

Brighter

Interim report
October - December 2018





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October - December 2018.

- Capitalized expenditure for development work reached SEK 11,075 thousand (12,390)
- Operating income amounted to SEK 11,292 thousand (13,827)
- Operating result amounted to SEK -10,843 thousand (-8,175)
- Result before tax amounted to SEK -13,141 thousand (-9,514).
- Earnings per share, before dilution amounted to SEK -0.17 (-0.13).
- Earnings per share after dilution SEK -0.17 (SEK -0.13).

January - December 2018.

- Capitalized expenditure for development work reached SEK 25,021 thousand (29,754)
- Operating income amounted to SEK 26,073 thousand (32,825)
- Operating result amounted to SEK -48,605 thousand (-24,395)
- Result before tax amounted to SEK -53,080 thousand (-27,292).
- Earnings per share, before dilution amounted to SEK -0.74 (-0.40).
- Earnings per share after dilution SEK -0.74 (-0.40).

Financial overview.

KSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016
Operating result (See note 1)	-10,843	-8,175	-48,605	-24,395	-14,445
Net financial items	-2,298	-1,339	-4,475	-2,897	-238
Result before tax	-13,141	-9,514	-53,080	-27,292	-14,683
Total assets	170,616	111,354	170,616	111,354	68,734
Equity per share (SEK)	1.44	1.37	1.55	1.54	1.01
Capital adequacy (%)	63%	78%	63%	78%	76%

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



CEO statement – Progressing towards CE-approval and further strengthening UAE presence at Arab health.

In many respects, 2018 was a breakthrough year for Brighter. We received a huge amount of external recognition, we opened our first international subsidiary, and we welcomed many more highly-qualified people into the team. I feel extremely proud of everything we achieved during the year and how we kept our spirits high through the challenges we faced along the way.

Early in the year, our flagship solution Actiste won the prestigious Red Dot Award for design and quality. Brighter was also nominated as a “Rising Star” by Swecare Foundation, which works to help Swedish companies in the healthcare sector to expand internationally, and we were nominated as a finalist in the Serendipity Challenge entrepreneurship competition. Independent recognition like this not only helps to build our brand, it's also very encouraging for our employees.

In September we could finally announce the CE certification of the applications and digital infrastructure behind Actiste. This followed extensive user testing on both iOS and Android, with the solution achieving a score equivalent to 92% of the maximum – a great achievement! Now we are patiently waiting on our notified body to send us news on the final CE approval for the Actiste device itself. Meanwhile – the team is moving forward with the market introduction and commercialization of our service in UAE.

The high point of the year was undoubtedly the opening of Brighter's new joint-venture subsidiary in the United Arab Emirates, together with the AFAQ Group. Privately established in 2015 by Sheikha Latifa Mohammed bin Mujirin Al Murrar, the AFAQ Group works on ways to improve the lives of people in the GCC region. With the region facing a rapid rise in diabetes prevalence, effective treatment for the condition is high on AFAQ's agenda.

Building our new team in Dubai was a priority towards the end of 2018, starting with the appointment of Hamza Moftah as Deputy Managing Director of the subsidiary. Hamza is an experienced business developer with extensive knowledge of the med-tech, digital health and pharmaceutical industries in the United Arab Emirates and the broader region.

Back home in Stockholm, we recruited Thor Sundsvik as Global Product Manager for diabetes solutions. Thor has extensive experience in sales and business development in the med-tech and healthcare industries, particularly within digital solutions for the treatment of chronic diseases. He is now driving the commercialization of both Actiste and the new diabetes-related solutions we have under development.

The fourth quarter was very much about preparing for the Arab Health event in Dubai in January 2019. Arab Health is one of the largest healthcare exhibitions in the world and Brighter was honored to



showcase Actiste as one of few selected companies at the UAE Ministry of Health and Prevention's stand. It was a great few days and we saw a lot of interest in Actiste from countries in the Gulf region and beyond.

Finally, I want to thank our shareholders for the support they continued to show us in 2018. It's thanks to you that we're able to push ahead on our mission to improve the lives of the millions of people around the world living with diabetes and other chronic conditions. I look forward to bringing you more good news in 2019.

Best wishes,

Truls Sjøstedt, Founder and CEO of Brighter AB.





Significant events during the period.

