

Heliospectra AB (publ) Interim Management Statement January – March 2019

GOTHENBURG, Sweden/SAN FRANCISCO, CA, April 26th, 2019 –

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 March 2019.

Turnover and Profit/Loss January – March

Order intake amounted to SEK 12,309 (12,118) thousand

Net sales amounted to SEK 9,657 (9,374) thousand

Operating profit/loss amounted to SEK -9,429 (-6,786) thousand

Profit/loss after tax was SEK -9,483 (-6,799) thousand or SEK -0.27 (-0.19) per share

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%

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.
- 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 regard 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.
- Ljusgård 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 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.

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 frontline 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)

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 was submitted for publication, through the agency of the contact person set out above, at 08:00 CEST / 1 AM CDT on April 26th 2019.