

ANNUAL REPORT

Heliospectra AB

(Corporate identity no. 556695-2205)

**The Financial Year
2012-01-01--2012-12-31**

ANNUAL REPORT

The board and the managing director hereby present the annual report for the financial year 2012-01-01--2012-12-31.

Administration Report

General business

Ownership

The company's largest shareholder is Weland Stål AB, Wood & Hill AB, Foundation Industrifonden and Midroc New Technology AB, which together own about 80% of the company's shares

Field of activity

The company conducts research and development of plant breeding. The result of the operations to be, lighting system, which is suitable for plant cultivation. During the year, work has continued on developing a flexible lighting system and an extensive development of prescriptions for appropriate lighting for different plants.

A first series of product L4A-S10 is started and new product release is under development. The development of advanced sensors for the analysis of plants has continued and a sensor for constant light is almost complete.

Sales and deliveries to international customers in Australia, the Netherlands, England and Sweden.

The company has participated in several exhibitions and conferences.

During the year the company received a number of awards. Among others was one selected as one of Sweden's most exciting technology companies by the magazine Affärsvärlden and Ny Teknik. Of WWF, the company was awarded the WWF Climate Solver 2012 for the company's technology can save significant amounts of energy. Furthermore, the company was awarded Swedish Embedded Award for its advanced technology. Finally, the company was selected as Ones to Watch Cleantech Companies in Europe 2012 by GP Bullhound Cleantech Connect.

In addition to the company's first patent that is now becoming accepted in many countries as a further two new patents filed.

The number of employees at year end amounts to 12 people, 60% male and 40% female. Staff is representing six different nationalities.

The business is conducted together with partners to gain access to relevant plant environments.

Production is outsourced to external partners.

Loss for the year was 11,064 mSEK.

Funding

During the year the company's existing investors Stiftelsen Industrifonden and Midroc New Technology AB carried out a capital increase of 10 mSEK. Existing shareholders have been converted into shares in the rights issue.

The remaining 4.5 mSEK of the loan granted by the National Energy Authority has been received. Together with Chalmers University of Technology, the company has also received a grant of 6.5 mSEK from Mistra Innovation for the project Intelligent Light which runs during 2012-2015.

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Summary covering several years (kSEK)	2012	2011	2010	2009
Net sales	594	0	0	43
Profit/loss after financial items	-11 064	-15 989	-5 392	-3 753
Balance sheet total	18 676	14 716	8 423	5 587
Financial strength	31,7%	16,1%	42,2%	70,7%

Definitions of key ratios

Operations margin: Operating profit/loss as a percentage of net sales

Return on equity: Profit/loss after financial items as a percentage of average adjusted equity

Financial strength: Adjusted equity as a percentage of balance sheet total

Significant events during the financial year and the for the time after year-end

The company during the first quarter of 2013, completed a new share issue of 5 mSEK.

Appropriation of profits

The board suggests that the available profit:

profit brought forward	16 431 368
net profit for the year	-11 063 623
Total SEK	5 367 745

be dealt with so that:

to new account is transferred	5 367 745
Total SEK	5 367 745

Please see the following income statement and balance sheet for more information.

INCOME STATEMENT		2012-01-01	2011-01-01
<i>Classified by type of cost</i>	Note	2012-12-31	2011-12-31
<i>(Amounts in kSEK)</i>			
Net sales		594	0
Other operating income	1	2 193	1 012
Total income		2 787	1 012
<i>Operating expenses</i>			
Other external costs		-7 162	-11 860
Personnel costs	2	-5 985	-4 552
Depreciation	5	-742	-414
Operating profit/loss		-11 102	-15 814
<i>Result from financial investments:</i>			
Other interest income and similar profit/loss items		69	27
Interest expense and similar profit/loss items		-31	-202
Profit/loss after financial items		-11 064	-15 989
Tax on profit for the year		0	0
Net profit/loss for the year		-11 064	-15 989

BALANCE SHEET	Note	2012-12-31	2011-12-31
<i>(Amounts in kSEK)</i>			
Assets			
Fixed Assets			
<i>Intangible assets</i>			
Capitalized expenditure for development and similar	3	6 347	3 376
Concessions, patents, licences, trademarks and similar rights	4	980	253
		7 327	3 629
<i>Tangible assets</i>			
Plant and machinery	5	95	0
Equipment, tools, fixtures and fittings	5	2 390	1 599
Construction in progress	5	72	0
		2 557	1 599
<i>Financial assets</i>			
Participations in group companies		50	0
Other long-term receivables		7	0
		57	0
Current Assets			
<i>Inventories etc.</i>			
Raw materials and consumables		1 190	0
		1 190	0
<i>Current receivables</i>			
Accounts receivable -trade		644	0
Other receivables		827	631
Prepaid expenses and accrued income		180	77
		1 651	708
<i>Investments</i>			
Other investments		5 034	0
		5 034	0
<i>Cash and bank balances</i>			
		860	8 780
Total Assets		18 676	14 716

BALANCE SHEET cont'd	Note	2012-12-31	2011-12-31
<i>(Amounts in kSEK)</i>			
Equity and Liabilities			
<i>Equity</i>	6		
<i>Restricted equity</i>			
Share capital (5 520 shares)		552	446
		552	446
<i>Non-restricted equity</i>			
Share premium reserve		34 082	19 573
Profit or loss brought forward		-17 650	-1 661
Profit/loss for the year		-11 064	-15 989
		5 368	1 923
<i>Total Equity</i>		5 920	2 369
<i>Long-term liabilities</i>			
Liabilities to credit institutions	7	9 782	5 282
Other liabilities		0	4 118
		9 782	9 400
<i>Current liabilities</i>			
Accounts payable -trade		1 560	1 414
Other liabilities		203	153
Accrued expenses and deferred income		1 211	1 380
		2 974	2 947
Total equity and liabilities		18 676	14 716
<i>Pledged assets and contingent liabilities</i>			
Pledged assets	8	None	None
Contingent liabilities	8	150	150