- Brighter appoints Deputy Managing Director of the company's UAE subsidiary.
- Brighter receives SEK 0.8 million through exercise of warrants of series TO3.
- Brighter draws the eighth tranche under the financing agreement with L1 Capital and issues additional free warrants to its shareholders.
- Brighter's nomination committee for the Annual General Meeting 2019 is established.
- Brighter recruits Global Product Manager - Diabetes.
- Brighter recruits Medical Supervisor in United Arab Emirates.
- The number of shares and votes in Brighter AB has increased. The total number of shares and votes, including decided but not yet registered conversions, increased from 68,942,747 to 74,444,844.

Significant events after the end of the period.

- Brighter organizes seminar on The Future of Diabetes Care in connection with Arab Health in Dubai.
- Brighter receives the ninth and final tranche under the financing agreement with L1 Capital and issues additional free warrants to its shareholders.
- Brighter and UAE Ministry of Health and Prevention showcased Actiste at Arab Health 2019.
- Brighter has been included in the Stockholm-Uppsala Life Science Investment Hotlist.
- The number of shares in Brighter AB has increased. The total number of shares and votes increased from 74,444,844 to 74,574,714.



Comments on the financial results.

Financial results for October-December 2018.

Income.

Other operating income amounted to SEK 217 thousand (SEK 1,437) for the fourth quarter. In 2018 this relates mainly to consultancy revenue from the associated company Camanio Care.

Operating result.

Operating result for the fourth quarter 2018 amounted to SEK -10,843 thousand (-8,175). As Brighter prepares for market entry cost regarding external service have increased compared to last year. This mainly refers to commercialization activities to build sales, logistics and production for Actiste, as well financial and legal services. External costs relating to development are reflected in the capitalized development costs SEK 11,075 thousand (12,390) at the same amount, which means that they do not have any impact on operating result.

Staff costs amounted to SEK -3,896 thousand (-2,877). At the end of the period, the numbers of employees were 17 (13). Also a number of consultants work for Brighter and this has been recognized in other external costs.

Cash flow.

At the beginning of the quarter, the company had cash of SEK 4,197 thousand (6,472), increasing to SEK 9,031 thousand (10,017) by the end of period.

Cash flow from operating activities before change in working capital amounted to SEK -10,477 thousand (-6,705). Cash flow from operating activities were SEK -8,890 thousand (-2,743). The change in working capital mainly relates to an increase in inventories in preparation for start of sales, prepayments for production and other items. Investments amounted to SEK 25,976 thousand (17,361) of which capital expenditures SEK 11,089 thousand (14,245) in intangible assets and SEK 2,662 (3,071) thousand in property, plant and equipment mainly for production of Actiste. An investment of SEK 1.3 million in new issue and a loan of SEK 10.95 million refer to the associated company Camanio Care.

Financing of SEK 39,699 thousand (23,649) after costs was raised through new issues, warrants and loans during the period. L1 Capital contributed SEK 10 million of those.

Total cash flow for the period amounted to SEK 4,834 thousand (3,545).



Financial results for January-December 2018.

Income.

Other operating income amounted to SEK 1,052 thousand (SEK 3,071) for the full year. In 2018 this relates mainly to consultancy revenue from the associated company Camanio Care.

Operating result.

Operating result for 2018 amounted to SEK -48,605 thousand (-24,395). As Brighter prepares for market entry cost regarding external service have increased compared to last year. This mainly refers to commercialization activities to build sales, logistics and production for Actiste, as well financial and legal services. External costs relating to development are reflected in capitalized production costs SEK 25,021 thousand (29,754) at the same amount, which means that they do not have any impact on operating result.

Staff costs amounted to SEK -13,014 thousand (-9,153). At the end of the period, the number of employees was 17 (13). Also, a number of consultants work for Brighter and this has been recognized in other external costs.

Depreciation/amortization only relates to trademarks and tangible fixed assets. 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 mark and delivery to market.

Financial position.

Capitalized expenditure for development work during the period amounted to SEK 25,021 (29,754) thousand, which almost exclusively relates to the development of Actiste. Capitalized expenditure totaled SEK 98,348 thousand (73,327).

Property, plant and equipment totaled SEK 8,536 thousand (4,738). The increase in the equipment is almost exclusively from capital expenditures 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.

Inventory amounted to SEK 7,070 thousand (0) and relates to consumables held for sales together with Actiste device.

