



heliospectra

Heliospectra AB (publ)

Interim management statement January–September 2015

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CEO's comments:

Dear Shareholders,

Heliospectra continues to achieve success for our Company and our shareholders.

Last year we had revenues of just over SEK 3 million for the whole year. So far this year we have reached SEK 6 million in turnover, and booked our largest order ever for SEK 5.7 million (\$US 672,000) for delivery during the fourth quarter of 2015. We also have many systems being piloted by customers around the world.

We have world-leading technology which is attracting collaborations and orders from operators such as the German Aerospace Centre, MIT Media Lab and other renowned institutes and universities around the world. We were recently featured in two international reports on our two key markets, LED growing and intelligent greenhouses, and we were one of two smaller companies being compared with larger players such as Philips and Osram. The reports point out that the markets we operate in are set to experience strong growth, with a forecasted compound annual growth rate of more than 20% through 2020.

The market for medicinal cannabis in the USA is one of the fastest growing industries in North America, growing by more than 70% in each of the last two years. Heliospectra is seen by the market as a strong and serious player with profound expertise in LED growing lamps. We take part in the most important industry expos and investor events, and are visible in the right contexts. Our collaboration with Dr. Sue Sisley has received much positive attention. Dr. Sue Sisley is one of the most widely respected scientists in the industry, and her research on the benefits of medical cannabis for war veterans dealing with mental health issues has been widely acclaimed. We are also seeing similarly positive results in children with epilepsy, MS sufferers, cancer patients etc. Throughout Europe, MS sufferers can buy Sativex, a medicine from an eminent pharmaceutical company GW Pharma in England which grows medicinal cannabis.

Our principal shareholder has continued to actively support us throughout the year. The Weland Group has provided capital for expansion in terms of loans as well as participating in the share issue in August and also now in the exercise of warrants TO1 coming out in September. Midroc has also declared that they are using their warrants and in parallel are contributing, among other things, by using their contacts in the Middle East to ensure we are part of the Qatar project which is aiming to streamline cultivation and minimise the use of water. This is of great interest to many parts of the world, for example California and not least in China where there are problems of contamination in both soil and groundwater.

We have said it before but it is worth repeating. World-leading technology, with application in several rapidly growing markets, along with strong main shareholders, is a winning combination. The coming years will be an exciting journey that we taking along with our shareholders. To easily follow our development we suggest you visit our website www.heliospectra.com and sign up for our newsletter.

Staffan
Heliospectra AB

Hillberg,

CEO

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 collaboration with the state of Qatar to construct a demonstration facility in Qatar showing the Gulf states how to grow with reduced water consumption in hot countries.
- The first patent application is also approved 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 medicinal cannabis where they primarily use CBD which does not have any drug-related effects

July-September

- Heliospectra's CEO makes a presentation to investors in the US via Webinar.
- The largest order ever equal to USD 672 thousand (SEK 5.7 million) from growers in Las Vegas in co-operation with American Cannabis. Installation during Q4.
- Heliospectra makes a presentation to investors at the well-known MoneyShow in San Francisco.
- Heliospectra has a targeted new share issue – brings in SEK 25 million to the company.
- Leading analyst firm includes Heliospectra in new Greenhouse and LED growing lamps report
- Heliospectra expands the Product portfolio – launches two new LED growing lamps in the autumn
- Heliospectra's patent application also now approved in Europe
- Major shareholders Weland and Midroc utilise TO 1 warrants for subscription in Heliospectra.

Financial report January – September

Turnover and profit/loss

Net turnover was KSEK 6,063 (2,542) Operating profit/loss was KSEK -22,442 (-25,363), involving a negative operating margin (neg). Profit/loss after tax was, KSEK -22,616 (-26,013) or SEK -1 (-2) per share.

Cash flow

Operating cash flow was KSEK -23,459 (-28,655). Total cash flow was KSEK 11,016 (7,925). 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. During Q3 Heliospectra made a targeted new share issue which brought in KSEK 25,000 to the company. In conjunction with the new share issue, KSEK 5,000 was amortised on the bridging loan.

Significant risks and uncertainties

For a comprehensive, though not exhaustive summary of risks, please refer to Heliospectra's memorandum 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

- The company brought in MSEK 22.5 before issuing costs by the exercise of warrant programme TO1 being implemented with an approx 90% rate. The subscription price was SEK 10 per share.

