six months into a critical year for Heliospectra. 2019 represents a year of tremendous opportunities, global momentum, and a year for Heliospectra to scale our partnerships, our product portfolio, and our production capabilities.

In mid-2018, we realized that our lights and solutions platform needed to be revamped and we were required to move in a very new and strategic direction from the original platform designed in 2014. Bearing in mind that this new direction would impact our orders and sales figures in 2019, the decision was made to launch a new platform with the ambition of optimizing CAPEX on new customer installations and introducing the most powerful LED lighting solution on the market. As a direct consequence of the decision to prioritize our new product roadmap and development, the opportunity to reinvent and reinvigorate our legacy product offerings, did affect our sales and order intake which slowed by 3% and 40% respectively compared to the previous year.

Now offering the strongest controllable light output in the horticultural LED market with an efficacy of up to 2.9 $\mu\text{mol}/\text{J}$, MITRA gives growers and operations teams the only modular design with multiple spectrum options to achieve the highest crop quality and performance in a cost-effective way. With the production ramp-up expected during October 2019, the rewards from this change will be visible in Q4.

Moreover, the above exercise and the ability to work with a tier 1 supplier in Sweden has enabled Heliospectra to advance its collaboration with our largest customers to design products that better meet the requirements of their facilities.

Building on our strategic partnership initiatives, we spent a lot of time in the second quarter of 2019 strengthening our collaboration with ABB by hosting workshops at our Gothenburg headquarters with the participation of ABB experts from all around the world. The co-development of innovative electrification systems, control and automation technologies will enable us to offer highly customized solutions to our existing customers and to our new prospects.

Furthermore, we continued with our expansion plan and ambition for a local market presence by establishing offices in Toronto, Canada and Tokyo, Japan during the past two quarters. The ability to have our executives on the ground in each of these markets and talking with prominent Japanese vertical farmers and plant factory leaders as well as Canada's largest greenhouse vegetable growers and commercial cannabis producers represents a tremendous opportunity for Heliospectra in 2019 and in the coming years.

In conclusion, I would like to express my gratitude for your steadfast support. We will continue our evolution into the horticultural lighting industry's most dominant and value-driven company.

Ali Ahmadian, VD
Heliospectra AB (publ)

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For the full report go to: <https://www.heliospectra.com/investor-relations/reports-presentations/>

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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 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 08:10 CEST / 3:10 AM CDT on Aug 23 st 2019.