

Cohen Grassroots Research, Inc.

Excellence – Quality

www.cohengrassroots.com

Telephone: 415.454.6985

February 5, 2015



Exchange	OTCMarkets OTCQB	NASDAQ OMX First North
Symbol	HLSPY	HELIO
Current Price	\$5.00	\$1.79 *
52 Week High/ Low	\$7.00/\$1.97	\$4.19/\$0.84 *
Average Volume (3 month)	15,574	NA
Shares Outstanding (in mn)	13.79	
Current Market Cap (in\$mn)	\$68.95	\$35.62 **
Float (as a % of shares out.)	N/A	35.37%



Source: www.OTCmarkets.com

Note: Heliospectra's main listing is on NASDAQ OMX First North in Sweden under the symbol HELIO where it was listed on June 18, 2014 (the price graph is for the main listing in SEK). There now is also a US ADR available for trading on OTC Markets OTCQB: HLSPY at an ADR ratio of 1:1. There is a variance between the ADR and the Swedish share prices until the trading volume in the US increases and more ADR's are issued. HELIO stock price equals SEK14.8, approximately \$1.79

OTC: <http://www.otcmarkets.com/stock/HLSPY/quote>

OMX: <http://www.nasdaqomxnordic.com/aktier/microsite?Instrument=SSE101607&name=Heliospectra>

* Based on exchange rate of 1 USD = 8.26 SEK ** Based on 1213 shareholders where major shareholders are locked up until June 18, 2015

Cohen Price Index Target

\$ 11.65

Please Read Disclaimer on Page 47: Financial Projections by Cohen Grassroots Research, Inc.

INVESTMENT THESIS

Heliospectra (NASDAQ OMX First North: **HELIO**) (OTCQB: **HLSPY**) has developed a disruptive plug and play LED based intelligent lighting solution for greenhouses, indoor growing and growth chambers. The Company intends to leverage its patented, next generation biofeedback system to replace inefficient, traditional lighting technologies currently deployed in commercial grow operations. Heliospectra expects to capture a significant percentage in the mature and growing greenhouse lighting market.

An increasing number of farmers are moving to commercial greenhouse production to keep pace with population growth and urbanization. The commercial grow market is expected to expand from \$395 million in 2013 to \$3.6 billion by 2020. A significant problem with traditional greenhouses is the cost of lighting. There is a clear need for versatile and energy efficient systems. Heliospectra's technology will provide farmers and growers with greater flexibility, at a lower cost, with a smaller environmental footprint.

After six years of development, Heliospectra is poised for high volume production with its commercial product, the LX60. The Company is in discussion with many commercial growers across the globe. The combination of experienced management, a superior product, substantial capital and a strong IPR strategy should help Heliospectra capture more market share than its competitors. Our conservative estimates forecast revenues to grow from \$0.6 million in FYE December 31, 2014 to approximately \$67.0 million by FYE 2020. Based on these projections in conjunction with an anticipated successful raise of \$5.25 million in capital, the Cohen Target Price is 133.1% higher than the current price.



SALES AND MARGINS ANALYSIS

all figures in \$ 000	2014 F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Revenues	684.9	2,664.3	12,531.6	33,971.8	45,599.3	55,753.6	67,006.2
% growth							
EBITDA	(2,346.6)	(2,115.6)	1,694.1	10,750.5	15,879.0	21,136.7	26,633.3
EBITDA Margin	-342.6%	-79.4%	13.5%	31.6%	34.8%	37.9%	39.7%
Net Profit	(2,974.6)	(2,571.1)	1,110.1	6,781.2	9,798.7	13,435.4	17,306.5
Net Profit Margin	-434.3%	-96.5%	8.9%	20.0%	21.5%	24.1%	25.8%
Earnings Per Share - Diluted	\$ (0.22)	\$ (0.17)	\$ 0.07	\$ 0.44	\$ 0.63	\$ 0.87	\$ 1.12
Free Cash Flow to Firm	(3,024.1)	(4,390.7)	(1,640.2)	1,697.9	8,035.6	17,424.6	19,640.5

THE COHEN PRICE TARGET™ SUMMARY

The Cohen Price Target is calculated by equal weighting of three different valuation methodologies. We use an industry average PE, an industry average price/capital employed (P/CE), and the fundamentally driven Cohen DCF.

Price-to-Earnings (P/E)		in \$
Earnings Per Share 2017 Forecasts	\$ 0.46	
Expected P/E Ratio	29.2x	
Discount Rate	89%	
Price based on P/E Ratio		11.97
Price-to-Capital Employed (P/CE)		in \$
Capital Employed	\$ 1.47	
Long term P/CE Ratio	7.4x	
Discount Rate	89%	
Price based on P/CE Ratio		9.66
Cohen Discounted Cash Flow Model		in \$
Cohen DCF Value - Base Case		9.99
Cohen Performance Index		in \$
Cohen Price Performance Index Value	200.0%	
Current Stock Price	\$ 5.00	
Price based on Cohen Performance Index		15.00
Cohen Price Index Target		11.65
Current Price		5.00
Upside/ (Downside) Potential		133.1%



EXECUTIVE SUMMARY

- Heliospectra is developing and commercializing an advanced lighting system that enhances control of plant growth and quality. The Company's focus is on the commercial grow markets in North America, North and Central Europe, South Korea and China. The Company's client list includes a world class list of names including the German Space Agency, the University of Minnesota, University of Akron Research Foundation, MIT Media Lab, Google and Agrotech companies.
- The Company's patented biofeedback system comprises customizable Light Emitting Diode (LEDs) lamps, optical sensors and specialized software for optimized plant growth. The unique technology helps reduce energy consumption by up to 50%, when compared to traditional High Intensity Discharge lamps (H.I.D) currently used in greenhouses. The system also stimulates growth characteristics and improves plant quality.
- According to the World Health Organization, by 2050, the world population is estimated to be 9 billion while 80 percent of arable land is already in use. Given scarce natural resources, indoor farming will have a central role in ensuring adequate, nutrient-rich food for an expanding global population. Greenhouses provide a wider variety of fruits and vegetables that can annually be locally produced in all climates.
- LEDs are particularly well suited for plant growth chambers, as they have an extraordinary life (50,000+ hours), require little maintenance, and use negligible energy. LED grow light modules (for controlled environment agriculture) markets are expected to grow from \$395 million in 2013 to \$3.6 billion by 2020.
- Heliospectra intends to capitalize on this market growth by providing a holistic solution for indoor commercial growers. The Company has developed its first commercial high volume product for professional growers. Heliospectra has received significant positive response. The Company is negotiating with many growers in Sweden - worldwide there are potential partners and customers such as, HortAmericas, ParSource, Bright Farms, Gotham Greens, etc.
- The Company's unique technology provides a sustainable competitive advantage. The current market is highly fragmented with multiple options. Most available products and technology are either difficult to manufacture on a large scale, require significant electricity, produce ambient heat that the operator must cool with additional HVAC systems or provide limited flexibility, including control of light wavelengths to be a sustainable, competitive product. Heliospectra has a significant first mover's advantage with its biofeedback system.
- Heliospectra intends to build a strong patent portfolio around its technology. The Company is systematically developing its intellectual property portfolio. The Company has obtained 1 patent and has applied for an additional 6.
- The Company expects to launch its products in different countries through local partnerships. On March 25, 2014, the Company signed a distribution contract with GrowerHouse (USA), one of the largest sellers of horticulture supplies. Future plans include products for consumer markets including home growers, small greenhouses, etc.
- The Company is one of the few OTC companies that have the financial statements audited financially. The Swedish corporate laws require Heliospectra to be audited and this guarantees the credibility of the financial information presented.
- **Key Risks:** New technologies and inability to secure patents can affect large-scale commercialization of products. The Company will require substantial, additional capital to continue its growth and daily operations.

Financial Forecasts and Valuation

- Based on our current forecasts, the Company will need to raise at least \$5.25 million in equity capital in the near to intermediate term. Provided the Company raises the required capital, we expect the Company's revenues from projected operations to increase from \$0.6 million in FYE-2014 to over \$67.0 million in FYE-2020.
- The Cohen Price Index Target is calculated using 2017 Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE), Cohen Discounted Cash Flow (DCF) method and Cohen Price Performance Index. The P/E and P/CE are based on market multiples and representative of the broader industry in which the Company operates. The Cohen Price Performance Index is a representative of the post coverage performance of all stocks covered by us. The last component in calculating the Cohen Price Index Target is the value derived using the long-term DCF valuation approach. The Company is the most valuable stock in our Tier 3 Cohen Grass Roots Marijuana Index.
- Based on an average of these methods, HLSPY common stock is valued at \$11.65 per share, 133.1% higher than the current stock price of \$5.00 per share.



REASONS TO INVEST

Financial Reasons to invest in Heliospectra

We evaluated 82 companies and Heliospectra is one of the more valuable companies in the company list.

Heliospectra ranked 11 in the list by Market Capitalization. Below are the general characteristics of the companies in this industry and that of Heliospectra.

Average Shares Outstanding are 1198 million. Heliospectra's outstanding shares are only 13.8 million
Average Market Cap: \$65.77 million. Heliospectra's Market Cap is approximately \$68.95 million
Average Price is \$2.20. Heliospectra's price is \$5.00.

Many, if not most of the companies in list face the risk of going out of business. They are too diluted, have too little cash and cannot raise enough cash capital to support their business models. Heliospectra is clearly one of the more valuable companies. In addition, the regular periodic audit of the financial statements also ensure a far higher quality of financial information as compared to peers.

Technology Reasons to invest in Heliospectra

Significant savings

- Reduces energy, water and labor costs by using a highly efficient, self-regulating and easy to handle LED lighting system

Optimized plant growth

- Allows plants to produce at premium quality year around, 24 hours a day, independent of external weather and ambient light

High cost benefit

- Provides higher yield and lower OPEX, which greatly improves profitability

Broad applicability

- System works with all types of plants such as vegetables and flowers.

Patents

- Biofeedback system is patent protected
- Gives the Company a unique position and status

Source: Cohen Research

Economic Reasons to invest in Heliospectra

Growing population

- Food production need to be boosted by 70 percent to feed the growing and increasingly urban global population expected to be 9 billion by 2050

Lack of natural resources

- 80% of arable land already in use. The FAO estimates nearly 300 million more acres of arable land will be required

Rising affluence

- Affluence is rising and more of the future's consumers will demand higher quality food products all round the year

Sustainable technology

- High density, intensive indoor farms can provide sustainable produce on a commercial scale, utilizing less land and water than conventional farming

Lighting, an important factor

- Lighting is the most important factor in growth of greenhouses. LED technology is finally making indoor farming on a commercial scale possible

Source: Cohen Research

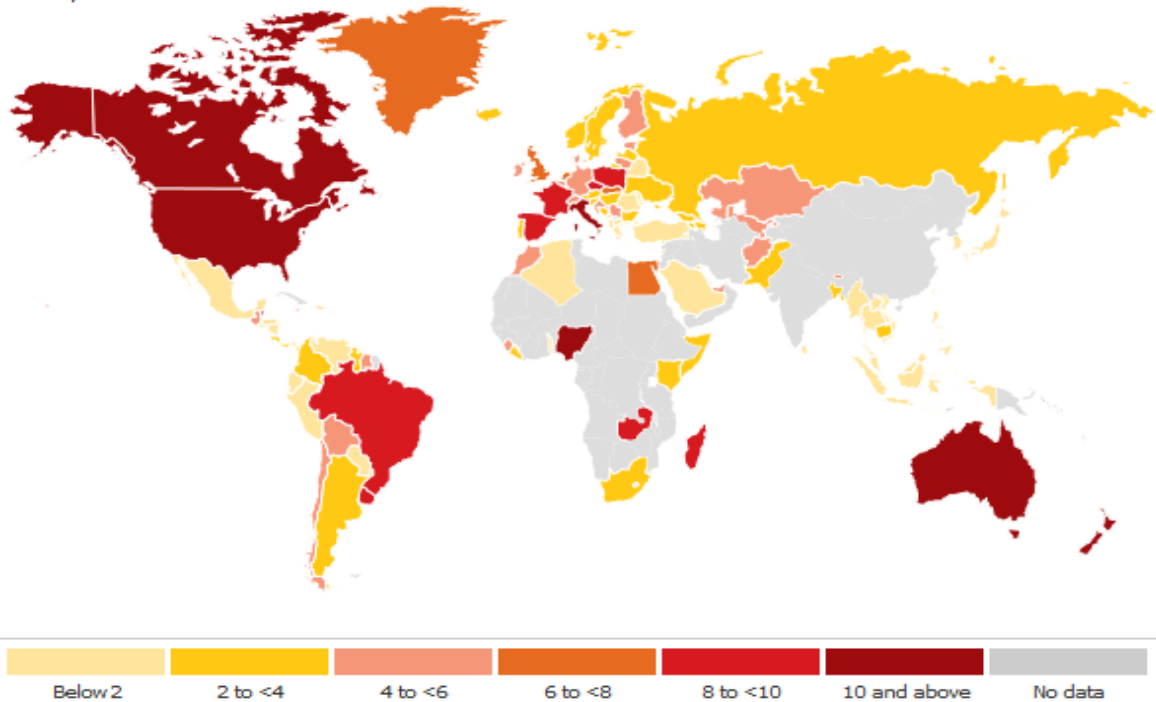
IN FOCUS - MEDICINAL AND RECREATIONAL CANNABIS

Heliospectra's worldwide market opportunity is substantial. While the multi-billion dollar cannabis market will continue to explode, Heliospectra will continue to take advantage of it's position in the sector. The company has aggressively approached the cannabis industry by developing partnerships, product based joint ventures and customer partners. Indoor and greenhouse cannabis growers require optimal, efficient lighting conditions – nearly all grows use an archaic, inefficient lamp (HPS / HID). This massive market demand continues to mature and Heliospectra is well positioned to be a market leader – allowing for the sale of 1000's of lamps into the sector as new and retrofit construction options.

The latest UNODC (United Nations Office on Drugs and Crime) study revealed that marijuana is the highest cultivated and most consumed drug existing today. The substance is produced in almost every country worldwide with an overall production of approximately 50,000 tonnes per year. There are more than 120 million users worldwide. The U.S. has the highest percent of users.

Figure 1: Population Aged 15-64 who have used Cannabis in the past year

%, 2012 or latest

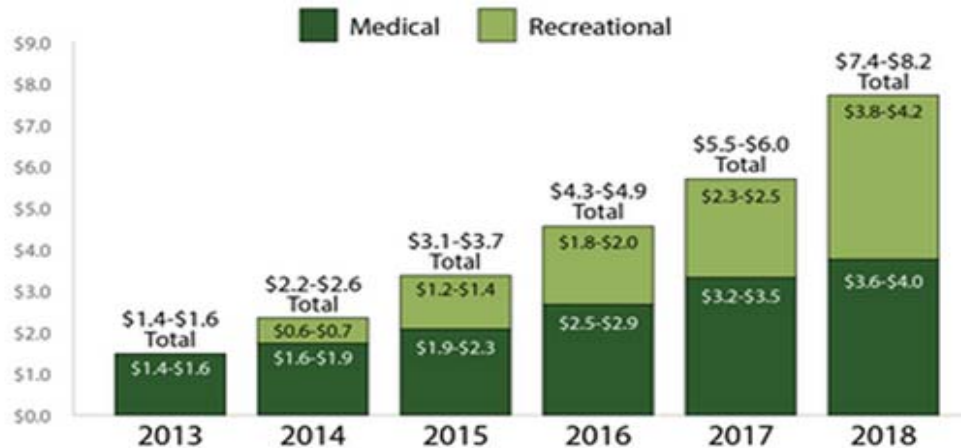


Source: UNODC study

The global marijuana industry is in the midst of unprecedented development fueled by changes in U.S. localized state laws, with Colorado and Washington now permitting recreational usage, and the country of Uruguay legalizing it on a national level. In the U.S., currently 24 states have some type of legal status for cannabis, while four states (CO, WA, OR and AK), as well as Washington DC and Guam, currently have adult use laws. The impact of these legislative changes has triggered the emergence of a new frontier industry that offers significant business opportunities in commercial grow operations and industry infrastructure.

Recognizing this insatiable consumer demand, the cannabis industry in the U.S. is transitioning from small basement grow rooms to sprawling modern warehouses. Per the CannaBusiness Media, U.S., retail cannabis sales are expected to increase more than five-fold over the next five years, from an estimated \$2.2-\$2.6 billion in 2014 to \$7.4-8.2 billion in 2018. These estimates do not include wholesale revenue and are therefore quite conservative. Retail sales could be significantly larger. Interestingly, the U.S. black market is currently estimated to be in the \$40 billion range. This also means that the legal marketplace has significant potential beyond 2018 as the majority of cannabis consumers will be willing to switch from black market providers when cannabis is legally available in their regions.

Figure 2: U.S. Marijuana Sales Estimate in USD Billions



Source: Marijuana Business Fact book 2014

The result of this spectacular growth is that industry leaders are experimenting with new technology, lighting and growing methods to ensure premium quality to the consumer while optimizing profits. Per a July 2014 report from High Alert Capital Partners, estimated production costs per pound of marijuana in Greenhouse operation were \$117.58 in the United States. Lighting cost comprised 15% of the cost directly and another 15-20% of the Material and Equipment cost.

