



Year End Report 2015, Heliospectra AB (publ): "Increased sales by 340 percent and breakthroughs in the market"

July-December:

- Net turnover was KSEK 9,709 (1,247)
- Operating profit/loss was KSEK -18,256 (-14,072), involving a negative operating margin (neg)
- Profit/loss after tax was KSEK -19,717 (-14,068) or SEK -1 (-1) per share
- Operating cash flow was KSEK -16,458 (-15,627). Total cash flow was KSEK 11,621 (-17,431)

January-December:

- Net turnover was KSEK 13,686 (3,110)
- Operating profit/loss was KSEK -32,360 (-32,901), involving a negative operating margin (neg)
- Profit/loss after tax was KSEK -33,954 (-33,670) or SEK -2 (-2) per share
- Operating cash flow was KSEK -16,458 (-15,627). Total cash flow was KSEK 11,621 (-17,431)

Important events

July–September

- Heliospectra's CEO makes a presentation to investors in the US via Webinar.
- The largest order ever equal to USD 672 thousand (SEK 5.7 million) from growers in Las Vegas in co-operation with American Cannabis. Installation during Q4.
- Heliospectra makes a presentation to investors at the well-known MoneyShow in San Francisco.
- Heliospectra has a targeted new share issue – brings in SEK 25 million to the company.
- Leading analyst firm includes Heliospectra in new Greenhouse and LED growing lamps report
- Heliospectra expands the Product portfolio – launches two new LED growing lamps
- Heliospectra's patent application also approved in Europe
- Major shareholders Weland and Midroc utilise TO 1 for subscription to Heliospectra.

October - December

- Result from subscription options add approx. SEK 22.5 million, 90% utilisation rate
- Heliospectra is included in the OTCQB Index
- Heliospectra presents at the Viridian Cannabis Investor Symposium in New York
- Heliospectra signs an order for the new product Lightbar for vertical cultivation with a European grower worth approx. SEK 1.8 million.
- Heliospectra has chosen its nomination committee for the 2016 annual general meeting.
- Heliospectra is awarded research grants of KSEK 450 for innovative studies around the simulation of flavouring and nutrients in plants using light.

Events after the period

- Redeye Corporate Finance launches a company analysis of Heliospectra with the title "LED Lightning Strikes Growers"
- Heliospectra (publ) receives a grant of SEK 500,000 to develop energy and water efficient cultivation of plants in the Middle East.
- Heliospectra carries out high-level recruitment of leading industry manager in the US

CEO's comments:

Dear Heliospectra AB shareholder,

When we look back at 2015, we can see that this year has been the year of Heliospectra's breakthrough in the market. We have more than quadrupled the turnover from SEK 3.1 million to SEK 13.7 million (340%) and we sense a strong momentum going into 2016.

During the end of 2014, we launched the LX60 and the RX30 series based on the same technical platform. LX60 is primarily sold to traditional growers of vegetables and flowers, as well as growers or medical cannabis. RX30 is more focused on research-intensive customers such as universities, institutions and large, international companies selling seeds, nutrients and pesticides – so-called agtech companies. It is interesting to note that researchers have now started to specify Heliospectra equipment when applying for research grants.

LX60 accounted for the largest share of turnover in 2015 and the company has increased production to meet the demand. The largest single order so far was worth SEK 5.7 million and was for a grower of medical cannabis in Las Vegas. The strategy is to meet customers at conferences and events and then follow this up with smaller pilot schemes which result in larger orders. As Heliospectra focuses on larger industrial volume clients, it is important to have direct contact in parallel with the distribution and sales channels that the company is establishing. An important aspect of the sales process is having satisfied customers acting as references for new, potential customers so that growers can talk to other growers. Overall, this has been a successful strategy.

During the third quarter, Heliospectra launched the E60 series which is a simplified version of LX60 and is based on the same technical platform, primarily intended for greenhouse growers. At the same time, a so-called lightbar was launched with is an oblong light fitting aimed at the fast-growing market for vertical growing in a controlled indoor environment. Just like LX60 and RX30, E60 and the lightbar has been developed in close co-operation with international customers. One result of this is that the company quickly received an order for lightbars

worth SEK 1.8 million from an international greenhouse grower.

According to independent market analyses, all the markets Heliospectra operates in are growing rapidly. The market for medical cannabis in the USA is one of the fastest growing industries in North America. To date, Canada and 23 US states have legalised the growing of cannabis for medical purposes and a further four states will vote on this in 2016. Globally, there has been legalisation in Israel, Uruguay and parts of Australia and discussions are ongoing in many other countries. According to MarketsandMarkets, the market for LEDlights for cultivation is growing at 26% per year, from USD 589 million to USD 1,940 million from 2015 to 2020. The traditional greenhouse market is still the largest but at the same time, the markets for vertical and indoor growing are expanding quicker and, put together, will be as large as the greenhouse market. Heliospectra is highlighted as one of the most interesting companies on the market with the right type of products.

The primary focus of the company is sales and all the surrounding activities which drive the sales process. At the same time, Heliospectra continues its innovative product development. Heliospectra has market-leading products and it is important to develop these further. The company's competence is mainly within product development and software development which is why all hardware manufacturing is done by subcontractors. The basis of the success is close co-operation with both customers and suppliers.

Compared with many other listed development companies, Heliospectra has a solid ownership structure with the three largest shareholders Weland, Industrifonden and Midroc. This, along with competent staff, fast-growing markets and world-leading products will ensure our continued success.

Staffan Hillberg, CEO, Heliospectra AB

The full report is available at <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.