



heliospectra™



Heliospectra AB (publ)

2017

INTERIM REPORT
JANUARY - MARCH

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CEO's comments

Full Focus on Commercialization

It is with great pleasure and confidence that I present my first quarterly report as CEO with Heliospectra. Heliospectra's lighting solutions have been refined through years of research and development and have proven their value to our customers. I am now looking forward to applying my experience in international business to take Heliospectra to the next level and, together with my team, build a global leader of lighting solutions for controlled plant growth environments. During my initial time as CEO, we have taken the first steps in formalizing a proactive corporate culture with clear strategy, structure, and goals.

In the first quarter of 2017 we focused on the full commercialization of our lighting solutions, while at the same time enhancing the company's position. To achieve this, we have drawn up a new strategic plan and have also rationalised and re-prioritised our activities. In Q1 a new internal organisation was created with clear goals for each role in the areas of Sales, Marketing and Supply Chain Management. We also created a product management department and introduced a new Product Manager into the organization to support our strategic goals and to further build on our robust product platform. Heliospectra's products provide growers with a sustainable, reliable lighting solution based on high quality, which will always be a strong competitive advantage and principal for further product development.

We had a slow start in sales in Q1 2017, bearing in mind our high ambitions for this year's financial results. However, the order value increased during the period by 40% compared to the same period in 2016. We also strengthened the pipeline for larger order intake in the food production sector, which is in line with the streamlined strategy and our enhanced focus on commercial greenhouses. These kinds of projects do, however, have a longer sales cycle

than small and medium-sized projects, although the orders and volumes are generally bigger. Moreover, Heliospectra exhibited at two trade fairs – IPM Essen in Germany and Cannabis 2017 Cultivation in the USA – where important contacts were made.

Heliospectra is a global company with a product that is in demand in all markets. This was noticeable not least from the press releases published in the first quarter announcing major contracts with customers in Canada, Australia, Macedonia and Hawaii to a value of close to MUSD 0,7 (MSEK 6,5). Whether the aim is to supplement natural light in a greenhouse or to equip a facility for indoor cultivation, intense, high-quality light and enhanced control of the plant growth environment is a competitive advantage for all growers.

All in all, I am satisfied with the progress made by Heliospectra during Q1, the changes initiated, and the large steps the organisation has taken to build strong foundations for future market expansion in several geographical regions and market segments.

Ali Ahmadian, CEO
Heliospectra AB (publ)



Important events

JANUARY – MARCH

- Heliospectra appoints Ali Ahmadian as new CEO. Departing CEO Staffan Hillberg will continue to be involved as an advisor to Heliospectra.
- Heliospectra makes presentation on the Cannabis Investor Webcast on 26 January 2017.
- Heliospectra number 42 in Deloitte Global's 2016 Technology Fast 500™ EMEA List of the fastest-growing companies.
- TCG Retro Market 1 LLC has chosen to invest in Heliospectra's intelligent LED lighting. In total products to a value of SEK 2.5 million (USD 302,000) will be installed at the beginning of 2017.
- Heliospectra has been chosen as a finalist in the third edition of the Sapphire Awards in the "Horticulture Lighting" category.
- Mak North America will be opening the first licensed cannabis farm for medical purposes in Macedonia. Mak North has chosen to standardise the new facility with Heliospectra LED lighting at an initial value of SEK 1.27 million (USD 143,034).
- Heliospectra has appointed Redeye AB to be the new Certified Adviser for Nasdaq First North as of 1 March 2017.
- The University of Sydney's Centre of Carbon, Water and Food has chosen to invest in Heliospectra's intelligent LED lighting to a value of SEK 823,601 (USD 90,800).
- Canada's Island Garden Inc., a licensed medical cannabis farm on Prince Edward Island in Canada, has decided to invest in Heliospectra's intelligent LED lighting to a value of SEK 1,871,186 (USD 208,368). This is the second purchase for this customer following an extensive trial period.

Financial report, January–March

TURNOVER AND PROFIT/LOSS

Net turnover totalled SEK 3,913 (4,753) thousand. The operating profit/loss totalled SEK -10,417 (-9,038) thousand, representing a negative operating margin (neg). The profit/loss after tax was SEK -10,449 (-9,079) thousand or SEK -0.3 (-0.5) per share.

CASH FLOW

Operating cash flow was SEK -9,336 (-10,634) thousand. Total cash flow was SEK -9,753 (-11,734) 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 2015, <http://ir.heliospectra.com/en/reports-downloads/>.

