



Brighter

Year End Report.
2016.

Brighter AB (publ) 556736-8591

Summary of the financial year January 1 to December 31 2016.

- Operating income amounted to SEK 23,076 thousand (SEK 15,722 thousand).
- Profit after financial items amounted to SEK -14,731 thousand (-11,468 thousand).
- Earnings per share before dilution SEK -0.32 (SEK -0.24).
- Earnings per share after dilution SEK -0.32 (SEK -0.24).

Significant events during the period.

- 2016-11-30 – Brighter signs agreement to launch the diabetes solution Actiste in Indonesia.
- 2016-11-16 – Camanio Care AB secures funds amounting to SEK 9.4 million ahead of listing.
- 2016-10-25 – Brighter merges its jDome-business with Bestic and plans listing as an independent company.
- 2016-10-12 – The Swedish Patent and Registration Office grants Brighter's patent application.
- 2016-10-12 – Brighter wins arbitration case against former development partner.
- 2016-10-11 – Brighter raises SEK 11.2 million through Private Placement.
- 2016-10-04 – Brighter receives breakthrough order regarding jDome BikeAround in Denmark.

Significant events after the period.

- 2017-02-20 – Brighter signs agreement with Sonat for global logistics solution.
- 2017-01-05 – Record date for distribution of shares in Camanio Care to Brighters shareholders has been set.



A message from the CEO.

In the fourth and final quarter of last year, we made several positive announcements that will transform our company. We strengthened our patent portfolio and signed an important agreement with the mobile network operator Indosat Ooredoo. We also formed a new and exciting company called Camanio Care, which is a merger between jDome and a company we acquired called Bestic AB. This new company will soon be listed on AktieTorget.

On the whole, we are extremely happy with our progress in 2016, but we now have our sights set on the future and we have extremely high expectations for 2017 and the years to come. It is great to see so many people interested in what we are doing! This is something we noticed at the events we took part in last autumn, including Stockholm Tech Fest and Health 2.0, where we received a lot of attention. There is a great deal of interest in finding new, innovative ways of streamlining healthcare and helping patients lead a better life; Actiste is viewed as a good example of this.

We believe that Brighter is in a good position to grow quickly as soon as Actiste is CE marked and launched on the market. Our success can be attributed to the partnerships that we have continued to secure over time, including those with Ericsson, Telia, Indosat Ooredoo and Sanmina. We recently signed an agreement with Sonat, which will help us to establish a scalable and effective logistics platform.

The company is currently in the middle of the industrialization phase, which has entailed heavy focus on preparations for the launch. For example, we have done injection molding tools for the production of Actiste, and we are continuously working with our partners on various aspects of the launch, both in Sweden and in Southeast Asia.

We are planning the initial launch in Sweden during the second half of 2017. We will then continue to scale up as we launch the solution in other countries and complete local registration processes. On the whole we are extremely satisfied with how things have gone so far in every area, and we cannot see anything that will disrupt our schedule, which will remain in place unless otherwise communicated.

As mentioned previously, we acquired a company called Bestic AB in October, which develops and markets a number of innovative products and services in welfare technology, with focus on quality of life. We subsequently merged it with jDome. There are obvious synergies. The products and services they both bring to Camanio Care are aimed at the same target group, and by increasing our resources we can reach customers more effectively both here at home and abroad. Camanio Care will also invest heavily in developing new products. At the beginning of the year we distributed some of our holdings to our existing shareholders; we will remain a major owner, even though we will not be the majority owner. We believe that Camanio Care is in a



perfect position to become a leading company in welfare technology, which will benefit both us and our shareholders.

I would like to end by saying how wonderful it feels to see all the progress we are making with Actiste. The further we move into the industrialization phase, the closer we get to the launch – which can make the lives of millions of diabetics easier and streamline the entire care chain. Better and more modern care is clearly needed. This is something that we have become acutely aware of at the external events in which we have taken part.

It is great to start the new year with so much to look forward to – not only for us as a company but also for society.



Truls Sjöstedt, Founder and CEO of Brighter AB





We are passionate about
understanding people.

Brighter in brief.

