



Heliospectra AB (publ) Year End Report 2019

Gothenburg, Sweden / Toronto, Canada / Tokyo, Japan, February 21, 2020) – Heliospectra AB (publ) (OTCQB: HLSPY, First North Growth Market: HELIO), a world leader in intelligent lighting technology for greenhouse and controlled plant growth environments, presents Year End Report 2019.

SUMMARY YEAR END REPORT 2019

Orders during the period of October-December amounted to KSEK 97 334. In this amount the earlier communicated orders from Nectar Farms, 72 million SEK, and from Bridge Farm Group, 12 million SEK regarding the company's new product range MITRA, are included.

SALES AND FINANCIAL PERFORMANCE, OCTOBER – DECEMBER

Net sales amounted to KSEK 2 784 (11 083). The operating loss amounted to KSEK -18 502 (-12 020) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -18 514 (-12 030).

SALES AND FINANCIAL PERFORMANCE, JANUARY– DECEMBER

Net sales amounted to KSEK 25 530 (45 370). The operating loss amounted to KSEK -55 545 (-33 251) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -51 677 (-33 303).

CASH FLOW, JANUARY – DECEMBER

Operating cash flow was KSEK 47 559 (-25 588). Total cash flow was KSEK 43 078 (-29 468).

CEO COMMENT

The first three quarters of 2019 were dedicated to rebuilding Heliospectra's product portfolio, which came with anticipated challenges. But the re-build also brought tremendous opportunities. With the support of our shareholders and the dedication of our team, we emerged from Q4 in a growth trajectory, with strong global momentum for 2020 and the future.

We were aware that our product portfolio re-build would come with short-term risks to our order intake and sales. We did this with the full support of the board, in order to prioritize our long-term market position and leadership. In 2019 we experienced a 44% drop in sales revenue, from SEK 45,4 million in 2018 to SEK 25,5 million in 2019, as we re-evaluated our goals, changed our strategy and positioned ourselves better in the industry for the future. We were almost immediately rewarded for our efforts, when we introduced our new product line MITRA in June and received two large orders totalling SEK 84 million, which are expected to be delivered in 2020.

One of our most notable successes was a sizable MITRA order from Nectar Farms in Victoria, Australia. We had been working closely with Nectar for three years, and their ambition had always been to find a partner, not a supplier for their glass-

house projects growing tomatoes. Their values of sustainable farming and clean renewable energy match our own, and we are very happy they chose to work with us. We are a company that has been driving green technology and solutions for resource-efficient food production, and this project goes a step further by using clean electricity based on wind power.

Nectar Farms' order value is SEK 72 million, which includes a down payment of 50 percent. While the down payment was expected in Q4 2019, it will be deferred to 2020 due to a financing delay. This does not interfere with the project going forward but simply delays it for a few months.

We will continue to develop our control and automation platform, helioCORE. As growers automate and connect growing environments, Heliocore ensures they achieve consistent, high-quality crops 365 days a year. We are seeing a lot of interest in this product from customers, and we are making it more stable and user-friendly, while continuing our strategy of integrating it, as much as possible, with all the other control and automation platforms in the industry. The future is here, we have fantastic solutions, and our mandate is to gain market share this year.

Over the past two years, we had a good grip on costs, doing more with less, and now what is needed is to make our solutions available to a larger audience. Going forward, our focus will be on our frontline sales and marketing. Establishing ourselves in Canada and putting a strong team in place in North America will help us grow further. Many innovative projects, both in food and in medical cannabis, are happening in North America, so establishing a solid presence in this market has been a valuable investment of our time and effort. We want to do our products justice.

Thank you for all your steadfast support. 2020 represents a year of tremendous opportunity and global momentum.

We are relentlessly focused on delivering business value and

profitability to our customers around the world as well as to you, our shareholders. As always, I thank you for your unwavering commitment to the Heliospectra vision: to make sustainable food production available to an increasingly urbanized population.

// Ali Ahmadian

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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>.

Company HELIO is listed at Nasdaq First North Growth Market with Redeye AB as Certified Adviser: Certifiedadviser@redeye.se, +46 (0)8 121 576 90.

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 08:00CET on February 21st 2020.