

Brighter

Interim report
April - June 2019

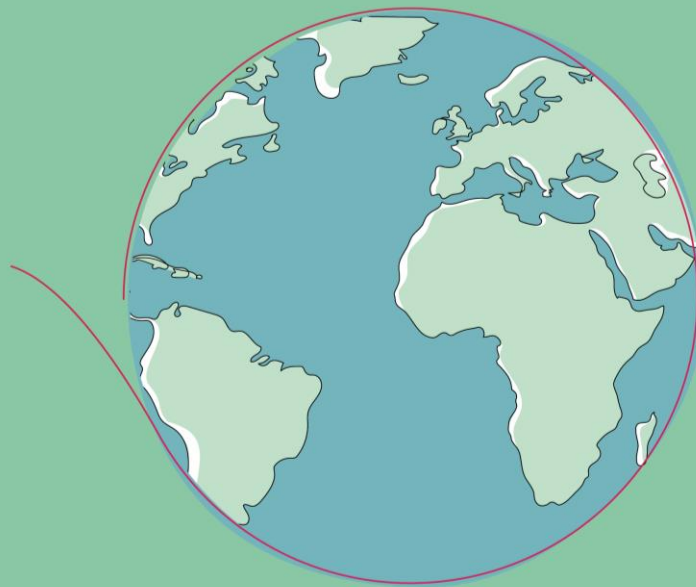




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April - June 2019.

- Capitalized expenditure for development work reached SEK 9,869 thousand (5,183)
- Operating result amounted to SEK -19,467 thousand (-14,278)
- Result before tax amounted to SEK -23,671 thousand (-15,496).
- Earnings per share, before dilution amounted to SEK -0.29 (-0.25).
- Earnings per share after dilution SEK -0.29 (SEK -0.25).

January - June 2019.

- Capitalized expenditure for development work reached SEK 18,561 thousand (11,542)
- Operating result amounted to SEK -32,144 thousand (-25,746)
- Result before tax amounted to SEK -39,472 thousand (-26,963).
- Earnings per share, before dilution amounted to SEK -0.52 (-0.43).
- Earnings per share after dilution SEK -0.52 (SEK -0.43).

Financial overview.

KSEK	Apr-Jun 2019	Apr-Jun 2018	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016
Operating result	-19,467	-14,278	-48,605	-24,395	-14,445
Net financial items	-4,205	-1,218	-4,475	-2,897	-238
Result before tax	-23,671	-15,496	-53,080	-27,292	-14,683
Total assets	199,991	116,900	170,616	111,354	68,734
Equity per share (SEK)	1.83	1.17	1.55	1.54	1.01
Capital adequacy (%)	73%	67%	63%	78%	76%

For definitions, see note 26 in Brighter's 2018 Annual Report.

CEO statement.

Brighter closed the second quarter with a substantially strengthened balance sheet and having achieved a significant operational milestone for our quality management system ("QMS") with the ISO 13485 certification for the Actiste device. The main reason for the higher loss was a write-off of stock of SEK 4.4 million, due to surpassed expiration date of consumables, resulting from the extended CE-marking process, as well as increased costs for staff.

Through directed share issues during the quarter, we raised a total of SEK 44 million and in July followed an additional SEK16 million. On top of this we had conversions relating to our agreements with L1 and Winance of almost SEK 17 million. Receiving this new capital not only reaffirmed the market's confidence in Brighter's solution, it also gave us a cash injection that we've used to amortize loans. I'm very pleased with the stronger position this puts our balance sheet in as we head into our commercialization phase.

On the operational side, Brighter's quality management system has now been certified under ISO 13485. This certification is significant, because it's an essential precursor to Actiste receiving its CE marking – a process that is now in its final phase. The spirit at Brighter is always positive, but this news came at just the right time to further buoy everyone's confidence as we headed into summer.

Finally, with the support of the board and Brighter's founder, Truls Sjöstedt, my transition into the role of CEO has been swift and smooth. As Truls and myself have been working closely together for many years, the changes of responsibilities came naturally to both of us.