Brighter develops solutions for data-driven and mobile healthcare. Thanks to its intellectual capital and innovative devices the company is creating a more efficient care chain with the individual in focus. The aim is to simplify the information flow of relevant and reliable data between patient and care provider, and make it stronger and more efficient.

In the first instance, Brighter is investing in diabetes with Actiste™, but there will be opportunities moving forward to act on a general level that spans several diseases and care directions. This will be done via The Benefit Loop®, Brighter's cloud-based service that continuously gathers, processes and shares data on the user's terms.

The company is listed on NASDAQ OMX First North/BRIG.

For more information:

www.brighter.se

Vision.

We are Human Innovation.

Brighter's vision is to be the global leader in mobile health and data driven care, providing both the gateway and the marketplace for user generated health data. The company shall develop innovative and smart technical innovations with a friendly and intuitive user design. Brighter's concepts, products and services shall contribute to simplify and increase the quality of life for its users, collect, analyze, process and market effective data as well as producing financial returns for the company and its investors.

Mission.

Drive behavioral change.

Brighter operates on the global market for data driven healthcare, IoT ("Internet-of-Things") and mobile-health. We will deploy both known technology and disruptive innovations and take the thought leadership position with a strong and clear Swedish legacy.

The products and services provided by Brighter aim to drive quality improvements for everyone in the care chain. By enabling more measurement points and improved health outcome of individuals – sharing real life, valid, continuous and effective data, Brighter empowers healthcare providers, patients and society.

Strategy.

Brighter is a Swedish company listed on Nasdaq First North in Stockholm, Sweden. We have succeeded and will keep succeeding by establishing solid global collaboration models with best in class players in the industries involved to enhance our position.

So far we have a global partnership with Ericsson for the global connectivity and fleet management of our devices, which has also been key to signing our first roll-out agreements with Telia Company for Sweden and Indosat Ooredoo for Indonesia. To secure first class and global manufacturing we have selected Sanmina as our partner and Sonat for logistics. We partner with



companies that have a substantial pool of knowledge and resources Brighter can leverage on and they see opportunities in cooperation with Brighter for their own innovation.

The momentum created in combination with smart and cost effective communication and marketing strategies, will ensure a fast market uptake of the products and services we offer. And in the end ensure financial growth on a short and long term perspective.

Objectives.

Short-Term (9-12 months).

- Successful launch of the Actiste® Diabetes Management as a Service (hereinafter referred to as “Actiste”) subscription service in Sweden.
- Build the marketplace for user generated health data.



Medium-Term (12-24 months).

- Launch Actiste in Thailand and Indonesia as well as a minimum of two more markets, have applied for FDA approval of Actiste and companion apps, and signed at least one agreement for an additional drug application of the DruDe™ platform. Launch the marketplace for user generated data.
- DruDe (short for Drug Delivery platform): Brighter's patent portfolio that makes it possible for Brighter to log, in a unified, continuous and correlated manner the measurement of a biomarker and the actual injected dose of a medicine in one single device, and then transfer the data continuously through a cellular connection.

Long-Term (24-36 months).

- Launch Actiste in additional markets such as, but not limited to, Brazil, Mexico, Germany, UK, USA, be in the final phase of developing a device for the second drug application of the DruDe platform and initiated the development of the second generation of Actiste with minimal invasive technology (as per Brighter's Consortium Agreement with Debiotech & the Royal Institute of Technology (Sweden) – Gluco Touch).

Business Model.

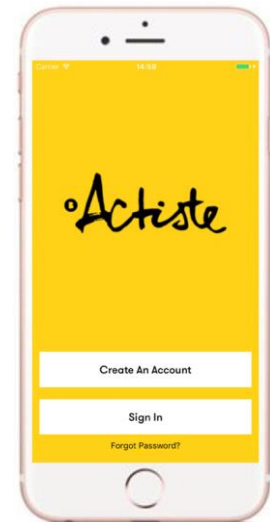
Brighter will attract customers in the following ways.

