

Brighter

Interim report

July - September 2019

It's official.

CE approved





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July - September 2019.

- Capitalized expenditure for development work reached SEK 6,273 thousand (2,404).
- Operating result amounted to SEK -12,637 thousand (-12,017).
- Result before tax amounted to SEK -15,686 thousand (-12,975).
- Earnings per share, before dilution amounted to SEK -0.17 (-0.15).

January - September 2019.

- Capitalized expenditure for development work reached SEK 24,834 thousand (13,945).
- Operating result amounted to SEK -44,781 thousand (-37,761)
- Result before tax amounted to SEK -55,158 thousand (-39,939).
- Earnings per share, before dilution amounted to SEK -0.68 (-0.57).

Financial overview.

KSEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016
Operating result	-12,637	-12,017	-48,605	-24,395	-14,445
Net financial items	-3,049	-958	-4,475	-2,897	-238
Result before tax	-15,686	-12,975	-53,080	-27,292	-14,683
Total assets	218,184	170,492	170,616	111,354	68,734
Equity per share (SEK)	2.35	1.60	1.55	1.54	1.01
Equity ratio to total assets	94%	64%	63%	78%	76%

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



CEO statement.

The great news from Q3 was the Actiste device receiving the EC certifications (CE-marks) we have worked so hard towards. We can now move forward with the other activities related to commercialising Actiste Diabetes Management as a Service. This crucial development substantially reduces Brighter's risk profile.

We enter our commercialisation phase with an improved balance sheet, thanks to the directed share issue of SEK 35.4 million we carried out in early September. Brighter's balance sheet is now completely cleared of interest-bearing loans.

In Q3, we signed a letter of intent to acquire all the shares in a subsidiary of Camanio Care AB (publ). We completed the acquisition in mid-October, creating the new standalone subsidiary Camanio AB. In connection to the acquisition, Brighter also sold all its shares in Camanio Care AB (publ). From a financial accounting perspective, Camanio AB will be integrated into the Brighter Group, and all our ties to Camanio Care AB (publ) will cease to exist. As part of the transaction, Camanio Care AB (publ) has changed its objective and will change its name, in order not to be confused with Camanio AB.

Our team in the United Arab Emirates – led by Kristian Sandberg – continues to work on commercializing Actiste Diabetes Management as a Service. Now that the Actiste device has received EC certifications, we are moving ahead with the local registration procedures. As a precursor to this, we officially launched Actiste Diabetes Management as a Service at the GITEX Technology Week in Dubai in early October.

Our regional strategy for launching Actiste remains as previously communicated: first the UAE and Sweden, and then Gulf Cooperation Council countries and Southeast Asia. Our original patent, used for developing Actiste, has now also been granted in Brazil. Although local approval of patents is not a prerequisite for entering a specific market, it increases the overall value of Brighter's IP portfolio.

We look forward to an exciting period ahead.



Best wishes,

Henrik Norström, CEO of Brighter AB.





Significant events during the period.

- Brighter carried out a directed share issue of SEK 10.8 million through set-off and cash.
- Brighter carried out a directed share issue of SEK 5 million.
- All L1 Capital convertibles have now been converted and the agreement with L1 Capital is thus fulfilled.
- Actiste – world's first unified IoT diabetes care device – received market approval (CE mark).
- Brighter carried out a directed share issue of SEK 35.4 million.
- Petra Kaur, formerly Chief Communications and Marketing Officer, has assumed the role of Chief Commercial and Marketing Officer.
- Brighter's main patent was granted in Brazil.
- 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.

Significant events after the end of the period.

- Brighter officially kicked-off commercial phase at GITEX in Dubai.
- Brighter acquired 100% of Camanio Care AB (publ)'s subsidiary Camanio AB and sold its holding in Camanio Care AB (publ).
- The number of shares in Brighter AB has increased. The total number of shares and votes increased from 85,720,621 to 93,397,483.



Comments on the financial results.

Financial results for July-September 2019.

Income.

Other operating income amounted to SEK 172 thousand (251) for the third quarter. Capitalized expenditure for development were SEK 6,273 thousand (2,404).

Operating result.

Operating result for the third quarter 2019 amounted to SEK -12,637 thousand (-12,017). Staff costs amounted to SEK -4,696 thousand (-2,958). 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 23,100 thousand (4,401), increasing to SEK 32,512 thousand (4,197) by the end of period.