SUPPLEMENTARY DISCLOSURES 2012-12-31

(Amounts in kSEK)

ACCOUNTING PRINCIPLES

The annual report has been constructed in accordance to the Annual Accounts Act. The accounting has been done in accordance with the Swedish Accounting Standards Board's besides BFNAR2008:1 Annual report of smaller companies (K2 rules).

The accounting principles are unchanged compared to previous year, unless otherwise stated.

Valuation principles etc

Assets, provisions and liabilities are valued at cost unless otherwise stated.

Reporting of other income

Revenue is recognized in accordance with BFNAR 2003:3 Revenue.

As the Company reported income, the fair value of the consideration received or receivable.

Costs for research and development

Company Research costs are expensed in the period incurred. The research costs refer to the expenditure for research aimed at gaining new scientific or technical knowledge.

Development expenditure means expenditure which research findings or other knowledge to create new or improved products or processes.

In the balance sheet is external development expenses at cost. No depreciation has been done since product development is still ongoing. Older, capitalized development costs have been returned to the charge.

Tangible assets

Tangible assets are valued at the net value of acquisition value less a deduction for accumulated depreciations and any impairment losses. Depreciation is calculated using the straight-line method over the estimated useful life of the assets as per below:

Equipment: 20 % on cost of acquisition

Contributions

Contributions are recognized in the balance sheet and income statement when there is reasonable assurance that the conditions attached to the grant will be met and that the grant will be received. Grants are systematically in the same manner and over the same periods as the expenses are intended to compensate. Contributions for the acquisition of fixed assets reduces

Receivables

Receivables are valued at the amount that is expected to be received.

Note 1 OTHER OPERATING INCOME	2012	2011
Grant recieved	1 405	1 012
Chalmers	788	0
Total	2 193	1 012

Note 2 PERSONNEL COSTS	2012	2011
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Salaries, pensions and other social costs

Salaries and remunerations to board members and managing director	1 046	33
Salaries to other employees	4 939	3 143
Social security contributions	1 771	1 024
Pension cost - Board and Managing Director	100	121
Pension cost - other employees	87	0
Total	7 943	4 321

Average number of employees

Average number of men	5	4
Average number of women	8	4
Total	13	8

Note 3 CAPITALIZED EXPENDITURE FOR DEVELOPMENT	2012-12-31	2011-12-31
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Opening acquisition value	3 376	4 850
Acquisition of the year	0	3 376
Accumulated acquisition value	3 376	8 226
Disposal	-1 688	-4 850
	-1 688	-4 850
Closing residual value according to plan	1 688	3 376

The Company has not made any sales but has worked mainly with research and product development. Some external costs of developing products have previously been activated. In 2012 some internal development costs, for a product that will be sold in 2013 and later, has capitalized on the balance sheet in the amount of 3,376 kSEK. A pre-series has been developed for internal use and is now used to develop light regimes for plants.

Note 4 PATENT	2012-12-31	2011-12-31
Opening acquisition value	253	253
Acquisition of the year	727	0
Closing residual value according to plan	980	253

The patent application is filed and we are awaiting a decision. The book value is based on our cost of patent.

Note 5 EQUIPMENT AND DEPRECIATION	2012-12-31	2011-12-31
Opening acquisition value	2 898	1 920
Purchases for the year	1 700	978
Accumulated acquisition value	4 598	2 898
Opening depreciation	-1 299	-884
Depreciation for the year	-742	-415
Accumulated depreciation	-2 041	-1 299
Closing residual value according to plan	2 557	1 599

Note 6 EQUITY		Share premium reserve	Non-restricted reserves
	Share capital		
Amount at the opening of the year	446	19 573	1 923
New share issue	106	14 509	
Net profit/loss for the year			-11 064
Amount at end of year	552	34 082	-9 141

Note 7 LONG-TERM LIABILITIES	2012-12-31	2011-12-31
Seeding loan from Nutek	782	782
Energy Authority	9 000	4 500
Shareholder loans	0	4 118
	9 782	9 400

The seeding loan, originally 2 per 400 000 kr, amortized annually by a rate of 5% on sales. The loan from the Energy Authority: Amortization of five percent of netinvoiced amount in the manufacture and / or sale of own goods and services (including rental), which, according to the Authority's assessment is attributable to the project and its results. With netinvoiced amount referred invoiced amounts excluding duty, shipping, tax and the like. The loan is interest free until repayment. Shareholder loans are offset against shares in 2012.

Note 8 PLEDGED ASSETS AND CONTINGENT LIABILITIES	2012-12-31	2011-12-31
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Pledged assets	None	None
Contingent liabilities	150	150

Guarantee addressed to Swedbank AB Sjuhärad current commitment to the Visa Business Card AB.

Göteborg 2013-

Jan Tufvesson
Chairman

Staffan Hillberg
Managing Director

Andreas Gunnarsson

Staffan Gunnarsson

Stefan Jakelius

Martin Skoglund

My audit report has been rendered 2013-

Ola Spinnars
Authorized Public Accountant