

Brighter

# Interim report

July - September 2020





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## July – September 2020.

- Net sales amounted to SEK 2,470 thousand (0).
- Operating result amounted to SEK -40,977 thousand (-12,637).
- Earnings before tax amounted to SEK -36,632 thousand (-15,686).
- Earnings per share, before and after dilution amounted to SEK -0.16 (-0.17).

Operating result for the period amounted to SEK -40,977 thousand (-12,637). 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 -7,470 thousand (-18). Brighter and Brighter Software Trading contributed SEK -30,007 thousand to the operating result. The rest refers to Camanio and Pink Nectarine Health, which were acquired in Q4 2019 and Q1 2020.

Average head count during the quarter (Full Time Equivalents – FTE) reached 120. The number of FTE being 79.5 (25) employees and 40.5 consultants.

The staff costs amounted to SEK -18,445 thousand (-4,696) of which SEK -7,716 thousand relates to Brighter AB and Brighter Software Trading LLC. Brighter AB and Brighter Software Trading LLC.

## Financial overview.

SEK thousands	Jul-Sep 2020	Jul-Sep 2019	Jan-Dec 2019	Jan-Dec 2018	Jan-Dec 2017	Jan-Dec 2016
<b>Net sales</b>	2,470	0	2,398	0	0	0
<b>Operating result</b>	-40,977	-12,637	-79,810	-48,605	-24,395	-14,445
<b>Net financial items</b>	4,345	-3,049	-9,875	-4,475	-2,897	-238
<b>Earning before tax</b>	-36,632	-15,686	-89,685	-53,080	-27,292	-14,683
<b>Total assets</b>	384,047	218,184	255,664	170,616	111,354	68,734
<b>Equity per share (SEK)</b>	1.64	2.34	1.27	2.19	1.54	1.01
<b>Equity ratio to total assets</b>	87%	94%	81%	63%	78%	76%

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



## CEO statement.

In the first week of November, we were able to announce that Actiste has received market approval in the Kingdom of Saudi Arabia. This is fantastic news for everyone – our customers, partners, shareholders and employees – allowing us to move further forward with our commercial efforts in the Gulf region.

That same week, we also announced a proposal from Brighter's Nomination Committee for an appointment to our Board of Directors. Christer Trägårdh has been proposed as the new Chairman of the Board as of January 1st, 2021. As part of these changes, Brighter's founder Truls Sjöstedt will step down from the board.

One of the most encouraging things about the third quarter was the feedback we received from our Actiste ambassadors, including the statement below from Annasara Karlsson, who has been using Actiste since July to treat her type 1 diabetes:

*"Something I really like about Actiste is that the time and dose for my insulin injections are registered automatically. Thanks to this function, I can track my values and my mind has become calmer."*

This confirms one of our key selling points for Actiste: namely, that the solution's ability to automatically track insulin doses brings its users peace of mind.

While our efforts with Actiste are ongoing (the Actiste Mini also recently received CE approval) it's important to remember that the Brighter Group is now about so much more than Actiste. And we are seeing great progress from some of our other investments.

Our investment made in Accumbo in late 2019 has turned out to have been very successful, with the company growing its registered user base from around 2,000 to over 14,500 registered users during the first half of 2020. We are also seeing positive developments with Nectarine Health, the AI remote-care company focused on assisted senior and independent living that Brighter acquired in January. The company is expected to be able to launch its new B2C service in early 2021. Finally, our subsidiary Camanio was recently awarded two out of five tender areas in a Swedish state procurement framework agreement for stationary and mobile care security alarm & response systems. Please refer to my October CEO letter for greater detail on developments with each of these subsidiaries.

We've recently committed to a group-wide cost efficiency initiative, focused on optimizing go-to-market resources and ensuring the organization is well fit for Brighter's commercial phase, and committing at always keeping our costs lower than budgeted.



This means, among other things, right-sizing the Brighter Group in terms of headcount (currently around 100 people). When we recruit, we do so to optimize the company's operations, and when people leave Brighter, we think carefully about how their roles should be filled or re-designed.