Cash flow from operating activities before change in working capital amounted to SEK -11,792 thousand (-11,629). The change in working capital was SEK -4,513 thousand (-20,244). Investments amounted to SEK 10,760 thousand (3,038) of which investment of SEK 6,492 thousand (2,538) in intangible assets and SEK 2,268 (0) thousand in property, plant and equipment mainly for production of Actiste device.

Financing of SEK 36,476 thousand (34,708) after costs was raised through new issues, conversion of warrants and loans during the period. The company raised SEK 57,357 thousand in issues and used that to a large extent to repay loans.

Total cash flow for the period amounted to SEK 9,412 thousand (-204).

Financial results for January-September 2019.

Income.

Other operating income amounted to SEK 348 thousand (SEK 835) for the period. Capitalized expenditure for development were SEK 24,834 thousand (13,945).

Operating result.

Operating result for amounted to SEK -44,781 thousand (-37,761). 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 -14,477 thousand (-9,119). 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 has been 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 24,834 (13,945) thousand, which almost exclusively relates to the development of Actiste. Book value of capitalized expenditure totalled SEK 128,999 thousand (91,704). Book value of Property, plant and equipment totalled SEK 11,612 thousand (5,933). 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.

Inventory amounted to SEK 8,347 thousand (5,883) 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 27,987 thousand (48,133) include pre-payments to Sanmina, for production of Actiste, of SEK 19.4 million (13.2). The “receivable on associated company” refers to Camanio Care AB (publ).

As of September 30th, the Group had equity of SEK 205,335 thousand (109,490), an equity ratio of 94% (64%).

The Group has no long-term liabilities. Current interest-bearing loans from L1 amounted of nominal value of SEK 2,400 thousand were converted and L1 Capital is thus closed in full. Interest-bearing loans from Winance amounting to a nominal value of EUR 3 million were offset in new issues and thus no loan is remaining to Winance at the end of the quarter. See below and the Group website for more information on the Winance financing.

Cash flow.

At the beginning of the year, the Group had cash of SEK 9,031 thousand (10,017) changing to SEK 32,512 thousand (4,197) by the end of the period.

Cash flow from operating activities before change in working capital amounted to SEK -45,872 thousand (-35,394). Cash flow from operating activities were SEK -7,944 thousand (-23,965). Investments amounted to SEK 24,387 thousand (16,774), of which



investment of SEK 26,090 thousand (14,937) in intangible assets, and SEK 3,101 thousand (1,299) in property, plant and equipment mainly for production of Actiste. Financing of SEK 101,683 thousand (70,313) 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 and fully setoff in shares as of September 30th. 42 MSEK plus interest has been settled through cash payments and setoff new issues. The Group has no interest-bearing debt at the end of the quarter. No money was contributed by L1 Capital as that facility now is fully converted and closed. 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 3,387 thousand were subscribed by utilization of warrants TO4 and TO3.

Total cash flow for the period amounted to SEK 23,481 thousand -5,819).

Winance.

Winance is a private investment company, single family office, with offices in Dubai and New York. Winance has undertaken to invest EUR 15 million 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 1 has, at the end of this period, been fully set off in new issues of shares. Brighter has no remaining debt to Winance. 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 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 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 of Actiste was received, a significant breakthrough for the Group. The Actiste was certified in two CE-categories at once. It is a combination device based on the intersection between MDD and IVDD. This has made the regulatory process for the device very complex. Brighter has also received the ISO 13485 certification earlier this year which is an ISO certification of the quality management system.

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. The Group is currently engaged in plans 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 discussed, 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 September 30th, 2019, Brighter AB had approximately 8,000 shareholders, of whom the four largest represented approximately 26.8% 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 (13.0%), Truls Sjöstedt (7.4%), Ålandsbanken AB, W8IMY (2.3%) and Ålandsbanken on behalf of the owner (4.1%).

Warrants have been issued on several occasions. The subsidiary Brighter One AB is the holder of the warrants, to be allotted to employees, the Board, the CEO and management. Brighter One 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 AB (publ).