Best wishes,



Henrik Norström, CEO of Brighter AB.



Significant events during the period.

- Henrik Norström assumed the role of CEO and Truls Sjøstedt was elected Chairman of the board at the AGM in May. The AGM elected new members Emanuel Lipschütz and Tove Andersson.
- Brighter has been granted a patent for AI-powered monitoring of medical devices.
- Brighter has launched a pilot project for increased well-being among young diabetics.
- Brighter was removed from observation status at Nasdaq.
- New board members Emanuel Lipschütz and Tove Andersson invested an aggregate amount of SEK 9,6 million in a directed share issue.
- Brighter wins Swecare Rising Star Award 2019.
- Single-family office will invest EUR 15 million in Brighter through directed share issues. Agreement was signed and first part payment of EUR 3 million was contributed. As part of this warrants of series TO5 was distributed to the shareholders and the investor.
- Brighter received ISO 13485 certification.
- Brighter carries out a directed share issue of SEK 24.3 million through set-off and cash. During the quarter Brighter amortized SEK 21.4 million in debt.
- The number of shares in Brighter AB increased. The total number of shares and votes increased from 76,509,132 to 83,823,170.

Significant events after the end of the period.

- Brighter carries out a directed share issue of SEK 10.8 million through set-off and cash.
- Brighter carries out a directed share issue of SEK 5 million.
- The number of shares in Brighter AB has increased. The total number of shares and votes increased from 83,823,170 to 85,720,621.





Comments on the financial results.

Financial results for April-June 2019.

Income.

Other operating income amounted to SEK 143 thousand (0) for the second quarter. Capitalized production costs were SEK 9,869 thousand (5,183).

Operating result.

Operating result for the second quarter 2019 amounted to SEK -19,467 thousand (-14,278). The main reason for the higher loss was a write-off of stock of SEK 4.4 million, due to surpassed expiration date of consumables, resulting from the extended CE-marking process, as well as increased costs for staff.

Staff costs amounted to SEK -5,029 thousand (-3,163). At the end of the period the number of employees was 25 (17). Also a number of consultants work for Brighter and the costs/expenses related to these services have been recognized as other external costs.

Cash flow.

At the start of the quarter, the Group had cash of SEK 8,226 thousand (2,391), increasing to SEK 23,100 thousand (4,401) by the end of period.

Cash flow from operating activities before change in working capital amounted to SEK -19,359 thousand (-13,143). The change in working capital was SEK -9,686 thousand (-4,508). Investments amounted to SEK 3,708 thousand (5,900) of which investment of SEK 10,280 thousand (5,014) in intangible assets and SEK 304 (887) thousand in property, plant and equipment mainly for production of Actiste.

Financing of SEK 47,699 thousand (25,562) after costs was raised through new issues, conversion of warrants and loans during the period. Winance contributed SEK 32 million and the rest was directed issues from private investors. During the period short term loans were also amortized with SEK 21 million. See below and Group website for more information on the winance financing.

Free warrants (TO5) were issued to Winance and to all of the shareholders of Brighter AB in connection with the first drawdown under the agreement. In the second quarter new shares corresponding to SEK 98 thousand were subscribed by utilization of warrants TO3.

Total cash flow for the period amounted to SEK 14,875 thousand (2,010).



Financial results for January-June 2019.

Income.

Other operating income amounted to SEK 176 thousand (SEK 584) for the first quarter. Capitalized production costs were SEK 18,561 thousand (11,542).

Operating result.

Operating result for the second quarter amounted to SEK -32,467 thousand (-25,746). The main reason for the higher loss was a write-off of stock of SEK 4.4 million, due to surpassed expiration date of consumables, resulting from the extended CE-marking process, as well as increased costs for staff.

Staff costs amounted to SEK -9,781 thousand (-6,160). At the end of the period, the number of employees was 25 (17). 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 18,561 (11,562) thousand, which almost exclusively relates to the development of Actiste. Book value of capitalized expenditure totalled SEK 116,909 thousand (84,869).