In terms of developing the Brighter brand, in September we announced that we would be joining forces with the Nordic region's leading entertainment provider, Nordic Entertainment Group (which launched the annual Diabetes Gala in 2017) and the medical device company Abbott. We'll all be working together to raise awareness about diabetes and drive positive change in the Nordic region through the BEAT Diabetes Foundation. This also brings Brighter some important visibility.

Meanwhile, our community for youth with type 1 diabetes, Pioneers Young, has now passed the 500-member mark. This is a fantastic achievement in a relatively short period of time, especially considering the community is currently only active in Sweden. We'll continue to learn and optimize before rolling out Pioneers Young in other countries too.

Best wishes,

Henrik Norström, CEO of Brighter AB.



## Significant events during 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 Bernstein and Peter Sibirzeff.

Brighter received SEK 21.7 million through exercise of warrants TO4. This was the last exercise period. Brighter also received SEK 21 million in a separate new issue. The number of shares and votes in Brighter AB increased from 199,036,580 to 217,291,255.

## Significant events after the end of the period.

Brighter's subsidiary Camanio has won a nationwide framework agreement with The Swedish Association of Local Authorities and Regions (SALAR/Sveriges Kommuner och Regioner) for stationary and mobile care security alarm & response systems.

Patents for monitoring medical devices has been approved in Singapore, Mexico and Japan.

Brighter AB gave notice of Extraordinary General Meeting on 20<sup>th</sup> of November. Christer Trägårdh was proposed as Chairman of Brighter’s Board of Directors – Sjöstedt steps down from the Board.

Brighter’s pioneering diabetes management solution Actiste® received market approval in the Kingdom of Saudi Arabia.

On 3<sup>rd</sup> of November Camanio had record sales of almost SEK 1 million from sales of Camanio's digital therapy animals and BikeAround in Sweden and Canada.





# Comments on the financial results.

## Financial results for July-September 2020.

### Income.

Net sales were 2,470 thousand [0]. Other operating income amounted to SEK 103 thousand [172] for the period. Capitalized expenditure for development were SEK 11,951 thousand [6,273].

### Operating result.

Operating result for the period amounted to SEK -40,977 thousand [-12,637]. 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 -7,470 thousand [-18]. Brighter and Brighter Software Trading contributed SEK -30,007 thousand to the operating result. The rest refers to Camanio and Pink Nectarine Health, which were acquired in Q4 2019 and Q1 2020.

Average head count during the quarter (Full Time Equivalents – FTE) reached 120. The number of FTE being 79.5 [25] employees and 40.5 consultants.

The staff costs amounted to SEK -18,445 thousand [-4,696] of which SEK -7,716 thousand relates to Brighter AB and Brighter Software Trading LLC. Brighter AB and Brighter Software Trading LLC.

Other external costs increased and amounted to SEK -27,697 thousand [-13,364] of which SEK -21,633 thousand relates to Brighter AB and Brighter Software Trading LLC.

### Cash flow.

At the start of the quarter, the Group had cash of SEK 23,470 thousand [23,100], decreasing to SEK 14,399 thousand [32,512] by the end of period.

Cash flow from operating activities amounted to SEK -35,361 thousand [-16,304]. Investments amounted to SEK -16,444 thousand [-10,760] of which investment of SEK -14,551 thousand [-6,492] in intangible assets and SEK -1,893 [2,268] thousand in property, plant and equipment.

Financing of SEK 42,735 thousand [36,476] after costs was raised through new issues of warrants into shares during the period.

Total cash flow for the period amounted to SEK -9,070 thousand [9,412]



## Financial results for January-September 2020.

### Income.

Net sales were 6,310 thousand (0). Other operating income amounted to SEK 1,142 thousand (348) for the second quarter. Capitalized production costs were SEK 39,487 thousand (24,834).

### Operating result.

Operating result for the period amounted to SEK -125,386 thousand (-44,781). 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 -20,680 thousand (-45). Brighter and Brighter Software Trading contributed SEK -90,387 thousand to the operating result. The rest refers to Camanio and Pink Nectarine Health, which were acquired in Q4 2019 and Q1 2020.