“Other current receivables”, SEK 23,158 thousand (15,174) include pre-payments to Samina, for production of Actiste, of SEK 14.9 million (10.1). The receivable on associated companies refer to Camanio Care of SEK 10,95 million not including interest.

As of December, 31 the company had equity of SEK 106,918 thousand (87,389), an equity ratio of 63% (78%).

The company has no long-term liabilities. Current interest-bearing loans from L1 amounted to a nominal value of SEK 11,600 thousand. This liability is reported at its amortized cost at SEK 9,893 thousand as of December 31, 2018.



Other interest-bearing debt of SEK 42 million refer to a short-term loan from private investors.

Cash flow.

At the beginning of the year, the company had cash of SEK 10,017 thousand (1,733), decreasing to SEK 9,031 thousand (10,017) by the end of period.

Cash flow from operating activities before change in working capital amounted to SEK -45,871 thousand (-19,928). Cash flow from operating activities were SEK -68,249 thousand (-24,582). The change in working capital mainly relates to an increase in inventories in preparation for start of sales, prepayments for production and other items. Investments amounted to SEK 42,750 thousand (34,897), of which investment of SEK 26,026 thousand (30,269) in intangible assets, and SEK 3,961 thousand (4,583) in property, plant and equipment mainly for production of Actiste. An investment of SEK 1.3 million in new issue and a loan of SEK 10.95 million refer to the associated company Camanio Care.

Financing of SEK 110,013 thousand (67,763) after costs was raised through new share issues, warrants and loans during the period. L1 Capital contributed SEK 35 million of those and SEK 42 million was a short-term loan from private investors. The company has had a financing agreement with L1 for SEK 100 million, of which the full SEK 100 million was called on as of December 31, 2018. Financing through L1 Capital has been executed through current issues of convertible notes and at December 31 2018, the counterparty had used the opportunity to convert the corresponding SEK 89.4 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 2018 new shares corresponding to SEK 5,287 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 96.6 million. For further information about the agreement with L1 Capital, see the company website and Note 21 in Brighter's 2017 Annual Report. The warrants issued to key persons and staff of series 2014/2017 and 2015/2018 contributed cash flow of SEK 29.4 million.

Total cash flow for the period amounted to SEK -986 thousand (8,284).

Sales, production and CE mark.

Sales work is continuing in a positive view both in UAE and our other targeted markets. The sales and business targets are aimed at expanding into markets with strong needs and the ideal conditions for implementing digitalized treatment and monitoring systems remain. As such the partnership between Brighter and AFAQ Group L.L.C. is certainly one of Brighters more promising market breakthroughs. In July Brighter and AFAQ signed a partnership and in August formed a United Arab Emirates onshore company head quartered in Dubai to 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 G.C.C 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 in preparations for manufacturing Actiste 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, verification and validations, which are handled by external certification partners. The required technical documentation has been delivered to the notified body for 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. The Board and management therefore estimate that in 2019, the company will need to secure 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 financing and sales activities, 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 December 31, 2018, Brighter AB had approximately 6,800 shareholders, of whom the four largest represented approximately 29.5% of the capital and votes. The total number of shares December 31, 2018 amounts to 74,444,844. The largest shareholders were Försäkringsbolaget Avanza Pension (13.1%), Truls Sjöstedt (8.8%), Ålandsbanken AB, W8IMY (2.7%) and Ålandsbanken on behalf of the owner (4.9%).

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 has also been the holder of the TO3-series and TO4-series allotted the shareholders and L1 Capital as part of the L1 Capital agreement. The last warrants of those series were allotted when the last tranche of the L1 commitment was called in December 2018. 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. In the third quarter 481,353 warrants of TO4-series were converted and in the fourth quarter 209,407 warrant of TO3s were converted. In the third quarter there was also a conversion of 2,541,177 warrants of series 2014/2017 and 2015/2018 which after recalculation

according to the warrant terms resulted in 3,383,137 new shares. The total conversion of warrants during 2018 thus resulted in 4,406,778 new shares. 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 December 31, 2018, Brighter owns 4,322,614 shares in Camanio Care, which is an ownership of 21.32%. Camanio Care is listed at Spotlight. The share price at December 31, 2018 was SEK1.45 per share, which gives a market value of Brighter's holding at SEK 6.2 million. The acquisition value of the shares in the Parent company is SEK 10.6 million and a write-off of the difference, SEK 4.4 million is thus applied to the quarterly accounts of the Parent Company as of December 31, 2018.

