



# Interim report

## January-March 2018



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## Momentum towards Actiste delivery continues.

### First quarter summary, January–March 2018.

- Capitalized expenditure for development work reached SEK 6,813 thousand (4,718)
- Operating income amounted to SEK 7,163 thousand (5,562)
- Profit for the period amounted to SEK -11,012 thousand (-4,836).
- Earnings per share, before dilution amounted to SEK -0.17 (-0.07).
- Earnings per share after dilution SEK -0.17 (SEK -0.07).

### Financial overview.

KSEK	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Dec 2016	Jan-Dec 2015
Operating profit	-10,029	-3,634	-19,946	-18,501	-12,121
Net financial items	-1	-2	-2,897	-238	-74
Profit before tax	-11,012	-4,836	-27,292	-14,683	-12,195
Total assets	111,270	63,605	111,354	68,734	41,620
Equity per share (SEK)	1.31	0.97	1.35	1.01	0.77
Capital adequacy (%)	77%	77%	78%	76%	70%

For definitions, see note 24 in Brighter's 2017 Annual Report.



## Significant events during the period.

- In November the PRV [Swedish Patent and Registration Office] granted patent application 155057114864054.3 regarding a method and device for logging drug injections made by a medical device with an injector.
- Brighter was part of the Swedish delegation of approximately 160 companies at the Mobile World Congress (MWC) in Barcelona.
- Brighter strengthened its management group and hired Petra Kaur as its Head of Marketing and Communication.
- Brighter notifies delays in CE marking as a result of the fine tuning of tools.
- Brighter and FRISQ have initiated a strategic partnership to strengthen healthcare infrastructure.
- Brighter's solution Actiste® has been nominated for the Design-S Swedish Design Awards 2018, in the category Industrial and Product Design B2B.
- Brighter has called upon a fifth tranche of SEK 10 million from L1 Capital and issued additional free warrants to its existing shareholders.
- The number of shares in Brighter AB has increased. The total number of shares and votes has increased from 64,964,545 till 65,826,337.
- First exercise period for TO4 took place February 22 – March 8. 111,770 warrants were converted, contribution SEK 672 thousand to Brighter.

## Significant events after the end of the period.

- Brighter's diabetes solution Actiste wins the Red Dot Award for good design and quality.
- Barbro Fridén, who also is on the boards for Vitrolife and Getinge, are proposed as new Chairman of Brighter' Board of Directors.
- Brighter is nominated to "Rising Star" by Swecare.
- Catarina Ihre proposed as a new member of Brighter's Board of Directors. She has extensive experience in Investor Relations from among others SSAB and Electrolux.
- First exercise period for TO3 took place April 10 – April 25. 221,111 warrants were converted, contribution SEK 884 thousand to Brighter.
- The number of shares in Brighter AB has increased. The total number of shares and votes has increased from 65,826,337 till 66,978,124.



## A message from the CEO.



As we eagerly await the anticipated CE-approval of Actiste, Q1 saw several developments that help us prepare for the delivery of the solution later this year.

In January, The European Patent Office granted Brighter's application related to a method for logging injections made by a medical device. This patent – previously granted to Brighter in Sweden only – is now ours Europe-wide. This is excellent news, further strengthening our Intellectual Property portfolio and the strategy we're building for that.

In February, we joined the rest of the global technology industry in Barcelona for Mobile World Congress (MWC18). Brighter participated in the event as part of a Swedish delegation, and Actiste was one of the main attractions at the pavilion of our key partner Ericsson.

At the beginning of March, we appointed Petra Kaur as Brighter's head of marketing and communication. In order to formally take this full-time role – which she had previously worked in as a consultant – Petra has stepped down from the Brighter Board of Directors seat she has held since 2014. With both agency-side and client-side marketing experience



from the pharma and healthcare sectors, Petra has the right background to lead Brighter's go-to-market efforts as we head into this next phase.

Also in March, we announced a strategic co-operation with fellow Swedish company FRISQ, which develops digital tools for personalized care plans. Our joint ambition is to further the development of the conditions and infrastructure needed for better flow of healthcare information and remote monitoring. The companies complement each other very well, and we see a variety of positive synergies in the partnership.

We ended the quarter on a very positive note, with Actiste being nominated for Sweden's most prestigious design award: The Design-S Swedish Design Awards 2018, in the category Industrial and Product Design B2B. It's encouraging for Actiste's functional and ergonomic design to be recognized by such a prestigious forum.