As of September 30th, 2019, Brighter AB owned 14,500,000 shares in Camanio Care AB (publ), which is an ownership of 29.8%. Camanio Care AB (publ) is listed at Spotlight. The share price at September 30th, 2019 was SEK 0.29 per share, which gives a market value of Brighter's holding at SEK 4.2 million. The acquisition value of the shares in the Parent Company was SEK 15.9 million and a write-off of the difference, SEK 11.7 million is thus applied to the quarterly accounts of the Parent Company as of September 30th, 2019.

Camanio Care AB (publ) reported a loss of SEK -3,199 thousand for the third quarter of 2019, thus giving Brighter a negative income from shares from associated companies of SEK -886 thousand for the third quarter.

After the end of the third quarter Brighter divested all its shares in Camanio Care AB (publ) and purchased 100% of the shares in the Camanio Care AB (publ) subsidiary Camanio AB. Before the purchase of shares in Camanio AB all of the assets in Camanio Care AB (publ) had been transferred to Camanio AB. The purchase was paid for through a new issue of shares in Brighter AB equivalent to a value of SEK 17 million.



Submission of interim report.

Stockholm, October 24, 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
Chairman 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 Oct-Dec 2019: 2/27 2020

Annual Report 2019: 4/16/2020

Annual General Meeting: 5/8/2020

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	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Capitalized expenditure for development work		6,273	2,404	24,834	13,945
Other operating income		172	251	348	835
Total		6,445	2,655	25,182	14,780
Other external costs		-13,364	-10,681	-49,137	-40,075
Staff costs		-4,696	-2,958	-14,477	-9,119
Depreciation/amortization of tangible and intangible assets		-18	-37	-45	-131
Other operating costs		-51	-142	-4,768	-214
Income from shares in associated companies after tax		-953	-854	-1,536	-3,002
Operating result		-12,637	-12,017	-44,781	-37,761
Other financial income		197	1,022	786	1,022
Financial expenses		-3,246	-1,980	-11,163	-3,199
Net financial items		-3,049	-958	-10,377	-2,177
Result before income tax		-15,686	-12,975	-55,158	-39,939
Income tax		0	0	0	0
Result for the period		-15,686	-12,975	-55,158	-39,939
Other comprehensive income:					
Translation differences on foreign operations		-43	7	-43	7
Total comprehensive income for the period		-15,729	-12,968	-55,201	-39,932
Attributable to the parent company's shareholders		-15,729	-12,968	-55,201	-39,932

Amounts in SEK		Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Earnings per share before dilution	3	-0.17	-0.15	-0.68	-0.57
Earnings per share after dilution	3	-0.17	-0.15	-0.68	-0.57



Consolidated statement of financial position.

Amounts in SEK thousand	Sep 30 2019	Sep 30 2018	Dec 31 2018
Capitalized expenditure for development work	123,182	87,273	98,348
Concessions, patents, licenses, trademarks and similar rights	5,817	4,431	4,581
Total intangible assets	128,999	91,704	102,929
Equipment, tools and installations	58	107	84
Construction in progress	11,554	5,826	8,452
Total property, plant and equipment	11,612	5,933	8,536
Shares in associated companies and jointly controlled companies	3,660	0	0
Other long-term securities	964	964	964
Other long-term receivables	0	125	0
Total financial assets	4,624	1,089	964
Total fixed assets	145,235	98,726	112,430
Inventories	8,347	5,883	7,070
Total inventories	8,347	5,883	7,070
Accounts receivable	4	180	200
Receivable on associated company		2,000	12,000
Other current receivables	5	27,987	48,133
Prepayments and accrued income		1,924	831
Total current receivables	32,091	61,686	42,085
Cash and cash equivalents	4,5	32,512	4,197
Total current assets	72,950	71,765	58,186
TOTAL ASSETS	218,184	170,492	170,616



Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Sep 30 2019	Sep 30 2018	Dec 31 2018
Share capital		4,590	3,660	3,722
Other contributed equity		395,889	232,692	243,138
Retained earnings		-195,144	-126,862	-139,942
Total Equity		205,335	109,490	106,918
Total equity attributable to the parent company's shareholders		205,335	109,490	106,918
Accounts payable	4	5,687	9,595	3,960
Convertible loans	4,5	0	4,825	9,893
Other interest-bearing debt		0	42,000	42,000
Other current liabilities	4	1,532	550	148
Accruals and deferred income		5,629	4,032	7,697
Total current liabilities		12,849	61,002	63,698
TOTAL EQUITY AND LIABILITIES		218,184	170,492	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 July 1, 2018	3,383	189,274	-113,896	78,762
Result for the period			-12,975	-12,975
Translation differences on foreign operations			7	7
Total comprehensive income			-126,862	65,794
Transactions with shareholders				
The value of conversion rights for convertible debt instruments		0		0
Conversion of convertible debt instruments	84	12,148		12,232
New issues, cash and offsetting	193	32,068		32,261
Issue costs		-798		-798
Total transactions with shareholders	277	43,417		43,695
Balance at September 30, 2018	3,660	232,692	-126,862	109,490
Balance at July 1, 2019	4,186	321,723	-179,415	146,494
Result for the period			-15,686	-15,686
Translation differences on foreign operations			-43	-43
Total comprehensive income			-195,144	130,764
Transactions with shareholders				
Offsetting share issue Winance	123	20,518		20,642
Conversion of convertible debt instruments	14	2,141		2,155
New issues cash and offsetting	267	51,654		51,921
Issue costs		-147		-147
Total transactions with shareholders	404	74,166	0	74,571
Balance at September 30 2019	4,590	395,889	-195,144	205,335

Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Operating result		-12,637	-12,017	-44,781	-37,716
Adjustment for items not included in the cash flow		971	2,118	5,955	4,109
Interest received		0	0	20	0
Interest paid		-146	-1,730	-7,066	-1,742
Income tax paid		0	0	0	0
Cash flow from operating activities before change in working capital		-11,792	-11,629	-45,872	-35,394
Increase/decrease in inventories		-3,176	-4,740	-5,651	-5,883
Increase/decrease in operating receivables		2,259	-18,465	761	-16,821
Increase/decrease in operating liabilities		-3,596	2,961	-3,054	-1,261
Total change in working capital		-4,513	-20,244	-7,944	-23,965
Cash flow from operating activities		-16,304	-31,873	-53,815	-59,359
Investments in intangible assets		-6,492	-2,538	-26,090	-14,937
Investments in property, plant and equipment		-2,268	0	-3,101	-1,299
Investments and loans to associated companies		-2,000	0	4,804	0
Investment in financial assets		0	-500	0	-538
Cash flow from investing activities		-10,760	-3,038	-24,387	-16,774
Loans raised		-20,734	32,000	-11,910	67,000
Cost of capital for convertible loans		0	-150	0	-450
New share issues and warrants		57,357	2,893	114,001	4,485
New share issue costs		-147	-35	-408	-721
Cash flow from financing activities		36,476	34,708	101,683	70,313
Cash flow for the period		9,412	-204	23,481	-5,819
Opening cash and cash equivalents		23,100	4,401	9,031	10,017
Closing cash and cash equivalents		32,512	4,197	32,512	4,197



Parent Company income statement.

Amounts in SEK thousand	Note	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Capitalized expenditure for development work		6,273	2,404	24,834	13,945
Other operating income		95	209	0	793
Total		6,367	2,613	25,034	14,738
Other external costs		-12,372	-9,802	-45,735	-39,179
Staff costs		-4,074	-2,937	-11,999	-9,097
Depreciation/amortization of tangible and intangible as- sets		-18	-37	-45	-131
Other operating costs		-44	-126	-4,759	-214
Total operating costs		-16,509	-12,902	-62,538	-48,621
Operating result		-10,141	-10,289	-37,503	-33,883
Other interest income and similar income		197	2,755	786	1,022
Interest expenses and similar expenses		-4,913	-1,980	-18,380	-5,374
Total result from financial items		-4,716	775	-17,593	-4,353
Result after financial items		-14,858	-9,515	-55,097	-38,235
Appropriations		0	0	0	0
Tax on result for the period		0	0	0	0
Result for the period		-14,858	-9,515	-55,097	-38,235



Parent Company balance sheet.