The staff costs amounted to SEK -51,884 thousand (-14,477) of which SEK-21,998 thousand relates to Brighter AB and Brighter Software Trading LLC. Brighter AB and Brighter Software Trading LLC.

Other external costs increased and amounted to SEK -95,621 thousand (-49,137) of which SEK -73,869 thousand relates to Brighter AB and Brighter Software Trading LLC.

### Financial position.

Capitalized expenditure for development work during the period amounted to SEK 39,487 thousand (24,834), which relates to the development in Brighter AB, with SEK 20,728 thousand and Pink Nectarine Health, with SEK 18,759 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 191,198 thousand (123,182).

Book value of property, plant and equipment totaled SEK 37,115 thousand (11,612) of which equipment tools and installations in use SEK 21,111 thousand (58). Also, right-of-use assets relating to the rental agreements and leasing agreement for other assets held by the Group were SEK 16,004 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 19,065 thousand (8,347).

Other current receivables, SEK 79,784 thousand (27,987) include pre-payments to Sanmina, for production of Actiste devices, of SEK 39.9 million (19.4) and a short-term





placement against interest at a nominal value of SEK 42,751 thousand. The receivable was written-off by SEK 5.4 million as SEK 12,695 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 335,894 thousand (205,335), an equity ratio of 87% (94%).

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 14,399 thousand (32,512) by the end of the period.

Cash flow from operating activities after change in working capital amounted to SEK -140,260 thousand (-53,815). Investments amounted to SEK -88,729 thousand (-24,387), of which investment of SEK -47,926 thousand (-26,090) in intangible assets, and SEK -4,383 thousand (3,101) in property, plant and equipment. SEK 35,965 thousand was placed against interest.

Financing of SEK 234,049 thousand (101,683) after costs was raised during the period. New issues contributed SEK 244,053 thousand (114,001) 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 31,690 thousand were subscribed by utilization of warrants TO4 and TO3.

Total cash flow for the period amounted to SEK 5,060 thousand (23,481).

### 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. Market approval for the Actiste and Companion App has been granted in Saudi Arabia and registration is under way in Malaysia, Singapore, Thailand, Indonesia and the UAE and about to start in Kuwait, Oman and Bahrain.

In the UAE we've experienced successes in brand and product awareness already in 2019 and this is key in preparing for the rollout following a user experience evaluation project. The extended registration process is, however, delaying the commercialization of the service in the country.

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. The recent award of two of five tender areas for stationary and mobile care alarms in Sweden is a clear confirmation of the potential in Camanio.

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 244 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 September 30<sup>th</sup>, 2020, Brighter AB had some 11,800 shareholders, of whom the four largest represented approximately 20.5% of the capital and votes. The total number of shares amounted to 217,291,255 at the end of the period. The largest shareholders were Försäkringsbolaget Avanza Pension (11.5%), Truls Sjöstedt (4.5%), Ålandsbanken AB, W8IMY (1.8%) and Ålandsbanken on behalf of the owner (2.7%).



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 currently listed TO5-series. The TO4- and TO4-series have expired. 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, November 6<sup>th</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 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	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Net sales		2,470	0	6,310	0
Capitalized expenditure for development work		11,951	6,273	39,487	24,834
Other operating income		103	172	1,142	348
<b>Total</b>		<b>14,524</b>	<b>6,445</b>	<b>46,939</b>	<b>25,182</b>
Raw materials and consumables		-1,645	0	-3,460	0
Other external costs	3	-27,697	-13,364	-95,621	-49,137
Staff costs		-18,445	-4,696	-51,884	-14,477
Depreciation/amortization of tangible and intangible assets		-7,470	-18	-20,680	-45
Other operating costs		-244	-51	-680	-4,768
Income from shares in associated companies after tax		0	-953	0	-1,536
<b>Operating result</b>		<b>-40,977</b>	<b>-12,637</b>	<b>-125,386</b>	<b>-44,781</b>
Other financial income		4,662	197	3,517	786
Financial expenses		-317	-3,246	-6,102	-11,163
<b>Net financial items</b>		<b>4,345</b>	<b>-3,049</b>	<b>-2,584</b>	<b>-10,377</b>
<b>Result before income tax</b>		<b>-36,632</b>	<b>-15,686</b>	<b>-127,970</b>	<b>-55,158</b>
Income tax		0	0	0	0
<b>Result for the period</b>		<b>-36,632</b>	<b>-15,686</b>	<b>-127,970</b>	<b>-55,158</b>
<b>Other comprehensive income:</b>					
Translation differences on foreign operations		-423	-43	76	-43
<b>Total comprehensive income for the period</b>		<b>-37,055</b>	<b>-15,729</b>	<b>-127,894</b>	<b>-55,201</b>
Attributable to the parent company's shareholders		-37,055	-15,729	-127,894	-55,201