Thank you for your ongoing support!

Best wishes,

Truls Sjöstedt, Founder and CEO of Brighter AB.



# Comments on the financial results.

## Financial results for January-March 2018.

### Income

Other operating income amounted to SEK 350 thousand (SEK 843) for the first quarter. In 2018 this relates mainly to consultancy revenue from the associated company Camanio Care. In 2017 it is primarily comprised of the compensation received from the dispute with the subcontractor HotSwap concerning defective deliveries in development work from before 2015.

### Operating profit

Operating profit for the first quarter 2018 amounted to SEK -10,029 thousand (-3,634). The main reason for the higher loss was an increase in external costs, mainly in external services. The external services (part of external costs) totaling SEK -12,082 thousand (-5,857) relate primarily to services for the development of intangible assets, financial and legal services related to the raising of capital and commercialization activities, and services to build up sales, logistics and production for Actiste. External costs relating to development are reflected in revenue in the form of Capitalized production costs SEK 6,813 thousand (4,718) at the same amount, which means that they do not have any impact on earnings.

Staff costs amounted to SEK -2,997 thousand (-2,180). At the end of the period, the number of employees amounted to 11 (9), of whom 6 (4) were women. Also a number of consultants work for Brighter and this has been recognized in other external costs.

Depreciation/amortization only relates to trademarks and material inventories. Other intangible assets, patents and development costs are not amortized before the asset is ready to be put into service. The value of the intangible assets is measured continuously, and it is intended that amortization start once Actiste is ready, in conjunction with approved CE marking.

### Financial position

Capitalized expenditure for development work during the first quarter amounted to SEK 6,813 (4,718) thousand, which almost exclusively relates to the development of Actiste. Capitalized expenditure totaled SEK 80,140 thousand (47,400).

Property, plant and equipment totaled SEK 4,939 thousand (892). The increase in the equipment is almost exclusively from investments in the production line, tools and other production related equipment for the production of Actiste. Depreciation of this equipment will start as soon as the production line is in use.

Inventories amounted to SEK 1,143 thousand (0) and relates mainly to consumables held for sales together with Actiste devise.



As of 31 March the company had equity of SEK 85,190 thousand (50,206), an equity ratio of 77% (77%).

The company has no long-term liabilities. Current interest bearing from L1 amounted to a nominal value of SEK 10 million. This liability is reported at its amortized cost and reported at SEK 8,473 thousands as of March 31, 2017.

## Cash flow

At the start of the quarter, the company had cash of SEK 10,017 thousand (1,733), decreasing to SEK 2,391 thousand (127) by the end of period.

Cash flow from operating activities amounted to SEK -8,419 thousand (-392). The change in working capital was SEK -1,561 thousand (3,196). Investments amounted to SEK -7,835 thousand (-1,214). An increase of SEK 7,385 thousand in intangible assets in the first quarter 2018, and SEK 412 thousand in property, plant and equipment mainly for production of Actise.

Financing of SEK 10,672 thousand (0) before costs was raised through new issues and loans during the period. L1 Capital was the main source of capital. The company has a financing agreement for SEK 100 million, of which SEK 70 million utilized as of March 31, 2018. Financing through L1 Capital has been effected through current issues of convertible notes and at 31 March 2017, the counterparty had used the opportunity to convert the corresponding SEK 58.6 million in nominal value of issued convertible notes.

The warrants are issued free to L1 Capital and to all of the shareholders of Brighter AB in parallel with the utilization of convertible notes. In the first quarter new shares corresponding to SEK 672 thousand were subscribed by utilization of these warrants. If all of the warrants within the framework of this agreement are issued and utilized to subscribe to new shares, this will add around a further SEK 100 million. For further information about the agreement with L1 Capital, see the company website and Note 21 in Brighter's 2017 Annual Report.

Total cash flow for the period amounted to SEK -7,626 thousand (-1,606).

## Changes to Group Management.

In order to meet the demands of Brighter in terms of commercialization and growth process in the best possible way, the management team has been expanded to include additional expertise.

On March 9, 2018, Brighter announced that Petra Kaur Ljungman was appointed as Marketing and Communications Manager. Petra has extensive experience from executive roles in sales and marketing from companies in the pharmaceutical advertising and health care market and has been a member of the Brighter Board since 2014. Petra has resigned from the Board at the same time.