Book value of Property, plant and equipment totalled SEK 9,349 thousand (5,959). 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 5,171 thousand (854) and relates to consumables held for sales together with Actiste device. A write-off of SEK 4.4 million was executed due to surpassed expiration date.

“Other current receivables”, SEK 32,546 thousand (13,866) include pre-payments to Sanmina, for production of Actiste, of SEK 24.0 million (9.6). The “receivable on associated company” refers to Camanio Care. The receivable of SEK 12 million as held on December 31st was during the second quarter partly transferred to another private investor and partly repaid in Camanio shares.

As of June 30th the Group had equity of SEK 146,494 thousand (78,762), an equity ratio of 73% (67%).

The Group has no long-term liabilities. Current interest-bearing loans from L1 amounted to a nominal value of SEK 2,400 thousand. This liability is reported at its amortized cost at SEK 2,114 thousand as of June 30th, 2019. Current interest-bearing loans from Winance amounted to a



nominal value of EUR 1,750 thousand. This liability is reported at its amortized cost at SEK 17,766 thousand. See below and the Group website for more information on the winance financing.

Other interest-bearing debt of SEK 20,594 million refer to a short-term loan from private investors.

Cash flow.

At the beginning of the year, the Group had cash of SEK 9,031 thousand (10,017), changing to SEK 23,100 thousand (4,401) by the end of the period.

Cash flow from operating activities before change in working capital amounted to SEK -34,080 thousand (-23,765). Cash flow from operating activities were SEK -37,511 thousand (-27,485). Investments amounted to SEK 13,627 thousand (13,736), of which investment of SEK 19,598 thousand (12,399) in intangible assets, and SEK 833 thousand (1,299) in property, plant and equipment mainly for production of Actiste.

Financing of SEK 65,994 thousand (35,605) after costs was raised through new share issues, warrants and loans during the period. Winance contributed SEK 32 million of those. The Group has a financing agreement with Winance for EUR 15 million, of which EUR 3 million were called on as of June 30th. Winance will convert the debt through directed issues over time. As of June 30th Winance had EUR 1,750 thousand nominal value in debt left of the EUR 3 million. For further information about the agreement with L1 Capital and Winance, see below, the Group website and Note 23 in Brighter's 2018 Annual Report.

During 2019 new shares corresponding to SEK 2,693 thousand were subscribed by utilization of warrants TO4 and TO3.

Total cash flow for the period amounted to SEK 14,069 thousand (-5,616).

Winance.

Winance is a private investment company, single family office, with offices in Dubai and New York. Winance has undertaken to invest 15 MEUR in Brighter. The parties have agreed to divide the amount into three main transactions (described below) over a maximum of 36 months. Issuance of drawdowns is at Brighter's discretion. Transaction 1 of EUR 3 million was paid to Brighter on signing date. Transaction 2, EUR 3 million, and Transaction 3, EUR 9 million in drawdowns of EUR 500,000 will follow within 36 months. For more detailed information on payment plan please see the Group website. Repayment of the amount shall be made equivalent in new shares issued by Brighter. The new issue of shares shall be made at a value determined to the lowest volume-weighted average price over the five (5) Business Days immediately preceding each repayment request with a discount of ten (10) per cent.

Warrants, series TO5, are issued for to Winance in connection with each draw down. 130% warrants of are also issued to Brighter's shareholders to minimize dilution.

Sales, production and CE mark.

Sales work is continuing in a positive view both in United Arab Emirates 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 Brighter's more promising market breakthroughs. Brighter and AFAQ have a partnership and have formed a United Arab Emirates onshore company headquartered in Dubai to introduce Actiste® Diabetes Management as a Service into the Gulf Cooperation 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.

Sanmina, our experienced partner for production of Actiste, is ready for manufacturing. 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 third parties. The required technical documentation has been delivered to the notified body for final approval. During the second quarter however, we had a significant breakthrough as Brighter finally received the ISO 13485 certification.

Future liquidity position.

