



# Interim report April-June 2018





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## Second quarter, April–June 2018.

- Capitalized expenditure for development work reached SEK 5,183 thousand (10,627)
- Operating income amounted to SEK 5,416 thousand (10,944)
- Operating profit amounted to SEK -13,111 thousand (-4,766)
- Profit for the period amounted to SEK -15,496 thousand (-6,503).
- Earnings per share, before dilution amounted to SEK -0.23 (-0.10).
- Earnings per share after dilution SEK -0.23 (SEK -0.10).

## Half year, January–June 2018.

- Capitalized expenditure for development work reached SEK 11,542 thousand (15,345)
- Operating income amounted to SEK 12,125 thousand (16,506)
- Operating profit amounted to SEK -23,596 thousand (-8,401)
- Profit for the period amounted to SEK -26,963 thousand (-11,340).
- Earnings per share, before dilution amounted to SEK -0.41 (-0.22).
- Earnings per share after dilution SEK -0.41 (-0.22).

## Financial overview.

KSEK	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017	Jan-Dec 2016
Operating profit	-13,111	-4,766	-23,596	-8,401	-19,946	-18,501
Net financial items	-1,218	-785	-1,219	-786	-2,897	-238
Profit before tax	-15,496	-6,503	-26,963	-11,340	-27,292	-14,683
Total assets	116,900	84,354	116,900	84,354	111,354	68,734
Equity per share (SEK)	1.16	1.02	1.16	1.02	1.35	1.01
Capital adequacy (%)	67%	79%	67%	79%	78%	76%

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





## Promising partnership in UAE initiated.

We kicked off Q2 on a strong note with Actiste winning the prestigious Red Dot Award for good design and quality. This is a fantastic independent confirmation of Actiste's stylish and user-friendly design, and it's very encouraging for our internal development team and our design and innovation partner Veryday. A big thank you to everyone involved!

There were two changes made to Brighter's Board of Directors at the annual general shareholders meeting during Q2. Barbro, one of Sweden's leading voices in healthcare, became the company's new chairperson. Barbro is a firm advocate for finding ways to encourage patient autonomy and serve people better with available healthcare resources, and her guidance will be very valuable as we continue to develop our business. Catarina Ihre also joined Brighter's board, bringing deep experience in investor relations from both the corporate and investor sides.

In April, Brighter was nominated as a "Rising Star" by trade association Swecare, which works to help Swedish healthcare companies expand internationally. As with the Red Dot





Award, the Swecare nomination is further confirmation that Brighter is on the right track with our product and market vision.

In June, we made several announcements about the work we're doing to establish Brighter in Southeast Asia. We're now negotiating with pharmaceutical manufacturers in the region. We're also negotiating with several parties in Thailand around the right to resell Actiste, so that we can broaden our reach in the region. We're in active discussions with additional sales partners in Indonesia too.

During the year discussions have been on going in several interesting markets. The partnership between Brighter and AFAQ Group L.L.C. is certainly one of Brighters more promising market breakthroughs lately. In July Brighter entered into a partnership to establish a company based in the United Arab Emirates and introduce Actiste® Diabetes Management as a Service into the Gulf Co-operation Council [G.C.C.] region. AFAQ Group is committed to the success of Brighter in the Arab region and we look forward to working with them and contributing to the improvement of the regions vast diabetes problem.

Finally towards the end of the quarter, Brighter was selected as one of the finalists in the Serendipity Challenge 2018 – a competition for the most promising startups and growth companies in the Nordics. The competition aims to recognize entrepreneurial companies with unique innovation or business concepts that have the potential to be commercialized on the global market. It was a great honor for Brighter to be selected and yet another sign of external recognition for our vision.

Best wishes,

Truls Sjøstedt, Founder and CEO of Brighter AB.