Sonat is the third party provider handling Brighter's logistics function and to secure future planning, Kjell Rundqvist from Sonat has agreed to join the Group management of Brighter.

As of March 2018, Group management consists of Truls Sjöstedt (CEO), Henrik Norström (COO), Ann Zetterberg (CFO), Åsa Hallin Dahlberg (HDP), Nadezda Ershova (QA-RA Manager), Petra Kaur Ljungman (CCO-CMO) and Kjell Rundqvist (Logistics function, Sonat).





### **CE marking, sales, production.**

Sales work is continuing in a positive vein both in Sweden and globally. The sales and business target aimed at expanding into markets with strong needs and the ideal conditions for implementing digitalized treatment and monitoring systems continues. Interest is still robust, and the collaborative relationships in the markets within which Brighter has actively created a network are being refined and advanced. The work by Sanmina, that was initiated in the autumn, in preparations for producing Aciste is progressing according to plan. In parallel with the production of the first 120 units, new effective solutions for automating the production line are being explored, including investigating the robotization steps as part of the packaging process. The CE marking process continues and involves a complex process that consists of multiple steps, including product, production and user tests, as well as reporting, which are all handled by external certification partners.

### **Future liquidity position.**

The commercialization of Actiste, with an ambitious plan for development and growth, requires the company to have sufficient working capital to be able to finance both capital commitments in respect of future deliveries, inventory as well as the the production facility. Financing of the business is a very important part of the company's growth strategy, and the company's management and board are working continuously on financing issues.

The additional contracted financing volume from L1 Capital and the liquidity that outstanding warrants may potentially give in combination with the liquidity as at 31 March 2018 is not sufficient to finance the operations based on the current business plan and strategic direction decided upon. The Board and management therefore estimate that in 2018, the company will need additional funding to be able to carry out operations based on the strategic direction that has been decided.

Upon submission of this report, the company has not yet secured all funding. However, the Board and management estimate that the company's ongoing sales and financing activities, such as financing from customer agreements, combined with the additional liquidity that conversions of outstanding warrants will render, will likely finance the business for at least 12 months ahead.

### **Risks and uncertainty.**

The principal risks and sources of uncertainty for Brighter include, albeit not exclusively, financial risks, such as the future earnings trend, financing, liquidity and currency and credit risks. In addition to market and commercialization risks, there are also risks associated with Brighter's operations, such as dependencies of suppliers and key personnel, obtaining necessary approval from authorities, product development, patents and intellectual property rights and product responsibility. Further information on the Company's risk exposure can be found in Note 3 of Brighter's 2017 Annual Report.



## **Shareholders.**

At 31 March 2018, Brighter AB had approximately 5,730 shareholders, of whom the four largest represented approximately 31.2% of the capital and votes. The total number of shares March 31, 2018 amounts to 65,826,337. The largest shareholders were Försäkringsbolaget Avanza Pension (13,2%%), Truls Sjöstedt (9.3%), Ålandsbanken AB, W8IMY (5.6%) and Ålandsbanken on behalf of the owner (3.1%).

Warrants have been issued on several occasions. The subsidiary Brighter One AB is the holder of the warrants, to be allotted to employees, the Board, the CEO and management. Brighter One is also the holder of the TO3-series and TO4-series to be allotted the shareholders and L1 Capital as part of the L1 Capital agreement. For further information on the L1 Capital agreement see Note 21 of Brighter's 2017 Annual Report. During the first quarter of 2018 111,770 warrants of TO4-series were converted into shares and in April 2018, 221,111 warrants of TO3-series were converted. For further description of all the programs please see the Company's website and the summary in Note 19 of Brighter's 2017 Annual Report.

## **Camanio Care.**

Camanio was acquired in 2015 and was a subsidiary of the Group for most of 2016. In the fourth quarter of 2016, the company became an associated company when Camanio Care was capitalized through a new issue and Brighter's stake was diluted, also Brighter distributed 1,733,672 shares in Camanio Care to Brighters shareholders.

As of March 31, 2018 Brighter owns 4,126,236 shares in Camanio Care, which is an ownership of 25,92%. Camanio Care is listed at Aktietorget. The share price at the end of March 2018 was SEK1.975 per share, which gives a market value of Brighter's holding at SEK 8.1 million. The acquisition value of the shares in the Parent company is SEK 9.4 million and a write-off of the difference, SEK 1.2 million is thus applied to the quarterly accounts of the Parent Company as of March 31st, 2018.