The commercialization of Actiste, with an ambitious plan for future growth and development, requires the Group to have adequate working capital to finance both capital tied up in inventory for future deliverables and the build-up of production. Funding the business is a very important part of the Group growth strategy a continuous part of the work of the Group management.

The board and management assess that the Group will need additional financing to be able to manage the business in line with the strategic orientation that has been resolved on. To assure this financial need the Group has implemented share issues in cash during 2019 in the total sum of almost SEK 60 million.

The Group is currently engaged in efforts to raise substantial capital that will likely be completed in the near future. By raising such capital, along with the other financing possibilities that are also being prepared, the board and management assess that the group's capital requirements for routine operations of the business will be secured for at least the next 12 months.

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 Group risk exposure and risk assessment work can be found in Brighter's 2018 Annual Report pages 20-26 and in Note 19.



Shareholders.

At June 30th, 2019, Brighter AB had approximately 7,000 shareholders, of whom the four largest represented approximately 27.3% of the capital and votes. The total number of shares amounts to 83,823,170 at the end of the period. The largest shareholders were Försäkringsbolaget Avanza Pension (12.6%), Truls Sjöstedt (7.6%), Ålandsbanken AB, W8IMY (2.5%) and Ålandsbanken on behalf of the owner (4.6%).

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-, TO4- and TO5-series which have been allotted to the shareholders and L1 Capital or Winance as part of those finance agreements. The TO5-series is the only series not yet fully allotted. For further information on the status of the L1 Capital and Winance financing agreement, see the website and Note 23 of Brighter's 2018 Annual Report. For further description of all the warrant programs please see the Group website and the summary in Note 21 of Brighter's 2018 Annual Report.

Camanio Care.

As of June 30th, 2019, Brighter AB owns 14,500,000 shares in Camanio Care, which is an ownership of 29,8%. Camanio Care is listed at Spotlight. The share price at June 30th, 2019 was SEK 0.405 per share, which gives a market value of Brighter's holding at SEK 5.9 million. The acquisition value of the shares in the Parent Company is SEK 15.9 million and a write-off of the difference, SEK 10.0 million is thus applied to the quarterly accounts of the Parent Company as of June 30th, 2019.

The receivable of SEK 12 million previously held on Camanio Care has partly been transferred to a third party, SEK 6.8 million, and partly been repaid in Camanio Care shares SEK 5.2 million at a share price of SEK 0.54.

Camanio Care reported a loss of SEK -5,873 thousand for the second quarter of 2019. The investment of SEK 5.2 million in Camanio was made in the beginning of June, thus at this gives Brighter an income from shares from associated companies of SEK -583 thousand for the second quarter.



Submission of interim report.

Stockholm, August 28, 2019
Brighter AB (publ).

The Board of Directors and the CEO certify that the interim report for the period 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
Chairperson of the Board

Henrik Norström
CEO

Jan Stålemark
Board Member

Emanuel Lipschütz
Board Member

Lars Flening
Board Member

Catarina Ihre
Board Member

Tove Andersson
Board Member

Financial calendar.

Interim Report Jul–Sept 2019: November 20, 2019

Interim Report Oct–Dec 2019: February 27, 2019

Annual Report 2019: April 16, 2019

Annual General Meeting: May 8, 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	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Capitalized production costs		9,869	5,183	18,561	11,542
Other operating income		143	0	176	584
Total		10,013	5,416	18,737	12,125
Other external costs		-19,127	-15,256	-36,096	-29,380
Staff costs		-5,029	-3,163	-9,781	-6,160
Depreciation/amortization of tangible and intangible assets		-1	-44	-27	-94
Other operating costs		-4,739	-64	-4,717	-88
Income from shares in associated companies after tax		-583	-1,167	-583	-2,149
Operating result		-19,467	-14,278	-32,467	-25,746
Other financial income		266	0	589	0
Financial expenses		-4,471	-1,218	-7,598	-1,219
Net financial items		-4,205	-1,218	-7,009	-1,219
Result before income tax		-23,671	-15,496	-39,475	-26,963
Income tax		0	0	0	0
Result for the period		-23,671	-15,496	-39,475	-26,963
Other comprehensive income:					
Translation differences on foreign operations		0	0	0	0
Total comprehensive income for the period		-23,674	-15,496	-39,475	-26,963
Attributable to the parent company's shareholders		-23,674	-15,496	-39,475	-26,963