Figure 3: Lighting an Important Cost in Greenhouse Operations

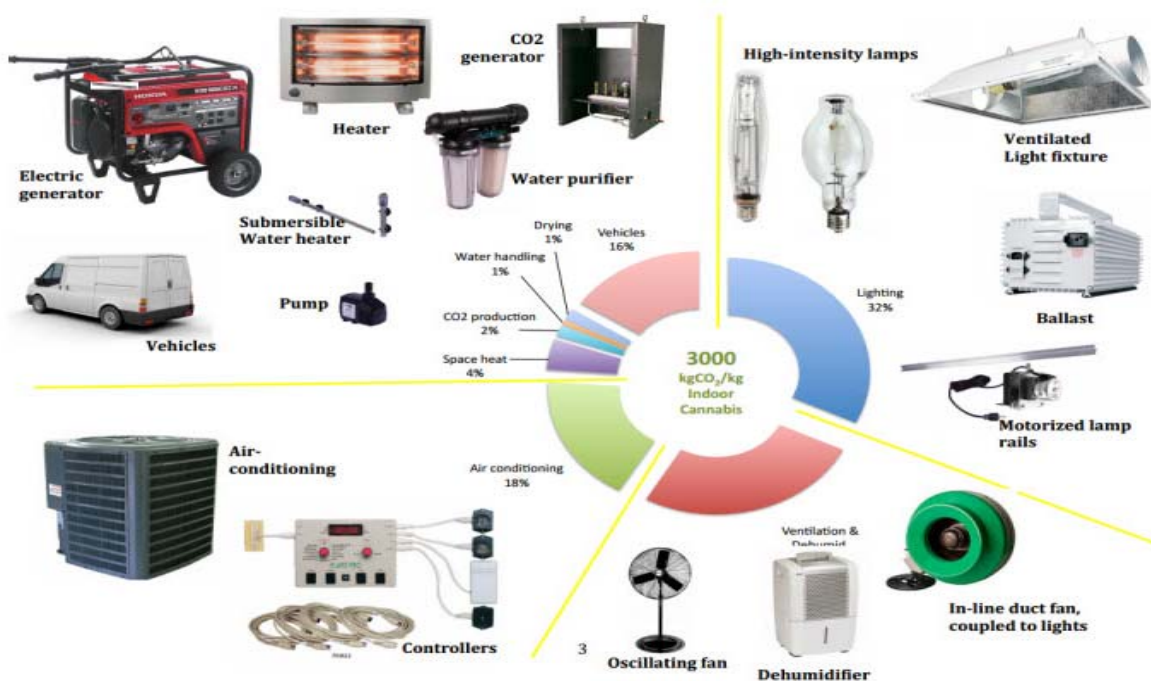
Greenhouse operation estimated production costs per pound			
	United States	Canada	Uruguay
Materials and Equipment	\$90.00	\$90.00	\$90.00
Lighting	\$17.59	\$22.15	\$25.83
Labor	\$8.07	\$8.07	\$4.20
Structure	\$1.90	\$1.90	\$1.90
Land	\$0.024	\$0.027	\$0.020
Total cost per pound	\$117.58	\$122.15	\$121.95

Source: Medicinal & Recreational Cannabis Sector Report

The use of artificial lighting in a greenhouse allows for enough supplemental lighting to achieve higher yields. High-intensity lamps have traditionally dominated indoor marijuana growing. The electric-use impacts of large indoor commercial grow operations using this method of lighting is significant both in terms of electricity consumption and carbon footprint.

According to an independent study from Lawrence Berkeley National Laboratory, indoor cannabis production may account for 1% of US electricity consumption or approximately \$6 billion annually. This is equivalent to the power used by 2 million average US homes. The environmental footprint is massive with CO₂ production equal to 3 million average cars.

Figure 4: Indoor Cannabis Electric-use Impacts



Source: Lawrence Berkeley National Laboratory

Heliospectra provides advanced LED based lighting solutions for such markets and intends to grow significantly within this burgeoning industry. The Company is well positioned to take advantage of recent market trends with its species agnostic biofeedback system. The benefits of using Heliospectra's system over traditional lighting equipment for the cannabis market include;

- **Energy-use:** LED lights have much lower energy consumption running at approximately 50-60% of an equivalent HID bulbs
- **Longevity:** There is no filament to burn so LED lights have longer life times over 50,000 hours. Most HID bulbs only last 12,000 – 13,000 hours but degrade much earlier and recommended replacement time is 9-10 months, but many growers replace every 3-4 months.



- **Heat Discharge:** LED lights have far less heat output and considerably reduce the risk of fire. Another significant advantage is that because LEDs produce very little heat. There is little need to invest in an extensive cooling system. In large grow operations, the difference in utility bills due to these lights often runs into tens of thousands of watts. The cost benefit is a compelling argument to move out of HID bulbs
- **Color spectrums:** The Company has developed a light recipe, diode plate and optics customized for the sector. The highly advanced LED based system can cover all of the light spectrums required to grow healthy cannabis plants. The main spectrums that are required during the life cycle of a cannabis plant are blue and red. In addition to producing the right color spectrums, Heliospectra's system is able to produce the maximum peak spectral output of a specific color and control the same based on plant requirements. This results in higher quality and output than an equivalent HID which cannot alter peak spectral output. Cannabis plants under an Healiospectra system will be able to better perform photosynthesis.
- **Power Management:** Heliospectra's lamps have built in power management tools while HID lamps rely on external ballasts that also adds another 150 Watts of power consumption
- **Others:** LED lights are smaller and faster to emit light. They are physically more robust and therefore, are relatively shock resistant because they are solid state components

LEDs can focus their light output with the use of lenses rather than disperse the light as do HIDs that require reflectors

LEDs are instant on and instant off; they do not need to 'warm up' like HID lamps. Also these lights can be dimmed, if required

LEDs are safe as they do not contain mercury as do compact fluorescents
- **Initial Cost:** The initial cost of LED lights are higher than those of HID; However, given their benefits they are less expensive over the long term

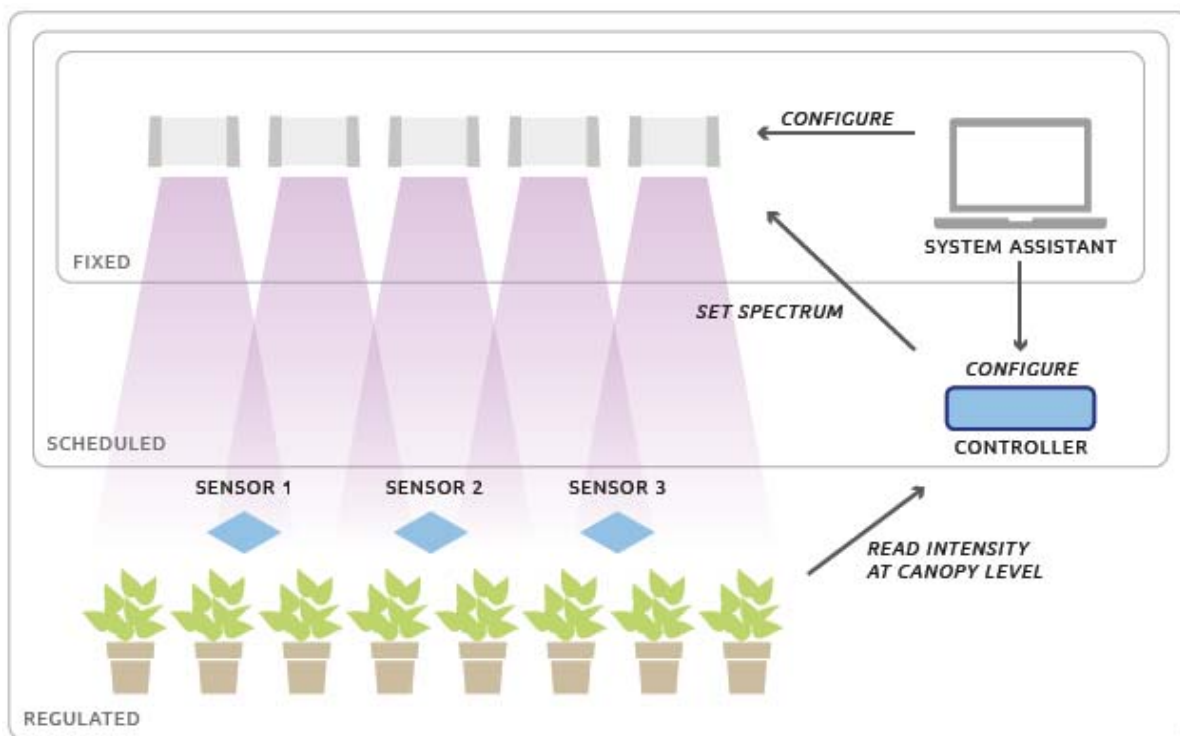
The Company envisions massive potential from sales and marketing directed at legal cannabis growers. As other countries legalize or decriminalize cannabis, more and more markets will open for the sale of intelligent lighting and other high tech equipment for indoor and greenhouse growing operations. Such legality also provides a new level of security and a greater tolerance for higher capital expenditure.

The Company is focused on this market and has undertaken trials with customers to successfully establish the advantages of its technology, including reduced energy costs, reduced growth time periods, and increased amounts of harvests per year.

ABOUT HELIOSPECTRA AB

Heliospectra, (NASDAQ OMX First North: **HELIO**) (OTCQB: **HPLSY**) was founded in 2006 and specializes in intelligent lighting solutions for plant research and greenhouse cultivation. The Company is developing a powerful plant lighting system combining versatile Light Emitting Diode (LEDs) and remote sensing techniques that are more effective and durable for indoor growing crops. Heliospectra's patented system is significantly more energy efficient when compared to traditional High Intensity Discharge lamps (H.I.D) such as the High Pressure Sodium (HPS) bulbs currently used in greenhouses. The technology can not only reduce energy consumption by up to 50%, it helps stimulate growth characteristics and improve plant quality. There are other added benefits to the environment such as reduced light pollution and less mercury use due to avoidance of traditional HPS bulbs.

Figure 5: A Typical System Installation



Source: Company Literature

A system typically consists of the following:

- One or many luminaries
- Different types of sensors
 - measuring light intensity and spectral information at the plant level
 - remote measurement of light data from the plants both reflected spectral information as well as fluorescence
 - plant specific sensors: soil temperature, soil humidity, ph, nutritional aspects, etc
 - general environmental sensors for temperature, humidity, CO₂, etc

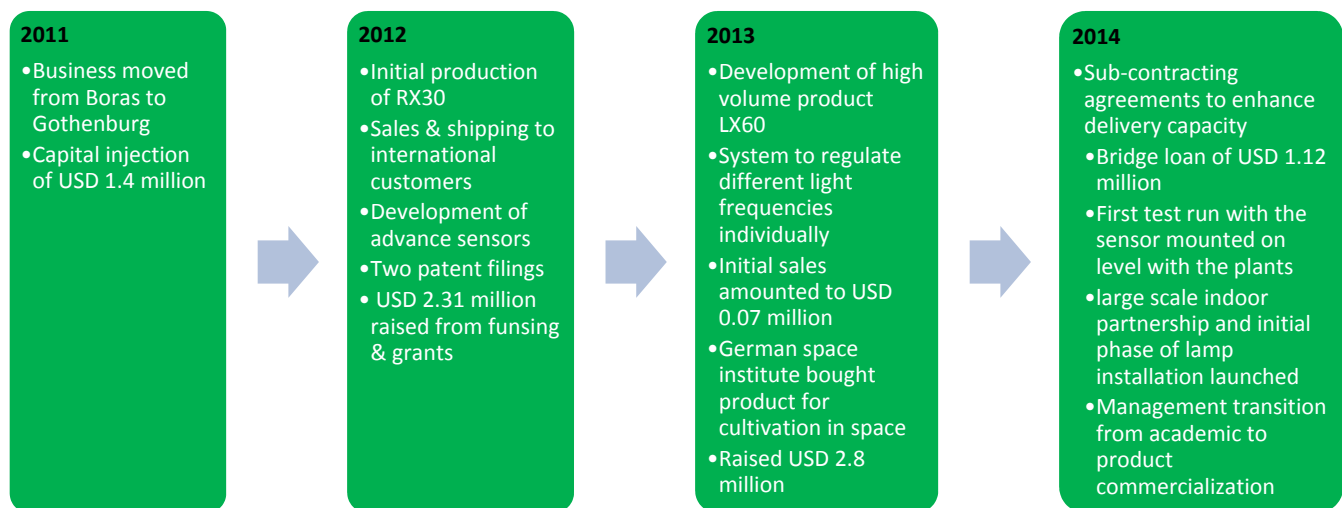
Central software is based on sensor data. User input controls the lights and integrates with other systems such as environmental control systems from companies such as Priva, Hoogendoorn, Argus etc. Integration with Hoogendoorn and Argus has been accomplished, indicating inter-sector endorsement.

Large-scale indoor farming and greenhouses will play a central role in ensuring adequate, nutrient-rich food for an expanding global population. Locally cultivated farms that use artificial light to grow crops can provide considerable savings and flexibility while annually providing a wider variety of food produced.

It is common to have several thousand lamps in a typical large-scale indoor operation or greenhouse. Today, these lamps are usually conventional high-pressure sodium (HPS) or metal halide (MH) high-intensity discharge (HID) gas lamps. Each lamp consumes approximately 600-1000 Watts of power. Therefore, the cost of lighting is a significant part of the total cost of operation. There is an incentive to reduce energy consumption. Research indicates that LEDs outperform traditional incandescent lights. Greenhouse growers worldwide are transitioning to this new technology. There is a strong likelihood that in the future, HPS lights will have to be replaced due to legislation similar to the way incandescent lights are being replaced in markets such as in Europe. Subsidies and deep rebates (up to 50%) are currently available for LED luminaires specified into new and retrofit construction.

Heliospectra intends to capitalize on this need by providing a holistic solution for commercial growers. The Company is ready to launch its first commercial high volume product for professional growers. This system is not only energy efficient, but it also provides farmers unprecedented control over plant growth, development and nutritional content.

Figure 6: Company Growth & Funding History



Source: Cohen Research & Company Literature

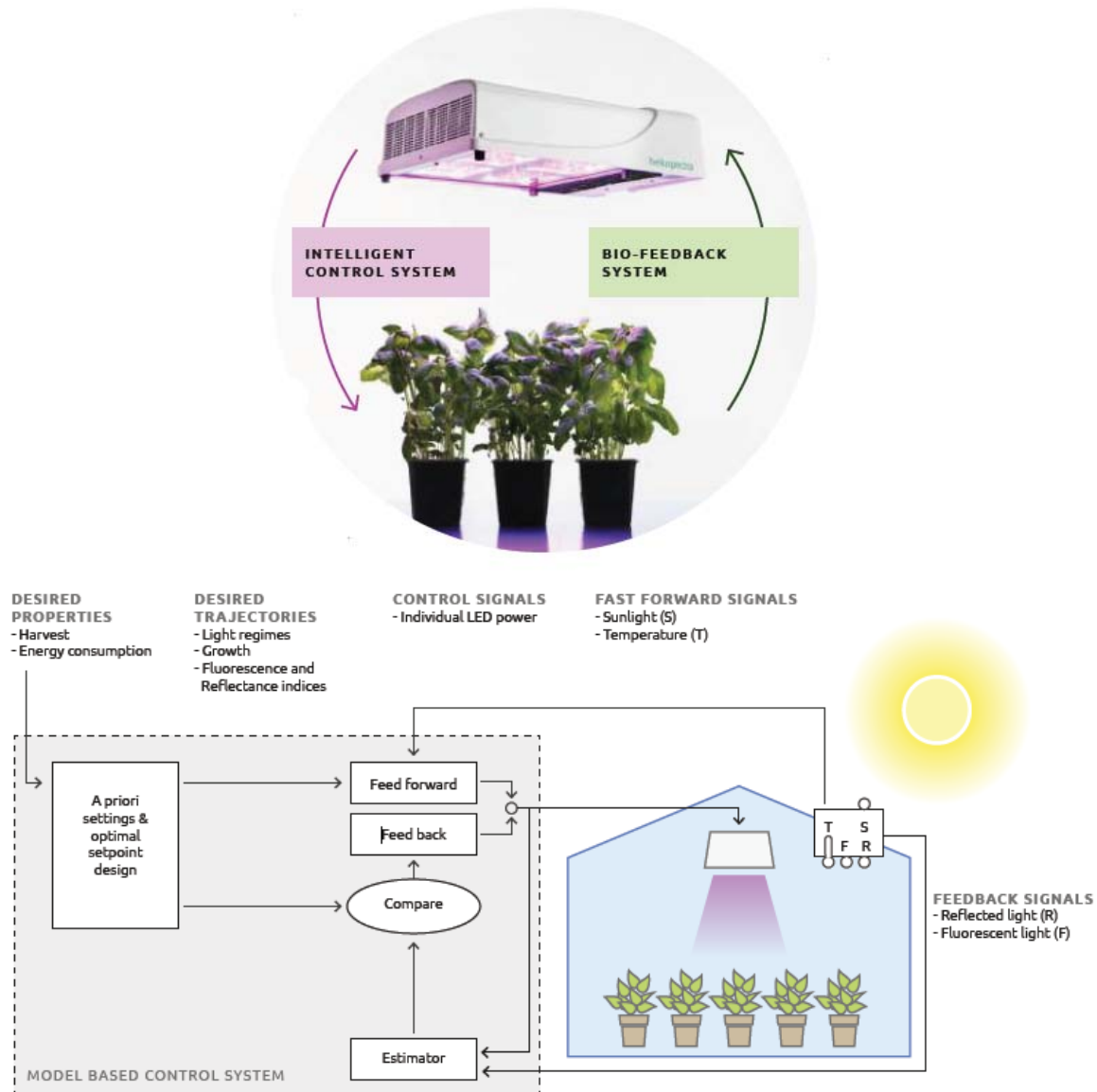
The cashflow model indicates that Heliospectra needs to raise capital in excess of \$5.25 million which will be used to further commercialize the new LX60 product.

TECHNOLOGY & PRODUCTS

Technology

Heliospectra's fully integrated LED lighting system provides a versatile and effective solution for new greenhouses as well as replacement of existing HPS installations. The technology uses a highly sophisticated sensory network to collect real-time plant level feedback and patented algorithms to adjust to desired crop characteristics per plant type by controlling the light spectrum. The software controls the LED light fixtures. The combination of the LED lights and the biofeedback software provides a powerful system that has the potential to change the Greenhouse cost and yield dynamics forever.

Figure 7: Patented Biofeedback Light Regulation System



Source: Company Literature



The biofeedback system uses advanced software algorithms to maintain spectral quality. The use of intelligent wavelength controls includes auto-spectral tuning and optimization that make the light quality of the LED systems consistent with the action spectrum of photosynthesis and key plant receptors. The system controls the intensity of the light's wavelengths to match each plant's needs, which enables maximizing yields. This is not possible with conventional lighting systems.

	Heliospectra	HPS* (High Pressure Sodium)	Customer benefits
Biomass production, plant lifetime and quality	Higher/improved	Average	More biomass, less waste
Water consumption	Lower	Average	Water savings
Lamp replacement cycle	Long	Short	Lower OPEX
Flexibility of parameters	In all degrees	On/off	Total control over all light parameters

Products

Hardware

Heliospectra's hardware portfolio comprises customizable LED light units and highly sophisticated sensors. Previously, the Company sold over a hundred units of an expensive, custom built unit, named the L4A for \$8,000+ (the L4A has subsequently been replaced with a more cost effective version: the RX30 which uses the same form-factor as the LX60). Regardless, with its ability to customize per species being grown, the market readily accepted the L4A as a state of the art lamp. Over hundred units were sold. The Company anticipates continuing selling several hundred units per year of the RX30 at a reduced price of approximately \$2,500.

