

A photograph of a man and a young child standing outdoors at sunset. The man, on the right, is wearing a dark baseball cap, sunglasses, and a red backpack. He is holding a large blue skateboard vertically. The child, on the left, is wearing a white baseball cap and a red and white striped tank top. The child is holding a green skateboard. The background is a warm, golden sunset over a cityscape.

Brighter

# Interim report

April - June 2020



# Table of Contents.

April – June 2020.....	3
Financial overview. ....	3
CEO statement.....	4
Significant events during the period. ....	6
Significant events after the end of the period.....	6
Comments on the financial results.....	7
Submission of interim report.....	12
Financial statements. ....	13
Consolidated statement of comprehensive income. ....	13
Consolidated statement of financial position. ....	14
Consolidated statement of changes in equity.....	16
Consolidated statement of cash flows.....	17
Parent Company income statement. ....	18
Parent Company balance sheet. ....	19
Notes.....	21
About Brighter. ....	27



## April – June 2020.

- Net sales amounted to SEK 2,128 thousand (0).
- Operating result amounted to SEK -46,362 thousand (-19,467).
- Earnings before tax amounted to SEK -53,765 thousand (-23,671).
- Earnings per share, before and after dilution amounted to SEK -0.18 (-0.29).

Among the reasons for the higher loss was amortization of capitalized development and depreciation on equipment and installations now ready for use in production. Depreciation was SEK -6,688 thousand (-1). Brighter and Brighter Software Trading contributed SEK -31,428 thousand to the operating result of SEK -46,362 thousand. The rest refers to Camanio and Pink Nectarine Health, which were acquired in Q4 2019 and Q1 2020.

Head count (Full Time Equivalents – FTE) reach 100 at the end of the period, the number of FTE being 70 (25) employees and 30 consultants. The staff costs amounted to SEK -18,541 thousand (-5,029) of which SEK -7 702 thousand relates to Brighter AB and Brighter Software Trading LLC. Brighter AB and Brighter Software Trading LLC also had FTE consultancy costs of SEK -14,593 thousand.

Other external costs increased and amounted to SEK -41,339 thousand (-19,127) of which SEK -29,908 thousand relates to Brighter AB and Brighter Software Trading LLC.

## Financial overview.

SEK thousands	Apr-Jun 2020	Apr-Jun 2019	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016
Net sales	2,128	0	2,398	0	0	0
Operating result	-46,362	-19,467	-79,810	-48,605	-24,395	-14,445
Net financial items	-7,403	-4,205	-9,875	-4,475	-2,897	-238
Earning before tax	-53,765	-23,671	-89,685	-53,080	-27,292	-14,683
Total assets	379,313	199,991	255,664	170,616	111,354	68,734
Equity per share (SEK)	1.65	1.83	1.27	2.19	1.54	1.01
Equity ratio to total assets	87%	73%	81%	63%	78%	76%

For definitions, see note 28 in Brighter's 2019 Annual Report.



## CEO statement.

The first half of 2020 has been a turbulent time for the whole world. The Brighter Innovation Group has faced challenges too, but we've weathered them well and are now in a solid position for 2H 2020. We're staying the course we have set for the group companies and remain steadfastly focused on our goal of developing digital solutions that help people live healthier and easier lives, longer.

The events with Brighter's board over the summer have been an unfortunate distraction from all the good things that are happening inside the group. One of these is our partnership with the provincial government of West Java, Indonesia. This is a big breakthrough for Brighter, in a country where more than 10 million adults have diabetes. The partnership is not a revenue-generating opportunity at this stage, but it means we get 100 Actiste subscriptions into the hands of patients and healthcare professionals in Indonesia. This is very important, as it allows us to get both a head start in the commercial process as well as feedback from the users that we can use to further improve the Actiste service for Southeast Asia.

The phased rollout commencement of Actiste Diabetes Management as a Service in Sweden is beginning to bring us insights. Our ambassador and reference groups are using Actiste and providing us with valuable information about the customer experience. These user insights will help us to develop, improve and optimize the customer journey overall.

Some of our investments have not developed as quickly as anticipated. Our acquisition of Nectarine Health, for example, resulted in us deciding to support the company's pivot from pure B2B to primarily B2C, as this will better align its assets with the Brighter Group's longer-term strategy.

The increased attention to telemedicine amid the pandemic has had a positive effect on our investment in Accumbo. Since its wider scale launch in Sweden in March 2020 their hypertension treatment offering blodtrycksdoktorn.se has attracted more than 13,000 users to date. Brighter Group owns some 13% of Accumbo and we see a lot of synergies between our assets and customer bases, so this development has been welcome news. It confirms we are heading in the right strategic direction.