Future prospects

The company is now starting to reap the rewards of the extensive sales campaign which began at the launch of the LX60-series. 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

- Financial statement bulletin 2015 26/02/2016
- Annual Shareholders Meeting 14/06/2016

Gothenburg, 30 September 2015,

Staffan Hillberg, CEO
Heliospectra AB

Consolidated profit and loss account <i>Amounts in thousands of kronor (SEK)</i>	2015 jan-sep	2014 jan-sep	2014 jan-dec
Net turnover	6063	2542	3110
Other operating income	1732	717	1217
	7795	3259	4327
Operating expenses			
Commodities	-5132	-2127	-2484
Other external costs	-13921	-15565	-20030
Staffing costs	-8337	-8222	-11097
Depreciation and amortisation	-2847	-2708	-3617
Earnings before interest and taxes	-22442	-25363	-32901
Operating margin	neg	neg	neg
Total financial items	-174	-650	-769
Profit/loss before tax	-22616	-26013	-33670
Tax			
Profit/loss after tax	-22616	-26013	-33670

Consolidated cash flow analysis <i>Amounts in thousands of kronor (SEK)</i>	2015 jan-sep	2014 jan-sep	2014 jan-dec
Cash flow before changes in operating capital	-19769	-23305	-30053
Changes in operating capital	-3690	-5350	-2445
Consolidated cash flow	-23459	-28655	-32498
Cash flow from investment activities	-3413	-4600	-5903
Cash flow from financing activities	37888	41180	40997
Cash flow for the period	11016	7925	2596
Cash and cash equivalents at beginning of period	6127	3531	3531
Cash and cash equivalents at end of period	17143	11456	6127

Ratios	2015 jan-sep	2014 jan-sep	2014 jan-dec
Turnover per share, SEK	0.5	0.2	0.3
Profit/loss per share after tax, SEK	-1	-2	-2
Operating margin, %	neg	neg	neg
EBITDA, KSEK	-19595	-22655	-29284
EBITDA margin, %	neg	neg	neg

Consolidated balance sheet <i>Amounts in thousands of kronor (SEK)</i>	2015-09-30	2014-09-30	2014-12-31
Assets			
Intangible assets	16294	14559	15116
Tangible assets	1396	2151	1990
Financial assets	0	88	0
Total fixed assets	17690	16798	17106
Stock held	7396	1870	4249
Current receivables	7577	6314	4101
Cash and bank	17143	11456	6127
Total current assets	32116	19640	14477
Total assets	49806	36438	31583
Equity and liabilities			
Equity	18523	23842	16099
Long-term liabilities	22616	9740	9704
Short-term liabilities	8667	2856	5780
Total equity and liabilities	49806	36438	31583

Changes in consolidated equity <i>Amounts in thousands of kronor (SEK)</i>	2015 jan-sep	2014 jan-sep	2014 jan-dec
Opening equity	16099	8810	8724
Net profit for period after tax	-22616	-26013	-33670
New share issue	250	666	583
Share Premium Reserve	24750	40379	40462
Closing equity	18483	23842	16099

Ratios	2015-09-30	2014-09-30	2014-12-31
Number of shares, thousands	16291	13791	13791
Equity/share, SEK	1	2	1
Solidity	37%	65%	51%
Liquidity	285%	622%	177%

Accounting principles and notes

This interim management statement has been prepared in accordance with NASDAQ OMX Stockholm's "Guidelines for preparing interim management statements". The accounting principles are unchanged from those applied in the annual report for 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
shares

Profit/loss per share after tax

Profit/loss after tax in relation to number of

Operating margin

Operating profit in relation to total turnover

EBITDA

Operating profit excl. depreciation and amortization

EBITDA margin

EBITDA in relation to total turnover

Equity/share

Equity in relation to number of shares

Solidity

Equity in relation to total assets

Liquidity

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

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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 USD 21 million of equity and has received over USD 2.6 million dollars through academic scholarships. Heliospectra has also received numerous awards for its forward thinking technology. For further information, please refer to Heliospectra's memorandum April/May 2014, <http://ir.heliospectra.com/aktien/prospekt/> and the Annual Report 2014, <http://ir.heliospectra.com/finansialla-rapporter/>

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

For further information, please contact

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