Amounts in SEK		Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Earnings per share before dilution	4	-0.16	-0.17	-0.48	-0.68
Earnings per share after dilution	4	-0.16	-0.17	-0.48	-0.68



## Consolidated statement of financial position.

Amounts in SEK thousand	Sep 30 2020	Sep 30 2019	Dec 31 2019
Capitalized expenditure for development work	191,198	123,182	142,630
Concessions patents licenses trademarks and similar rights	7,194	5,817	6,042
Goodwill	9,613	0	10,005
<b>Total intangible assets</b>	<b>208,005</b>	<b>128,999</b>	<b>158,677</b>
Equipment tools and installations	21,111	58	1,332
Right-of-use assets	16,004	0	2,306
Construction in progress	0	11,554	12,831
<b>Total property, plant and equipment</b>	<b>37,115</b>	<b>11,612</b>	<b>16,470</b>
Shares in associated companies and jointly controlled companies		3,660	0
Other long-term securities	9,970	964	9,930
Other long-term receivables	1,647	0	1,663
<b>Total financial assets</b>	<b>11,617</b>	<b>4,624</b>	<b>11,593</b>
<b>Total fixed assets</b>	<b>256,738</b>	<b>145,235</b>	<b>186,740</b>
Inventories	19,065	8,347	6,831
<b>Total inventories</b>	<b>19,065</b>	<b>8,347</b>	<b>6,831</b>
Accounts receivable	5	996	180
Current tax assets		3,437	2,000
Other current receivables	6	79,784	27,987
Accrued income and costs		9,628	1,924
<b>Total current receivables</b>	<b>93,845</b>	<b>32,091</b>	<b>52,753</b>
Cash and cash equivalents	5,6	14,399	32,512
<b>Total current assets</b>	<b>127,309</b>	<b>72,950</b>	<b>68,924</b>
<b>TOTAL ASSETS</b>	<b>384,047</b>	<b>218,184</b>	<b>255,664</b>





## Consolidated statement of financial position cont.

Amounts in SEK thousand	Note	Jun 30 2020	Sep 30 2019	Dec 31 2019
Share capital		10,865	4,590	4,806
Other contributed equity		682,075	395,889	432,689
Retained earnings		-357,045	-195,144	-229,720
<b>Total Equity</b>		<b>335,894</b>	<b>205,335</b>	<b>207,775</b>
<b>Total equity attributable to the parent company's shareholders</b>		<b>335,894</b>	<b>205,335</b>	<b>207,775</b>
Long-term interest-bearing debt		9,203	0	1,390
Other long-term liabilities		63	0	191
<b>Total long-term liabilities</b>	<b>5,6</b>	<b>9,266</b>	<b>0</b>	<b>1,581</b>
Accounts payable	5	16,915	5,687	13,685
Other interest-bearing debt		6,956	0	10,642
Other current liabilities	5	6,507	1,532	6,767
Accruals and deferred income		8,508	5,629	15,215
<b>Total current liabilities</b>		<b>38,886</b>	<b>12,849</b>	<b>46,308</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>384,047</b>	<b>218,184</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			-55,158	-55,158
Translation differences on foreign operations			-43	-43
<b>Total comprehensive income</b>			<b>-55,201</b>	<b>-55,201</b>
<b>Transactions with shareholders</b>				
Value of allotted warrants		2,876		2,876
Conversion of convertible debt instruments	132	10,165		10,297
New issues, cash & off-setting	735	140,118		140,853
Issue costs	0	-408		-408
<b>Total transactions with shareholders</b>	<b>867</b>	<b>152,751</b>	<b>0</b>	<b>153,618</b>
<b>Balance at September 30, 2019</b>	<b>4,590</b>	<b>395,889</b>	<b>-195,144</b>	<b>205,335</b>
<b>Balance at January 1, 2020</b>	<b>4,806</b>	<b>432,689</b>	<b>-229,720</b>	<b>207,775</b>
Result for the period			-127,970	-127,970
Translation differences on foreign operations			76	76
<b>Total comprehensive income</b>			<b>-127,894</b>	<b>-127,894</b>
<b>Transactions with shareholders</b>				
New issue for cash	5,946	238,107		244,053
New issues for non-cash consideration	113	12,852		12,965
Issue costs		-1,004		-1,004
<b>Total transactions with shareholders</b>	<b>6,059</b>	<b>249,955</b>	<b>0</b>	<b>256,014</b>
<b>Balance at September 30 2020</b>	<b>10,865</b>	<b>682,644</b>	<b>-357,614</b>	<b>335,894</b>

