



Heliospectra AB (publ)

2016

Half Year Report JANUARY-JUNE



A WORD FROM THE CEO

Dear shareholders of Heliospectra AB (publ),

As we sum up the first half of the year during the summer months, we are able to deliver the positive news that we have increased our turnover with almost 150% compared to the previous year. In addition to this we ended the latest quarter by receiving an order for 4.6MSEK from a large international Ag-tech company, which is further evidence of our ongoing expansion. More positive news is that our gross profit continues to increase and is now over 30%.

All of our marketing efforts have been fruitful. We have established a powerful team in the United States – covering sales and marketing together with support for cultivation technology and competence – which is working successfully with the Sweden based team.

When we measure all of our sales and marketing events and compare them to the past year we can see clearly that the amount of potential customers and deals have increased considerably. On one hand it is true that larger deals have a tendency to take more time, but at the same time we have noted that we are losing less deals. And when that does happen it is usually due to the customer choosing to continue with traditional HPS lights.

Otherwise, the trend distinctly shows that currently the medicinal cannabis market is increasing the strongest right now, this due to most customers setting up entirely new installations. The greenhouse market is overall larger but the actors often have existing investments that need to be written off, which means that there are fewer new installations short-term. Conversely we can see increased activity in both vertical farming and automation, areas where our systems fit in very well and we have already successfully established ourselves. Moreover we shouldn't underestimate the Ag-tech market, comprised of companies, institutes and universities, which is highlighted by the 4.6MSEK order we recently received.

These three market segments are closing in on each other. We can see this for example through staff moving freely between the segments and passing their knowledge forward. An effect of this is that the greenhouse industry have begun to cultivate more and more indoors, while growers of medicinal cannabis have begun to cultivate in greenhouses. This is good news for those of us with products that thrive in all of these areas and are also adapted for automation and connections with intelligent systems.

A growing market also opens up the door for competition. Among the competitors we now include larger companies such as Phillips and Gavita. Heliospectra stands strong against them – especially since we are one of the few smaller players that act professionally with long-term objectives on the international market. It is clear that our customers appreciate this.

Our customers often visit us and evaluate us as a company while they survey our manufacturing and delivery capacity. We usually pass these evaluations with flying colors. Being listed generates both transparency and legitimacy, which together with a solid ownership structure provides us with a strong vote of confidence.

Overall we confidently look to the future and are truly appreciative for the support from our shareholders.

Staffan Hillberg, CEO
Heliospectra AB (publ)





SIGNIFICANT EVENTS

JANUARY – MARCH

- Redeye releases a Company Report on Heliospectra entitled “LED Lightning Strikes Growers”
- Heliospectra (publ) receives a grant of 500,000 SEK for the development of energy & water-efficient plant cultivations in the Middle East
- Heliospectra carries out high-level recruitment of leading industry manager in the United States, Caroline N Wells
- Heliospectra receives an order worth 2.2MSEK from Washington State based grower
- Heliospectra wins a new order in Canada worth 650,000 SEK

APRIL – JUNE

- Scandinavian microalgae producer selects Heliospectra’s LX60 LED grow light system, the order is valued at 1.4MSEK
- Heliospectra announces water-cooled LED light for commercial use – first application to be carried out in space
- Heliospectra present new findings at the 8th International Symposium on Light in Horticulture
- Heliospectra participate in GreenTech 2016, one of the largest horticulture exhibitions in the world
- The Grove Nevada experiences exceptionally positive results by using Heliospectra’s LED grow lights
- Heliospectra receives an order worth 4.6MSEK from a large international Ag-tech company



FINANCIAL REPORT

TURNOVER AND PROFIT/LOSS JANUARY - JUNE

Net turnover amounted to 9 868 (3,977) KSEK. Operating profit/loss amounted to -20 153 (-14,104) KSEK, involving a negative operating margin (neg). Profit/loss after tax was -20 238 (-14,237) KSEK or -1 (-1) SEK per share.