1. Agreements on offtake and delivery specifications with mobile networks operators (leveraging on their customer base) in key markets to sell and resell in the form of:
 - a) B2C, to the end customers.
- For Actiste – patients living with diabetes and treated with insulin at least once a day.
- For DruDe – to be confirmed, but Brighter currently primarily defines the market consisting of patients living with a chronic disease that requires periodic biomarker measurement and injected medicine. But we are also considering patients with long-term acute diseases that have expensive treatments and require disease or drug biomarker measurement to be treated using DruDe platform.

They will pay because;



- They already pay for a less convenient and less efficient service than what Brighter provides through Actiste;
 - Actiste will be sold as a fixed fee subscription service at a lower cost than the average Blood Glucose Measurement (BGM) solutions marketed today, and;
 - For DruDe applications, there is no other alternative, as new biological medicines (proteins or antibodies) are not effective if taken orally.
 - b) B2B2C; to the end customers
 - The insurance companies – will pay because they will generate substantial savings.
 - The pharmaceutical companies – will pay because we offer them an opportunity to differentiate towards competitors and sell more insulin, retrieve or keep a higher price per dose and get access to real life, valid, continuous, effective and valid data.
2. Wholesale offtake agreements with Clinical Research Organizations (CRO) – will pay because Actiste offers them a new way to sell their service which will be both cost savings as well as provide more reliable data for their clients.
 3. B2B; Data wholesale agreements.
 - Pharmaceutical companies for clinical research – they will pay because we provide cost reduction and continuous, effective and valid data.
 - CROs – they will pay because we provide cost reduction and continuous, effective and valid data. Different from 2 above, here we sell the data that we've been authorized to market by the users.
 - Authorities – they will pay because we provide cost reduction and continuous, effective and valid data, including positioning data which could allow for better societal planning.
 4. Marketplace for health data.
 - The DruDe platform, of which Actiste is the first launch, is the key to gather, process and trade real life, valid, continuous and effective data. This allows the generator of the data – the user – and the buyer of the data – pharmaceutical companies, CRO, authorities, etc – to transact data efficiently, with Brighter providing the transaction platform.
 5. Royalty payments based on existing and future patents, currently consisting of six patents.



Market Focus.

The target customers.

- Consumers.
- Mobile Network Operators (MNO)
- Payers; Healthcare providers, governments/authorities, insurance companies, consumers, corporations/employers “inbound healthcare”.
- Clinical Research Organizations (CRO).
- R&D organizations & authorities, academia.
- Pharmaceutical companies.



The Opportunity.

Fundamentals.

Size of the Global Market.

- Actiste Diabetes – insulin.
150 million potential subscribers. Approximately 37% of the total 415 million diabetes patients use insulin on a daily basis ([2016](#)).
- DruDe - Brighters Drug Delivery Platform.
There is high potential to apply DruDE to administer many new medicines to improve ways to treat chronic diseases specially in the field of oncology and cardio-endocrinology.
 - Oncology: DruDe can be used with more than 66 new, under clinical development, drugs that could treat more than 15 million new registered cancer patients every year.
 - Cardio-endocrinology: DruDe could be used also for 74 new candidates with the potential to improve the life of 600 million patients.

Note: The number of candidates as currently known to Brighter by research. Additional candidates will most likely appear in the future.

Size of the currently targeted markets.

- Sweden: 150,000 subscribers (2016; 1.5% annual growth).
- Indonesia: 4 million subscribers (2016; 6% annual growth).
- Thailand: 1.5 million subscribers (2016; 6% annual growth).

Competitors in the Targeted Markets.

Direct. None today.

Indirect.

- BGM: multiple
- Continuous/Flash Glucose Monitors (C/FGM): multiple
- Insulin pens: multiple
- Insulin pumps: multiple
- Apps: multiple
- Communication and motivation system/platforms addressing Doctor-Patient adherence and disease management efficiency.

Defensible Competitive Advantage(s).