Due to delayed registration in the UAE sales and revenues have not picked up as expected. The Coronavirus pandemic is partly to balance as it's caused the healthcare sector to focus more on intensive care than preventive care throughout much of 1H 2020. We have used this time to sharpen our message about how Actiste

can allow diabetics to be treated via telemedicine in the safety and comfort of their own homes, rather than needing to visit hospitals.

On behalf of the Board of Directors and Leadership Team, given the delays in market approvals, the company remains committed to the vision and our main priority is go-to-market and revenue generation.

Finally, I want to thank the many shareholders who have written to me over the summer voicing their support for me personally and for the company. Some of you have also asked about when the CE-marked Actiste Mini will be available. I'm pleased you share our excitement around this product and as soon as we can put a timeframe on its market launch, we will do so.

Best wishes,



Henrik Norström, CEO of Brighter AB.



## Significant events during the period.

Brighter communicated that consumers in Sweden can now subscribe to Brighter's diabetes care subscription service Actiste®. Brighter's Actiste recognized by Fast Company as one of the best World Changing Ideas 2020. Brighter held the annual general shareholders meeting on the 15<sup>th</sup> of June where it was decided to adopt Long Term Incentive Programs (LTI) for the Board of Directors, CEO, Leadership team, key individuals and other team members. Brighter received SEK 9,2 million through exercise of warrants TO3. This was the last exercise period. The number of shares and votes in Brighter AB increased from 194,443,589 to 199,036,580.

## Significant events after the end of the period.

Brighter expanded its product portfolio with "Actiste® Mini" which received two (2) EC certificates. An additional patent for AI-monitoring of medical devices was granted in the US. On the 31st of July an extraordinary general shareholder's meeting (EGM) elected a new board. The new board members are Emilie Erhardt Winiarski, Åsa Sjöblom Nordgren, Hab El-Assaad and Truls Sjöstedt. A new chairman is to be elected at a later date and until then it was decided by the board that Emilie Erhardt Winiarski serves as chairman in the interim. The top candidate for permanent Chairman is being processed for election at an EGM. The EGM was held to replace the board members Tove Andersson, Emanuel Lipschütz Jan Stålemark, Anna Bernsten and Peter Sibirzeff.



# Comments on the financial results.

## Financial results for April-June 2020.

### Income.

Net sales were 2,128 thousand [0]. Other operating income amounted to SEK 509 thousand [143] for the period. Capitalized expenditure for development were SEK 18,895 thousand [9,869].

### Operating result.

Operating result for the period amounted to SEK -46,362 thousand [-19,467]. Among the reasons for the higher loss was amortization of capitalized development and depreciation on equipment and installations now ready for use in production. Depreciation was SEK -6,688 thousand [-1]. Brighter and Brighter Software Trading contributed SEK -31,428 thousand to the operating result. The rest refers to Camanio and Pink Nectarine Health, which were acquired in Q4 2019 and Q1 2020.

Head count (Full Time Equivalents – FTE) reach 100 at the end of the period, the number of FTE being 70 [25] employees and 30 consultants.

The staff costs amounted to SEK -18,541 thousand [-5,029] of which SEK -7 702 thousand relates to Brighter AB and Brighter Software Trading LLC. Brighter AB and Brighter Software Trading LLC also had FTE consultancy costs of SEK -14,593 thousand.

Other external costs increased and amounted to SEK -41,339 thousand [-19,127] of which SEK -29,908 thousand relates to Brighter AB and Brighter Software Trading LLC.

### Cash flow.

At the start of the quarter, the Group had cash of SEK 78,483 thousand [8,226], decreasing to SEK 23,470 thousand [23,100] by the end of period.

Cash flow from operating activities amounted to SEK -39,113 thousand [-29,044]. Investments amounted to SEK -25,068 thousand [-3,780] of which investment of SEK -22,570 thousand [-10,280] in intangible assets and SEK -2,498 [304] thousand in property, plant and equipment.

Financing of SEK 9,168 thousand [47,699] after costs was raised through conversion of warrants into shares during the period.

Total cash flow for the period amounted to SEK -55,013 thousand [14,875]



## Financial results for January-June 2020.

### Income.

Net sales were 3,840 thousand [0]. Other operating income amounted to SEK 1,038 thousand [176] for the second quarter. Capitalized production costs were SEK 27,536 thousand [18,561].

### Operating result.

Operating result for the period amounted to SEK -84,409 thousand [-32,467]. Among the reasons for the higher loss was amortization of capitalized development and depreciation on equipment and installations now ready for use in production. Depreciation was SEK -13,210 thousand [-27]. Brighter and Brighter Software Trading contributed SEK -60,380 thousand to the operating result. The rest refers to Camanio and Pink Nectarine Health, which were acquired in Q4 2019 and Q1 2020.

