



"The future looks bright for the company and for plants."

Year End Report 2016, Heliospectra AB (publ)

July-December:

- Net turnover was KSEK 13,185 (9,709)
- Operating profit/loss was KSEK -22,609 (-18,256), involving a negative operating margin (neg)
- Profit/loss after tax was KSEK -25,525 (-19,717) or SEK --1 (-1) per share
- Operating cash flow was KSEK -14,261 (-16,458). Total cash flow was KSEK 68,346 (11,621)

January-December:

- Net turnover was KSEK 23 053 (13 686)
- Operating profit/loss was KSEK -42,762 (-32,360) involving a negative operating margin (neg)
- Profit/loss after tax was KSEK -45,763 (-33,954) or SEK -1 (-2) per share
- Operating cash flow was KSEK -38,252 (-31,979). Total cash flow was KSEK 54,092 (12,721)

Important events

July – September

- Heliospectra receives an order from cannabis growers in Alaska.
- Fortune 500 global agtech company standardises using technology from Heliospectra.

October – December

- Heliospectra lamps installed in advanced plant research facility.
- The Board of Heliospectra investigated whether the company's equity was less than half of the company's registered share capital by preparing a balance sheet for liquidation purposes. The Board confirmed that there was no actual capital deficiency either as of 30 September 2016, before or during the remaining time until the share issue. The conditions for continued operation could therefore not have been called into question at any time during the period.
- An extraordinary general meeting was held on 8 November 2016.
- The company's main owner issued capital adequacy guarantees that guaranteed that equity does not at any time fall below the registered share capital. The guarantees were in force until the share issue, which was also guaranteed in full by one of the main owners.
- Heliospectra's preferential share issue of approximately SEK 91 million, which was concluded on 2 December 2016, was oversubscribed. In view of the high level of demand from both new and existing shareholders, the oversubscription issue was exercised to an amount of approximately SEK 16 million. Heliospectra thus received a total of approximately SEK 107 million before share issue costs and just under 1,200 new shareholders.
- The company Fleurish Farms achieves success in the field of energy-efficient cannabis growing with a solution that integrates equipment that captures sunlight with Heliospectra's technology.

Events after the period

- Heliospectra appoints Ali Ahmadian as new CEO. Departing CEO Staffan Hillberg will continue to be involved as an advisor to Heliospectra.
- Heliospectra makes presentation on Cannabis Investor Webcast on 26 January 2017.
- Heliospectra number 42 in Deloitte Global's 2016 Technology Fast 500™ EMEA List of the fastest-growing companies.

CEO's comments:

Dear Heliospectra AB shareholder,

Heliospectra continues to develop well. Turnover increased by 75% from 2015 to 2016 while there was an increase in marketing efforts and strategic product development continued. The company's strategy to focus on three segments – agtech companies/institutions/universities, greenhouses/indoor cultivation and medicinal plants – has clearly been successful. All segments are growing strongly and Heliospectra has gained a very firm foothold in each market segment with key reference customers. Market factors are also favouring the company with increased urbanisation, demands for better and more nutritious food, significant climate change, increased automation and the increasing development of medicinal plants. The company made major investments in marketing during the year, and we expect this to have positive effects during 2017.

As departing CEO, I can look back on amazing developments over the past seven years. I started as a part-time consultant in 2010, hired by the main owners to evaluate the market, technology and the company's position. Even then we could confirm that Heliospectra possessed amazing competence, and with in-depth knowledge of how plants function we have learned how different kinds of lighting levels can affect plants in order to optimise taste, content, form, quality and life span, while at the same time you can replace old kinds of lamps and save large amounts of energy. Furthermore, the fact that we were working on something that was important for mankind became clearer still, as we then noted changes in the weather that were creating problems for growers.

From the company's beginnings in 2006 there was a vision of a hi-tech cultivation system that combined adjustable lamps with sensors and software. This formed the basis of the company's very first patent, which was submitted in 2008 and has now been approved virtually all over

the world. The original patent was then supplemented and there is now a full patent portfolio to protect Heliospectra's technology. The company has purposefully developed the system and has now finally reached a technological milestone, as in February 2017 we held our first seminar on DLI (Daily Light Integral), in which we showed how we can automatically maintain desired light levels in the greenhouse by using sensors and software to control our lamps. To this we can connect our weather forecasts and energy prices in order to optimise energy consumption and thus bring energy savings to the system itself in addition to the direct savings generated by our lamps. The market has already highlighted the system with articles and presentations online.^[1]

Heliospectra's position in the market and growth potential has enabled us to attract a very competent CEO who will take the company forwards. It feels reassuring for me to hand over the helm to Ali Ahmadian, and it will be exciting to monitor future developments. Ali has a background as a successful entrepreneur, after which he spent much of his life in business development, sales and international marketing at Tetra Pak. All in all, this is an ideal combination to take Heliospectra on to new successes.

For me personally, it has been an honour to take Heliospectra to this position, and I would like to thank everyone who has been with us on the journey and supported us, but above all my employees who have done the work. The future looks bright for the company and for plants.

Staffan Hillberg, CEO until 31 January 2017

The full report is available at <http://irheliospec.aaff.se/en/reports-downloads/>

[1] <http://www.hortidaily.com/article/32097/Does-your-winter-greenhouse-tomato-know-what-it-could-yeild> and <http://bit.ly/2jtQR4R>

For further information:

CEO Ali Ahmadian, +46 (0)722-036344, ali.ahmadian@heliospectra.com

Chairman of the Board Andreas Gunnarsson, +46 (0)702-040945, andreas.gunnarsson@midroc.se

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

Michael Swartz, Senior Analyst Viridian Capital Advisors, +1 212 3330257, mswartz@viridianca.com

www.heliospectra.com

G&W is the company's certified advisor – www.gwkapital.se

This information is information that Heliospectra AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.50 CET / 2.50 AM EST on February 24, 2017.