



heliospectra

Heliospectra AB (publ)

Half year report January – June 2014

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- Heliospectra completed an oversubscribed issue at approximately MSEK 40,9 with approximately 400 new shareholders
- Heliospectra was listed on First North on 18 June, 2014
- The new product series LX60 was launched, with the first installation at Swedeponic, the largest grower of fresh herbs in Europe.

January - June:

- Net turnover was KSEK 1,863 (197)
- Operating profit/loss was KSEK -18,895 (-11,883)
- Profit/loss after tax was, KSEK -19,546 (-11,851) or SEK -1 (-2,109) per share
- Operating cash flow was KSEK -16,987 (-4,886)

Events after the period:

- Heliospectra's breakthrough order in the USA - the first partial order worth SEK 200,000
- Håkan Bengtsson starts as CFO
- Heliospectra concludes an agreement with BNY Mellon regarding listing in the USA via ADR Level 1 (American Depositary Receipts)



Picture: Heliospectra LX60 installed in greenhouse at Swedeponic

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CEO's comments:

It is an exciting time for Heliospectra as, after eight years of research and product development, we launched a light in June which addresses all the customer needs we have encountered over the years, and at a very competitive price. Initial feedback from the market has been completely in line with our expectations and we confidently look forward to delivering several volume orders during the rest of the year.

I myself have been CEO from early 2010 and before that I followed Heliospectra via Martin Skoglund, who helped set up Heliospectra in 2006 and is still involved in assisting the board. The first thing Martin did when Heliospectra started was to find a prominent customer, Swedeponic, to act as a standards authority so the company could be confident that the products developed were meeting market demands and requirements. It is therefore pleasing that, three generations of lights later, we can now supply the light which the customers have specified themselves on their "wish list."

In the early years, we financed the company with the help of own money, Incubatorn in Borås and then Weland Stål joined as shareholders. We have had a great deal of help from Inkubatorn and especially Weland Stål, who provided support and capital as one of our most loyal shareholders. Sweden needs more businesses like the Weland group that want to support entrepreneurial companies on their journey.

After a few years, Midroc New Technology and Industrifonden stepped in with additional capital and then recruited Jan Tufvesson as our chairman. Together, they have contributed to Heliospectra having a clear strategy and a basic structure to the business, which in turn has made a successful listing possible. Anders Ludvigson is now also on the board having come from AB Ludvig Svensson, which is largest in the world for greenhouse shading cloth.

Our skilled staff at Heliospectra are still the most important of all. The team accomplishes great achievements on a daily basis in developing and manufacturing world-class products, which we then market and sell, and make sure that our customers are satisfied with. It is unique that we have colleagues who understand how plants should be grown in the best way, which allows us to manage and retrieve knowledge from our own cultivation laboratory. Of course, we also have a team that makes sure the administration runs smoothly. In light of the impending expansion, we are also strengthening the company with additional skilled employees.

Heliospectra is developing a complete lighting system consisting of intelligent fittings, sensors and software. For the customer, this is a great advantage because he can start with the fittings and then purchase additional functions as we develop new hardware and software. In earlier years we successfully sold a very advanced system, the L4A series, to researchers around the world. Based on that experience, we have now completed our new system and we have named it the LX60 series. We believe that LX60 is the most advanced and sophisticated light fitting for plant cultivation ever launched while at the same time having a competitive price.

The upcoming period will focus on the sales and marketing side. We have secured a supply capacity that can meet substantial volumes, we negotiate directly with large strategic customers and we are building up an international distributor and retail network. The priority markets that we process are Europe and North America and we particularly see very strong growth in North America. We also intend to expand the cooperation with a number of strategic partners that provide us with greater market presence and more inputs on the market. Overall, the company is well positioned to begin to capitalize on the market potential that we address with our products.

Staffan Hillberg, CEO
Heliospectra AB

Important events January - June

- Heliospectra completed an oversubscribed issue at approximately MSEK 40,9 with approximately 400 new shareholders
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- The new product series LX60 was launched, with the first installation at Swedeponic, the largest grower of fresh herbs in Europe.

Financial Report January - June

Turnover and profit/loss

Net turnover was KSEK 1,863 (197) Operating profit/loss was KSEK -18,895 (-11,883), involving a negative operating margin (neg). Profit/loss after tax was, KSEK-19,546 (-11,851) or SEK -1 (-2,109) per share.

Cash flow

Operating cash flow was KSEK -16,987 (-4,886). Total cash flow was KSEK 20,044 (5,071).

Significant risks and uncertainties

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

Events after the period

- Heliospectra's breakthrough order in the USA - the first partial order worth SEK 200,000
- Håkan Bengtsson starts as CFO
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Future prospects

The upcoming period will focus on the sales and marketing side. We have secured a supply capacity that can meet substantial volumes, we negotiate directly with large strategic customers and we are building up an international distributor and retail network. The priority markets that we are working with are Europe and North America and we particularly see very strong growth in North America. We also intend to expand the cooperation with a number of strategic partners that provide us with greater market presence and more inputs on the market. Overall, the company is well positioned to begin to capitalize on the market potential that we address with our products.

