Heliospectra AB (publ) - Half Year Report January - June 2016

(GOTHENBURG, Sweden/SAN FRANCISCO, CA, August 26, 2016) – Heliospectra AB (publ) (OTCQB: HLSPY, FIRSTNORTH: HELIO), a world leader in intelligent lighting technology for controlled environments horticulture, presents their Half Year Report for 2016 today.

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
- Profit/loss after tax was -20 238 (-14,237) KSEK or -1 (-1) SEK per share.

Significant events

January – March

- Redeye releases a Company Report on Heliospectra entitled “LEDLightning Strikes Growers”
- Heliospectra (publ) receives a grant of 500,000 SEK for the development of energy & waterefficient 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

Events after the end of the period

- Heliospectra receives an order from a Cannabis grower in Alaska

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 AGTech 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 loosing 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)

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.