Head count (Full Time Equivalents – FTE) reach 100 at the end of the period, the number of FTE being 70 (25) employees and 30 consultants.

The staff costs amounted to SEK -33,439 thousand [-9,781] of which SEK -14,282 thousand relates to Brighter AB and Brighter Software Trading LLC. Brighter AB and Brighter Software Trading LLC also had FTE consultancy costs of SEK -25,921 thousand.

Other external costs increased and amounted to SEK -67,924 thousand [-36,096] of which SEK -52,206 thousand relates to Brighter AB and Brighter Software Trading LLC.

### Financial position.

Capitalized expenditure for development work during the period amounted to SEK 27,536 thousand [18,561], which relates to the development in Brighter AB, with SEK 15,843 thousand and Pink Nectarine Heath, with SEK 11,694 thousand. The acquisition in Pink Nectarine Health AB in January 2020 added SEK 18,106 thousand in intangible assets to the Group. Book value of capitalized expenditure totaled SEK 182,650 thousand [116,909].

Book value of property, plant and equipment totaled SEK 34,199 thousand [9,349] of which equipment tools and installations in use SEK 16,087 thousand [64]. Also, right-of-use assets relating to the rental agreements and leasing agreement for other assets held by the Group were SEK 18,112 thousand [0].

Financial assets mainly consist of shares of 13% ownership in Accumbo AB, an investment of SEK 9 million. The two companies, Accumbo and Brighter, also have a



partnership for development of a diabetes telehealth service to complement Accumbo's telehealth service for high blood pressure patients.

Inventory amounted to SEK 17,222 thousand (5,171).

Other current receivables, SEK 81,788 thousand (32,308) include pre-payments to Sanmina, for production of Actiste devices, of SEK 42.0 million (24.0) and a short-term placement against interest at a nominal value of SEK 42,751 thousand. The receivable was written-off by SEK 7.4 million as SEK 19,751 thousand of the receivable is exposed to changes in the share price in the underlying share held as security.

At the end of the period the Group had equity of SEK 331,093 thousand (146,494), an equity ratio of 87% (73%).

The Group's long-term interest-bearing debt relates to a loan from Almi held by Camanio AB and the long-term part of leasing liabilities.

The only remaining current interest-bearing debt is the short-term part of Camanio's debt to Almi and short-term part of leasing liabilities. A short-term loan of SEK 9 million from a private lender, was repaid in January 2020.

## Cash flow.

At the beginning of the year, the Group had cash of SEK 9,340 thousand (9,031) changing to SEK 23,470 thousand (23,100) by the end of the period.

Cash flow from operating activities after change in working capital amounted to SEK -104,575 thousand (-37,511). Investments amounted to SEK -72,285 thousand (-13,627), of which investment of SEK -33,375 thousand (-19,598) in intangible assets, and SEK -2,945 thousand (833) in property, plant and equipment.

Financing of SEK 190,990 thousand (65,207) after costs was raised during the period. New issues contributed SEK 201,318 million (56,644) of those and there was a repayment of a loan to a private lender of SEK 9 million. During 2020 new shares corresponding to SEK 9,971 thousand were subscribed by utilization of warrants TO4 and TO3.

Total cash flow for the period amounted to SEK 14,130 thousand (14,069).

## Sales.

Brighter is scaling up the sales effort in the target regions Southeast Asia and Gulf Cooperation Council, in which we have since 2015 built presence. Registration of the Actiste is under way in Malaysia, Singapore, Thailand, Indonesia, Saudi Arabia and the UAE and about to start in Kuwait, Oman and Bahrain.



The partnership with AFAQ Group in the UAE has brought successes in brand and product awareness already in 2019 and this is key in preparing for the rollout following a user experience evaluation project.

In Europe the primary targets include Sweden and the UK. In Sweden Brighter is recruiting Actiste “Ambassadors”, in promotion of the B2C online sales and continuing the development work initiated with Accumbo to launch “Diabetesdoktorn.se” (diabetes telehealth service).

Sales in Camanio AB is shifting from a product sales model to a recurring revenue model, a transformation that started last year and that impacted Q1 sales volume as expected. Pink Nectarine Health AB is expanding its offering from targeting a purely professional market segment to primarily focus on consumer sales.

### Future liquidity position.

The commercialization of Actiste, development and expansion of the Brighter, Camanio and Nectarine operations requires that the Group has adequate working capital for inventory, build-up of production as well as continued product development. Funding the business is a very important part of the Group’s growth strategy and a continuous part of the work of the Group Leadership. The Group has raised SEK 201 million through share issues so far in 2020, however, in line with the Group’s expansion strategy, further financing will be required. The company has an equity based financing contract in place for funding routine operations for at least the next 12 months. Further to that the Board and Group Leadership are continuously working on and evaluating various activities and financing options for the Group to secure the funds and resources needed to pursue the expansion strategy.

