



heliospectra

Heliospectra AB (publ)

Partial Annual Accounts January to September
2014

Heliospectra AB (publ)
Company no. 556695-2205
Box 5401
SE-402 29 Gothenburg
Phone: +46 (0)31 - 40 67 10
www.heliospectra.com

Partial Annual Accounts Jan-Sep 2014, page 1/6

Heliospectra AB (publ)
Partial Annual Accounts January to September 2014

CEO's comments

Dear shareholders,

We continue our journey to establish Heliospectra's products on the global market. Primary geographical markets for us are Europe and North America.

The markets that we are addressing are traditional greenhouse growers of vegetables and flowers, researchers and agrotech companies as well as the fast-growing market in medicinal plants, in particular in North America.

We have made our first reference installation among greenhouse growers at Swedeponic which is the largest grower of fresh herbs in Europe with greenhouses in Sweden, the UK, Poland, Portugal and the Czech Republic. This is important because it gives us the opportunity to show potential customers how our products are installed and how they would operate in their environment. This is also a market which over time will change, with indoor growing in controlled environments and also in rooftop greenhouses. In the US, for example, the supermarket chain Whole Foods has started using rooftop greenhouses. The reputable research institute MIT Media Lab has set up MIT City FARM www.mitcityfarm.com which is about how technology will be used in urban cultivations in the future. It is of course good news that they have chosen Heliospectra as partner www.wired.co.uk/magazine/archive/2014/10/features/server-farm, which shows once more that Heliospectra offers world-leading technology.

Researchers at universities, institutions and agrotech companies are also an important market as they impact the greenhouse market. They use technology early on and test it in small environments which then results in larger installations. The agrotech-companies themselves have large growing areas, both outdoors and in greenhouses. Heliospectra has been active here from an early stage with customers across the globe with our product L4A which then formed the basis for when we constructed LX60. We have also launched RX30 to this market and which is based on the same platform as LX60 which gives us considerable benefits of scale in production.

Medicinal plants are being established in North America as a fast-growing market up from 1.43 billion US dollars in 2013 to 10.2 billion US dollars in 2017, a growth of approx. 700%. The fact is, we have a similar market in Europe with, for example, the UK-based GW Pharma growing large quantities of medicinal plants which they process and sell to MS patients in Sweden and across Europe under the trademark Sativex. They are also developing other products such as for diabetes and pain in cancer patients. In the US, the authorities have approved the growing and sale of medicinal plants in 22 states and this development will grow further through future decisions in more states. Heliospectra sees a substantial potential in capitalizing on this market as our products offer direct energy saving and make it possible to control the growing and achieve results such as reducing the growing period.

As part of the efforts on the US market, we have chosen to offer US investors the opportunity to purchase shares in Heliospectra via a so-called American Depositary Receipt (ADR). The listing on OTC Markets OTCQB:HLSPY is administrated in a cooperation between BNY Mellon and Merriman being a so-called "market maker". There are today approx. 1500 international companies who offer an ADR at different levels with a listing on the Nasdaq and OTC. The benefit is that Americans can buy shares in their own currency, in their own time zone and via their normal share account. Heliospectra will be marketed to US investors and 30 days after Merriman has initiated its activities, other "market makers" can also participate further increasing trading volume.

We see a large potential for Heliospectra to sell our products on these expanding markets and are focusing heavily on sales and marketing of our existing products.

Staffan Hillberg, CEO

Heliospectra AB

Important events July - September

- Heliospectra's break-through order in the US – first partial order worth 200,000 SEK
- Heliospectra is participating in projects regarding the use of algae for cleaning water with 10 million SEK financing from Vinnova and Lund's local authority as the principal
- Heliospectra is, alongside the German space agency DLR, a partner in a 4.5 million EUR project financed by the EU, concerning cultivation in space
- Heliospectra now offers the possibility to trade in the company's shares in the USA via a so-called American Depositary Receipt (ADR) through a listing on OTC Markets under OTCQB:HLSKY with BNY Mellon as principal and Merriman as the first market maker
- Heliospectra launches its own online shop to be able to receive smaller orders from around the world

Financial Report January - September

Turnover and profit/loss

Net turnover was 2,542 (266) thousand SEK. Operating profit/loss was -25,363 (-17,769) thousand SEK, involving a negative operating margin (neg). Profit/loss after tax was -26,013 (-17,737) thousand SEK or SEK -2 (-3,156) per share.

Cash flow

Operating cash flow was -28,655 (-11,013) thousand SEK. Total cash flow was 7,925 (3,624) thousand SEK. During Q3, Heliospectra has invested in securing materials for future production which has influenced the cash flow negatively by 2,500 thousand SEK.

Significant risks and uncertainties

- Please refer to Heliospectra's memorandum April/May 2014 pages 9-12 for a comprehensive if not complete summary of risks, <http://ir.heliospectra.com/aktien/prospekt/>.