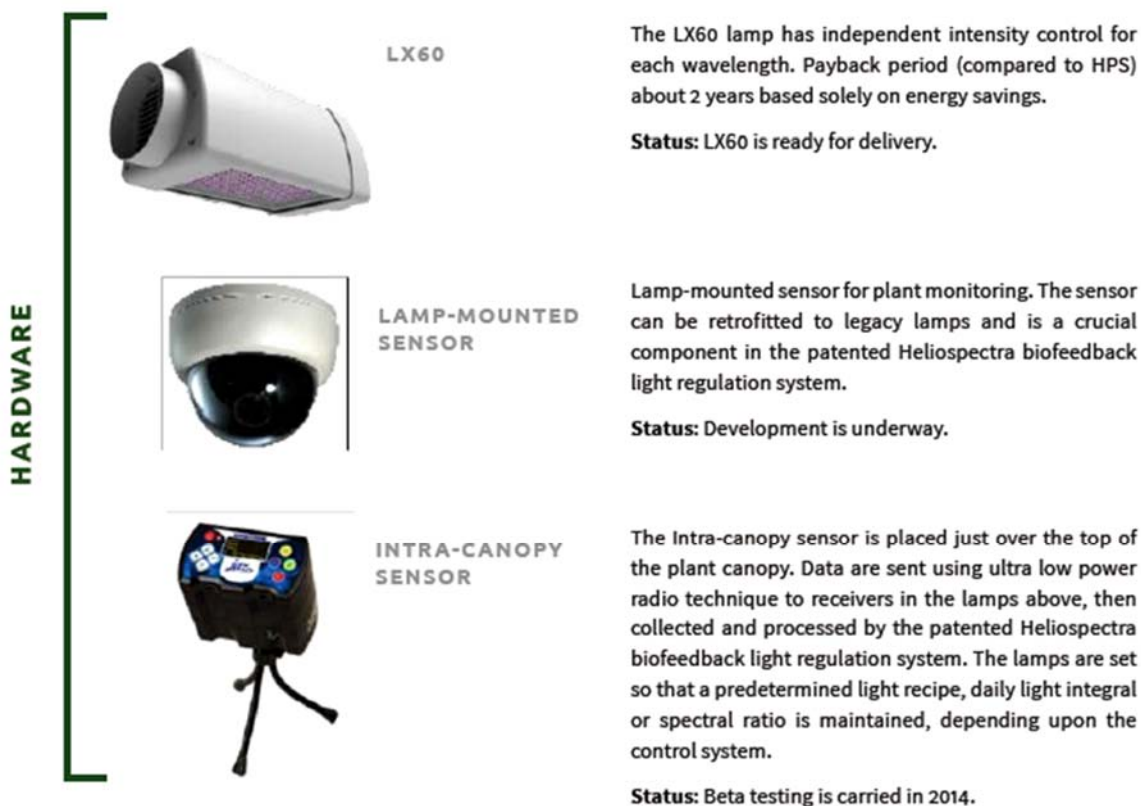
The RX30 remains one of the most versatile, cutting edge tools for light plant research. As previously mentioned, the Company has recently transitioned into a new and improved, more commercially appropriate product: the LX60. The Company's leading product is a highly sophisticated, energy-efficient, modular LED lamp that is internet enabled, allowing for online monitoring, scheduling and control of plant growth. It is ideal for use in commercial and R&D grow operations.

Like the RX30, this technology can customize a dynamic light recipe per spectrum and intensity, over a given period of time. Optics, diodes, CPU and other components can be custom built to order per customer's species or usage, but two primary versions are stocked and sold: a greenhouse model and an indoor model. The difference between the two models being: the diode array and the throw of the luminaire. The product is ingenious due to its ability to answer the demand of the two different growing environments/customer segments, while simultaneously offering niche growers a highly custom, modular product. Heliospectra intends to sell 10,000 units plus a year at a minimum of \$2,285 MSRP. Ramp up time will take about 12 – 18 months before full production.

Beside the lamps, external sensors are an integral part of the biofeedback system. Lamp-mounted energy harvesting environmental sensors measures and tracks the temperature, humidity soil moisture and light spectral intensity at plant level. Intra-canopy sensors are sensitive optical sensors placed above the plant canopy to capture the physiology of the plant.

During the past year, the Company has developed two new lamps using the above technology - The LX60 and the RX30 - with a focus on cost and function. The two units replace and enhance the company's previous product catalogue.

Figure 8: Hardware Products



Source: Company Literature

Software

Heliospectra's software portfolio includes a web interface, a proprietary algorithm driven software and light regimes.

Using algorithms, the Web based user interface can be used to control the lighting fixtures based on the analysis of data available from the sensory network. Light Regimes or species specific lighting help in optimizing and modulating plant growth. These regimes are created from analysis of hours of live data collected through the sensory network. The data is stored in the data center. The most important software is the control system that uses the analysed data feeds to modify the light spectrum on the LED fixture.

The sensory network provides a real-time, global database of information that can be further customized and distributed per organization need. The sensory network is a potential revenue-generating opportunity in the future. These sophisticated sensors create a sensory network that provides essential data feed for the patented light regulation system enabling remote services and custom control to improve crop yield and quality.

Figure 9: Software Products

SOFTWARE



WEB BASED USER INTERFACE

Web-based interface for displaying status and controlling of lamp. Runs on PC, Mac and Android. Sets light regimes in LED systems.

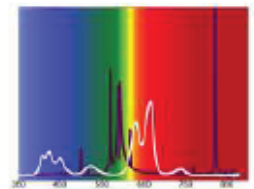
Status: The interface is ready for delivery.



DATA CENTER AND CONTROL SYSTEM

Heliospectra data center for the collection, analysis and implementation of light regimes (recipes) for different types of plants.

Status: Beta Testing of intra-canopy sensor and spectral regulation, cloud based development is underway.



LIGHT REGIMES

Every crop has a different preference for light. The Company offers specially tailored light regimes for the most of produce (which can be expressed as a manual for expressing how growth characteristics of a plant develop under different spectra). By controlling the total light environment of a crop, the grower can affect time to market, taste, size, weight, hardness, etc.

Status: dozens of regimens are ready for delivery and development prog.

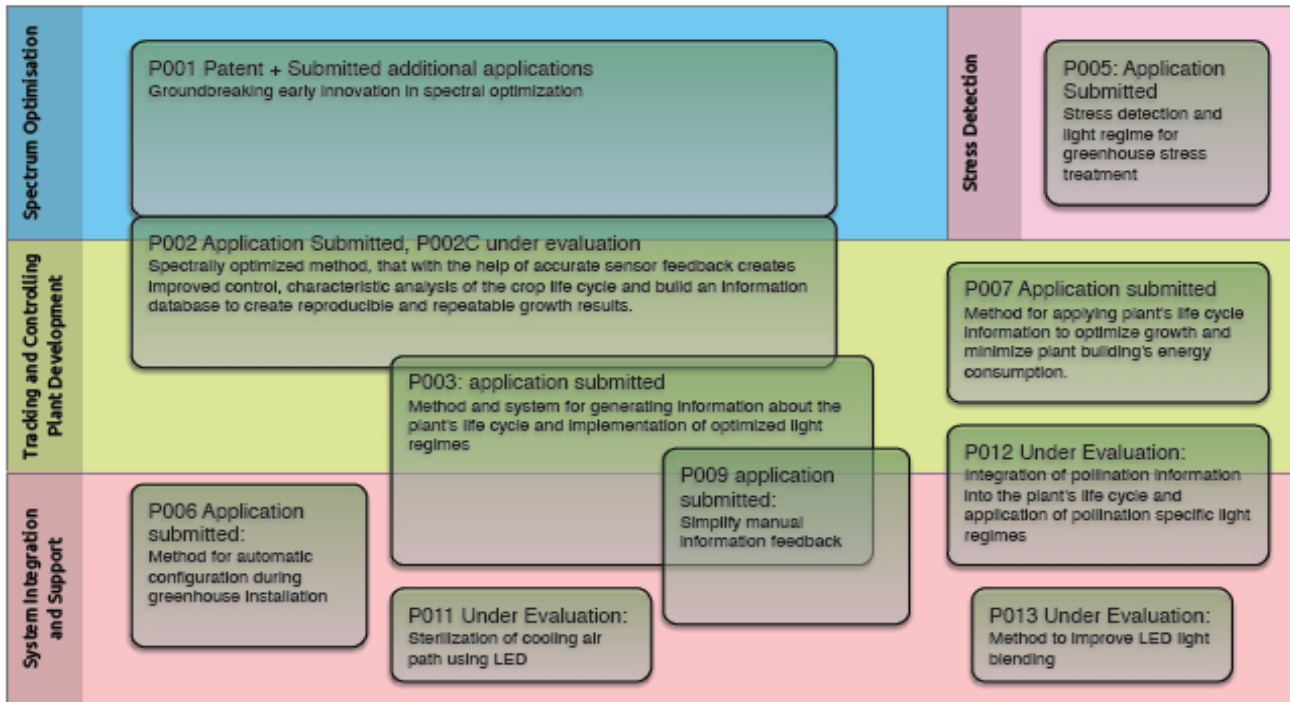
Source: Company Literature

PATENTS & CUSTOMERS

Patents

Heliospectra understands the value of patenting its technology and has targeted a clear strategy in collaboration with intellectual property specialists to ensure protection of its material rights. Patent applications include spectrum optimization, tracking and controlling development, system integration and stress detection.

Figure 10: Strategy for Patent Development



Source: Company Literature

Customers

Some customers are world leaders in agriculture as well as other fields

DLR – German Space Agency

Heliospectra and DLR are part of a joint-venture that recently received an EU grant totaling 4.5 M euros.

NASA

NASA uses Heliospectra's equipment in a simulation of the planned Mars expedition.

MIT Media Lab – CityFarm

Heliospectra's lights are used by MIT Media Lab CityFarm project.

www.wired.co.uk/magazine/archive/2014/10/features/server-farm

Other clients include:

Figure 11: Customer List

Customer	Country
 Australian National University	Australia
 Hempflax Agro	Holland
 Aralab	Portugal
 Danish Center for Food and Agriculture – Aarhus Universitet	Denmark
 DLR – German Space Agency	Germany
 Aberystwyth University	UK
 Eon	UK
 University of Western Australia	Australia
 National Center for Scientific Research	France
 Invitrotech	Japan
 Kyoto University	Japan
 Danforth Plant Research Center	USA
 Forschungszentrum Jülich	Germany
 University of Sydney	Australia
 Turku Universitet	Finland
 Controlled Environment Laboratory for Life Sciences	Ireland
 University of Minnesota	USA
 MIT Media Lab	USA
 Google	USA
 Sveriges Lantbruksuniversitet	Sweden
 Botaniska Institutet	Sweden
 Convion	Canada
 Swedeponic	Sweden

Source: Company Literature



COHEN GROWTH DRIVERS AND FINANCIAL FORECASTS

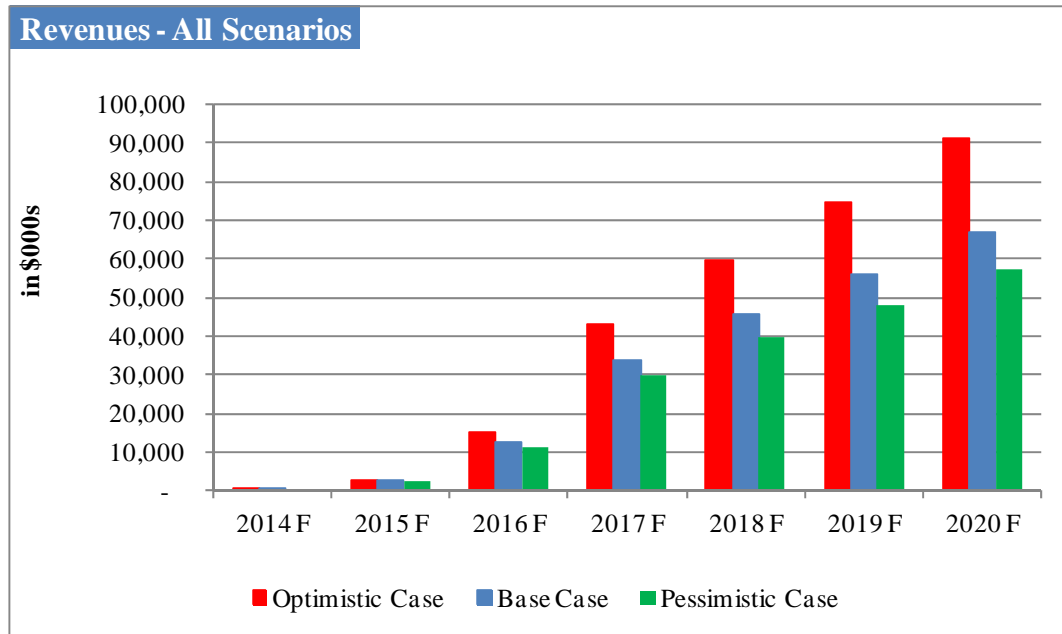
Figure 12: Cohen Growth Driver Analysis - Base Case

Annual Revenues, Margins, Assets, Turns								
all figures in \$ '000; unless otherwise mentioned	2013 A	2014 F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Net Revenue	169.1	684.9	2,664.3	12,531.6	33,971.8	45,599.3	55,753.6	67,006.2
Operating Margin	-1196.7%	-342.6%	-79.4%	13.5%	31.6%	34.8%	37.9%	39.7%
Net Margin	-1417.0%	-434.3%	-96.5%	8.9%	20.0%	21.5%	24.1%	25.8%
EPS - Diluted	(0.17)	(0.22)	(0.18)	0.08	0.46	0.67	0.92	1.18
EBITDA	(2,023.8)	(2,346.6)	(2,115.6)	1,694.1	10,750.5	15,879.0	21,136.7	26,633.3
Free Cash Flow	(3,083.6)	(3,024.1)	(4,390.7)	(1,640.2)	1,697.9	8,035.6	17,424.6	19,640.5
Cash and Equivalents	494.3	3,140.0	2,640.2	1,000.0	2,697.9	10,733.5	28,158.1	47,798.6
Working Capital	17.5	454.2	1,786.1	2,857.8	5,151.8	6,709.7	2,842.9	400.0
Total Debt	1,365.3	1,363.6	-	-	-	-	-	-
Total Assets	3,051.6	5,738.8	7,260.2	9,068.9	17,278.2	27,826.4	41,826.5	59,796.7
DSO	413.9	318.9	265.5	101.4	69.5	70.2	33.8	16.6
Percentage Change in Annual Revenues, Margins, Assets, Turns								
	2013 A	2014 F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Revenues	NM	305%	289%	370%	171%	34%	22%	20%
Operating Margin	NM	-71%	-77%	-117%	134%	10%	9%	5%
Net Margin	NM	-69%	-78%	-109%	125%	8%	12%	7%
EPS - Diluted	NM	24%	-19%	-143.2%	510.9%	44.5%	37.1%	28.8%
EBITDA	NM	16%	-10%	-180%	535%	48%	33%	26%
Free Cash Flow	NM	-2%	45%	-63%	-204%	373%	117%	13%
Cash	NM	535%	-16%	-62%	170%	298%	162%	70%
Working Capital	NM	2496%	293%	60%	80%	30%	-58%	-86%
Total Debt	NM	0%	-100%	NM	NM	NM	NM	NM
Total Assets	NM	88%	27%	25%	91%	61%	50%	43%
DSO	NM	-23%	-17%	-62%	-31%	1%	-52%	-51%

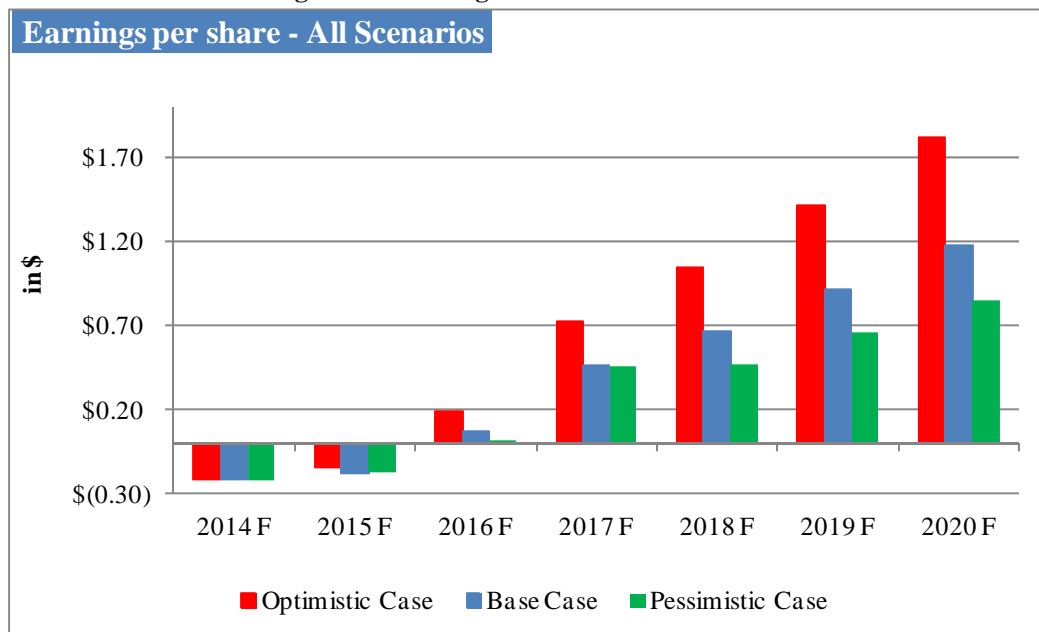
Source: Cohen Research

The Cohen Growth Drivers Model is an intelligent road map used by many securities analysts to analyze the forecasted growth of a given Company. *Achieving the cash flows and associated business valuations are dependent on successful capital raising and patent application for the technology (Biofeedback system) which is the key differentiator.*

In addition to our Base Case forecasts, we have prepared financial forecasts under two additional scenarios, the optimistic (aggressive top-line growth) and pessimistic case. The exhibit below shows our revenues and earnings assumptions under all three forecasted scenarios.

