



heliospectra

Heliospectra AB (publ)

Half year report January-June 2015

Important events

January-March

- A first order worth SEK 1 million from growers in Washington State.
- Gothenburg Botanical Garden reports overwhelmingly positive results from the use of Heliospectra's system

April-June

- Co-operation with Dixie Brands and American Cannabis is established, two of the largest brands in medical cannabis.
- A study from American University of Akron Research Foundation shows that lettuce grown using Heliospectra's system is significantly better than with traditional HPS lights and competing LED lights.
- A unique co-operation with Qatar for the construction of a demonstrator facility in Qatar showing the Gulf states how to grow with a reduced water consumption in hot countries.
- The first patent application is approved also in Canada in addition to the US, Japan, China, Hong Kong and Russia.
- Viridian Capital publishes an analysis of Heliospectra.
- Dr. Sue Sisley is made head of co-operation within medical cannabis where they primarily use CBD which does not have any drug-related effects

January

- June:

- Net turnover was KSEK 3,977 (1,863)
- Operating profit/loss was KSEK -14,104 (-18,895)
- Profit/loss after tax was KSEK -14,237 (-19,546) or SEK -1 (-1) per share
- Operating cash flow was KSEK -15,521 (-16,987)

Events after the period:

- Heliospectra's CEO makes a presentation to investors in the US via Webinar.
- The largest order ever equal to 672 KUSD (5.7 MSEK) from growers in Las Vegas in co-operation with American Cannabis. Installation is planned for Q4-2015.
- Heliospectra makes a presentation to investors at the well-known MoneyShow in San Francisco.
- Heliospectra completes \$3 Million Private Placement

Heliospectra AB (publ)
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CEO's comments:

The first six months of 2015 have been Heliospectra's most intense period ever. The focus has remained at all times on the continued launch of the LX60 series. We have participated at no fewer than fifteen different trade fairs and conferences in the US, Europe and South America, where we have presented ourselves to customers, partners and investors. Our staff is more and more frequently hired to speak at these different events. It's great to see that all our efforts are now also starting to show in terms of sales. Heliospectra is also very active in social media and with press releases. This in combination with our other marketing activities, has resulted in increased traffic to our website and equally, an increase in sales via our web shop.

Our main markets are the greenhouse markets, growers of medical plants and researchers and product developers at universities, institutions and so-called agrotech businesses.

The greenhouse market today consists of 51 million HPS lights which gradually will be replaced by more energy efficient solutions with an improved spectrum, at the same time as it is growing with new applications within "Controlled Environment Agriculture". Examples of this are "Vertical Farming", greenhouses connected to supermarkets and cultivation in hot climates where there is a need to reduce water consumption.

The US market for growers of medical plants is currently the fastest growing market in North America and is estimated to reach some USD 10.2 billion by 2017, which is a growth of 700% since 2013. Today, 23 states have approved cultivation for medical purposes and further states are expected to follow suit. We can also see plans for approvals in other countries such as Germany, the United Kingdom and Australia and expansions in Israel among others.

The first products sold by Heliospectra were sold to universities, institutions and agrotech companies. Today, we have customers in this segment around the world. A prominent customer is the German space agency DLR, where we also co-operate on a large EU project. Other examples of customers are the two largest universities in Australia, MIT Media Lab, SLU in Sweden and Kyoto University. This remains an interesting market because it helps us run our product development and many of these customers have a significant impact on our other customer segments. The requirements are similar to those of the greenhouse industry, for example the plant laboratory at Cambridge University is the largest consumer of electricity at the university and naturally has clear incentives to reduce its electricity consumption and use the same type of modern lights as used by its customers and partners in the greenhouse industry. In other words the size of this segment should not be underestimated, where we also have our RX30 model based on the same technical platform as the LX60 series.

We have a carefully chosen strategy offering our customers the opportunity to evaluate our systems. We are seeing the results from this now, as the orders are starting to come in. We usually have approx. 10 systems of different sizes being evaluated and as we gain more and more reference installations, we expect sales to grow further.

