

Heliospectra has no Deficiency of Capital

(GOTHENBURG, Sweden/SAN FRANCISCO, CA, October 24th, 2016) – The Board of Directors of Heliospectra states that no actual deficiency of capital exists either per September 30, 2016, before or during the time remaining until the issue. Thus, the prospects for continued operation has not at any time during the period been able to have been questioned.

Prior to preparing the upcoming quarterly report, the Board of Directors had suspected that the company's equity is less than half of the registered share capital.

As a precaution, the Board immediately initiated the process of establishing a balance sheet review, in accordance with the Swedish Companies Act, Chapter 25 § 13.

The Board confirmed that the equity per September 30, 2016, is not less than half of the registered share capital according to the balance sheet, which was also reviewed by the auditor.

In October 2016, the company's main owners guaranteed to secure the equity capital as so that the equity would at no point amount to less than the registered share capital. The guarantees are valid until the previously announced rights issue which is fully underwritten by one of the major shareholder.

The Board of Directors conclude that any actual capital deficiency does not exist either per September 30, 2016, nor before or during the time remaining until the issue. Therefore, the prospects for continued operation has not at any time during the period been able to have been questioned.

The company has called a general meeting on November 8th, 2016 where the question of the rights issue of approximately SEK 91 million will be handled. The rights issue is underwritten by one of Heliospectra's shareholders and the three largest shareholders have undertaken subscription commitments. Decisions on the rights issue will strengthen Heliospectra balance sheet.

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About Heliospectra AB

Heliospectra AB (publ) (OTCQB: HLSPY, FIRSTNORTH: HELIO) (www.heliospectra.com) specializes in intelligent lighting technology for plant research and greenhouse cultivation. The Company's lighting system provides an effective and durable technology for cultivating greenhouse and indoor plants by combining several different groups of versatile light emitting diodes (LEDs) with optics, remote sensing techniques, and a robust heat dissipation solution. This proprietary setup gives growers the ability to control the intensity and wavelengths of the light emitted, creating a spectrum specifically adjusted to different plant species and growth stages to better facilitate photosynthesis. The complete, highly-engineered lamp produces crops that look better, taste better, and have a longer shelf-life than those grown under HID lamps. The technology not only reduces energy consumption by up to 50%, but also helps stimulate growth characteristics and improve plant quality. Other

benefits include reduced light pollution, lower mercury use due to the avoidance of traditional HID/HPS bulbs, and less HVAC investment and monthly expense requirements.

Heliospectra products are based on in-depth knowledge in plant physiology and photosynthesis along with a unique way to utilize modern LED technology. After six years of development in Sweden, the company has now begun to expand into the international market. The company has raised more than \$ 21 million in capital and has received more than \$2.6 million through academic scholarships and grants. It has also received numerous awards for its forward thinking technology. Principal owners: Weland Steel www.welandstal.se, Swedish Industrial Fund www.industrifonden.se, Midroc www.midroc.se, Avanza Pension www.avanza.se.

Forward-Looking Statements

The statements in this press release constitute forward-looking statements within the meaning of federal securities laws. Such statements are based on our current beliefs and expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, such forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Potential risks and uncertainties include, but are not limited to, technical advances in the industry as well as political and economic conditions present within the industry. We do not take any obligation to update any forward-looking statement to reflect events or developments after a forward-looking statement was made.

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