Figure 13: Revenue Forecasts – All Scenarios


Source: Cohen Research

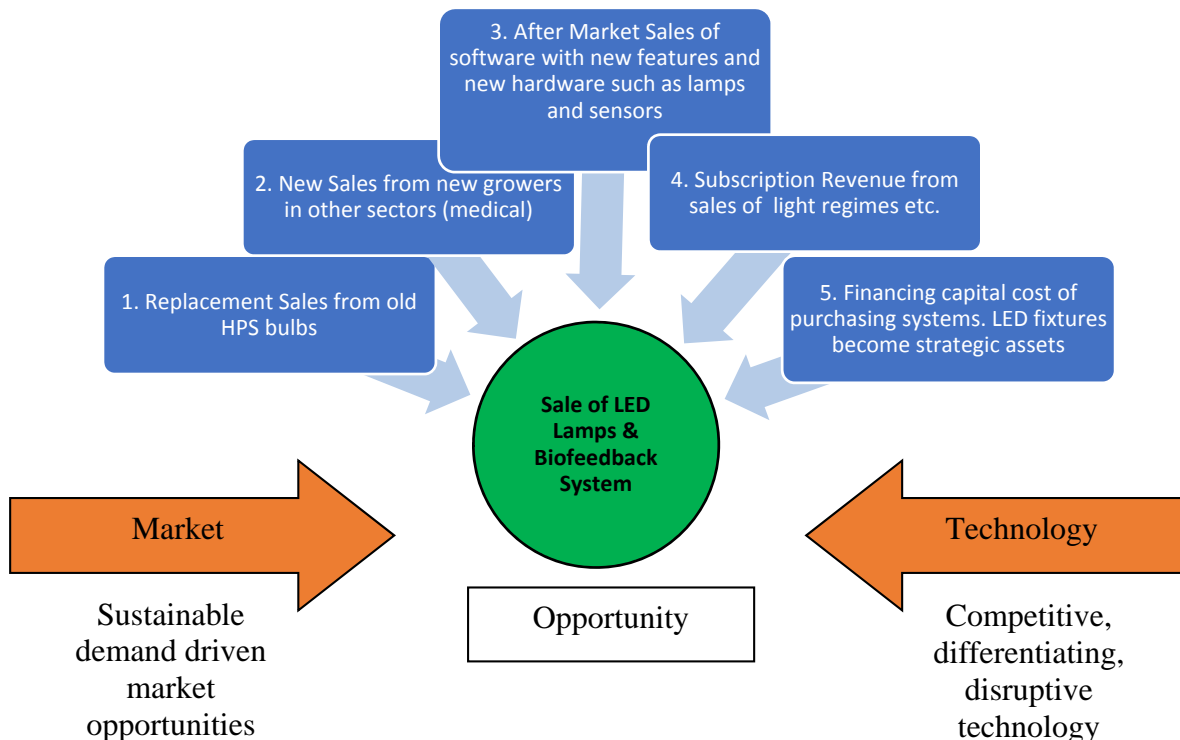
Figure 14: Earnings Forecasts – All Scenarios


Source: Cohen Research

COMPANY BUSINESS MODEL

Heliospectra is involved in the controlled environments agriculture and commercial horticulture sectors. Each of the sectors requires a slightly different marketing strategy. The Company has introduced ground-breaking technology that is likely to change the commercial grow lamp paradigm. From multiple angles, the business model exploits a powerful newly opened opportunity in the sector. At the center of the business model is its patented biofeedback system and LED lamps which create sustainable current and future revenue streams.

Figure 15: Business Model



Source: Cohen Research

The Company intends to create multiple and recurring revenue streams from its patented technology. Its initial focus is on the replacement market for HPS bulbs and other similar conventional technologies. This is a significant market with approximately 2 million replacement bulbs. The next stage for the Company is to penetrate newer markets in other sectors.

As the Company begins selling intelligent lights, it will build a robust user base, targeted for add-on sales of accessories and software that fit into the system, as well as upgrades of various components. The advantage for the user is that as new versions of lights and accessories are released, users will not have to replace any Heliospectra products because they all work within the same system. In a few years, the after sales market opportunity will be a very large opportunity with significant demand for hardware and software. The Company's margins will expand given that software and sensor sales will create additional revenues and cash flow.



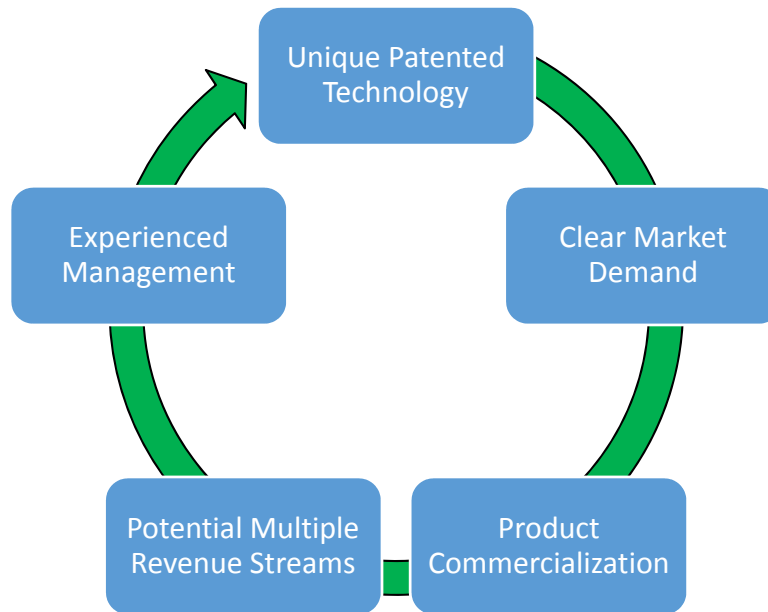
The business model is leveraged and versatile, allowing for multiple revenue streams. Perhaps the most interesting aspect is the Company's ability to analyze, re-package and sell data collected through sensory networks. Heliospectra is basically turning the growing environment into a large data bank where the Company can gather a volume of interesting and important plant level data which will be directly correlated to quality and yield results. Based on information from all of its users, Heliospectra can predict and forecast plant behavior and characteristics, and create species-specific light regimes, etc. These could be sold through subscriptions as well. Beyond this, the Company is also looking at financing purchasing costs of systems as a significant opportunity with exciting long term revenue potential.

Heliospectra believes that most growing environments (Controlled Environment Agriculture) will be highly intelligent in the future, which will integrate all aspects, such as energy use, HVAC etc. The future recurrent revenue model will include leasing hardware on the back-end and then selling complete financed systems with information. This integration will allow customers to achieve a flexible production volume with predictable results, regardless of the type of plant, world-wide location and environment in which they can grow.

Heliospectra's intellectual property is primarily in the software, which controls the luminaires and integration with plant specific sensors. This means the Company is not dependent on hardware sales only. As this industry grows, additional companies will produce luminaires which opens an exciting avenue for licensing the Company's IP to other manufactures of luminaires.

VALUE PROPOSITION

Figure 16: Heliospectra Value Proposition



Source: Cohen Research

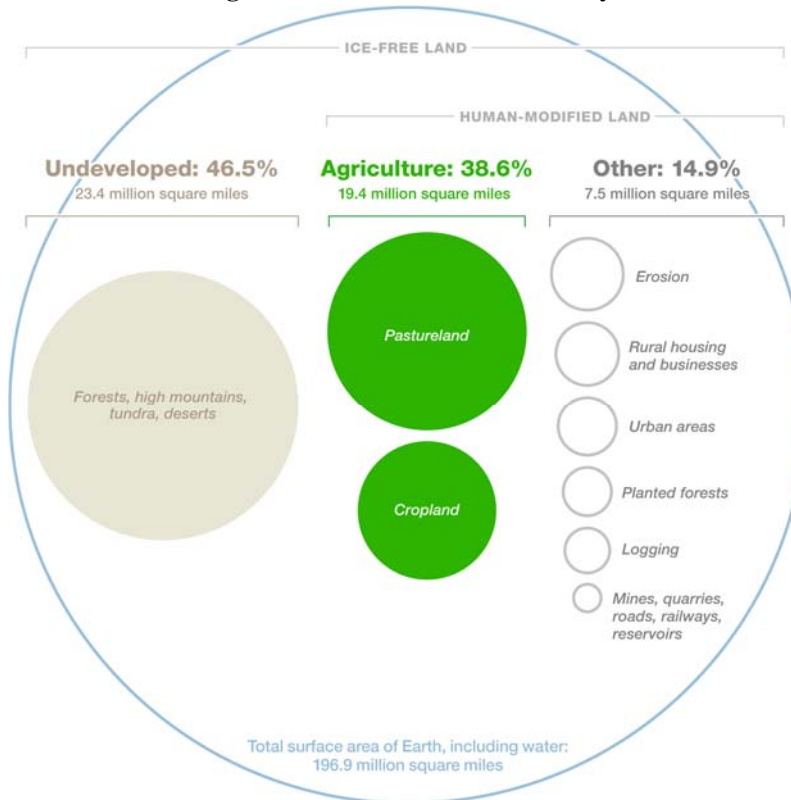
INDUSTRY OVERVIEW

Industry Trends

Growing population and urbanization: According to the World Health Organization, by 2050 the world population is estimated to be 9 billion with approximately 70% of them residing in urban areas. New megacities are expected to be green and responsible, specifically as it applies to food supply.

Less access to arable land: Currently, 80 percent of the land that is suitable for growing food is already in use. As access to arable land and fresh water supplies decreases, commercial agricultural systems will no longer be adequate to feed a rapidly rising global population.

Figure 17: Arable Land Availability



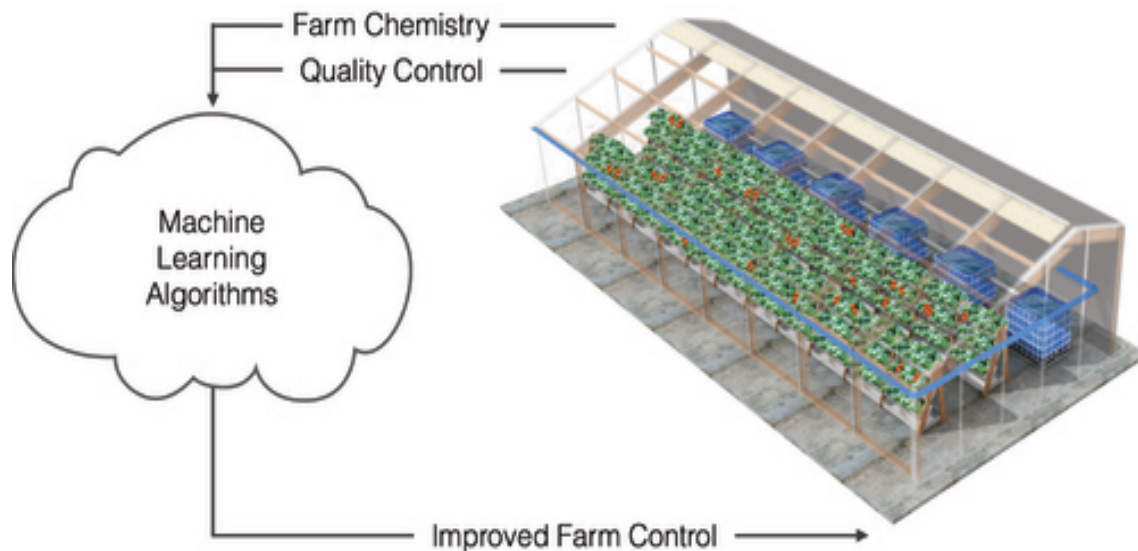
Source: National Geographic

Demand from increasing health and environmentally conscious consumers: Increasingly, more consumers want safe and healthy food that is produced locally in a sustainable way. It is becoming challenging for farmers to keep current with urban growth and their food demands.

Efficiency in commercial greenhouses: Commercial greenhouses have to be lit and heated in a way that optimizes growth. By way of example, approximately 35% of the cost of greenhouse tomatoes comes from heating and lighting. An important question is how to minimize the energy it takes to grow these crops. One obvious answer is to convert greenhouses from the traditional incandescent lighting, usually high-pressure sodium lamps, to more energy-efficient LEDs.

These trends are driving innovation of new farming technologies that allow plants to grow without sunlight in indoor environments, close to or within cities. Global indoor farming is now competing with conventional farms. These farms use advanced lighting, hydroponic, aeroponic and aquaponic methods to quickly grow high quality fruits and vegetable. They operate year-round economically and efficiently. These farms can grow 200 percent more food per square foot than conventional farms without the use of chemical fertilizers.

Figure 18: Large Scale Indoor/Greenhouse Farming



Source: National Geographic

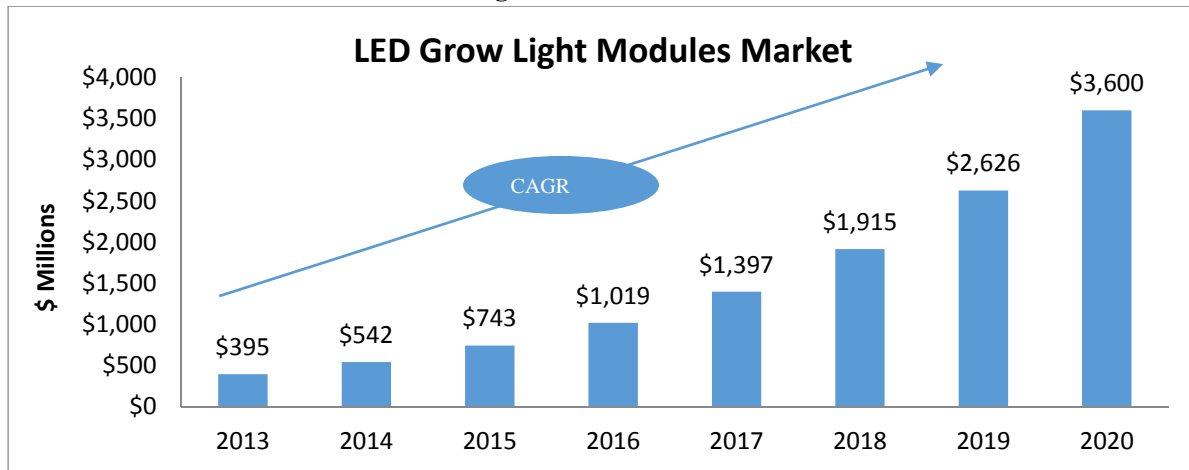
Controlled environmental agriculture (greenhouse and indoor grow operations) is here to stay and will play a crucial role in agricultural production as the world population grows and natural resources become scarce.

Market Size and Growth

According to a new report from ReportsnReports.com, the LED grow light modules (for Agriculture) markets is expected to grow from \$395 million in 2013 to \$3.6 billion by 2020.

The study states that rapid growth is anticipated to come in part from the home and restaurant market segments as people, particularly affluent people, become more health conscious. A fast developing consciousness is avoiding the deleterious effects of pesticides in food. Worldwide markets are poised to achieve significant growth as the food supply for the world begins to adopt automated processes. Grow lights have become more sophisticated and less expensive to run. Solar and wind energy are beginning to be adopted by greenhouses and plant factories. LED grow lights provide quality for growing, requiring homogeneous light distribution at precisely the right wavelengths. LED grow lights are more powerful and efficient than the older generation high-pressure sodium and metal halide bulb grow lights.

Figure 19: Market Size



Source: Cohen Research and ReportsnReports.com

Consequently, the number of commercial greenhouses and the area they occupy is sharply rising. For example, in the Netherlands, greenhouses occupy around 0.25 percent of the land area of the entire country. And the Netherlands is not even the largest producer of greenhouse vegetables in Europe. Countries in higher latitudes use supplemental lighting to compensate for the lack of sunlight in the winter. However, even in lower latitudes these technologies and deployment can be used to increase the number of light hours for growing plants.

Figure 20: Greenhouse Lighting Penetration



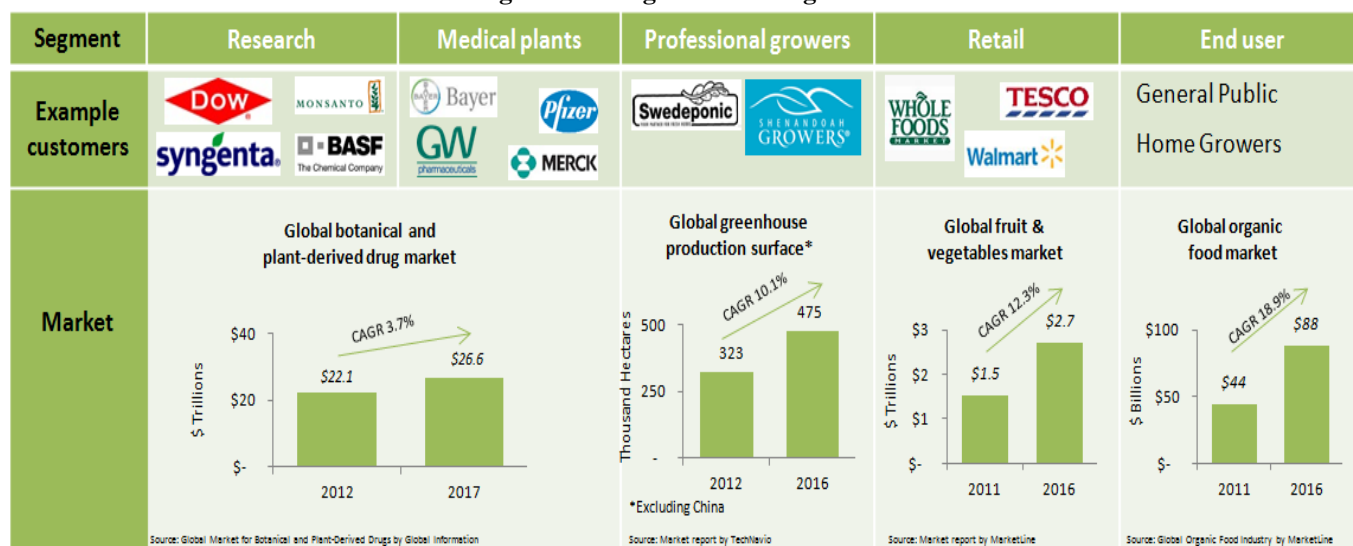
Source: Company Literature

It is crucial that governments continue to support sound economic policies and good governance. Such an outlook towards development will distribute the rewards among all of the classes and ensure support for future initiatives.

Target Market

Heliospectra's products are used in diverse industries. The Company initially targets the plant research industry and controlled environment agriculture. The LX60 is an ideal product for professional growers. The medical plants industry also presents a significant corporate opportunity. The Cannabis market for medical purposes in North America and across the globe is an example in context.

Figure 21: Target Market Segments



Source: Company Presentation









COMPARATIVE ANALYSIS

There are many companies providing LED lighting solutions for cultivation but none of the technologies are as comprehensive as Heliospectra's. The competitive landscape is fragmented from highly diversified firms (Philips) to smaller niche players trying to capture a share of the market.

It is important to note that Heliospectra provides a comprehensive solution that comprises one or more luminaries, different types of sensors and sophisticated software controlling all these fixtures. This is a considerable differentiator from companies that sell only luminaries. Heliospectra's patented systems-centric approach and superior engineering, separate the Company from its competition.