## Consolidated statement of cash flows.

Amounts in SEK thousand	Note	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Operating result		-40,977	-12,637	-125,386	-44,781
Adjustment for items not included in the cash flow	9	7,470	971	20,680	5,955
Interest received		0	0	5	20
Interest paid		0	-146	-182	-7,066
<b>Cash flow from operating activities before change in working capital</b>		<b>-33,508</b>	<b>-11,792</b>	<b>-104,883</b>	<b>-45,872</b>
Increase/decrease in inventories		-1,843	-3,176	-7,437	-5,651
Increase/decrease in operating receivables		-299	2,259	-10,253	761
Increase/decrease in operating liabilities		289	-3,596	-17,686	-3,054
<b>Total change in working capital</b>		<b>-1,853</b>	<b>-4,513</b>	<b>-35,377</b>	<b>-7,944</b>
<b>Cash flow from operating activities</b>		<b>-35,361</b>	<b>-16,304</b>	<b>-140,260</b>	<b>-53,815</b>
Investments in intangible assets		-14,551	-6,492	-47,926	-26,090
Investments in property, plant and equipment		-1,893	-2,268	-4,838	-3,101
Investments and loans to associated companies		0	-2,000	0	4,804
Investment in financial assets		0	0	-35,965	0
<b>Cash flow from investing activities</b>		<b>-16,444</b>	<b>-10,760</b>	<b>-88,729</b>	<b>-24,387</b>
Loans raised/paid		0	-20,734	-9,000	-11,910
New share issues and warrants		42,735	57,357	244,053	114,001
New share issue costs		0	-147	-1,004	-408
<b>Cash flow from financing activities</b>		<b>42,735</b>	<b>36,476</b>	<b>234,049</b>	<b>101,683</b>
<b>Cash flow for the period</b>		<b>-9,070</b>	<b>9,412</b>	<b>5,060</b>	<b>23,481</b>
Opening cash and cash equivalents		23,470	23,100	9,340	9,031
Closing cash and cash equivalents		14,399	32,512	14,399	32,512

## Parent Company income statement.

Amounts in SEK thousand	Note	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Sales		1	0	9	0
Capitalized expenditure for development work		4,885	6,273	20,728	24,834
Other operating income		90	95	387	0
<b>Total</b>		<b>4,976</b>	<b>6,367</b>	<b>21,123</b>	<b>25,034</b>
Other external costs		-21,487	-12,372	-71,650	-45,735
Staff costs		-6,511	-4,074	-18,985	-11,999
Depreciation/amortization of tangible and intangible as- sets		-5,137	-18	-15,304	-45
Other operating costs		316	-44	967	-4,759
<b>Total operating costs</b>		<b>-32,820</b>	<b>-16,509</b>	<b>-104,972</b>	<b>-62,538</b>
<b>Operating result</b>		<b>-27,845</b>	<b>-10,141</b>	<b>-83,849</b>	<b>-37,503</b>
Other interest income and similar income		1,548	197	3,553	786
Interest expenses and similar expenses		-7,042	-4,913	-15,709	-18,380
<b>Total result from financial items</b>		<b>-5,494</b>	<b>-4,716</b>	<b>-12,156</b>	<b>-17,593</b>
<b>Result after financial items</b>		<b>-33,339</b>	<b>-14,858</b>	<b>-96,005</b>	<b>-55,097</b>
Appropriations		0	0	0	0
Tax on result for the period		0	0	0	0
<b>Result for the period</b>		<b>-33,339</b>	<b>-14,858</b>	<b>-96,005</b>	<b>-55,097</b>



