



Heliospectra AB (publ)

2019

INTERIM REPORT
JANUARY – SEPTEMBER

CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

2019 presented some challenges for our sales team due to the gap in our product portfolio which is filled with introduction of innovative and high-performance platforms of MITRA and SIERA. MITRA's modular, high-efficacy design has gained a strong interest in the market and has filled a void in our current product portfolio. The pivot in our product strategy and the new product releases not only shape our future direction but ensure that Heliospectra remains the industry pioneer for horticulture lighting and controls.

In September, Heliospectra was recognized as the Lighting System of the Year 2019 at the Grow Up cultivation conference in Ontario, Canada. This award and our participation in recent horticulture tradeshows and photobiology speaking panels bolstered sales pipeline and garnered much global attention for the new MITRA series. With interest and orders building for MITRA, it is rewarding to see customers instantly recognize the value of superior performance and the flexibility of a modular form factor. MITRA in combination with our helioCORE™ light control system elevates Heliospectra above the crowd of competitors.

As we developed new product solutions this quarter to directly address market and customer needs, we also reorganized our internal team to focus on frontline sales and strengthen the company's topline growth. These restructuring initiatives included my own temporary move to Canada to establish the Heliospectra Canada office. Creation of a more focused organization across our key markets in North America drives necessary changes and creates stronger local presence. These initiatives also enable Heliospectra to develop strong strategic partnerships with global players across the industry.

While our decision to prioritize Heliospectra's product roadmap caused an anticipated drop in sales and order intake for this quarter compared to last year, the dedication of our product development team to release our new product lines has created an immediate growth trajectory for 2020 and coming sales.

Heliospectra and our hard-working team of employees are relentlessly focused on delivering business value and profitability to cultivation teams around the world as well as to you, our shareholders. As always, I thank you for your steadfast commitment to the Heliospectra vision.

Ali Ahmadian, CEO
Heliospectra AB (publ)



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 Februari 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. 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.
- Notice to attend the extra ordinary general meeting of Heliospectra AB was published 22 Februari.
- 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 regards 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.
- Ljugårda 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 remaining shares, corresponding to approximately 24 per cent of the issue, are allotted to the underwriters who, in agreement with the Company, have undertaken to subscribe for shares in the issue in relation to the commitments made. 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 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 $\mu\text{mol}/\text{J}$, 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).
- The CEO of Heliospectra, Ali Ahmadian, holds a presentation regarding the theme "Vertical Farming 2.0: How light influences the future of food" at the AVFs forum for indoor growing during the Urban Future Global Conference in Oslo May 22-24.
- Notice to Attend the Annual General Meeting of Heliospectra AB was sent May 27
- 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 onW June 27, 2019.

JULY – SEPTEMBER

- Västra Hamnen Corporate Finance commence surveillance of Heliospectra AB.
- Heliospectra continues global expansion by establishing new subsidiary company Heliospectra Japan Co., Ltd. and the opening of a new office in Tokyo, Japan, from July. Heliospectra has appointed Yasuhiro Suzuki as General Manager.
- Heliospectra announces a new order from John Innes Centre in the UK for the fully controllable ELIXIA LED light solution. Order value is SEK 2,4 million (£ 200 000).

SIGNIFICANT EVENTS AFTER THE PERIOD

- Heliospectra announces new order from Eco Canadian Organic Inc. for LED spectrum control for high-quality production of cannabis. Order value is SEK 2 million (CAD\$ 277,000).
- Heliospectra partner with Nectar Farms on MITRA LED Lighting Solutions for large scale glasshouse installation in Australia. Order value is SEK 72 million.

FINANCIAL REPORT

TSEK	JUL - SEP		JAN - SEP	
	2019	2018	2019	2018
ORDER INTAKE	4 402	7 713	22 514	38 022
NET SALES	6 002	16 963	22 746	34 287
OPERATING RESULTS	-12 202	-4 607	-33 043	-21 232
RESULT BEFORE TAX	-12 219	-4 798	-33 164	-21 273

SALES AND FINANCIAL PERFORMANCE, JANUARY – SEPTEMBER

Net sales amounted to KSEK 22 746 (34 287). The operating loss amounted to KSEK -33 043 (-21 232) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -33 043 (-21 232) or SEK -0.71 (-0.61) per share.

CASH FLOW, JANUARY – SEPTEMBER

Operating cash flow was KSEK -43 687 (-20 798). Total cash flow was KSEK 2 697 (-22 442).

SIGNIFICANT RISKS AND UNCERTAINTIES

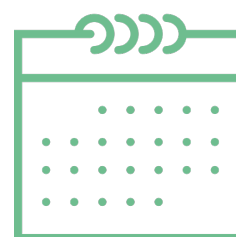
For a comprehensive – but not complete – summary of risks, we refer to Heliospectra's 2018 Annual Report <http://ir.heliospectra.com/reports-files/>.

OUTLOOK

The launch of helioCORE™ combined with the installed base of our intelligent lighting portfolio, mainly ELIXIA (formerly LX series), will create growth opportunities by generating recurring revenue. Sales effort and geographical expansion will be intensified further. The new SIERA light bar-series and newly announced MITRA-series will be a key solutions here. While the board makes no quantified predictions for 2019, its general assessment is that the company is well-positioned for accelerated sales and deliveries.