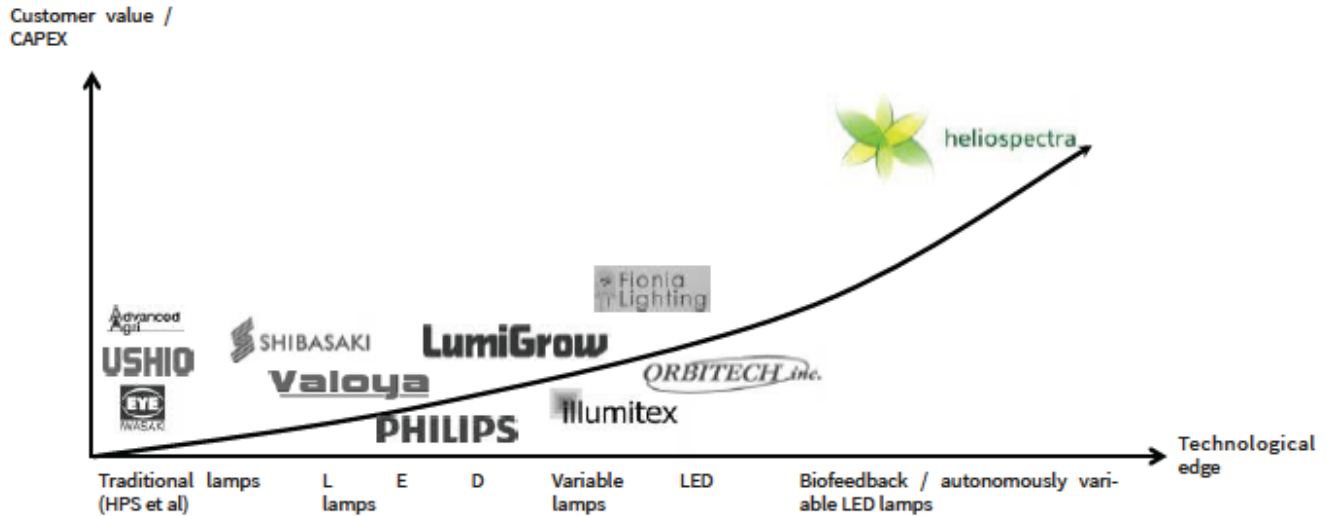
As the industry gains more recognition, more and more companies are expected to enter this market to produce these lamps. Heliospectra's intellectual property lies primarily in the software and control of luminaires, as well as integration with plant specific sensors. This means unlike competitors, the Company is not dependent on hardware sales only. This is perhaps the greatest advantage and differentiator for Heliospectra

Figure 22: Competitive Matrix

Name	Business Description	Market Segment/ Product category
	USHIO America, Inc. a specialist in industrial light sources. Its primary product focus is on discharge and halogen lamp technology	Diversified HPS
	Iwasaki Electric, EYE, a worldwide supplier of lighting products and industrial systems	Diversified HPS
	ORBITEC's LED Lighting Systems provides solutions for biological research, plant growth and supplemental greenhouse lighting	Variable LED Lamps
	Illumitex is a manufacturer of precision LEDs and LED lighting fixtures	Variable LED Lamps
	LumiGrow, is a provider of smart horticultural lighting solutions	LED Lamps
	Fionia Lighting is one of the market leaders in LED Lighting for horticultural lighting	Variable LED Lamps
	Philips is a diversified technology company present across many industries including energy efficient lighting solutions and new lighting applications,	LED Lamps
	Valoya provides LED lights for installations in growth chambers and growth rooms, multilayer cultivation, interlighting, conveyor applications with moving lights or conveyors and high intensity greenhouse lighting.	LED Lamps

Source: Company Presentation

Figure 23: Competitive Positioning



Source: Company Presentation

Risks factors:

Patents: The Company's competitiveness is dependent on, among other things, its ability to obtain, uphold and defend patents to protect its products. Without patents the Company would lose its competitive edge to competition.

Intellectual Property Rights: The Company owns patents and trademarks for its technology and its products. The value of the Company's assets, is to a certain extent, dependent on its ability to uphold and protect intellectual property rights.

Substantial Capital Requirement: The commercialization of its products will require substantial capital for building and expansion purposes. Without the expected capital investment, the Company might face a growth rate that is slower than expected.



VALUATION

THE COHEN PRICE TARGET™ - \$8.47

The Cohen Price Target™ is a dynamic and logical valuation approach that combines market-based approaches and intrinsic value methodologies. Capital raising and cash are the life-blood of any micro-cap/small cap Company. Hence, the Cohen Price Target™ includes four components, 25% equal weighted that together, reflect and are based on the Company's ability to raise capital for growth. The four components used in our price index are: Price-to-Earnings ratio (P/E), Cohen Price-to-Capital Employed ratio (P/CE) (Both Market based valuation approaches), Cohen Discounted Cash Flow (DCF) method (Theoretically an Intrinsic Value based approach) and Cohen Price Performance Index.

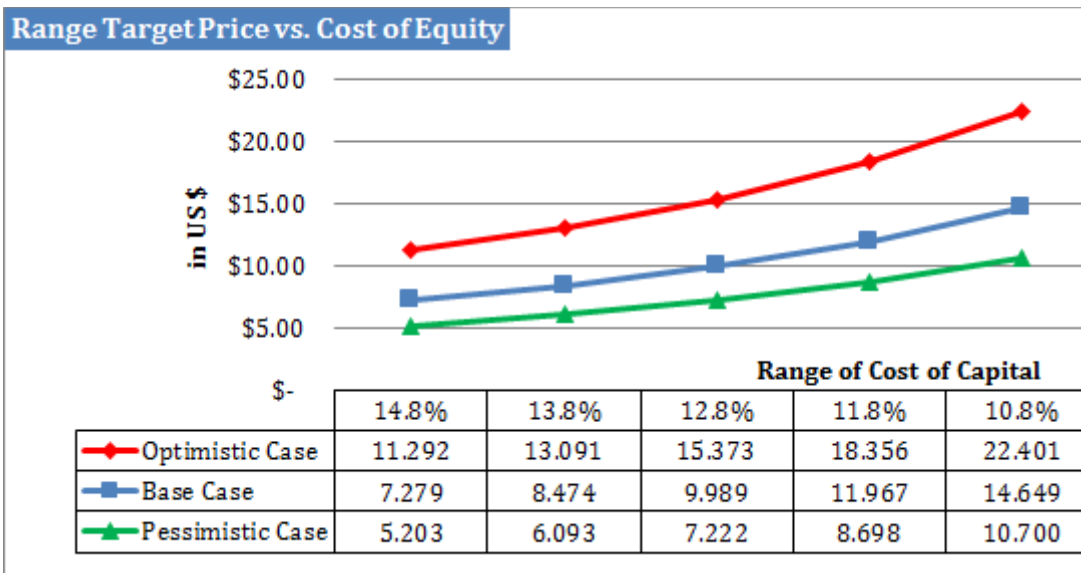
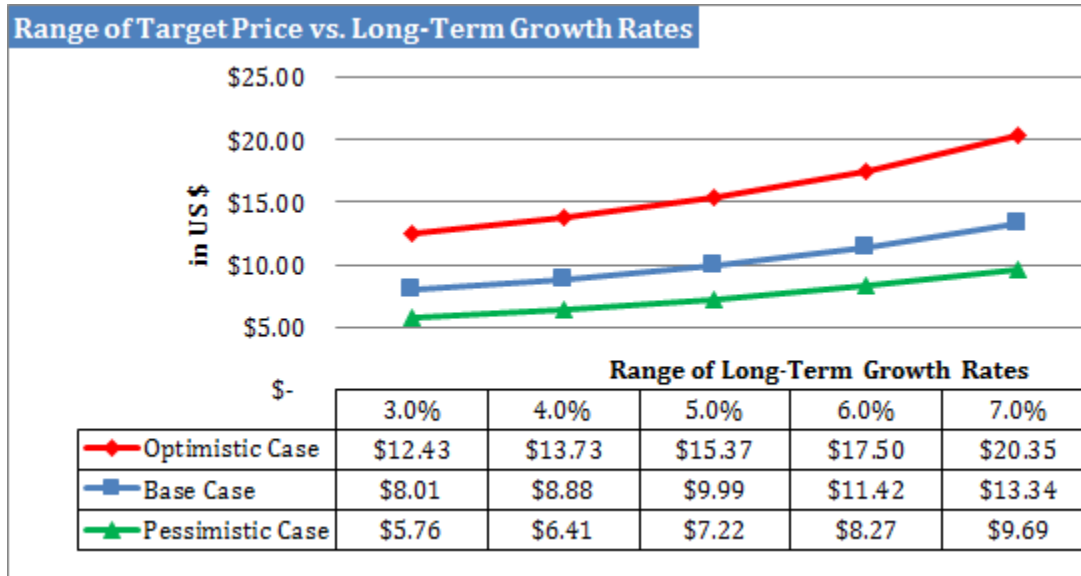
Our formula for The Cohen Price Target™ is shown below.

Figure 24 - The Cohen Price Target™ Formula

Price-to-Earnings (P/E)		in \$
Earnings Per Share 2017 Forecasts	\$ 0.46	
Expected P/E Ratio	29.2x	
Discount Rate	89%	
Price based on P/E Ratio		11.97
Price-to-Capital Employed (P/CE)		in \$
Capital Employed	\$ 1.47	
Long term P/CE Ratio	7.4x	
Discount Rate	89%	
Price based on P/CE Ratio		9.66
Cohen Discounted Cash Flow Model		in \$
Cohen DCF Value - Base Case		9.99
Cohen Performance Index		in \$
Cohen Price Performance Index Value	200.0%	
Current Stock Price	\$ 5.00	
Price based on Cohen Performance Index		15.00
Cohen Price Index Target		11.65
Current Price		5.00
Upside/ (Downside) Potential		133.1%

Source: Cohen Research

Figure 25 - Cohen Discounted Cash Flow™



Source: Cohen Research



CONCLUSION

Heliospectra's core mission is to develop and sell efficient lighting systems that provide highly flexible, customizable, and predictable control of plant growth and quality. The Company differentiates itself from competitors through its versatile and patented biofeedback system. The focus is not so much on product manufacturing, as it is on its ability to understand plant characteristics/needs and modify lighting, to fast track growth in an optimized manner.

The Company is initially targeting the traditional light replacement market. Heliospectra's patented system can help reduce energy consumption by up to 50% in greenhouses when compared to traditional HPS bulbs. Energy optimization is the most important piece of the controlled environment agriculture puzzle. There is a clear need for a versatile and efficient energy system.

The Company's light systems have built-in intelligence and are modular. They are easy to operate and can be easily integrated with third-party equipment. The systems can be used to closely control the intensity of light wavelengths and to accurately match the spectrum, to a specific plant's spectrum of photosynthesis and key photomorphological receptors.

After continuing and thorough development, Heliospectra is on the threshold of an international launch of its high volume product for professional greenhouse cultivation. The Company has a leveraged business model with multiple revenue sources. A solid and well thought-out patent strategy will help the Company cement its position in the nascent indoor cultivation markets. The target market is highly diverse. Opportunities are exciting.

A growing population and shrinking available natural resources are concerns for future food sufficiency. Innovative, sustainable farming methods bring production closer to the consumer. Reduction of the environmental footprint is in various stages of evaluation. The demand for Greenhouse farming and lighting solutions is likely to increase. In addition, the focus on the growing cannabis sector is expected to translate into strong sales in the next few years.

We believe the Company's strong and outstanding management team, strategic partnerships, robust projected revenue streams and growth potential of the LED grow lighting market makes the stock a potentially valuable investment proposition. Heliospectra provides a potential short term and long term investment opportunity for risk-averse investors.

SC, MBA, CAT, CFA/Cohen Grassroots Research, Inc.



MANAGEMENT BIOS

Heliospectra has a strong multi-national dynamic management team that brings years of experience in plant physiology and related lighting technology. Under their guidance, the Company has formed strong working partnerships. CEO Staffan Hillberg has a world class financial and management background. The level of talent of this management team is rare in the small cap stock markets.

Staffan Hillberg CEO

Mr. Hillberg is the CEO and co-founder of Heliospectra. He is also a partner of Wood & Hill Investment AB, a small private equity boutique based in Sweden. Previously, he was Managing Partner at the MVI Group, one of the largest and oldest business angel networks in Europe, with over \$175M Euro invested in 75 companies. Other previous positions include CEO and founder of security company AppGate, which raised US \$20M from ABN Amro, Deutsche Telecom, and GE Equity; manager of online activities and MIT Media Lab sponsorship of Bonnier Group; and QuickTime Product Manager at Apple Computer.

He is currently a board member of Procera Networks, Inc. Mr. Hillberg holds an MBA from INSEAD and has pursued an M.Sc. from Chalmers University of Technology.

Håkan Bengtsson Chief Financial Officer

Mr. Bengtsson has worked as a Controller at Telia AB, founder and part owner of Comeva vice President/CFO/ HR manager, vice President/CFO at Empower AB. He has many years of work experience in other capacities within these companies. He holds an M.Sc in Business and Economics from the University of Gothenburg School of Business, Economics and Law.

Anthony Gilley Chief Technology Officer

Mr. Gilley is the CTO at Heliospectra. He is responsible for project management and product development. He worked previously with Jeppesen Systems, Pilotfish, HIQ och Volvo Trucks. He has graduated from Chalmers University and Computer Science from Goteborg University.

Christopher Steele Chief Operating Officer

Mr. Steele is responsible for operations, international business development, strategy and sales and development. He previously worked with Klarna, EPIC, Encubator, Ricoh, and Americas Corporation. He received his Master in Science from Goteborg University and Bachelors (BSB) from Indiana University.



Chris Walker

General Manager North America

Mr. Walker is the General Manager of Heliospectra Inc and is in charge of North American operations. He is very experienced in developing and selling start-ups. Mr. Walker has about 20 years of experience in the energy sector as well as real estate. He previously worked in the marketing division of a Fortune 500 company. He is associated with several start-ups and has a large global network.



LATEST PRESS RELEASE

Heliospectra receives major order valued at over one million SEK

Jan 19, 2015

Heliospectra AB, a world leader in intelligent lighting technology for plant research and greenhouse cultivation, has received an order worth about one million SEK for the LX60 system. The order includes 100 units and is from the same customer that last summer ordered 20 units. The new order is Heliospectra's largest so far.

In July 2014 Heliospectra announced that it had received an initial order in the US of 20 units corresponding to 200 000 SEK. Now Heliospectra has signed a larger follow-on order from the same customer.

- It is gratifying that we can now see that the customer goes ahead and buys another 100 units which corresponds to a value of over one million SEK. Our assessment is that the 120 units that the customer has now purchased is part of their extensive new build-out. We anticipate further orders from them, said Staffan Hillberg, CEO of Heliospectra.

The client is based in Seattle and has received a number of licenses to cultivate medicinal plants. It is a booming market in North America where 23 states are already approved and additional states are underway. According to Arcview Market Research this market is expected to grow, from 2.34 billion dollars in 2014 to 10.2 billion in 2017.

- This is an important installation where the client will act as reference to other potential customers. This particular customer has managed to reduce their flowering cycle by 1-2 weeks by taking advantage of the LX60 system which allows for changing of the spectrum during the growth cycle. This is a major improvement for growers, said Staffan Hillberg.

Heliospectra has several other potential customers in Colorado, Washington and other states, who have products for testing, ranging from one to twenty units. Each growing cycle takes one to three months and growers often want to see several cycles during their evaluation.

- Overall, the future looks bright. Our existing customers are very positive and we have good dialogues with new potential customers inside and outside of the US market and are therefore actively recruiting more sales staff, said Staffan Hillberg.

KEY HISTORICAL DEVELOPMENTS

Heliospectra US patent application approved by the US patent office

Oct 09, 2014

Heliospectra AB (publ), a world leader within intelligent lighting technologies for plant research and greenhouse cultivation, has had its US patent application approved by the United States Patent and Trademark Office. The patent concerns methods in optimising LED lighting for plants as well as to make working processes more efficient in the greenhouse environments of the future.

- The USA is one of our most crucial markets and it has great potential. The fact that our patent has now been approved is an immense joy and it creates very propitious conditions for Heliospectra, both in the USA and on other markets in the future, says Staffan Hillberg, CEO Heliospectra.

Heliospectra is conducting an active patent strategy in collaboration with the patent agency Awapatent and the consulting firm Prospero Management. Over the last two years, six patent applications have been submitted as supplements to the basic patent applications previously submitted in 2007. The basic patent applications have already been approved in Russia, China, Hong Kong and now also in the USA.

For Heliospectra, the approved patent in the USA is a very important step. Besides the fact that Heliospectra, the company's products and primarily the software will receive a unique position and status, this also means that other submitted patent applications on other markets have good prospects of being approved.

- Heliospectra is conducting a very active and successful patent strategy, which gives the company a unique position as one of the world leading companies in this sector, says Timo Pohjanvuori, CEO at consulting firm Prospero Management, which works continuously with global patent matters in collaboration with the management at Heliospectra.

Heliospectra joins Germany's EDEN initiative for developing safe space station food crops

Sep 30, 2014

Heliospectra joins Germany's EDEN initiative for developing safe space station food crops Heliospectra AB, a world leader in intelligent lighting technology for plant research and greenhouse cultivation, has been named one of thirteen partners in an international consortium participating in the EDEN Initiative, a research program from Germany's DLR Institute of Space Systems (ISS) focused on bioregenerative life support systems - greenhouse modules (GHMs), in particular - and technologies for future humanmade space habitats.

EDEN (Evolution and Design of Environmentally-closed Nutrition Sources) is part of a large European Union project that is receiving EUR 4.5M (\$5.8 million USD) in grants.

The overall goal of the EDEN ISS Initiative is the adaptation, integration and demonstration of food plant cultivation technologies and operation procedures for safe food production on-board the International Space Station and for future human space exploration missions. The EDEN ISS Initiative combines different controlled environment agriculture (CEA) technologies within automatic planetary GHMs.



Project planners seek to design, construct and present a first-of-its-kind complete, closed environment GHM that enables safe and controlled crop production in extremely hostile conditions. To demonstrate mission viability, the module will be transported to a remote research station in Antarctica and tested for a one-year period.

"In Antarctica, we will be testing all systems in a space-like mission scenario in order to gain essential knowledge of how to produce food and how to recycle water for astronauts during future missions to destinations like Mars," said Daniel Schubert, project leader of the DLR EDEN ISS research initiative.

"Collaborating with Heliospectra to develop outer-space-ready CEA lighting systems for the EDEN project helps immensely in our investigation of technologies that can transform concepts for habitats on the moon and Mars into space-proven hardware," Schubert explained.

Heliospectra's role in the project is to create a water-cooled light emitting diode (LED) solution based on the company's renowned expertise in horticulture (the cultivation of vegetables, fruits, flowers and ornamental plants) lighting technology. LEDs are semiconductor devices that emit light when conducting current.

"There isn't a more interesting and compelling challenge in indoor plant cultivation than safe food production in closed systems like the space station and future human space exploration vehicles," said Heliospectra CEO Staffan Hillberg. "Heliospectra welcomes this opportunity to be a part of the EDEN ISS consortium designing and testing essential technologies for potential use in space. This is yet another example that Heliospectra is driving the evolution of sophisticated plant lighting. Technologies and solutions like this can later be implemented in our commercial systems."

Heliospectra in wastewater treatment project with leading Swedish organizations

Sep 25, 2014

Heliospectra AB, a world leader in intelligent lighting technology for plant research and greenhouse cultivation, has been named a member of "The Warm and the Clean City," an advanced collaborative Swedish project in waste water treatment and energy recovery using algae.

The project - valued at 10 million Swedish krona (SEK) or \$1.4 million USD - is funded by the Swedish government agency Vinnova working under Sweden's Ministry of Enterprise, Energy and Communications. Led by Lund Municipality, an urban district located in southern Sweden, the project has a main objective of developing a comprehensive solution for wastewater treatment in Sweden and improving methods for the recycling of nutrients and energy.

Heliospectra's role in the project is to contribute its intelligent lighting technology and create optimal "life conditions" for the algae that forms an integral part in both wastewater treatment and energy recovery. Heliospectra's effort is funded with 500,000 SEK from the project budget.