## Parent Company balance sheet.

Amounts in SEK thousand	Note	Sep 30 2020	Sep 30 2019	Dec 31 2019
Capitalized expenditure for development work		136,221	123,182	128,576
Concessions, patents, licenses, trademarks and similar rights		7,180	5,817	5,966
<b>Total intangible assets</b>		<b>143,401</b>	<b>128,999</b>	<b>134,542</b>
Equipment, tools and installations		19,706	58	131
Construction in progress		0	11,554	12,831
<b>Total property, plant and equipment</b>		<b>19,706</b>	<b>11,612</b>	<b>12,963</b>
Shares in Group companies		30,754	789	17,789
Shares in associated companies		0	4,205	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>5,958</b>	<b>29,382</b>
<b>Total fixed assets</b>		<b>205,467</b>	<b>146,569</b>	<b>176,887</b>
Inventories		13,885	8,347	4,808
<b>Total inventories</b>		<b>13,885</b>	<b>8,347</b>	<b>4,808</b>
Accounts receivable		0	180	0
Receivable on associate company		0	2,000	0
Receivable on subsidiary		83,917	8,542	19,286
Other receivables		82,719	27,991	46,407
Accrued income and costs		6,775	1,886	4,460
<b>Total current receivables</b>		<b>173,412</b>	<b>40,599</b>	<b>70,153</b>
Cash at bank and in hand		4,263	31,146	7,006
<b>Total current assets</b>		<b>191,560</b>	<b>80,092</b>	<b>81,967</b>
<b>TOTAL ASSETS</b>		<b>397,027</b>	<b>226,661</b>	<b>258,854</b>



## Parent Company balance sheet cont.

Amounts in SEK thousand	Note	Sep 30 2020	Sep 30 2019	Dec 31 2019
Share capital		10,865	4,590	4,806
Development expenses fund		125,915	100,249	109,979
<b>Restricted equity</b>		<b>136,780</b>	<b>104,839</b>	<b>114,784</b>
Share premium		682,644	395,891	432,121
Result carried forward		-341,080	-231,793	-241,522
Result for the period		-96,005	-55,097	-83,446
<b>Unrestricted equity</b>		<b>245,559</b>	<b>109,001</b>	<b>107,152</b>
<b>Total equity</b>		<b>382,339</b>	<b>213,840</b>	<b>221,936</b>
Accounts payable		8,635	5,687	11,760
Convertible loans		0	0	0
Other interest-bearing debt		0	0	9,000
Other liabilities		1,061	1,557	1,109
Accruals and deferred income		4,992	5,576	15,048
<b>Total current liabilities</b>		<b>14,689</b>	<b>12,821</b>	<b>36,918</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>397,027</b>	<b>226,661</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](mailto:info@eminova.se).

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



### Note 3 Specification of other external costs

Other external costs of SEK 95,621 thousand mainly consist of consultancy costs of SEK 66,754 thousand (35,397) of which Brighter is SEK 56,751 thousand, Nectarine is SEK 8,406 thousand and Camanio is SEK 1,600 thousand.

### Note 4 Earnings per share.

SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019
Result for the period attributable 100% to the parent company's shareholders	-33,339	-14,858	-96,005	-55,097
Number of shares at end of period before dilution	217,291,255	91,799,739	217,291,255	91,799,739
Number of shares at end of period after dilution	221,303,307	113,478,059	221,303,307	113,478,059
Weighted average number of shares before dilution	205,121,472	87,654,678	198,684,462	80,933,534
Earnings per share (SEK) as a weighted average before dilution	-0.16	-0.17	-0.48	-0.68
Earnings per share (SEK) as a weighted average after dilution	-0.16	-0.17	-0.48	-0.68

### Note 5 Financial instruments.

Financial Assets.