Brighter AB has during the first quarter signed a guarantee of maximum SEK 800 thousand on behalf of Camanio Care for funding of customer contracts financed by Svea ekonomi. The guarantee will last a maximum of 12 months.

Camanio Care reported a loss of SEK -3,787 thousand for the first quarter of 2018, which gives a share of earnings of SEK -982 thousand for Brighter.



## About Brighter.

Brighter develops health-tech solutions that simplify the flow of relevant and reliable treatment data between patients, their loved ones, and their care providers. With this data-driven global approach, our goal is a higher quality of life and better health outcomes for people living with a disease around the world.

Brighter is currently focused on diabetes care with our mobile-connected solution Actiste®. However, in the future we envision our solutions being used to assist in various healthcare scenarios, including the treatment of other chronic conditions.

The key to our solutions is a service for remote-monitoring and treatment that links the digital and physical collection of healthcare data (with the consent of the user). We call this The Benefit Loop®: an intellectual property platform that can be applied within a variety of clinical settings to create smart solutions for remotely monitoring and treating diseases.

### Targeting diabetes.

Diabetes is a chronic disease that causes blood glucose to rise to unhealthy levels, either due to insufficient production of insulin by the pancreas, or due to the body's resistance to insulin produced. Left untreated, diabetes can cause a wide range of serious health complications.

The American Diabetes Foundation has calculated that diabetes affects some 370 million adults worldwide, a number that is expected to rise to 422 million by 2030 (almost 10% of the adult population). In addition to the personal suffering it causes, diabetes represents a massive burden on healthcare systems, many of which are already strained by ageing populations and a rise in the incidence of other chronic conditions too. In a 2016 study (published in *The Lancet*) by Imperial College London, Harvard University, the World Health Organization and some 500 researchers across the world, the global cost of treating diabetes was determined to be USD 825 billion per year. This calculation did not include the cost of work days lost due to diabetes.

Diabetics, their families, healthcare institutions, insurance companies, doctors and nurses all need a better way to administer and monitor diabetes treatment; a way that makes life easier for the people and families affected by diabetes, while also easing the burden on healthcare systems and care providers.

This is where Brighter comes in with our solution Actiste.



### **The solution – Actiste.**

Actiste is a diabetes treatment and monitoring solution that gives diabetics greater control over their condition, and provides healthcare providers with a clearer picture of a patient's health. Diabetics can use the Actiste device to record their blood sugar values, track meal information, administer insulin, and share their treatment data over-the-air with caregivers (such as family members, nurses and doctors).

By establishing a continuous flow of valid data between diabetics and their caregivers, Actiste improves patient adherence, eases concern among family members, allows doctors to quickly change treatment plans, and makes more efficient use of limited healthcare resources. By providing a clear and continuous picture of a patient's health, Actiste can help to reduce the often severe long-term physical effects of diabetes, which in turn reduces treatment costs for healthcare systems.

Actiste is also the world's first mobile-connected solution to combine the three essential components of daily diabetes care – a blood glucose meter, a lancet and an injection device – in a single device.

This simplifies daily life with diabetes by reducing the average number of treatment steps from 27 to 9 (a 67% reduction). The Actiste customer also has essential equipment (such as test strips, needles, lancets, etc.) automatically re-supplied when they begin to run low. This is another way in which Actiste helps to reduce the burden on healthcare systems.



### **The Benefit Loop®.**

The Benefit Loop is Brighter's cloud-based service that processes, analyzes and returns health data in the treatment chain from various connected tools and apps. It has been developed to package and visualize relevant information, and send feedback to the user, in a smart and user-friendly way. The Benefit Loop is a key part of Brighter's vision of promoting behavioral change throughout the healthcare ecosystem. This means not only developing smart assistive devices, but also becoming a leading company in mobile health and data-driven healthcare.

### **Market focus and target groups.**

Brighter's products and solutions are targeted at a range of groups:

- Consumers and patients
- Mobile network operators
- Payers: healthcare providers, governments/authorities, insurance companies, consumers, companies/employers
- Clinical Research Organizations (CROs)
- Pharmaceutical companies
- R&D organizations, authorities, and academic bodies

### **Future business opportunities.**

Brighter is an entrepreneurial tech-based company that initializes and develops projects for value creation mainly in health-tech. The listed company Camanio Care – in which Brighter is a major shareholder – is one of our projects. Actiste is our main project, initially targeting diabetes, but with the potential to target several other chronic diseases. The health data generated through Actiste can also provide a base for further business opportunities in clinical research and similar areas.



