heliospectra

Heliospectra AB (publ)

Interim management statement January – March 2015

Heliospectra AB (publ)
Reg. No. 556695-2205
Box 5401
SE-402 29 Gothenburg
Phone: +46 (0)31 - 40 67 10
www.heliospectra.com

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CEO's comments:

Slowly but surely, the investment into sales and marketing of our new LX60 product is beginning to gain momentum. During 2014, the company had a turnover of SEK 3.1 million and in Q1 this year, we have already turned over SEK 2.1 million.

It is important to remember that the sale of sophisticated systems takes time as we focus on larger customers who perform more thorough assessments. A grower who is investing in a new system needs to undertake practical testing during several growing batches and sometimes over several seasons. Simpler plants like lettuce take about a month whereas medicinal plants can take up to four months. The results must then be evaluated.

Therefore, we have our systems out with growers, both in Europe and in North America and we spend a lot of time and resources on our potential customers. In January, we saw the result of this work when a North American grower of medicinal plants placed a follow-up order of about SEK 1 million.

One of the significant differences between Heliospectra and other products on the market is that we sell a system. The system is made up of an advanced controllable lamp to which we then add sensors and software. This means that we build up an established base of customers to whom we can then sell more and create a lucrative repeat business model. The customer's largest investment is of course the lamps in which the greatest cost is the hardware. With the lamp alone, the customer gains a number of benefits such as energy savings, quality improvements etc. We can then offer the customer further improvements for a lower cost, as at that stage it's more about pure software. Heliospectra develops all its software in-house and for any partnership work we do, for example with Chalmers, we own all the rights.

Heliospectra is careful to protect as many of our intellectual property rights as we can, employing a patent strategy that we have drawn up together with our advisors Prospero and Awapatent. This means that we apply for patents where this is relevant but that we sometimes choose not patent things such as algoritms as we want to keep these completely secret.

As already stated, the company is well positioned. We have great staff, finished products with a good reputation on the market, strong main owners and a fast-growing market.

Staffan Hillberg, CEO
Heliospectra AB

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Important events January – March

- Heliospectra received an order to the value of approx. SEK 1 million from an existing customer for the cultivation of medicinal plants.
- The company secured loan financing to compensate for the negative cash flow.
- Heliospectra has engaged Viridian Capital & Research in North America for financing and management consultancy.
- Exceptional results for Gothenburg botanical garden using Heliospectra's new LX60
- At an extraordinary general meeting, the board got the approval for a new issue of shares and/or subscription rights.

Financial Report January – March

Turnover and profit/loss

Net turnover was SEK 2,126,000 (1,354,000) Operating profit/loss was SEK -6,066,000 (-3,766,000), involving a negative operating margin (neg). Profit/loss after tax was, SEK-6,149,000 (-3,766,000) or SEK 0 (-434) per share.

Cash flow

Operating cash flow was SEK -8,990,000 (-3,028,000). Total cash flow was SEK 8,307,000 (3,092,000). During Q1, Heliospectra secured loan financing to compensate for the negative cash flow. Additional loan financing of a total of SEK 18,000,000 made up of Almi Business loan with a term of 5 years, SEK 3,000,000 and a bridging loan from Weland AB with a repayment on 31/10/2015 of SEK 15,000,000.

Significant risks and uncertainties

- For a comprehensive, though not exhaustive summary of risks, please refer to Heliospectra's prospectus April/May 2014, pages 9–12,http://ir.heliospectra.com/aktien/prospekt .

Events after the period

- Viridian Capital & Research publishes a report on Heliospectra

Future prospects

The upcoming period will focus on the sales and marketing side. We have secured a supply capacity which can respond to considerable volumes on the priority markets in Europe and in particular North America. Alongside our direct sales, we are furthering the co-operation with several strategic partners by building up an international distribution and reseller network. The board does not present a qualified forecast for 2015 but overall, the company is well positioned for accelerated sales.

Upcoming reporting dates

- Annual General Meeting 5/6/2015
- Half-year report January–June 31/8/2015
- Quarterly report July–September 26/10/2015
- Financial statement bulletin 2015 26/02/2016

Gothenburg, 30 April 2015,

Staffan Hillberg, CEO
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Group's profit and loss account *Amounts in thousands of kronor (SEK)*	2015 jan-mar	2014 jan-mar	2014 jan-dec
Net turnover	2,126	1,354	3,110
Other operating income	934	12	1,217
	3,060	**1,366**	**4,327**
Operating expenses			
Commodities	-1,508	-846	-2,484
Other external costs	-3,744	-1,839	-20,030
Staffing costs	-2,952	-2,447	-11,097
Depreciation and amortization	-922	0	-3,617
Earnings before interest and taxes	**-6,066**	**-3,766**	**-32,901**
Operating margin	**neg**	**neg**	**neg**
Total financial items	-83	0	-769
Profit/loss before tax	**-6,149**	**-3,766**	**-33,670**
Tax			
Profit/loss after tax	**-6,149**	**-3,766**	**-33,670**