## Significant events during the period.

- Brighter and FRISQ have initiated a strategic partnership to strengthen healthcare infrastructure.
- Brighter notifies delays in CE marking as a result of the fine tuning of tools.
- Brighter's solution Actiste® has been nominated for the Design-S Swedish Design Awards 2018, in the category Industrial and Product Design B2B.
- Brighter's diabetes solution Actiste wins the Red Dot Award for good design and quality.
- Brighter is nominated to "Rising Star" by Swecare.
- At the Annual General Meeting Barbro Fridén, who also is on the boards for Vitrolife and Getinge, was elected as new Chairperson of Brighter's Board of Directors. Catarina Ihre, with extensive experience in Investor Relations from among others SSAB and Electrolux, was elected as new board member of Brighter's Board of Directors. Jan Stålemark, Sara Murby Forste, Afsahne Ghatan Bauer and Lars Flening were reelected as Board members.
- Exercise period for warrants of series TO4s and TO3s strengthened finances with SEK 672 thousand, representing 111,770 new shares and SEK 884 thousand representing 221,111 shares.
- Brighter draw down the sixth tranche under the financing agreement with L1 Capital and issued additional free warrants to its shareholders.
- The number of shares in Brighter AB increased. The total number of shares and votes has increased from 65,826,337 till 67,653,161.

## Significant events after the end of the period.

- The European Patent Office intends to grant Brighter's patent for AI-powered monitoring of medical devices.
- Brighter draws down the seventh tranche of SEK 5 million under the financing agreement with L1 Capital and issues additional free warrants to its shareholders.
- Dr. Teddy Batanghari, Kairos Healthcare's Co-Founder and former CEO of Summit Healthcare, becomes Senior Advisor to Brighter.
- Brighter and AFAQ initiate partnership to launch Actiste in the GCC.
- Brighter's Board of Directors has decided to initiate the process to apply for listing its shares on a regulated market.
- Brighter has been named one of the Nordic's most promising growth companies 2018 and as such participated in the Serendipity Challenge 2018 in Sweden.
- The number of shares in Brighter AB has increased. The total number of shares and votes has increased from 65,826,337 till 68,528,384



# Comments on the financial results.

## Financial results for April-June 2018.

### Income

Other operating income amounted to SEK 234 thousand (SEK 318) for the second quarter. In 2018 this relates mainly to consultancy revenue from the associated company Camanio Care. In 2017 it is also 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 second quarter 2018 amounted to SEK -13,111 thousand (-4,766). The main reason for the higher loss was an increase in external costs, mainly in external services that relate primarily to services for 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 5,183 thousand (10,627) at the same amount, which means that they do not have any impact on operating profit.

Staff costs amounted to SEK -3,163 thousand (-2,117). At the end of the period, the number of employees was 17 (12), of whom 8 (5) were women. Also a number of consultants work for Brighter and this has been recognized in other external costs.

### Cash flow

At the start of the quarter, the company had cash of SEK 2,391 thousand (127), increasing to SEK 4,401 thousand (2,756) by the end of period.

Cash flow from operating activities before change in working capital amounted to SEK -13,143 thousand (-5,501). The change in working capital was SEK -4,508 thousand (-11,144). Investments amounted to SEK 5,900 thousand (10,726) of which investment of SEK 5,014 thousand (10,648) in intangible assets and SEK 887 (78) thousand in property, plant and equipment mainly for production of Actise.

Financing of SEK 25,884 thousand (30,000) before costs was raised through new issues, warrants and loans during the period. L1 Capital contributed SEK 10 million of those and SEK 15 million was a short term loan from private investors.

Warrants are issued free to L1 Capital and to all of the shareholders of Brighter AB in parallel with the convertible notes. In the second quarter new shares corresponding to SEK 884 thousand were subscribed by utilization of these warrants.

Total cash flow for the period amounted to SEK 2,010 thousand (2,630).