Heliospectra agreement on ADR program cleared - trading shares in the United States soon

Aug 29, 2014

Heliospectra (publ), a world leader in intelligent lighting technology for plant research and greenhouse cultivation, has signed an agreement with BNY Mellon (The Bank of New York Mellon Corporation) to carry out an ADR program (American Depositary Receipts). As a result, Heliospectra shares will soon be traded in the United States. With the ADR program, it is much easier for investors in the United States to purchase Heliospectra shares in the local currency (USD), through their normal brokers and during normal American work hours.

- We have seen a great interest in our products and our stock in the United States. Becoming a part of the ADR program has been an expressed desire for Heliospectra. Now our shares are more accessible in a market that we believe has great potential, says Staffan Hillberg, CEO Heliospectra, which expects that direct trading in the United States, in practice, should be running within a month.

The first ADR program was launched in 1927 with the company Selfridges and today there are over 1500 companies using ADR. Examples companies include SAP, Adidas, Ericsson, Statoil and GW Pharma. There are three different levels of the ADR program and Heliospectra has chosen level 1. This level is used by a majority of foreign companies, as it offers reporting requirement and document translation advantages.

Already in connection with the First North IPO, a number of American investors came in with capital and have followed the company. Because the American market is rapidly growing, Heliospectra sees this as a good thing for raising awareness for the company, broadening ownership further and offering American investors to participate in the exciting ongoing development of the company.

Heliospectra's largest order in USA - first part-order worth SEK 200,000

Jul 10, 2014

Heliospectra AB, (publ) has sold 20 of its new LX60 lighting systems, for an order value of approximately SEK 200,000. The sales contract also contains a letter of intent for the delivery of a further 180 lighting systems in the second half of 2014. The sale was made via the company's American retailer, GrowersHouse. The order is Heliospectra's largest in the American market. Heliospectra, the world leader in intelligent lighting technology for plant research and greenhouse cultivation, was listed on Nasdaq OMX First North on 18 June.

- The order is a breakthrough and strategically important. It is also clear proof of the strong demand for our new products, especially in the American market, says Staffan Hillberg, CEO at Heliospectra. The order, excluding the letter of intent, is the biggest Heliospectra has received in the American market and is considered as an initial roll-out order in which LX60 is included.

- The end customer, who is building a commercial greenhouse facility in Seattle, has tested our earlier products over the course of a year and is extremely satisfied. Their goal now is for the LX60 to become the company's primary lighting system. Altogether, we estimate that this customer alone will require thousands of additional lighting systems, says Staffan Hillberg.



Heliospectra's new LX60 lighting system was launched at the end of May, attracting a great deal of interest in Sweden and abroad. According to Heliospectra's calculations, the new LX60 generates almost 50 per cent more light on the plants compared with its predecessor, L4A. The company has also reduced the weight to 8 kg from 13 kg.

Heliospectra - one of Sweden's eight most innovative cleantech companies makes international tour
Jun 09, 2014

Heliospectra, a world leader within intelligent lighting technology for plant research and greenhouse cultivation, which is being listed on the Nasdaq OMX First North on 18 June, is one of the eight carefully selected Swedish companies taking part in this year's Swedish Cleantech Tour, travelling to London, Zürich and Boston. The hand-picked Swedish companies, identified as Sweden's most innovative within environmental technology, will meet international investors and industry stakeholders. The goal is to eventually contribute toward solving global environmental challenges.

- The Swedish Cleantech Tour is a great opportunity for Heliospectra to prove itself internationally. After a successful share issue and to coincide with the planned listing, we are now undertaking a major international marketing campaign so this forum is ideal for us. To be one of the selected companies is also a major acknowledgement of Heliospectra's business concept and that we can actually contribute to better food, reduced transport, lower energy consumption and so on, thereby reducing the negative environmental impact, says Staffan Hillberg, CEO at Heliospectra.

At the end of May, Heliospectra launched its new patented LX60 lighting system, which is more efficient, greener and cheaper compared to earlier products. According to Heliospectra's calculations, the LX60 generates almost 50 per cent more light on the plants compared with the predecessor, L4A. The company has also managed to lower the weight from 13 kg to 8 kg.

- We really have the wind in our sails now. The level of interest in LX60 is huge, both nationally and internationally. Our share issue was over-subscribed and the tremendous interest has enabled an additional private placement to qualified investors totalling a further SEK 18.2 m, approximately. Altogether, this has resulted in overall issued capital of around SEK 40.9, says Staffan Hillberg.

Heliospectra's new intelligent lighting system in place at Swedeponic - "The new LX60 lives up to its promises"
May 20, 2014

Heliospectra, the world leader in intelligent lighting technology for plant research and greenhouse cultivation, last week launched LX60, the new generation of intelligent lighting systems. The patented LX60 system is more efficient, cheaper and greener compared with earlier products.

"LX60 lives up to its promises. Overall it looks very promising," says Ulf Jonsson at Swedeponic, which is the European leader in the cultivation of fresh herbs in pots for the grocery market and already has the new lighting system in place at one of its facilities. Since Heliospectra was established in 2006, agronomist Ulf Jonsson who founded Swedeponic in 1995 has been an important partner in the development of



intelligent lighting technology for plant research and greenhouse cultivation. Today, Swedeponic is the market leader in Europe and remains an important partner - and customer.

"It is obviously important for us to be continuously reducing our impact on the environment, minimising energy consumption while simultaneously optimising the quality of our products. The new LX60 is part of this work and a constant goal," says Ulf Jonsson.

Swedeponic has had 22 LX60 lighting fixtures at its plant in Hejsta outside Södertälje and will be installing a further 22 LX60s in the near future. According to Heliospectra's calculations, the LX60 generates almost 50 percent more light on the plants compared with the predecessor, L4A. The company has also managed to lower the weight from 13 kg to 8 kg.

"Ulf and Swedeponic were our first customer and they have also been a key partner in our development work. When our products live up to the demands set by Ulf and Swedeponics, we know we have done well," says Staffan Hillberg, CEO of Heliospectra.

Earlier in the spring, Heliospectra's Board of Directors decided to list the company publicly on the Nasdaq OMX First North, scheduled to take place on 18 June. A guaranteed rights issue of SEK 22.65 m is now being implemented.

Heliospectra launches its new generation of intelligent lighting systems - more effective, more energy-efficient and less expensive

May 15, 2014

Heliospectra nominated for prestigious Greentech Innovation Award 2014

May 12, 2014



THE COHEN PRICE TARGET™

The Cohen Price Target™ is derived using a combination of academic and market-based valuation approaches. The following four equal weighted (25%) components used in calculating our target price, include the assumption of capital raised:

1. The first 25% equal weighted component: is the market multiple based valuation methodology. This method uses the industry average Price-to-Earnings ratio to calculate the potential stock price (and/or price to Book if an asset based Company). We take the average Price-to-Earnings multiple of a given industry. This means that, on an average, stocks in this industry should currently trade at a multiple times their 2011 expected earnings. These earnings are usually only generated by a small Company raising cash to meet its master budget. The index, therefore, reflects capital invested in any micro/small cap Company.
2. The second 25% equal weighted component: Cohen Capital Employed based valuation. Most start-up and micro/small cap companies require significant capital to meet our projections. Our Cohen Price Target™ reflects the Company's ability to raise additional capital. Based on our capital projection and long-term price target from our Cohen DCF™ valuation model, we derive a Price-to-Capital Employed ratio. We then multiply this ratio with our capital employed per share assumption to derive this target price.
3. Our third 25% equal weighted component is our use of the Cohen Price Performance Index™, which calculates the average price increase of all the stocks covered by Grass Roots Research and Distribution Inc. and Cohen Research after their release. Currently, for the period ending July 14, 2013, the Cohen Price Performance Index™ is up by 83.0%, meaning that we expect the stock to follow the same trend and rise by 83.0%. To date, since May 2009, 96.2% of all of our stocks post report release have traded above the price of our initiate coverage report within 20 days. The Index assumes that all of its companies had capital employed in each Company.
4. Our fourth 25% equal weighted component is our Cohen Discounted Cash Flow (DCF) method of valuation. Our Cohen DCF™ valuation includes a complex trademarked formula proprietary to our firm, which includes an assumed long-term sustainable growth rate, cost of capital and assumed capital invested in a given Company. Our DCF price target values a Company today, based on projections of how much future cash will be generated from a given Company. We assume that a Company is worth all of the cash it can make available to investors in the future. It is called 'discounted' cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming a given amount of capital is raised, to calculate the free cash flow we project a Company to generate during our 5 year forecasted time period. If a Company does not raise our estimated cash requirements, it is highly unlikely to reach our forecasts and can go out of business. After using a formula to discount free cash flow, we divide the total forecasted equity of the Company by the shares of stock outstanding to calculate our Cohen DCF™ valuation, or theoretical price per share target. We believe the Cohen DCF™ formula is a more accurate measurement of operating cash than the traditional DCF used by most Wall Street research analysts. A DCF, or 5 year forecasted free cash flow projection, cannot be calculated without forecasting the three statements (IS,BS,CF) for 5 years. We are the only firm in the investor awareness industry that forecasts all of our companies for 5 years in three assumed cases. We



believe this in depth level of securities analysis is a must for all of our companies, and is a foundation of the Cohen Research Method™.

Capital raising and cash are the life blood of any micro-cap/small Company. Our Cohen Price Target™ includes 4 components, 25% equal weighted, that together reflect capital is raised in our client companies. Our components are trademarked and proprietary to our firm, as is the Cohen Performance Index™.

Most micro/small cap companies have difficulty raising sufficient funds to reach our theoretical forecasts; hence there is considerable risk for any investor. While we do not give investment advice, any Company that cannot raise adequate capital to finance its business model is a highly risky investment, short term or long term. Investment awareness campaigns also affect our price targets. Do not rely on our price targets because they are based on academic theory. Do your own research or consult with your investment professional.

Price Targets

Price targets can be heavily influenced by investor awareness campaigns. In general, we observe the more money spent on such campaigns, the greater the probability for short term price increases post report release. Our price targets assume capital raising and forecast 5 year Income Statement, Balance Sheet and Cash Flow statements. In a perfect world, these assumptions may be realized. We do not give investment advice. However, in the practical/real world, it is very difficult for a small Company to reach our theoretical 5 year projections. We are not aware of any research firm that forecasts the three statements (IS, BS, CF) in 3 cases for 5 years. We believe our price targets are unique to the body of knowledge in the field of securities analysis.

Note: How we calculate our Price Targets

We further explain our Cohen DCF, which is an important 25% component of The Cohen Price Target. The Cohen Discounted Cash Flow Analysis (DCF) creates a price target and values a Company today, based on projections of how much future cash will be generated from a Company. Our DCF analysis assumes that a Company is worth all of the cash that it can make available to investors in the future. It is called "discounted" cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items including assuming capital is raised, to calculate the free cash flow we expect a Company to generate during our 5 year forecasted time period. After using a formula to discount free cash flow, we divide the total forecasted equity of the Company by the shares of stock outstanding to calculate our Cohen DCF (Discounted Cash Flow) valuation, or theoretical price per share target. We believe our Cohen DCF is a more accurate method of calculating operating cash. We forecast three assumed price targets because companies change during 5 years, Base Case, Optimistic Case, and Pessimistic Case.

Note: What is our formula used to calculate our DCF, the Cohen Price Target?

Some line items include free cash flow to the firm, the weighted average cost of capital, assumption of capital raised and capital spent, and the total enterprise value of the business less its debt, total equity value, total shares outstanding, and our projected price per share. A DCF cannot be academically calculated without projecting the 5 year cash flow statement.

Risks of the Cohen Price Target

Our Price Targets assume capital will be raised in our four components, or 100% of the Cohen Price Target. The majority of micro-cap/small cap companies need capital to reach our 5 year sales and cash flow projections. In the academic world, The Gordon Growth Model justifies an analyst's decision to forecast for 5 years. We forecast the



three statements for 5 years in 3 cases. However, in the practical/real world, buying a micro-cap stock based on 5 year forecasting is highly risky.

If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the Company executes on its business model. If an investor believes that a given Company cannot raise the necessary capital to reach our projections, then any investment becomes highly risky.

The investor should consider all of the possibilities of any given Company being able to raise capital and execute over 5 years. Few micro to small cap companies are able to raise enough capital and execute over an extended period of time, primarily due to competition, management competence, access to capital and continued execution of their master plan, agenda and budget. Our price targets are academic theory and should not be relied upon. Investors should do their own research and consult with their financial consultants.



FINANCIAL EXHIBITS

Income Statement – Base Case

all figures in \$ '000	2013 A	2014 F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Net Sales	68.04	534.25	2,422.09	11,603.34	32,354.13	43,845.52	51,623.70	60,914.71
Other Revenue	101.08	150.69	242.21	928.27	1,617.71	1,753.82	4,129.90	6,091.47
Total Revenue	169.12	684.94	2,664.30	12,531.61	33,971.84	45,599.34	55,753.60	67,006.19
Total Cost of Goods Sold	42.14	447.0	1,678.5	7,519.0	19,703.7	25,991.6	30,664.5	36,183.3
Gross Profit	126.98	237.91	985.79	5,012.64	14,268.17	19,607.72	25,089.12	30,822.85
Expenses								
Other operating expenses	2,150.82	2,584.52	3,101.42	3,318.52	3,517.63	3,728.69	3,952.41	4,189.55
Total Expenses	2,150.82	2,584.52	3,101.42	3,318.52	3,517.63	3,728.69	3,952.41	4,189.55
Operating Profit/ EBITDA	(2,023.84)	(2,346.61)	(2,115.63)	1,694.12	10,750.54	15,879.03	21,136.71	26,633.29
Depreciation and Amortization	375.90	539.44	462.36	590.91	1,069.92	1,887.77	1,950.16	1,916.63
Earnings Before Interest and Tax	(2,399.74)	(2,886.04)	(2,577.99)	1,103.21	9,680.62	13,991.26	19,186.55	24,716.66
Interest Expense, Net	3.50	95.45	-	-	-	-	-	-
Other Income (Expenses), Net	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.86
Profit Before Tax	(2,396.38)	(2,974.64)	(2,571.13)	1,110.07	9,687.48	13,998.12	19,193.41	24,723.52
Taxation Expenses (Recovery)	-	-	-	-	2,906.24	4,199.44	5,758.02	7,417.06
Net Profit/Loss for the period	(2,396.38)	(2,974.64)	(2,571.13)	1,110.07	6,781.24	9,798.69	13,435.39	17,306.47
Shares Outstanding - Basic	13,791.2	13,791.2	14,666.9	14,666.9	14,666.9	14,666.9	14,666.9	14,666.9
Shares Outstanding - Diluted	13,791.2	13,791.2	14,666.9	14,666.9	14,666.9	14,666.9	14,666.9	14,666.9
EPS - Basic	\$ (0.17)	\$ (0.22)	\$ (0.18)	\$ 0.08	\$ 0.46	\$ 0.67	\$ 0.92	\$ 1.18
EPS - Diluted	\$ (0.17)	\$ (0.22)	\$ (0.18)	\$ 0.08	\$ 0.46	\$ 0.67	\$ 0.92	\$ 1.18

Balance Sheet – Base Case

all figures in \$ '000	2013 A	2014 F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
ASSETS								
Cash and Cash Equivalents	494.34	3,140.01	2,640.20	1,000.00	2,697.92	10,733.52	28,158.09	47,798.57
Accounts Receivable	191.80	598.36	1,937.67	3,481.00	6,470.83	8,769.10	5,162.37	3,045.74
Inventories	278.60	205.48	399.64	626.58	1,358.87	1,367.98	1,672.61	2,010.19
Total Current Assets	964.74	3,943.85	4,977.52	5,107.59	10,527.62	20,870.60	34,993.07	52,854.49
Property, Plant and Equipment, Net	273.14	221.69	304.78	990.70	2,369.62	2,495.43	2,460.67	2,525.58
Intangible Assets	1,801.38	1,560.99	1,965.63	2,958.27	4,368.68	4,448.06	4,360.42	4,404.35
Investments	12.32	12.32	12.32	12.32	12.32	12.32	12.32	12.32
Total Assets	3,051.58	5,738.85	7,260.24	9,068.89	17,278.25	27,826.41	41,826.48	59,796.74
LIABILITIES								
Accounts Payable & Liabilities	227.36	181.89	286.80	650.25	1,393.28	1,783.22	2,077.01	2,422.37
Other Liabilities	33.60	46.45	73.24	166.05	355.79	455.37	530.39	618.58
Accrued expenses and deferred income	191.94	121.26	191.20	433.50	928.85	1,188.81	1,384.68	1,614.92
Total Current Liabilities	452.90	349.60	551.23	1,249.80	2,677.92	3,427.40	3,992.08	4,655.87
Long Term Liabilities	1,365.28	1,363.60	-	-	-	-	-	-
Total Liabilities	1,818.18	1,713.20	551.23	1,249.80	2,677.92	3,427.40	3,992.08	4,655.87
Total Shareholders Equity	1,233.40	4,025.64	6,709.01	7,819.09	14,600.33	24,399.01	37,834.40	55,140.86
Total Liabilities, Shareholders Equity, MI	3,051.58	5,738.85	7,260.24	9,068.89	17,278.25	27,826.41	41,826.48	59,796.74



Cash Flow Statement – Base Case

all figures in \$ '000	2013 A	2014 F	2015 F	2016 F	2017 F	2018 F	2019 F	2020 F
Operating Activity								
Net Income	(2,396.38)	(2,974.64)	(2,571.13)	1,110.07	6,781.24	9,798.69	13,435.39	17,306.47
Adjustments to Reconcile Cash Flows								
Depreciation and Amortization	375.90	539.44	462.36	590.91	1,069.92	1,887.77	1,950.16	1,916.63
Other Adjustments	-	-	-	-	-	-	-	-
Changes in operating assets and liabilities:								
Accounts receivable	28.84	(406.56)	(1,339.31)	(1,543.33)	(2,989.82)	(2,298.28)	3,606.73	2,116.63
Inventory	(112.00)	73.12	(194.16)	(226.94)	(732.29)	(9.11)	(304.63)	(337.58)
Current liabilities	47.04	(103.30)	201.63	698.57	1,428.12	749.48	564.68	663.79
Change in Working Capital	(36.12)	(436.74)	(1,331.85)	(1,071.70)	(2,293.99)	(1,557.91)	3,866.79	2,442.85
Cash Flow from Operating Activities	(2,056.60)	(2,871.94)	(3,440.62)	629.28	5,557.16	10,128.55	19,252.33	21,665.94
Investing Activity								
Acquisitions of subsidiaries	(4.48)	-	-	-	-	-	-	-
Acquisitions of other financial assets	-	-	-	-	-	-	-	-
Repayment of long-term debt	0.14	-	-	-	-	-	-	-
Acquisitions of intangible assets	(1,029.98)	(206.33)	(791.74)	(1,480.10)	(2,144.02)	(1,162.75)	(1,015.43)	(1,125.26)
Acquisitions of tangible assets	(36.68)	(41.27)	(158.35)	(789.38)	(1,715.22)	(930.20)	(812.34)	(900.21)
Cash Flow from Investing Activities	(1,071.00)	(247.59)	(950.09)	(2,269.48)	(3,859.24)	(2,092.95)	(1,827.77)	(2,025.47)
Financing Activity								
Rights issue	2,800.98	5,766.88	5,254.50	-	-	-	-	-
Repayment of debts	(4.20)	(1.68)	(1,363.60)	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities	2,796.78	5,765.20	3,890.90	-	-	-	-	-
Effect of Foreign Exchange		-	-	-	-	-	-	-
Net Change in Cash	(330.82)	2,645.67	(499.81)	(1,640.20)	1,697.92	8,035.59	17,424.57	19,640.48
Opening Cash Balance	825.16	494.34	3,140.01	2,640.20	1,000.00	2,697.92	10,733.52	28,158.09
Ending Cash Balance	494.34	3,140.01	2,640.20	1,000.00	2,697.92	10,733.52	28,158.09	47,798.57
<i>Check</i>	<i>\$ 0.00</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>