### Risks and uncertainty.

The principal risks and sources of uncertainty for Brighter include 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 2019 Annual Report pages 29-33 and in Note 19.

### Shareholders.

At June 30<sup>th</sup>, 2020, Brighter AB had some 11,500 shareholders, of whom the four largest represented approximately 22.6% of the capital and votes. The total number of shares



amounted to 199,036,580 at the end of the period. The largest shareholders were Försäkringsbolaget Avanza Pension (12.6%), Truls Sjöstedt (5.0%), Ålandsbanken AB, W8IMY (1.9%) and Ålandsbanken on behalf of the owner (3.1%).

Warrants have been issued on several occasions. The subsidiary Brighter One AB is the holder of the warrants, to be allotted to employees, the Board, the CEO and Leadership. Brighter One has also been the holder of the listed TO3-, TO4- and TO5-series. For further description and status of all the warrant programs please see Note 21 and 25 of Brighter's 2019 Annual Report.



# Submission of interim report.

Stockholm, August 31<sup>st</sup>, 2020  
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 the Group, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Emilie Erhardt Winiarski  
Chairman of the Board - interim

Henrik Norström  
CEO

Truls Sjöstedt  
Board Member

Åsa Sjöblom Nordgren  
Board Member

Hab El-Assaad  
Board Member

## Financial calendar.

Interim Report Jul-Sep 2020:	2020-11-06
Interim Report Sep-Dec 2020:	2021-02-12
Annual Report 2020:	2021-03-12
Interim Report Jan-Mar 2021:	2021-05-12
Interim Report Apr-Jun 2021:	2021-08-12

## 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 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Net sales		2,128	0	3,840	0
Capitalized expenditure for development work		18,895	9,869	27,536	18,561
Other operating income		509	143	1,038	176
<b>Total</b>		<b>21,532</b>	<b>10,013</b>	<b>32,415</b>	<b>18,737</b>
Raw materials and consumables		-1,234	0	-1,814	0
Other external costs		-41,339	-19,127	-67,924	-36,096
Staff costs		-18,541	-5,029	-33,439	-9,781
Depreciation/amortization of tangible and intangible assets		-6,688	-1	-13,210	-27
Other operating costs		-92	-4,739	-0,436	-4,717
Income from shares in associated companies after tax		0	-583	0	-583
<b>Operating result</b>		<b>-46,362</b>	<b>-19,467</b>	<b>-84,409</b>	<b>-32,467</b>
Other financial income		1,413	266	2,015	589
Financial expenses		-8,816	-4,471	-8,944	-7,598
<b>Net financial items</b>		<b>-7,403</b>	<b>-4,205</b>	<b>-6,929</b>	<b>-7,009</b>
<b>Result before income tax</b>		<b>-53,765</b>	<b>-23,671</b>	<b>-91,338</b>	<b>-39,475</b>
Income tax		0	0	0	0
<b>Result for the period</b>		<b>-53,765</b>	<b>-23,671</b>	<b>-91,338</b>	<b>-39,475</b>
<b>Other comprehensive income:</b>					
Translation differences on foreign operations		750	0	1,699	0
<b>Total comprehensive income for the period</b>		<b>-53,015</b>	<b>-23,674</b>	<b>-89,639</b>	<b>-39,475</b>
Attributable to the parent company's shareholders		-53,015	-23,674	-89,639	-39,475

Amounts in SEK		Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Earnings per share before dilution	3	-0.18	-0.29	-0.32	-0.52
Earnings per share after dilution	3	-0.18	-0.29	-0.32	-0.52



## Consolidated statement of financial position.

Amounts in SEK thousand		Jun 30 2020	Jun 30 2019	Dec 31 2019
Capitalized expenditure for development work		182,650	116,909	142,630
Concessions patents licenses trademarks and similar rights		6,613	5,611	6,042
Goodwill		10,007	0	10,005
<b>Total intangible assets</b>		<b>199,270</b>	<b>122,521</b>	<b>158,677</b>
Equipment tools and installations		16,087	64	1,332
Right-of-use assets		18,112	0	2,306
Construction in progress		0	9,285	12,831
<b>Total property, plant and equipment</b>		<b>34,199</b>	<b>9,349</b>	<b>16,470</b>
Shares in associated companies and jointly controlled companies			4,613	0
Other long-term securities		9,944	964	9,930
Other long-term receivables		1,663	0	1,663
<b>Total financial assets</b>		<b>11,607</b>	<b>5,577</b>	<b>11,593</b>
<b>Total fixed assets</b>		<b>245,075</b>	<b>137,447</b>	<b>186,740</b>
Inventories		17,222	5,171	6,831
<b>Total inventories</b>		<b>17,222</b>	<b>5,171</b>	<b>6,831</b>
Accounts receivable	4	576	180	701
Current tax assets		1,182	238	3,372
Other current receivables	5	81,788	32,308	43,695
Accrued income and costs		10,000	1,547	4,986
<b>Total current receivables</b>		<b>93,546</b>	<b>34,274</b>	<b>52,753</b>
Cash and cash equivalents	4,5	23,470	23,100	9,340
<b>Total current assets</b>		<b>134,238</b>	<b>62,545</b>	<b>68,924</b>
<b>TOTAL ASSETS</b>		<b>379,314</b>	<b>199,991</b>	<b>255,664</b>



## Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Jun 30 2020	Jun 30 2019	Dec 31 2019
Share capital		9,952	4,186	4,806
Other contributed equity		639,929	321,723	432,689
Retained earnings		-318,789	-179,415	-229,720
<b>Total Equity</b>		<b>331,093</b>	<b>146,494</b>	<b>207,775</b>
<b>Total equity attributable to the parent company's shareholders</b>		<b>331,093</b>	<b>146,494</b>	<b>207,775</b>
Long-term interest-bearing debt		10,683	0	1,390
Other long-term liabilities		127	0	191
<b>Total long-term liabilities</b>	<b>4,5</b>	<b>10,810</b>	<b>0</b>	<b>1,581</b>
Accounts payable	4	12,794	4,489	13,685
Convertible loans and similar debt	4,5	0	19,880	0
Other interest-bearing debt		7,315	20,594	10,642
Other current liabilities	4	8,783	1,420	6,767
Accruals and deferred income		8,520	7,113	15,215
<b>Total current liabilities</b>		<b>37,412</b>	<b>53,497</b>	<b>46,308</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>379,314</b>	<b>199,991</b>	<b>255,664</b>

## 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
<b>Balance at January 1, 2019</b>	<b>3,722</b>	<b>243,138</b>	<b>-139,942</b>	<b>106,918</b>
Result for the period			-39,475	-39,475
Translation differences on foreign operations			0	0
<b>Total comprehensive income</b>			<b>-39,475</b>	<b>-39,475</b>
<b><u>Transactions with shareholders</u></b>				
Value of allotted warrants		2,876		2,876
Conversion of convertible debt instruments	118	8,024		8,142
New issues, cash & off-setting	345	67,945		68,290
Issue costs		-261		-0,261
<b>Total transactions with shareholders</b>	<b>463</b>	<b>78,585</b>	<b>0</b>	<b>79,048</b>
<b>Balance at June 30, 2019</b>	<b>4,186</b>	<b>321,723</b>	<b>-179,415</b>	<b>146,494</b>
<b>Balance at January 1, 2020</b>	<b>4,806</b>	<b>432,120</b>	<b>-229,150</b>	<b>207,775</b>
Result for the period			-91,338	-91,338
Translation differences on foreign operations			1,699	1,699
<b>Total comprehensive income</b>			<b>-89,639</b>	<b>-89,639</b>
<b><u>Transactions with shareholders</u></b>				
New issue for cash	5,033	196,285		201,318
New issues for non-cash consideration	113	12,852		12,965
Issue costs		-1,328		-1,328
<b>Total transactions with shareholders</b>	<b>5,146</b>	<b>207,809</b>	<b>0</b>	<b>212,955</b>
<b>Balance at June 30 2020</b>	<b>9,952</b>	<b>639,929</b>	<b>-318,789</b>	<b>331,093</b>



## Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Operating result		-46,362	-19,467	-84,409	-32,144
Adjustment for items not included in the cash flow	8	6,688	4,958	13,210	4,984
Interest received		5	0	5	0
Interest paid		0	-4,850	-182	-6,920
<b>Cash flow from operating activities before change in working capital</b>		<b>-39,669</b>	<b>-19,359</b>	<b>-71,375</b>	<b>-34,080</b>
Increase/decrease in inventories		-2,257	-864	-5,594	-2,475
Increase/decrease in operating receivables		4,999	-8,014	-4,515	-1,498
Increase/decrease in operating liabilities		-2,186	-809	-23,091	542
<b>Total change in working capital</b>		<b>0,556</b>	<b>-9,686</b>	<b>-33,200</b>	<b>-3,431</b>
<b>Cash flow from operating activities</b>		<b>-39,113</b>	<b>-29,044</b>	<b>-104,575</b>	<b>-37,511</b>
Investments in intangible assets		-22,570	-10,280	-33,375	-19,598
Investments in property, plant and equipment		-2,498	-304	-2,945	-833
Investments and loans to associated companies		0	6,804	0	6,804
Investment in financial assets			0	-35,965	0
<b>Cash flow from investing activities</b>		<b>-25,068</b>	<b>-3,780</b>	<b>-72,285</b>	<b>-13,627</b>
Loans raised/paid		0	3,824	-9,000	8,824
New share issues and warrants		9,186	44,049	201,318	56,644
New share issue costs		-18	-174	-1,328	-261
<b>Cash flow from financing activities</b>		<b>9,168</b>	<b>47,699</b>	<b>190,990</b>	<b>65,207</b>
<b>Cash flow for the period</b>		<b>-55,013</b>	<b>14,875</b>	<b>14,130</b>	<b>14,069</b>
Opening cash and cash equivalents		78,483	8,226	9,340	9,031
Closing cash and cash equivalents		23,470	23,100	23,470	23,100