The board makes no quantified forecast for 2014.

Upcoming reporting dates

- Interim Report Q3 24-10-2014
- Financial statement bulletin 26-02-2015

Gothenburg 29 August 2014,

The board

Group's profit and loss account <i>Amounts in thousands of kronor (KSEK)</i>	2014 Jan-June	2013 Jan-June	2013 Jan-Dec
Net turnover	1,863	197	486
Other operating income	449	172	722
	2,312	369	1,208
Operating expenses			
Commodities	-1,357	-107	-301
Other external costs	-12,429	-6,150	-8,444
Staffing costs	-5,456	-4,653	-6,919
Depreciation and amortization	-1,965	-1,342	-2,685
Earnings before interest and taxes	-18,895	-11,883	-17,141
Operating margin	neg	neg	neg
Total financial items	-651	32	24
Profit/loss before tax	-19,546	-11,851	-17,117
Tax			
Profit/loss after tax	-19,546	-11,851	-17,117

Group's cash flow analysis <i>Amounts in thousands of kronor (KSEK)</i>	2014 Jan-June	2013 Jan-June	2013 Jan-Dec
Cash flow before changes in operating capital	-17,581	-10,509	-14,432
Changes in operating capital	594	5,623	4,776
Group's cash flow	-16,987	-4,886	-9,656
Cash flow from investment activities	-4,002	-26	-7,619
Cash flow from financing activities	41,033	9,983	19,946
Cash flow for the period	20,044	5,071	2,671
Cash and cash equivalents at beginning of period	3,531	860	860
Cash and cash equivalents at end of period	23,575	5,931	3,531

Ratios	2014 Jan-June	2013 Jan-June	2013 Jan-Dec
Turnover per share, SEK	0.2	66	152
Profit/loss per share after tax, SEK	-1	-2,109	-2,150
Operating margin, %	neg	neg	neg
EBITDA, KSEK	-16,930	-10,541	-14,456
EBITDA margin, %	neg	neg	neg

Note: The figures for 2014, Jan-June, include issue costs of MSEK 5.9 and repayment of bridge loans of MSEK 8

Group's balance sheet <i>Amounts in thousands of kronor (KSEK)</i>	30/6/2014	30/6/2013	31/12/2013
Assets			
Intangible assets	14,665	6,428	12,867
Tangible assets	2,190	2,140	1,951
Financial assets	234	63	88
Total fixed assets	17,089	8,631	14,906
Inventory	984	1,674	1,990
Current receivables	2,736	782	1,370
Cash and bank	23,575	5,931	3,531
Total current assets	27,295	8,387	6,891
Total assets	44,384	17,018	21,797
Equity and liabilities			
Equity	30,309	4,073	8,810
Long-term liabilities	9,740	9,767	9,752
Short-term liabilities	4,335	3,178	3,235
Total equity and liabilities	44,384	17,018	21,797

Changes in group's equity <i>Amounts in thousands of kronor (KSEK)</i>	2014 Jan-June	2013 Jan-June	2013 Jan-Dec
Opening equity	8,810	5,920	5,920
Net profit for period after tax	-19,546	-11,851	-17,117
New share issue	666	5,063	244
Share Premium Reserve	40,379	4,941	19,763
Closing equity	30,309	4,073	8,810

Ratios	30/6/2014	30/6/2013	31/12/2013
Number of shares, thousands	13,791	5.62	7,96
Equity/share, SEK	2	725	1,107
Solidity	68%	24%	40%
Liquidity	607%	211%	151%

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

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 2013 and described in the annual report. All amounts are reported in thousands of Swedish kronor (KSEK) unless otherwise stated.

Definitions

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

Shares

The shares have been prepared in accordance with Swedish law and are denoted in Swedish kronor. Only one class of shares is present. 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

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%
Weland Värdepapper AB	1,000,000	7.3%
Gösta Welandsson	1,000,000	7.3%
B.C.L.M.Ä. 2 Förvaltnings AB	797,000	5.8%
Kristian Wiman	625,000	4.5%
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%
Henry Dunkers Förvaltning AB	125,000	0.9%
LMK Ventures AB	125,000	0.9%
Jan Tufvesson	114,000	0.8%
Wood & Hill SPV7 AB	91,000	0.7%
Kennerth Thulin	62,000	0.4%
Other shareholders	2,003,195	14.5%
Total:	13,791,195	100.0%

The total number of shareholders is around 400.

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 warrants where each warrant entitles the holder to subscribe to one new share at a subscription price of SEK 12 per share during the period 7 March 2016 to May 7 in 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 way 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 MUSD 16 of equity and has received over 2,6 million dollars through academic scholarships. Heliospectra has also received numerous awards for its forward thinking technology. For further information, please refer to Heliospectra's prospectus April/May 2014, <http://ir.heliospectra.com/aktien/prospekt/>.

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

For further information, please contact

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