Group's cash flow analysis *Amounts in thousands of kronor (SEK)*	2015 jan-mar	2014 jan-mar	2014 jan-dec
Cash flow before changes in operating capital	-5,227	-3,766	-30,053
Changes in operating capital	-3,763	738	-2,445
Group's cash flow	-8,990	-3,028	-32,498
Cash flow from investment activities	-703	-1952	-5,903
Cash flow from financing activities	18,000	8,072	40,997
Cash flow for the period	**8,307**	**3,092**	**2,596**
Cash and cash equivalents at beginning of period	**6,127**	**3,531**	**3,531**
Cash and cash equivalents at end of period	**14,434**	**6,623**	**6,127**

Ratios	2015 jan-mar	2014 jan-mar	2014 jan-dec
Turnover per share, SEK	0.2	157	0.3
Profit/loss per share after tax, SEK	0	-434	-2
Operating margin, %	neg	neg	neg
EBITDA, KSEK	-5,144	-3,766	-29,284
EBITDA margin, %	neg	neg	neg

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Group's balance sheet *Amounts in thousands of kronor (SEK)*	31/3/2015	31/3/2014	31/12/2014
Assets			
Intangible assets	15,081	14,460	15,116
Tangible assets	1,805	2,271	1,990
Financial assets	0	275	0
Total fixed assets	16,886	17,006	17,106
Inventory	5,084	862	4,249
Current receivables	4,738	1,613	4,101
Cash and bank	14,434	6,623	6,127
Total current assets	24,256	9,098	14,477
Total assets	**41,142**	**26,104**	**31,583**
Equity and liabilities			
Equity	9,950	5,117	16,099
Long-term liabilities	27,728	17,752	9,704
Short-term liabilities	3,464	3,235	5,780
Total equity and liabilities	**41,142**	**26,104**	**31,583**

Changes in group's equity *Amounts in thousands of kronor (SEK)*	2015 jan-mar	2014 jan-mar	2014 jan-dec
Opening equity	16,099	8,811	8,724
Net profit for period after tax	-6,149	-3,766	-33,670
New share issue	0	72	583
Share Premium Reserve	0	0	40,462
Closing equity	**9,950**	**5,117**	**16,099**

Ratios	31/3/2015	31/3/2014	31/12/2014
Number of shares, thousands	13,791	8.68	13,791
Equity/share, SEK	1	590	1
Solidity	24%	20%	51%
Liquidity	553%	255%	177%

Note: In 2014, in addition to a new issue, a split of 1/1000 was also implemented.

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Accounting principles and notes

This interim management statement has been prepared in accordance with NASDAQ OMX Stockholm's "Guidelines for preparing interim management statements". The accounting principles are unchanged from those applied in the annual report for 2013 and described in the annual report. All amounts are reported in thousands of Swedish kronor (SEK) unless otherwise stated.

Definitions

Turnover per share	Profit/loss per share after tax
Total turnover in relation to number of shares	Profit/loss after tax in relation to number of shares
Operating margin	EBITDA
Operating profit in relation to total turnover	Operating profit excl. depreciation and amortization
EBITDA margin	Equity/share
EBITDA in relation to total turnover	Equity in relation to number of shares
Solidity	Liquidity
Equity in relation to total assets	Current receivables plus cash and cash equivalents in relation to current liabilities

Certified Adviser

G&W Fondkommission
111 43 Stockholm

Heliospectra in brief

Heliospectra (publ - listed on Nasdaq Stockholm First North) was founded in 2006 and specializes in intelligent lighting technology for plant research and greenhouse cultivation. Heliospectra products are based on in-depth knowledge of plant physiology and photosynthesis together with a unique method of assimilating modern LED technology. After six years of development in Sweden, the company has now begun to expand on the international market. The company has amassed approximately USD 16 million of equity and has received over USD 2.6 million dollars through academic scholarships. Heliospectra has also received numerous awards for its forward thinking technology. For further information, please refer to Heliospectra's prospectus April/May 2014, http://ir.heliospectra.com/aktien/prospekt/.

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

For further information, please contact
CEO Staffan Hillberg, +46 (0)708-365944, staffan@heliospectra.com
Chairman Jan Tufvesson, +46 (0)706-442460, jan.tuf@telia.com
CFO Håkan Bengtsson, +46 (0)705-558902, hakan.bengtsson@heliospectra.com

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