



Heliospectra AB (publ)

2018

INTERIM REPORT
JANUARY - MARCH

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CEO's comments

Dear Shareholders,

I'm pleased to report to you that 2018 started strong for Heliospectra. Our industry-leading technology was selected for several milestone projects around the globe. This includes one of the top 5 largest LED horticultural light system installations for medicinal crops, and one of the world's most prestigious botanical gardens – Kew Royal Botanical Gardens.

Our Company continues to execute against every aspect of our 2018 business plan from revenue growth to capital and operational cost containment. This is evidenced by the 140 percent improvement in recognized revenue versus the year-ago period. Order intake increased by 31 percent, which is indicative of larger transaction sizes. Additionally, we achieved a bottom-line gain of 35 percent by improving both our market competitiveness and operational efficiency. While increased order size can lead to margin compression, we have offset this with improved economies of scale and manufacturing efficiencies.

Our customer collaborations, including those with HelioCORE™ control system beta program participants, produced the outstanding results we projected. For example, the John Innes Centre, an esteemed plant science institution in the UK, bred food staple crops 57 percent faster through our system's demonstrated ability to accelerate harvests compared to any other lighting product. Additionally, a leading Canadian microgreens producer is reporting summer season crop yields and quality while using energy in the most efficient manner. Our HelioCORE™ system adjusts light output based on natural light conditions and energy prices to use only the energy



required for optimal light levels and minimal costs year-round. After a successful beta period, we are pleased to announce the general availability of the HelioCORE™ system.

We are moving through the first half of the year at a strong clip that will accelerate. Through 2018, you'll appreciate our focus on improving operational performance to strengthen these essential Heliospectra market differentiators: expand undisputed quality leadership, deliver world-class customer service, and relentlessly improve business performance. With this mission firmly in mind, I thank both my team and you, our shareholders, for your steadfast commitment to the Heliospectra vision.

Ali Ahmadian, CEO
Heliospectra AB (publ)

Important events

JANUARY – MARCH

- Canadian cannabis facility deploy Heliospectra LED grow lights for for a customer building a high-performance medicinal cannabis cultivation facility in Eastern Canada. The order for the Heliospectra LX60 intelligent LED lighting solution is valued at SEK 5,488,411 (USD \$651,200).
- Heliospectra showcased the company's intelligent lighting solutions, technical services, and new HeliocORE™ light control system at IPM Essen and Fruit Logistica in Berlin.
- AcquiFlow, a value-added reseller, selects Heliospectra Intelligent LED Lighting Solutions to scale cannabis cultivation facilities for leading Canadian licensed producer. The order value is 524 307 SEK (USD \$63,547).
- Griffin Greenhouse Supplies, a value-added reseller, secures a large order for Heliospectra LED Lighting Solutions. The order is for the E60 C plate full spectrum series LED grow lights and goes to a New England cannabis cultivation facility. The order value is SEK 5.8 million (USD \$698,000).
- Iconic Kew Royal Botanic Gardens retrofits greenhouse with Heliospectra intelligent LED lighting solutions. The new lights will be retrofitted in The Tropical Nursery with the aim to improve plant quality using a more environmentally-friendly lighting solution. The order value is SEK 1.7 million (£ 150,000).

Financial report, January–March

| SEK THOUSAND | January – March | | % |
|-----------------|-----------------|---------|------|
| | 2018 | 2017 | |
| Order intake | 12 118 | 9 251 | 31% |
| Net sales | 9 374 | 3 913 | 140% |
| Operating loss | -6 785 | -10 417 | 35% |
| Loss before tax | -6 799 | -10 449 | 35% |

TURNOVER AND PROFIT/LOSS

Net turnover totalled SEK 9 374 (3 913) thousand. The operating profit/loss totalled SEK -6 785 (-10 417) thousand, representing a negative operating margin (neg). The profit/loss before tax was SEK -6 799 (-10 449) thousand or SEK -0,19 (-0,3) per share.

CASH FLOW

Operating cash flow was SEK -8 723 (-9 336) thousand. Total cash flow was SEK -9 361 (-9 753) thousand.

Significant risks and uncertainties

For a comprehensive, though not exhaustive summary of risks, please refer to Heliospectra's prospectus "Invitation to subscribe to shares, November 2016", <http://ir.heliospectra.com/en/market-share/> and the Annual Report 2016, <http://ir.heliospectra.com/en/reports-downloads/>.

Events since the end of the period

- Heliospectra AB appoints Magnus Svensson as New Chief Financial officer (CFO), effective May 2nd 2018.
- Griffin Greenhouse Supplies expands controlled environments Agriculture installation of Heliospectra LED lighting solutions with a second order for the E60 C plate full-spectrum series LED grow lights. The order value is SEK 4.6 million (USD \$549,000).
- Griffin Greenhouse Supplies and the New England controlled environments agriculture installation standardize on Heliospectra LED Lighting with third order for the E60 C plate full-spectrum series LED grow lights. The order value is SEK 5.7 million (USD \$686,510).
- Heliospectra officially launches HelioCORE[™] as the new light control system becomes available for order.

Outlook

The launch of HelioCore combined with the installed base of our intelligent lighting portfolio, mainly 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.