Amounts in SEK		Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Earnings per share before dilution	3	-0.29	-0.25	-0.52	-0.43
Earnings per share after dilution	3	-0.29	-0.25	-0.52	-0.43



Consolidated statement of financial position.

Amounts in SEK thousand	Jun 30 2019	Jun 30 2018	Dec 31 2018
Capitalized expenditure for development work	116,909	84,869	98,348
Concessions, patents, licenses, trademarks and similar rights	5,611	4,308	4,581
Total intangible assets	122,521	89,177	102,929
Equipment, tools and installations	64	133	84
Construction in progress	9,285	5,826	8,452
Total property, plant and equipment	9,349	5,959	8,536
Shares in associated companies and jointly controlled companies	4,613	854	0
Other long-term securities	964	464	964
Total financial assets	5,577	1,318	964
Total fixed assets	137,447	96,454	112,430
Inventories	5,171	1,143	7,070
Total inventories	5,171	1,143	7,070
Accounts receivable	4	180	541
Receivable on associated company	0	0	10,950
Other current receivables	5	32,546	13,866
Prepayments and accrued income	1,547	495	1,727
Total current receivables	34,274	14,901	42,085
Cash and cash equivalents	4,5	23,100	4,401
Total current assets	62,545	20,445	58,186
TOTAL ASSETS	199,991	116,900	170,616



Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Jun 30 2019	Jun 30 2018	Dec 31 2018
Share capital		4,186	3,383	3,722
Other contributed equity		321,723	189,274	243,138
Retained earnings		-179,415	-113,896	-139,942
Total Equity		146,494	78,762	106,918
Total equity attributable to the parent company's shareholders		146,494	78,762	106,918
Accounts payable	4	4,489	8,370	3,960
Convertible loans and similar debt	4,5	19,880	10,724	9,893
Other interest-bearing debt		20,594	0	42,000
Other current liabilities	4	1,420	16,745	148
Accruals and deferred income		7,113	2,298	7,697
Total current liabilities		53,497	38,138	63,698
TOTAL EQUITY AND LIABILITIES		199,991	116,900	170,616

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 period April 1, 2018	3,308	179,825	-98,400	85,190
Result for the period			-15,496	-15,496
Translation differences on foreign operations			0	0
Total comprehensive income			-15,496	-15,496
<u>Transactions with shareholders</u>				
The value of conversion rights for convertible debt instruments		2,941		2,941
Conversion of convertible debt instruments	64	5,960		6,024
New issues, cash and offsetting	11	874		885
Issue costs		-325		-325
Total transactions with shareholders	75	9,450	0	9,525
Balance at end of period June 30, 2018	3,383	189,274	-113,896	78,762
Balance at start of period April 1, 2019	3,825	258,356	-155,743	106,438
Result for the period			-23,671	-23,671
Translation differences on foreign operations			0	0
Total comprehensive income			-179,415	82,767
<u>Transactions with shareholders</u>				
Offsetting share issue Winance	59	11,589		11,647
Value of allotted warrants		2,876		2,876
Conversion of convertible debt instruments	36	5,292		5,328
New issues cash and offsetting	265	43,784		44,049
Issue costs		-174		-174
Total transactions with shareholders	301	63,367		63,668
Balance at end of year June 30 2019	4,127	321,723	-179,415	146,435



Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Operating result		-19,467	-14,278	-32,144	-25,746
Adjustment for items not included in the cash flow		4,958	1,146	4,984	1,993
Interest received		0	0	0	0
Interest paid		-4,850	0	-6,920	-12
Income tax paid		0	0	0	0
Cash flow from operating activities before change in working capital		-19,359	-13,143	-34,080	-23,765
Increase/decrease in inventories		-864	0	-2,475	-1,143
Increase/decrease in operating receivables		-8,014	1,034	-1,498	1,645
Increase/decrease in operating liabilities		-809	-5,543	542	-4,223
Total change in working capital		-9,686	-4,508	-3,431	-3,721
Cash flow from operating activities		-29,044	-17,651	-37,511	-27,485
Investments in intangible assets		-10,280	-5,014	-19,598	-12,399
Investments in property, plant and equipment		-304	-887	-833	-1,299
Investments and loans to associated companies		6,804		6,804	0
Investment in financial assets		0	0	0	-0,038
Cash flow from investing activities		-3,780	-5,900	-13,627	-13,736
Loans raised		3,824	25,000	8,824	35,000
Cost of capital for convertible loans		0	0	0	-300
New share issues and warrants		44,049	884	56,644	1,591
New share issue costs		-174	-322	-261	-686
Cash flow from financing activities		47,699	25,562	65,207	35,605
Cash flow for the period		14,875	2,010	14,069	-5,616
Opening cash and cash equivalents		8,226	2,391	9,031	10,017
Closing cash and cash equivalents		23,100	4,401	23,100	4,401



Parent Company income statement.

Amounts in SEK thousand	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Capitalized production costs		9,869	5,183	18,561	11,541
Other operating income		0	234	0	584
Total		9,942	5,416	18,667	12,125
Other external costs		-17,860	-15,256	-33,362	-29,377
Staff costs		-4,023	-3,163	-7,924	-6,160
Depreciation/amortization of tangible and intangible as- sets		-1	-44	-27	-94
Other operating costs		-4,739	-64	-4,715	-88
Total operating costs		-26,623	-18,527	-46,029	-35,719
Operating result		-16,681	-13,111	-27,362	-23,593
Other interest income and similar income		266	0	589	0
Interest expenses and similar expenses		-7,114	-3,879	-13,466	-5,127
Total result from financial items		-6,848	-3,879	-12,877	-5,127
Result after financial items		-23,529	-16,990	-40,239	-28,721
Appropriations		0	0	0	0
Tax on result for the period		0	0	0	0
Result for the period		-23,529	-16,990	-40,239	-28,721



Parent Company balance sheet.

Amounts in SEK thousand	Note	Jun 30 2019	Jun 30 2018	Dec 31 2018
Capitalized expenditure for development work		116,909	84,869	98,348
Concessions, patents, licenses, trademarks and similar rights		5,611	4,308	4,581
Total intangible assets		122,521	89,177	102,929
Equipment, tools and installations		64	133	84
Construction in progress		9,285	5,826	8,452
Total property, plant and equipment		9,349	5,959	8,536
Shares in Group companies		789	50	789
Shares in associated companies		5,873	5,488	6,227
Other long-term securities		964	464	964
Other long-term receivables		0	0	0
Total financial assets		7,626	6,002	7,980
Total fixed assets		139,496	101,139	119,445
Inventories		5,171	1,143	7,070
Total inventories		5,171	1,143	7,070
Accounts receivable		180	541	200
Receivable on associate company		0	1,000	10,950
Receivable on subsidiary		4,763	0	2,898
Other receivables		35,281	12,805	28,157
Prepayments and accrued income		1,494	496	1,727
Total current receivables		41,718	14,842	44,982
Cash at bank and in hand		21,170	4,347	7,566
Total current assets		68,059	20,331	59,618
TOTAL ASSETS		207,554	121,470	179,063



Parent Company balance sheet cont.