Amounts in SEK thousand	Note	Sep 30 2019	Sep 30 2018	Dec 31 2018
Capitalized expenditure for development work		123,182	87,273	98,348
Concessions, patents, licenses, trademarks and similar rights		5,817	4,431	4,581
Total intangible assets		128,999	91,704	102,929
Equipment, tools and installations		58	107	84
Construction in progress		11,554	5,826	8,452
Total property, plant and equipment		11,612	5,933	8,536
Shares in Group companies		789	50	789
Shares in associated companies		4,205	7,221	6,227
Other long-term securities		964	964	964
Other long-term receivables		0	0	0
Total financial assets		5,958	8,235	7,980
Total fixed assets		146,569	105,873	119,445
Inventories		8,347	5,883	7,070
Total inventories		8,347	5,883	7,070
Accounts receivable		180	721	200
Receivable on associate company		2,000	11,972	12,000
Receivable on subsidiary		8,542	0	2,898
Other receivables		27,991	49,123	28,157
Prepayments and accrued income		1,886	832	1,727
Total current receivables		40,599	62,648	44,982
Cash at bank and in hand		31,146	4,226	7,566
Total current assets		80,092	72,757	59,618
TOTAL ASSETS		226,661	178,629	179,063



Parent Company balance sheet cont.

Amounts in SEK thousand	Note	Sep 30 2019	Sep 30 2018	Dec 31 2018
Share capital		4,590	3,660	3,722
Development expenses fund		100,249	68,445	75,968
Restricted equity		104,839	72,105	79,691
Share premium		395,891	231,918	243,139
Result carried forward		-231,793	-148,239	-156,538
Result for the period		-55,097	-38,235	-50,974
Unrestricted equity		109,001	45,443	35,627
Total equity		213,840	117,548	115,317
Accounts payable		5,687	9,596	3,960
Convertible loans		0	4,825	9,893
Other interest-bearing debt		0	42,000	42,000
Other liabilities		1,557	627	222
Accruals and deferred income		5,576	4,033	7,671
Total current liabilities		12,821	61,081	63,746
TOTAL EQUITY AND LIABILITIES		226,661	178,629	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 AB (publ), listed on Spotlight. Brighter's share of ownership was 29.8% as of September 30th, 2019. After the end of the period Camanio Care AB (publ) was fully divested.

Brighter AB is listed on Nasdaq First North Growth Market (BRIG). The Brighter Certified Adviser on Nasdaq First North Growth Market 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	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018
Result for the period attributable 100% to the parent company's shareholders	-14,858	-9,515	-55,097	-38,235
Number of shares at end of period before dilution	91,799,739	68,942,747	91,799,739	68,942,747
Number of shares at end of period after dilution	113,478,059	95,071,205	113,478,059	95,071,205
Weighted average number of shares before dilution	87,654,678	68,597,164	80,933,534	67,130,685
Earnings per share (SEK) as a weighted average before dilution	-0.17	-0.15	-0.68	-0.57
Earnings per share (SEK) as a weighted average after dilution	-0.17	-0.15	-0.68	-0.57

Note 4 Financial instruments

SEK thousand	Sep 30 2019	Sep 30 2018	Dec 31 2018
Loan and accounts receivable:			
Accounts receivable and other receivables, excluding interim claims	30,167	60,854	23,358
Cash and cash equivalents	32,512	4,197	9,031
Total	62,678	65,051	32,389
Other financial liabilities:			
Convertible bonds	0	4,825	9,893
Other interest-bearing debt	0	0	42,000
Accounts payable and other liabilities, excluding non-financial liabilities	7,220	52,145	-37,892
Total	7,220	56,970	14,001



Note 5 Borrowing and net liabilities.

SEK thousand	Sep 30 2019	Sep 30 2018	Dec 31 2018
Short-term			
Liabilities relating to interest-bearing debt or convertible bonds	0	4,825	51,893
Total borrowing	0	4,825	51,893
Cash and cash equivalents	32,512	4,197	9,031
Net debt interest-bearing liabilities	-32,512	0,628	42,862
Equity	205,335	109,490	106,918
Debt to equity ratio	-15.8%	0.6%	40.1%

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 September 30th Jan Stålemark has received a fee of SEK 125,150 for consultancy services, Lars Flening has received a fee of SEK 30,000 for consultancy services and Afsaneh Ghatan Bauer has received SEK 173,530 for legal work and expenses regarding trademarks. Truls Sjöstedt, the chairman of the board, is fully employed by Brighter and receives salary according to his employment agreement. 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.

For further information, please contact:

Henrik Norström, CEO

Phone: +46 73 340 30 45

E-mail: henrik.norstrom@brighter.se

Ann Zetterberg, CFO

Phone: +46 708 37 21 23

E-mail: ann.zetterberg@brighter.se

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 October 25th, 2019 at 08:00 CET.