Upcoming reporting dates

- | | |
|-----------------------------|------------|
| • Annual General Meeting | 14/06/2018 |
| • Half-year report, Jan–Jun | 24/08/2018 |
| • Interim report, Jan–Sep | 26/10/2018 |
| • Year End Report 2018 | 22/02/2019 |

Gothenburg April 27 2018,
 Ali Ahmadian, CEO
 Heliospectra AB (publ)



Heliospectra AB (publ)



| Consolidated income statement | 2018 | 2017 | 2017 |
|--------------------------------------|---------------|----------------|----------------|
| Amounts in thousand kronor (SEK) | jan-mar | jan-mar | jan-dec |
| Net turnover | 9 374 | 3 913 | 36 039 |
| Other operating income | 777 | 75 | 729 |
| | 10 151 | 3 988 | 36 768 |
| Operating expenses | | | |
| Commodities | -5 961 | -2 484 | -22 347 |
| Other external costs | -5 402 | -6 189 | -23 715 |
| Staffing costs | -4 924 | -4 644 | -19 476 |
| Depreciation and amortisation | -650 | -1 088 | -4 319 |
| | -6 786 | -10 417 | -33 089 |
| Operating profit/loss | neg | neg | neg |
| Operating margin | | | |
| Total financial items | -13 | -32 | -82 |
| Profit/loss before tax | -6 799 | -10 449 | -33 171 |
| Tax | | | |
| Profit/loss after tax | -6 799 | -10 449 | -33 171 |

| Consolidated cash flow statement | 2018 | 2017 | 2017 |
|---|---------------|---------------|----------------|
| Amounts in thousand kronor (SEK) | jan-mar | jan-mar | jan-dec |
| Cash flow before change in working capital | -6 149 | -9 361 | -28 852 |
| Change in working capital | -2 574 | 25 | -659 |
| Operating cash flow | -8 723 | -9 336 | -29 511 |
| Cash flow from investing activities | -538 | -367 | -2 296 |
| Cash flow from financing activities | -100 | -50 | -500 |
| Cash flow for the period | -9 361 | -9 753 | -32 307 |
| Cash and cash equivalents at beginning of period | 40 633 | 72 940 | 72 940 |
| Cash and cash equivalents at end of period | 31 272 | 63 187 | 40 633 |

| Key ratios | 2018 | 2017 | 2017 |
|--------------------------------------|-------------|-------------|-------------|
| | jan-mar | jan-mar | jan-dec |
| Profit/loss per share after tax, SEK | -0,19 | -0,30 | -0,94 |
| Operating margin, % | neg | neg | neg |
| EBITDA, SEK thousand | -6 136 | -9 329 | -28 770 |
| EBITDA margin, % | neg | neg | neg |



| Consolidated balance sheet | 2018-03-31 | 2017-03-31 | 2017-12-31 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Amounts in thousand kronor (SEK) | | | |
| Assets | | | |
| Intangible assets | 14 881 | 15 983 | 14 934 |
| Tangible assets | 1 089 | 1 451 | 1 148 |
| Financial assets | | | |
| Total fixed assets | 15 970 | 17 434 | 16 082 |
| Stock held | 6 727 | 8 927 | 7 589 |
| Current receivables | 5 691 | 4 663 | 10 021 |
| Cash and bank | 31 272 | 63 187 | 40 633 |
| Total current assets | 43 690 | 76 777 | 58 243 |
| Total assets | 59 660 | 94 211 | 74 325 |
| Equity and liabilities | | | |
| Equity | 41 504 | 71 025 | 48 303 |
| Long-term liabilities | 10 300 | 10 900 | 10 400 |
| Current liabilities | 7 856 | 12 286 | 15 622 |
| Total equity and liabilities | 59 660 | 94 211 | 74 325 |

| Changes in consolidated equity | 2018 | 2017 | 2017 |
|---------------------------------------|---------------|---------------|---------------|
| Amounts in thousand kronor (SEK) | jan-mar | jan-mar | jan-dec |
| Opening equity | 48 303 | 81 474 | 81 474 |
| Profit/loss for the period after tax | -6 799 | -10 449 | -33 171 |
| New share issue | | | |
| Share premium reserve | | | |
| Closing equity | 41 504 | 71 025 | 48 303 |

| Key ratios | 2018-03-31 | 2017-03-31 | 2017-12-31 |
|-----------------------------|-------------------|-------------------|-------------------|
| Number of shares, thousands | 35 112 | 35 112 | 35 112 |
| Equity/share, SEK | 1 | 2 | 1 |
| Equity/assets ratio | 70% | 75% | 65% |
| Liquidity | 471% | 552% | 324% |

Accounting policies and notes

This interim report was prepared in accordance with NASDAQ OMX Stockholm's "Guidelines for preparing interim management statements". The accounting policies remain unchanged compared with those applied in the annual report for 2016 and described in the aforementioned annual report. Unless otherwise specified, all amounts are reported in thousand Swedish kronor (SEK).

Definitions

PROFIT/LOSS PER SHARE AFTER TAX

Profit/loss after tax in relation to number of shares

OPERATING MARGIN

Operating profit/loss in relation to total turnover

EBITDA MARGIN

EBITDA in relation to total turnover

EQUITY/ASSETS RATIO

Equity in relation to total assets

EBITDA

Operating profit/loss excl. depreciation and amortisation

EQUITY/SHARE

Equity in relation to number of shares

LIQUIDITY

Current receivables plus cash and cash equivalents in relation to current liabilities

Certified Adviser

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Heliospectra in brief

Heliospectra (publ – listed on Nasdaq OMX First North) was founded in 2006 and specialises in intelligent lighting technology for plant research and greenhouse cultivation. With over 10 years of research and development, Heliospectra's products are based on in-depth knowledge of plant physiology and photosynthesis, together with a unique method of assimilating modern LED technology.

The company has raised approximately USD 33 million in equity and has received over USD 2.6 million through academic grants. Heliospectra has also received numerous awards for its forward-thinking technology. For further information, please refer to Heliospectra's "Invitation to subscribe to shares, November 2016", <http://ir.heliospectra.com/en/market-share/> and the Annual Report 2015, <http://ir.heliospectra.com/en/reports-downloads/>



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

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