CASH FLOW JANUARY - JUNE

Operating cash flow was -23,991 (-15,521) KSEK. Total cash flow amounted to -14,254 (1,100) KSEK. Heliospectra received during Q2 loan financing totaling 12 180 KSEK comprised of bridging loans from Weland AB 7,500 KSEK, Midroc New Technology AB 2,500 KSEK as well as Stiftelsen Industriefonden 2,180 KSEK. In July, i.e after the end of the period, an additional bridging loan was received from Weland AB 6,231 KSEK and Midroc New Technology AB 1,589 KSEK. All bridging loans expire with repayment on 2016-12-31.

SIGNIFICANT RISKS AND UNCERTAINTIES

For a comprehensive, although not exhaustive, summary of the risks please refer to Heliospectra's memorandum April/May 2014 pages 9-12, <http://ir.heliospectra.com/en/the-share/memorandum/>, as well as the Annual Report 2015 pages, <http://ir.heliospectra.com/en/financial-reports/>



EVENTS AFTER THE END OF THE PERIOD

- Heliospectra receives an order from a Cannabis grower in Alaska

FUTURE PROSPECTS

The company has now begun to reap the rewards from the sales campaign, which commenced with the launch of the LX60 series. The sales work will continue to intensify. The board has not laid forth a qualified projection for 2015, but they have made an overall assessment that the company is well positioned for accelerated sales as well as deliveries.

UPCOMING REPORT DATES

- | | |
|-------------------------------------|------------|
| • Interim Report Q3 | 2016-10-28 |
| • Financial statement bulletin 2016 | 2017-02-24 |

GOTHENBURG, AUGUST 26, 2016,
BOARD OF DIRECTORS



Consolidated balance sheet <i>Amounts in thousands (KSEK)</i>	2016 Jan-June	2015 Jan-June	2015 Jan-Dec
Net turnover	9 868	3 977	13 686
Other operating income	1 028	1 406	2 244
	10 896	5 383	15 930
Operating expenses			
Commodities	-6 844	-2 885	-12 109
Other external costs	-13 500	-8 962	-19 668
Staffing costs	-8 569	-5 776	-12 438
Depreciation and amortization	-2 136	-1 864	-3 887
Other operating costs			-188
Earnings before interest and taxes	-20 153	-14 104	-32 360
Operating margin	neg	neg	neg
Total financial items	-85	-133	-1 594
Profit/loss before tax	-20 238	-14 237	-33 954
Tax			
Profit/loss after tax	-20 238	-14 237	-33 954

Group's cash flow analysis <i>Amounts in thousands (KSEK)</i>	2016 Jan-June	2015 Jan-June	2015 Jan-Dec
Cash flow before changes in operating capital	-18 102	-12 373	-30 067
Changes in operating capital	-5 889	-3 148	-809
Group's cash flow	-23 991	-15 521	-30 876
Cash flow from investment activities	-2 443	-1 267	-4 103
Cash flow from financing activities	12 180	17 888	47 700
Cash flow for the period	-14 254	1 100	12 721
Cash & cash equivalents at the beginning of period	18 848	6 127	6 127
Cash & cash equivalents at end of period	4 594	7 227	18 848

Ratios	2016 Jan-June	2015 Jan-June	2015 Jan-Dec
Turnover per share, SEK	0,6	0,4	0,9
Profit/loss per share after tax, SEK	-1	-1	-2
Operating margin, %	neg	neg	neg
EBITDA, KSEK	-18 017	-12 240	-28 473
EBITDA margin, %	neg	neg	neg