## Parent Company income statement.

Amounts in SEK thousand	Note	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Sales		8	0	8	0
Capitalized expenditure for development work		10,750	9,869	15,843	18,561
Other operating income		99	73	298	106
<b>Total</b>		<b>10,857</b>	<b>9,942</b>	<b>16,148</b>	<b>18,667</b>
Other external costs		-29,307	-17,860	-50,163	-33,362
Staff costs		-6,439	-4,023	-12,474	-7,924
Depreciation/amortization of tangible and intangible as- sets		-5,103	-1	-10,167	-27
Other operating costs		990	-4,739	651	-4,715
<b>Total operating costs</b>		<b>-39,860</b>	<b>-26,623</b>	<b>-72,152</b>	<b>-46,029</b>
<b>Operating result</b>		<b>-29,003</b>	<b>-16,681</b>	<b>-56,004</b>	<b>-27,362</b>
Other interest income and similar income		1,404	266	2,005	589
Interest expenses and similar expenses		-8,602	-7,114	-8,667	-13,466
<b>Total result from financial items</b>		<b>-7,198</b>	<b>-6,848</b>	<b>-6,662</b>	<b>-12,877</b>
<b>Result after financial items</b>		<b>-36,201</b>	<b>-23,529</b>	<b>-62,666</b>	<b>-40,239</b>
Appropriations		0	0	0	0
Tax on result for the period		0	0	0	0
<b>Result for the period</b>		<b>-36,201</b>	<b>-23,529</b>	<b>-62,666</b>	<b>-40,239</b>



## Parent Company balance sheet.

Amounts in SEK thousand	Note	Jun 30 2020	Jun 30 2019	Dec 31 2019
Capitalized expenditure for development work		135,686	116,909	128,576
Concessions, patents, licenses, trademarks and similar rights		6,621	5,611	5,966
<b>Total intangible assets</b>		<b>142,307</b>	<b>122,521</b>	<b>134,542</b>
Equipment, tools and installations		15,167	64	131
Construction in progress		0	9,285	12,831
<b>Total property, plant and equipment</b>		<b>15,167</b>	<b>9,349</b>	<b>12,963</b>
Shares in Group companies		30,754	789	17,789
Shares in associated companies		0	5,873	0
Other long-term securities		9,959	964	9,960
Other long-term receivables		1,647	0	1,634
<b>Total financial assets</b>		<b>42,360</b>	<b>7,626</b>	<b>29,382</b>
<b>Total fixed assets</b>		<b>195,044</b>	<b>139,496</b>	<b>176,887</b>
Inventories		11,863	5,171	4,808
<b>Total inventories</b>		<b>11,863</b>	<b>5,171</b>	<b>4,808</b>
Accounts receivable		4	180	0
Receivable on associate company		0	0	0
Receivable on subsidiary		65,633	4,763	19,286
Other receivables		82,069	35,281	46,407
Accrued income and costs		6,763	1,494	4,460
<b>Total current receivables</b>		<b>154,469</b>	<b>41,718</b>	<b>70,153</b>
Cash at bank and in hand		17,188	21,170	7,006
<b>Total current assets</b>		<b>183,520</b>	<b>68,059</b>	<b>81,967</b>
<b>TOTAL ASSETS</b>		<b>383,355</b>	<b>207,554</b>	<b>258,854</b>