APPENDIX

Sr No.	Ticker	Name	Current Price	Shares Outstanding (mm)	Market Cap (mm)	Rank
1	AEGY	Alternative Energy Partners Inc	0.0001	4111.80	0.41	76
2	AERO	AeroGrow International, Inc	3.4	6.54	22.22	29
3	AFAI	Alternative Fuels Americas Inc	0.06	77.29	4.72	47
4	AGDY	AGRI-DYNAMICS INC	0.04	56.37	2.25	59
5	AGTK	AGRITEK HOLDINGS	0.05	60.99	3.05	51
6	ATTBF	ABATTIS BIOCEUTICALS	0.12	10.74	1.29	66
7	AVTC	AVT Inc	1.28	21.01	26.90	26
8	BAYP	Bayport International Holdings Inc	0.01	18.63	0.20	80
9	BLPG	Blue Line Protection Group Inc	0.22	124.57	28.03	24
10	BNRDF	BEDROCAN CANNABIS CO	0.61	38.58	23.53	28
11	BRDT	BREEDIT CORP	0.07	97.31	6.81	42
12	BRND	Premier Brands Inc	0.0001	264.50	0.03	82
13	CANA	Cannabis-RX Inc	0.21	156.00	32.76	21
14	CANL	Cannlabs Inc	1.4	65.44	91.62	9
15	CANN	Advanced Cannabis Solutions Inc	5.4	12.58	67.93	13
16	CANV	CannaVEST Corp	3	33.42	100.26	7
17	CARA	Cara Therapeutics Inc	10.61	23.03	244.40	4
18	CBDS	Cannabis Sativa Inc	6.69	15.03	100.58	6
19	CBGI	CANNABUSINESS GROUP	0.01	119.01	1.19	69
20	CBIS	Cannabis Science Inc	0.06	934.92	53.29	15
21	CNAB	MySkin Inc	1.68	47.24	79.37	10
22	CNBX	Cannabis Pharmaceuticals Inc	0.25	100.63	25.16	27
23	CNLK	CANNALINK, INC	2.1	0.10	0.21	79
24	CWNM	Crown Marketing	0.02	16983.87	339.68	3
25	DEWM	Dewmar International BMC Inc	0.0036	1010.86	3.64	49
26	DIRV	Directview Holdings Inc	0.0006	380.74	0.23	78
27	EAPH	Easton Pharmaceuticals Inc	0.03	580.30	15.17	33
28	EDXC	ENDEXX CORP	0.04	144.61	5.78	43
29	EFFI	EFFTEC INTL INC	0.01	6.85	0.07	81
30	ENDO	Omniscanna Health Solutions Inc	0.02	67.89	1.24	68
31	ENRT	Enertopia Corp	0.06	90.50	5.17	45
32	ERBB	American Green Inc	0.01	4026.08	54.75	14
33	FITX	Creative Edge Nutrition Inc	0.01	3479.42	29.23	23
34	FSPM	Fusion Pharm Inc	0.26	10.59	2.75	54
35	FULL	Full Circle Capital Corp	4.32	11.99	51.80	16
36	FWDG	FutureWorld Corp	0.01	263.30	2.63	56
37	GBHPF	GLOBAL HEMP GRP	0.02	99.94	2.00	61
38	GBLX	Growblox Sciences Inc	0.32	34.60	11.07	35
39	GRCU	Green Cures & Botanical Distribution Inc	0.01	1660.32	8.47	38
40	GRNH	GreenGro Technologies, Inc	0.1	203.99	20.09	30
41	GWPH	GW Pharmaceuticals PLC- ADR	74.08	19.68	1457.88	2
42	HEMP	Hemp Inc	0.03	273.50	8.20	40
43	HLSPY	HELIOSPECTRA AB	5	13.79	68.96	11



Sr No.	Ticker	Name	Current Price	Shares Outstanding (mm)	Market Cap (mm)	Rank
44	HSCC	HOMELAND SECURITY CP	0.01	155.21	1.55	64
45	ICBU	IMD Companies Inc	0.01	325.21	2.31	58
46	INSY	Insys Therapeutics Inc	48.83	35.81	1748.36	1
47	LATF	Latteno Food Corp	0.0016	5271.87	8.43	39
48	LXRP	Lexaria Corp	0.09	34.68	3.29	50
49	MCIG	mCig Inc	0.14	270.14	37.82	19
50	MDBX	Medbox Inc	3.28	30.44	99.85	8
51	MDCN	Medican Enterprises Inc	0.02	50.81	0.97	70
52	MJNA	Medical Marijuana Inc	0.12	949.11	113.99	5
53	MNTR	MENTOR CAPITAL, INC.	1	2.74	2.74	55
54	MPEFF	MAPLE LEAF GREEN WOR	0.02	103.66	2.07	60
55	MYEC	MyEcheck Inc	0.02	4123.53	68.86	12
56	NDEV	NOVUS ACQ & DEV CORP	0.3	1.98	0.59	74
57	NGMC	Next Generation Management Corp	0.0047	265.85	1.25	67
58	NRTI	Inergetics Inc	0.02	163.10	3.65	48
59	NTRR	Neutra Corp	0.07	38.64	2.58	57
60	NXTTF	NEXT GEN METALS INC	0.01	41.17	0.41	75
61	OGRMF	ORGANIGRAM HLDGS INC	0.49	35.77	17.53	31
62	OSLH	OSL Holdings Inc	0.005	394.62	1.97	62
63	PHOT	Growlife Inc	0.04	879.14	30.77	22
64	PLPL	Plandai Biotechnology Inc	0.25	134.41	34.28	20
65	PMCM	Primco Management Inc	0.0001	8996.80	0.90	71
66	PUGE	Puget Technologies Inc	0.06	42.52	2.76	53
67	REFG	Medical Cannabis Payment Solutions	0.04	111.18	4.73	46
68	RFMK	Rapid Fire Marketing Inc	0.0004	4785.20	1.91	63
69	RIGH	Bud Genius Inc	0.0003	30000.00	9.00	37
70	SING	Singlepoint Inc	0.02	295.09	5.46	44
71	SKTO	SK3 Group Inc	0.0004	867.95	0.35	77
72	SPRWF	SUPREME PHARMACEUTIC	0.18	62.51	11.25	34
73	SRNA	Surna Inc	0.26	104.39	27.56	25
74	TAUG	Tauriga Sciences Inc	0.01	836.87	10.96	36
75	TRTC	Terra Tech Corp	0.25	197.71	50.22	17
76	TURV	Two Rivers Water & Farming Co	0.61	26.52	16.18	32
77	TWMJF	TWEED MARIJUANA	1.59	31.24	49.67	18
78	VAPE	VAPE HOLDINGS INC	0.72	11.30	8.14	41
79	VPOR	Vapor Group Inc	0.0015	429.83	0.64	72
80	VTMB	Vitamin Blue Inc	0.0009	1613.41	1.45	65
81	WCIG	Wee-Cig International Corp	0.01	45.87	0.64	73
82	XTRM	Extreme Biodiesel Inc	0.0039	717.44	2.80	52
Average			2.1965	1198.08	65.77	



Disclaimer

Cohen Grassroots Research, Inc.

Short Disclaimer

Cohen Grassroots Research, Inc. (CGR) is an Investor Relations firm hired by companies and third parties to provide Investor Awareness services. This disclaimer is to be read and understood before using Information. When the words 'research' and 'report' are used in our reports, websites, disclaimers, distributed Information, documents, programs and commercial products, they mean commercial advertisement. CGR distributes Information purchased and compiled from outside sources and analysts. This report/release/advertisement is hereinafter defined as an investor relations report and is for general Information purposes only. Do not base any investment decision or rely on Information in this investor relations report including financial projections, price targets which are academic theory, buy/sell and trading observations and forecasted business prospects. Never invest in any stock featured, distributed, posted, written and/or edited by CGR or a third party on web sites, emails, newsletters, or other media unless you can afford to lose your entire investment. All Information should be validated by the issuing company. This publication is not provided to any particular individual with a view toward their investment circumstances. CGR does not give investment advice and is not a registered Investment Advisor or a member of any association for other research providers. Under no circumstances is this investor relations report to be used or considered as an offer to sell or a solicitation of any offer to buy any security or other debt instruments, or any options, futures or other derivatives related to such securities herein. By accessing, viewing or using our website, analytical documents or communications, you agree that you alone bear complete responsibility for your own investment research, due diligence and investment decisions. The majority of these profiled companies are highly risky OTC Bulletin Board or Pink Sheet companies. CGR's history and past results are the combination of Cohen Independent Research Group, Inc., and Grass Roots Research and Distribution, Inc.

Release of Liability

CGR assumes no liability for any short term or long term investment decision by any investor of our profiled stocks or any third party's use of CGR materials. The reader of the Information hereby indemnifies CGR from any liability for any claimed direct, indirect, incidental, punitive, or consequential damages pertaining to the disseminated Information. The reader acknowledges that CGR will not be liable to any person or entity for the quality, accuracy, completeness, reliability, background information on personnel, or timeliness of Information in this investor relations report, or for any direct, indirect, consequential, incidental, special or punitive damages that may arise out of the use of Information, products or services from any person or entity including but not limited to lost profits, loss of opportunities, trading losses, and damages that may result from any incompleteness or inaccuracy in any of CGR's profiled companies of the disseminated Information. CGR does not undertake any responsibility or liability whatsoever for any forward looking statements or any legal obligation whatsoever for updating the Information.

Quality and Limitations of Information

CGR analysts rely on Information considered to be reliable. This Information may come from issuing companies, SEC and other regulatory filings, and other sources available to the analyst. CGR and its analysts are limited in validating, quantifying and researching such distributed information. This Information may or may not be used by CGR analysts for writing their analytical documents. The Information used and statements of fact made are not guarantees, warranties or representations as to their completeness or accuracy. Investor relations report opinions are the personal views of the outside contracted analyst. (a) This Information may or may not be accurate or truthful. CGR and its analysts have no access to this Information beyond available public information. (b) CGR does not independently verify or assert the truthfulness, completeness, accuracy or reliability of the Information and is not responsible for errors and omissions. (c) Because the Information is presented on an "as is" basis, your use of the Information is at your own risk. (d) CGR disclaims, expressly and impliedly, all warranties of any kind, including those of merchantability and fitness for a particular purpose or whether the Information is accurate or reliable or free of errors. (e) Statements contained in the Information that are not historical facts are forward looking statements that involve risks and uncertainties as indicated by words such as 'believes', 'expects', 'estimates', 'may', 'will', 'should' or 'anticipates' or similar expressions. These forward looking statements may materially differ from the Issuer's presentation of Information to CGR analysts, and actual operational and financial results or its actual achievements, claimed or otherwise. (f) Reading our analytical documents alone (including other reasons cited herein) should never be used as the sole basis for making an investment decision. We urge you to use the Information (if you find such Information to be useful) only as a starting point for your further investigation and research. Consult with your investment or financial adviser, attorney or other counselor as to the advisability of taking any actions including buying or the selling of securities. Do your own research.

Corporate and Promotional Firm's Activities

CGR disclaims and is not a part of any 'third party' (defined as a corporation, shareholder, outside entity, Investor Relations, Public Relations, Promotional Firm or Investor Awareness firm) or associated with their methods of operation, distribution, programs and use of CGR's materials. (a) CGR may act as an independent non-affiliated subcontracting vendor of Information materials to certain third party corporations, shareholders, investor awareness, IR and PR firms. (b) All subcontracted CGR vended materials become assets of a paying third party client to use at their choice, and do not represent in any way CGR's endorsement or participation in any third party's corporation, shareholder, IR, PR or investment awareness programs. (c) CGR is not a part of or connected to any and all potentially illegal corporate, third party, shareholder, promotional firms, IR, PR firms, outside communications of all types, including outside trading activities. (d) CGR has no knowledge or inside Information or participation in any illegal activities, including illegal trading, of any of its profiled companies or third party clients. (e) CGR and its outside sources have no firsthand knowledge of any profiled company or third party, corporation, shareholder, IR, PR and investment awareness firm's capabilities, intent, resources, financing, operations, politics, inner workings, plans, management competence and decisions, internal corporate and third party goals, ethical standards, or their ability to reach their corporate or third party goal. CGR reserves the right to co-market its separate services with other third party firms.



General Information

CGR advises recipients of all such data to be validated from the issuing company including all statistical information derived from SEC filings, from data sources, the opinion of the analyst, or financial information and data from the issuing company contained herein. The reader should seek professional financial advice, verify all claims and do his/her own research and due diligence before investing in any securities mentioned. When paid in stock, Readers are advised to review SEC periodic reports, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 includes statements and caution regarding expected continual growth of a profiled company and the value of its securities, Forms 10-Q, 10K, Form 8-K, insider reports, Forms 3, 4, 5 Schedule 13D, www.sec.gov.nasd.com, www.pinksheets.com, www.sec.gov and www.finra.com. CGR is compliant with the Can Spam Act of 2003. Investing in micro-cap and small cap securities is speculative and carries a high degree of risk. Investors can lose their entire investment. Future prospects may not be realized. Do your own research.

The Private Securities Litigation Reform Act of 1995

The Private Securities Litigation Reform Act of 1995 provides investors a 'safe harbor' in regard to forward-looking statements. CGR cautions all investors that such forward-looking statements in this investor relations report are not guarantees of future performance. Investors should understand that statements regarding future prospects may not be realized. This investor relations report does not have regard to the specific investment objective, financial situation, suitability, and the particular need of any specific person who may receive this investor relations report. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall substantially. Accordingly, investors may receive back less than originally invested, or lose their entire investment. Past performance is not indicative of future performance. Please click to: www.grassrootsrd.com to read the full text of this disclaimer.

Compensation and Trading

Because we receive compensation for CGR's dissemination of the Information, our publicly disseminated publications should not be regarded in any manner whatsoever as independent. CGR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific observation or views expressed by the analyst in the report. CGR services and analytical documents rendered are not related to, connected to, nor are they contingent on a client's stock price performance. CGR is sometimes paid for analytical documents and distribution in cash, stock, Rule 144 stock, warrants, options or other securities in lieu of or in addition to CGR's stated compensation schedule. This compensation and ownership of securities of a client's common stock constitutes a conflict of interest as to our ability to remain objective in our communication regarding our profiled companies. More information can be received from our client company's website. The majority of our assignments are for 30 days. We may write analytical documents or promote a given company on other occasions. The Company has paid \$15,000 in compensation for this commercial advertisement program. This document shall not be copied and is copyrighted by Cohen Grassroots Research Inc. and D. Paul Cohen

Full Disclaimer:

Cohen Grassroots Research, Inc.

Cohen Grassroots Research, Inc. (CGR) is an Investor Relations firm hired by certain companies and third parties to provide Investor Awareness services to micro-cap, small cap companies and other private and public companies. When the words 'research' and 'report' are used in our reports, websites, distributed information, and all commercial products, they mean commercial advertisement. Readers of our information are hereinafter referred to as 'Reader' or 'Readers'. This disclaimer is to be read and understood before using information. By using or viewing any information, you agree that you have read this disclaimer in full, understand it and proceed to use or view information in agreement that you alone bear complete responsibility for your own investment research, investment decisions and due diligence. CGR's history and past results are the combination of Cohen Independent Research Group, Inc., and Grass Roots Research and Distribution, Inc.

General Information

Do not base any investment decision on information in this report/release/advertisement, hereinafter referred to as an investor relations report; including financial projections, price targets, buy/sell and trading observations and forecasted business prospects. This publication is not provided to any particular individual with a view toward their investment circumstances. CGR is hereinafter collectively referred to as CGR, "we" or "us" or "our". The words "third party" are collectively defined as private and public corporations, IR, PR, investor awareness firms, third party shareholders and other outside entities not affiliated with CGR. Investor Awareness programs are designed to help companies communicate their investment characteristics. CGR does not give investment advice and is not a registered Investment Advisor or a member of any association for other research providers. CGR distributes analytical documents and other information and are for general information purposes only.



Distribution Sources

Never invest in any stock featured, distributed, posted, written and/or edited by CGR or a third party, on CGR or third party Web Sites, Emails / Newsletters, Social Media posts or Social Media profiles or Social Media networks including Facebook Status / Posts / Updates, Twitter Tweets / Posts / Updates or any other Social Media based source, Blog Postings, YouTube or other Video Content, Corporate Profiles, Research Reports, Analyst Reports, PowerPoint Presentations, Corporate Videos, CEO Video Interviews, Press Releases, Banners, Google / Yahoo/ Bing or other Search Engine Advertising or Listings, Images, and/or Web-Based Discussion Board Postings or any other Information, Electronic Content and Written Content (Collectively referred hereafter as "Information"), unless you can afford to lose your entire investment. CGR electronically disseminates the Information on its Websites, in newsletters, featured reports and spam compliant email communications pertaining to Profiled Companies' (the "Issuer" or "Issuers" or "Profiled Company" or "Profiled Companies"), the securities of which are most frequently common stock shares quoted on the Over the Counter Bulletin Board ("OTCBB") or Pink Sheets (the "Securities").