- 1) IP – Brighter has, today, a family of six patents, and a strategy to apply for at least 2 new patents per year. Brighter has a unique position as the base patent family is a solution patent linked to the intersection of Medical Device and InVitro Diagnostics. The follow up patents are layered around the first, thus further extending the strength and term of the patent portfolio. In addition, Brighter secures registered trademarks for its products and services, e.g Actiste®, The Benefit Loop®, Digital Endorphins®, Brighter®, etc.
- 2) User experience – according to our focus groups, 100% of the respondents express that Actiste device is better or much better than their current devices. Note: The focus groups were not introduced to the Actiste Diabetes Management as a Service, solely to the device.

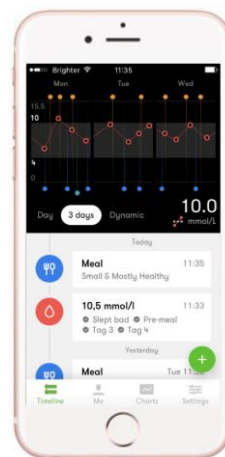


- 3) Business model – Brighter will sell a service on a subscription basis utilizing Mobile Network Operators as strategic and tactical partners, increasing reach per invested marketing spend as well as gaining synergies from their regulatory and administrative infrastructure.
- 4) Pricing – By focusing on the data revenue potential from B2B customers and the gateway and marketplace transaction fees, Brighter can position the B2C and B2B2C service fee well below the competition.

The Team.

Collectively, the Team has over 200 years of collective experience from various backgrounds, including, but not limited to:

Medical Devices | Pharmaceutical | Diabetology | Endocrinology |
Oncology | Behavioral Science | Business Development | Project Finance |
Software Development | Mobile Application Development | Market
Introduction | Advertising | Quality Assurance & Regulatory Affairs |
Medical Affairs | Mechanical Engineering | Electronics Development |
Marketing & Sales | Back-End Development | etc.



Impact.

Brighter will transform.

- 1) The treatment of chronic diseases using injectable medicines, enhancing adherence through improved user experience and a subscription model, giving room to move towards concordance to informed treatment decisions.
- 2) The patients perception of their condition and the cost thereof, by empowering them with the possibility to share and market their data for 1) the benefit of research and 2) taking control of their own cost of treatment.
- 3) The clinical research and general societal research industry by offering a marketplace whereby they can access real life, valid, continuous and effective user generated health data, at a market value.

Brighter's overall business ambitions:

- Improved overall health.
- Reduced direct and indirect health expenditures.
- Reduced sick days.
- Cradle to cradle.



Camanio Care AB.

In October 2016 the company Camanio Care AB was formed by merging Brighter's subsidiary, Brighter Two AB, and the acquired company, Bestic AB. Brighter AB owns about 30% of Camanio Care, which is a robotics and IT company in welfare technology with a focus on helping people to improve their quality of life. The company offers several smart and user-friendly products and services, such as jDome BikeAround and Bestic, in two focus areas – activity and meals.

The company Camanio Care AB markets its products in Sweden and the USA, and uses distributors and resellers in ten countries around the world.

Camano Care's basic business model primarily consists of direct sales to end customers and distributors. A small percentage of Camano Care's customers rent or lease their products. Customers in Sweden include municipalities, county councils, private healthcare companies and private individuals.

One important part of the company's business and revenue model is the aftermarket, including upgrades, service and support for the company's installed solutions. Camano Care also offers training and an increased level of support during the implementation phase.

Camano Care's products.

jDome BikeAround.