## Parent Company balance sheet cont.

Amounts in SEK thousand	Note	Jun 30 2020	Jun 30 2019	Dec 31 2019
Share capital		9,952	4,186	4,806
Development expenses fund		121,030	93,976	109,979
<b>Restricted equity</b>		<b>130,982</b>	<b>98,162</b>	<b>114,784</b>
Share premium		639,929	321,724	432,121
Result carried forward		-361,749	-225,520	-241,522
Result for the period		-36,201	-40,239	-83,446
<b>Unrestricted equity</b>		<b>241,980</b>	<b>55,966</b>	<b>107,152</b>
<b>Total equity</b>		<b>372,962</b>	<b>154,128</b>	<b>221,936</b>
Accounts payable		4,077	4,489	11,760
Convertible loans		0	19,880	0
Other interest-bearing debt		0	20,594	9,000
Other liabilities		644	1,491	1,109
Accruals and deferred income		5,672	6,972	15,048
<b>Total current liabilities</b>		<b>10,394</b>	<b>53,426</b>	<b>36,918</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>383,355</b>	<b>207,554</b>	<b>258,854</b>

# Notes.

## **Note 1 Accounting policies.**

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. For the Parent Company, the interim report has been prepared in accordance with the Annual Accounts Act and the Swedish Securities Market Act in accordance with the provisions of RFR 2. For both the Group and the Parent Company the same accounting principles and bases for calculation have been applied as in its most recent Annual Report.

Significant accounting and valuation principles are detailed on in Note 1 in Brighter's 2019 Annual Report. Important estimates and assumptions for accounting purposes can be found in Brighter's 2019 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 Borgarfjordsgatan 18, SE-164 40 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 this government-contract-eligible mainland subsidiary is Brighter Software Trading L.L.C., with management control held by Brighter AB.

From the fourth quarter 2019, Brighter AB has a wholly owned subsidiary in Camanio AB as well as the two subsidiaries wholly owned by Camanio AB; Camanio Care Inc. and Bestic AB.

From January 2020, Brighter AB acquired Pink Nectarine Health AB, which became a wholly owned subsidiary.

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	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
Result for the period attributable 100% to the parent company's shareholders	-36,201	-23,529	-62,666	-40,239
Number of shares at end of period before dilution	199,036,580	83,710,832	199,036,580	83,710,832
Number of shares at end of period after dilution	216,137,377	105,404,590	216,137,377	105,516,958
Weighted average number of shares before dilution	197,505,583	79,926,374	195,465,957	77,572,947
Earnings per share (SEK) as a weighted average before dilution	-0.18	-0.29	-0.32	-0.52
Earnings per share (SEK) as a weighted average after dilution	-0.18	-0.29	-0.32	-0.52

### Note 4 Financial instruments.

#### Financial Assets.

SEK thousand	Jun 30 2020	Jun 30 2019	Dec 31 2019
Financial assets valued at fair value over P & L	9,944	964	9,930
<b>Assets at acquisition value</b>			
Accounts receivable	576	180	701
Depositions on collaboration and rental agreements	1,663	0	1,663
Short-term interest-bearing receivable*	35,352	0	0
Cash and cash equivalents	23,470	23,100	9,340
<b>Total</b>	<b>71,005</b>	<b>24,245</b>	<b>21,634</b>

#### Financial Liabilities.

SEK thousand	Jun 30 2020	Jun 30 2019	Dec 31 2019
Long-term interest-bearing debt	10,810	0	1,581
Short-term interest-bearing debt	7,315	20,594	10,642
Accounts payable	12,794	4,489	13,685
Convertible loans	0	19,880	0
<b>Total</b>	<b>30,918</b>	<b>44,964</b>	<b>25,908</b>

\*Short-term interest-bearing receivable consists of a short-term placement against interest at a nominal value of SEK 42,751 thousand. The receivable was written-off by SEK 7.4 million as SEK 19,751 thousand of the nominal value is exposed to changes of the share price in the underlying share held as security.

## Note 5 Borrowing and net liabilities.

SEK thousand	Jun 30 2020	Jun 30 2019	Dec 31 2019
<b>Long-term</b>			
Long-term interest-bearing debt	10,810	0	1,581
<b>Short-term</b>			
Liabilities relating to interest-bearing debt or convertible bonds	7,315	40,475	10,642
<b>Total borrowing</b>	<b>18,124</b>	<b>40,475</b>	<b>12,223</b>
Short-term interest-bearing receivable	35,352	0	0
Cash and cash equivalents	23,470	23,100	9,340
Net debt interest-bearing liabilities	-40,697	17,374	2,883
Equity	331,093	146,494	207,775
Debt to equity ratio	-12.3%	11.9%	1.4%

## 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 1<sup>st</sup> to June 30<sup>th</sup> Jan Stålemark has received a fee of SEK 481,650 for consultancy services on implementation of OKRs and SEK 600,000 as temporary CEO for Pink Nectarine Health AB. Tove Andersson has received SEK 171,654 for consultancy work regarding blockchain. Emanuel Lipschütz received SEK 44,100 for consultancy services. The amounts are exclusive of VAT. All transactions are carried out on a commercial basis. Truls Sjøstedt is fully employed by Brighter and receives salary according to his employment agreement.



