



Heliospectra AB (publ)

2019

INTERIM REPORT  
JANUARY – MARCH

## CEO COMMENT

Dear Heliospectra AB (publ) Shareholder,

As part of Heliospectra's continued strategic expansion, our first quarter efforts have focused on responding to solid market-driven demands. As a result, we are advancing with organic and radical innovations in our lighting solutions and continue to invest in our market presence initiatives.

Our lighting solution innovation initiatives are concentrated on three key areas; greenhouse cultivation solutions, commercial solutions for vertical farming, and our control and automation software platform - helioCORE. These core areas are where market demand is highest and where we believe we can maintain and increase our front-line position with respect to providing our growers with fully integrated solutions. The outcome of these development projects will be reported in the coming two quarters.

With respect to expansion into new markets, this quarter we have launched Heliospectra Canada inc., based in Toronto, Ontario. We continue to build localized, professional teams that will be based closer to our customers' sites and share Heliospectra's technical prowess and horticulture expertise with growers and cultivators directly. Part of our decision to open Heliospectra Canada Inc. was to respond to growing demand from licensed producers of cannabis in Canada and address their needs for high-tech and data-driven production facilities with our intelligent and integrated lighting solutions. The legalization act by Canadian federal and provincial governments has created an industry that is expected to generate more than seven billion dollars of revenue in 2019 and considering the high demand for our holistic lighting solutions, including our helioCORE and helioCARE products, we will continue to be at the forefront of this growing Canadian marketplace.

To finance these efforts, we performed a successful rights issue resulting in a capital increase of 52,7 MSEK before deduction of transaction costs. The subscription rate was 76% whereby the guarantors Weland Group and Midroc New Technology increased their ownership positions to 39% and 11,5% respectively. Going forward, approximately 30 percent of the proceeds are intended to be used to further strengthen the Company's financial position while the remaining capital is intended to be placed against the following prioritized objectives:

- 40% of the funds will be used for strategic repositioning of the business and expand the company's addressable market and stabilize future cash flows.

This will be achieved through licensing fees of the helioCORE control system while offering customers the benefits of the technology and expertise of helioCARE.

- 20% will be used to showcase the new business model through reference cases with strategic customers, primarily in the food sector
- 10% for continued product development in vertical farming.

As to the financial result of the first quarter of 2019, the revenue intake and Gross Profit trend were on par with the result last year. Our operating results decreased by 39%, due mostly to our investment in expansion. These efforts were initiated during the third quarter of 2018.

Our objective in 2019 is to continue our growth strategy by providing undisputed market-leading quality leadership, deliver world-class customer service, and relentlessly improve business performance. With this mission firmly in mind, we believe our innovation and vision will continue to propel Heliospectra through the coming quarters.



Ali Ahmadian, VD  
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.
- Ljuskårda 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).

## SIGNIFICANT EVENTS AFTER THE PERIOD

- 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 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.

## FINANCIAL REPORT

TSEK	JANUARY - MARCH		
	2019	2018	
ORDER INTAKE	12,309	12,118	2%
NET SALES	9,657	9,374	3%
OPERATING LOSS	-9,429	-6,786	-39%
LOSS BEFORE TAX	-9,483	-6,799	-39%

### SALES AND FINANCIAL PERFORMANCE, JANUARY – MARCH

Net sales amounted to KSEK 9,657 (9,374). The operating loss amounted to KSEK -9,429 (-6,786) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -9,483 (-6,799) or SEK -0.27 (-0.19) per share.

### CASH FLOW, JANUARY – MARCH

Operating cash flow was KSEK -12,227 (-8,723). Total cash flow was KSEK -3,186 (-9,361).

## SIGNIFICANT RISKS AND UNCERTAINTIES

For a comprehensive – but not complete – summary of risks, we refer to Heliospectra's 2017 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. While the board makes no quantified predictions for 2018, its general assessment is that the company is well-positioned for accelerated sales and deliveries.

## FINANCIAL CALENDAR

ANNUAL REPORT 2018 PUBLISHED	2019-05-23
GENERAL MEETING	2019-06-13
HALF YEAR REPORT	2019-08-23
INTERIM REPORT JAN - SEP	2019-10-25