## Financial results for January-June 2018.

### Income

Other operating income amounted to SEK 584 thousand (SEK 1,161) for the first half year of 2018. 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 half year of 2018 amounted to SEK -23,596 thousand (-8,401). The main reason for the higher loss was an increase in external costs, mainly in external services that relate primarily to services for the 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 11,542 thousand (15,345) at the same amount, which means that they do not have any impact on operating profit.

Staff costs amounted to SEK -6,160 thousand (-4,297). At the end of the period, the number of employees was 17 (12), of whom 8 (5) 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 period amounted to SEK 11,542 (15,345) thousand, which almost exclusively relates to the development of Actiste. Capitalized expenditure totaled SEK 84,177 thousand (57,948).

Property, plant and equipment totaled SEK 5,959 thousand (1,211). 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.

Under "Other current receivables" there are pre-payments to Sanmina, for production of Actiste, of SEK 9,579 thousand (5,352).

As of June 30 the company had equity of SEK 78,762 thousand (54,579), an equity ratio of 67% (79%).



The company has no long-term liabilities. Current interest bearing from L1 amounted to a nominal value of SEK 12.5 million. This liability is reported at its amortized cost at SEK 10,724 thousand as of June 30, 2018.

## Cash flow

At the start of the year, the company had cash of SEK 10,017 thousand (1,733), decreasing to SEK 4,401 thousand (2,756) by the end of period.

Cash flow from operating activities before change in working capital amounted to SEK -23,765 thousand (-9,088). The change in working capital was SEK -3,721 thousand (-7,949). Investments amounted to SEK 13,736 thousand (11,940), of which investment of SEK 12,399 thousand (14,520) in intangible assets, and SEK 1,299 thousand (971) in property, plant and equipment mainly for production of Actise. The financial investment of 3.5 million in 2017 relates to a new issue in Camanio Care where Brighter participated through netting of a short term receivable.

Financing of SEK 36,591 thousand (30,000) before costs was raised through new issues, warrants and loans during the period. L1 Capital contributed SEK 20 million of those and SEK 15 million was a short term loan from private investors. The company has a financing agreement for SEK 100 million, of which SEK 80 million has been utilized as of June 30, 2018. Financing through L1 Capital has been effected through current issues of convertible notes and at June 30 2018, the counterparty had used the opportunity to convert the corresponding SEK 67.5 million in nominal value of issued convertible notes.

Warrants are issued free to L1 Capital and to all of the shareholders of Brighter AB in parallel with the utilization of convertible notes. During the period new shares corresponding to SEK 1,556 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 -5,616 thousand (1,023).

## Sales, production and CE mark.

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. As such the partnership between Brighter and AFAQ Group L.L.C. is certainly one of Brighters more promising market breakthroughs lately. In July Brighter entered into a partnership to establish a company based in the United Arab Emirates and introduce Actiste® Diabetes Management as a Service into the Gulf Co-operation Council (G.C.C.) region. AFAQ Group is committed to the success of Brighter in the Arab region. The market is vast and increasing. International Diabetes Federation predicts that the number of diabetics in the region will increase by 100% 2017-2045, making it one of the world's fastest growing regions for diabetes.

The work by Sanmina, that was initiated in the autumn of 2017, in preparations for producing Aciste is progressing according to plan. 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. Technical



files have been handed to the certification partners, however further questions may occur, as we await the final approval.

### **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 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 other temporary loan financing, in combination with the liquidity as at June 30 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 to secure additional funding for example through conversion of outstanding warrants 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 June 30 2018, Brighter AB had approximately 5,800 shareholders, of whom the four largest represented approximately 31.5% of the capital and votes. The total number of shares June 30th, 2018 amounts to 67,653,161. The largest shareholders were Försäkringsbolaget Avanza Pension (13.11%), Truls Sjöstedt (8.95%), Ålandsbanken AB, W8IMY (3.02%) and Ålandsbanken on behalf of the owner (5.46%).