Events after the period

- Heliospectra's first patent, previously approved in China, Russia and Hong Kong has now been approved in the US
- Heliospectra's cooperation with MIT Media Lab regarding production of food in the future was reported in the international magazine Wired www.wired.co.uk/magazine/archive/2014/10/features/server-farm
- We see new customer categories emerging, in particular in the US, which is shown in an prepaid order from Google USA of four units of the new product RX30

Future prospects

The upcoming period will focus on the sales and marketing side. We have secured a supply capacity that can meet substantial volumes in the prioritized markets Europe and North America. Alongside direct sales, the cooperation with a number of strategic partners will be deepened by building an international distributor and retail network. The board makes no quantified forecast for 2014, but overall the company is well positioned for accelerated sales.

Upcoming reporting dates

- Financial Statement Bulletin 02/26/2015

Gothenburg, October 24, 2014,

Staffan Hillberg, CEO
Heliospectra AB

Group's profit-and-loss account <i>Amounts in thousands of kronor (K SEK)</i>	2014 Jan-Sep	2013 Jan-Sep	2013 Jan-Dec
Net turnover	2,542	266	486
Other operating income	717	221	722
	3,259	487	1,208
Operating expenses			
Commodities	-2,127	-151	-301
Other external costs	-15,565	-9,196	-8,444
Staffing costs	-8,222	-6,895	-6,919
Depreciation and amortization	-2,708	-2,014	-2,685
Earnings before interest and taxes	-25,363	-17,769	-17,141
Operating margin	neg	neg	neg
Total financial items	-650	32	24
Profit/loss before tax	-26,013	-17,737	-17,117
Tax			
Profit/loss after tax	-26,013	-17,737	-17,117

Group's cash-flow analysis <i>Amounts in thousands of kronor (K SEK)</i>	2014 Jan-Sep	2013 Jan-Sep	2013 Jan-Dec
Cash flow before changes in operating capital	-23,305	-15,723	-14,432
Changes in operating capital	-5350	4,710	4,776
Group's cash flow	-28,655	-11,013	-9,656
Cash flow from investment activities	-4,600	-91	-7,619
Cash flow from financing activities	41,180	14,728	19,946
Cash flow for the period	7,925	3,624	2,671
Cash and cash equivalents at beginning of period	3,531	860	860
Cash and cash equivalents at end of period	11,456	4,484	3,531

Ratios	2014 Jan-Sep	2013 Jan-Sep	2013 Jan-Dec
Turnover per share, SEK	0.2	87	152
Profit/loss per share after tax, SEK	-2	-3,156	-2,150
Operating margin, %	neg	neg	neg
EBITDA, K SEK	-22,655	-15,755	-14,456
EBITDA margin, %	neg	neg	neg

Note: The numbers for 2014 January to September include costs for the new issue of 5.9 million SEK and a repayment of a bridging loan of 8 million SEK

Group's balance sheet <i>Amounts in thousands of kronor (K SEK)</i>	9/30/2014	9/30/2013	12/31/2013
Assets			
Intangible assets	14,559	5,978	12,867
Tangible assets	2,151	1,982	1,951
Financial assets	88	164	88
Total fixed assets	16,798	8,124	14,906
Inventory	1,870	1,643	1,990
Current receivables	6,314	639	1,370
Cash and banks	11,456	4,484	3,531
Total current assets	19,640	6,766	6,891
Total assets	36,438	14,890	21,797
Equity and liabilities			
Equity	23,842	3,033	8,810
Long-term liabilities	9,740	9,767	9,752
Short-term liabilities	2,856	2,090	3,235
Total equity and liabilities	36,438	14,890	21,797

Changes in group's equity <i>Amounts in thousands of kronor (K SEK)</i>	2014 Jan-Sep	2013 Jan-Sep	2013 Jan-Dec
Opening equity	8,810	5,920	5,920
Net profit for period after tax	-26,013	-17,737	-17,117
New share issue	666	4,968	244
Share Premium Reserve	40,379	9,882	19,763
Closing equity	23,842	3,033	8,810

Ratios	9/30/2014	9/30/2013	12/31/2013
Number of shares, thousands	13,791	5.62	7.96
Equity/share, SEK	2	540	1,107
Solidity	65%	20%	40%
Liquidity	622%	245%	151%

Note: During 2014, in addition to the new issue, there was also a share split at 1/1000.

Accounting principles and notes

These partial annual accounts have been prepared in accordance with NASDAQ OMX Stockholm's "Guidance for preparing partial annual accounts". 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

Certified Adviser

G&W Fondkommission
111 43 Stockholm

Heliospectra in brief

Heliospectra (publ - listed on NASDAQ OMX First North:HELIO and OTCQB:HLSPY) 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 USD 16 million of equity and has received over USD 2.6 million 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/>.

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

For further information, please contact

CEO Staffan Hillberg, +46 (0)708-365944, staffan@heliospectra.com

Chairman Jan Tufvesson, +46 (0)706-442460, jan.tuf@telia.com

CFO Håkan Bengtsson, +46 (0)705-558902, hakan.bengtsson@heliospectra.com