In the first quarter 2018 Brighter signed a guarantee of maximum SEK 800 thousand on behalf of Camanio Care for funding of customer contracts financed by Svea Ekonomi. As of December 31, 2018, the remaining guarantee was SEK 200 thousand. The guarantee will end 31 March 2019. Brighter has lent SEK 12.4 million (including interest) to Camanio Care. The financing lent is not a liquidity strain on Brighter, since it is fully supplied to Brighter by external parties. Brighters role in this is solely a guarantor for repayment and Brighter has security in assets in Camanio.

Camanio Care reported a loss of SEK -6,235 thousand for the fourth quarter of 2018. The reported loss was SEK -18,972 thousand for 2018.





Submission of interim report.

Stockholm, February 27, 2019
Brighter AB (publ).

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

Annual Report 2018: 27/3/2019

Annual General Meeting: 9/5/2019

Interim Report Jan–Mar 2019: 22/5/2019

Interim Report Apr–Jun 2019: 28/8/2019

Interim Report Jul–Sept 2019: 11/20/2019

Audit.

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

Financial statements.

Consolidated statement of comprehensive income.

Amounts in SEK thousand	Note	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Capitalized production costs		11,075	12,390	25,021	29,754
Other operating income		217	1,437	1,052	3,071
Total operating income		11,292	13,827	26,073	32,825
Raw materials and consumables		0	0	0	0
Other external costs		-16,596	-17,531	-56,658	-43,384
Staff costs		-3,896	-2,877	-13,014	-9,153
Depreciation/amortization of tangible and intangible assets		-31	-52	-163	-202
Other operating costs		-336	-22	-566	-32
Income from shares in associated companies after tax		-1,275	-1,520	-4,278	-4,449
Operating result		-10,843	-8,175	-48,605	-24,395
Other financial income		499	38	1,520	40
Financial expenses		-2,797	-1,377	-5,996	-2,937
Net financial items		-2,298	-1,339	-4,475	-2,897
Result before income tax		-13,141	-9,514	-53,080	-27,292
Income tax		0	0	0	0
Result for the period		-13,141	-9,514	-53,080	-27,292
Other comprehensive income:					
Translation differences on foreign operations		68	0	68	0
Total comprehensive income for the period		-13,073	-9,514	-53,012	-27,224
Attributable to the parent company's shareholders		-13,073	-9,514	-53,012	-27,224

Amounts in SEK		Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Earnings per share before dilution	3	-0.17	0.13	-0.74	-0.40
Earnings per share after dilution	3	-0.17	0.13	-0.74	-0.40



Consolidated statement of financial position.

Amounts in SEK thousand		Dec 31 2018	Dec 31 2017
Capitalized expenditure for development work		98,348	73,327
Concessions, patents, licenses, trademarks and similar rights		4,581	3,467
Total intangible assets		102,929	76,794
Equipment, tools and installations		84	211
Construction in progress		8,452	4,527
Total property, plant and equipment		8,536	4,738
Shares in associated companies and jointly controlled companies		0	2,965
Other long-term securities		964	464
Other long-term receivables		0	0
Total financial assets		964	3,429
Total fixed assets		112,430	84,961
Inventories		7,070	0
Total inventories		7,070	0
Accounts receivable	4	200	757
Receivable on associated company		10,950	0
Other current receivables	5	23,158	15,174
Prepayments and accrued income		7,777	445
Total current receivables		42,085	16,376
Cash and cash equivalents	4,5	9,031	10,017
Total current assets		58,186	26,393
TOTAL ASSETS		170,616	111,354



Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Dec 31 2018	Dec 31 2017
Share capital		3,722	3,248
Other contributed equity		243,138	171,071
Retained earnings		-139,942	-86,930
Total Equity		106,918	87,389
Total equity attributable to the parent company's shareholders		106,918	87,389
Accounts payable	4	3,960	10,824
Convertible loans	4,5	9,893	8,437
Other interest-bearing debt		42,000	0
Other current liabilities	4	148	2,102
Accruals and deferred income		7,697	2,602
Total current liabilities		63,698	23,965
TOTAL EQUITY AND LIABILITIES		170,616	111,354

Consolidated statement of changes in equity.