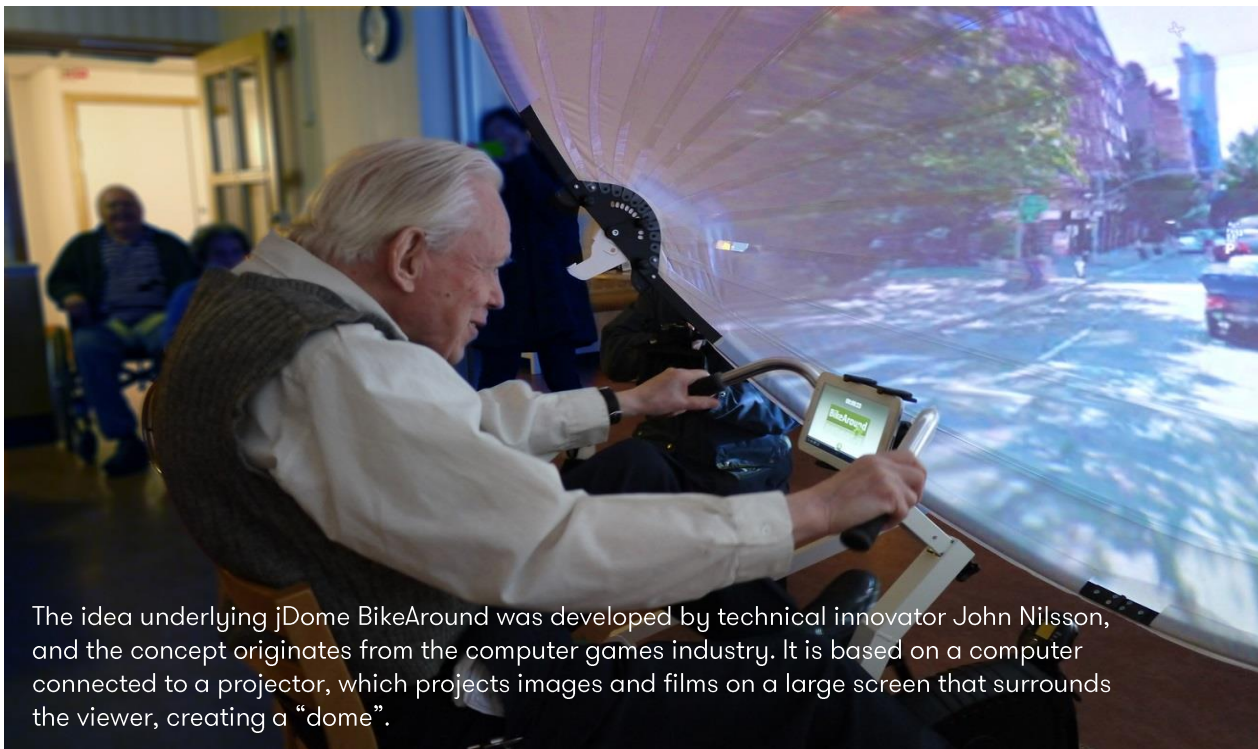
As average life expectancy continues to rise, the population of Sweden is becoming increasingly elderly. One consequence of an aging population is an increase in the number of people suffering from dementia. Although there are no exact statistics for the number of dementia sufferers in Sweden, the Swedish National Board of Health and Welfare estimates this figure to be around 160,000 people. Many of these people, along with the 88,000 or so Swedes who live in the 2,600 elderly care homes in Sweden, are dependent on meaningful activity.

Being able to offer meaningful activities and to facilitate discussions on life and different memories between dementia patients, personnel and relatives are two of the biggest challenges faced by elderly care. This applies not only to dementia sufferers but also to everyone within elderly care, both in elderly accommodation and in day care centers.

With jDome BikeAround, users can cycle and navigate anywhere in the world with the aid of Google Street View, whose images are projected onto a surrounding screen.

When using jDome BikeAround, both the brain and the body are stimulated, at the same time that users enjoy a social experience since they can talk about their childhood or other memories with personnel and relatives.





The idea underlying jDome BikeAround was developed by technical innovator John Nilsson, and the concept originates from the computer games industry. It is based on a computer connected to a projector, which projects images and films on a large screen that surrounds the viewer, creating a “dome”.

jDome BikeAround has received very positive feedback from users, and a number of pilot projects were conducted in Sweden in 2015. Experiences from a project that was implemented in Västerås, Sweden were published last autumn *in a Swedish Agency for Participation* report called *Welfare Technology and Environment Adaptations*. The report highlighted good examples from specific care homes and day care centers, and jDome was **included** as one such example. The Swedish Agency for Participation has released another report, *Technology Development within Healthcare and Care for Individuals with Cognitive Impairment of Decision-making Capacity*, which also recommends jDome.

Bestic, Butler, Drinc and several other products.