Group's balance sheet <i>Amounts in thousands (KSEK)</i>	2016-06-30	2015-06-30	2015-12-31
Assets			
Intangible assets	16 323	14 892	16 083
Tangible assets	1 500	1 617	1 239
Total fixed assets	17 823	16 509	17 322
Stock held	8 210	4 844	6 846
Current receivables	8 881	6 002	6 930
Cash and bank	4 594	7 227	18 848
Total current assets	21 685	18 073	32 624
Total assets	39 508	34 582	49 946
Equity and liabilities			
Equity	7 909	1 862	28 147
Long-term liabilities	11 400	11 400	11 400
Short-term liabilities	20 199	21 320	10 399
Total equity and liabilities	39 508	34 582	49 946
Changes in group's equity <i>Amounts in thousands (KSEK)</i>	2016 Jan-June	2015 Jan-June	2015 Jan-Dec
Opening equity	28 147	16 099	16 099
Net profit for period after tax	-20 238	-14 237	-33 954
New share issue			483
Other contributed capital			45 519
Closing equity	7 909	1 862	28 147
Ratios	2016-06-30	2015-06-30	2015-12-31
Number of shares, thousands	18 622	13 791	18 622
Equity/share	0	0	2
Solidity	20 %	5 %	56 %
Liquidity	67 %	62 %	248 %

ACCOUNTING PRINCIPLES AND NOTES

The 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 remain unchanged compared with those applied to the accounts for 2015 and which are described in the annual accounts. All amounts are reported in thousands Swedish Kroner (KSEK) unless otherwise stated.

DEFINITIONS

TURNOVER PER SHARE

Total turnover in relation to number of shares

OPERATING MARGIN

Earnings in relation to total turnover

EBITDA MARGIN

EBITDA in relation till total turnover

EBITDA

Earnings before interest and taxes excl. depreciations and amortizations

PROFIT/LOSS PER SHARE AFTER TAX

Earnings after tax in relation to number of shares

SOLIDITY

Equity in relation to total assets

EQUITY/SHARE

Equity in relation to number of shares

LIQUIDITY

Accounts receivable plus cash assets in relation to short-term liabilities

SHARES

The shares have been issued in accordance to Swedish legislation and are denoted in Swedish Kroner (SEK). Only one class of shares has been issued. The share is in the name of the holder and the Company's Shareholder Register is held electronically by Euroclear Sweden.

The share capital in Heliospectra is 1,862,219.6 SEK represented by 18,622,196 shares with a par value of 0.10 SEK

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

Ticker for trading on First North: HELIO

ISIN-code for the share: SE0005933082

Heliospectra can also be traded via ADR in the United States on OTC Markets through BNYMellon.

ADR ticker on OTCMarkets OTCQB: HLSPY

CUSIP code for the ADR: 423281104

Certified Adviser

G&W Fondkommission

111 43 Stockholm



Weland Värdepapper AB	3,973,052	21.3%
Weland Stål AB	2,922,750	15.7%
Stiftelsen Industrifonden	2,034,000	10.9%
Midroc New Technology AB	2,027,250	10.9%
Försäkringsaktiebolaget, Avanza pension	818,216	4.4%
Nordnet Pensionsförsäkring AB	405,079	2.2%
Magowny Invest AB	340,691	1.8%
Bank of New York, NQI	313,404	1.7%
PIBA AB	311,000	1.7%
Belmondo AB	260,800	1.4%
Other shareholders	5,215,954	28.0%
Total:	18,622,196	100.00%

Total number of shareholders amounts to approx. 1,800.

SUBSCRIPTION RIGHTS FOR SENIOR MANAGEMENT

A resolution was made at the AGM on June 14, 2016 for a subscription rights program 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 14 SEK per share during the period from September 1, 2018 to October 31, 2018. The dilution from this will be approximately 4%.



HELIOSPECTRA IN SHORT

Heliospectra (publ – listed on Nasdaq OMX First North) was founded in 2006 and specialize in intelligent lighting technology for plant research and horticulture cultivation. Heliospectra's 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 into international markets.

The company has raised approx. 21 million dollars in capital and received over 2.6 million dollars in academic scholarships and grants. Heliospectra have also received numerous awards for their forward thinking technology. For further information please see Heliospectra's memorandum April/May 2014 <http://ir.heliospectra.com/en/the-share/memorandum/> as well as Annual Report 2015, <http://ir.heliospectra.com/en/financial-reports/>





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

For further information, please contact

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