# Submission of interim report.

Stockholm, May 15, 2018.  
Brighter AB (publ).

The Board of Directors and the CEO certify that the interim report for the period January–March 2018 provides a fair view of the operations, financial position and results of the Parent Company and Group, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Truls Sjöstedt  
CEO

Afsaneh Ghatan Bauer  
Board Member

Lars Flening  
Board Member

Gert Westergren  
Chairman of the Board

Sara Murby Forste  
Board Member, Deputy Chairman

Jan Stålemark  
Board Member

## Financial calendar.

Half-year report Jan–June 2018: 8/24/2018

Interim report Jan–Sept 2018: 11/15/2018

## Audit.

This interim report, and the financials in it, has not been audited.

## For further questions. Please contact:

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This information is such information, as Brighter AB is required to disclose under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the above contact persons for publication on May 15, 2018 at 08:45 CET.



# Financial statements.

## Consolidated statement of comprehensive income.

Amounts in SEK thousand	Note	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Dec 2016
Capitalized production costs		6,813	4,718	29,754	21,698
Other operating income		350	843	3,071	3,653
<b>Total operating income</b>		<b>7,163</b>	<b>5,562</b>	<b>32,825</b>	<b>25,351</b>
Raw materials and consumables		0	0	0	-911
Other external costs		-14,121	-6,966	-43,384	-32,592
Staff costs		-2,997	-2,180	-9,153	-8,913
Depreciation/amortization of tangible and intangible as- sets		-50	-50	-202	-1,197
Other operating costs		-24	0	-32	-239
<b>Total operating costs</b>		<b>-17,192</b>	<b>-9,196</b>	<b>-52,771</b>	<b>-43,852</b>
<b>Operating profit</b>		<b>-10,029</b>	<b>-3,634</b>	<b>-19,946</b>	<b>-18,501</b>
Other financial income		0	0	40	15
Financial expenses		-1	-2	-2,937	-253
<b>Net financial items</b>		<b>-1</b>	<b>-2</b>	<b>-2,897</b>	<b>-238</b>
Income from shares in associated companies after tax		-982	-1,200	-4,449	4,056
<b>Profit for the period</b>		<b>-11,012</b>	<b>-4,836</b>	<b>-27,292</b>	<b>-14,683</b>
Income tax		0	0	0	0
<b>Profit for the period</b>		<b>-11,012</b>	<b>-4,836</b>	<b>-27,292</b>	<b>-14,683</b>
<b>Other comprehensive income:</b>					
Other comprehensive income for the period		0	0	0	0
<b>Total comprehensive income for the period</b>		<b>-11,012</b>	<b>-4,836</b>	<b>-27,292</b>	<b>-14,683</b>
Attributable to the parent company's shareholders		-11,012	-4,836	-27,292	-13,965
<b>Amounts in SEK</b>		<b>Jan-Mar 2018</b>	<b>Jan-Mar 2017</b>	<b>Jan-Dec 2017</b>	<b>Jan-Dec 2016</b>
Earnings per share before dilution	3	-0.17	-0.07	-0.40	-0.32
Earnings per share after dilution	3	-0.17	-0.07	-0.40	-0.32



## Consolidated statement of financial position.

Amounts in SEK thousand	Mar 31 2018	Mar 31 2017	Dec 31 2017	
Capitalized expenditure for development work	80,140	47,400	73,327	
Concessions, patents, licenses, trademarks and similar rights	4,029	2,923	3,467	
<b>Total intangible assets</b>	<b>84,169</b>	<b>50,323</b>	<b>76,794</b>	
Equipment, tools and installations	171	281	211	
Construction in progress	4,939	892	4,527	
<b>Total property, plant and equipment</b>	<b>5,110</b>	<b>1,173</b>	<b>4,738</b>	
Shares in associated companies and jointly controlled companies	2,021	5,658	2,965	
Other long-term securities	464	441	464	
Other long-term receivables	0	3,330	0	
<b>Total financial assets</b>	<b>2,485</b>	<b>9,429</b>	<b>3,429</b>	
<b>Total fixed assets</b>	<b>91,765</b>	<b>60,925</b>	<b>84,961</b>	
Inventories	1,143	0	0	
<b>Total inventories</b>	<b>1,143</b>	<b>0</b>	<b>0</b>	
Accounts receivable	4	308	303	757
Other current receivables	5	15,151	3,789	15,174
Prepayments and accrued income		512	242	445
<b>Total current receivables</b>		<b>15,971</b>	<b>4,335</b>	<b>16,376</b>
Cash and cash equivalents	4,5	2,391	127	10,017
<b>Total current assets</b>		<b>19,505</b>	<b>4,461</b>	<b>26,393</b>
<b>TOTAL ASSETS</b>		<b>111,270</b>	<b>65,387</b>	<b>111,354</b>





## Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Mar 31 2018	Mar 31 2017	Dec 31 2017
Share capital		3,308	2,601	3,248
Other contributed equity		179,825	109,580	171,071
Profit carried forward		-97,943	-61,975	-86,930
<b>Total Equity</b>		<b>85,190</b>	<b>50,206</b>	<b>87,389</b>
<b>Total equity attributable to the parent company's shareholders</b>		<b>85,190</b>	<b>50,206</b>	<b>87,389</b>
Accounts payable	4	12,794	9,344	10,824
Convertible loans	4,5	8,473	0	8,437
Other current liabilities	4	3,002	3,174	2,102
Accruals and deferred income		1,811	2,662	2,602
<b>Total current liabilities</b>		<b>26,080</b>	<b>15,181</b>	<b>23,965</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>111,270</b>	<b>65,387</b>	<b>111,354</b>



## Consolidated statement of changes in equity.

Amounts in SEK thousand	Share Capital	Other contributed equity	Profit carried forward (including profit for the period)	Total equity
Balance at start of year, January 1, 2017	2,601	109,580	-59,638	52,543
Profit for the year			-27,292	-27,292
Other comprehensive income			0	0
<b>Total comprehensive income</b>			<b>-27,292</b>	<b>-27,292</b>

### Transactions with shareholders

The value of conversion rights for convertible debt instruments		9,397		9,397
Conversion of convertible debt instruments	501	42,564		43,065
New issues, cash and offsetting	146	11,582		11,728
Issue costs		-2,052		-2,052
<b>Total transactions with shareholders</b>	<b>647</b>	<b>61,491</b>	<b>0</b>	<b>62,138</b>

<b>Balance at end of quarter, December 31, 2017</b>	<b>3,248</b>	<b>171,071</b>	<b>-86,930</b>	<b>87,389</b>
Balance at start of year, January 1, 2018	3,248	171,071	-86,930	87,389
Profit for the period			-11,012	-11,012
Other comprehensive income			0	0
<b>Total comprehensive income</b>			<b>-11,012</b>	<b>-11,012</b>

### Transactions with shareholders

The value of conversion rights for convertible debt instruments		185		185
Conversion of convertible debt instruments	54	8,546		8,600
New issues, cash and offsetting	6	666		672
Issue costs		-643		-643
<b>Total transactions with shareholders</b>	<b>60</b>	<b>8,754</b>	<b>0</b>	<b>8,814</b>

<b>Balance at end of year, March 31, 2018</b>	<b>3,308</b>	<b>179,825</b>	<b>-97,943</b>	<b>85,190</b>
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## Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Dec 2016
Operating profit		-10,029	-3,634	-19,946	-18,501
Adjustment for items not included in the cash flow		-135	50	202	1,197
Interest received		0	0	40	15
Interest paid		-1	-2	-125	-253
Income tax paid		0	0	-99	-99
<b>Cash flow from operating activities before change in working capital</b>		<b>-10,165</b>	<b>-3,586</b>	<b>-19,928</b>	<b>-17,641</b>
Increase/decrease in inventories		-1,143	0	0	0
Increase/decrease in operating receivables		610	198	-6,404	456
Increase/decrease in operating liabilities		864	2,996	1,750	3,277
<b>Total change in working capital</b>		<b>331</b>	<b>3,194</b>	<b>-4,654</b>	<b>3,733</b>
<b>Cash flow from operating activities</b>		<b>-9,834</b>	<b>-392</b>	<b>-24,582</b>	<b>-13,908</b>
Investments in intangible assets		-7,385	-3,872	-30,269	-22,974
Investments in property, plant and equipment		-412	-892	-4,583	0
Investment in financial assets		-38	3,550	-45	-300
<b>Cash flow from investing activities</b>		<b>-7,835</b>	<b>-1,214</b>	<b>-34,897</b>	<b>-23,274</b>
Loans raised		10,000	0	60,000	0
Cost of capital for convertible loans		0	0	-1,918	0
Raising other loans		0	0	3,820	0
New share issues and warrants		707	0	7,913	38,274
New share issue costs		-664	0	-2,052	0
<b>Cash flow from financing activities</b>		<b>10,043</b>	<b>0</b>	<b>67,763</b>	<b>38,274</b>
<b>Cash flow for the period</b>		<b>-7,626</b>	<b>-1,606</b>	<b>8,284</b>	<b>1,092</b>
Opening cash and cash equivalents		10,017	1,733	1,733	641
Closing cash and cash equivalents		2,391	127	10,017	1,733