The macro trend of an aging population is clear both in Sweden and around the world. The UN estimates that the number of people over 60 in the Western world will increase by 250% by 2050, and the number over 80 is expected to increase by 600% during the same period¹. Camanio Care’s products are developed with a focus on elderly care, and it believed that the need for smart services and products in robotics, for example, and other solutions that streamline and improve elderly care will grow as the population increases and gets older.

Bestic .

Bestic is an assistive device that enables people who have previously needed help with eating to become more independent. Users guide the device themselves. It gives them control over what and how quickly to eat – allowing them to eat in peace and quiet. In 2012 Bestic was named by InformationWeek as one of the “10 Medical Robots That Could Change Healthcare”.

¹ United Nations Department of public information 2015



Mealtime Quality Index™ (MQi).

MQi is a quality index that was developed by Bestic. It provides a unique opportunity to see which level the unit achieves in meal situations. The index is based on questions that provide a quantitative understanding of how units, staff and particularly the individuals perceive the quality of mealtimes. MQi is a good tool for operations managers.

Drinc™.

Drinc is a simple and clever drinking solution for individuals who find it difficult to lift a cup or glass to their mouth. It can be mounted in different ways, enabling the user to drink wherever he or she wants: during meals, on the sofa, in front of the TV, in bed, outdoors, etc.

Butler™.

Butler is a flexible table that can rotate and is height/depth adjustable. This helps to create a convenient position for most purposes: eating, writing, reading, arm support, working, doing crafts and puzzles, etc. Butler is a medical device that is CE marked, and it is designed to support people with disabilities. The product has been developed based on actual needs, and the company buys it from a Swedish supplier that owns the product.

Services.

Training at different levels, and implementation support for organizations that want to improve and develop by introducing new welfare technology. We also help organizations to carry out evaluations.



The shares.

Brighter AB (publ) is listed on NASDAQ OMX First North with the stock symbol BRIG. NASDAQ OMX First North is a Multilateral Trading Facility (MTF). As of December 31, 2016, 52,010,170 shares were issued. All shares have equal rights to company profits and assets.

Brighter's Certified Adviser on Nasdaq OMX First North is Remium Nordic AB.

Insider holdings.

Shares	2016-03-30	Change	2016-12-31
Truls Sjöstedt – CEO	5,645,448	+ 54,042	5,699,490
Henrik Norström - COO	569,601	+ 41,150	610,751
Gert Westergren – Chairman	664,296	- 24,500	639,796
Lars Flening – Member of the Board	212,839	- 93,662	119,177
Afsaneh Ghatan Bauer – Member of the Board	51,600	0	51,600
Sara Murby Forste – Member of the Board	23,100	0	23,100
Jan Stålemark – Member of the Board	18,670	0	18,670
Petra Kaur Ljungman – Member of the Board	14,725	0	14,725
Nadezda Ershova – Head of QA/RA	5,889	0	5,889

Options	2016-03-30	Change	2016-12-31
Henrik Norström - COO	988,085	800,000	1,788,085
Truls Sjöstedt – CEO	886,630	391,125	1,277,755
Gert Westergren – Chairman	186,495	100,000	286,495
Åsa Hallin Dahlberg, Head of Dvlp. & Prod.	0	200,000	200,000
Sara Murby Forste – Member of the Board	82,500	100,000	182,500
Afsaneh Ghatan Bauer – Member of the Board	61,650	70,000	131,650
Jan Stålemark – Member of the Board	55,000	70,000	125,000
Petra Kaur Ljungman – Member of the Board	16,500	0	16,500
Lars Flening – Member of the Board	7,893	0	7,893



Income statement in SEK thousand (summary).

	2016-01-01 2016-12-31	2015-01-01 2015-12-31
Operating income.	23,076	15,722
Capitalized expenses.	21,698	15,601
Other income.	1,378	121
Direct costs.	-63	
Other external costs.	-29,817	-21,169
Staff costs.	-7,371	-5,056
Depreciation, amortization and impairment.	-192	-903
Other costs.	-243	-11
Operating profit.	-14,609	-11,417
Profit from other items.	-122	-51
Profit after financial items.	-14,678	-11,468
Profit for the period.	-14,678	-11,468
Earnings per share, before dilution.	-0,32	-0,42
Earnings per share, after dilution.	-0,32	-0,42
Number of shares, before dilution.	52,010,170	37,567,883
Number of shares, after dilution.	57,510,170	44,584,101
Average number of shares, before dilution.	45,857,598	27,010,391
Average number of shares, after dilution.	51,357,598	34,026,609



Balance sheet in SEK thousand (summary).