## Note 7 Segment information.

Brighter's operating segments consists of Brighter, Camanio and Pink Nectarine Health.

Brighter AB develops mobile solutions in health-tech that facilitates treatment, collects reliable data and enables communication between the patient, relatives and healthcare. Initially, the offer is focused on diabetes.

Camanio AB develops digital solutions for care primarily aimed at the elderly in their home or at retirement homes. The company offers digital service platforms in healthcare, robotics, digital tools and smart technology.

Pink Nectarine Health AB is a Swedish company that develops artificial intelligence solutions within elderly care at home or in nursing homes. The initial offer was, in the form of a bracelet, focused on detecting falls and creating a safe and yet independent life for the elderly person.

### Net sales

There has been a smaller transaction between the segments invoiced at cost of purchases. The revenues from external customers that are reported for the segments to the Group leadership are valued in the same way as in the consolidated income statement.

### Segments assets and liabilities

The segment's assets and liabilities are measured in the same way as in the financial reports. Assets and liabilities are allocated based on the segment's operations.

## Net Sales from customers per segment.

SEK thousand	Jan-Jun 2020	Jan-Dec 2019
<b>Segments</b>		
Brighter	8	0
Camanio	3,271	2,438
Pink Nectarine Health	804	0
Elimination	-243	-40
<b>Total Group Net Sales from customers</b>	<b>3 840</b>	<b>2,398</b>



## Earnings before tax per segment.

SEK thousand	Jan-Jun 2020	Dec 31 2019
<b>Segments</b>		
Brighter	-67,135	-85,288
Camanio	-10,052	-4,397
Pink Nectarine Health	-14,150	0
Elimination	0	0
<b>Total Group Earnings before tax Group</b>	<b>-91,338</b>	<b>-89,685</b>

## Assets per segment.

SEK thousand	Jun 30 2020	Dec 31 2019
<b>Segments</b>		
Brighter	380,071	248,719
Camanio	39,046	32,707
Pink Nectarine Health	41,527	0
Elimination	-81,332	-25,763
<b>Total Assets Group</b>	<b>379,313</b>	<b>255,663</b>

## Liabilities per segment.

SEK thousand	Jun 30 2020	Dec 31 2019
<b>Segments</b>		
Brighter	21,760	36,965
Camanio	36,291	19,642
Pink Nectarine Health	41,491	0
Elimination	-51,320	-8,718
<b>Total Liabilities Group</b>	<b>48,222</b>	<b>47,889</b>

## Note 8 Acquisitions.

### Pink Nectarine Health AB.

On January 31st Brighter AB acquired 100% of Pink Nectarine Health AB shares. Below is the preliminary purchase price analysis. Pink Nectarine Health AB had before the acquisition acquired all the assets in Noomi AB. The acquisition was made through a set-off of shares in Brighter AB at a value of SEK 12 965 thousand. The number of shares issued were 2,266,682 shares at the share price of 5.72 SEK/share, as established through the average VWAP of the 20 days before the day of execution, on the 31<sup>st</sup> of January. There were no transaction costs.

Intangible assets	18,106
Property plant and equipment	506
Inventories	4,797
Short-term receivables	313
Deferred tax liability	-3,875
Short-term liabilities	-6,883
<b>Total</b>	<b>12,965</b>
Acquisition price	12,965
<b>Remaining value/ Goodwill</b>	<b>0</b>

## Note 9 Specification of items not included in the cash flow.

SEK thousand	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2019	Jan-Jun 2019
Depreciation/amortization of tangible and intangible assets	6,688	1	13,210	27
Income from shares in associated companies after tax	0	583	0	583
Write-off inventories	0	4,374	0	4,374
<b>Cash flow from operating activities before change in working capital</b>	<b>6,688</b>	<b>4,958</b>	<b>13,210</b>	<b>4,984</b>



## About Brighter.

Brighter is a public Swedish health-tech company with a vision of a world where managing chronic diseases is no longer a struggle. We want to engage, educate and empower people living with a chronic disease by providing solutions that simplifies everyday life, and believe a data-centric approach is key to provide smarter care. Our daily-care solutions facilitate the flow of real-life treatment data between patients, their loved ones and their care providers – improving quality of life, easing the burden on healthcare systems, and opening new opportunities for data-driven research.

The Brighter Group offers solutions related to diabetes care, welfare technology and digital healthcare services.

### 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 initiates 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.

Brighter has built a strong IP portfolio, and is continuously strengthening it even further through continuous development within both current and new upcoming business areas. As part of the company's long-term strategy IP is considered an active asset that strengthens existing business but also enables e.g. licensing.



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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 31<sup>st</sup>, 2020 at 08:00 CET.