## Parent company income statement.

Amounts in SEK thousand	Note	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Dec 2016
Capitalized production costs		6,813	4 718	29,754	21,698
Other operating income		350	843	2,879	1,379
<b>Total operating income</b>		<b>7,163</b>	<b>5,562</b>	<b>32,633</b>	<b>23,076</b>
Raw materials and consumables		0	0	0	-63
Other external costs		-14,121	-6,943	-43,191	-29,817
Staff costs		-2 997	-2,180	-9,153	-7,371
Depreciation/amortization of tangible and intangible as- sets		-50	-50	-202	-192
Other operating costs		-24	0	-32	-243
<b>Total operating costs</b>		<b>-17,143</b>	<b>-9,173</b>	<b>-52,578</b>	<b>-37,685</b>
<b>Operating profit</b>		<b>-10,029</b>	<b>-3,611</b>	<b>-19,945</b>	<b>-14,609</b>
Other interest income and similar income		0	0	40	3
Interest expenses and similar expenses		-1,248	-2	-2,937	-125
<b>Total profit from financial items</b>		<b>-1,248</b>	<b>-2</b>	<b>-2,897</b>	<b>-122</b>
<b>Profit after financial items</b>		<b>-11,277</b>	<b>-3,614</b>	<b>-22,842</b>	<b>-14,730</b>
Appropriations		0	0	0	0
Tax on profit for the period		0	0	0	0
<b>Profit for the period</b>		<b>-11,277</b>	<b>-3,614</b>	<b>-22,842</b>	<b>-14,730</b>



## Parent Company balance sheet.

Amounts in SEK thousand	Note	Mar 31 2018	Mar 31 2017	Dec 31 2017
Capitalized expenditure for development work		80,140	47,400	73,327
Concessions, patents, licenses, trademarks and similar rights		4,029	2,923	3,467
<b>Total property, plant and equipment</b>		<b>84,169</b>	<b>50,323</b>	<b>76,794</b>
Equipment, tools and installations		1,915	280	211
Construction in progress		3,195	892	4,527
<b>Total property, plant and equipment</b>		<b>5,110</b>	<b>1,173</b>	<b>4 738</b>
Shares in Group companies		50	50	50
Shares in associated companies		8,149	11,856	9,396
Other long-term securities		464	419	464
Other long-term receivables		0	296	0
<b>Total financial assets</b>		<b>8,664</b>	<b>12,622</b>	<b>9,911</b>
<b>Total fixed assets</b>		<b>97,943</b>	<b>64,118</b>	<b>91,443</b>
Inventories		1,143	0	0
<b>Total inventories</b>		<b>1,143</b>	<b>0</b>	<b>0</b>
Accounts receivable		308	303	757
Other receivables		15,090	3,794	15,284
Prepayments and accrued income		513	243	407
<b>Total current receivables</b>		<b>15,911</b>	<b>4,340</b>	<b>16,448</b>
Cash at bank and in hand		2,334	126	9,825
<b>Total current assets</b>		<b>19,388</b>	<b>4,466</b>	<b>26,164</b>
<b>TOTAL ASSETS</b>		<b>117,332</b>	<b>68,584</b>	<b>117,716</b>



