

Heliospectra AB (publ) Interim Management Statement January - September 2018

(GOTHENBURG, Sweden/SAN FRANCISCO, CA, October 26th, 2018) –

Heliospectra AB (publ) (OTCQB: HLSPY, FIRSTNORTH: HELIO), a world leader in intelligent lighting technology for controlled environments horticulture, today present their Interim Management Statement for January to September 2018.

Turnover and Profit/Loss January - September

TSEK	JANUARY - SEPTEMBER		
	2018	2017	
ORDER INTAKE	38,022	28,082	35%
NET SALES	34,287	19,550	75%
OPERATING LOSS	-21,231	-25,611	17%
LOSS BEFORE TAX	-21,273	-25,701	17%

- Order intake amounted to SEK 38,022 (28,082) thousand
- Net sales amounted to SEK 34,287 (19,550) thousand
- Operating profit/loss amounted to SEK -21,231(-25,611) thousand
- Profit/loss after tax was SEK -21,273 (-25,701) thousand or SEK -0,61 (-0,73) per share

Significant 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 5.5 million (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 524 000 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).

APRIL - JUNE

- 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.
- 5 Leters DOO secures order for Heliospectra LED Lighting. The order is for additional E60 series LED grow lights as the company scales medicinal cannabis cultivation in Resen, Macedonia. The order value is SEK 1.5 million (USD \$179,760).
- ABB and Heliospectra AB join forces in the Middle East and Africa. The companies are joining forces to explore innovative solutions that will boost the productivity and the sustainability of greenhouse and controlled environment agriculture produce industry in the Middle East and Africa.
- Heliospectra AB to introduce next generation lightbar at GreenTech Amsterdam.

- 5 Leters DOO Facility Scales with Heliospectra lighting solutions. The second order is for additional E60 series LED grow lights as the company scales medicinal cannabis cultivation in Resen, Macedonia. The order value is SEK 1.5 million (USD \$184,560).
- Macedonian Cultivation Facility Standardize on Heliospectra LED Technology. The order is for Heliospectra's E60 and LX60 LED grow lights and valued at SEK 3.7 million (\$432,643 USD).
- Heliospectra annual meeting was held on June 14 2018. Staffan Gunnarsson was appointed new director and Jens Helgesson was elected new deputy director.

JULY - SEPTEMBER

- Heliospectra features helioCORE™ light control system and new series of lightbars at Cultivate'18 in Columbus, Ohio.
- Heliospectra AB expands executive team with Vice President, Sales and Marketing and Vice President, Technical Services. Hanna Rüdél as Vice President, Technical Services and Thorbjörn Leu as Vice President, Sales and Marketing, effective August 2018.
- Ljusgård AB Invests in Heliospectra's innovative LED lighting solutions. The company, located in Tibro, Sweden, focuses on sustainable, eco-conscious vertical farming with the goal to produce high-quality vegetables year-round. The order is for Heliospectra's fully adjustable ELIXIA LED lighting solution and the order value is SEK 1.3 million (\$ 143,552).
- 5 Leters DOO in Macedonia expands their facility and places an additional order on Heliospectra's EOS series LED grow lights. The order value is SEK 1.6 million (USD \$ 179,760).
- Australian cannabis researcher and producer invests in Heliospectra's innovative LED lighting solutions. The order is for Heliospectra's fully adjustable ELIXIA LED lighting solution and the order is valued at SEK 660,000 (\$ 78,000).
- King Abdullah University of Science and Technology (KAUST), a private international graduate-level institution located on the Red Sea, chooses Heliospectra for new speed breeding project. The order is valued is SEK 540,000 (\$ 58,700).
- Danish company Cannabis Pharm automates their growth environment with Heliospectra's intelligent LED lighting and helioCORE™ control software. The order value is SEK 1.4 million (USD \$ 154,000).

A Word From the CEO

Dear shareholders of Heliospectra AB (publ),

The Heliospectra team's accomplishments in the last several quarters demonstrate our ability to achieve projected growth metrics while we execute in parallel on strategic objectives. Including major product releases and technical collaborations.

During the first nine months of 2018, our global team delivered sales growth in all markets and deployed new revenue streams with the subscription-based helioCORE™ product. Our Technical Services are meeting with strong early market traction. Customers share with me their appreciation of the crop and lighting expertise we supply when helping them make informed lighting decisions and in ensuring that they achieve optimal results with their Heliospectra systems.

We further accelerated the value-driven innovation for which we are globally recognized by extending our newest product, the SIERA lightbar series, into an integrated vertical farming solution. With this initiative, we are proactively responding to demand generated from urbanization and population growth as well as policies driving economic diversification and resource conservation. We're pleased that this vertical farming system, the result of our first collaboration with ABB, will achieve outstanding measurable results for our customers. For example, the integrated system reduces water consumption by 98% vs. conventional methods. Additionally, it significantly reduces the capital expenditure associated with historical vertical farming models. Eliminating a previous economic barrier to this resource-efficient farming method.

Together with ABB, we conducted a series of technical and commercial workshops to explore opportunities to develop our technology platform. Our focus is on solving key customer challenges, and power grid limitations are one such example. By partnering with ABB to provide electrification solutions, we can deliver a fully integrated system design and installation to our customers operating in the commercial greenhouse, indoor growing, and vertical farming segments. This exciting development expands the uniqueness of the Heliospectra value proposition in the horticulture industry.

In this milestone quarter, we also welcomed aboard two highly experienced executive team members, Hanna Rüdél and Thorbjörn Leu. Thorbjörn is responsible for growing global sales and top-line revenue; Hanna's complementary role is focused on shaping an internal organization for Heliospectra Technical Services and strengthening the overall service offering for our global customers. These vital additions to our management team reflect and support our Company's continued growth.

We achieved record-breaking year-over-year sales growth of 75% and continued to grow our order intake by 35%. As our company develops, we consciously work with and attract larger customers. This requires us to be equipped with suppliers that can deliver higher volumes with greater efficiency. Now in Q4, we are finalizing our transition to a Northern Europe based tier one contract manufacturer, providing highly scalable capacity in Sweden. Naturally a change of this critical nature takes time to execute fully with the high degree of quality to avoid delays and making it seamless to our customers.

A review of our Company's performance track record demonstrates that we are making carefully considered advancements to stay true to our customer-first values of best-in-class innovation, service and quality. Our proven strategy will deliver ever-greater value and lasting returns to our customers and shareholders. As always, I thank you for your support.

Ali Ahmadian, CEO

Heliospectra AB (publ)

For the full report go to: <http://ir.heliospectra.com/en/reports-downloads/>

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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>.

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 08:20 CEST / 3:20 AM CDT on October 26th 2018.