Gothenburg April 26 2019,  
The Board





<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Amounts in SEK thousand (KSEK)	JAN-MAR	JAN-MAR	JAN-DEC
Net Sales	9,657	9,374	45,370
Other operating income	0	777	615
	<b>9,657</b>	<b>10,151</b>	<b>45,985</b>
<b>OPERATING EXPENSES</b>			
Cost of goods sold	-5,352	-5,961	-30,057
Other external expenses	-6,036	-5,402	-22,480
Personnel expenses	-6,801	-4,924	-23,854
Depreciations, amortizations and impairments	-947	-650	-2,725
Other operating expenses	50	0	-120
<b>Operating profit/loss</b>	<b>-9,429</b>	<b>-6,786</b>	<b>-33,251</b>
<b>Operating margin</b>	<b>neg</b>	<b>neg</b>	<b>neg</b>
Total financial items	-54	-13	-52
<b>Profit/Loss before tax</b>	<b>-9,483</b>	<b>-6,799</b>	<b>-33,303</b>
Taxes	-	-	-
<b>Profit/Loss after tax</b>	<b>-9,483</b>	<b>-6,799</b>	<b>-33,303</b>

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Amounts in SEK thousand (KSEK)	JAN-MAR	JAN-MAR	JAN-DEC
Profit/Loss after financial items	-9,483	-6,799	-33,303
Adjustments for items not included in the cash flow, impairment, depreciation and amortization, assets	976	650	2,932
Change in working capital	-3,720	-2,574	4,783
<b>Operating cash flow</b>	<b>-12,227</b>	<b>-8,723</b>	<b>-25,588</b>
Cash flow from investing activities	-686	-538	-3,280
Cash flow from financing activities	9,727	-100	-600
<b>Cash flow for the period</b>	<b>-3,186</b>	<b>-9,361</b>	<b>-29,468</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>11,165</b>	<b>40,633</b>	<b>40,633</b>
<b>Cash and cash equivalents at end of period</b>	<b>7,979</b>	<b>31,272</b>	<b>11,165</b>

	<b>2019</b>	<b>2018</b>	<b>2018</b>
<b>KEY INDICATORS</b>	JAN-MAR	JAN-MAR	JAN-DEC
Sales per share, SEK	0.28	0.27	1.29
Earnings per share after tax, SEK	-0.27	-0.19	-0.95
Operating margin, %	neg	neg	neg
EBITDA, SEK thousands	-8,482	-6,136	-30,526
EBITDA margin, %	neg	neg	neg

<b>CONSOLIDATED BALANCE SHEET</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
Amounts in SEK thousand (KSEK)		
<b>ASSETS</b>		
Intangible assets	15,134	15,316
Tangible assets	1,242	1,320
<b>Total fixed assets</b>	<b>16,376</b>	<b>16,636</b>
Inventories	5,928	5,499
Current receivables	7,799	6,857
Cash and cash equivalents	7,979	11,165
<b>Total current assets</b>	<b>21,706</b>	<b>23,521</b>
<b>Total assets</b>	<b>38,082</b>	<b>40,157</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	5,753	15,207
Non-current liabilities	19,527	9,800
Current liabilities	12,802	15,151
<b>Total equity and liabilities</b>	<b>38,082</b>	<b>40,158</b>
<b>CHANGE IN CONSOLIDATED EQUITY</b>	<b>2019</b>	<b>2018</b>
Amounts in SEK thousand (KSEK)	JAN-MAR	JAN-MAR
Opening equity	15,207	48,303
Profit/Loss for the period after tax	-9,483	-33,303
Effect of correction of errors	-	207
Exchange rate differences	29	0
<b>Closing equity</b>	<b>5 753</b>	<b>15 207</b>
<b>KEY INDICATORS</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
Number of shares, thousands	35,112	35,112
Equity/share, SEK	0.16	0.43
Equity/assets ratio	15%	38%
Quick ratio	123%	119%



## 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 2017 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 totals SEK 3,511,157.60 split between 35,111,576 shares, each with a quota value of SEK 0.10.

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 2019-03-28

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND VÄRDEPAPPER AB	6 952 841	19.8%
WELAND STÅL AB	5 114 811	14.6%
MIDROC NEW TECHNOLOGY AB	3 547 686	10.1%
ADMA FÖRVALTNINGS AB	2 800 000	7.97%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 716 593	4,89%
BANK OF NEW YORK, W9	1 397 627	3,98%
PIBA AB	386 000	1.1%
NORDNET PENSIONS FÖRSÄKRING AB	347 584	0.99%
MAGOWNY INVEST AB	340 689	0.97%
CHRILOTTE AB	260 800	0.74%
OTHER OWNERS	12 246 945	34,9%
TOTAL SUM:	35 111 576	100,0%

Total number of stock owners is approx 6 191.

## 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%.



## ABOUT HELIOSPECTRA

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, Helio-spectra integrates customized LED spectral strategies with re-al-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. Heliospectra is the recipient of multiple international awards and recognitions.

For more information, we refer to Heliospectra's 2017 Annual Report, <http://ir.heliospectra.com/en/reports-downloads/>. 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**