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 the second quarter, 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.**

As of June 30, 2018 Brighter owns 4,126,236 shares in Camanio Care, which is an ownership of 24.75%. Camanio Care is listed at Aktietorget. The share price at the end of June 2018 was SEK1.33 per share, which gives a market value of Brighter's holding at SEK 5.5 million. The acquisition value of the shares in the Parent company is SEK 9.4 million and a write-off of the difference, SEK 3.9 million is thus applied to the quarterly accounts of the Parent Company as of June 30, 2018.

In the first quarter Brighter 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. Brighter has also in the second quarter lent SEK 1 million to Camanio as part of a larger commitment to be executed in the third quarter. The financing lent to Camanio is not a liquidity strain on Brighter, since it is fully supplied to Brighter by external parties. Brighter's role in this is solely a guarantor for repayment and Brighter has in its turn security in assets in Camanio.

Camanio Care reported a loss of SEK -4,716 thousand for the second quarter of 2018, which gives a share of earnings of SEK -1,167 thousand for Brighter, for the first half of 2018 the reported loss were SEK -8,503 thousand of which Brighter's share of earnings were SEK -2,149 thousand.



## 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 diabetes 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, August 24, 2018.  
Brighter AB (publ).

The Board of Directors and the CEO certify that the interim report for the period January–June 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.

Barbro Fridén  
Chairperson of the Board

Truls Sjöstedt  
CEO

Jan Stålemark  
Board Member

Afsaneh Ghatan Bauer  
Board Member

Lars Flening  
Board Member

Catarina Ihre  
Board Member

Sara Murby Forste  
Board Member

## Financial calendar.

Interim Report Jul–Sept 2018: 11/15/2018

Interim Report Oct–Dec 2018: 27/2/2019

Annual Report 2018: 27/3/2019

Annual General Meeting: 9/5/2019

## 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 August 24, 2018 at 13:00 CET.



# Financial statements.

## Consolidated statement of comprehensive income.

Amounts in SEK thousand	Note	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017
Capitalized production costs		5,183	10,627	11,542	15,345
Other operating income		234	318	584	1,161
<b>Total operating income</b>		<b>5,416</b>	<b>10,944</b>	<b>12,125</b>	<b>16,506</b>
Raw materials and consumables		0	0	0	0
Other external costs		-15,256	-13,536	-29,380	-20,502
Staff costs		-3,163	-2,117	-6,160	-4,297
Depreciation/amortization of tangible and intangible assets		-44	-50	-94	-99
Other operating costs		-64	-9	-88	-9
<b>Total operating costs</b>		<b>-18,527</b>	<b>-15,711</b>	<b>-35,722</b>	<b>-24,907</b>
<b>Operating profit</b>		<b>-13,111</b>	<b>-4,766</b>	<b>-23,596</b>	<b>-8,401</b>
Other financial income		0	2	0	3
Financial expenses		-1,218	-787	-1,219	-789
<b>Net financial items</b>		<b>-1,218</b>	<b>-785</b>	<b>-1,219</b>	<b>-786</b>
Income from shares in associated companies after tax		-1,167	-953	-2,149	-2,153
<b>Profit for the period</b>		<b>-15,496</b>	<b>-6,503</b>	<b>-26,963</b>	<b>-11,340</b>
Income tax		0	0	0	0
<b>Profit for the period</b>		<b>-15,496</b>	<b>-6,503</b>	<b>-26,963</b>	<b>-11,340</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>-15,496</b>	<b>-6,503</b>	<b>-26,963</b>	<b>-11,340</b>
Attributable to the parent company's shareholders		-15,496	-6,503	-26,963	-11,340
Amounts in SEK		Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017
Earnings per share before dilution	3	-0.23	-0.10	-0.41	-0.22
Earnings per share after dilution	3	-0.23	-0.10	-0.41	-0.22