	2016-12-31	2015-12-31
ASSETS.		
Capitalized expenditure.	43,674	21,867
Patents and trademarks.	2,886	2,214
Property, plant and equipment.	322	485
Financial assets.	16,238	13,244
Total fixed assets.	63,120	37,810
Short-term receivables.	1,873	1,300
Cash at bank and in hand.	1,730	720
Total current assets.	3,603 ²	2,020
TOTAL ASSETS.	66,723	39,831
EQUITY AND LIABILITIES.		
Share capital.	2,601	1,878
Share premium.	110,373	67,228
Fund for development expenses.	22,478	0
Share issue proceeds.	0	-27,979
Profit carried forward.	-62,719	-11,468
Calculated profit.	-14,730	29,659
Total equity.	58,003	1,878
Long-term liabilities.	0	0
Total long-term liabilities.	0	0
Accounts payable.	5,872	7,039
Other liabilities.	205	1,997
Accruals and deferred income.	2,643	1,136
Total current liabilities.	8,720	10,172
TOTAL EQUITY AND LIABILITIES.	66,723	39,831
PLEDGED ASSETS.	2,208	2,208

² After the period Brighter has secured access to working capital.





We believe simplicity and access
drive behavioral change.

Cash flow statement in SEK thousand (summary).

	2016-01-01 2016-12-31	2015-01-01 2015-12-31
Cash flow from operating activities before changes in working capital.	-14,716	-10,488
Changes in working capital.		
Decrease/increase in current receivables.	-2,362	-358
Decrease/increase in current liabilities.	633	3,121
CASH FLOW FROM OPERATING ACTIVITIES.	-16,445	-7,725
Investment activities.		
Acquisition of intangible fixed assets.	-22,670	-16,391
Acquisition of tangible fixed assets.	0	-22
Acquisition of financial assets.	-2,294	-666
Changes in stock.	0	0
CASH FLOW FROM INVESTMENT ACTIVITIES.	-25,664	-17,079
Financing activities.		
Loans raised/Amortized loans.	0	6
New share issue (net after issue costs).	43,119	21,577
Client funds.	0	0
CASH FLOW FROM FINANCING ACTIVITIES.	43,119	21,583
Cash flow for the period.	1,010	-3,221
Opening cash and cash equivalents.	720	3,942
CLOSING CASH AND CASH EQUIVALENTS.	1,730³	720

³ After the period Brighter has secured access to working capital.



Accounting Principles.

This year-end report has been prepared in accordance with the Swedish Annual Accounts Act and the general advice of the Swedish Accounting Standards Board BFNAR 2012:1 Annual Report and Consolidated Financial Statements unless otherwise stated. Brighter AB (publ) is the parent company of a group, but does not prepare consolidated financial statements with reference to the exception rule in the Swedish Annual Accounts Act Chapter 7 Section 3 (smaller group).

With effect from the 2015 financial year, external charges for product development are included as capitalized production costs in the company's income statement. As a consequence of this, the figures from previous years have been adjusted. The effect of this adjustment has not had any effect on the company's performance and position other than affecting the classification of items in the income statement.

Schedule for Financial Information.

Interim report Jan-Mar 2017: 2017-05-19

Half-year report Jan-June 2017: 2017-08-25

Interim report Jan-Sept 2017: 2017-11-24.

Year-end report 2017: 2018-02-23

Company audit.

This year-end report has not been audited by the company's auditors.

Certified Adviser.

Brighter's Certified Adviser on Nasdaq OMX First North is Remium Nordic AB.

Submission of the Year End Report.

Stockholm February 24, 2017

Brighter AB (publ).

The Board

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