## Parent Company balance sheet cont.

Amounts in SEK thousand	Note	Mar 31 2018	Mar 31 2017	Dec 31 2017
Share capital		3,308	2,601	3,248
Development expenses fund		58,373	28,016	51,560
<b>Restricted equity</b>		<b>61,681</b>	<b>30,617</b>	<b>54,808</b>
Share premium		179,825	109,580	171,071
Profit carried forward		-138,942	-85,745	-109,288
Profit for the period		-11,277	-3,614	-22,841
<b>Unrestricted equity</b>		<b>29,606</b>	<b>20,222</b>	<b>38,942</b>
<b>Total equity</b>		<b>91,286</b>	<b>50,839</b>	<b>93,750</b>
Accounts payable		12,795	8,374	10,806
Convertible loans		8,437	0	8,437
Other liabilities		10,983	5,717	2,121
Accruals and deferred income		1,812	2,668	2,603
<b>Total current liabilities</b>		<b>26,046</b>	<b>17,745</b>	<b>23,967</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>117,332</b>	<b>68,584</b>	<b>117,716</b>



# Notes

## Note 1 Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. For the Parent Company, the interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Securities Market Act in accordance with the provisions of RFR 2. For both the Group and the Parent Company the same accounting principles and bases for calculation have been applied as in its most recent Annual Report. Significant accounting and valuation principles are detailed on pages 32-44 of Brighter's 2017 Annual Report. Important estimates and assumptions for accounting purposes can be found in Brighter's 2017 Annual Report in Note 4.

## Note 2 General information

Brighter AB (publ.) corporate registration number 556736-8591 is a Parent Company registered in Sweden, with its registered office in Stockholm, at Norgegatan 2, SE-164 32 Kista, Sweden. The business is located at this address. Brighter develops technical and digital medical devices with a primary area of application in the treatment of diabetes. Brighter AB (publ) has a wholly owned subsidiary, Brighter One AB, the only function of which is to hold options as part of the external financing of the Company and as part of the incentive scheme. The Group has an associated company, Camanio Care, listed on Aktietorget. Brighter's share of ownership was 25.92% at 31st of March 2018.

Brighter AB is listed on NASDAQ First North/BRIG. The Brighter Certified Adviser on Nasdaq First North is Remium Nordic Holding AB.

The figures in the report are reported in SEK thousands unless otherwise stated.

## Note 3 Earnings per share

SEK thousand	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017	Jan-Dec 2016
Profit for the period attributable 100% to the Parent Company's shareholders	-11,277	-3,614	-22,842	-14,730
Number of shares at end of period before dilution	65,826,337	52,010,170	64,964,545	52,010,170
Number of shares at end of period after dilution	80,829,184	57,510,170	80,188,503	57,510,170
Weighted average number of shares before dilution	65,529,798	52,010,170	56,720,397	45,857,598
Earnings per share as a weighted average before dilution	-0.17	-0.07	-0.40	-0.32
Earnings per share (SEK) as a weighted average after dilution	-0.17	-0.07	-0.40	-0.32



## Note 4 Financial instruments

SEK thousand	Mar 31 2018	Mar 31 2017	Dec 31 2017	Dec 31 2016
<b>Loan and accounts receivable:</b>				
Accounts receivable and other receivables, excluding interim claims	15,459	4,093	15,931	3,983
Cash and cash equivalents	2,391	127	10,017	1,733
<b>Total</b>	<b>17,850</b>	<b>4,220</b>	<b>25,948</b>	<b>5,716</b>
<b>Other financial liabilities:</b>				
Convertible bonds	8,472	0	8,437	0
Accounts payable and other liabilities, excluding non-financial liabilities	15,796	12,519	12,926	8,712
<b>Total</b>	<b>24,268</b>	<b>12,519</b>	<b>21,363</b>	<b>8,712</b>

## Note 5 Borrowing and net liabilities

SEK thousand	Mar 31 2018	Mar 31 2017	Dec 31 2017	Dec 31 2016
<b>Short-term</b>				
Liabilities relating to convertible debt instruments	8,472	0	8,437	0
<b>Total borrowing</b>	<b>8,472</b>	<b>0</b>	<b>8,437</b>	<b>0</b>
Cash and cash equivalents	2,391	127	10,017	1,733
Net debt interest-bearing liabilities	-6,081	127	-1,580	-1,733
Equity	85,190	50,206	87,389	52,543
Debt to equity ratio	-7,1%	0,2%	-1,8%	-3,3%

## Note 6 Transactions with affiliated parties

Transactions with affiliated parties in the form of remuneration, in addition to the Board fee, were carried out with the following Board members in Q1 2018. Lars Flening received a fee of SEK 20,000 for consultancy services. The amount is exclusive of VAT. All transactions are carried out on a commercial basis.





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