SEK thousand	Sep 30 2020	Sep 30 2019	Dec 31 2019
Financial assets valued at fair value over P & L	9,970	964	9,930
<b>Assets at acquisition value</b>			
Accounts receivable	996	180	701
Depositions on collaboration and rental agreements	1,647	0	1,663
Short-term interest-bearing receivable*	35,352	0	0
Cash and cash equivalents	14,399	32,512	9,340
<b>Total</b>	<b>62,364</b>	<b>33,656</b>	<b>21,634</b>

Financial Liabilities.

SEK thousand	Sep 30 2020	Sep 30 2019	Dec 31 2019
Long-term interest-bearing debt	9,266	0,000	1,581
Short-term interest-bearing debt	6,956	0,000	10,642
Accounts payable	16,915	5,687	13,685
<b>Total</b>	<b>33,137</b>	<b>5,687</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 5.4 million as SEK 12,695 thousand of the nominal value is exposed to changes of the share price in the underlying share held as security.

## Note 6 Borrowing and net liabilities.

SEK thousand	Jun 30 2020	Sep 30 2019	Dec 31 2019
<b>Long-term</b>			
Long-term interest-bearing debt	9,266	0	1,581
<b>Short-term</b>			
Liabilities relating to interest-bearing debt or convertible bonds	6,956	0	10,642
<b>Total borrowing</b>	<b>16,223</b>	<b>0</b>	<b>12,223</b>
Short-term interest-bearing receivable	35,352	0	0
Cash and cash equivalents	14,399	32,512	9,340
<b>Net debt interest-bearing liabilities</b>	<b>-33,529</b>	<b>-32,512</b>	<b>2,883</b>
Equity	335,894	205,335	207,775
Debt to equity ratio	-10.0%	-15.8%	1.4%

## Note 7 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 September 30<sup>th</sup> Jan Stålemark 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 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 Sjöstedt is fully employed by Brighter and receives salary according to his employment agreement.



## Note 8 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-Sep 2020	Jan-Dec 2019
<b>Segments</b>		
Brighter	8	0
Camanio	5,286	2,438
Pink Nectarine Health	1,258	0
Elimination	-243	-40
<b>Total Group Net Sales from customers</b>	<b>6,309</b>	<b>2,398</b>



## Earnings before tax per segment.

SEK thousand	Jan-Sep 2020	Dec 31 2019
<b>Segments</b>		
Brighter	-102,772	-85,288
Camanio	-14,661	-4,397
Pink Nectarine Health	-20,737	0
Elimination	10,200	0
<b>Total Group Earnings before tax Group</b>	<b>-127,970</b>	<b>-89,685</b>

## Assets per segment.

SEK thousand	Sep 30 2020	Dec 31 2019
<b>Segments</b>		
Brighter	391,072	248,719
Camanio	40,108	32,707
Pink Nectarine Health	49,728	0
Elimination	-96,862	-25,763
<b>Total Assets Group</b>	<b>384,047</b>	<b>255,663</b>

## Liabilities per segment.

SEK thousand	Sep 30 2020	Dec 31 2019
<b>Segments</b>		
Brighter	25,516	36,965
Camanio	40,031	19,642
Pink Nectarine Health	49,458	0
Elimination	-66,853	-8,718
<b>Total Liabilities Group</b>	<b>48,152</b>	<b>47,889</b>

## Note 9 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 10 Specification of items not included in the cash flow.

SEK thousand	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2019	Jan-Sep 2019
Depreciation/amortization of tangible and intangible assets	7,470	18	20,680	45
Income from shares in associated companies after tax	00	953	0	1,536
Write-off inventories	0	0	0	4,374
<b>Cash flow from operating activities before change in working capital</b>	<b>7,470</b>	<b>971</b>	<b>20,680</b>	<b>5,955</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 November 6, 2020 at 08:00 CET.