FINANCIAL CALENDAR

YEAR END REPORT 2019	2/21/2020
INTERIM REPORT JAN - MAR 2020	4/24/2020
ANNUAL REPORT 2019	4/14/2020
HALF YEAR REPORT JAN - JUN 2020	8/21/2020



Gothenburg October 25 2019,
/The Board

CONSOLIDATED INCOME STATEMENT	2019	2018	2019	2018	2018
Amounts in SEK thousand (KSEK)	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	FULL YEAR
Net Sales	6 002	16 963	22 746	34 287	45 370
Other operating income	1 009	21	1 160	590	615
	7 011	16 984	23 906	34 877	45 985
OPERATING EXPENSES					
Cost of goods sold	-3 865	-10 989	-12 935	-22 459	-30 057
Other external expenses	-4 815	-3 969	-16 696	-15 264	-22 480
Personnel expenses	-9 629	-5 966	-24 321	-16 259	-23 854
Depreciations, amortizations and impairments	-970	-675	-2 876	-1 990	-2 725
Other operating expenses	67	8	-118	-137	-120
Operating profit/loss	-12 202	-4 607	-33 043	-21 232	-33 251
Operating margin	neg	neg	neg	neg	neg
Total financial items	-18	-191	-121	-42	-52
Profit/Loss before tax	-12 219	-4 798	-33 164	-21 273	-33 303
Taxes	0	0	0	0	0
Profit/Loss after tax	-12 219	-4 798	-33 164	-21 273	-33 303

CONSOLIDATED CASH FLOW STATEMENT	2019	2018
Amounts in SEK thousand (KSEK)	JAN-SEP	JAN-SEP
Profit/Loss after financial items	-33 164	-21 273
Adjustments for items not included in the cash flow, impairment, depreciation and amortization, assets	2 999	2 170
Change in working capital	-13 521	-1 695
Operating cash flow	-43 687	-20 798
Cash flow from investing activities	-2 446	-1 194
Cash flow from financing activities	48 830	-450
Cash flow for the period	2 697	-22 442
Cash and cash equivalent at beginning of period	11 165	40 633
Cash and cash equivalents at end of period	13 863	18 191

KEY INDICATORS	2019	2019	2019	2018
	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP
Sales per share, SEK	0,13	0,48	0,49	0,98
Result per share before dilution	-0,26	-0,14	-1,06	-0,61
Result per share after dilution	-0,25	-0,13	-1,03	-0,59
Operating margin, %	neg	neg	neg	neg
EBITDA. SEK thousands	-11 232	-3 932	-30 166	-19 242
EBITDA margin, %	neg	neg	neg	neg

CONSOLIDATED BALANCE SHEET	2019-09-30	2018-12-31
Amounts in SEK thousand (KSEK)		
ASSETS		
Intangible assets	14 865	15 316
Tangible assets	1 340	1 309
Total fixed assets	16 206	16 625
Inventories	11 010	5 499
Current receivables	12 370	6 869
Cash and cash equivalents	13 863	11 165
Total current assets	37 242	23 533
Total assets	53 448	40 158
EQUITY AND LIABILITIES		
Equity	31 446	15 207
Non-current liabilities	9 350	9 800
Current liabilities	12 653	15 151
Total equity and liabilities	53 448	40 158
CHANGE IN CONSOLIDATED EQUITY	2019	2018
Amounts in SEK thousand (KSEK)		
	JAN-SEP	JAN-SEP
Opening equity	15 207	48 303
Profit/Loss for the period after tax	-33 164	-21 273
Right Issue	49 280	0
Effect of correction of errors	0	179
Exchange rate differences	123	0
Closing equity	31 446	27 209
KEY INDICATORS	2019-09-30	2018-09-30
Number of shares, thousands	46 815	35 112
Equity per share, SEK	0,67	0,77
Equity/assets ratio	59%	49%
Quick ratio	207%	173%

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 BFAR 2012:1 Annual Accounts and Consolidated Accounts (K3). The accounting policies are unchanged from the 2018 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

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 September totals SEK 4,681,543.50 split between 46,815,434 shares, each with a quota value of SEK 0.10.

Average amount of shares before dilution amounted to 31 210 290 shares. Average amount of shares after dilution amounted to 32 204 560 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 BNY-Mellon. The ADR ticker symbol on the OTC Markets OTCQB is **HLSPY**

CUSIP code for ADR: **423281104**

Certified Adviser

Redeye AB

Box 7141, 103 87 Stockholm

LIST OF OWNERS

PER 2019-09-30

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND VÄRDEPAPPER AB	10 511 914	22,45%
WELAND STÅL AB	7 734 408	16,45%
ADMA FÖRVALTNINGS AB	5 500 000	11,75%
MIDROC NEW TECHNOLOGY AB	5 363 840	11,46%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 801 719	3,85%
BANK OF NEW YORK MELLON	1 350 537	2,88%
MAGOWNY INVEST AB	454 252	0,97%
PIBA AB	386 000	0,82%
NORDNET PENSIONS FÖRSÄKRING AB	299 278	0,64%
SWEDBANK FÖRSÄKRING	295 269	0,63%
OTHER OWNERS	13 118 217	28,00%
TOTAL SUM:	46 815 434	100,0%

Total number of stock owners are approximately 5 992.

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 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 2018 Annual Report <https://www.heliospectra.com/investor-relations/reports-presentations/>. and the heliospectra website www.heliospectra.com.



Heliospectra AB (publ)



For more information, please contact:

CEO Ali Ahmadian, +46 (0)722-036344, ir@heliospectra.com

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



heliospectra