Staffan Hillberg, CEO
Heliospectra AB

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Financial report

Turnover and profit/loss January - June

Net turnover was KSEK 3,977 (1,863) Operating profit/loss was KSEK -14,104 (-18,895), involving a negative operating margin (neg). Profit/loss after tax was KSEK -14,237 (-19,546) or SEK -1 (-1) per share.

Cash flow January-June

Operating cash flow was KSEK -15,521 (-16,987). Total cash flow was KSEK 1,100 (20,044). During Q1, Heliospectra secured loan financing to compensate for the negative cash flow. Additional loan financing of a total of KSEK 18,000 made up of an Almi business loan with a term of 6 years, KSEK 3,000 and a bridging loan from Weland AB with a repayment on 31/10/2015 of KSEK 15,000.

Significant risks and uncertainties

For a comprehensive, though not exhaustive summary of risks, please refer to Heliospectra's prospectus April/May 2014, pages 9–12, <http://ir.heliospectra.com/aktien/prospekt> and the Annual Report 2014, pages 19-20, <http://ir.heliospectra.com/finansiella-rapporter/>

Events after the period

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Future prospects

The company is now starting to reap the rewards of the extensive sales campaign which began when LX60 was launched. The sales work will be intensified further and as far as the board can see, Heliospectra is well equipped to match the increase in volume now taking place. The board does not present a qualified forecast for 2015 but overall, the company is well positioned for accelerated sales as well as deliveries.

Upcoming reporting dates

- | | |
|-------------------------------------|------------|
| • Interim Report Q3 | 26-10-2015 |
| • Financial statement bulletin 2015 | 26-02-2016 |

Gothenburg, August 31, 2015,

The board

Group's profit and loss account <i>Amounts in thousands of kronor (SEK)</i>	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net turnover	3,977	1,863	3,110
Other operating income	1,406	449	1,217
	5,383	2,312	4,327
Operating expenses			
Commodities	-2,885	-1,357	-2,484
Other external costs	-8,962	-12,429	-20,030
Staffing costs	-5,776	-5,456	-11,097
Depreciation and amortization	-1,864	-1,965	-3,617
Earnings before interest and taxes	-14,104	-18,895	-32,901
Operating margin	neg	neg	neg
Total financial items	-133	-651	-769
Profit/loss before tax	-14,237	-19,546	-33,670
Tax			
Profit/loss after tax	-14,237	-19,546	-33,670

Group's cash flow analysis <i>Amounts in thousands of kronor (SEK)</i>	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Cash flow before changes in operating capital	-12,373	-17,581	-30,053
Changes in operating capital	-3,148	594	-2,445
Group's cash flow	-15,521	-16,987	-32,498
Cash flow from investment activities	-1,267	-4,002	-5,903
Cash flow from financing activities	17,888	41,033	40,997
Cash flow for the period	1,100	20,044	2,596
Cash and cash equivalents at beginning of period	6,127	3,531	3,531
Cash and cash equivalents at end of period	7,227	23,575	6,127

Ratios	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Turnover per share, SEK	0.4	0.2	0.3
Profit/loss per share after tax, SEK	-1	-1	-2
Operating margin, %	neg	neg	neg
EBITDA, KSEK	-12,240	-16,930	-29,284
EBITDA margin, %	neg	neg	neg

Group's balance sheet <i>Amounts in thousands of kronor (SEK)</i>	6/30/2015	6/30/2014	12/31/2014
Assets			
Intangible assets	14,892	14,665	15,116
Tangible assets	1,617	2,190	1,990
Financial assets	0	234	0
Total fixed assets	16,509	17,089	17,106
Stock held	4,844	984	4,249
Current receivables	6,002	2,736	4,101
Cash and bank	7,227	23,575	6,127
Total current assets	18,073	27,295	14,477
Total assets	34,582	44,384	31,583
Equity and liabilities			
Equity	1,862	30,309	16,099
Long-term liabilities	27,616	9,740	9,704
Short-term liabilities	5,104	4,335	5,780
Total equity and liabilities	34,582	44,384	31,583

