

Heliospectra AB (publ) Interim Management Statement January - September 2016

(GOTHENBURG, Sweden/SAN FRANCISCO, CA, October 28th, 2016) – Heliospectra AB (publ) (OTCQB: HLSPY, FIRSTNORTH: HELIO), a world leader in intelligent lighting technology for controlled environments horticulture, presents today their Interim Management Statement for January - September 2016.

Turnover and profit/loss January - September

- Net turnover amounted to 16 189 (6 063) KSEK
- Operating profit/loss amounted to -30 316 (-22 442) KSEK
- Profit/loss after tax was -30 409 (-22 616) KSEK or -2 (-1) SEK per share

Significant events

Januari – 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 Agtech company

July – September

- Heliospectra receives an order from a Cannabis grower in Alaska
- Fortune 500 global AgTech company standardizes on Heliospectra technology

Events after the end of the period

- Heliospectra are planning to carry out a fully underwritten rights issue of approx. 91 MSEK for further commercialization of the Company's products and continued product development
- Summons for extra Shareholder's Meeting on November 8, 2016
- Heliospectra's board assessed whether or not the Company's equity is less than half of the registered share capital by establishing a balance sheet review. The board have established that there is no deficiency of capital as per 2016-09-30, nor was there any before or during the time remaining until the issue. The prospects for continued operation have not been able to be questioned at any time during the period.
- The Company's principal owners have 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.

A Word From the CEO

Dear shareholders of Heliospectra AB (publ),

The market for medicinal plants continues to develop rapidly. On top of the 23 states in the US where growing medicinal cannabis has been legalized, another handful are set to rule on this decision in the near future. In Australia it will be implemented by November according to a recent ruling. We are observing a global trend. Turkey has recently ruled to legalize controlled production in 19 provinces. Earlier this year Macedonia legalized use for medicinal purposes. These types of discussions are going around many other European countries, where it is already possible to buy approved prescribed substances in pharmacies. We can see this same trend in Latin America, where Uruguay is one of the countries that has taken the lead.

There are a number of important driving forces behind Heliospectra's technology. FAO recently stated that climate change related to farming is already considerable, while at the same time the demand for food will increase by at least 60% by 2050. We have a situation involving a growing population and increasing urbanization. To be able to handle this situation the production methods need to be improved and concede to an increased level of automation. This also drives agricultural technology companies – who develop and sell seeds, pesticides and fertilizer – to invest in new technology. Furthermore, the actual production will have to take place closer to the consumer, which accelerates the growth of "city farming" and cuts down on logistical flows. We are counting on significant changes being made to the entire value chain in the years to come.

The company's positive development continues. Compared to the same period last year we have increased our revenues by 160 %. We can also enjoy a testimony to the confidence our customers place in us when one of the world's leading agricultural technology company places their fourth order for another 1.9 MSEK.

To continue to finance our expansion on the market, the company's board has suggested a preferential rights issue of approx. 91MSEK, with the possibility of an over allocation of approx. 20MSEK. It is very positive that our principal owners support the company and have committed to

subscribe, while also making sure that the entire rights issue is fully underwritten. The raised capital mainly relates to operating capital for sales and marketing, continued product development and to strengthen the balance sheet.

With rapidly growing markets, world leading products and strong principal owners backing us we can look positively to the future.

Staffan Hillberg, CEO
Heliospectra AB (publ)

For the full report: <http://ir.heliospectra.com/en/financial-reports/>

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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.

Attachments
Release