Amounts in SEK thousand	Share Capital	Other contributed equity	Result carried forward (including result for the period)	Total equity
Balance at start of year, January 1, 2017	2,601	109,580	-59,638	52,543
Result for the year			-27,292	-27,292
Other comprehensive income			0	0
Total comprehensive income			-27,292	-27,292
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
Total transactions with shareholders	647	61,491	0	62,138
Balance at end of year, December 31, 2017	3,248	171,071	-86,930	87,389
Balance at start of year, January 1, 2018	3,248	171,071	-86,930	87,389
Result for the period			-53,080	-53,080
Translation differences on foreign operations			68	68
Total comprehensive income			-139,942	34,377
Transactions with shareholders				
The value of conversion rights for convertible debt instruments		6,253		6,253
Conversion of convertible debt instruments	254	33,022		33,276
New issues, cash and offsetting	220	34,435		34,656
Issue costs		-1,643		-1,643
Total transactions with shareholders	474	72,067	0	72,541
Balance at end of year, December 31, 2018	3,722	243,138	-139,942	106,918



Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating result		-10,843	-8,175	-48,605	-24,395
Adjustment for items not included in the cash flow		3,334	1,527	4,441	4,651
Interest received		34	38	34	40
Interest paid		2	-68	-1,740	-125
Income tax paid		0	-27	0	-99
Cash flow from operating activities before change in working capital		-10,477	-6,705	-45,871	-19,928
Increase/decrease in inventories		-1,187	0	-7,070	0
Increase/decrease in operating receivables		8,547	549	-8,274	-6,404
Increase/decrease in operating liabilities		-5,773	3,413	-7,034	1,750
Total change in working capital		1,587	3,962	-22,378	-4,654
Cash flow from operating activities		-8,890	-2,743	-68,249	-24,582
Investments in intangible assets		-11,089	-14,245	-26,026	-30,269
Investments in property, plant and equipment		-2,662	-3,071	-3,961	-4,583
Investments and loans to associated companies		-12,263	0	-12,263	0
Investment in financial assets		38	-45	-500	-45
Cash flow from investing activities		-25,976	-17,361	-42,750	-34,897
Loans raised		10,000	20,000	77,000	63,820
Cost of capital for convertible loans		-450	0	-900	-1,918
New share issues and warrants		30,171	5,701	34,656	7,913
New share issue costs		-22	-2,052	-743	-2,052
Cash flow from financing activities		39,699	23,649	110,013	67,763
Cash flow for the period		4,834	3,545	-986	8,284
Opening cash and cash equivalents		4,197	6,472	10,017	1,733
Closing cash and cash equivalents		9,031	10,017	9,031	10,017

Parent company income statement.

Amounts in SEK thousand	Note	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Capitalized production costs		11,075	12,390	25,021	29,754
Other operating income		115	1,416	908	2,879
Total operating income		11,190	13,806	25,929	32,633
Raw materials and consumables		0	0	0	0
Other external costs		-15,769	-17,531	-54,949	-43,191
Staff costs		-3,335	-2,877	-12,431	-9,153
Depreciation/amortization of tangible and intangible as- sets		-31	-52	-163	-202
Other operating costs		-202	-22	-415	-32
Total operating costs		-19,337	-20,482	-67,958	-52,578
Operating result		-8,147	-6,676	-42,030	-19,945
Other interest income and similar income		475	38	1,496	40
Interest expenses and similar expenses		-5,066	-1,377	-10,441	-2,937
Total result from financial items		-4,592	-1,339	-8,945	-2,897
Result after financial items		-12,739	-8,015	-50,974	-22,842
Appropriations		0	0	0	0
Tax on result for the period		0	0	0	0
Result for the period		-12,739	-8,015	-50,974	-22,842



Parent company balance sheet.

Amounts in SEK thousand	Note	Dec 31 2018	Dec 31 2017
Capitalized expenditure for development work		98,348	73,327
Concessions, patents, licenses, trademarks and similar rights		4,581	3,467
Total intangible assets		102,929	76,794
Equipment, tools and installations		84	211
Construction in progress		8,452	4,527
Total property, plant and equipment		8,536	4,738
Shares in Group companies		789	50
Shares in associated companies		6,227	9,396
Other long-term securities		964	464
Other long-term receivables		0	0
Total financial assets		7,980	9,911
Total fixed assets		119,445	91,443
Inventories		7,070	0
Total inventories		7,070	0
Accounts receivable		200	757
Receivable on associate company		10,950	0
Receivable on subsidiary		2,898	0
Other receivables		23,157	15,284
Prepayments and accrued income		7,777	407
Total current receivables		44,982	16,448
Cash at bank and in hand		7,566	9,825
Total current assets		59,618	26,273
TOTAL ASSETS		179,063	117,716



Parent company balance sheet cont.