Changes in group's equity <i>Amounts in thousands of kronor (SEK)</i>	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Opening equity	16,099	8,810	8,724
Net profit for period after tax	-14,237	-19,546	-33,670
New share issue	0	666	583
Share Premium Reserve	0	40,379	40,462
Closing equity	1,862	30,309	16,099

Ratios	6/30/2015	6/30/2014	12/31/2014
Number of shares, thousands	13,791	13,791	13,791
Equity/share, SEK	0	2	1
Solidity	5%	68%	51%
Liquidity	259%	607%	177%

Accounting principles and notes

The company's half year report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's general advice, BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The accounting principles are unchanged from those applied in the annual report for 2014 and described in the annual report. All amounts are reported in thousands of Swedish kronor (SEK) unless otherwise stated.

Definitions

Turnover per share

Total turnover in relation to number of shares

Operating margin

Operating profit in relation to total turnover

EBITDA margin

EBITDA in relation to total turnover

Solidity

Equity in relation to total assets

Profit/loss per share after tax

Profit/loss after tax in relation to number of shares

EBITDA

Operating profit excl. depreciation and amortization

Equity/share

Equity in relation to number of shares

Liquidity

Current receivables plus cash and cash equivalents in relation to current liabilities

Shares

The shares have been established in accordance with Swedish law and are denoted in Swedish kronor. There is only one share class. The shares are in the name of the holder and the share register is maintained electronically by Euroclear Sweden.

The share capital in Heliospectra amounts to SEK 1,379,119.5 distributed as 13,791,195 shares with a par value of SEK 0.10.

Heliospectra's shares and warrants are traded on First North from 18 June 2014.

Ticker symbol on First North: HELIO

ISIN code for the shares: SE0005933082

Heliospectra has an ADR trading on www.OTCMarkets.com in the USA via BNYMellon.

Ticker symbol on OTCMarkets OTCQB: HLSPY

CUSIP code for the ADRs: 423281104

Warrants (TO1)

In conjunction with the issues in the spring of 2014, 5,111,195 warrants were issued. Two (2) warrants entitle the holder during the period 1 September to 30 September 2015, to subscribe for one additional new share at SEK 10.00 each.

Ticker symbol for warrants on First North: HELIO TO1

ISIN code for warrants: SE0005933165

Certified Adviser

G&W Fondkommission
111 43 Stockholm

Ownership list

<i>Shareholders</i>	<i>Number of shares</i>	<i>Shareholding</i>
Weland Stål AB	2 866 500	20.8%
The Industrifonden foundation	2 034 000	14.7%
Midroc New Technology AB	1 958 500	14.2%
Gösta Welandsson	1 000 000	7.2%
Weland Värdepapper AB	973 052	7.1%
B.C.L.M.Ä. 2 Förvaltnings AB	797 000	5.8%
Insurance Company Avanza Pension	455 319	3,3%
B.C.L.M.Ä. 6 Förvaltnings AB	419 000	3.0%
PIBA AB	311 000	2.3%
Inkubator i Borås AB	260 000	1,9%
Other shareholders	2 716 824	19,7%
Total:	13 791 195	100.0%

The total number of shareholders is approximately 1,200.

Stock options for senior management

A resolution was made at the AGM on 7 April 2014 for a stock options programme for senior management and employees. It is made up of 770,000 options where each option entitles the holder to subscribe to one new share at a subscription price of SEK 12 per share during the period from 7 March to 7 May 2016. The dilution from this will be approximately 6%.

Heliospectra in brief

Heliospectra (publ - listed on NASDAQ OMX First North) was founded in 2006 and specializes in intelligent lighting technology for plant research and greenhouse cultivation. Heliospectra products are based on in-depth knowledge of plant physiology and photosynthesis together with a unique method of assimilating modern LED technology. After six years of development in Sweden, the company has now begun to expand on the international market. The company has amassed approximately 18 Million USD of equity and has received over 2.6 Million USD through academic grants. Heliospectra has also received numerous awards for its forward thinking technology. For further information, please refer to Heliospectra's Memorandum April/May 2014, <http://ir.heliospectra.com/aktien/prospekt/> and the Annual Report 2014, <http://ir.heliospectra.com/finansiella-rapporter/>

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

For further information, please contact

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