## Consolidated statement of financial position.

Amounts in SEK thousand	Jun 30 2018	Jun 30 2017	Dec 31 2017
Capitalized expenditure for development work	84,869	57,948	73,327
Concessions, patents, licenses, trademarks and similar rights	4,308	3,014	3,467
<b>Total intangible assets</b>	<b>89,177</b>	<b>60,962</b>	<b>76,794</b>
Equipment, tools and installations	133	240	211
Construction in progress	5,826	971	4,527
<b>Total property, plant and equipment</b>	<b>5,959</b>	<b>1,211</b>	<b>4,738</b>
Shares in associated companies and jointly controlled companies	854	4,704	2,965
Other long-term securities	464	441	464
Other long-term receivables	0	3,330	0
<b>Total financial assets</b>	<b>1,318</b>	<b>8,476</b>	<b>3,429</b>
<b>Total fixed assets</b>	<b>96,454</b>	<b>70,649</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	541	37
Other current receivables	5	13,866	10,492
Prepayments and accrued income		495	445
<b>Total current receivables</b>	<b>14,901</b>	<b>10,949</b>	<b>16,376</b>
Cash and cash equivalents	4,5	4,401	2,756
<b>Total current assets</b>	<b>20,445</b>	<b>13,705</b>	<b>26,393</b>
<b>TOTAL ASSETS</b>	<b>116,900</b>	<b>84,354</b>	<b>111,354</b>



## Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Jun 30 2018	Jun 30 2017	Dec 31 2017
Share capital		3,383	2,675	3,248
Other contributed equity		189,274	140,841	171,071
Profit carried forward		-113,896	-88,938	-86,930
<b>Total Equity</b>		<b>78,762</b>	<b>54,579</b>	<b>87,389</b>
<b>Total equity attributable to the parent company's shareholders</b>		<b>78,762</b>	<b>54,579</b>	<b>87,389</b>
Accounts payable	4	8,370	7,242	10,824
Convertible loans	4,5	10,724	16,781	8,437
Other current liabilities	4	16,745	4,041	2,102
Accruals and deferred income		2,298	1,711	2,602
<b>Total current liabilities</b>		<b>38,138</b>	<b>29,775</b>	<b>23,965</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>116,900</b>	<b>84,354</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>
<b>Transactions with shareholders</b>				
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			-26,967	-26,967
Other comprehensive income			0	0
<b>Total comprehensive income</b>			<b>-26,967</b>	<b>-26,967</b>
<b>Transactions with shareholders</b>				
The value of conversion rights for convertible debt instruments		3,126		3,126
Conversion of convertible debt instruments	118	14,506		14,624
New issues, cash and offsetting	17	1,540		1,556
Issue costs		-968		-968
<b>Total transactions with shareholders</b>	<b>135</b>	<b>18,204</b>	<b>0</b>	<b>18,338</b>
<b>Balance at end of year, June 30, 2018</b>	<b>3,383</b>	<b>189,274</b>	<b>-113,896</b>	<b>78,762</b>



## Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017
Operating profit		-13,111	-4,766	-23,596	-8,401
Adjustment for items not included in the cash flow		-21	50	-156	99
Interest received		0	2	0	2
Interest paid		-11	-787	-12	-789
Income tax paid		0	0	0	0
<b>Cash flow from operating activities before change in working capital</b>		<b>-13,143</b>	<b>-5,501</b>	<b>-23,765</b>	<b>-9,088</b>
Increase/decrease in inventories		0	0	-1,143	0
Increase/decrease in operating receivables		1,034	-6,610	1,645	-6,411
Increase/decrease in operating liabilities		-5,543	-4,534	-4,223	-1,538
<b>Total change in working capital</b>		<b>-4,508</b>	<b>-11,144</b>	<b>-3,721</b>	<b>-7,949</b>
<b>Cash flow from operating activities</b>		<b>-17,651</b>	<b>-16,645</b>	<b>-27,485</b>	<b>-17,037</b>
Investments in intangible assets		-5,014	-10,648	-12,399	-14,520
Investments in property, plant and equipment		-887	-78	-1,299	-971
Investment in financial assets		0	0	-38	3,550
<b>Cash flow from investing activities</b>		<b>-5,900</b>	<b>-10,726</b>	<b>-13,736</b>	<b>-11,940</b>
Loans raised		25,000	30,000	35,000	30,000
Cost of capital for convertible loans		0	0	-300	0
New share issues and warrants		884	0	1,591	0
New share issue costs		-322	0	-686	0
<b>Cash flow from financing activities</b>		<b>25,562</b>	<b>30,000</b>	<b>35,605</b>	<b>30,000</b>
<b>Cash flow for the period</b>		<b>2,010</b>	<b>2,630</b>	<b>-5,616</b>	<b>1,023</b>
Opening cash and cash equivalents		2,391	127	10,017	1,733
Closing cash and cash equivalents		4,401	2,756	4,401	2,756



## Parent company income statement.

Amounts in SEK thousand	Note	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017
Capitalized production costs		5,183	10,627	11,541	15,345
Other operating income		234	318	584	1,161
<b>Total operating income</b>		<b>5,416</b>	<b>10,944</b>	<b>12,125</b>	<b>16,506</b>
Raw materials and consumables		0	0	0	0
Other external costs		-15,256	-13,536	-29,377	-20,479
Staff costs		-3,163	-2,116	-6,160	-4,297
Depreciation/amortization of tangible and intangible assets		-44	-50	-94	-99
Other operating costs		-64	-9	-88	-9
<b>Total operating costs</b>		<b>-18,527</b>	<b>-15,711</b>	<b>-35,719</b>	<b>-24,884</b>
<b>Operating profit</b>		<b>-13,111</b>	<b>-4,766</b>	<b>-23,593</b>	<b>-8,378</b>
Other interest income and similar income		0	2	0	3
Interest expenses and similar expenses		-3,879	-787	-5,127	-789
<b>Total profit from financial items</b>		<b>-3,879</b>	<b>-784</b>	<b>-5,127</b>	<b>-786</b>
<b>Profit after financial items</b>		<b>-16,990</b>	<b>-5,550</b>	<b>-28,721</b>	<b>-9,164</b>
Appropriations		0	0	0	0
Tax on profit for the period		0	0	0	0
<b>Profit for the period</b>		<b>-16,990</b>	<b>-5,550</b>	<b>-28,721</b>	<b>-9,164</b>



## Parent company balance sheet.

Amounts in SEK thousand	Note	Jun 30 2018	Jun 30 2017	Dec 31 2017
Capitalized expenditure for development work		84,869	57,948	73,327
Concessions, patents, licenses, trademarks and similar rights		4,308	3,014	3,467
<b>Total property, plant and equipment</b>		<b>89,177</b>	<b>60,962</b>	<b>76,794</b>
Equipment, tools and installations		133	240	211
Construction in progress		5,826	971	4,527
<b>Total property, plant and equipment</b>		<b>5,959</b>	<b>1,211</b>	<b>4 738</b>
Shares in Group companies		50	50	50
Shares in associated companies		5,488	11,857	9,396
Other long-term securities		464	419	464
Other long-term receivables		0	296	0
<b>Total financial assets</b>		<b>6,002</b>	<b>12,622</b>	<b>9,911</b>
<b>Total fixed assets</b>		<b>101,139</b>	<b>74,794</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		541	37	757
Other receivables		13,805	10,492	15,284
Prepayments and accrued income		496	420	407
<b>Total current receivables</b>		<b>14,842</b>	<b>10,949</b>	<b>16,448</b>
Cash at bank and in hand		4,347	2,756	9,825
<b>Total current assets</b>		<b>20,331</b>	<b>13,705</b>	<b>26,164</b>
<b>TOTAL ASSETS</b>		<b>121,470</b>	<b>88,499</b>	<b>117,716</b>