Amounts in SEK thousand	Note	Dec 31 2018	Dec 31 2017
Share capital		3,722	3,248
Development expenses fund		75,968	51,560
Restricted equity		79,691	54,808
Share premium		243,139	171,071
Result carried forward		-156,538	-109,288
Result for the period		-50,974	-22,841
Unrestricted equity		35,627	38,942
Total equity		115,317	9,375
Accounts payable		3,960	10,806
Convertible loans		9,893	8,437
Other interest-bearing debt		42,000	0
Other liabilities		222	2,121
Accruals and deferred income		7,671	2,603
Total current liabilities		63,746	23,967
TOTAL EQUITY AND LIABILITIES		179,063	117,716



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.

On January 1, 2018, IFRS 15 Revenue from agreements with customers and IFRS 9 Financial Instruments came into force. IFRS 15 regulates how accounting for income is to be done and IFRS 9 deals with the classification, valuation and accounting of financial instruments. There are no significant effects from the implementation that affect the financial statements of the group.

IFRS 16 "Leases" comes into force for the financial years beginning on or after January 1st, 2019.

According to the new standard, leases must report the obligation to pay leasing fees as a leasing debt in the balance sheet. The right to use the underlying asset during the leasing period is reported as an asset. Depreciation of the asset is recognized in profit or loss as well as an interest on the lease debt. Leasing fees paid are reported partly as interest payment and partly as amortization of the lease debt.

The transition will not have any effect on the financial statements as of January 1, 2019 since the group currently only have short-term leasing agreements or lease agreements of no substantial value.

The Operating result has been amended to include associated company Camanio Care and historic figures have been adapted accordingly.

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 Spotlight. Brighter's share of ownership was 21.32% as of December 31st 2018.

Brighter AB is listed on NASDAQ First North/BRIG. The Brighter Certified Adviser on Nasdaq First North is Eminova Fondkommission AB. Phone: +46 (8) 684 211 00. E-mail: info@eminova.se.

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

Note 3 Earnings per share

SEK thousand	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Result for the period attributable 100% to the Parent Company's shareholders	-12,739	-8,015	-50,974	-22,842
Number of shares at end of period before dilution	74,444,844	64,964,545	74,444,844	64,964,545
Number of shares at end of period after dilution	97,611,895	80,188,503	97,611,895	80,188,503
Weighted average number of shares before dilution	74,140,909	63,941,562	68,883,241	56,720,397
Earnings per share as a weighted average before dilution	-0.17	0.13	-0.74	-0.40
Earnings per share (SEK) as a weighted average after dilution	-0.17	-0.13	-0.74	-0.40

Note 4 Financial instruments

SEK thousand	Dec 31 2018	Dec 31 2017
Loan and accounts receivable:		
Accounts receivable and other receivables, excluding interim claims	23,358	15,931
Cash and cash equivalents	9,031	10,017
Total	32,389	25,948
Other financial liabilities:		
Convertible bonds	9,893	8,437
Other interest-bearing debt	42,000	0
Accounts payable and other liabilities, excluding non-financial liabilities	-37,892	12,926
Total	14,001	21,363

Note 5 Borrowing and net liabilities

SEK thousand	Dec 3 2018	Dec 31 2017
Short-term		
Liabilities relating to interest-bearing debt or convertible bonds	51,893	8,437
Total borrowing	51,893	8,437
Cash and cash equivalents	9,031	10,017
Net debt interest-bearing liabilities	42,862	-1,580
Equity	106,918	87,389
Debt to equity ratio	40.1%	-1.8%

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. Lars Flening received a fee of SEK 20,000 for consultancy services and Afsaneh Ghatan Bauer received SEK 500,000 for legal work regarding trademarks marks. The amounts are exclusive of VAT. All transactions are carried out on a commercial basis. During 2018 Brighter AB has revenue from consultancy fees of SEK 672,500 relating to the associated company Camanio Care.



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 targeting 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.



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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 February 27, 2019 at 08:00 CET.