Events since the end of the period

Future prospects

The company is now starting to reap the rewards of the extensive sales campaign which began at the launch of the LX60 series. Sales work will be further intensified. The Board does not present a quantified forecast for 2017, but believes that overall the company is well positioned for an acceleration of both sales and deliveries.

Upcoming reporting dates

- | | |
|-----------------------------|------------|
| • Annual General Meeting | 14/06/2017 |
| • Half-year report, Jan–Jun | 25/08/2017 |
| • Interim report, Jan–Sep | 27/10/2017 |
| • Year End Report 2017 | 23/02/2018 |

Gothenburg April 28 2017,
Ali Ahmadian, CEO
Heliospectra AB (publ)



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Consolidated income statement	2017	2016	2016
Amounts in thousand kronor (SEK)	Jan-Mar	Jan-Mar	Jan-Dec
Net turnover	3 913	4 753	23 053
Other operating income	75	483	3 189
	3 988	5 236	26 242
Operating expenses			
Commodities	-2 484	-3 375	-15 763
Other external costs	-6 189	-5 904	-30 778
Staffing costs	-4 644	-3 935	-18 147
Depreciation and amortisation	-1 088	-1 060	-4 338
Operating profit/loss	-10 417	-9 038	-42 784
Operating margin	neg.	neg.	neg.
Total financial items	-32	-41	-2 979
Profit/loss before tax	-10 449	-9 079	-45 763
Tax			
Profit/loss after tax	-10 449	-9 079	-45 763

Consolidated cash flow statement	2017	2016	2016
Amounts in thousand kronor (SEK)	Jan-Mar	Jan-Mar	Jan-Dec
Cash flow before change in working capital	-9 361	-8 019	-41 425
Change in working capital	25	-2 615	2 048
Operating cash flow	-9 336	-10 634	-39 377
Cash flow from investing activities	-367	-1 050	-5 121
Cash flow from financing activities	-50	-50	98 590
Cash flow for the period	-9 753	-11 734	54 092
Cash and cash equivalents at beginning of period	72 940	18 848	18 848
Cash and cash equivalents at end of period	63 187	7 114	72 940

Key ratios	2017	2016	2016
	Jan-Mar	Jan-Mar	Jan-Dec
Profit/loss per share after tax, SEK	-0,30	-0,49	-1,30
Operating margin, %	neg.	neg.	neg.
EBITDA, SEK thousand	-9 329	-7 978	-38 446
EBITDA margin, %	neg.	neg.	neg.



Consolidated balance sheet	31/03/2017	31/03/2016	31/12/2016
Amounts in thousand kronor (SEK)			
Assets			
Intangible assets	15 983	16 106	16 519
Tangible assets	1 451	1 622	1 586
Financial assets			
Total fixed assets	17 434	17 728	18 105
Stock held	8 927	6 282	8 178
Current receivables	4 663	7 352	6 000
Cash and bank	63 187	7 114	72 940
Total current assets	76 777	20 748	87 118
Total assets	94 211	38 476	105 223
Equity and liabilities			
Equity	71 025	19 068	81 474
Long-term liabilities	10 900	11 400	10 900
Current liabilities	12 286	8 008	12 849
Total equity and liabilities	94 211	38 476	105 223

Changes in consolidated equity	2017	2016	2016
Amounts in thousand kronor (SEK)	Jan-Mar	Jan-Mar	Jan-Dec
Opening equity	81 474	28 147	28 147
Profit/loss for the period after tax	-10 449	-9 079	-45 763
New share issue			1 649
Share premium reserve			97 441
Closing equity	71 025	19 068	81 474

Key ratios	31/03/2017	31/03/2016	31/12/2016
Number of shares, thousands	35 112	18 622	35 112
Equity/share, SEK	2	1	2
Equity/assets ratio	75%	50%	77%
Liquidity	552%	208%	614%



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 2015 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

Redeye AB
Box 7141
103 87 Stockholm



Heliospectra AB (publ)



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.

For further information, please contact:

CEO Ali Ahmadian, +46 (0)722-036344, ali.ahmadian@heliospectra.com

Chairman of the Board Andreas Gunnarsson, +46 (0)702-040945, andreas.gunnarsson@midroc.se

CFO Håkan Bengtsson, +46 (0)705-558902, hakan.bengtsson@heliospectra.com



heliospectra

Heliospectra AB (publ)

Org. nr 556695-2205
Box 5401
SE-402 29 Gothenburg

Phone: +46 (0)31 - 40 67 10
www.heliospectra.com

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