Amounts in SEK thousand	Note	Jun 30 2019	Jun 30 2018	Dec 31 2018
Share capital		4,186	3,383	3,722
Development expenses fund		93,976	63,102	75,968
Restricted equity		98,162	66,484	79,691
Share premium		321,724	190,454	243,139
Result carried forward		-225,520	-144,851	-156,538
Result for the period		-40,239	-28,720	-50,974
Unrestricted equity		55,966	16,883	35,627
Total equity		154,128	83,367	115,317
Accounts payable		4,489	8,371	3,960
Convertible loans		19,880	10,687	9,893
Other interest-bearing debt		20,594	0	42,000
Other liabilities		1,491	16,745	222
Accruals and deferred income		6,972	2,299	7,671
Total current liabilities		53,426	38,103	63,746
TOTAL EQUITY AND LIABILITIES		207,554	121,470	179,063



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.

The standard for IFRS 16 has been applied from January 1, 2019. The group has chosen to apply the simplification rules for the transition meaning that short term leases and leases for which the underlying asset has a lesser value are not reported as part of the right of use asset and lease liability on the balance sheet. Payments attributable to these leases will instead be reported as a linear cost over the lease term. A lease taker can, as a practical solution, choose to report leases for which the lease term ends within 12 months counted from the first applicable date as a short-term lease. The group has one lease for premises that expires in 2019 and that will not be extended, and will apply this practical solution and as such, not report the lease as part of lease liabilities and a right of use asset. In addition to this premises lease, the group has a small number of leases that are assessed as immaterial. The transition to IFRS 16 has accordingly not have any impact on the group.

Significant accounting and valuation principles are detailed on in Note 1 in Brighter's 2018 Annual Report. Important estimates and assumptions for accounting purposes can be found in Brighter's 2018 Annual Report in Note 3.

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 warrants as part of the external financing of the Group and as part of the incentive programs. Brighter AB also has a subsidiary in United Arab Emirates. The name of the subsidiary is Brighter Software Trading L.L.C. It is co-owned with the partner AFAQ, but fully controlled by Brighter AB. The Group has an associated company, Camanio Care, listed on Spotlight. Brighter's share of ownership was 29.8% as of June 30th, 2019.



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	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Result for the period attributable 100% to the parent company's shareholders	-23,529	-16,990	-40,239	-28,721
Number of shares at end of period before dilution	83,710,832	67,653,161	83,710,832	67,653,161
Number of shares at end of period after dilution	105,516,958	94,262,972	105,516,958	94,262,972
Weighted average number of shares before dilution	79,926,374	67,265,094	77,591,675	66,397,446
Earnings per share as a weighted average before dilution	-0.29	-0.25	-0.52	-0.43
Earnings per share (SEK) as a weighted average after dilution	-0.29	-0.25	-0.52	-0.43

Note 4 Financial instruments

SEK thousand	Jun 30 2019	Jun 30 2018	Dec 31 2018	Dec 31 2017
Loan and accounts receivable:				
Accounts receivable and other receivables, excluding interim claims	32,726	14,407	23,358	15,931
Cash and cash equivalents	23,100	4,401	9,031	10,017
Total	55,827	18,808	32,389	25,948
Other financial liabilities:				
Convertible bonds	19,880	10,724	9,893	8,437
Other interest-bearing debt	20,594	0	42,000	0
Accounts payable and other liabilities, excluding non-financial liabilities	5,909	25,115	-37,892	12,926
Total	46,384	35,839	14,001	21,363



Note 5 Borrowing and net liabilities

SEK thousand	Jun 30 2019	Jun 30 2018	Dec 31 2018	Dec 31 2017
Short-term				
Liabilities relating to interest-bearing debt or convertible bonds	40,475	10,724	51,893	8,437
Total borrowing	40,475	10,724	51,893	8,437
Cash and cash equivalents	23,100	4,401	9,031	10,017
Net debt interest-bearing liabilities	17,374	6,323	42,862	-1,58
Equity	146,494	78,762	106,918	87,389
Debt to equity ratio	11.9%	8.0%	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. From January 1st to June 30th Jan Stålemark has received a fee of SEK 125,150 for consultancy services and Afsaneh Ghatan Bauer has received SEK 173,530 for legal work and expenses regarding trademarks. The amounts are exclusive of VAT. All transactions are carried out on a commercial basis.



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 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 August 28, 2019 at 08:00 CET.