Information, Electronic or Written

All Information herein is not intended to be used for investment advice. Under no circumstances is this investor relations report to be used or considered as an offer to sell or a solicitation of any offer to buy any security or other debt instruments, or any options, futures or other derivatives related to such securities herein. CGR electronically disseminates the Information on its websites, analytical documents, in newsletters and email communications pertaining to issuers of securities (the "Issuer" or "Issuers" or "Profiled Company" or "Profiled Companies"). A Profiled Company's securities are most frequently quoted on the Over the Counter Bulletin Board ("OTCBB") or the Pink Sheets. Certain Pink Sheet stocks may or may not have audited financial statements. CGR and its data vendors do not warranty that such SEC filing data, or any third party information or distribution of CGR Information and other compiled data is accurate. CGR advises recipients of all such data to be validated by the issuing company including all statistical Information derived from SEC filings, from data sources or financial Information and data from the issuing company contained herein. The Information is forecasted in analytical documents and is primarily based on publicly available Information, such as quarterly (sometimes with un-audited financial statements) and annual reports (with audited financial statements) filed with the Securities and Exchange Commission ("SEC"), quarterly and annual audited and/or un-audited financial reports and Information and Disclosure Statements filed with Pink Sheets, the Issuer's website and Information obtained through contracted analysts, search engines such as Yahoo Finance, Market Watch and Business Wire. CGR does not endorse, independently verify or assert the truthfulness, validity, accuracy, completeness, or reliability of the Information disseminated by an issuing company used in any CGR investor relations report.

Release of Liability

CGR assumes no liability for any short term or long term investment decision by any investor of our profiled stocks or any third party's use of CGR materials. The reader of the Information hereby indemnifies CGR from any liability for any claimed direct, indirect, incidental, punitive, or consequential damages pertaining to the disseminated Information. The reader acknowledges that CGR will not be liable to any person or entity for the quality, accuracy, completeness, reliability, background information on personnel, or timeliness of Information in this investor relations report, or for any direct, indirect, consequential, incidental, special or punitive damages that may arise out of the use of Information, products or services from any person or entity including but not limited to lost profits, loss of opportunities, trading losses, and damages that may result from any incompleteness or inaccuracy in any of CGR's profiled companies of the disseminated Information. CGR does not undertake any responsibility or liability whatsoever for any forward looking statements or any legal obligation whatsoever for updating the Information.

Quality and Limitation of Information

CGR analysts rely on Information considered to be reliable. This Information may come from issuing companies, SEC and other regulatory filings, and other sources available to the analyst. CGR and its analysts are limited in validating, quantifying and researching such distributed information. This Information may or may not be used by CGR analysts for writing their analytical documents. The Information used and statements of fact made are not guarantees, warranties or representations as to their completeness or accuracy. Investor relations report opinions are the personal views of the outside contracted analyst. (a) This Information may or may not be accurate or truthful. CGR and its analysts have no access to this Information beyond available public information. (b) CGR does not independently verify or assert the truthfulness, completeness, accuracy or reliability of the Information and is not responsible for errors and omissions. (c) Because the Information is presented on an "as is" basis, your use of the Information is at your own risk. (d) CGR disclaims, expressly and impliedly, all warranties of any kind, including those of merchantability and fitness for a particular purpose or whether the Information is accurate or reliable or free of errors. (e) Statements contained in the Information that are not historical facts are forward looking statements that involve risks and uncertainties as indicated by words such as 'believes', 'expects', 'estimates', 'may', 'will', 'should' or 'anticipates' or similar expressions. These forward looking statements may materially differ from the Issuer's presentation of Information to CGR analysts, and actual operational and financial results or its actual achievements, claimed or otherwise. (f) Reading our analytical documents alone (including other reasons cited herein) should never be used as the sole basis for making an investment decision. We urge you to use the Information (if you find such Information to be useful) only as a starting point for your further investigation and research. Consult with your investment or financial adviser, attorney or other counselor as to the advisability of taking any actions including buying or the selling of securities. Do your own research.

Corporate, Third Party and Promotional Firm's Activities

CGR disclaims and is not a part of any corporation or third party IR, PR or investor awareness firm's methods of operation, distribution, programs, inner workings and use of CGR's materials. (a) CGR may act as an independent non-affiliated subcontracting vendor of materials to certain third parties. (b) All CGR subcontracted vended materials become assets of a paying third party client to use at their choice, and do not represent in any way CGR's endorsement or participation in any third party's programs. CGR is not a part of, or responsible for any content, associated links, resources, or services associated with any third party website or means of communication. (c) CGR is not a part of or connected to any and all potentially illegal corporate, third party outside



communications of all types, including outside trading activities. (d) CGR has no knowledge or inside Information or participation in any illegal activities, including illegal trading, of any of its profiled companies or third party clients. (e) Such activities might include: causes of potential bankruptcy, fraud, fraudulent and false dissemination of Information and other dissemination of Information, insider trading, corporate and third party non-disclosure, illegal trading, trading manipulation, other legal issues and regulatory violations. (f) Certain content in our releases or website may be written, edited and published by our clients or third parties. Our releases and website may contain the symbols of companies and/or news feeds about companies that are not being profiled by us but refer to certain activity in the micro-cap or penny stock market that we have profiled or are currently highlighting. Readers are advised that all reports and news feeds are issued solely for informational purposes. (g) Our profiled companies on our website may not have approved certain or any statements within the website or reports. (h) This release may provide hyperlinks to third party websites or access to third party content for which we are not responsible. (i) By accessing, viewing, or using our website, release or communications originating from this investor relations report, you agree that you alone are entirely responsible for your investment decision(s). (j) CGR and its outside sources have no firsthand knowledge of any profiled company or third party's capabilities, intent, resources, financing, operations, politics, inner workings, plans, management competence and decisions, internal corporate and third party goals, legal compliance, historical activities, ethical standards, or their ability to reach their corporate or third party goals. CGR reserves the right to co-market its separate services with other third party firms.

Reader's Due Diligence and Regulatory Sources

The Information should only be used, at most, and if at all, as a starting point for Readers to conduct a thorough investigation of the Profiled Company and its securities, to consult with their financial, legal or other advisor(s) and avail themselves of filings and Information that may be accessed at www.sec.gov or www.picksheets.com or other electronic medium, including: (a) Reviewing SEC periodic reports (Forms 10-Q and 10-K), reports of material events (Form 8-K), insider reports (Forms 3, 4, 5 and Schedule 13D); (b) Reviewing Information and Disclosure Statements and unaudited financial reports filed with the Pink Sheets; (c) Obtaining and reviewing publicly available Information contained in commonly known search engines such as Google; and (e) Investment guides at www.sec.gov and www.finra.com pertaining to the risks of investing in penny stocks. The SEC has published an investor-focused website to help your due diligence and protect you against fraud at www.investor.gov. FINRA has published information on its website outlining how to invest carefully at www.Finra.org/investors/index.htm.

Readers Risks

You agree that you alone, Readers of our documents and users of our website must evaluate and bear all the risks associated with the Information, including reliance on its accuracy, completeness or usefulness. In all instances, the Reader should conduct further inquiry into the Profiled Company and its securities. The Profiled Companies are subject to possible risks, including but not limited to: (a) The Information pertains to penny stocks that are subject to the SEC's penny stock rules and commonly involve a high degree of risk that may result in the loss of some or all of an investment in the Profiled Company's securities; (b) The Issuer's penny stock may be thinly traded, which may lead to difficulties of selling its securities; (c) The SEC reporting issuer may be delinquent (not current) in its periodic reporting obligations (i.e., in its quarterly and annual reports) or the Pink Sheet quoted company may be delinquent in its Pink Sheet reporting obligations as indicated by Pink Sheets New Service's posting a negative "sign" pertaining to the Issuer at www.pinksheets.com, as follows: (i) "Limited Information" for companies with financial reporting problems, economic distress, or that are unwilling to file required reports with the Pink Sheets; (ii) "Pink Sheets – No Information", which indicates companies that are unable or unwilling to provide disclosure to the public markets, to the SEC or the Pink Sheets; and (iii) "Caveat Emptor", signifying "Buyer Beware" that there is a public interest concern associated with a company's illegal spam campaign, questionable stock promotion, known investigation of a company's fraudulent or alleged fraudulent activities or its insiders, regulatory suspensions or disruptive corporate actions;

Risks of Small Companies

(d) If the Issuer is a development stage company with little or no operations, the securities should be considered extremely speculative for investment purposes; (e) Many companies that have their securities quoted on the OTCBB or Pink Sheets (as well as Exchange listed companies) have been negatively affected by the economic downturn, the general economy and the lack of adequate financing to meet their operational goals or expansion plans; (f) Many of the energy related and other Profiled Companies are subject to increasing environmental and other governmental regulations, which subjects them to significant costs and possible fines and liabilities for failure to comply with applicable state and federal statutes; (g) The future success of many OTCBB and Pink Sheet quoted Issuers is dependent upon receiving adequate financing or raising sufficient capital, which they may be unable to obtain;

Conflict of Interests Risks

(h) There is an inherent and actual conflict of interest that exists between our Readers' interests and CGR's interests because CGR's owners may (i) Receive the Shares as compensation for disseminating the Information and thereafter sell those Shares at before, during or after an investor relations report release, or at any time for monetary gain, and (ii) Buys and sells the Profiled Company's shares in the open market shortly before, during or after the dissemination of the Information or at any time; (i) We do not receive any direct verification from the Issuer regarding the Information; (j) A third party shareholder may have a potential or actual conflict of interest in paying CGR for the dissemination of the publication while still holding the Issuer's shares of common stock that he or she may sell after the third party shareholder has paid CGR with his or her shares;

Stock Comparison Risks

(k) The comparisons we provide in our Featured Reports under "Similar Companies in Sector" should not be interpreted in any shape, form or manner whatsoever as an indication of the Issuer's future stock price or future financial performance since, among other reasons, such "comparison" companies may be listed on Exchanges (i.e., the New York Stock Exchange, NASDAQ, American Stock Exchange) and trade at stock prices that may be thousands of percent higher than the companies we profile; and (l) Readers may encounter difficulties determining what Information contained in our publications is material or non-material making it all the more imperative that they conduct further investigation of the Profiled Company and its securities; and



Other Risks

(m) We may hire independent third party Service Providers in group distribution investment awareness firm's campaigns, aka 'quarterback campaigns' and other providers, to electronically disseminate live news regarding the Issuer, Information over which we have no control. We pay cash consideration to the Service Providers; no securities compensation is paid by us to the Service Providers. (n) The Penny Stock Market is highly volatile and carries a high degree of risk. Penny stocks can be short term trades or long term investments provided client companies have enough cash or are able raise sufficient cash to reach their business objectives. (o) Our Profiles, documents and other Information regarding the profiled Issuers may include observations regarding positive or negative short term trading results or long term investment strategies providing that issuing companies have or must raise sufficient capital to reach our price targets, the interpretations of which are subject to various risks. Short term trading results and long term investment may result in positive or negative results. Short term trading results ultimately defy exact, or even approximate predictable results of an Issuer's long term trading results. Do not rely on these observations; (p) Note that some of the stocks in which we disseminate Information are not stocks for which we have received any compensation.

Profiled Companies and Non-Client Profiled Trading

CGR, its associates, consultants, affiliated entities, officers, employees, independent contractors, family and friends and directors can trade, buy and sell Profiled and non-client profiled companies and may buy and sell the Shares in the open market of profiled and non-profiled client companies at any time before, during or after the dissemination of the Information or for general non client profiled companies trading purposes at any time. These trading activities may cause significant volatility in the Issuer's stock price or non-client profiled company's stock price, and/or significantly depress or increase the Issuer's or non-profiled client company's stock price. CGR's selling of an Issuer's securities for both profiled and non-client profiled companies may cause its stock price to significantly decline, especially when such securities are thinly traded. Because we disseminate the Information about various issuers and their securities, the price and trading volume of such securities may increase or decrease by hundreds or thousands of percent from the Information that we disseminate in our publications. We may simultaneously or at any time sell those same securities or other non-client profiled companies that result in stock price increases or decreases and volume increases or decreases for substantial profits or losses, including the sale of millions of shares of our securities compensation and/or buying the same securities in the open market. CGR, not including its contracted analysts, may at times receive its compensation in free trading shares or Rule 144 shares of stock for its associates, consultants, affiliated entities, officers, employees, directors and family. CGR and immediate family members may sell the Shares of profiled or non-profiled client companies immediately upon their receipt as well as during the dissemination of such Information or within hours, days, weeks or months thereafter, during before or after an investor relations report is released, or buy and sell securities for non-client profiled companies in individual trading accounts or accounts in which the individual is the beneficiary. As a result, CGR's selling activities may cause significant volatility in the Issuer's stock price and/or significantly depress the Issuer's stock price.

We Do Not Provide Investment Advice

We do not hold ourselves out to the public as an investment adviser and do not otherwise act in the capacity of an investment adviser because we do not engage in the business of advising others as to investing in, purchasing, or selling securities or otherwise acting in the capacity of an investment adviser or performing any of the activities as follows: (a) we provide no financial planning type services to our Readers or any persons; (b) we do not manage financial resources on behalf of any person, including financial management based upon analyzing individual "client" needs; (c) we do not provide any person with general recommendations for a course of activity or specific actions to be taken by a person or "client"; (d) we do not provide any advice to our Readers or any other persons recommending allocation of certain percentages of assets to stocks, penny stocks, life insurance, high yielding bonds, mutual funds, or other securities; (e) we do not provide any of our Readers or any persons with tax or estate plans to their individual needs; (f) we do not provide financial programs for our Readers or any other persons because we do not engage in any of the foregoing activities. You should not interpret any of the Information even remotely as investment advice.

Research Risks, Suitability and Price Targets

Investing in micro-cap and small cap securities is speculative and carries a high degree of risk. Investors can lose their entire investment. Investors should understand that statements regarding future prospects may not be realized. CGR does not supervise any outside analyst and does not guarantee any investor relations report to be error or omissions free or factually accurate. Analytical documents include forecasted valuations and forecasted price targets that are accepted securities analysis protocol in the academic community. There is no guarantee that the predicted business results for the Company will be met. Under NASD Rule 2711, CGR is not defined as a financial analyst. Conclusions prepared by outside analysts are deemed to be reasonable at the time of issuance of the report. All decisions are made by the outside analyst and are independent of outside parties and third parties or influence. Neither the analyst's compensation nor the compensation received by CGR is related to the specific observations or views contained in this investor relations report or note, nor is it related to price performance or volume of shares traded in the referenced security. CGR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific observation or views expressed by the analyst in the report. CGR or its affiliates may from time to time perform consulting or other services for, or solicit consulting or other business from any entity mentioned in this investor relations report. Consulting agreements that CGR may have with a given company are not related to, linked or connected to analytical documents or their distribution. This investor relations report does not have regard to the specific investment objective, financial situation, suitability, and the particular need of any specific person who may receive this investor relations report. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall substantially. Accordingly, investors may receive back less than originally invested, or lose their entire investment. Past performance is not indicative of future performance. CGR has not entered into a soft dollar agreement with the referred to Company. CGR does not currently have an investment banking relationship or a finder's fee agreement with the Company.



The Private Securities Litigation Reform Act of 1995

The Private Securities Litigation Reform Act of 1995 provides investors a 'safe harbor' in regard to forward-looking statements. CGR cautions all investors that such forward-looking statements in this investor relations report are not guarantees of future performance. Unknown risk, including bankruptcy, uncertainties, fraud, stock manipulation as well as other uncontrollable or unknown factors may cause actual results to materially differ from the results, performance or expectations expressed or implied by such forward-looking statements. Smaller companies may have a higher likelihood of filing for bankruptcy. Investors are urged to do their own research regarding the dangers of a potential bankruptcy filing. The enclosed company may have to raise additional capital to remain solvent and to meet forecasted valuation and price projections in this investor relations report. Investor awareness distribution programs can materially affect the price of the company's stock. CGR assumes no responsibility and no liability for any corporate Press Release or any third party promotion. CGR performs and participates at times in investor awareness programs. When used, the words "anticipate," "believe," "estimate," "expect," and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. The Company's actual results, performance or achievements could differ materially from the results expressed in, or implied by these forward looking statements. CGR distributes its reports through a research distribution network and by investor awareness commercial advertising programs to various types of investors. Recipients of such distribution may be short term investors such as day traders, traders, retail investors, institutions, and/or long term retail and institutional traders and investors. Recipients may create volatile trading prices. CGR reserves the right, in its sole discretion, at any time, and without any obligation, to make improvements to, or correct any error or omission(s) in any portion of the service or the materials. The service and the materials are provided by CGR on an 'as is' basis. CGR expressly disclaims any and all warranties, express or implied, including without limitation warranties or merchantability and fitness for a particular purpose, with respect to the service or any materials and products.

Regulation

CGR complies with current securities laws, regulations and ethical standards as related to CGR's compliance requirements. This investor relations report has been prepared in accordance with the SEC's rules and amendments, Oct 23, 2000, regarding 17 CFR Parts, 240, 243 and 249, (Selective Disclosure and Insider Trading), Rules 27A of the Securities Act of 1993, Section 21E of the Securities Exchange Act of 1934, Regulation FD (Fair Disclosure), 10b5-1, 10b5-2, NASD Rules 2250, 2420, 2710 and 2711.

Compensation

Because we receive compensation for CGR's dissemination of the Information, our publicly disseminated publications should not be regarded in any manner whatsoever as independent. CGR is sometimes paid for documents and distribution in cash, stock, Rule 144 stock, warrants, options or other securities in lieu of or in addition to CGR's stated compensation schedule. CGR services and documents rendered are not related to, connected to, nor are they contingent on a client's stock price performance. This compensation and ownership of securities of a client's common stock constitutes a conflict of interest as to our ability to remain objective in our communication regarding our profiled companies. More information can be received from our client company's website. The majority of our assignments are for 30 days. We may write reports or promote a given company on other occasions. The Company has paid \$15,000 in compensation for this commercial advertisement program. This document shall not be copied and is copyrighted by Cohen Grassroots Research Inc. and D. Paul Cohen

Disclaimer: Price Targets

The Penny Stock Market is a highly risky market targeted at short term traders.

Stock prices can be heavily influenced by investor awareness campaigns. In general, we observe the more money spent on such campaigns, the greater the possibility for short term price increases post our initiate coverage documents. We also observe that our target prices may not be met unless client companies have enough cash or are able to raise capital to meet our forecasts.

The Cohen Price Target includes four components. Most reports assume capital will be raised for the majority of our client companies. Most micro-cap/small cap companies need capital to reach our theoretical 5 year projections. The academic world justifies an analyst's decision to forecast the three statements (Income Statement, Balance Sheet and Cash Flow Statements) for 5 years. We normally do so in three cases: Optimistic Case, Base Case and Pessimistic Case. However, in the practical/real world, buying a micro-cap or small cap stock based on 5 year forecasting is highly risky. If smaller companies are able to raise capital, our theoretical price targets in a perfect world might be justified, providing the Company executes on its business model.

At times our price targets may be significantly higher than the current price of a stock. This can happen in theory only if the company's assets, with assumed capital raised, could theoretically create large sales and cash flow volumes over time, especially if the industry is a high growth industry. In the practical world, these price targets may appear to be unrealistic. However, we believe the academics of securities analysis of our calculations support the theory of these assumed price targets.

While we do not give investment advice, the investor should consider the possibilities of a given company being able to raise capital to execute its business model over 5 years. Few micro/small cap companies are able to raise enough capital and execute their master budget over an extended period of time. Our price targets are academic theory only and should not be relied upon. Investors should do their own research and consult with their financial consultants.