## Parent company balance sheet cont.

Amounts in SEK thousand	Note	Jun 30 2018	Jun 30 2017	Dec 31 2017
Share capital		3,383	2,675	3,248
Development expenses fund		63,102	42,266	51,560
<b>Restricted equity</b>		<b>66,484</b>	<b>44,941</b>	<b>54,808</b>
Share premium		190,454	120,382	171,071
Profit carried forward		-144,851	-99,994	-109,288
Profit for the period		-28,720	-9,164	-22,841
<b>Unrestricted equity</b>		<b>16,883</b>	<b>11,224</b>	<b>38,942</b>
<b>Total equity</b>		<b>83,367</b>	<b>56,165</b>	<b>93,750</b>
Accounts payable		8,371	7,242	10,806
Convertible loans		10,687	16,781	8,437
Other liabilities		16,745	6,601	2,121
Accruals and deferred income		2,299	1,711	2,603
<b>Total current liabilities</b>		<b>38,103</b>	<b>32,335</b>	<b>23,967</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>121,470</b>	<b>88,499</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 24,75% as of June 30th 2018.

Brighter AB is listed on NASDAQ First North/BRIG. The Brighter Certified Adviser on Nasdaq First North is, up to June 30th, Remium Nordic Holding AB. From 1<sup>st</sup> of July Brighter has changed Certified Advisor on Nasdaq First North to Eminova Fondkommission AB.

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

## Note 3 Earnings per share

SEK thousand	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017
Profit for the period attributable 100% to the Parent Company's shareholders	-16,990	-5,550	-28,721	-9,164
Number of shares at end of period before dilution	67,653,161	53,506,020	67,653,161	53,506,020
Number of shares at end of period after dilution	94,262,972	65,402,719	94,262,972	65,402,719
Weighted average number of shares before dilution	67,265,094	52,864,342	66,397,446	52,437,256
Earnings per share as a weighted average before dilution	-0.23	-0.10	-0.41	-0.22
Earnings per share (SEK) as a weighted average after dilution	-0.23	-0.10	-0.41	-0.22



## Note 4 Financial instruments

SEK thousand	Jun 30 2018	Jun 30 2017	Dec 31 2017	Dec 31 2016
<b>Loan and accounts receivable:</b>				
Accounts receivable and other receivables, excluding interim claims	14,407	10,529	15,931	3,983
Cash and cash equivalents	4,401	2,756	10,017	1,733
<b>Total</b>	<b>18,808</b>	<b>13,285</b>	<b>25,948</b>	<b>5,716</b>
<b>Other financial liabilities:</b>				
Convertible bonds	10,724	16,781	8,437	0
Other interest-bearing debt	15,000	0	0	0
Accounts payable and other liabilities, excluding non-financial liabilities	10,115	11,283	12,926	8,712
<b>Total</b>	<b>35,839</b>	<b>28,064</b>	<b>21,363</b>	<b>8,712</b>

## Note 5 Borrowing and net liabilities

SEK thousand	Jun 30 2018	Jun 30 2017	Dec 31 2017	Dec 31 2016
<b>Short-term</b>				
Liabilities relating to interest-bearing debt or convertible bonds	25,724	16,781	8,437	0
<b>Total borrowing</b>	<b>25,724</b>	<b>16,781</b>	<b>8,437</b>	<b>0</b>
Cash and cash equivalents	4,401	2,756	10,017	1,733
Net debt interest-bearing liabilities	-21,323	-14,025	-1,580	-1,733
Equity	78,762	54,579	87,389	52,543
Debt to equity ratio	-27,1%	-25,7%	-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 the first quarter of 2018. Lars Flening received a fee of SEK 20,000 for consultancy services. There were no transactions with affiliated parties in the second quarter. The amount is exclusive of VAT. All transactions are carried out on a commercial basis.



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