



Heliospectra AB (publ)  
**2019**  
HALF-YEAR REPORT  
JANUARY – JUNE

## 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)



## SIGNIFICANT EVENTS

### JANUARY – MARCH

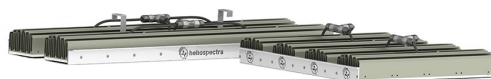
- Heliospectra's helioCORE™ light control system recognized by the American Society of Agricultural and Biological Engineers with a 2019 AE50 Award.
- Heliospectra's technical services portfolio re-branded under helioCARE™.
- Leading European Research Facility Invest in Heliospectra's LED Lighting Solutions. 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.
- Ljusgårda 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 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  $\mu\text{mol}/\text{J}$ , 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).
- 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.



## FINANCIAL REPORT

TSEK	JANUARY - JUNE		
	2019	2018	
ORDER INTAKE	18 111	30 309	-40%
NET SALES	16 744	17 324	-3%
OPERATING RESULT	-20 842	-16 625	-25%
RESULT BEFORE TAX	-20 945	-16 476	-27%

### SALES AND FINANCIAL PERFORMANCE, JANUARY – JUNE

Net sales amounted to KSEK 16,744 (17,324). The operating loss amounted to KSEK -20,842 (-16,625) KSEK, signifying a negative operating margin (neg). The loss after tax was KSEK -20,945 (-16,476) or SEK -0.45 (-0.47) per share.

### CASH FLOW, JANUARY – JUNE

Operating cash flow was KSEK -30,143 (-13,276). Total cash flow was KSEK -17,879 (-14,513).

## 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

INTERIM REPORT JAN - SEP	2019-10-25
YEAR END REPORT 2019	2020-02-21

Gothenburg August 23 2019,

/The Board



<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Amounts in SEK thousand (KSEK)	JAN-JUN	JAN-JUN	JAN-DEC
Net Sales	16 744	17 324	45,370
Other operating income	151	569	615
	<b>16 894</b>	<b>17 893</b>	<b>45,985</b>
<b>OPERATING EXPENSES</b>			
Cost of goods sold	-9 071	-11 470	-30,057
Other external expenses	-11 881	-11 295	-22,480
Personnel expenses	-14 692	-10 293	-23,854
Depreciations, amortizations and impairments	-1 906	-1 315	-2,725
Other operating expenses	-185	-145	-120
<b>Operating profit/loss</b>	<b>-20 842</b>	<b>-16 625</b>	<b>-33,251</b>
<b>Operating margin</b>	<b>neg</b>	<b>neg</b>	<b>neg</b>
Total financial items	-104	149	-52
<b>Profit/Loss before tax</b>	<b>-20 945</b>	<b>-16 476</b>	<b>-33,303</b>
Taxes	-	-	-
<b>Profit/Loss after tax</b>	<b>-20 945</b>	<b>-16 476</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-JUN	JAN-JUN	JAN-DEC
Profit/Loss after financial items	-20 945	-16 476	-33,303
Adjustments for items not included in the cash flow, impairment, depreciation and amortization, assets	1 984	1 504	2,944
Change in working capital	-11 181	1 696	4,771
<b>Operating cash flow</b>	<b>-30 143</b>	<b>-13 276</b>	<b>-25,588</b>
Cash flow from investing activities	-1 166	-937	-3,280
Cash flow from financing activities	49 188	-300	-600
<b>Cash flow for the period</b>	<b>17 879</b>	<b>-14 513</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>29 044</b>	<b>26 120</b>	<b>11,165</b>
<b>KEY INDICATORS</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	JAN-JUN	JAN-JUN	JAN-DEC
Sales per share, SEK	0,36	0,49	1.29
Earnings per share after tax, SEK	-0,45	-0,47	-0.95
Operating margin, %	neg	neg	neg
EBITDA, SEK thousands	-18 935	-15 310	-30,526
EBITDA margin, %	neg	neg	neg

CONSOLIDATED BALANCE SHEET	2019-06-30	2018-06-30
Amounts in SEK thousand (KSEK)		
<b>ASSETS</b>		
Intangible assets	14 668	14 731
Tangible assets	1 229	973
<b>Total fixed assets</b>	<b>15 896</b>	<b>15 704</b>
Inventories	11 939	9 985
Current receivables	12 817	8 908
Cash and cash equivalents	29 044	26 120
<b>Total current assets</b>	<b>53 800</b>	<b>45 013</b>
<b>Total assets</b>	<b>69 697</b>	<b>60 717</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	43 776	32 016
Non-current liabilities	9 550	10 100
Current liabilities	16 371	18 601
<b>Total equity and liabilities</b>	<b>69 697</b>	<b>60 717</b>
<b>CHANGE IN CONSOLIDATED EQUITY</b>		
Amounts in SEK thousand (KSEK)		
Opening equity	15 207	48 303
Profit/Loss for the period after tax	-20 945	-16 476
Right Issue	49 438	-
Effect of correction of errors	-	189
Exchange rate differences	76	-
<b>Closing equity</b>	<b>43 776</b>	<b>32 016</b>
<b>KEY INDICATORS</b>		
Number of shares, thousands	46 815	35 112
Equity/share, SEK	0,94	0,91
Equity/assets ratio	63%	53%
Quick ratio	256%	188%

## 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 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 totals SEK 4,681,543.50 split between 46,815,434 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 2019-07-31

STOCK OWNER	NR OF STOCK	PERCENTAGE
WELAND VÄRDEPAPPER AB	10 511 914	22.5%
WELAND STÅL AB	7 734 408	16,5%
MIDROC NEW TECHNOLOGY AB	5 363 840	11.5%
ADMA FÖRVALTNINGS AB	5 000 000	10,7%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 826 576	3,9%
BANK OF NEW YORK MELLON	1 348 350	2,9%
MAGOWNY INVEST AB	454 252	1%
PIBA AB	386 000	0,8%
NORDNET PENSIONS FÖRSÄKRING AB	349 217	0.7%
CHRILLOTTE AB	260 800	0.6%
OTHER OWNERS	13 580 077	29%
<b>TOTAL SUM:</b>	<b>46 815 434</b>	<b>100,0%</b>

Total number of stock owners is approx 8,570.

## 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 I KORTHET

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